The Applicability of the Polish Model in the Context of the Initiation of Romania’s Regionalization Process – Between Paradigm and Controversy

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Abstract

Romania has been trying in the last couple of years to catch up with other countries performance in absorbing European funds, especially because it has never succeeded in getting more than 10% of the total funds allocated by the European Union, while other countries, among which Poland, have an absorption rate of more than 80%. In these circumstances, and due to close economic and political relationships with Poland, the Romanian Government is trying to implement the so called Polish model in different areas of public or private interest, such as Public Private Partnership concept, the regionalization of the country or the way Bucharest Stock Exchange operates and interacts with investors.

It is an interesting process to find out whether this Polish model is indeed applicable to the Romanian society and economy or it is just a good theoretical example which cannot be applied elsewhere but only in Poland. The current article intends to analyze in comparison the situations in both countries and to formulate a documented opinion whether or not our country should take into consideration the Polish model regarding the way the regionalization is to be applied in Romania.

Keywords: Polish model; regionalization; paradigm; Romanian society; Romanian politics; administration.

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I. Introduction

This article is meant to address the most stringent matter regarding the Romanian public administration at the moment – the regionalization of the Romanian territory according to the European principles established in the Nomenclature of Territorial Units for Statistics (NUTS). Thus, a European territorial unit can be classified between NUTS 0 and NUTS 3 levels, according to their size, population and administration system; at present, Romanian territory has only NUTS 3 level units (41 counties plus Bucharest) and no NUTS 1 and NUTS 2 level units, even though, in theory, there are 4 macro-regions and 8 regions, but with no administrative power or ruling system at all.

This is perceived as a real issue by the Romanian Government, because, according to the 2014-2020 E.U. financial exercise, European funds will mostly be granted to the local projects which involve territorial units classified at NUTS 1 or NUTS 2 level. On the other hand, most of the European countries have this sort of units, so they will not have any problem in accessing the European money.

Romanian Government is now considering a proper way to accomplish the regionalization process which will allow Romania to have NUTS 1 and NUTS 2 level territorial units and to be able to access European funds for bigger projects than it does at the very moment. This process can be really difficult, though, because it is something new for Romania and because there is a strong pressure from the local leaders of the 41 counties for the regionalization process to be done in a certain manner which could prove advantageous for each one of them – and here there is a real problem, because the opinions of these 41 local leaders do not often match each other. Besides, the first major obstacle in the way of the regionalization process is the challenge of revising the Romanian Constitution, as it now stipulates that the Romanian territory is divided only in counties. Therefore, in the new Constitution there must definitely be an article regarding the possibility of dividing the national territory into regions or even macro-regions, of course, if the national Referendum for revising the fundamental law will pass the vote of the population.

In spite of all these challenges, Romanian Government has already started the process by establishing a Regionalization Committee which will handle the part that involves the design of the future regions, according to the size, population, level of development and the need for European funds. One of the European models for accomplishing the Romanian regionalization process is the Polish model, and that only because Poland is one of the top countries to access European funds – their absorption rate is above 80% while Romanian absorption rate is somewhere below 10%, a significance difference.

Thus, the purpose of this article is to present and analyze the existing and successful Polish regionalization model and compare it to the Romanian regionalization project in order to draw a conclusion whether it is or it is not the proper way to follow for the Romanian Government in order to reach its final goal of accessing more European funds. As, until this moment, no other article has approached this Polish-Romanian comparison from this perspective, this paper is to be considered as an original work, benefiting from nothing else but from its author’s rich experience, both theoretical and practical, in administrative law and European administrative systems. Because of its originality, this article has a strong argumentative character and it’s based mainly on Polish and Romanian legislation regarding their administrative systems and territorial division of their territories; also it uses open source European statistics, supplied by Eurostat or national entities from both countries and different Governmental documents, such as the Memorandum for Regionalization, issued last February by Romanian ruling coalition.

The conclusion is thus reached after theoretically analyzing the similarities and differences between the Polish and Romanian administrative systems and by estimating the impact of the regionalization process on the European funds absorption rate in both countries.
II. The premises of Romania’s regionalization

2.1 The Romanian territorial and administrative organization – short recent history

Romania, according to its Constitution, is a national, sovereign and independent, unitary and indivisible state, whose territory is organized in towns, communes and counties. In certain conditions, stipulated by law, the towns or the cities become municipalities.

