

MULTILEVEL GOVERNANCE - OPENING FOR SUSTAINABLE DEVELOPMENT

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Abstract: *This paper derives from a constant concern of the authors to define and analyze the Multilevel Governance model, in the context of sustainable development of economic regions of Romania and its financial support through the intervention of European funds.*

The investigation analyzes the chances of implementing the MLG model in Romania, appreciating the existence of a set of objective and subjective factors - economic, social, political, historical, etc. - of increased complexity, which complicates and brings to discussion the prospect of its adoption, and implicitly the disadvantages arising from this situation, especially as regards of accessing European funds at regional level.

Key words: *multilevel governance, sustainable development, European model, governance model, regionalization and decentralization*

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The parts involved in applying the durable development strategy are, in our opinion (Crișan, Crisan, 2008), (Crișan, Crișan, 2008), from different levels of the decision process – supranational, national and subnational, in fact the actors from the Multilevel Governance model.

But, before we start to speak about the Multilevel Governance concept, we must clarify what governance means. This concept was initially used in the specialized literature in order to describe the responsibilities of the governing authorities and it is sustained by the existence of the governing model that is centered around the state, that has all the instruments of governing in his hands.

With the reforms for elaborating and implementing the regional development policies, the concept of governance has received other meanings. The first definition of governance was given by World Bank (1994), as being the relationship between the government and the country's wealth.

It was the definition of Kooimans (Olowu, 2002), that was preferred in time, as it described governance as the form in which the public and private actors work together in solving the problems and needs.

The Comision for Global Governance offers a sintetic definition of governance, defining it as an ensemble of instruments that institutions and citizens use, in order to solve together the common affairs. The Canadian Agency for International Development adds to it the concept of good governance, as an exercise of power, at different government levels, with an effective, honest, fair, transparent and liable character.

From this perspective, the Multilevel Governance Model (MLG) shows the way in which certain competences are being transferred from the national level to the supranational or subnational, public or private level.

An essential observation is that, in this context, the relationship between the participants in this governing model, (Chiriac, 2009), remains a partnership or competition relationship.

The relationship from different administrative levels could appear because the necessity that the superior level of governance to coordinate the relations between the inferior levels, as the last ones to implement the strategies established at a superior level.

Studies (Agh, 2008) show that European governance is in a form of three triangles of partnerships like this:

- First triangle is formed from European transnational institutions – national institutions – regional agencies and other sub-national institutions. In this type of partnership, national states are links between European institutions and sub-national actors, the effects of Europeanization are transmitted from top to the bottom, to the inferior levels, and regional and local interests are transmitted bottom-up.

- Second triangle appears at the national state level, between this and the social actors (horizontal actors) and territorial actors (vertical actors).

- Third triangle it is formed at the level of territorial regional or local actors, both horizontal and vertical and it is formed from a series of distinct networks, where administrative and territorial units and regional development agencies are part of a continuous and active economic and social cooperation with the local and governmental actors.

Practically, MLG is the governance model of EU public policies, including of the policy that involves the implementation both at national and European level, of the strategy for durable development.

At European Community level, different levels of jurisdiction take part in the decision system, and the regions as a sub-national actor, begin to play an important role in territorial development politics.

At west-European level the transformation process of the functioning mode of territorial policies was driven by the public institutions, having as objectives the following: decentralization of competences, reducing the transaction costs, rising of the number of decisions, for a more efficient process of governance and in order to enhance institutional cooperation.

Decentralization of competences is conditioned by the symmetric decentralization of expenditures from central to local administration level.

Since the Single European Act from 1986, European integration established a process of transfer of competences of the central governments to the next inferior levels, respecting the characteristics of the multilevel governance level. At the level of the majority of European states it appears an interesting phenomena of “double yielding of authority”, meaning that the central governments have lost the authority over economic policies, to the actors at supranational and sub-national level. (Pollack, 1994, Alesina, 2005, Borzel, 2005)

In comparison with the national governance, with a single centre of power of decision, MLG creates, through the participation of many interdependent actors, complex decision models, with new types of relations and interactions, with the dominant functions of transaction and cooperation.

