

**INTER-COMMUNITY DEVELOPMENT
ASSOCIATIONS IN GROWTH POLE
POLICIES FROM ROMANIA**

- WORKING PAPER -

Abstract

We analyze the dynamics of inter-community development associations (IDA) in the growth pole policies in Romania, in the framework provided by the Regional Operational Program (ROP). Prerequisites for accessing funds from ROP for development projects of growth poles included the development of strategic plans in each of the growth poles (Integrated Urban Development Plans - IUDP), which to be submitted for approval by IDAs from each growth pole to the ministry responsible with regional development.

We expect that IDAs developed under exogenous influences have less financial and human capacities and be less active in the policy implementation, while IDAs established under endogenous influences be more active, have better human and financial capacity, with influences on the policy implementation on local levels.

Keywords: intercommunity development associations, growth poles, policy implementation

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**ASOCIAȚIILE DE
DEZVOLTARE
INTERCOMUNITARĂ ÎN
POLITICA POLILOR DE
CREȘTERE DIN ROMÂNIA**

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Rezumat

Analizăm dinamica asociațiilor de dezvoltare intercomunitară (ADI) în politica poliilor de creștere din România, în cadrul furnizat de Programul Operațional Regional (POR). Cerințele pentru accesarea de fonduri din POR pentru proiecte de dezvoltare ale poliilor de creștere includ elaborarea unor planuri strategice (planuri integrate de dezvoltare urbană - PIDU) trimise pentru avizare de ADI-uri la ministerul de resort, responsabil cu dezvoltarea regională.

Ne așteptăm ca ADI-urile dezvoltate sub influențe exogene să aibă capacitate financiară și umană mai redusă și să fie mai puțin active în implementarea politicii, în timp ce ADI-urile înființate sub influențe endogene să fie mai active, să aibă capacitate financiară și umană mai bine dezvoltată, cu influențe asupra implementării politicii la nivel local.

Cuvinte cheie: asociații de dezvoltare intercomunitară, poli de creștere, implementarea politicilor publice



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1. INTRODUCTION

Inter-community development associations (IDAs) are “cooperation structures, with own juridical personality, governed by private law, established by territorial administrative units for the joint execution of development projects of regional or local interest or joint provision of public services”, as stipulated by Law no. 215 / 2001 on local public administration. Such structures may be established under endogenous influences, as result of needs at local / county / regional level, or under exogenous influences, e.g. for taking advantage of various funding opportunities for local development projects / public service delivery infrastructure projects. Such was the case for example in service delivery for IDAs established for water-sewerage projects and may have also been the case for IDAs developed for growth poles, as part of the institutional framework developed within the growth pole policy.

In this paper we analyze the dynamics of inter-community development associations (IDA) in the growth pole policies in Romania, in the framework provided by the Regional Operational Program 2007 -2013 (ROP) - Priority Axis 1 (PA 1) - Support for urban sustainable development - Urban Growth Poles.. Prerequisites for accessing funds from ROP for development projects of growth poles included the development of strategic plans in each of the growth poles (Integrated Urban Development Plans - IUDP), which to be submitted for approval by IDAs from each growth pole to the ministry responsible with regional development. The role of the IDAs in the IUDP implementation and monitoring is agreed upon at local level and mentioned in the IUDP. We are interested to assess the influence of the endogenous and exogenous factors – in our case the European funding – in establishing IDAs and the performance of IDAs from growth poles, financially and in terms of human resources.

2. METHODOLOGY

The selection of the growth poles and their respective IDAs has been made taking into consideration the Romanian Government Decision no 998 / 2008 to declare these seven cities (namely Braşov, Cluj-Napoca, Constanţa, Craiova, Iaşi, Ploieşti and Timişoara), as growth poles, one per region (except for the Bucharest Ilfov region) in which the Government would make priority investments from domestic and European funds.

