

ASPECTS REGARDING IMPLICATIONS OF ASSOCIATIVE STRUCTURES FOR LOCAL DEVELOPMENT IN PROMOTING AND STRENGTHENING OF MULTILEVEL GOVERNANCE

Mihai Cristian APOSTOLACHE
“Petroleum-Gas” University of Ploiești
Ploiești, România
mihaiapostolache5@yahoo.com

Abstract: *The need for the development of local communities in terms of economic and social policy-making requires finding answers institutional and public policy context in which the company is located. More and more the focus is on partnership and cooperation between the various actors of public life, on the involvement of private capital in local investment, on the establishment of companies to boost the joint venture or the establishment of local action groups to train both local public administration, the local economic environment, local non-governmental entities and other persons concerned in the design, implementation and completion of local development projects financed from European funds. The projects for local communities will receive support from the increasingly pronounced from the European Union, having regard to the fact that through the development of local communities will strengthen the European project.*

Keywords: *local communities, economic and local development, partnership, associative structures, local investments, European funds*

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1. INTRODUCTION

The association with the purpose of achieving certain objectives of general interest or carrying out activities or projects represents a tendency that we can find in European politics and that was designed both in law and practice of public administration, in general, and the local public administration in particular. The desire for development of each local community (Apostolache, M.C. 2014) can be satisfied provided there are sufficient financial resources. The financial resources are those which provide full local autonomy, as local autonomy without financial resources lacks content.

The need to find financial resources for the economic and social development of local communities determines local decision-makers to rely on partnerships and collaborations with various actors from public life, hoping thereby to engage private capital in local investments and boost the setting up of joint ventures and local action groups.

Therewith, by collaborating with entities such as nongovernmental organizations, local administrations aim at the transfer of some tasks related to providing social services to the

nongovernmental sector, which contributes both financially, and also in terms of managerial experience in running these social services. The idea of partnership is heavily encouraged by the European bodies through the policies they promote, as well as through various political and legal documents. For example, on the absorption of European funds, the European Commission concludes a partnership agreement with the Member States. For the period 2014-2020, Romania has available European funds worth approximately 43 billion euros, of which over 22 billion euro target the cohesion policy. The Partnership Agreement of the European Commission with Romania for the period 2014-2020 includes five structural and investment funds, namely: the European Regional Development Fund (ERDF), the Cohesion Fund (CF), and the European Social Fund (ESF), the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF). This agreement as seen from the summary of the European Commission, 2014 has the following priorities:

- To promote competitiveness and local development in order to enhance the sustainability of economic operators and improve regional attractiveness;
- To develop human capital by increasing the employment rate of the labor force and the number of graduates in tertiary education, while providing solutions to serious social challenges and combating poverty, particularly in marginalized or disadvantaged communities or in rural areas;
- To develop the physical infrastructure, both in the ICT sector and in the transport sector in order to increase the accessibility in the regions of Romania and their attractiveness to investors;
- To encourage the sustainable and efficient use of natural resources by promoting energy efficiency, a low carbon economy, environmental protection and climate change adaptation;
- To consolidate a modern and professional public administration through a systemic reform oriented towards solving structural governance errors.

The Partnership is also included in various political documents, such as the Charter for Multilevel Governance in Europe, which was adopted by resolution by the Committee of the Regions of Europe, and which stresses, in its preamble, the need for a collaborative partnership to achieve a stronger economic, social and territorial cohesion in Europe.

Assuming that no level of government can successfully meet the challenges it faces, the document states that cooperation through joint projects is required to address these challenges. According to the Committee of the Regions, 2014 multi-level governance means *“the coordinated action of the European Union, of the Member States and of the regional and local authorities, based on the principles of subsidiarity and proportionality and on the partnership resulted in a functional and institutionalized cooperation that aims to develop and implement EU policies”*. Given that European policies pursue the meeting of the strategic objective comprised in the document on Europe’s growth “Europe 2020”, namely an economy that is smart, sustainable and favourable to inclusion, the projects developed in each Member State must circumscribe to this strategic objective. Because financial possibilities of the various social actors (public or private, national or local) are limited, cooperation based on partnership ensures the implementation of various development projects, with the merit that it brings a touch of creativity and innovation to public action (Apostolache M.A., 2014).

