

## ***Institutional Structures in the Growth Pole Policy from Romania***

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**Abstract:** *While aware that dynamics of institutional structures in policy implementation may seriously affect that particular policy, we analyze the dynamics of institutions involved in regional development, more specifically those involved in urban development, in the development of growth poles. Based on a Government decision from 2008, the focus of this policy is on prioritizing investments from structural and cohesion funds related to urban development and on state budget funds towards the development of 7 major cities from Romania, which have been declared growth poles, one in each region, with the exception of the region that includes the capital city.*

*In this context, we focus our analysis on the dynamics of two institutional structures developed specifically within the growth pole policies in Romania, namely on inter-community development associations (IDA) established in each of the 7 growth poles and on the growth pole coordinator structures from within the Regional Development Agencies, taking into account the framework provided by the Regional Operational Program 2007-2013 (ROP), Priority Axis 1 - Support for urban sustainable development - Urban Growth Poles. This program provides framework and subsidies for the development of the growth pole policy in Romania, stimulating the development of institutional framework for growth pole policy, while also stimulating strategic planning in growth poles.*

*We expect that the functioning of the growth pole coordinator structures be influenced by that of the IDA, and that the exogenous influences (EU funding through operational program) in the setting of these structures also affect their functioning, with structures established under endogenous influences performing better from human and financial points of view than the ones established under exogenous influences. The research involved brief analysis of institutional framework, based on legal documents, observation based on observation grid in order to analyze contents of documents, with focus on human and financial performance of IDAs, and exploratory interviews with growth pole coordinators, focusing on growth poles that are established under exogenous influences.*

**Keywords:** *growth poles, inter-community development associations, growth pole coordinator, public policy implementation.*

**JEL:** *R59, L3, H7.*

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## **Introduction**

Taking into account that the dynamics of institutional structures involved in a particular policy may influence the respective policy, including its implementation, we are interested in analysing the dynamics of institutions involved in regional development in Romania, in particular those institutions involved in urban development of the growth poles from Romania.

While aware of the rationales for the regional policy including its urban perspective (Parr, 2015), of the rationales for moving from cities to urban regions (Androniceanu, 2014), whether NUTS3 or even NUTS2 levels, and of the different classifications of urban structures for integrated regional development (Popescu, 2006), including on dimensions in the European policy with regard to improvements in urban environment (Popescu, 2008), we chose to focus on the growth pole policy from Romania.

Our interest in the growth pole policy for urban development, in relation to regional development is grounded on a Decision of the Romanian Government from 2008, which focuses such a policy on prioritizing investments from structural and cohesion funds related to urban development and on state budget funds towards the development of 7 second-tier cities from Romania that have been declared growth poles, one in each region, with the exception of Bucharest-Ilfov region.

Recent research related to growth poles and growth pole policy in Romania have been focusing on detailed presentations of the growth pole policy (Ionescu-Heroiu et al., 2013), (Borbély, 2011); (Hințea & Neamțu, 2014), (Mustățea, 2014), with focus on economic dimension within the growth pole, while taking into consideration also institutional framework and providing policy recommendations (Ionescu-Heroiu et al., 2013), or with focus on analyzing the policy from strategic planning perspective (Hințea & Neamțu, 2014), (Mustățea, 2014), on management of metropolitan areas, making also reference to potential problems during development of metropolitan areas in the absence of intercommunity cooperation (Ianos et al., 2012), on political-related aspects in decision-making in metropolitan structures within cities designated as growth poles (Dumitrică&Dinu, 2013), or on in-depth analysis within case studies for various growth poles, such as Cluj-Napoca (Dranca, 2013).

Yet, less interest was paid to the interaction between organizational structures established specifically within this policy, namely intercommunity development associations and growth pole coordinators, in relation also to their performance, which we intend to make the focus of the current analysis.

Inter-community development associations (IDAs) are defined in the Law no. 215 / 2001 on local public administration from Romania as “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”. Dumitrică & Dinu

(2013) argue that, in developed countries, the establishment of metropolitan areas, from the urban area to the neighbouring areas, is " driven by an extensive endogenous local economic development process, which forces, in order to develop the competitiveness level, the association of several communities around an urban center which exercises its quality of growth pole." While this would prove to be an organic development of associative structures at the level of the growth pole, we take into account that exogenous influences, such as additional financial support from European funding, may contribute to the association of communities in view of ensuring economic development, as Pop et al. (2007) also pointed out. The latter situation for setting up IDAs may have been for IDAs developed for growth poles, within the institutional setup in the growth pole policy. Thus, one of the prerequisites for accessing external financial aid for development projects in the growth pole, available through the ROP, was that integrated urban development plans (IUDP) as strategic documents be developed in each of the growth poles, which have to be submitted approval to the ministry responsible for regional development by the IDAs within each of the growth poles. IDAs' roles in implementing and monitoring the measures set in the IUDPs have been agreed locally and reflected in the IUDPs.

The growth pole coordinator is an additional structure set within the Regional Development Agency. The main tasks set in the Government decision are related to the integrated development plan of the growth pole, based on which public authorities from the growth pole benefit from ROP funding for developing infrastructure of the growth pole. The growth pole coordinator is supposed to collaborate closely with the growth pole leader, meaning the leader of the IDA.

Our analysis is conducted taking into account the following hypotheses:

- IDAs from growth poles established under endogenous influences perform better from human and financial point of view than the ones established under exogenous influences;
- The functioning of the growth pole coordinator structures is influenced by that of the IDA, with focus on IDAs established under exogenous influences (namely European funding through ROP).

