

TERRITORIAL ADMINISTRATIVE REFORM – SOURCE FOR LOCAL DEVELOPMENT. STUDY CASE: BIHOR COTUNTY

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Abstract: *Romania's territorial and administrative reform, begun in the period of pre-accession to the UE, seems to be actually stuck in technical and political details, and personal vanity as well. We claim the necessity of realizing it urgently and not just due to the European directives for implementation to the Nuts 2 system of management for development projects with European funding, but also for a more efficient implementation of the national strategies. We notice that the actual scenarios varies but as the number of macroregions - from 8 to 12, or even more – but also as structure. We consider the reform must be realised of "bottom to up" starting from the level of villages to constitute the macroregions and not the opposite direction. Thus, even for a limited period of time, there would not be two or more territorial - administrative units with similar executive attributions and so two categories of public expenditure for wages paid for the same responsibilities. Contrary, in the analysis conducted on the situation of Bihor County, analyzing only the administrative expenditure - wages - reported to those that could be after the implementation of the proposed measures, in the condition of respecting the actual legislation - the wages increase realized proportionally with the population of the administrated area - would lead to extremely important savings. The new budget for wages would represent only 2,43% of the actual wages.*

Keywords: territorial administrative reform, communal areas, reducing administrative costs

JEL classification: B52, E61, H72, H77

A nation capacity to develop, to keep a ascending trend implies the adjustment of all its components to the constantly new challenges of the economic and political reality. We consider administrative aspects being a key component in this approach: how every nation resources are managed to provide real conditions of increase well-being of all citizens. Today Romania is administratively organized into 41 counties, and eight macroregions, without own administrative capacity yet. To better understanding the shortcomings of the current mechanism in terms of administrative organization we will have a brief historical approach.

For the first time in the Romanian Countries, administrative organization in counties was during the reign of Mircea the Old (1386 1418) which refers to the land Vâlcei - first county attested in Romania today - Vâlcea county. But the really important are administrative measures taken by Alexandru Ioan Cuza, since 1860 by several laws have established clear tasks for each County Council. Great Union of December 1918 also brings administrative reforms with the 23 counties. However only in the Constitution from 1923 clarify the situation of Romania's administrative territorial districts, communes and villages. Grand National Assembly in September 1950 decided to organize the country into regions, cities, districts and communes, situation that will be corrected later, today having 41 counties. These districts include 263 cities, 94 have the status of municipality, 2859 communes and 13,285 villages according to the last National Census from 2011. Only 13 of the general municipal cities have rank status 0 or 1, including Oradea, residence of

Bihor County, on which we will focus the analysis of case study.

Table 1: Evolution of the number of counties

1918-1925	1925-1940	1940-1950	1950-1952	1952-1956	1956-1960	1960-1968	1968-2015		
							1968-1981	1981-1997	1997-2015
76 Counties	71 Counties	58 Counties	28 Regions	18 Regions	16 Regions	16 Regions	39 Counties	40 Counties	41 Counties

Source: <http://www.geopolitic.ro/17%29%20News%20March%202013%20%285.03.2013%29.pdf>

Since 1998, during pre-accession period, County Councils have been organized on 8 development regions: North-East, South-East, South, South-West, West, North-East, Central, Bucharest-Ilfov; expectations were that after accession, those to achieve also administrative capacities. It should be emphasized that the development regions are not territorial-administrative units, with no legal personality, being solely the result of an agreement between the county and local councils.

Perhaps the fact that from their appearance until now have been almost 10 years and major advances in the direction of acquiring awaited administrative capacities have not been done, reinforces our belief that in reality there are many details still to be put in place.

We believe that achieving this territorial administrative reform is indeed a priority to ensure proper regional development framework. But the way of the reform implementation phases are thought, the components of new regions, their size, the cities that will represent the future centres of regions are subject to numerous disputes both political and economic as well as personal vanities of national or regional political leaders

In what concerns us, we believe that reform should not be done from "top to bottom" by establishing large regions - whether the number will be 8, 10 or higher - but exactly the opposite: from the "bottom to up". During the transition from the current form of territorial organization with 41 counties at the 8 development macroregions implies the coexistence of current existing structures with new ones, creates beside a great financial pressure – 2 times payment for the same type of activity - and the possibility of overlapping duties, which would complicate more than help this process.

