

**Connections between regional
development and model of
governance
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DUNICOP (IPA) Law-regions-development
International conference,
Pécs
14-15 June, 2013

- It is commonplace that institutional/governance context has crucial impact on performance
- The opposite approach is rare: how do policies influence the general mode of governance?
- The aim of the paper is to outline the interdependence of regional development policy and governance

Governance matters

2007 - 2013

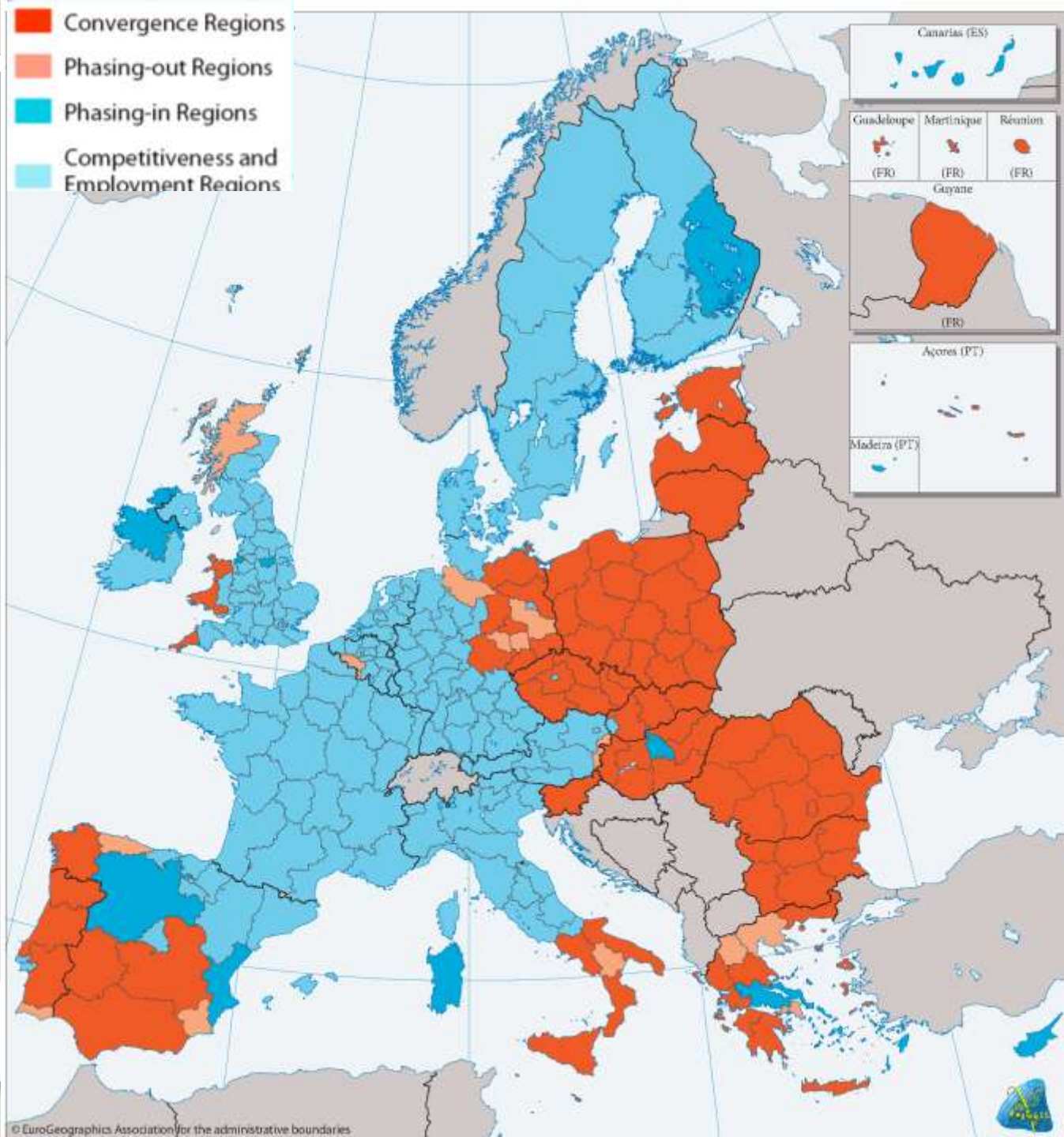
3 objectives, Community initiatives mainstreamed

All regions eligible

Budget increase: about Euro 50 bn p.a. (ca. 36% of the EU budget)

Rural development and fisheries funds outside cohesion policy

Convergence Regions
Phasing-out Regions
Phasing-in Regions
Competitiveness and Employment Regions



- Principles in EU cohesion policy focusing explicitly on governance issues: subsidiarity-decentralisation, partnership, programming
- Indirect impacts: NUTS regions, command of efficiency and transparency

Cohesion policy as innovation in traditional „government“ towards „governance“

The impact of SFs is ambivalent

- The challenge of regionalisation- series of territorial reforms in Europe
- *But*: drawing regions on the map ≠ making regions or real decentralisation

Rescaling: jungle of new units, shift of power up (except Poland?) → **centralisation**

How does it fit for CEE countries?

