

## Romania

(România)



**Capital:** Bucharest

**Inhabitants:** 21.537.563 (2007)

**Area:** 238.392 km<sup>2</sup>



Romania is situated in the geographical center of Europe (south-east of Central Europe), at north of Balkan Peninsula, at half distance between Atlantic coast and The Urals, inside and outside the Carpathians Arch, on the Danube (1075 km) lower course and it has exit to the Black Sea (the Romanian seaside is lying on 245 km). Romania has an area of 238,391 km<sup>2</sup>, being the 12-th country of Europe, as size. It has a population of 22,303,522 inhabitants (est. 2006)<sup>1</sup>. The Capital of Romania is Bucharest Municipality, with a population of 1,924,959 inhabitants. The first documentary mention of Bucharest dates since 20 Sept. 1459. Bucharest becomes Capital of Walachia since the second half of the 17th century and Capital of Romania since 1862. It is the most important political, economic and cultural-scientific

center of the country. Romania is NATO Member State since 29 March 2004 and European Union Member State since 1 January 2007.

Romania is a sovereign, independent, unitary and indivisible national state; the form of government is a Republic, according to the Constitution of Romania, adopted in 1991, modified in 2003. It is organised according to the principle of separation and balance of the legislative, executive and judicial powers. The legislative power is represented by the Parliament of Romania, with two chambers, comprising the Senate (137 members) and the Chamber of Deputies (314 members). 18 additional places in the Chamber of Deputies are reserved for the representatives of the national minorities. The executive power is represented by the Government, led by a Prime Minister, designated by the President of the state. According to the constitutional provisions and laws<sup>2</sup>, the President of Romania, the Chamber of Deputies and the Senate are elected by universal, equal, direct, secret and free suffrage. The mandate of the Chamber of Deputies and Senate is on a term of 4 years, and since 2004, the mandate of the President of Romania is on a term of office of five years. At the same time, in case of the local elections, the mandate is on a term of four years.



The judicial power is represented by courts of law, Public Ministry, Superior Council of Magistracy<sup>3</sup>.

The territory of Romania is organized administratively into communes, towns and counties. Some towns are declared municipalities, according to the provisions of the law.<sup>4</sup>

The public administration in the territorial-administrative units shall be organised and shall function on the grounds of the principles of decentralisation, local autonomy, deconcentration of public services, eligibility of the government authorities, legality and citizen consultation in solving local matters of particular interest.

A package of laws on organisation of administration, territorial planning and urbanism, finances, taxes, services for health, social security, education etc. has been enforced, regulating both the form of political decentralisation of some public services and the form of territorial and administrative deconcentration by the Prefect institution.

Decentralisation as *transfer of administrative and financial competence* from the central government level to the local government level or private sector<sup>5</sup> represents a system of managing local, commune, town or county interests, by authorities freely elected by the citizens of the respective community.

Human communities or public services are self-governed under state control, according to the law<sup>6</sup>. In Romania, *territorial administrative* decentralisation is based on a community of „public interests” of the citizens belonging to a territorial-administrative unit, „recognising the local community and the right to solve its problems” and *technical and financial* decentralisation of the public services, namely transferring the services from the „center” to local communities, aimed to meet social needs.

The *decentralisation* process has represented also the beginning of a

process to create and strengthen new forms of *dialogue* between central and local government, represented by the Federation of Local Authorities in Romania (FALR), professional administrative corps or other associative structures of local government authorities (ACoR-Association of Communes in Romania, AOR-Association of Towns in Romania, AMR-Association of Municipalities in Romania, National Union of County Councils in Romania -UNCJR). Local autonomy refers to organisation, functioning, competences and attributions, as well as managing the resources that, according to the law, belong to commune, town, municipality or county. On the other hand, it represents the right and effective capacity of local government authorities to solve and manage, on their own behalf and under their responsibility, an important part of public affairs, for the interest of the local communities.

## 2. Territorial organisation

The communes, towns, municipalities and counties<sup>7</sup> are territorial-administrative units, where local government authorities shall be organised and function.

At country level we identify three hierarchical levels: national, county and local (Figure 1).

The county level is represented by the 42 counties of Romania, including also Bucharest Municipality. Each county has its residence at municipality level, representing the political, economic, social-cultural and scientific center of the county. At each county level, the local government authority is exerted by a County Council, coordinating the activities of commune, town and municipality councils. The Government of Romania appoints a prefect for each county, inclusively for Bucharest Municipality, who are state representatives at local level. The Prefect directs the deconcentrated public services of ministries



and other bodies of the central government in the territorial-administrative units.