The research conducted involved analysing content of documents, such as the regulations regarding the establishment of the growth pole coordinators, the bylaws of the respective IDAs and websites of the IDAs / municipality declared as growth pole, while also taking into consideration the legal framework related to establishment and functioning of IDAs and of the growth pole coordinators. Our analysis will focus on aspects related to decision-making within the IDAs, based on an observation grid, and on performance of IDAs, based on descriptive financial data for 2008-2013 from reporting documents recorded to the Ministry of Public Finances and on information about list of projects contracted from ROP PA 1, recorded by the Ministry of European Funding. In the analysis, we use the year 2008 as reference point, as this was the year of launching the Guide for Applicants for Regional Operational Program 2007-2013 (ROP) - Priority Axis 1 (PA 1) -

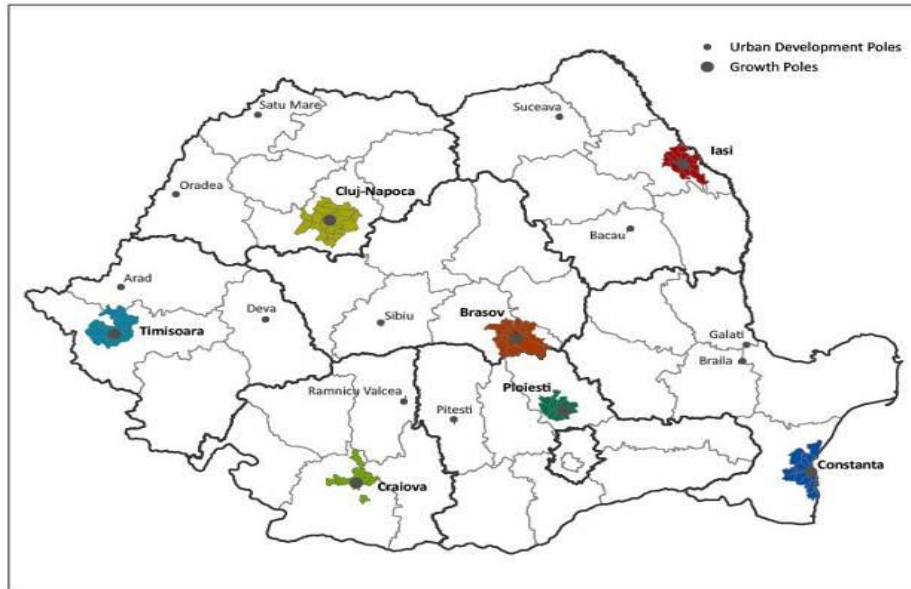
Support for urban sustainable development - Urban Growth Poles. Moreover, exploratory interviews were conducted with few growth pole coordinators, based on partial results in terms of performance of IDAs – focusing on growth poles that are established under exogenous influences.

While aware of the various institutions involved in this policy, after providing a brief overview of the institutional framework in the growth pole policy, which include local authorities, ministries, regional development agencies and associative structures of local authorities (inter-community development associations – IDAs), we focus our analysis on the dynamics of two specific structures: inter-community development associations (IDAs) from each of the seven growth poles, from the perspective of the human and financial performance, and the growth pole coordinator structure established within the Regional Development Agencies. Such structures have been established in the context of the Regional Operational Program 2007-2013 (ROP) - Priority Axis 1 (PA 1) - Support for urban sustainable development - Urban Growth Poles.

### **1. Brief Overview of the Growth Pole Policy and of the Institutional Framework**

Based on the broadest definition of public policies – what governments choose to do or not to do (Dye, 1998) – the growth pole policy in Romania emerges from the Government Decision no. 998 / 2008, with subsequent changes, through which seven growth poles have been declared, listed alphabetically: Braşov, Cluj-Napoca, Constanţa, Craiova, Iaşi, Ploieşti and Timişoara (see figure 1). The capital city was not included on the list of growth poles, since through this policy, the intention is to reduce the weight of the capital city in the economy and increase the importance of second-tier cities in the economy. In addition, 13 urban development poles have been designated: Arad, Bacău, Brăila, Galaţi, Deva, Oradea, Piteşti, Râmnicu-Vâlcea, Satu Mare, Baia Mare, Sibiu, Suceava, and Târgu-Mureş – these are not of interest for the present analysis.

The above-mentioned Government decision makes no reference to the goal of the growth pole policy, only to prioritizing investments to be done in growth pole from Community and state budget. Yet, one could assimilate the goal set within the Regional Operational Program for the major intervention line related to growth poles, which 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). As this policy resides significantly on the ROP, we can argue that the growth pole policy is a support policy for developing infrastructure that would enable further economic development, which to eventually generate growth in the surrounding area and in the region.

