



MULTI-LEVEL GOVERNANCE AND VERTICAL DIVISION OF POWER

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Key words:

- GOVERNMENT - GOVERNANCE

The transition from government to GOVERNANCE
means:

- *a lack of a clear hierarchy of norms,*
- *a blurring of distinctions between hard/soft and public/private law.*

The fragmentation of the state and the shift away
from **hierarchical** (command and control) towards
more **decentralised** (networked) **forms of regulation**

Key words:

- **GOVERNANCE** =
the authority to **make, implement and enforce rules** in a specified policy domain;
- **MULTI-LEVEL GOVERNANCE**=
the sharing of this authority across an institutionalised, hierarchically structured set up of actors with varying degrees of unity/coherence, commitment to EU norms and power resources

THE CONCEPT OF MULTI-LEVEL GOVERNANCE

- **origins**: studies on European integration;
- **the authors**: Lisbet Hooghe and Gary Marks,
in the **early 1990s**

G. Marks, *Structural policy and multilevel governance in the EC*, 1993.

G. Marks, L. Hooghe, *Multi-level governance and European integration*, 2001.

- **focus**: on the relationship between a wide range of European institutional actors, at the SUPRANATIONAL, NATIONAL AND SUB-NATIONAL LEVELS

EARLY EXPLANATIONS OF MULTI-LEVEL GOVERNANCE:

- A) ...a system of *continuous negotiations* among nested governments at several territorial tiers,
- B) ... described how supranational, national, regional, and local governments are *enmeshed* in territorially overarching policy networks.

MULTI-LEVEL GOVERNANCE AND THE EU

-MLG concept describes the EU as a political system with **interconnected institutions** that exist at **multiple levels** and that have unique policy features:

The EU is a political system with a:

- 1) **EUROPEAN LAYER** (European Commission, European Council and European Parliament);
- 2) **NATIONAL LAYER** and
- 3) **REGIONAL LAYER**

TWO WAYS OF INTERACTIONS BETWEEN LAYERS

- Layers interact with each other in two ways:
 - 1) *across different levels of government (VERTICAL DIMENSION)*
 - 2) *with other relevant actors across the same level (HORIZONTAL DIMENSION)*

VERTICAL AND HORIZONTAL DIMENSION OF MLG

- VERTICAL DIMENSION-

refers to the linkages between higher and lower levels of government;

- HORIZONTAL DIMENSION –

refers to co-operation between regions or between municipalities

MULTI-LEVEL GOVERNANCE

- There are interrelated levels of government — municipal, local, regional, national, and supranational;
- The relationship between and across levels of government is characterised by mutual dependence;
- Regional policy requires multi-level governance mechanisms within a coherent, forward looking, cross-sectoral, and flexible framework.

White Paper on Multilevel Governance

- 2009 – Committee of the Regions
- two main strategic objectives:
 - 1) encouraging *participation* in the European process, and
 - 2) reinforcing the *efficiency* of Community action

White Paper on MLG:

- MLG = coordinated action by the EU, the Member States and local and regional authorities, based on partnership and aimed at drawing up and implementing EU policies;
- It leads to responsibility being shared between different tiers of government,
- it reinforce the democratic dimension of the EU,
- it increases the efficiency of EU processes

TO INVOLVE THE REGIONAL AND LOCAL AUTHORITIES IN THE FORMULATION OF EUROPEAN POLICIES?

- The following **five principles of good governance** from the **2001 White Paper on European Governance** (European Commission) justify this need:
 - a) Openness** - Since they are democratically elected and close to the ground, the regional and local authorities are well placed to provide the citizen with information.
 - b) Participation** - The White Paper on governance affirms the need for the European and national associations of regional and local authorities to be involved with due regard for the institutional architecture of the Union and the Member States' internal organisation.
 - c) Coherence** - The Commission acknowledges the need for better assessment of the impact at regional and local level of Community policies in areas such as transport, energy and the environment.
 - d) Effectiveness** - Some Community policies are implemented and/or have the greatest effect at regional and local level. Local government authorities are ideally placed therefore to assess the coherence and effectiveness of Community policies
 - e) Responsibility**
- MLG ensures that these principles are implemented, maintained and enhanced-**

IMPLEMENTATION OF MLG

- depend on respect for the **principle of subsidiarity** – which guarantees that policies are conceived and applied at the *most appropriate level*
- respect for the principle of subsidiarity and MLG are indissociable:
- one indicates the **responsibilities** of the different tiers of government,
- whilst the other emphasises their **interaction**

IMPLEMENTATION OF MLG

- MLG presupposes the existence of **MUTUAL LOYALTY** between all the various levels of government and the institutions;
- GOOD COOPERATION has to be **BASED ON TRUST**, rather than on confrontation;
- Local and regional authorities **as PARTNERS** – partnership goes beyond participation, consultation, promoting...