The specialists define two MLG types (Hooghe, Marks, 2002):

- Distribution of authority to a certain level,

It is characteristic to the semi-federal system or to intergovernmental relations that include governing networks created through direct connections between the departments of different national governments, which are not under complete control of the national governments.

- Multi-centric option, that refers to geographical and functional territories,

This is characterized through the flexibility and immediate response to the modification of preferences and necessities of the citizens and to the functional requirements.

After adopting the Single European Act and the Reform of Structural Funds from 1988, the MLG level became the decision scheme specific to the territorial policies of the EU, called cohesion policies. It is the reason in analyzing this model in the context of European financing of durable development.

The system of regional development policies, co-financed from the Structural Funds, is based on sharing on different levels of the responsibility of their expenditures, to different levels of governance, and also the raise in the authority of local powers (at the level of European regions).

This will probably emphasize in the context of the financial exercise 2014-2020, as is being discussed about the functioning of a Partnership Agreement between EU and Member States, in order to increase the importance of principles of co-financing, additionality and subsidiarity and from the perspective of financial decentralization by choosing the functioning of regions (development and others).

The dispersion of governance to multiple jurisdictions is more flexible than concentrating it in a single one.

Territorial extended jurisdictions exploit more efficiently the scale economies in ensuring public goods, internalizing the externalities and facilitate an efficient redistribution of the resources.

Central government might not be interested in manifesting the same interest in implementing a certain public policy comparing with another one.

It can be said that the factors that contributed to the spreading of this model applied to territorial public policies, also contributed, at European level, to the strengthening of the authority at regional and local level through (Bagarani et al., 2007): raising the subsidiarity principle, change of development policies on sectorial and territorial level, political and administrative decentralization.

We will see that the Multilevel Governance institutional model had as a consequence, the raise of power at local level, with a strong connection with the classical theory of fiscal federalism.

The relations developed in the MLG model are top to bottom relations related to the coordination and governance rules, and reverse side, in order to fulfil the objectives.

It is the conclusion of the analysis of the decisional framework of the Structural Funds Reform, that developed the structure of the logical model of the institutional framework.

The scope of this reform was to increase the autonomy of the regions, especially in the implementation phase of the projects.

There are a series of conditionalities for the success of the model: the capacity of good coordination between different institutional levels, flexibility and collaboration in choosing certain policies at different jurisdictional levels, managerial capacity in coordinating and implementing the alternatives to a programme at all governance levels, the ability to correlate the necessities from different levels and the capacity to produce changes in concordance with the phases and procedures agreed by the institutional actors from different levels.

The MLG Model has its limitations, such as the rigid institutional structure, powerful territorial identities and the inelastic number of members, managerial and administrative abilities of the involved actors, factors influencing the efficiency of this governance model.

The priority of MLG is to choose specific instruments in order to ensure the objectives of the model, such as the existence of an interrelation at different jurisdictional levels, multifinancing fund structure for different projects, the existence of an institutional agreement, based on the negotiations that involve the three hierarchical levels of the MLG model: EU, the state and the region.

From this perspective, at least theoretically, Romania has all the chances to apply and generalize a variant (an original one) of the MLG model.

We say that, as the countries that want to implement the MLG Model would have to adopt all its principles, with the purpose to increase efficiency of the administration in developing local and regional development policies.

At the level of EU policies, the MLG Model should enhance the stability and efficiency through:

- Connections between a high number of centres of power, in order to build stable governing networks, in accordance with the laws and the procedures.
- Active involvement of decentralized and autonomous inferior governing levels, with the compliance of its identity.
- Including autonomous economic networks in the public area and a new definition of the relations between market and politics, in order to increase the liberties to choose.
- Revitalizing on the representative nature of the political systems by lowering the gap between the institutions and citizens, and the public administration should become more open to the civil society.
- New forms of international integration.

It is, no doubt, interesting to see how and in which way, this type of governance will apply to the new Member States of the EU, including Romania.