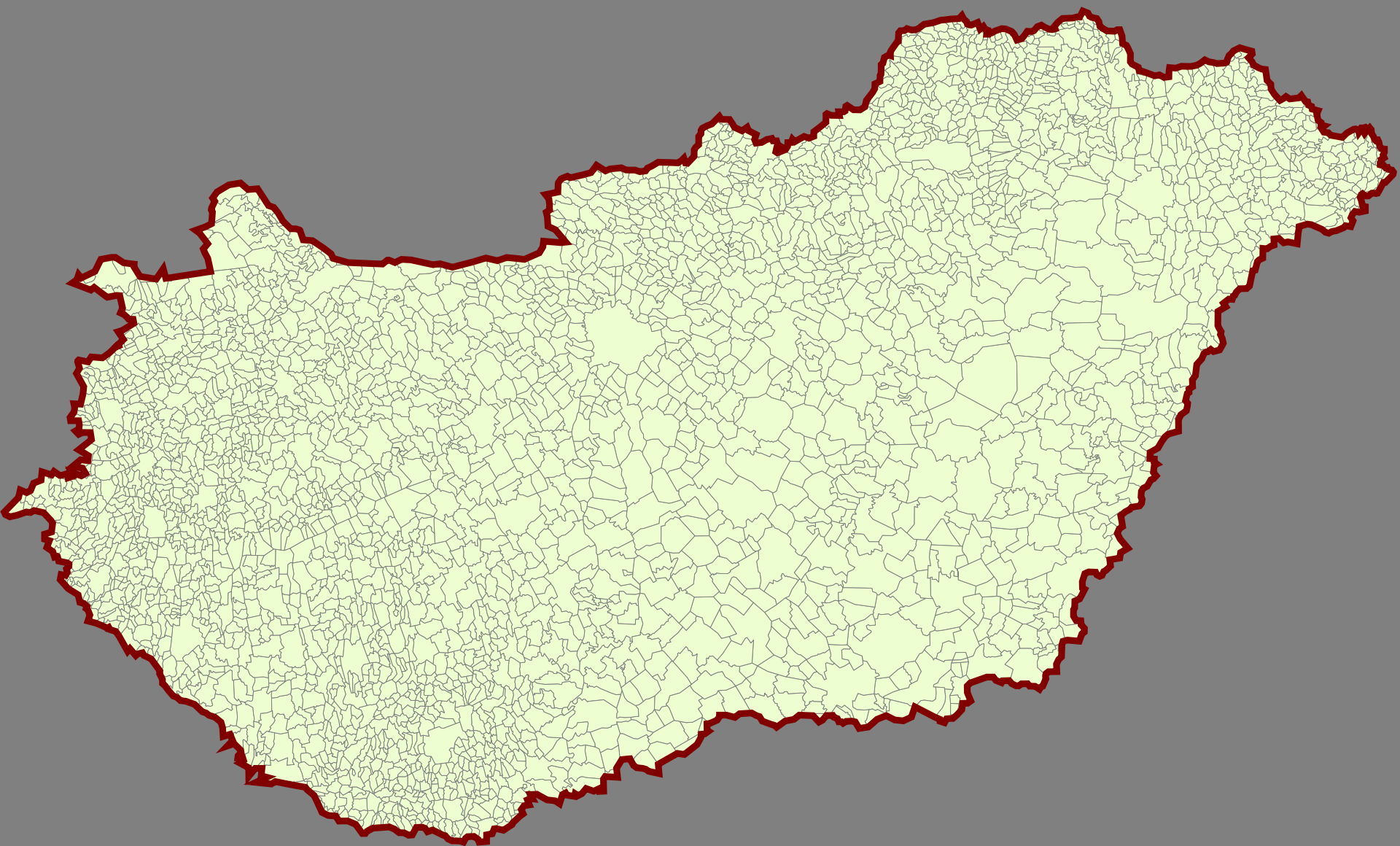
Country	Subnational administrative units				Lower-intermediate level			NUTS division		Municipalities
	N	Name	Status*	Size (thousand)	N	Name	Status*	NUTS 2	NUTS 3	
Austria	9	Bundesländer	Member state	912				9	35	2381 Gemeinden
Belgium	3	Régions	Member state	3488	10	provinces	Self-government	10	43	589 Communes
Bulgaria	28	Oblast	Deconcentrated organ	259				6	28	264 municipalities 3850 mayoralities
Cyprus	6	Districts	Deconcentrated organ	132					–	614 municipalities
Czech Republic	14	Kraje	Self-government	730				8	14	77 okresy 6249 obec
Denmark	5	Regioner	Self-government	1097					15	98 municipalities
Estonia	15	Maakonnad	Self-government	87					5	227 municipalities
Finland	6	Laanit	Deconcentrated	874	20	maakunnat	Association	5	20	82 Seutukunnat 446 Kunnat
France	26	Regions + DOM	Self-government	2464	100	departments	Self-government	26	100	36378 municipalities
Germany	16	Länder	Member state	5148	429	Kreise	Self-government	41	439	13176 Gemeinden
Greece	13	Periferies	Deconcentrated	825	52	nomoi	Self-government	13	51	1034 Dimoi
Hungary	20	Megyé+k+Bp	Self-government	497				7	20	3145 municipalities