The research conducted involved analyzing content of documents, such as the bylaws of the respective IDAs and websites of the IDAs / municipality declared as growth pole, while also taking into account the legal framework related to regulations related to establishment and functioning of IDAs, the Regional Operational Program and the guide for IUDPs for growth poles from ROP-Priority Axis I “Supporting

sustainable development of cities – urban growth poles". We shall not specifically analyse the legal framework, as such analysis has been already conducted (Pop et al., 2007), with no significant changes since then. Instead our analysis will focus on a factual component, related to decision-making within the IDAs, using an observation grid, and an evaluation component, related to performance of IDAs, as illustrated by descriptive financial data for the time series 2008-2013, based on data from reporting documents recorded to the Ministry of Public Finances. In the analysis, we shall take into account as reference point the year 2008 as year when the Guide for Applicants for ROP PA 1 was launched.

3. BRIEF PRESENTATION OF THE GROWTH POLE POLICY IN ROMANIA AND ITS INSTITUTIONAL FRAMEWORK

Christofakis and Papadaskalopoulos (2011) argue in European urban and regional development that the growth pole model is combined with that of integrated development. In the growth poles theories developed by Perroux in 1955 and further developed by Boudeville in 1968 the focus is placed on the attractiveness of activities and on the concentration of economic growth in poles (polycentrism), which in turn generates development in the neighboring areas. In the integrated spatial development models, the usage of endogenous potential from each region is key feature, as shown by Coffey and Polese in 1985, Barquero in 1991 and Garofoli in 2002. The growth pole and integrated development models are used in various combinations, based on particular characteristics of the country and its levels of development, on strategic government choices on social and economic aspects and on current international situation.

When discussing about public policies and their implementation, the institutional framework can contribute to the regional policies in Romania which include a component related to urban development, including that of growth poles. If we are to consider Thomas Dye's (Dye, 1998) definition of public policies, according to which public policies are what governments choose to do or not to do, in Romania, as result of Government Decision no. 998 / 2008, seven growth poles have been declared: Braşov, Cluj-Napoca, Constanţa, Craiova, Iaşi, Ploieşti and Timişoara, while Bucharest has been excluded deliberately from the list, as the growth pole policy wants to counterbalance the importance of the capital city in the national economy. Growth poles have been considered in this case to be represented by the municipality and the surrounding area under its influence, which in turn results at local level in establishing of organizational structures, such as IDAs to support development of the growth pole policies at local level.

The goal of this urban development policy is not mentioned in the respective government decision, yet we can assimilate the goal mentioned in the Regional Operational Program 2007-2013 for the respective priority axis 1, that is “to increase the quality of life and to create jobs in towns by rehabilitating urban infrastructure, by improving services, including social services, as well as by developing business and entrepreneurial support structures” (Guide for Applicants for Priority Axis 1 - Support for urban sustainable development - Urban Growth Poles- Regional Operational Program 2007-2013) Thus, funding would be directed from ROP – Priority Axis 1 towards infrastructure projects of local public administrations for supporting further development of economic sector in their respective area, with expected potential to eventually generate growth at regional level.

This may indicate the fact the growth pole policy from Romania is developed under exogenous influences, supported also by subsidies through projects, as public policy instrument with medium level of intervention meant to encourage the development of this policy. At local level, the growth pole policy is reflected in integrated urban development plans (IUDPs) approved, in projects included in action plans of the IUDPs for funding from European and domestic funding, in projects implemented, after approval of funding.

While the entire organizational arrangements within the growth pole policy may be of interest for analysis and will be further analysed in other papers, of the organizational structure presented further, we shall briefly analyse the IDAs from the growth poles. As pointed out also by (Pop et al., 2007), the role of IDAs is to jointly formulate and implement local public policies, in our case also in the implementation of the growth pole policies. Yet the current framework has no additional provisions with regard to the IDA involvement in the implementation of IUDPs, of the growth pole policy at local level. (Ionescu-Heroiu et al., 2013)

TABLE 1. ORGANIZATIONAL STRUCTURES IN GROWTH POLE POLICY

Organizational structures	Legal status	Level	Observations
Local public administration from the city declared as growth pole	Public authority	Local	Declared as growth pole – may benefit from dedicated financial support (without competition) from ROP axis 1, provided that there is IDA developed for the growth pole and IUDP is developed, with mature projects included in action plan for urban, economic and social infrastructure. Usually leads the established IDA.
Local public administration from neighbouring areas – urban and rural	Public authority	Local	Usually from 30 km radius around city declared growth pole, yet area of influence is debateable, as pointed out also in a recent World Bank Report (Ionescu-Heroiu, et al., 2013);Joining the IDA is voluntary, and some public authorities were reluctant to join (e.g.