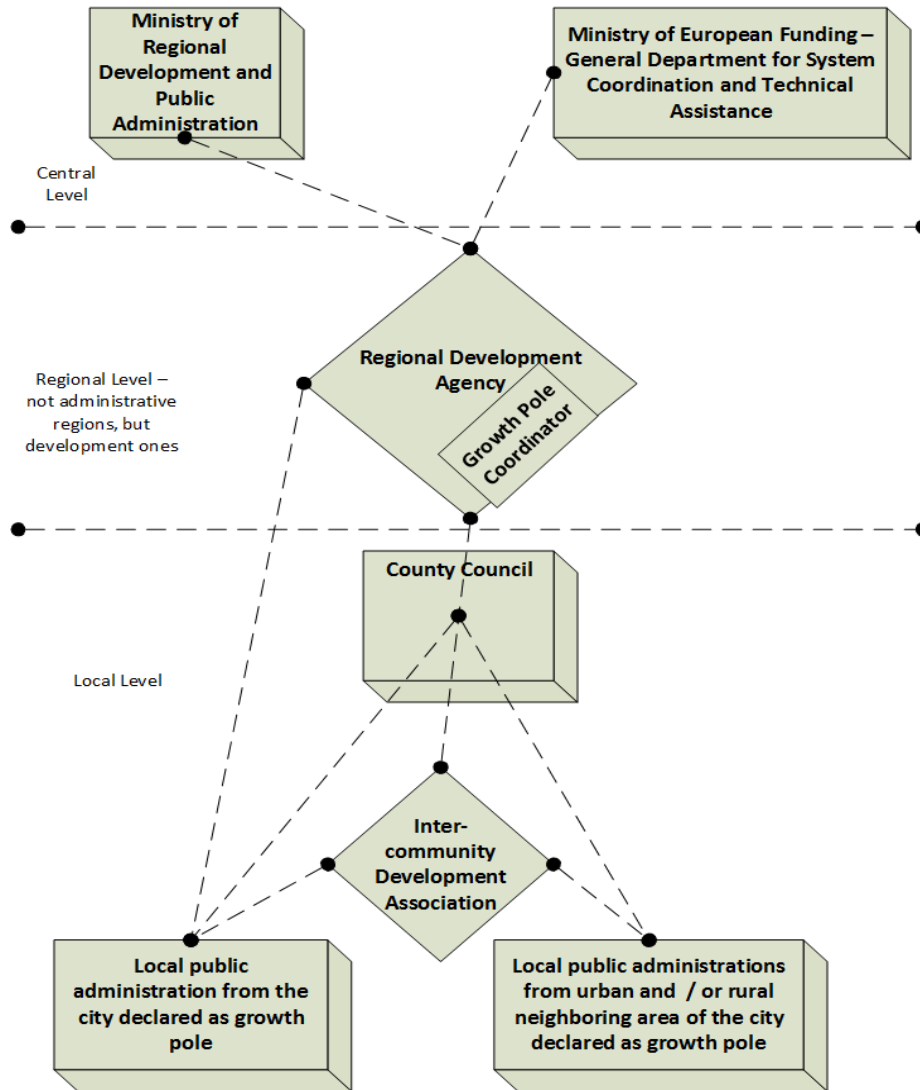


**Figure 1. Growth poles from Romania**

*Source: Ionescu-Heroiu et al. (2013) – World Bank*

At local level, the growth pole policy is reflected in integrated urban development plans (IUDPs) submitted for approval at central level by the inter-community associative structures from the growth pole, in projects included in action plans of the IUDPs for funding from European and domestic funding, in projects implemented, after approval of funding. The infrastructure projects within the growth pole area are proposed by local public administrations, which may benefit from dedicated financial support from ROP priority axis 1, with funding granted without competition, provided that an IUDP is developed for the growth pole, and the project proposed is included in the list of mature projects from the action plan, for urban, economic or social infrastructure. One may argue that the funding through projects, through subsidies, which is a policy instrument with medium level of intervention meant to encourage the development of this policy, may be considered that the growth pole policy has been developed under exogenous influences (European funding).

The institutional framework for the growth pole policy, illustrated in figure 2 includes public authorities from national and local levels, as well as regional and local quasi-non-governmental organizations, such as Regional Development Associations and respectively Intercommunity development associations. The relations among the institutional structures involved in the growth pole policy are not of subordination, but of cooperation and collaboration, on voluntary basis, for common projects, highlighting the need of partnership for ensuring a growth-enabling environment.



**Figure 2. Institutional framework within the growth pole policy in Romania**

*Source:* author's own work, based on information from legal framework (2015)

The two ministries included in this framework are both Management Authorities for Operational Programs, which we consider as exogenous influences in this analysis. Thus, the Ministry of Regional Development and Public Administration (formerly named Ministry of Regional Development and Housing, then Ministry of Regional Development and Tourism) is the Management

Authority for the Regional Operational Program; this program includes PA1, under which the seven designated growth poles benefit of up to 50 % of the total financing under PA1. The Ministry of European Funding (previously of the Ministry of Economy and Finances, then of the Ministry of Public Finances) is Management Authority for Technical Assistance Operational Program.

Both ministries influence the institutional framework in this policy. The Ministry for Regional Development and Public Administration, which is responsible for the policy drafting and implementation, promoted a top-down approach in growth pole policy implementation. It promoted the establishment / involvement of associative structure of local authorities from the growth pole (intercommunity development associations - IDA) in the growth pole policy, given that the ROP guidelines for accessing PA1 funding clearly stipulated a prerequisite that the IDA needs to submit growth pole IUDP for approval to the ministry. Moreover, it promoted the establishment of the growth pole coordinator structures within the Regional Development Agencies. The Ministry of European Funding influences the functioning of the growth pole coordinator, through the Technical Assistance Operational Program, which is the funding source for this structure, in a project-based funding approach.

The regional development agency (RDA), which functions as Intermediary body for the ROP program in each region, has been established as a quasi-NGO of public utility, its setting-up was based on the law on regional development in Romania (Law no. 315 / 2004). The regional level in Romania is not administrative level, but we are referring to regions of development, formed of voluntary associations of counties from its area, the institutional structure chosen was that of associative structure of public authorities.

As previously mentioned, the growth pole coordinator is an institutional structure from regional level established through the same Government Decision no 998 / 2008, with further amendments in view of supporting the coordination of preparation and implementation of the growth pole integrated development plan and of the projects included in this plan. This structure is included in the regional development agency. The tasks and roles of the growth pole coordinator are set through a tripartite protocol established among the Regional Development Agency and line ministries for regional development and of public finances (currently the department within the ministry for European Funding); the same protocol stipulates that the growth pole coordinator reports to the RDA, the Ministry of Development and the Ministry of European Funding. These reports include both monitoring the IUDP implementation and results of own activities.