In Romania, the partnership is a tool increasingly more often used by the authorities of local public administration to attract European funds, to achieve certain common public goals or to manage social needs.

2. LOCAL ACTION GROUP (LAG)

One of the modern forms of association of different local entities is the Local Action Group. Local Action Groups (LAG-s) are founded and work with financial support from the European Union, and also from national authorities. As shown in the literature (Apostolache M.C., 2013), the LAG represents a form of public-private partnership, consisting of the reunion of public local authorities, economic agents, nongovernmental organizations, or other subjects of the civil society from a micro-region. Through this form of association, European and national financial resources can be locally attracted for local development. Placing the local development objective under the responsibility of the community represents the declared intention of the Strategy 2020, and this may become concrete through the creation of new jobs, the redevelopment of villages, the protection of the cultural heritage and landscape, but also through the maintenance and improvement of local public services, such as schools, medical facilities, recreational facilities, cultural centers etc. Each Local Action Group assumes the implementation of a local development strategy, thereby ensuring the coherence and predictability of local action.

The development strategy ensures: the analysis of the current context of the local community; the setting of development goals and measures to reach them; the establishment of projects leading to local development and of funds that can be accessed for these projects; the encouragement of the development and discovery of untapped potential in the community; the stimulation of the community's participation and the consolidation of the feeling of social involvement (Apostolache M.C., 2013).

If in the financial exercise 2007-2013 the focus was particularly on the establishment of such associative structures, the financial exercise 2014-2020 seeks to develop these partnerships and support the initiatives of the members of these local action groups, embodied in local development projects. These associative structures function as management authorities placed close to the citizen, putting into practice the European principle of subsidiarity. The beneficiaries of the European and national financial support managed by LAG can be:

- from the public sector: administrative-territorial units as defined in national legislation in force or their associations and government institutions or their associations that own or manage investment objects;
- from the private sector: companies, freelancers, medical offices, NGOs and religious institutions as defined in national legislation in force, natural or legal persons or their associations that own or manage investment objects, as well as producers or groups of producers.

Gaining experience in attracting and managing European funds by local authorities has led to an increase in the number of these associative structures. For example, in Prahova County three local action groups are organized and operate, in which the private component is dominant, a characteristic feature of all such associative structures.

The 3 LAG-s at the level of Prahova County are the "Colinele Prahovei" LAG, the "Valea Cricovului" LAG and the "Treimea Colinelor" LAG (Apostolache M.C., 2013).

Each of these LAG-s aims at reaching objectives of local interest by conceiving, submitting and carrying out development projects by public and private partners involved. The “Colinele Prahovei” LAG seeks to ensure for the inhabitants within its territory quality living conditions and a clean surrounding environment by appropriate public services and the development of the technical, social, cultural and educational infrastructure, in order to make it compatible with European standards. Moreover, the emphasis is placed on the economic dimension, especially on tourism, seeking that the area become renowned for tourism, fact which can be achieved by the exploitation of natural and cultural resources, and also an area attractive for investments both in agriculture and in services, commerce and small industry sector.

The “Colinele Prahovei” LAG seeks to implement and finance a number of 38 projects with a total value of 3.413.722 euros, of which the nonrefundable funding will be of 2.848.250 euros, as result of the Local Development Strategy changed of Local Action Group ”Colinele Prahovei”, 2013.

To conclude, we can state that all these public-private associative structures constituted at territorial level mean to implement certain infrastructure projects and projects that aim at the development of the local economic environment and of the public services offered to citizens. If correctly structured and managed (Lambriu & Vameșu, 2010) public-private partnerships can bring positive, efficient results and solutions to the problems of society.