Even if our final goal is to reach all 8 macroregions of development, the way to achieve it must be another: in a first step, locally communes size should increase, their number is on a spectacular decrease. If today a commune include 5 villages, after the reform we propose, number will be increased to 10-14, based on certain criteria: geographical position, the presence of certain specific economic activities - agriculture, tourism, mining and processing etc.

With this work in progress paper we began a study in Bihor County on the economic and social consequences of such action. Among the reasons that led us to keep in mind this approach to territorial administrative reform, now we mention just a few:

- Administrative costs too high for some communes, correlated with the inability of their leaders to implement measures, projects and activities that allow them to produce income at least able to secure their own salaries,
- The belonging to different political parties of mayors from neighbouring communes determine the unsteady political support for long periods of time with negative effects on the medium and long term strategies: large-scale infrastructure works halls bypass without political support or crashes when political support is lost. Meet situations where roads, culvert water, gas and

sewerage networks ends abruptly at the border villages without political support, taking up as suddenly from the other side of the communes, if the "politically colour" is still the right.

Current situation, from territorial and administrative point of view, of Bihor County is:

- area of 7544 km²
- 91 communes
- 10 cities from which 4 are municipality, Oradea being a first class municipality
- 549752 inhabitants, 48,4% being from urban environment

Reform, the way we analyse it, involves dissolution in administrative territorial terms of the 91 communes and their replacement by 7 community regions. In the figure below we present the 7 community regions, named according to future municipal administrative centres, which will summarize all the responsibilities of the former local councils and mayors of communes: communal region Marghita, Beiuş, Săcuieni, Oradea, Salonta, Ştei, Aleşd.