			see Timisoara growth pole); lower human and financial capacity
County council	Public authority	Local - county	May provide additional human and financial resources for specific projects for local authorities and or IDA; may implement projects from IUDP action plan.
IDA established by the above-mentioned local authorities	NGO of public utility (quasiNGO)	Local – no administrative level	Submits the IUDP to the ministry for approval, may have specific tasks set in the IUDP with regard to monitoring of IUDP / project implementation and further planning, even own projects
Agency for Regional Development (ARD)	NGO of public utility, (quasiNGO)	Regional – no administrative level	Established under law no 315 / 2004 on regional development in Romania; acts as Intermediary Body in each region for ROP program, its structure includes the growth pole coordinator
Growth pole coordinator	Structure within the Agency for Regional Development	Bureau included in the ARD	Tasks and roles set through tripartite protocole among line ministries for regional development and of public finances (currently the department within the ministry for European Funding); collaborates with the growth pole leader (leader of IDA), supports elaboration and implementation of IUDP, monitors implementation of projects from IUDP in the respective growth pole, acts as liason between local authorities and central authorities involved in elaboration and implementation of IUDP.
Ministry of Regional Development and Public Administration (previously Ministry of Regional Development and Housing, then Ministry of Regional Development and Tourism)	Line ministry	National	Management Authority for ROP, promoted top-bottom approach in growth pole policy; responsible for development and implementation of this policy; supported the idea of IDAs as part of organizational framework in growth pole policy, by imposing that the IUDPs be submitted by IDAs of the growth poles for approval.
Ministry of European Funding – General Department for System Coordination and Technical Assistance (previously within the Ministry of Public Finances)	Line ministry	National	Management Authority for Technical Assistance Operational Program; this program is used to ensure financial support for the growth pole coordinators (project-based approach)
Interested stakeholders	Public and private structures	Local, regional, national	May include other public institutions, universities, companies, NGOs

Source: Author's own computations

The institutional framework in the growth pole policy, presented in table 1, provides an image of the organizational arrangements in the growth pole policy, highlighting the fact that there are no subordination relations among the actors involved, and collaboration and cooperation are done on voluntary basis, for joint projects, emphasizing the partnership needed for supporting growth.

4. DECISION-MAKING IN INTERCOMMUNITY DEVELOPMENT ASSOCIATIONS IN GROWTH POLES

The organizational structures of the IDAs include local authorities both from rural and urban areas, as shown in table 2, and almost all include the county council as member (in the case of Craiova it is not clear whether the county council is member in IDA).

TABLE 1.COMPONENCE OF IDAS FROM GROWTH POLES IN 2014

Name of IDA	Year of establishment	Number of members (Administrative-territorial units)				
		Total, of which	City declared growth pole	Other Urban	Rural	County Council
Metropolitan Agency for Sustainable Development Braşov	2006	18	1	6	10	1
Intercommunity Development Association Cluj Metropolitan Area	2008 (December)	21	1	0	19	1
Intercommunity Development Association Constanţa Metropolitan Area	2007	15	1	5	8	1
Intercommunity Development Association Craiova Metropolitan Area	2009	24	1	2	21	n.a
Iaşi Metropolitan Area Association	2004	15	1	0	13	1
Intercommunity Development Association "Ploieşti-Prahova Growth Pole"	2009	16	1	4	10	1
Intercommunity Development Association "Timişoara Growth Pole"	2009	16	1	0	14	1

Source: author's own computations based on information from bylaws of IDA from growth poles and from websites of IDAs / municipality declared growth pole

When taking as reference point the year 2008, when the guidelines for ROP PA I was launched, with the requirements for IDA clearly stated, we notice that the IDAs from Braşov, Constanţa and Iaşi have been established earlier, with four of the IDAs established later, with the influence of the guidelines clearly reflected in the case of two IDAs, which clearly states the term growth pole in the name of the IDA (Timisoara and Ploiesti).