3. INTERCOMMUNITY DEVELOPMENT ASSOCIATION (IDA)

Another form of cooperation and partnership that we encounter at the level of local public administration is represented by the intercommunity development association. Such modern associative structures are regulated by Law no. 215/2001 of the local public administration that stipulates, in art. 11 para.1 that *“two or more administrative-territorial units, within the limits of the competences of their deliberative and executive authorities, have the right to cooperate and associate, under legal conditions, forming intercommunity development associations, with legal personality, of private law and public utility”*.

The purpose of constituting these associative structures is according to the article 11 para. 2 of Law no. 215/2001 of local public administration, republished, that of joint implementation of development projects of local or regional interest, or of joint provision of public services.

The financing of intercommunity development associations is mainly done through contributions from local budgets of the member administrative-territorial units, but also from other sources. The management of these intercommunity development associations is ensured by a board of directors formed by representatives of the component administrative-territorial units, designated by the local or county council, at the mayor’s proposal, respectively at the proposal of the president of the county council, as well as at the proposal of the local or country councilors.

Such an example of public-public partnership is the *Intercommunity Development Association “Ploiești-Prahova Growth Pole”*. This associative structure of public utility is composed of: Prahova County represented by Prahova County Council, and the localities Ploiești, Băicoi, Boldești-Scăieni, Plopeni, Ariceștii Rahtivani, Bărcănești, Berceni, Blejoi, Brazi, Bucov, Păulești, Târgșorul Vechi, Valea Călugărească. The Intercommunity Development Association “Ploiești-Prahova Growth Pole” has as general objective the cooperation between the administrative-territorial units from its composition, with the aim of their sustainable

economic development, modernization of public infrastructure, environmental protection, improvement of services offered to citizens. Besides this general objective, according to the Association of Intercommunity Development Status “*Ploiești-Prahova Growth Pole*”, this seeks to meet other specific objectives such as: to support the socio-economic development of the area “*Ploiești-Prahova Growth Pole*”, to improve the infrastructure from the administrative-territorial units that create the association, to support the development of small and medium enterprises, to protect and develop the cultural heritage, to develop tourism in the area etc.

The first project planned and implemented by this associative structure is “*The Growth of the Traffic Capacity by Creating Road Links between DN1 and DN1B (making the belt county road DJ236), in the northern part of Ploiești city*”, financed by the priority axis “*Supporting the sustainable development of the cities – growth urban poles*”, a component of the Regional Operational Program 2007-2013. This represents an example of a project that benefits from European funding that is meant, as shown, to develop the transport infrastructure and to facilitate the entry/exit in/from Ploiești City from/towards the localities in the north of Prahova County.

It can be observed that for the Intercommunity Development Association as well partners either seek to implement some infrastructure projects, or to support the economic environment in the area or the development of the cultural heritage. For the Local Action Group, the form of partnership was of public-private type; in the case of the Intercommunity Development Association we have a public-public partnership.

4. THE COOPERATION BETWEEN LOCAL ADMINISTRATION AND NGOS IN THE SOCIAL DOMAIN

Cooperation and partnership are solutions that local public administration relies on when it seeks to solve certain social problems because current social problems surpass the capacity of a single social actor to efficiently solve them (Dima, 2013). Through the process of decentralization a large part of the social tasks of the state has moved to the authorities of local public administration, which has generated an immense pressure on local budgets. Wanting to surpass the financial difficulties caused by the economic crisis and continuing to provide quality social services to the population, local authorities have turned their attention to the nongovernmental sector. Thus appeared the associations between local administration and nongovernmental organizations (associations and foundations), with the purpose of managing social services under better conditions. Associations and foundations have become active partners of the local public authorities in order to provide services of public interest.

According to the article 4 of the Government Ordinance no.26/2000 on associations and foundations, the association represents “*a legal entity of three or more persons, who, on the basis of an agreement, put together and without the right to retribute the material contribution, knowledge and their contribution to the work in order to conduct activities in the general interest of a community or, according to case, their private patrimonial interest*”. Also, according to the article 15 par.1 of the Ordinance nr.26/2000, the foundation represents “*a legal entity of one or more persons, who, on the basis of a legal act inter vivos or upon death, constitutes a patrimony, permanently and irrevocably, to achieve a goal of general interest or, according to case, of communities*”.