IMPLEMENTATION OF MLG

- The conditions for good MLG actually **depend** on **the Member States themselves**;

The principles of:

- ❖ CONSULTATION,
- ❖ COORDINATION,
- ❖ COOPERATION,

recommended at Community level, **must firstly be applied within the Member States**

-although there is clear trend in Europe towards decentralisation, the conditions for good MLG **have not yet been met in full-**

Problems?

- within the EU – nearly 95 000 local and regional authorities have significant powers in key sectors (such as: education, economic development, transport, public services...);
- Regions – not in all Member States;
- Regions – small number, relatively weak;
- Exceptions – Germany, Spain, Belgium, Austria

REGIONAL AUTONOMY INDEX 0-4

(source from 2002)

- Austria – 4
- Belgium – 4
- Denmark – 0
- Finland – 0
- France – 2
- Germany – 4
- Greece – 1
- Ireland – 0
- Italy – 3
- Netherlands – 1
- Portugal – 1
- Spain – 4
- Sweden – 0
- United Kingdom – 1
- Scotland and Walles - 3

INDEX – TYPE OF STATE ORGANIZATION?

- Austria, Belgium, Germany – **FEDERATIONS**
- Italy, France, Spain, Great Britain –
REGIONALISED UNITARY
- Denmark, Finland, Netherlands, Sweden –
DECENTRALISED UNITARY
- Greece, Ireland, Portugal – CENTRALISED
UNITARY

REPUBLIC OF CROATIA AND VERTICAL DIVISION OF POWER

SEPARATION OF POWERS

- all the constitutions divide functions between *parliament, president, government and judiciary*,
- but the doctrine of the separations of powers is only expressly enshrined in five constitutions:
 - 1) Bulgaria (art. 8),
 - 2) Slovenia (art. 3)
 - 3) Croatia (art. 4)
 - 4) Macedonia (art. 8)
 - 5) Estonia (art. 4)

Please find relevant provisions in the Constitution!

Republic of Croatia

Governmental system

- the Republic of Croatia is a **unitary** and indivisible **democratic** and **social state**, with the system of **parliamentary democracy**.
- in Croatia government shall be organized on the **principle of separation of powers** into the legislative, executive and judicial branches (HORIZONTAL LEVEL), **but limited by the right to local and regional self-government (VERTICAL LEVEL) guaranteed by the Constitution.**
- the principle of separation of powers includes the forms of **mutual cooperation and reciprocal checks and balances** provided by the Constitution and law

LOCAL AND REGIONAL SELF- GOVERNMENT:

- -the foundations of local and regional self-government are written into the **Constitution** of the Republic of Croatia (1990);
- -the **Law on Local Self-Government and Administration** was enforced in **1992**;
- - new legislation in **2001** - **the Law on Local and Regional Self-Government**

- local and regional self-government is **MATERIA OF ORGANIC LAWS** – because the organization and authority of local and regional self-government shall be passed by the Croatian Parliament by a MAJORITY VOTE OF ALL REPRESENTATIVES;
- *“Citizens shall be guaranteed the right to local and regional self-government”* (Art. 133)
- this right become *equal with the others human rights and fundamental freedoms*.
- respect of human rights is one of **eleven the highest values** of the **constitutional order** of the Republic of Croatia (freedom, equal rights, national equality and equality of genders, love of peace, social justice, **respect for human rights**, inviolability of ownership, conservation of nature and the environment, the rule of law, and a democratic multiparty system), which are the **grounds for interpretation of the Constitution**.

REALIZATION OF THE RIGHT TO LOCAL AND REGIONAL S.G.