The current division of the country, which uses counties (districts) as the biggest division, is realized according to the Law no. 2 from 1968 February 16, republished in 1981, which stipulates that Romanian territory is divided into counties, plus Romanian Capital – Bucharest, counties which had been conceived „according to the geographical, economic, social-political and ethnic conditions and depending on the cultural and traditional ties between population”. Initially, in 1968 there were only 39 counties and 45 municipalities, but after that they have reached a number of 40 counties. At the same time, in the desperate pursuit of the communist regime after evidence in order to prove that socialism is the only proper way for economic, political and demographic development of a certain nation, there resulted an artificial increase of the number of the towns, transformed from communes, and municipalities, transformed from towns, all these just for the political leaders of that moment to have a reason to tell the world that Romanian communism lead to an unprecedented growth of the country’s economy.

Today, according to the Romanian National Statistics Institute, Romania in figures (2012), the administrative configuration of Romania consists of 41 counties plus Bucharest, 217 towns, 103 municipalities, 2861 communes and 12,957 villages, the legal framework which rules the current form of organization and division of the territory being represented by the Law no. 215/2001 which replaced the Law no. 69 from 1991 November 26, regarding the Local Public Administration, along with the Law no. 24 from 1996 April 12, which transformed the previous Agricultural Area Ilfov into the 41st county of the state.

Thereafter, having considered Romania’s intention to join the U.E. and due to certain pre-accession criteria, the Government thought about dividing the territory into regions of development which do not constitute administrative units by themselves and do not have a juridical status of their own, but they were just „a legal frame for implementing and evaluating the regional development policy” as stipulated in the Law no. 151 from 1998, July 15, regarding the Regional development of Romania, art. 5.

We have to mention that Romania did experience in the past a regional division of its territory, from the very administrative point of view, the regions being administratively recognized as territorial units, divided also into smaller districts or counties. That was in 1950 when the communist regime at that time promulgated the Law no. 5 which enacted the establishment of 26 regions, 148 towns and 177 districts; after that, the number of the regions decreased significantly, after promulgation of other laws, to 18 in 1952 and even to 16 in 1956.

2.2. Romania and the European system NUTS

Romania adopted, in 1998, the Law no. 151 regarding the regional development, which regulated the legal framework for establishing a certain number of regions for development, but they were not supposed to replace the old and also current form of territorial and administrative division of the country, into counties. These regions were only intended to be a proper way for Romania to start the „preparation of the institutional frame for complying with the criteria for integration in the European Union structures and with the criteria of accessing the structural funds and the Cohesion Fund of E.U”, according to the above mentioned Law no. 151. Also, according to the legislator, by establishing these regions they wanted to stimulate the inter-regional cooperation at the national and international level.

In reality, Law no. 151 meant only a convenient way for Romania’s territorial-administrative units to be included in the NUTS system (Nomenclature for Territorial Units for Statistics), used by Eurostat. Thus, according to NUTS, our national territory is classified as NUTS 0, the macro-regions (existing only on paper and
only in Eurostat reports) are classified as NUTS 1, the regions of development, yet not administrative, are classified as NUTS 2 and the 41 counties are classified as NUTS 3 level.

The four macro-regions exist only in the acceptance of Eurostat and comprise eight regions of development: North-East Region – 6 counties; South-East Region – 6 counties; South Region – 7 counties; South-West Region – 5 counties; West Region – 4 counties; North-West Region – 6 counties; Center Region – 6 counties and Bucharest – Ilfov Region – Ilfov county and Bucharest [Eurostat, Regions in the European Union, (2007), p. 118].

Therefore, we have macro-regions, regions of development and counties, but this circumstantial administrative division of the Romanian territory, meant to look European, didn’t have the gift of bringing European investments or getting European funds at the expected level. According to official data, Romania has absorbed only 10% from the already allocated European funds, long way behind other countries from the Eastern Europe, and the explanations offered by Romanian politicians for this failure do not stand up to thorough analysis. They always blame the corruption of the clerks, blame the bureaucracy, blame the applicants’ lack of knowledge, blame the wrong way of filling the forms or submitting the files for getting the European funds or even blame Brussels for any sort of suspension of payments, even though the suspension they are referring to came after exposing serious irregularities committed by the officials and the applicants in order to trick the European Commission into financing non-existing projects.