At European level there are countries which heavily rely on the public sector, most of them opting, though, for the association of the public sector with the private one. The public-private partnership in the social domain has known an evolution through time, the initial characteristic being that of the partnership “on paper” in order to access nonrefundable funding. Currently, as both public authorities and the private sector have gained experience, and as these partnerships have been encouraged by European policies and by national regulations (Dima, 2013), there can be seen a real involvement on behalf of the local and central public authorities in the support of social services through their co-financing on the basis of a partnership agreement or by granting subventions under the Law no.34/1998.

Outsourcing a social service to a private supplier of an NGO type or the management of that service represents one of the solutions chosen by many local administrations to enable them to reduce costs, to bring more creativity in managing social services and to ensure the continuity of that social service. Basically, the administration ensures the sustainability of the respective social service, while the NGO brings innovation, expertise, creativity and flexibility. As nongovernmental structures, they do not distribute the profit to members, but the profit is reinvested in the social work carried out, fact which ensures a continuous increase in the quality of these services, as compared to the economic agents who aim primarily for profit. Also, these associative structures are more flexible than organizations from the public sector, being able to respond better to European requirements regarding the provision of social services focusing on flexibility, adaptability, openness to community and a high degree of professionalism.

The association of local authorities with nongovernmental organizations is regulated primarily by Law no.215/2001 of the local public administration in art.36 paragraph 7, letter a) and art.91, paragraph 6, letter a). Thus, according to art.36 paragraph 7 a), the local council shall decide, under the law, the cooperation and association with Romanian or foreign legal entities to finance joint actions, works, services or projects of local public interest. At the same time, the county council is empowered under Art.91 paragraph 6 a) to decide, under the law, the cooperation or association with Romanian or foreign legal entities, including partners from the civil society, to finance and carry out joint actions, works, services or projects of county public interest.

One of the first public-private partnerships concluded in Romania in the provision of social services domain was the agreement between the local administration in the city of Timișoara and the Foundation “For You”. Through this partnership, social services are provided in the field of intellectual disability for 177 beneficiaries and their families, the local administration funding the cost of services, while the private partner is the one making investments, ensuring management, financing personnel training, managing to attract, in this respect, prestigious specialists abroad.

Another example of partnership between the local public administration and the nongovernmental sector is between Iași County Council and the Foundation “Close to You” Romania which seeks to implement the project “The Voice of the NGO for the community!” This project, according to Decision of County Council of Iasi on approving this partnership, aims at achieving three objectives, namely:

- to increase the visibility and capacity of at least 70 NGOs from the North-East Region, bringing to the attention of public authorities the problem of under-funding of social services and the weak decentralization of these services;

- to identify specific social needs and transpose them into multi-annual priorities and objectives of support and funding by local and county authorities in the North East Region;
- to strengthen the institutional and operational capacity of at least 70 NGOs in the social services domain in the region, in order to increase their efficiency in managing community resources and to ensure the visibility and sustainability of the programs implemented.

Whatever its purpose, the association between local administration and nongovernmental entities relieves the administration of some tasks, reduces public spending, brings more dynamism and creativity in the provision of public services and, why not, more experience in management and draws new financial resources. The partnership of local administration with nongovernmental organizations is successfully applied in the case of social services as an incentive for social development and, also, as a cooperation tool for local development.

5. CONCLUSIONS

The presentation clearly states that the partnership represents a viable alternative for the implementation of local development projects, one that focuses on cooperation, consensus and participation.

Social development and economic development are key dimensions of local development, and solution of cooperation and of public-public or public-private partnership helps to strengthen these two dimensions of local development.

When lacking financial resources for development, local communities, through their representatives, must seek innovative solutions such as cooperation and partnership. Local action groups, intercommunity development associations and the local administration partnership with the nongovernmental sector for the provision of social services are expressions of concern for finding alternatives for local development. At the same time, by way they are founded and operated, these associative structures lead to the strengthening of the links between various local actors and stimulate local public life.

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