In order to speak about a real implementation of the model, these states should fulfill, at their own government, a series of preconditions, such as: decentralizing and reconstruction on different bases of the fundamental social functions, the existence of a powerful civil society, actively involved in the public sector and the transparency of public space, all based on a powerful social cohesion.

From our analysis (Crişan, 2008 și Crişan, Crişan, 2008)), it shows a weak social cohesion, mixed with big gaps between the social status of different population categories, a strong influence of the political factor, and the lack of models that have the reliability of the community.

It is the old system of the post-comunist countries that left behind specific problems, creating problems in implementing this model: a chaotic rationalization of resources, the incomplete development of an objective control system in order to allocate the resources, the lack of efficient instruments for the autocontrol of the public actors, the informal relations between the political authorities and the economic actors, the incomplete legal environment.

Being part of the EU, the assistance schemes connected, especially in the preaccession period, the local and regional actors from the new Member States with the elements of the MLG Model.

But, unfortunately, the Delors Commission, through the concept of the Europe of Regions has been preoccupied less on decentralization and more on promoting the partnership on different levels, and practically by the distribution of authority between national and regional actors and implementing the programmes.

The concept of distributed authority was used, and there were promoted programs that had the aim to increase regional and local power, by modernizing the abilities, organizing and the capacity of actors from these levels

The new Member States were and are suffering from a deficit by the lack of middle zone, economically and socially, manifested through regional disparities and representations asymmetries.

The preaccession programmes had an important role in developing new, capable regional actors, able to participate in the regional development policies, and to implement these correctly, according to the structural funds rules.

Before accession (Bruszt, 2007), many of the future Member States did not have explicit regional policies or institutions dedicated to this, regional problems being solved at central level and by sectorial policies, and others did not use the concept of region, the NGO actors from subnational level being weak.

By the accession moment, Romania had the legislative environment for the organization of economic development regions (a specific law), it had defined and functioning the 8 development agencies, and the decision makers (with limited power) – the Councils for Regional Development. At the level of V West Region it existed also a theoretical concept of regional development, with common elements from the MLG Model (Crişan, 1998).

Compared to the state centric model, the MLG model is far away from the centralized model of governance.

It also involves the increasing of responsibilities of governmental agencies for the decisions regarding regional policies, in ascending direction to the European Commission (responsible for establishing the principles and rules of allocating the funds), and descendant to the lower local authority levels, and other NGO actors.

This type of distribution of authority, correlated with the decentralization process could lead to the interdependence of the actors. These would be forced to develop public policies adapted to the level they represent.

It is very difficult to do this, as it was seen in the anterior example of V West Region – the elaboration of the concept was blocked by the incapacity of the main actors (political county level) to pass interests in order to collaborate for an efficient use of own resources, and of the common ones.

Other new Member States, such as Czechia, Hungary, Poland use mainly the hierarchical governance system, combined with other types of governance. They are also far from the ideal MLG model, using hybrid types of governance.

Bruszt describes the governance of the new Member States as a compromise between central government and regional actors, establishing a stratification or changing in continuity.

In our opinion, the MLG model cannot be analyzed and implemented without a clear separation of state and the role of subnational entities, especially the regional, county and local ones.

Starting with this necessity, the MLG model, connected with the authority and decision transfer has become for Romania, lately, a permanent issue on the agenda, including also the

authors, taken into consideration also the conditions imposed by the preaccession funds, and later by the structural funds and their implementation.

The regional decentralization has been realized by extending the competences from the local level, with the base on the existing structure of the local administrative authorities, by creating the 8 development regions.

They had been realized by extending the competences from local level, the development regions did not have a legal personality.

The fear for the idea of region and decentralization is influenced also by the different definitions of the region, given by the European bodies.

For example, the Council of Europe described the region as a middle surface territory, geographically determined, which is considered to be homogeneous.

The EU defines region from the administrative point of view, as the next lower entity as the national state.

The Assembly of Regions of Europe (ARE) defined the region as a political entity, at a lower level as the state, with certain competences exercised by a government, and also responsible in front of a legislative body, democratically elected.

Romania has a paradoxical situation, in connection with the legislative and institutional framework.