However, after a thorough analysis of our country’s failure in getting a better rate of absorption of the European funds, comparing our performance with successful countries from the region, they came to the conclusion that the main difference between them was that the successful countries had decentralized long time before the decisional level of requesting European funds, that means that in their case the regional council was the only one to coordinate the entire process regarding the European funds procedure – designing a proper project according to the local or regional needs, verifying the conformity of the documentation and submitting the complete files to the European institutions; in Romania this decision belongs to the Ministries level only and the whole process must be approved and coordinated from the governmental level. This way all the other countries required a much shorter time between the application for and the approval of the European funds but also they could think of much bigger projects which could imply the whole community from an entire region of NUTS 1 and NUTS 2 levels, not only NUTS 3 level regions as in Romania’s case.

2.3. The premises of the regionalization – political intentions

Having considered all these facts presented above and in order to accelerate the decentralization and the de-bureaucratization process regarding the central public administration, Romanian politicians have first brought into discussion in the year 2011 the issue of regionalization and administrative division of Romanian territory by dividing it into eight distinct regions, with full administrative power for their elected representatives, using the current eight development region division framework. The Romanian ex-Prime Minister, Mr. Emil Boc, intended to accomplish the administrative reform by establishing eight regions which were supposed to replace the current counties, but the idea did not enjoy the full support of the Governmental political coalition – the Hungarian minority party refused to support it because of strong political reasons regarding their future: the main counties which are inhabited by a large Hungarian community, Harghita, Covasna and Mures, were to be included in a bigger region and therefore the Hungarian community would have been less strong as a political voice and their demands would have been not heard as they are now, thus their influence on the political stage would have diminished. After the political power had been taken over by the current Governmental coalition, the issue of territorial and administrative reform by dividing the country into regions have been brought again into the spotlight and on the public agenda, but the difference is that the Government wants to keep the counties which will be part of the regions.

The initiators of this process always give the example of Poland, a country which have succeeded in absorbing 80% of the European funds allocated to them because they reformed the administrative division of
their territory long time ago, establishing 16 large regions instead of 49 districts as they had had before; besides, Romanian politicians justify their current intention of keeping the counties which will be part of the future regions by saying they don’t want to create additional costs to the citizens which otherwise will have to change their identity cards, their driving license, their property documents and even the car number plates. In contrast, the critics of this idea bring the argument, which is not so farfetched, that by creating a supplementary administrative structure (the regions) on top of the existing ones (the counties), there will be generated exactly what they want to avoid – bureaucracy and an increasing of the corruptibility rate concerning the public service sector because the public servants will have bigger public budgets to manage than before. In reality, exactly for avoiding the bureaucracy, the Romanian Government intend to transfer a number of responsibilities and personnel from the Governmental agencies and ministries to the local administration and to the new regions they want to establish so as the cost with the labour force should be none and the decision making process should be strictly stipulated by law in order not to overlap the activity of the civil servants from different administrative levels.

According to a survey conducted by GeoPOL Social Institute during 18-25th February 2013 (www.realitatea.net, GeoPOL study, 2013 March 5), 67.4% from the Romanians who had heard about the intentions of the Government to set up the territorial administrative reform of the country by establishing new regions did not agree with the idea of dissolving the counties and only 24.2% agreed with this idea. Besides, 53% of the Romanians stated the regionalization will bring along the appearance on the political stage of new stronger local leaders and 43.9% think the regionalization will lead to an increase of the bureaucracy and of public expenditure.

Thus, the public opinion tends to admit that the critics of the current regionalization project are right, because the results of the survey profiled the existence of the fear of the majority of the Romanians that the territorial reform process will bring along excessive bureaucracy, a bigger corruptibility risk and additional expenditures; as a personal remark I would add that most of these fears had been the main topics of large mass-media debates just before the survey, and this can create the suspicion that those who answered the questionnaires had been influenced with the ideas by the speakers and moderators or by the general way the television channels had covered the subject. In the meantime, there also has to be mentioned that the study showed that Romanian people does not want the dissolving of the current counties, fact that gives legitimacy to the current Government project which keeps the counties as they are at the moment, especially when there is a known fact that the majority of the European Union states have both NUTS 2 level units and NUTS 3 level units, here including Germany, Czech Republic or Poland, as shown in Eurostat publications [Eurostat, Regions in the European Union (2007)]. This is why my opinion is that Romanian must keep the current NUTS 3 units (41 counties), not only because they represent a symbol for their every inhabitant, generating a pleasant feeling of belonging to the community or, why not, the feeling of local pride, but also because by keeping the counties as they are at the moment there is no breaching of the European laws and principles.

