



ROLE OF THE LOCAL COMMUNITIES DURING THE CURRENT PERIOD

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Rezumat

Comunitățile locale sunt capabile să-și stabilească obiectivele și proiectele bucurându-se de autonomie locală. Strategiile de dezvoltare locală urmăresc stimularea creșterii economice prin atragerea și gestionarea cât mai eficientă a fondurilor UE.



Abstract

Local communities are capable of formalizing their objectives and projects due to their local autonomy. Local development strategies follow the stimulation of economical increase by drawing and managing the EU funds in an effective manner.

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It is not simple to define the local community because the term involves a wide array of geographic, historic, cultural, administrative, economic and social factors. We may define the local community as a natural, continuous historic organisation within an area which encompasses values, individuals, institutions, enterprises, activities

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and resources. This territory is a close circuit within which there is a generous offer of the labour market, so that the working people will not have to migrate if they want to change jobs. The definition of the local community can therefore be enriched with the criterion of economic and social coherence.

The local communities are able to set their goals and projects defining them in relation to the regional and national framework, or in relation to other communities. The administrative division of the local communities must also be taken into consideration because it actually determines the structure of the dispensed services, thus contributing to a general refining. The local authorities are noticed by the presence at the local level, holding the political power, power which fits well to the higher political levels; they are empowered to levy taxes and they may start own actions at community level, for which they are accountable in front of the population. This is an interesting feature which may transform into a real “lever” of development.

Another important aspect at the local level is the human dimension of organisation, initiatives and actions.

At the national level the economic policies are elaborated on the basis of standard methods, which allow identifying the performance indices, the general strategies and levers susceptible to yield predictable effects.

The diving industrial concepts, the economic connections, the industrial clusters, the multiplying effects derive from these patterns. They confirm the hypothesis that the economic actors have a standardized behaviour composing a specific category and that the population shares about the same system of values. These similitudes can be useful to penetrate larger organisational structures, but seems to be insufficient to influence the local level development. Indeed, the local communities are not large enough to be readily generalized. All the elements are personalized: the leadership, the institutions, enterprises, community groups. After all, everything has a name and bears traits.

The strategies for local and regional development refer both to the adjustment of the administrative organisation – accompanied by reform of the regional governance – which aims to stimulate the economic growth and to use financial instruments specific to the public sector. The use of these instruments aims first to adapt the public finances to the modernization requirements which result from

our status of EU member state, modernization that can be accomplished by focused actions, by using adequate fiscal-budgetary techniques such as budget allocation by programs, by implementing projects and public investments boosting the economic growth and the improvement of the living conditions for the population. No doubt, the factor with the strongest influence on the local development is the financial factor, because without money, the implementation of the public policies will remain at the stage of the drawing board.

The local taxation of the enterprises and the financing of the local development initiatives must be perceived not just as financial support of the local community to the enterprises, but rather as a strategy to solve the lack of resources available to the specific community. This analysis expands, of course, to all the expenditure that has to be financed by the local communities. They have specificities in terms of financing the local development.

Enterprise taxation, regardless their administrative level, has the benefit of a limited number of taxpayers, which makes tax collection easier and allows to tax the rent for the supply of public services. The local fiscality on the enterprise has particular specificities as compared to the national scale.

Both at the national scale, and at the local scale, the tax serves to collect resources for the collectivity, and this can be done function of two objectives, often incompatible: the tax can be regarded as a way of financing the public services or as a means to modify the distribution of the income among the taxpayers.

At the local level, the possibility to apply redistributive policies is limited by the modality available to the taxpayers: a collectivity which initiates a redistributive policy draws poor individuals who benefit of this policy, but at the same time this chases away the wealthy individuals who finance this policy.

Therefore, taxation must rely on the principle of the benefits collected by the taxpayers.

The situation is completely different in the Eastern and Central Europe countries, particularly in Romania, in relation to the other member states. The opening of these states towards the market economy was accompanied by severe disfunctionalities of the existing fiscal systems. After almost 8 years from the change of regime, all the states of this region have adopted the principles of the western pattern of the public administration based on political democracy and local autonomy.

This situation is accounted for both by the weakness of the margins of manoeuvre of the public finances, of the measures which sometimes supported the administrative fragmentation or the institutional conflicts, and by the problems related to the real estate status, by the difficulty to conceive the decentralisation of specific competencies or to define the territorial level.