At local level, local authorities are involved in the growth pole policy implementation, more specifically those from the area covered by the growth pole. This area was considered to be represented by the city declared as growth pole and its neighboring area, usually from 30 km radius around city, as set by urban planning legislation for metropolitan areas (Law no. 351 / 2001). Yet, as a recent World Bank report regarding growth pole policy in Romania (Ionescu-Heroiu, et

al., 2013) pointed out, such approximation of the influence area is debatable, functional urban areas may be set also based on commuting availability of the population, which gives different areas of the growth pole, which would also influence structure of the IDA in terms of membership of public authorities from local levels. Limitations of such alternative approach have however been pointed out (Parr, 2015) Regardless of approach in defining the growth pole area, this policy implies the involvement at local level of the existing local public administrations from local level, both that of the city declared as growth pole and of the rural and / or urban territorial-administrative units around the city and of the county council, which is usually involved, as it may support the projects of local authorities either with human and / or financial resources and may also be active in the implementation of projects from the IUDP action plan.

Moreover, new organizational structures that include local public administrations from the growth pole are established, taking the form of inter-community development associations in view of supporting the development and implementation of the growth pole policy at local level. As joining the IDA is done on voluntary basis, in some growth poles, some public authorities showed reluctance in joining the growth pole IDA (such is the case of Craiova) or attempted bargaining with the city for solving specific issues in exchange for membership in growth pole IDA (Hințea & Neamțu, 2014). As Pop and al. (2007) point out, IDAs play the role of jointly formulating and implementing local public policies, which in our case refers to the implementation of the growth pole policy. In fact, the IDA setup was even a requirement resulting from the ROP funding guidelines, which stipulated that the IUDP be submitted to the ministry for approval by the IUDP; the IDA was thus set and used for drafting the IUDP; the role of the IUDP in the implementation, monitoring and further planning the in growth pole was nevertheless left to be decided at local level, without specific ROP requirements in this respect (Ionescu-Heroiu, et al., 2013), this was reflected accordingly in the specific tasks set for IDA in monitoring the IUDP / project implementation and even in making the IDA responsible for implementing own projects.

Thus, the institutional framework involved in the growth pole policy, shown in figure 2, includes two structures established for this policy: IDAs and growth pole coordinator in each of the seven growth poles. These two structures are of interest for further analysis.

## **2. Intercommunity Associations from Growth Poles**

The IDAs from the growth poles are quasi-non-governmental organizations, given that the association of public authorities is regulated by civil law, more specifically by the legal regulations regarding non-governmental associations (Government Ordinance No. 26 / 2000 regarding associations and foundations, with further amendments), with taking into account spatial planning



legislation (Law no. 351 / 2001 on the approval of the Plan for National Territory Arrangement - Section IV - the network of localities). Such structures were established based on existing legislation, no new legislation was put in place for establishing associative structures for the growth poles, or metropolitan areas. The advantages in establishing such structures has been highlighted both in legislation, in Law no. 215 / 2001 emphasizing the role of IDAs in developing joint projects for local development or for providing public services, which implies voluntary cooperation, coordination, Law no. 351 / 2001, which provided framework for setting the limits for metropolitan regions, and in various studies, which highlight the advantages in terms of collaboration – (Pop et al., 2007), (Apostolache, 2014).

Membership of such IDAs is held by the public authorities of the city declared as growth pole, which usually acts as leader of the association (with the mayor of the city as president of the IDA), by local authorities from rural and from urban areas under the influence of the growth pole-declared city and by the county council in most of the growth poles (with the exception of Dolj County council, which is not member in the IDA from Craiova growth pole). The internal structures within IDA, set in accordance to civil regulations, include: (a) a general assembly, which in our case is formed of mayors or other designated representatives of the IDA members, (b) board / administration council and (c) censor. The establishing of such structures may pose challenges in managing the structure, with combining regulations that govern the functioning of public and private legal entities, in which cases the decision-making process is rather difficult, due to the need for approval from the local councils of the IDA members, especially in the case of IDAs with wide membership.

Ionescu-Heroiu et al. (2013) point to the limitations resulted from using legislation related to metropolitan areas for setting the limits of the growth pole, with influence on the structure of the IDA, proposing instead the delimitation based on functional urban areas, with taking into account availability for commuting. Such option would bring changes in terms of IDA membership of local public authorities. Moreover, voluntary association is also indicated as limitation, given that different local public authorities from the growth pole area may decide not to join the IDA of the growth pole (such is the case of Craiova)

Although there is a high number of members from rural communities in the IDA (table 1), the power balance is uneven between these communities and the city declared as growth pole (Ionescu-Heroiu et al., 2013) (Hințea & Neamțu, 2014), with stronger control-oriented tendencies manifested quite visibly by the city declared as growth pole in the design of the internal structures of the IDA, especially among those established under exogenous influences (after 2008, after the launch of the ROP-PA1 guidelines). Such control-oriented tendencies are visible in the following aspects:

- The presidency of the IDA is held by the mayor of the city declared as growth pole;