The IDA internal structures are: a general assembly, which in our case is formed of mayors or other designated representatives of the IDA members, board / administration council and censor.(Government Ordinance No. 26 / 2000 regarding associations and foundations)

The uneven power balance between municipality declared as growth pole and the other members, especially from rural areas, may influence the decision-making structures set in place. Thus, even though the number of members from rural areas are high in the IDA, the power struggle among small communities from rural areas and larger cities members in the IDA may be visible also in the decision-making structure, with tendency to have the IDA controlled by the city declared growth pole and development model imposed by stronger members (which in our case may be either the city declared as growth pole and / or the county council). Thus, the president of association, leading the board, is generally the mayor of the city declared as growth pole. Moreover, the representativeness in the general assembly / board may favor also the city declared as growth pole. While some of the IDAs have a more democratic decision-making structure, with one representative from each member in the general assembly of the IDA (Ploiești, Iași and Constanța), in other IDAs, the number of representatives / votes is proportional to population. For example, in the general assembly of Cluj-Napoca IDA there is one representative per 10.000 inhabitants, with at least one representative per each member and county council having 4 representatives, while in the one from Timișoara there is one representative per 20.000 inhabitants, with at least one representative per each member. In the case of Craiova, the number of votes in the Board is proportional with the population, one vote per 10.000 inhabitants, with at least one vote per each member. Of these, we notice that the city control-oriented decision-making structures are from IDAs established after launching of the guide for ROP – PA1 in 2008.

Support for development of IDA may be provided by the members, and also from central government or from other external funds, such as European funding, in a project-based approach. Even though current legislation stipulates that the national government may subsidize the IDAs functioning, through a national program, such endeavor as been left uncovered. (Pop, Stănuș, & Suciu, 2007)(Ionescu-Heroiu, et al., 2013). Consequently, there was little interest in developing mechanisms that enable IDAs to create own working technical structure. The IDA is still seen as being established to attract additional funding for infrastructure development projects, this is visible also in the legal documents for establishment of some IDAs from growth poles.

TABLE 2. NUMBER OF STAFF OF IDA FROM GROWTH POLES

Name of IDA	2008	2009	2010	2011	2012	2013
Metropolitan Agency for Sustainable Development Brașov	11	14	14	25	28	18
Intercommunity Development Association Cluj Metropolitan Area		:na	:na	:na	:na	:na
Intercommunity Development Association Constanța Metropolitan Area	12	12	12	14	14	12
Intercommunity Development Association Craiova Metropolitan Area			1	6	8	7

Iasi Metropolitan Area Association	4	6	6	7	6	7
Intercommunity Development Association "Ploiești-Prahova Growth Pole"		0	:na	8	8	8
Intercommunity Development Association "Timișoara Growth Pole"			0	0	0	0

Source: Ministry of Public Finances www.mfinante.ro, as reported in short yearly balance sheets

In the IDAs from growth poles established before 2008, the staff is increased after 2008, possibly due to requirements for implementing the growth pole policies at local level, as set in the IUDPs. In the case of IDAs with decision-making structures that are oriented towards maintaining control by the city declared growth pole, such as the case of Cluj-Napoca and Timișoara, the development of the IDA is rather reduced, with 0 employees and low financial resources in the case of the IDA from Timișoara, while in the case of Cluj-Napoca, information is unavailable, due to lack of submitting financial documents to the Ministry of Finances, which is legal obligation.

Observation of the list of projects from the action plans included in the IUDPs reveal that even though the know-how available for the IDA is higher than in the case of other associations (including own staff and personnel from the public authorities members in the IDA), such as the IDAs from rural areas, the main approach is still bottom-up, with projects considered from local perspective instead of micro-regional / metropolitan. Without additional support to develop own capacity for partnership and for working together in joint projects, such approaches may continue.

