



---

## THE INFLUENCE OF REGIONALISATION ON LOCAL SELF-GOVERNMENT

M. Neykova

Centre of Legal Sciences, Burgas Free University, Bulgaria

### ABSTRACT

The present report considers the influence of regionalisation on local self-government. The need of elaboration of European legislation that regulates the better co-ordination, communication and interaction. The position of France, the Netherlands, the United Kingdom regarding the adoption of a legally binding document.

The main goal of the report is to show the importance of regionalisation with regard to the local self-governing units and regional development.

**Key words:** local and regional authorities, regionalisation, local self-government.

In the name of economic integration and harmonisation of the conditions of life, the European Union favours regionalisation, while the Council of Europe places the emphasis on the local authorities.

Given the fact that the number of the Council of Europe Member States, which are not members of the European Union, is constantly decreasing<sup>1</sup>, the issue arises for the better co-ordination between them and their specialised bodies – the Congress of the Local and Regional Authorities of the Council of Europe and the Committee of regions of the European Union. An issue of serious consideration is the development of European legislation on the local and regional authorities. A resolution of the European Parliament of late 2002 poses the radical idea of merging the legislation of the European Union with that of the Council of Europe in the field of local democracy. The Parliament has declared its support to the appeal of the Committee of Regions of the European Union that the new constitution framework of the Union should

incorporate the European Charter of Local Self-government into the *acquis communautaire*<sup>2</sup>, something that was done with the European Convention on Human Rights and the Fundamental Freedoms<sup>3</sup>.

In the opinion adopted at the 13<sup>th</sup> session of the Conference of the European Ministers responsible for the local and regional authorities in June 2002, it is recommended that the efforts should be aimed at developing a common legal document. Within the same context is Resolution 146 (2002) of the Congress of the Local and Regional Authorities in Europe regarding the draft European Charter of Local Self-government. Since the variety of practices is one of the strongest arguments against the charter, here there is a strong reason for the necessity of such a document – the accent is on the fact that only such a document can bring order and establish rules because the “variety of the

---

<sup>1</sup> After the enlargement, the European Union will have 25 member states, while currently the COE has 45 members, i.e. the ones outside the European Union are Turkey, the former republics of Yugoslavia and USSR, the candidate countries Bulgaria and Romania.

---

<sup>2</sup> European Parliament resolution on the role of regional and local authorities in European integration (2002/141(INI)).

<sup>3</sup> Pursuant to Art. I-9, Para. 2 of the Treaty establishing a Constitution for Europe, the Union accedes to the European Convention for the Protection of Human Rights and Fundamental Freedoms

national forms of regional self-government in itself requires a legal document on regional self-government allowing for certain flexibility in its application<sup>4</sup>”.

The position of France, which was one of the last rivals of the adoption of a legally binding document, shares the argument that a convention will disturb the institutional equilibrium in France without substantially improving the functioning of its regions, that the direction is inevitably toward creation of a scale of values of the regions based on the presumable degree of their independence. France makes an estimation that the trend observed in Europe toward ranking of the models of regionalisation contradicts with the primary goal of the Council of Europe. And finally, France does not share the commonly presented argument that the adoption of a convention will not create difficulties because the countries will be free not to ratify it.

The Netherlands have adopted another approach – the country has established regional self-government – provinces, and has already declared that it will apply the principles of the European Charter of Local Self-Government (ECLSG) with regard to them. Therefore it supports the adoption of the ECLSG.

The United Kingdom stands the opinion that it will be fundamentally wrong for the Council of Europe to adopt a legally binding Charter of Regional Self-government.

The most proper way for the Council of Europe to contribute to the development of regionalisation in Europe would be to establish a flexible governance framework – possibly in the form of a recommendation underlining the key principles that the countries have determined as fundamental for regional self-government, based on their experience.

The challenge of introducing regional self-government is to determine an optimal country-specific balance of authorities and distribution of the functions and tasks to the government levels.

In fact, even without such a charter, which has been in focus during the last ten-fifteen years, the centralised countries in Europe are rare to be seen. Although the division of the countries according to their state system into unitary and federal is preserved, it is getting more and more conditional since not a few unitary states, e.g. the United Kingdom, in practice have transformed into federal states. By the end of the 1960s, the predominant part of the countries in Europe were centralised and were characterised with strong central administration. Germany, Switzerland and Austria (Yugoslavia and Czechoslovakia from the member states of the Council for Mutual Economic Assistance) are the only exceptions.