Table 1. IDAs from growth poles – number of members and of staff

| NAME OF IDA  | YEAR OF ESTABLISHMENT | NUMBER OF MEMBERS (ADMINISTRATIVE-TERRITORIAL UNITS) |                           |       |       |                |                | NUMBER OF STAFF |      |      |      |      |      |
|--|-----------------------|--|---------------------------|-------|-------|----------------|----------------|-----------------|------|------|------|------|------|
|  |                       | Total of which                                       | City declared growth pole | Other |       |                | County Council | 2008            | 2009 | 2010 | 2011 | 2012 | 2013 |
|  |                       |  |                           | Urban | Rural | County Council |                |                 |      |      |      |      |      |
| Metropolitan Agency for Sustainable Development Braşov                       | 2006                  | 18   | 1                         | 6     | 10    | 1              | 11             | 14              | 14   | 25   | 28   | 18   |      |
| <i>Intercommunity Development Association Cluj Metropolitan Area</i>         | 2009                  | 21   | 1                         | 0     | 19    | 1              |                | .na             | .na  | .na  | .na  | .na  |      |
| Intercommunity Development Association Constanţa Metropolitan Area           | 2007                  | 15   | 1                         | 5     | 8     | 1              | 12             | 12              | 12   | 14   | 14   | 12   |      |
| <i>Intercommunity Development Association Craiova Metropolitan Area</i>      | 2009                  | 24   | 1                         | 2     | 21    | 0              |                |                 | 1    | 6    | 8    | 7    |      |
| Iasi Metropolitan Area Association   | 2004                  | 15   | 1                         | 0     | 13    | 1              | 4              | 6               | 6    | 7    | 6    | 7    |      |
| <i>Intercommunity Development Association "Ploiesti-Prahova Growth Pole"</i> | 2009                  | 16   | 1                         | 4     | 10    | 1              |                | 0               | .na  | 8    | 8    | 8    |      |
| <i>Intercommunity Development Association "Timisoara Growth Pole"</i>        | 2009                  | 16   | 1                         | 0     | 14    | 1              |                |                 | 0    | 0    | 0    | 0    |      |

Source: Author's own computations, based on information from bylaws and from short balance sheets from the website of the Ministry of Public Finances (2014)

The structure of the general assembly / board may also be in favor of the city, which in the case of IDAs established after 2008 includes representativeness proportional to population, either in the general assembly (for the IDAs from Cluj - one representative for 10,000 inhabitants, with at least one representative per member; for the IDA from Timișoara - one representative for 20,000 inhabitants, with at least one representative per each member) or in the board (for the IDA from Craiova, one vote per 10,000 inhabitants, with at least one vote per each member). Such lack of balance in representativeness was also highlighted in other studies (Dranca, 2013), taking into account rural-urban ratio in terms of territorial surface and population. The impact of the lack of balance may result in maintaining or increasing disparities within the growth pole.

The data regarding number of staff in the IDAs from growth poles established prior to 2008 show a slight increase after 2008, which may be due to requirements set in the IUDPs for implementing the projects / policies at local levels. Some data reveal lower levels of development of the IDAs with decision-making structures in which the city declared as growth pole shows visible control-oriented tendencies – for Timișoara, the number of staff is zero, and in the case of Cluj, there is no public information available, in the absence of IDA financial balance sheets submitted to the Ministry of Public Finances, in the absence of information regarding IDA staff on the website of Cluj-Napoca city or in the absence of IDA own website.

The tendency in the growth poles to rely on staff from the city hall is quite visible also in the mechanisms set for ensuring appropriate monitoring and implementation of the IUDPs. We argue this based on two aspects. Firstly, when analyzing the list of projects from the IUDPs, we notice that most financial resources available through ROP for the IUDP implementation are concentrated in the city declared as growth pole, with the city hall /county council as beneficiary. Secondly, the analysis of the institutional mechanisms set in the IUDPs for appropriate implementation of these plans reveal that there are combined tendencies of establishing new structures to support, monitor or ensure IUDP implementation (Brașov, Cluj, Craiova) with using existing departments within the city hall (Iași, Ploiești), while in the case of Timișoara, there are claims that the implementation of the IUDP is to be provided by the IDA.

When looking at the name of projects from the list of projects included in the action plans of the IUDPs, one may observe a higher level of know-how is available in the IDAs of the growth poles than in other IDAs (both from IDA staff and from personnel from public authorities that are IDA members), compared for example with IDAs from rural areas, yet the bottom up approach is still limited to developing project from local perspectives rather than perspectives focusing on

development of the growth pole, of common metropolitan / micro-regional issues. Such approach may be consequence of relying on staff of public authorities, each focusing on own local issues instead of common issues of interest for the joint development of the growth pole. Without additional support to develop own capacity for partnership and for working together in joint projects, such approaches may continue.

Further analysis of the performance of growth pole IDAs is focused on financial aspects. Funding sources for the development and functioning of the IDAs are various. The development of IDAs may be supported by its members (e.g. membership fees) and also by using subsidies as policy instrument, for stimulating a specific approach. The subsidies may be either for development of IDA, provided the existence of government support in this sense, or for developing certain initiatives in specific areas, in this case using project-based approach for accessing external financial support, such as grants from European programs. Although there are legal provisions stipulating that the national government may subsidize the functioning of IDAs through national programs, no such endeavors have been made so far (Pop et al., 2007) (Ionescu-Heroiu, et al., 2013). In the absence of support from the national government for the functioning of the IDAs, the interest in setting functional mechanisms which would enable the IDA to develop its own technical structures and capacities was rather low; the approach towards the development of IDA functional apparatus is more project-based oriented, focusing on attracting funding for projects, including those for infrastructure development.

As we took into account the exogenous influence of European funding in the setting up of IDA in growth poles, we considered relevant to look at the list of projects included in the IUDP action plans (table 2). Although the IUDPs include projects with various funding sources, covering the various financial instruments available through structural and cohesion funds, regarding which more information is available from Braşoveanu et al. (2011), since the local authorities could in fact influence more the projects funded from ROP – PA1, for the present analysis we take into account only the projects funded from ROP – PA1. We observed that the projects with IDA as beneficiary are included in the project list from Braşov (1 project) and Constanţa (8 projects) growth poles, representing under 6% of total projects from growth poles. The reduced number of infrastructures projects implemented by the growth pole IDAs with ROP funding may indicate the lack of trust in this structure, its insufficient capacity to manage such projects, insufficient partnership culture at local levels.