Ireland	8	Regional authority regions	Deconcentrated	520	26	counties	Self-government	2	8	3440 Wards
Italy	20	Regioni	Self-government	2907	110	provincia	Self-government	21	103	8100 Comuni
Latvia	33	Rajoni	Deconcentrated	88					6	536 pagasti
Lithuania	10	Apskritis	Deconcentrated	357					10	60 Savivaldybe 515 Seniūnijos
Luxembourg	3	Districts	Deconcentrated	162	13	cantons	Deconcentrated		–	13 Cantons 118 communes
Malta	6	Distretti	Deconcentrated	87					2	68 Kunsilli
Netherlands	12	Provincies	Self-government	1387				12	40	489 Gemeenten
Poland	16	Województwa	Self-government	2406	379	powiaty	Self-government	16	45	2478 Gminy
Portugal	7	Regiões	Deconcentrated	534				7	30	308 municipalities 4261 civil parishes
Romania	42	Judete	Self-government	530				8	42	3136 comune
Slovakia	8	Kraje	Self-government	682				4	8	79 okresy 2928 obec
Slovenia	58	Upravne enote	Deconcentrated	35					12	193 obcine 6000 naselja
Spain	19	Comunidades	Self-government	2131	50	Provincias	Self-government	19	50	8108 municipios
Sweden	21	Län	Self-government	431				2	21	290 Kommuner
United Kingdom	37	Counties	Self-government	1647				37	133	318 Communes 10679 Wards
Average				1065						