The local level comprises 2851 communes, 216 towns and 103 municipalities<sup>8</sup>. The communes, towns and municipalities have their own Local Council (deliberative authority) and a mayor (executive authority), elected after the poll organised on a term of 4 years.

Bucharest Municipality is organised on 6 territorial-administrative subdivisions, called sectors. Bucharest Municipality has a General Council of Bucharest Municipality and General Mayor of the capital and each sector has a local council and a mayor.

In 1997 a new structuring of Romania into 8 development regions<sup>9</sup> has been proposed. The regions, which are not territorial-administrative units, are set up by gathering counties, aimed to develop European financial assistance programmes within European Union regional development policies. Projects on creating metropolitan areas exist in most large cities in Romania. The metropolitan area<sup>10</sup> is expressed by the association structures between territorial-administrative units, around Capital - Bucharest Metropolitan Area- or those around municipalities, county residence: Oradea, Iași, Arad, Cluj-Napoca, Timișoara, Baia-Mare, Târgu-Mureș, Brașov, Bacău and Galați.

For 2006, the public expenditure was 51235.6 million lei, of which local public expenditure represented 25392.8 million lei. Local public expenditure per inhabitant recorded a value of 1176.6 lei/inhabitant<sup>11</sup>.

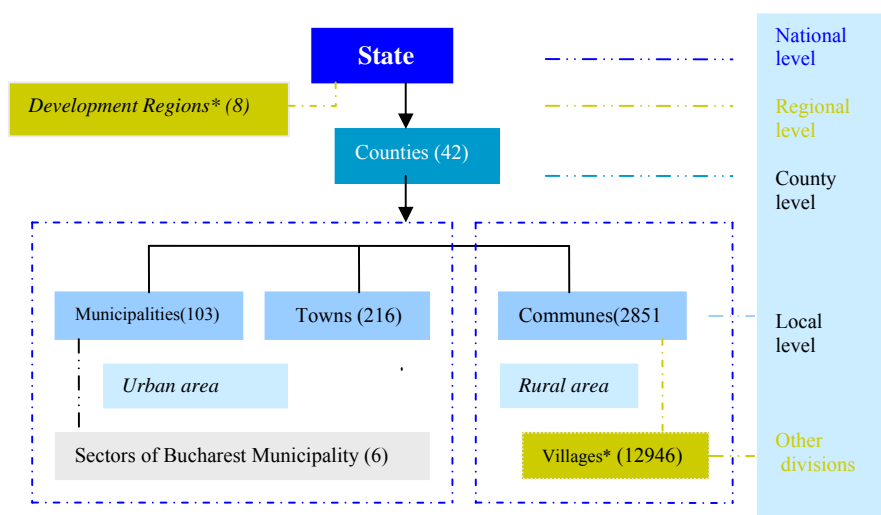
### 3. Local democracy

#### 3.1 Local political system

The Constitution of Romania stipulates the principle of political pluralism as a condition and guarantee of constitutional democracy<sup>12</sup>, meaning that the fundamental law recognises the importance of the political parties in free organisation of society, in defining and expressing citizens' political will<sup>13</sup>.

The Romanian electoral system complies with the dimensions of European majority electoral system, that of *proportional representation* and it observes the principle of proportional representation, thus allowing the access of a greater number of political parties to the Parliament (Figure 2). In the elections from June 2004, the Social Democrat Party (PSD) obtained the greatest number of mandates and DA Coalition (PNL and PD) obtained the greatest number of votes in the urban area<sup>14</sup>.

Figure1: Representation of the administrative hierarchical levels in Romania





The parliamentary elections are held on the basis of *list ballot*, being a *proportional electoral system with closed list ballot*.

The political parties and alliances, the organisations of minorities and independent candidates submitted in each constituency the lists of their own candidates<sup>15</sup>. There are 42 constituencies (corresponding to the number of counties, including Bucharest Municipality).

**Table 1: Evolution of political spectrum and access into the Parliament**

Electoral year	Number of parties	Number of parliament parties	Accessibility (%)
1990	75	16	21.3
1992	150	12	8
1996	38	9	23.7
2000	39	6	15.4
2004	31	6	19.3

The appreciations<sup>16</sup> on elections in 2004 in Romania have been positive concerning the action manner, relatively efficient, professional and transparent, recording a trend of Romanian political life bipolarisation.

### 3.2 Citizen participation

Citizen participation to local governance is developing, the citizens acquire information about decision-making process, resources, management structures and planning. The statistics reveal that citizen participation to the meetings of the local councils is greater in the rural area than in the urban area.