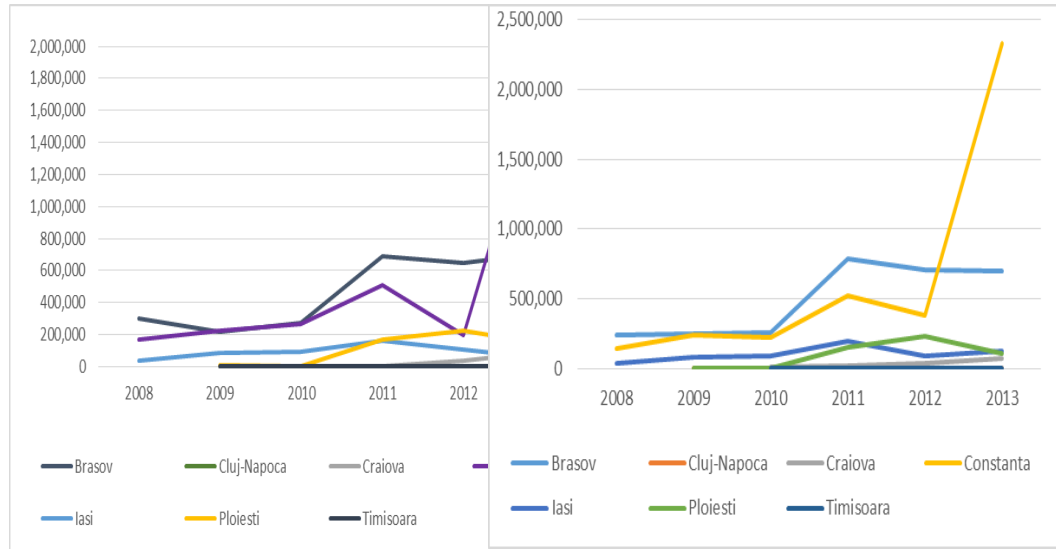
Since the Regional Operational Program – priority axis 1 allows funding for investments in social and economic infrastructure from rural areas, and the list of projects includes no rural administrative-territorial units as beneficiaries of funding, we observed whether IDA projects, either in implementation or finalized, implied investments in rural areas. In the case of Constanța, the use of IDA as beneficiary of funding was made for social infrastructure (youth centers) in rural areas. One of the issues in ensuring absorption of structural and cohesion funds, in the sense of ensuring financial contribution of project implementation (Brașoveanu et al., 2011), is thus overcome by using this approach that enabled mobilizing resources outside their area for local development. In the case of Brașov, the project funded is also for social infrastructure, covering several communities from the growth pole, mainly small urban ones.

**Table 2. Projects from IUDP funded through ROP – PA 1, in function of beneficiaries of funding**

| Growth pole  | Total number of projects in the iudp | Beneficiary of funding |                                |  |   |                                       |                |
|--|--------------------------------------|------------------------|--------------------------------|--|---|---------------------------------------|----------------|
|  |                                      | IDA                    | City designated as growth pole | City designated as growth pole (% of projects from total number of projects in the IUDP) | Urban administrative-territorial unit other than the city designated as growth pole | Rural administrative territorial unit | County Council |
| Brasov   | 25                                   | 1                      | 18                             | 72.00%   | 6   | 0                                     | 0              |
| Cluj-Napoca  | 21                                   | 0                      | 15                             | 71.43%   | Not the case  | 0                                     | 6              |
| Constanta  | 35                                   | 8                      | 10                             | 28.57%   | 11  | 0                                     | 6              |
| Craiova  | 19                                   | 0                      | 17                             | 89.47%   | 2   | 0                                     | Not the case   |
| Iasi   | 13                                   | 0                      | 12                             | 92.31%   | Not the case  | 0                                     | 1              |
| Ploiesti   | 16                                   | 0                      | 9                              | 56.25%   | 1   | 0                                     | 6              |
| Timisoara  | 24                                   | 0                      | 23                             | 95.83%   | Not the case  | 0                                     | 1              |
| Total projects in growth poles with ROP – PA1 funding (number) | 153                                  | 9                      | 104                            |  | 20  | 0                                     | 20             |
| Total projects in growth poles (%)                             |                                      | 5.88%                  | 67.97%                         |  | 13.07%  | 0.00%                                 | 13.07%         |

*Source:* Author's own computations, based on information from the website of the Ministry of European Funding, the database of contracted projects – [www.fonduri-ue.ro](http://www.fonduri-ue.ro) (2015)

Financial data of the IDAs show that both total revenues (figure 2) and total expenditures of IDAs (figure 3) have a slight upward trend after 2008, which may be related to the fact that IDAs became more active after the launching the ROP-PA1 guidelines, either due to more involvement in the IUDP development or in the development of project proposals included in the IUDP action plans.



**Figure 2: Financial data showing performance of IDAS from growth poles - Total revenues by December 31 (euro)**

**Figure 3: Financial data showing performance of IDAS from growth poles - Total expenditure by December 31 (euro)**

*Source:* author's own computations, based on information from Ministry of Public Finances, yearly short balance sheets, calculated using average annual Euro exchange rate, included also in the working paper "Inter-Community Development Associations in Growth Pole Policies from Romania", presented by the author at the 10th International Conference on Administration and Public Management "Economic Sociology, Human Resource Management and Organizational Dynamics", Bucharest 2014

Of all growth pole IDAs, the most performant ones are the ones from Braşov and Constanţa, both established before 2008; they show general upward trends both for total revenues and for total expenditures. This may be due also to the implementation of infrastructure projects through the IDA, (1 for Braşov and 8 for Constanţa), which account for the high levels of revenues and expenditure, especially in 2013.