- the right to self-government shall be *realized through* **local**, respectively **regional representative bodies**, composed of members elected on free elections by secret ballot on the grounds of direct, equal and general voting rights;
- citizens may *directly participate* in administering local affairs, through:
- **meetings**, **referenda** and other forms of direct decision-making, in conformity with law and statute

LOCAL AND REGIONAL UNITS:

- the units of local self-government are **municipalities** and **towns**;
- the units of regional self-government are **counties**;
- municipalities, towns and counties are founded by law;
- the capital city of Zagreb **may be** attributed the status of a county by law;
- forms of local self-government may, in conformity with law, be established in localities and parts thereof

THE TERRITORIAL ORGANIZATION

- in Croatia exist 21 counties including city of Zagreb, 127 towns, 429 municipalities and 6810 settlements;
- the territorial organization of local and regional-selfgovernment is based on:
 - a large number of relatively small municipalities and on
 - a formal, but unrealistic, distinction between rural municipalities and urban local units;
- the territory of county is primarily based on administrative criteria, which largely ignore the highly significant natural and historical boundaries of Croatian regions;
- there are large differences among the municipalities with regard to the number of settlement which fall within a given municipalities;
- many of local units are not capable of successfully conducting the minimum scope of affairs, or to sustain those affairs financially, professionally or in other ways

COUNTIES



Regions of Croatia

- | | |
|-----------------------------------|--|
| 1. Istria County | 10. Pozega and Slavonia County |
| 2. Rijeka County | 11. Virovitica and Podravina County |
| 3. Karlovac County | 12. Osijek and Baranja County |
| 4. Zagreb County | 13. Sisak and Moslavina County |
| 5. Krapina and Zagorje County | 14. Slavonski Brod and Posavina County |
| 6. Varazdin County | 15. Vukovar and Srijem County |
| 7. Medjimurje County | 16. Lika and Senj County |
| 8. Koprivnica and Krizevci County | 17. Zadar County |
| 9. Bjelovar and Bilogora County | 18. Sibenik and Knin County |
| | 19. Split and Dalmatia County |
| | 20. Dubrovnik and Neretva County |
| | 21. The City of Zagreb |

- the **structure** of regional self-government is laid down in the **Act on the Territories of Counties, Towns and Municipalities in the Republic of Croatia;**
- the **determination of the territory of counties, cities and municipalities is under the authority of the Croatian Parliament**

Definitions:

Please find relevant provisions in the Constitution!

Regional development policies

- regional development policies **do not have a strong tradition** in Croatia, and the role of **science** and **research** as vehicles of regional development has not been articulated;
- **some areas** of Croatia display, for *geographical, historical and cultural reasons*, **higher levels of regional identity** (e.g. Istria, Zagreb region, Medimurje, Slavonia and Dalmatia) -
- however, their regional identities have **not yet found full expression** in development processes;
- development perspectives of these regions are mainly defined by their **natural resources and historical heritage**:
- therefore, *Istria and Dalmatia* are **focused on** tourism,
- *Slavonia* on agriculture and forestry and
- *Medimurje* on entrepreneurship and crafts , while
- *Zagreb* is an industrial, financial and university centre.

National Strategy for Regional Development

- the aim is to contribute to the development of **regional socio-economic development** of the Croatian Republic, in accordance with the principles of sustainable development,
- creating conditions that will enable **all parts of the country's competitiveness** and
- strengthen the implementation of its own development resources

THE TASK OF REGIONAL DEVELOPMENT POLICY

- the task of regional development policy is to enable **all regions** to achieve their potential and seize opportunities for **sustainable development** and **welfare of their citizens**, while paying extra attention to areas that are lagging behind in development;
- to achieve this goal requires a **common and concerted action** by many partners;
- here are all the **key sectors of society** -the Croatian Government, regional and local government, private, scientific and civil society –

are expected to share in the consensus, offers solutions and how they **work together** in order **to achieve optimal development and prosperity of our region.**

Development of underdeveloped areas?

- Acts explicitly regulating this issue:

- Islands Act,
- Act on [Areas of Special State Concern](#),
- Act on Hill and Mountain Areas,
- Act on Reconstruction and Development of the city of Vukovar,
- Act on the [Regional Development Fund](#)

Institutional Setting for Regional Development:

- - the main responsibility on **the central level** is with the **Ministry of Regional Development, Forestry and Water Management**;
- - Fund for Regional Development;
- - Ministry of Finance,
- - Ministry of Science, Education and Sports,
- - Croatian Bank for Reconstruction and Development....
- - at the **local and regional level**, a number of administrative bodies responsible for the issues of regional and local development are operating in counties and in a number of cities;
- - in addition, **some counties and cities** have county or local development agencies, entrepreneurship centres, technology centres and other development institutions

NUTS (Nomenclature Uniforme Territoire Statistique)

- NUTS 1 – 3 000 000 – 7 000 000 inhabitants
- NUTS 2 – 800 000 – 3 000 000
- NUTS 3 – 150 000 – 800 000

NUTS and Croatia?