Development is, however, possible only by expanding the fiscal power of the local communities. This process must be joined by the establishment of new forms and institutions of private financing, which contribute to the accomplishment of the local development policies.

In the ideal situation, the delimitation of each jurisdiction is done according to the area covering the benefits of the local public goods and services that are supplied, while taxation is done in relation to the benefits of this area.

In practice, there is no such correspondence: effects of overflow and externalities between the local collectivities hinder the overlapping of the area of dispersion and the area of financing the public goods and services.

Specific elements appear in the situation of the local taxes, such as carry over the tax from one taxpayer to another. If some taxpayers refuse the tax, it can be carried over to the exterior of the collectivity.

The taxation rates on entrepreneurs vary among the localities and the question is whether this is so because of the variety of local public goods and services that are supplied, or because of the options of the local decision-makers.

The local development is closely related to the interventionism of the local community, which may lead to the idea that it has to rely on a public financing.

The use of private financing is often used only when the usual channels of financing the public expenditure have been exhausted, which is when the local community has no more resources.

It is restricted, however, by the regulations of the local public accounting, which stipulate that the local collectivities can borrow only to finance the investments, which are part of the economic interventions, while reimbursing the debt is a compulsory expenditure.

These progressive transformations of financing the local policies show the signs of a resettlement of the relations between the public and private agents of the local development.

The administrative capacity of EU funds administration is one of the key elements to reach a high level of economic and social development in Romania. With the view to use as efficiently as possible the structural instruments, in agreement with the community acquis and with the relevant policies, each member state has the duty to monitor, evaluate and control the expenditure from structural funds and to inform and make public data on this financial assistance and on its system of implementation¹.

The EU cohesion policy will focus during 2007-2013 on the economic growth and on job creation, the investments in economic and social cohesion amounting to 308 billion euro².

¹ *The programs used by Romania to access European funds are: The National Program for Rural Development; the Regional Operational Program; the Sectoral Operational Program for the Improvement of the Economic Competitiveness; the Sectoral Operational Program Environmental Infrastructure; the Sectoral Operational Program Human Resources Development; the Sectoral Operational Program Transportation Infrastructure; the Operational Program for Technical Assistance; the Operational Program for the Development of the Administrative Capacity; the Program for Trans-boundary Cooperation Hungary-Romania. The Regional Operational Program is one of the first Romanian operational programs approved by the European Commission and the only multisectorial operational program which allows financing both individual and integrated programs with a visible impact on the regional and local development. The program can be applied to all the 8 regions of development in Romania.*

² *The EU cohesion policy is financed via two structural instruments: the Structural Funds (the European Social Fund and the European Fund for Regional Development) and the Cohesion Fund. The European Fund for Regional Development supports the sustainable economic development at the regional and local level by mobilising the local capacities and by diversifying the economic structures in areas such as research and technological development, innovation and entrepreneurship, information society, SMEs, environmental protection, tourism, energy. The European Social Fund contributes to increasing the adaptability of the labour force and of the enterprises, to increasing the access on the labour force market, to preventing the unemployment, to prolonging the active life, to increasing the proportion of women and immigrants on the labour market, to supporting the social inclusion of the disadvantaged persons and to curbing discrimination. The European Social Fund supports in Romania the development of the human capital and to increasing its competitiveness on the labour market by providing equal opportunities for lifelong learning and the development of a modern labour market, flexible and inclusive, which to accomplish by 2015 the sustainable integration of 900,000 persons into the labour market. The Cohesion Fund finances projects in*

In the absence of a strategy updated according to the EU directives on sustainable development, the programs and sectoral strategies elaborated in Romania during the pre- and post-accession periods contain relevant provisions and clear targets, much of which have been used as reference for the project of the Strategy of the National Development of Romania.

We may say that it is not the legislation which hinders the proper progress of the sustainable local development in Romania, but rather the lack of interest of some public authorities or the lack of the financial support, the existence of limited financial resources, which determine the mechanisms of financing and the juridical mechanisms backing a program, sub-program or project.

The sustainable development involves the individual participation to such a process via personal efforts in this direction, jointly with the effort of the other individuals. Such an attitude, initiated at the individual level and expanded to the institutional level, may ease and even solve a crisis situation.

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environmental protection, in trans-European transportation networks, in sustainable development, the improvement of the air and road traffic management, modernisation of the urban transportation, development and modernization of the multimodal transportation.