Status: Where we stated the local governmental/elected status it could be also parallelly deconcentrated unit as well. Sometimes the number consists the capital as well.

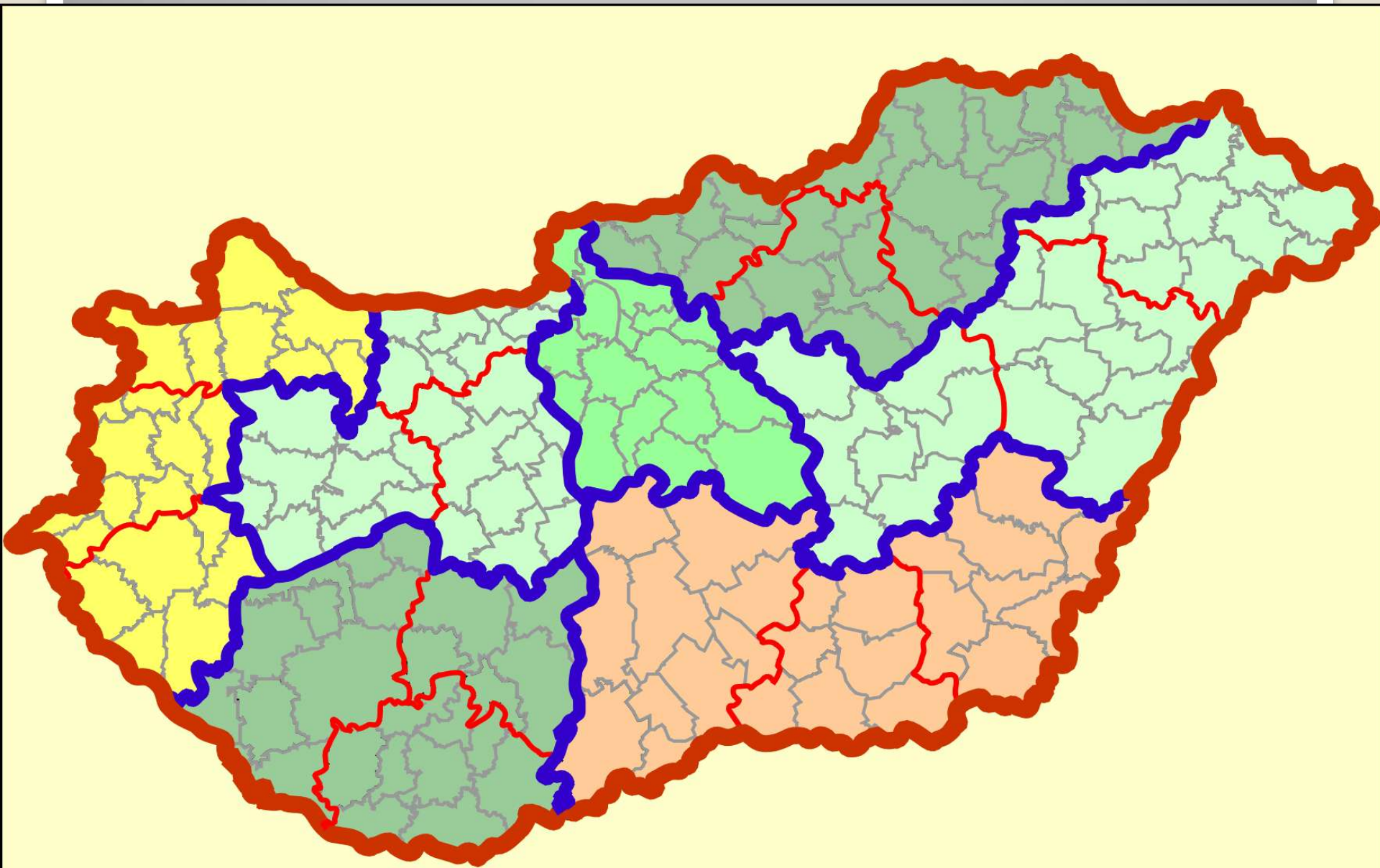
- The challenge of **partnership**- emerging of collective bodies, agencies, networks
- *But*: these are exclusive, non-transparent clubs ≠ co-operational partnerships
- Emerging of „project class“ (**exclusive networks**)
- and „Eurocrats“ (in **closed and parallel** institutions)
- Corruption + preventing risk+ **political pressure**