- spatial units for statistics **NUTS level 2** have between 800,000 and 3 million inhabitants;
- the Republic of Croatia is divided into **three regions NUTS 2**:
 1. **Northwestern Croatia**, which consists of the City of Zagreb, Koprivnica-križevačka, Krapina-Zagorje, Medjmurje, Varazdin and Zagreb County,
 2. **Central and Eastern (Pannonian)** Croatia, which consists of Bjelovar-bilogorska, Brod-Posavina, Karlovac, Osijek-Baranja, Pozega-Slavonia, County of Sisak-Moslavina, Virovitica-podravka and Vukovar-Sirmium and
 3. **Adriatic Croatia**, which consists of Dubrovnik-Neretva, Istra, Lika-Senj, County of Primorje-Gorski Kotar, Split-Dalmatia, Šibenik-Knin and Zadar County (Official Gazette no. 35/07). Within the Strategy of Regional Development of spatial units on the NUTS 2 statistical regions are called.

- the largest **space** occupies the *Adriatic region* (44%), followed by Continental (41%) and Northwestern Croatia (15%);
- the **population** is distributed differently for different densities. Northwestern Croatia, where the territory of the *City of Zagreb*, and belongs to the largest population (37.4%), followed by the Adriatic (32.2%) and Pannonian Croatia (30.5%);
- aggregate analyzed the level of statistical regions, the highest share of **GDP** in 2005. years (48.2%) was achieved in *northwestern Croatia*, which is 28,6% more than the Croatian average;

Adriatic Croatia has had a share of 31.2%, which was slightly lower than average, and worst situation in the Pannonian Croatia, which gained a share of 20.6% in the Croatian GDP and the 69.1% national average.

Pannonian Croatia

- a region with very favorable **geostrategic position** in the direction of European transport corridor Vc, VII and X, **the rich natural, cultural and historical values**;
- it is a sparsely populated region with **severe consequences of the war**, there are still large areas of mined and mine suspected areas, which certainly limits the utilization of rich natural resources and agricultural base;
- **natural resources** are identified and appropriately used, and forest and biomass is at a satisfactory level;
- on the other hand, existing renewable energy sources are **still insufficiently used**;
- significant is the power of the region **well connected to major centers** in the region (the airport in Osijek and branched rail network), while resources lie in the buoyancy of the *existing rivers and canals*;
- watersways rivers Danube, Sava and Drava are included in the *international network of waterways*, while all four inland ports of Vukovar, Osijek, Slavonski Brod and Sisak open to international traffic.

ACTUAL PROBLEMS:

- the main role of the modern state in a democratic, market-based economy is **to provide fair and equal conditions and standards** as the basis for the daily life of individuals and for the economic activities of individuals and legal entities;
- the basic mechanism used by the state is **law**;
- passing and enforcing acts of **parliament, delegated legislation**, and by-laws, monitoring their effects and providing mechanisms for correction and redress are important tasks of the modern state;

- **Lack of capacity**
- One of the most significant reasons for the encountered difficulties in the decentralization process is the **low capacity of local and regional government units**, which is related to the large number of relatively small local units in the country;
- GENERAL PROBLEM is **unpreparedness** of the local and regional self-government units **for the process of decentralisation and the accession to the European Union;**
- CENTRAL PROBLEM is **lack of capacities** of the local and regional self-government units **for the implementation** of institutional reforms and economic/entrepreneurial projects;

CAUSES?

- 1) **INSUFFICIENT UNDERSTANDING** of political and socio-economic **trends** (democratisation and decentralisation);
- 2) **LACK OF INFORMATION** about the **possibilities** of cooperation and **financial support** in a view of prospective projects;
- 3) **LACK OF INFORMATION, KNOWLEDGE AND SKILLS** for the preparation and implementation of **projects**

Thank you for your attention!!!