Keating (1998) identifies two waves of regionalism and regionalisation. The regionalisation during the 1960s and 1970s was based mainly on identity. The regionalisation during the 1980s and 1990s was based on economic rather than cultural and identity factors. There are two countries, in which the federal system was established earlier (Germany and Austria), which Keating attributes to the desire to liquidate all prerequisites for restoration of militarism by employing regionalisation.

As already mentioned, at the present stage there are no legal documents that bind any country in Europe to adopt a certain model of territorial division. As there are frequent speculations with the positions of the European Union on this issue, it should be clearly stated that the European Union has no requirements to the form, competences, status, number and levels of regional and local government in the individual countries. Every country is free to decide on such issues by itself.

The negotiations under Chapter 21 “Regional Policy and Co-ordination of the Structural Instruments” have had the strongest, although indirect, influence on the administrative reforms and the regionalisation processes in the individual countries, given the fact that this Chapter is one of the most important ones and it is usually closed at the very end of the negotiation process. Every member state with a GDP lower than 75% of the European average is entitled to financial support through the EU Structural Funds and the Cohesion Fund and in the period prior to accession – through the

---

<sup>4</sup> Resolution 146 (2002) on the draft European Charter on Regional Self-government, item 9, letter “b”.

PHARE, ISPA and SAPARD. It must be noted that the level of localisation of the funds under the pre-accession funds and subsequently – under the Structural Funds and the Cohesion Fund is the NUTS 2 level, according to the Eurostat classification<sup>5</sup>. The requirement for a region to be assigned this level is a population of minimum 800,000 people and GDP not exceeding 75% of the European average. With a view to the establishment of such regions, the countries are free to choose about their status – whether they will serve only statistical purposes (as in the case of Bulgaria) or they will be administrative and territorial units at the same time (as in the case of Poland).

The European Parliament has also ascertained that regardless of the observance of the principles of non-intervention in the legal systems of the member states, the European Union influences the regionalisation process through the European regional and cohesion policy, which is aimed at decreasing the regional disproportions. This policy “encourages administrative regionalisation in almost all member states – even in those, which have not been prepared for this – as a catalyser for implementation of these same policies.”<sup>6</sup> The observation of an “increasing pressure, to some extent on the part of the European Union, for establishment of representative institutions at regional level that can secure planning and partnership in the economic and social development” has been made by Davey (2002, p.36) in his analysis of the obstacles in front of decentralisation in Central and Eastern Europe.

The debates about the necessary regional development structures can lead to increasing the dependence from the centre, as is the example with Hungary given by Peteri (2002, p.17). Bachtler (2000, p.p.363 – 365), ascertains in an extensive research on the transition and the regional policy in CEE countries that in most countries there is such a debate with a view to the more efficient regional policy, it is necessary because the earlier forms used to give greater power to the local level. This way, a vacuum

was created between the central and the local authorities, with the regional authorities being very weak that has led to fragmentation. As Bachtler points out further, the reforms in the Czech Republic, Poland and Hungary, launched in 1999-2000, were aimed at dealing with this issue.

The invitation to Bulgaria for membership in the European Union and especially the finalisation of the negotiation changed the direction of the public debate – the focus was placed on regional development, regionalisation, regional self-government. This gave certain reasons to think that such an attitude toward decentralisation would be beneficial for the supporters of limited decentralisation, the argument being that financial centralisation is necessary in order to concentrate resources for project co-financing. The invitation for membership affected positively the decentralisation as regards the established method of work.

It is a fact that regional development as a process produces centralisation. One of the principles of the EU Structural Funds is exactly the concentration principle. The regional development is a factor for shifting the focus on the intermediary regional levels situated in the hierarchy between the government and the municipalities.

The regional policy, while considering the importance of the quality of human resources for the development of the regions, supports them mainly through planning and programming of activities targeted at improving the quality of life, through promoting networks for exchange of experience and good practices between regions of the European Union.

The influence of the EU on the regionalisation process in Europe is obvious, even more – in a Resolution of the European Parliament it is stated that “regardless of the observance of the principles of non-intervention in the legal systems of the member states, the European Union influences the regionalisation process through the European regional and cohesion policy, which are aimed at decreasing the regional disproportions. This policy encourages the administrative regionalisation in almost all member states – even in those, which have not

<sup>5</sup> The abbreviation “NUTS” means “Nomenclature des Unités Territoriales Statistiques”.

<sup>6</sup> European Parliament resolution on the role of regional and local authorities in European integration (2002/141(INI)).

been prepared for this – as a catalyser for implementation of these same policies.”