According to ARE, the county represents a region, which has a County Council, with a president, directly elected, although, according to NUTS regulations, the county is a smaller territory that corresponds to NUTS 3.

The 315/2004 Law of regional development in Romania indicates in article 5 that, Romania has 8 regional development regions, that are not administrative-territorial units and that don't have legal personality.

Each of these regions has an executive authority – the Agency for Regional Development, and a deliberative one, the Council for Regional Development.

This process is called largely decentralization, which means the transfer of duties from the central to the regional/local level, by transferring them from the central level to the administrative units, or by delegation of authority from central to local level and legal personality for certain public services.

The decentralized organization means that the state shouldn't administrate by itself, but helped by other categories of legal persons.

This requires the presence of legal persons of public law, with an autonomous organization and elected bodies, specific to decentralized organization and opposed the centralized organization, where the power is distributed.

We should make the distinction between the two terms involved in this process – deconcentration and decentralization.

Deconcentration means redistributing administrative and financial competences from the central administration to its own structures at the local level.

Decentralization is the transfer of administrative and financial competence from the central administration to the local administration or to the private system.

We can see that deconcentration means the transfer of competences between different decision levels of the same central body. Decentralization means externalizing these decisional

competences to the most appropriate organizations at local level, that cannot be part of the same central body that delegates those responsibilities.

Decentralization is not a process of translation of the decisional level, but a process of distributing the responsibility between different levels of management of the public authorities, as for every major decision, the responsible authority must be placed at the lowest level, where all the variables of the decisional process are visible and well known.

All these processes must have a bigger correlation between the decentralization based on the subsidiarity principle and the fiscal decentralization.

This would mean also the existence of distinct regional budgets designed for the coordination and encouraging of the economic development, connected with the elaboration of complementary and not opposite development strategies.

This aspect was identified by the first concept of regional development of West Region, that proposed the existence and management of a regional development fund, in the responsibility of a Unit for Project Management.

Specialists identified some of the weak points in applying this model in Romania. (Chiriac, 2009) has identified the following: the untied responsibility in the area of public policies, financing, public services, the lack of simple and clear mechanisms in the area of public policies, in order to have a basis for elaborating and applying programs and projects, the level of elaborating and implementing of public policies are not clearly parted, there are no strict correlation between human resources and the objectives of public services, there is no clear administrative difference between public services under the management of certain public actors from different levels (county/local), the lack of planification at the central and local administration in connection to the service performed, and of a monitoring and evaluation system of the process of executing the contracts for services and public utilities, with the help of autonomous regulation authorities.

Other researchers (Crişan, Crisan, 2010) or (Crişan, Crişan, 2009) identified the lack of correlation of the regional and operational plans, the lack of clear, simple mechanisms for the elaboration and implementation of public policies at the level of ministries, local agencies and authorities, in order to ensure the coherence, predictability and transparency of their activity, or the lack of an efficient monitoring and evaluation system of the results of public policies.;

On the other hand, it is necessary to regulate the legal status of certain governmental agencies, their autonomy and clear delimitation as public authorities, as public bodies of regulation and control, under parliamentary control.

Taking all these into consideration, any analysis of the capacity of Romania to implement the MLG model should pay attention to the development of the internal institutional environment, to the raising of the role of governmental agencies with regulative character, to the optimization of the decisional process and raising its transparency, to a rational allocation of resources, to a better relation with the NGO sector, to adapt the administration to European standards, to implement the subsidiarity principle, to build efficient partnerships at economic and social levels.

Also, it is necessary to decentralize certain competences of the central bodies, also by building the development regions, even though without legal personality. Their role must be strengthened, in order to develop the regional level, alongside the central and the local one.

A series of reforms must be made from the central level, in order to operationalize the third decisional level, in accordance with political, administrative, financial factors.

The vaste regionalization process planned by the romanian government, temporary postponed, but institutionally started, has real chances to adopt, unofficially the MLG model, extremely usefull in the efficient use of structural funds, with the condition of a non-partizan decentralization, well documented economical and social, where the public interest must be a priority, and the decisions are taken democratically , after a vaste process of consultation.

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