3. The Polish model

3.1 Why Poland?

It is not the first time when we hear in Romania about the Polish model as an ideal way to implement a certain project or to reach a certain social, political or economic goal. We have also met this model on the occasion of public debates regarding the optimal ways of attracting European funds, the proper way to set up the legal framework of public-private partnership, the way a certain state owned company should be privatized or the way Romanian Government should streamline the financial operations on Romanian stock exchange markets. Every time the very same Polish model was indicated, sometimes in comparison with other solutions to the issue in discussion, otherwise as the unique way of getting the best results for a certain matter. But who is Poland and how did the Polish model get to be a successful story and a model to follow for all the European countries?
Poland is a country with an area of 312.683 sq.km (while Romania has only 238.391 sq. km) and a population of 38.2 mil. people (while Romania has approx. 22 mil. inhabitants). The differences between these two countries are significant, as we talk about a territory of almost one third larger and a population of almost two times the Romanian one, but what probably did make the difference between the evolution of these countries was not the size and the number of the population but the geographical position: while Poland neighbours Germany to the West whom has been developing strong economic and political bilateral relationship with, Romania didn’t have the same chance but, on the contrary, the proximity of the ex-sovietic empire to the North and East has always made our country to be one of the most handy targets for Moscow for political influence, both before the end of the communist regime and afterwards.

Nor the comparison between the GDP between the two countries advantage Romania: according to the Eurostat official data available for 2011, Romania achieved a GDP of 136 bil. Euro, while Poland achieved a 370 bil. Euro GDP (Eurostat, Europe in figures - Real GDP Growth 2012). The same situation can be also found in the annual economic growth rate: while the same European official statistics show that the Poland economy increased each year despite the severe economic and financial world crisis which had resulted in serious contraction of all the other European countries economies, in 2009 Romania’s GDP decreased drastically with 6.6%, a huge gap considering that the previous year Romania was the champion of Europe with a growth of more than 7.4%. In the same year, 2009, Poland managed to grow 1.6%, a tiny but very important and incredible percentage while thinking that all the other European countries had registered negative growths, but they also succeeded in maintaining the positive growth in the years to follow – 3.9 and 4.3% growth in 2010 and 2011, while Romania reached the positive growth only in 2011, before that getting only drops of the GDP rates.

If we talk about the European funds absorption rate, all the comments are redundant: while in December 2012, according to the Romanian Minister of the European Funds recent declaration, cited by www.hotnews.ro, 2013 March 8, Mr. Eugen Teodorovici, the rate of the absorption reached 12% and Romania’s very enthusiastic goal for this year is 50%, while Poland has an average of 80%.

Therefore Poland do represent a model to be followed, not only for our country but also for many other European countries, both for getting economic growth during harsh times but also for the lesson of how to get the best approach regarding public policies. The Polish economic success persuaded the politicians in Bucharest to search for different ways to adapt this model to the current Romanian social-economic context in the hope that it will generate the most expected economic growth.

3.2 The Polish model for administrative-territorial reform. Similarities and differences with the Romanian model

The main reason for which Romanian politicians want to adapt the Polish model to our country is the success obtained in the E.U. funds absorption rate and the belief that one of the causes is the way Poland had managed to establish NUTS 2 territorial units long time ago. Until 1999 Poland had an administrative organization of its territory very similar to the Romanian one, which means the country was divided into 49 distinct administrative units which were very close in structure and organization to our current counties. In 1999 the Polish Government decided that the country needed NUTS 2 units and they established voievodships (województwo); as found on the Administrative Division of Poland 2013, an official document issued by the Polish Commission on Standardization of Geographical names, these 16 regional divisions are ruled by a voievodship council, elected by citizens for a 4 year mandate; this council will elect in its turn a marshal (marszałek) who will have the executive power in the voievodship. Also, the Government appoints its own representative, named voievod (wojewoda), a public servant who has as his main duty the checking of the legality of all the administrative activities in the voievodship.

If we were to make a comparison between Polish and Romanian institutions, we can discover similarities between the attributions of the Polish voievodship council and the ones of the Romanian county’s council, between the Polish marshal and the Romanian county council president (with the only difference that in the first
case the marshal is elected by the voievodship council and the county councils presidents are elected by citizens) and between the Polish voivod and the Romanian prefect.

The next category of territorial administrative units of Poland, classified at NUTS 3 level, are the districts named *powiats* in Polish; these units, 379 in number, are led by a district council, elected for a period of 4 years by citizens. Also, the elected members of the district council elect in their turn a president.