Paradox of partnership in CEE under the pressure of SFs

A településrendszer



The NUTS units in Hungary- rescaling the public administration

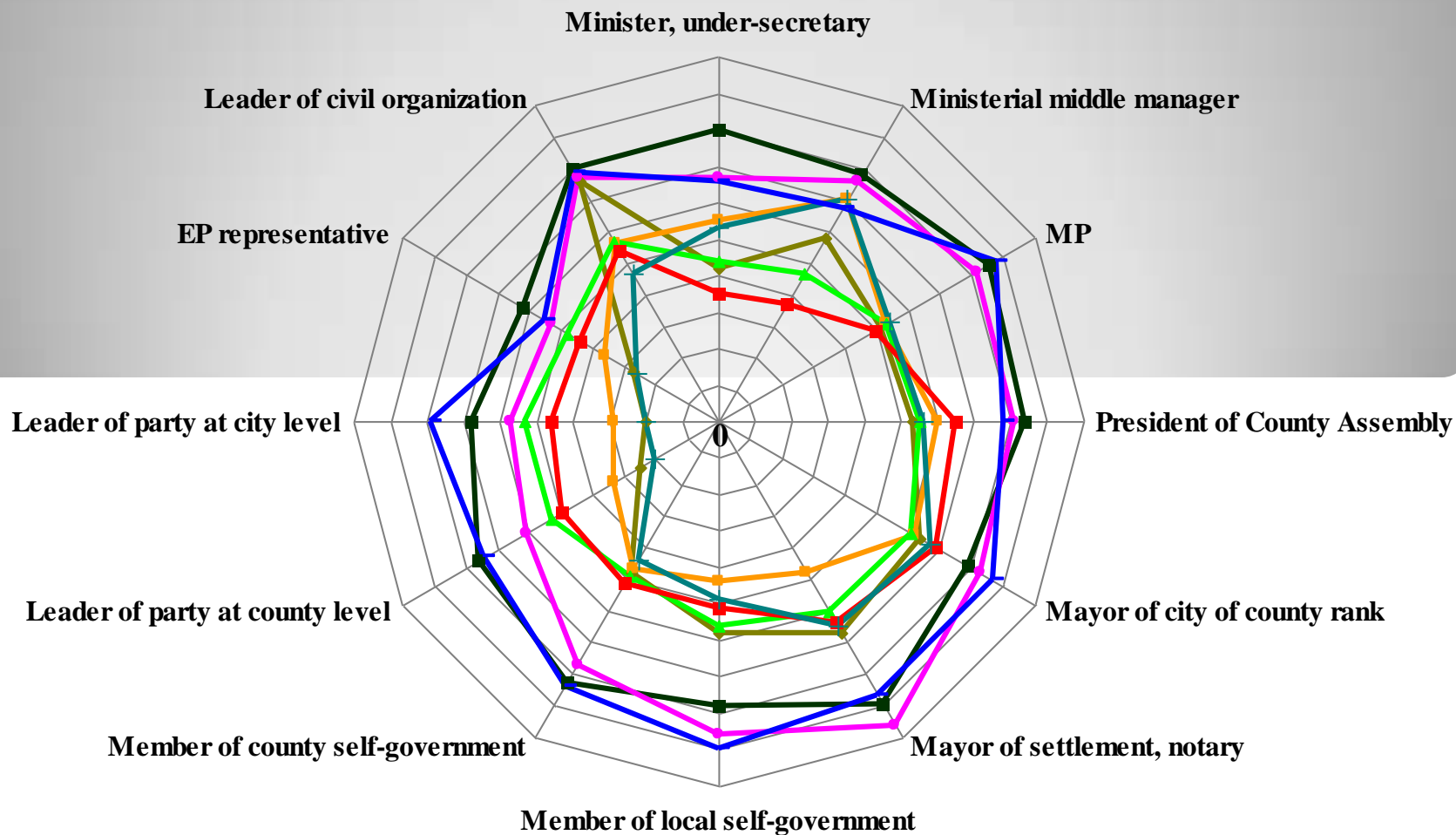


Geographical options of rescaling in Hungary= a jungle until 2010

Basic (Constitution)	3200 (1600 before 1990), LAU 2	Municipalities
Micro-regions	138→174 NUTS 4, LAU 1	Municipal associations
Counties (Constitution)	19+ the capital NUTS 3	Self-governments+ state adm+development ins.
Macro regions	7 (since 1998), NUTS 2	Development institutions +state adm
NUTS 1 regions	3 (since 2007)	none-yet

Network of personal relations

Strength of connections (by activity area)
(index: 0 – weak, 100 – strong)



- civil organization
- manager in higher education
- firm, enterprise
- media manager
- politician
- regional development
- administrative organ
- self-government politician

New picture since 2010

Basic level municipality	LAU2. 3200	Self government (with much less functions)
Micro region	Number ? (LAU?)	Association with unsure future
District (járás)	175-23	Strengthening state administration
County	NUTS 3 19+capital	Self-government less functions Strong state administration
Macro region	7 NUTS 2	No development institutions+ some state administration
NUTS 1 region	3	No any institution

- Path dependency- legacy of centralisation and paternalism
- It was a mistake to require uniform design of management of SFs
- There is no a single pattern to be followed
- Professional background for well prepared reforms was missing
- Administrative reforms as a processes were not designed professionally

Why have reforms been failed?

- Different legacy of the past from CEE („federalism“ and self- administrative communities)
- Ethnic conflicts, different external pressure (not just the EU)- effect of nation building
- The aim to access as motivation
- Emerging SF challenges (NUTS, planning)
- Less municipal fragmentation
- More colourful meso (ethnic reasons), permanent centralisation (Slovenia, Croatia as exceptions?)
- Regionalism ≠ decentralisation, coexist of federalism and centralisation
- Inner and/or external driving forces?

**Examples from the Balkan
(Horváth-Hajdú, 2011)**

- More 'place-based' European cohesion policy (CLLD, ITI etc.)
- But pressure of crisis and competitiveness
- What does EU Commission really want?
- What are NMSs able to do?
- Learning instead of imitating
- Functional adaptation instead of restructuring
- Enabling local, regional actors instead of centralised management.

Future challenges

Territorially blind governance is coded
failure

Thank you for your attention!

Conclusion