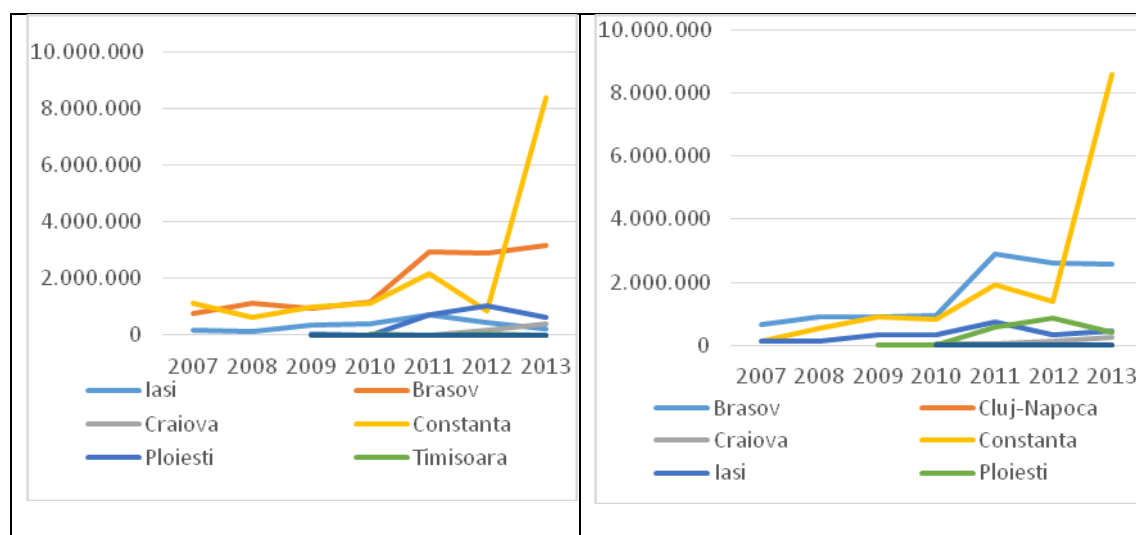


FIGURE 1. FINANCIAL DATA SHOWING PERFORMANCE OF IDA FROM GROWTH POLES

Source: Ministry of Public Finances, yearly short balance sheets

One may notice that after the year 2008, the amounts both in terms of total revenues and total expenditures have a generally slightly increasing trend, which may mean either that the IDA activity

became more intense after the ROP-PA 1 guidelines for applicants were launched, either working on the IUDPs or on projects.

The IDAs that perform best, with general upward trends both in total revenues and expenditures are the ones from Braşov and Constanţa, both established before 2008, presumably due to local needs identified at micro-regional / metropolitan level.

Two interesting cases are represented by the the growth poles from Timişoara and Cluj-Napoca, when looking at the financial data. The extremely low amounts in terms both of revenues and expenditures in the case of Timisoara shows that the need to control decision-making by the city declared as growth pole did not result in additional interest in stimulating the development of the IDA, with influence also in the growth pole development. In the case of Cluj-Napoca, the fact that the IDA did not have public data on revenues and expenditures may show that the IDA is not actually functioning (no financial movements), as there is legal yearly obligation to submit public financial reports to the Ministry of Public Finances. One may argue that such values reflect the interest to have only the center of the growth pole developed through urban, while other may counter-argue that the IUDPs include an appropriate management structure that actually enable the public administration from Timişoara growth pole to support the growth pole development, without placing too much importance on the IDA, with other structures from the organizational structures from local / regional level assuming more responsibility for the implementation of the growth pole policy. Such aspects remain to be researched later.

5. CONCLUSIONS

The levels of development of growth pole IDAs and their roles in the implementation of growth pole policy varies. Our hypothesis that IDAs developed under endogenous influences are more active, have better human and financial capacity than IDAs developed under exogenous influences has been confirmed by analysed data, with interesting results for Brasov and Constanţa. Our hypothesis that IDAs developed under exogenous influences are less developed and less active is partially confirmed, for Timişoara and Cluj-Napoca, yet still to be determined for Ploieşti and Craiova. Yet we should also take into account the differences in organizational development, the need of these organizations to grow in time and also the local institutional arrangements for policy implementation established in the IUDPs and / or possibly that other structures from local / regional level assuming more responsibilities in the growth pole policy implementation, to compensate for the IDAs lack of capacity. Such aspects are to be taken into consideration in further researches.

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