In a report of 1992, Cauwenberghe defines the unification of Europe as one of the external factors threatening the local autonomy. The problem Cauwenberghe (1993:30 – 31) defines is how to preserve the local autonomy in the conditions of ever increasing integration and aspiration toward rationalisation and high degree of co-ordination in decision-making during the programming process. It is appropriate to remind that one of the principles of the EU Structural Funds is that of concentration.

With the introduction of the European regional policy in 1975, the process of building the EU begins to influence directly the regional and local government, while the quick growth of the Structural Funds stimulates the interest of the local and regional authorities in Europe. The European Commission divides the territory of the EU in statistical regions with the aim of evaluating the economic situation in the various regions (NUTS I, NUTSII and NUTSIII). The EU regional policy that has gained bigger importance supports the initiative for establishing and strengthening the regional institutions in a way that corresponds to the EU requirements. With a view to the regulations of the European Union regarding the use of financial resources, the member states started forming regions at the NUTS 2 level. For a long time, the NUTS classification had been regulated by Eurostat. In 2003, this topic was addressed by Regulation 1059 of the European Parliament and of the Council<sup>7</sup>. It defines the division of the Union territory in three levels following the Nomenclature of Units for Territorial Statistics – NUTS 1, 2 and 3. Although the purpose of this Regulation and the classification is to put the regional statistics in order, the effect is expressed in unification of the existing units. Every unit at these levels – regions, districts, provinces – receives an identification number and the list is published in the Bulletin of the European Union. For each of the levels stated in Art. 3, Para. 2 of

the Regulation there is a requirements about the population living in the respective unit:

Level	Minimum	Maximum
NUTS 1	3 mln.	7 mln.
NUTS 2	800,000	3 mln.

There is no requirement in the European Union legislation that determines that the statistical units should coincide with the existing territorial division or that the administrative units should be established in a way that corresponds to the statistical units. According to Eurostat, NUTS is based on normative criteria (see *Ibid.*, p. 28 ); this means that in addition to the administrative division, socio-economic and geographic criteria should be taken into account. In fact, according to the available data, the scope of the statistical units follows the boundaries of the existing territorial units and tries to observe the administrative reforms in the individual countries.

The purpose of the EU is to overcome the regional disbalance and, of course, to support the regions in prioritising their regional interests. If we consider the budget crisis in the European Community of 1980 – it caused reduction of the relative size of the resources for the Common Agricultural Programme within the EU budget, while the accession of Spain, Portugal and Greece led to increase of the overall budget allocated for regional policy and is possibly one of the reasons for the regulation of the increased regional subsidies in the Treaty of 1987. The successful reforms in the field of regional policy and the establishment of the Structural Funds in 1979, 1985 and 1988 result in considerable broadening of the opportunities for the Commission to make assessments and take decisions in accordance with the capabilities of the individual countries. All this has led to competition not only among the countries but also among the individual regions for distribution of the resources allocated for regional policy.

All European countries, using various means and institutional frameworks, are aiming at

<sup>7</sup> Regulation (EC) No 1059/2003 of the European parliament and of the council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS)

implementing regional and local government in order to promote employment and maintain the level of economic activity. Undoubtedly, the involvement of the civil society in this process is of crucial importance. The regional powers, which are based on a higher level of the legislation and financing, make the local authorities dependent on the region, both financially and functionally. While with the regional decentralisation it is possible that the legal provisions be implemented by an administrative judge and in contradiction with the decisions of the local authorities, whereby the local autonomy is violated, in the case of political regionalisation it is much harder for the local authorities to oppose the regional laws because in practice the region has the authority to draft laws.

The conclusion is that the European Union regional policy has major influence on the local self-government and on the acknowledgement of the regional dimension among national institutions and it has a different effect on the powers of the local self-government depending on whether a new government level is established or not. When regionalisation causes a change in the functions of the middle-level

institutions or in the collaboration between the municipalities, it does not lead to limitation of the local authorities' autonomy.

## REFERENCES

1. European Parliament resolution on the role of regional and local authorities in European integration (2002/141(INI)).
2. Resolution 146 (2002) on the draft European charter of regional self-government.
3. European Parliament resolution on the role of regional and local authorities in European integration (2002/141(INI)).
4. Regulation (EC) No 1059/2003 of the European parliament and of the council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS)
5. Neykova M. "Decentralisation, a key factor in increasing the efficiency of the administration," Yearbook Volume XXVII, 2012
6. Regional Development Act of the Republic of Bulgaria