The least performing ones are the IDAs from Timişoara and Cluj-Napoca, both established after our reference year, 2008. The absence of financial balance

sheets from the IDA from Cluj-Napoca on the website of the Ministry of Public Finances may be indicator that this IDA does not function (does not have financial movements), given the fact that there was legal obligation for legally established entities to submit public financial reports annually to the Ministry of Public Finances. In the case of Timișoara, the yearly financial exercise shows very low revenues and expenditure, contradicting the interest expressed in the IUDP that IDA is to have the responsibility to implement the IUDP; moreover, one may argue that the control-oriented tendencies of the city that are embedded in the IDA decision-making structures are not matched by further interest in supporting the development of the IDA and also insufficient partnership culture among the public authorities from the growth pole. It seems that the initial planning was not followed in the implementation of the IUDP, one may argue that other organizational structures from local / regional level assumed more responsibility for the implementation of the growth pole policy and each beneficiary took responsibility in implementing their projects, without much support from the IDA.

Based on the previous analysis, we considered high performance in the IDAs with own staff, increasing trends of financial activities and IDA as beneficiary of one / several projects from the IUDP funded through the ROP program (Brașov and Constanța). Average performance was considered for growth pole IDAs with own staff, financial activity, yet without funding for the IDA for IUDP project funded through ROP (Iași, Ploiești and Craiova). Low performance was observed for growth pole IDAs without staff, with reduced or no financial activity (Timișoara and Cluj-Napoca). Of these, we notice that the ones performing best are established before 2008, which we consider as reference point for limits between endogenous and exogenous influences.

### **3. Growth Pole Coordinator**

This institutional structure was set by the government decision no 1513 / 2008, which made amendments to the initial Government Decision no. 998 / 2008 regarding growth poles. Thus, this government decision stipulates that the growth pole coordinator will be included in the structure of the regional development agencies from each region which includes growth pole. Moreover, it sets the tasks of the growth pole coordinator: a) Contributes to the elaboration and implementation of the integrated development plan corresponding to the growth pole; b) Establishes a relation of permanent cooperation and consultation at central and local level with the institutions involved in the elaboration and implementation of the integrated development plan; c) Takes part in the technical reunions

organized during the elaboration and implementation processes of the integrated development plan; d) Participates in the monitoring of the timeline for implementing the integrated development plan; e) Elaborates regular reports and informative papers on the status of implementing the integrated development plan.

The tripartite protocol was signed in 2009 among the Regional Development Agencies from regions in which growth poles are located, the Ministry of Regional Development and Tourism and the Ministry of Economy and Finances with the purpose of clarifying procedures regarding inter-institutional cooperation with regard to the selection and activity of the growth pole coordinator. This protocol includes the procedures for recruitment of the coordinator, and brings further information with regard to the funding of this structure, using project-based approach (funding from Technical Assistance Operational Program).

The source of recruitment for the growth pole coordinators was either the staff from the urban public authority declared as growth pole or from within other local institutions (Braşov, Constanţa and Ploieşti) or from the RDA staff (Cluj-Napoca, Craiova, Iaşi, Timişoara). (Ionescu-Heroiu et al., 2013) Such previous affiliation may facilitate the work of the growth pole coordinator, who has a more thorough view on the growth pole needs (if recruited from the urban public authority declared as growth pole) or on the ROP requirements regarding quality of IUDP and of projects from IUDP funded through ROP, making it easier for the coordinator to fulfill his / her tasks.

The growth pole coordinator communicates with the growth pole leader, legal documents make no reference to communication with the IDA from the growth pole, only with the leader of the growth pole (namely the mayor of the city declared as growth pole, who is also the president of the IDA).

The technical assistance projects which ensured the functioning of the growth pole coordinator offices in each RDA included expenses related to salaries of the growth pole coordinator and of a technical team of four. General activities include monitoring of IDP implementation, different short term expertise necessary to cope with different challenges incurred during IDP implementation, office costs, events, best practice exchange visits etc. (Ionescu-Heroiu et al., 2013). Thus, in addition to the tasks mentioned in the government decision, the growth pole coordinators have taken on more responsibilities in monitoring and providing support for implementation of IUDP projects, while also mobilizing resources for specific technical assistance needs for the growth pole. The aspects highlighted (Braşoveanu et al, 2011) with regard to the need for accelerating contracting of projects and providing more human resources for monitoring project



implementation in view of increasing absorption rate by Romanian authorities have thus been overcome with support from the growth pole coordinator, with positive influences in the contracting rates and in ensuring monitoring of project implementation.

As result of previous analysis on performance of IDAs, after identification of performance of IDAs established under exogenous influences, exploratory individual interviews with growth pole coordinators were taken into consideration, in order to assess whether the activities of the growth pole coordinator are influenced by the performance of the IDAs, with focus on the ones established under exogenous influences (Craiova, Cluj-Napoca, Ploiești and Timișoara). Moreover, source of recruitment of the growth pole coordinator was taken into account. The selection was performed taking into account the performance of the IDAs, with interest on the IDAs with weak and average performance, and also the source of recruitment of the growth pole coordinator (RDA or growth pole city). Thus, two growth pole coordinators were selected for interviewing, one from Cluj and one from Ploiesti, taking into account self-imposed limited time period (March – April 2015) and availability of people for conducting these interviews.

The interview with the growth pole coordinator from Cluj revealed that in Cluj-Napoca, where the IDA is less developed, the growth pole coordinator takes on tasks of the IDA in addition to own tasks and responsibilities (e.g. more involved role in monitoring IUDP implementation, in supporting the elaboration of the integrated development plan corresponding to the growth pole project for the programming period 2014-2020). One may argue that in growth poles with less developed IDA, such as Cluj-Napoca, maybe also Timișoara, more pressure is placed on the growth pole coordinator to ensure monitoring and implementation of the IUDPs, in view of developing the growth pole.