The last category of Polish territorial units, NUTS 5 level, are the communes, which can be rural (which contain only villages), urban-rural (which contain both the city and the villages from the outskirts or surroundings) and urban communes (which contain only cities). The Romanian term commune (*comuna*) is used only for rural units, which comprise two or more villages, so it can be confusing for a Romanian to hear about *urban communes*.

Except the voievodships, where the executive power is exerted both by the local councilors, elected by citizens, and by the Government representative, in the rest of the units, both the districts and the communes are independent and self-governed, with no implication from the Government.

There is no subordination between those three types of administrative units, each one exert its power and attributions independently and decides by its own the best way to bring the welfare to its citizens, without any interference from others: the districts do not subordinate to the voievodships and nor the communes to the districts. The only attribute of the Government at the local level is realized, as I mentioned before, by the voivod which has very similar duties to our Romanian prefect – checking the legality of all the documents and decisions issued by the local council.

### III. Conclusions

The Government Ruling Program for the period 2013-2016 mentions in the chapter named „Development and administration“ the intention of the ruling coalition to decentralize the administration and the financial institutions and to start the regionalization process. At the moment Romania has only NUTS 3 and NUTS 5 level territorial-administrative units and there is an intention to create new NUTS 2 level units using the Polish model of the voievodships. Thus, while a voievodship has between 1 and 5.13 mil. people, a Romanian region, from the eight that are to be established, would have around 2.8 mil inhabitants, an average comparable to the Polish voievodships. However, we are still at the beginning of this project and in the very next period, according to the Government Memorandum “The adoption of the necessary measures in order to start the process of regionalization and decentralization in Romania”, there is to be set up a consultative committee, CONREG (The Consultative Committee for Regionalization), founded on three different levels of expertise: the academic expertise level group, which contains 10 personalities from different areas of scientific knowledge, the local representatives level, which will contain a group of selected people who work as councilors at the local level and were elected by citizens, and the civil society expertise level group; all the three different groups are to formulate opinions for establishing the regulatory framework for starting the territorial reform process. Also, for starting the process of elaborating the legal framework necessary to stipulate in the law the competencies for all the administrative levels there is to be established the Inter-ministerial Technic Committee for Decentralization and Regionalization (CTIRD), a technical body led by the Vice-Prime Minister.

After the completion of all these consultation processes, but not later than the end of this year, the Government wants to organize the Referendum for revising the Romanian Constitution in order to be able to introduce the new regions as distinctive administrative units besides the counties, cities and villages. Also, the governing political coalition wants to end the process of clearly determining the future regions: number, territorial range, number of counties included in each of these regions, etc.

Romania wants this regionalization process to be a very quick one, because the Government is waiting anxiously for the 2014-2020 financial exercise of the European Union, where Romania has been allotted 39 bil. Euros, money which could be attracted easier and much more efficiently if they would be requested from the very beginning for big regional projects of public interest and which would cover more counties. In this respect, it is
very much desirable the existence of a regional council, which should be able to manage these funds at NUTS 2 level, comparing to the current situation when for projects that exceed the territorial competence of a single county one should first of all harmonize the public interest of different decedents (presidents of the county councils). This drawback has resulted in the undesired situation that almost every project which involves European money to be realized at the level of a single county.

Let’s not forget that the Polish success is due to multiple cumulative factors and not to a single one, namely the territorial reform initiated in 1999 and which conducted to the current Polish voievodships. We also have to remember that the local initiative is so much encouraged in Poland that here the Government offers as much as 20% from the total cost of the project as an advance payment for the one who implement it, so that the applicant could start the implementation of the project and to take advantage of the European money in the shortest time possible; this is why, in the current financial exercise of the European Union, Poland has already paid in advance almost 7 bil. Euros.

In conclusion, the Romanian process of reforming the territorial and administrative organization of the country could reach its final goal, of substantially increase the rate of absorbing the European funds by decentralizing the decisional process to the local level, only if other complementary measures will be taken, measures which should increase the advance payment for European projects, for example, or which would encourage the applicants to apply for eligible projects which will find themselves a suited place on a long term in Romanian economy; only thus we will stop thinking about European money as a gift and start thinking about them as an opportunity to invest in something which will bring value to this country. The Polish model has changed into a paradigm most of all due to the high rate of absorption, but this model won’t prove to be successful in Romania if we decide only to rapidly reform the country’s territorial division by establishing the regions which will fill in the empty place left by the absence of NUTS 2 level territorial units without adopting any other additional laws or regulations.

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