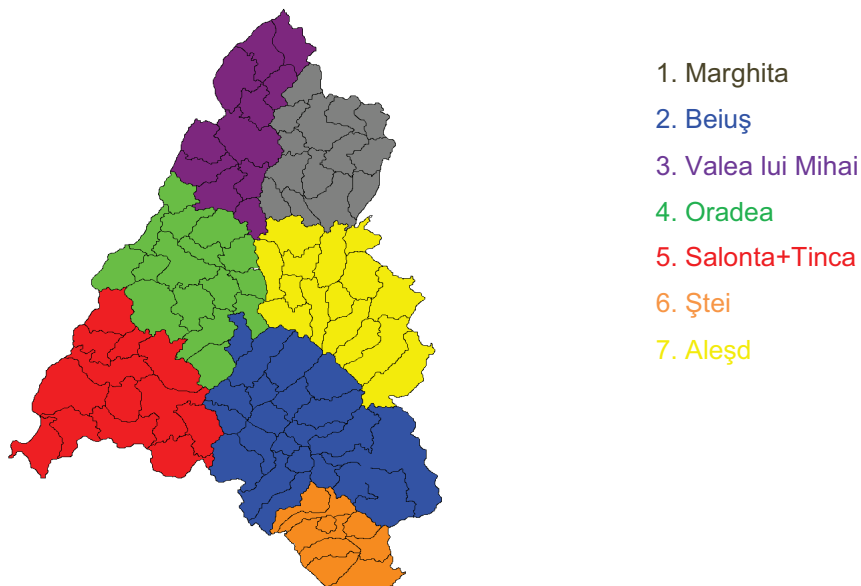


Figure 1: the new 7 comunal regions
Source: made by author

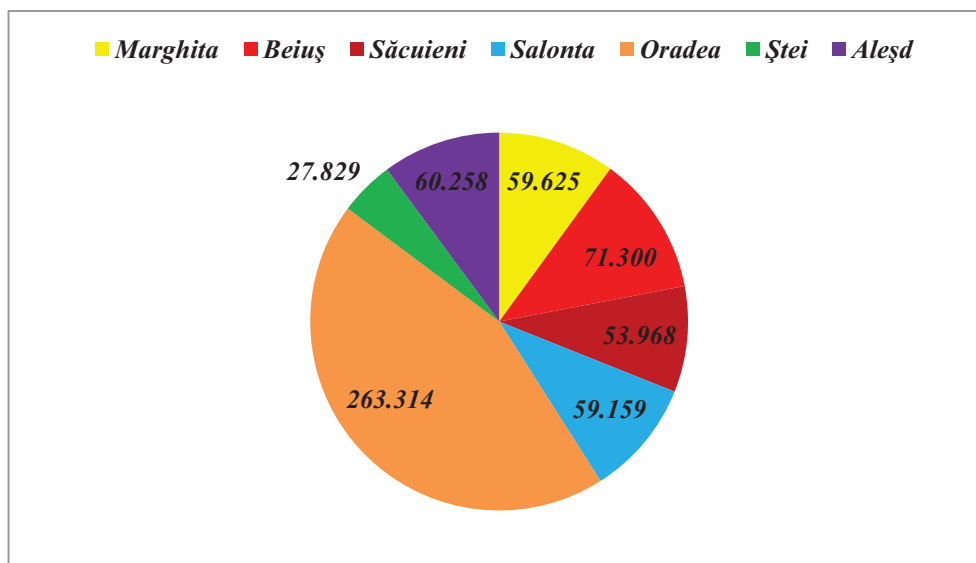


Figure 2: Population of the new 7 communal regions

Source: made by author, using data from http://www.recensamantromania.ro/wp-content/uploads/2013/07/REZULTATE-DEFINITIVE-RPL_2011.pdf

This time we analyse only the impact on administrative costs generated by the proposed new administrative territorial reform. If now, in Bihor total expenditure on public authorities and external actions were in the amount of 9,991,350 lei, by implementing the measures mentioned above, we are confident that we will achieve significant savings that will be used mainly for investment

We analyse only the impact on administrative costs generated by the new administrative territorial reform proposed. If now, in Bihor, total expenditure on public authorities and external actions were in the amount of 9,991,350 lei, by implementing the measures mentioned above we are confident that we will achieve significant savings that will be used mainly for investment.

According to the Order 159/38/2015, just salary costs were in the amount of 6,222,320 lei distributed as follows:

Table 2: Mayors and deputy mayors current Payroll according to the administrative-territorial unit category

administrative-territorial unit category	Salary, since 1 July 2014, in Lei	
	Mayor	Deputy mayor
Municipality – county seat – up to 150.000 inhabitants	5708	4952
Municipality – first category	4796	4494
Municipality – second category	5142	4218
City first category – over 30.000 inhabitants	5142	4116

City second category – between 10.000 and 30.000 inhabitants	4896	3918
City third category – up to 10.000	4656	3732
Commune first category – over 7000 inhabitants	4218	3732
Commune second category – between 3000 and 7000 inhabitants	4020	3552
Commune third category – up to 3000 inhabitants	3822	3378

Source: <http://www.sansanews.ro/stiri/actualitate/buzau/salarii-mai-mari-pentru-primari-si-viceprimari-uite-la-ce-nivel-ajung.html>, visited at 29.03.2015

Following the proposed changes, mayor's number is reduced to 7, as the number of deputy mayors. Local councillors will be reduced from 810, as now, to 90. As growing a lot the number of new residents on communal areas, new salaries will be increased in accordance with regulations which establish these issues as follows: Mayors salary will increase by 500 lei for each 10,000 inhabitants, and the deputy mayor one with 300 lei. The highest salary will be for the mayor of Oradea metropolitan area - 7,700 lei - the smallest, the mayor of communal area Ștei - 4258 lei. Total salaries of municipal mayors of the 7 regions would be 35.499 lei, the deputy of the 25 960 and 90 local councillors - 5% of the salary of the mayor for each session attended (average 3 per month) - 90,000 lei. Their sum is 151 459 lei, lei 6,070,861 lower than in the present, more exactly only 2.43% of what is spent today for mayors, deputy mayors and local councillors wages.

In conclusion

Considering all the above, the calculations based only on public information that can be found on the websites of Bihor County Council, the City Hall of provinces' administrative units, we believe the current system reform must become a top priority and the way it should be done is an approach from the "bottom-up" from the communes to the macroregions and not otherwise. The savings can be used for various investments by local councils to help young entrepreneurs or for professional training.

We believe that these savings can be a real source of economic growth and development at regional level, administrative territorial reform proposed allowing greater investment both as a financial impact as well as effective area of implementing. The boundaries of the former municipalities, often political, disappear in this case.

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