Same interview highlighted the fact that there are no specific mechanisms set in place to ensure that the growth pole coordinator can monitor appropriately the projects funded from ROP (ROP has a separate department responsible with monitoring ROP-funded project implementation and different aspects are monitored by this department and by the growth pole coordinator). The absence of such mechanisms left room for development of different networking patterns at local level, in each growth pole, to ensure appropriate communication with IDA and IDA members responsible for implementing projects from the IUDP of the growth pole and for monitoring the IUDP, and later on for planning efforts for 2014-2020. Such mechanisms were described during the interview with the growth pole coordinator from Cluj. Thus, in the case of Cluj, collaboration with local authorities from rural areas, which are IDA members, was initiated by the growth

pole coordinator, in the context of the planning for 2014-2020 programming period. As result of several meetings with discussions on aspects of common interest for the local authorities, few small groups of neighboring communes was informally established for communication purposes, with coordinator for each of these groups. The growth pole coordinator communicates with the group coordinator in discussing for example agenda for next meeting. Communication with the growth pole city and with the county council. The devising of such communication mechanisms with local authorities reveals the awareness of the growth pole coordinator in relation to the role played in ensuring horizontal coordination of institutional structures from local levels. Such mechanisms may be of interest for further in-depth research, based on interviews with growth pole coordinators.

In the case of Ploiești, where the growth pole coordinator formerly worked within the city hall, interview with the growth pole coordinator revealed a closer and deeper understanding to issues of the local authorities, more prone attitude for solving problems of the local authorities and closer communication with the mayor of Ploiesti, the growth pole leader. We may argue in this case that the communication with the mayor, the growth pole leader may place additional pressure on the growth pole coordinator to solve local issues of the public authorities which are included in the IUDP. Availability for supporting the growth pole in planning endeavors for programming period 2014-2020 was also shown, as the growth pole coordinator communicated during the interview that the RDA, through the growth pole coordinator office, contracted assistance with the World Bank for such planning.

Interviews revealed that in approaching the central authorities for ensuring vertical coordination of efforts, team effort was used, with involvement of all growth pole coordinators, especially during meetings with representatives of the Ministry of Regional Development and Public Administration, in which common problems/ issues that emerged during implementation of projects from the IUDPs were discussed, as well as problems of the growth pole coordinators. In addition to joint interventions, individual efforts are made also with other line ministries, for solving punctual issues related to specific project implementation or to advocating for state-budget funding for specific infrastructure projects that may positively influence growth pole development.

Project-based funding ensured on one side appropriate levels of performance and a results-oriented approach in the activities of the growth pole coordinators, yet during the interviews, uncertain funding for the functioning of the growth pole coordinator was raised as an issue in ensuring their stability,

performance and long-term impact on the growth pole development. In cases where the status of growth pole coordinator becomes uncertain, as project funding for technical assistance ends for the growth pole coordinator, the interview with the growth pole coordinator who was also formerly RDA-employee showed availability of the RDA management to reallocate the staff from the growth pole coordinator to other departments within the RDA. While such endeavor may be positive for the person working as growth pole coordinator, the interview revealed also the limitation, in the sense of the threat to receive other tasks than those related to growth pole coordination, which in time may mean less effort in developing this structure and in ensuring the development of the growth pole.

The performance of the growth pole coordinators has been assessed as positive in a World Bank report, which mention that the involvement of the growth pole coordinators has been "instrumental in monitoring and overseeing the IDPs implementation" (Ionescu-Heroiu et al., 2013), while also pointing out the fact that the current status of the growth pole coordinator and their future roles are not fully clarified.

#### **4. Conclusions**

IDAs from growth poles show various levels of development and involvement in the growth pole policy implementation. Our hypothesis that the exogenous influences in setting the growth pole IDAs, more specifically the requirements of ROP –PA1 guidelines for accessing European funding, affect their functioning was partially confirmed. IDAs established before 2008 - the year when the guidelines were launched - showed better human and financial capacity, with interesting results for Braşov and Constanţa, than those established under exogenous influences (Cluj-Napoca, Timişoara).

Yet we should also take into account the differences in organizational development and decision-making, the need of these organizations to grow in time and also the local institutional arrangements for policy implementation established in the IUDPs. Thus, these institutions could in time prove to be more than just a framework for networking and collaboration among local public authorities. We agree with Ionescu-Heroiu et al. (2013) that the growth pole coordinators could in time also increase gradually the capacity of the IDA, while also transferring some of the responsibilities to the IDA staff.

The growth pole coordinators have shown capacity to perform in monitoring and implementing the IUDPs. Even if the project-based approach stimulated performance and result-oriented endeavors of the growth pole

coordinator, the same project-based funding makes this structure unstable, with no secure funding for its functioning, making it more prone to being less performant in the long run. In the case of growth poles with less developed IDAs, the growth pole coordinator seems to assume additional responsibilities in the growth pole policy / IUDP implementation, in order to compensate for the IDAs lack of capacity (e.g. in Cluj-Napoca), placing more pressure on the growth pole coordinator performance. Moreover, former employment of the growth pole coordinator within the city hall seems to make this person more oriented towards solving local problems of the city hall, in terms of project implementation funded through ROP PA1.

Given that we have the entire population of growth pole coordinators from Romania under analysis, we notice that in the case of the three growth poles in which the growth pole coordinator has been recruited from within the staff of the local public authorities (Braşov, Constanţa and Ploieşti), the IDA have a higher level of expenditure than the other IDAs established under similar influences taken into consideration for the present analysis.

Additional research could be undertaken to analyse the networking of the growth pole coordinator with other stakeholders from the growth pole policy, the patterns developed for communicating with local authorities and their influence in growth pole policy. Further research may take into account also different process-related success factors in city development strategies (Rasoolimanesh et al., 2013).

### **Aknowledgement**

„This paper was co-financed from the European Social Fund, through the Sectorial Operational Programme Human Resources Development 2007-2013, project number POSDRU/159/1.5/S/138907 "Excellence in scientific interdisciplinary research, doctoral and postdoctoral, in the economic, social and medical fields -EXCELIS", coordinator The Bucharest University of Economic Studies”.

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