Legislation stipulates citizen participation to:

(a) organisation and participation to public meetings<sup>17</sup>, (b) public debates, priority for good governance<sup>18</sup>, (c) public decision-making process<sup>19</sup>, (d) electoral actions, citizen's right to elect and to be elected, as fundamental rights<sup>20</sup>, (e) right to

legislative initiative<sup>21</sup> represent the proof of democracy in Romania.

The vote is the means to express electorate's option, being a non-material relation between voter and voted. The texts of the articles of the Constitution of Romania reveal the characteristics of the vote: universal (all Romanian citizens who fulfil the conditions stipulated in the Constitution), equality (equality of rights for the Romanian citizens), free, direct and secret. They are also considered constitutional conditions of the vote, being completed by special laws, on the electoral action, such as: registering the citizens with "vote" right on a (permanent or special) electoral list and holding the voter's card.

The elections in Romania were held and are held on three levels:

1. local level (for local councils, county councils, city halls and General Council of Bucharest Municipality),
2. general level (respectively for the Parliament of Romania) and,
3. presidential level (for the office of President of Romania).

At the last elections, the electorate has proved a reorientation to the "useful vote", asserting a new significance of the "vote sanction"; the electorate has changed its attitude related to the vote, recording an increase of absenteeism, thus proving "a new type of civic competence"<sup>22</sup>.

The electoral management is exerted in *electoral constituencies* organised at the level of each commune, town, municipality and territorial-administrative subdivision for electing local councils and mayors, and an *electoral constituency*<sup>23</sup> is formed for electing county councils at each county level. The electoral law stipulates that the number of the polling stations in a constituency is determined depending on



the number of voters assigned to each polling station. The vote is exerted in polling stations, organised in localities, observing the representation norm, depending on the number of inhabitants<sup>24</sup>. The local and county councils are elected on the ground of party lists, according to the proportional representation system.

#### 4. Central-local relationships

##### 4.1 General issues

After 1990, Romania has undergone the process to redefine the role of central government related to local government, political and administrative competences delegated to local government, necessary sources, as well as the performance of decentralisation process and strengthening democratic local governance. In the governmental structure, the main body responsible of public administration is the concerned ministry with the related bodies (ex: Superior Council for Public Administration Reform, Coordinating Public Policies and Structural Adjustment-2003, Central Unit for Public Administration Reform –2002), namely the Ministry of Interior and Administrative Reform (MIRA). Within MIRA there is a State Secretary for public administration reform. The Government, ministries and the other specialised bodies of central government transfer competences<sup>25</sup>, currently exerted by local government authorities at county, commune or town level. The government authorities, by which local autonomy in communes and towns is achieved, are the elected Local Councils and elected Mayors, in accordance with the law. The County Council is “the government authority coordinating the activity of commune and town councils”, with a view to carrying out the public services of county interest<sup>26</sup>. The local, county councils and General Council of Bucharest Municipality have rule-making functions and they are deliberative authorities on local level.

##### 4.2 Supervision of local government

The *institutional framework* of the decentralisation process ensures the development and operationalisation of the adequate “infrastructure” and technical structure. It comprises the Ministry of Interior and Administrative Reform, the Ministry of Economy and Finance, specialised structures,

Inter-ministerial Technical Committee for Decentralisation, Committee for local public finances<sup>27</sup>, working groups for competency decentralisation, specialised bodies of central government with responsibilities in coordinating the decentralisation process. *The Committee for local public finances* represents a partnership-type structure, without legal personality, with consultation role in elaborating and implementing the financial and fiscal decentralisation policies.

Concerning the constitutional regulations, the *Constitution of 2003* adds the *principle* of public service *deconcentration* (article 120) to the principle of public service *decentralisation*. Article 123 eliminates the confusion between the notions of decentralisation and deconcentration stipulating that „the prefect is the representative of the Government on local level and directs the deconcentrated public services of ministries and other bodies of the central government in the territorial-administrative units”.

At *central government* level, there are *regulating authorities* – government authorities entitled to issue regulations, rules, procedures and standards in view of public service provision. They are *in charge with public service financing*, providing the funds necessary for public services in their own budget or the state budget. They may be regional operators of public services and *authorities responsible for implementation*, in charge with service provision.



The local council may be dissolved as such or by local referendum, action to administrative disputed claims court addressed by the mayor, vice mayor, secretary of the territorial- administrative unit or other interested person. The court analyses the situation, pronounces the judgement and communicates it to the prefect as irrevocable judgement. The mayor's mandate ceases as a result of a local referendum, organised at the request addressed to the prefect by the citizens of the commune, town or municipality.

#### 4.3 Protection of local self-government rights and interest

In justice, the territorial-administrative units are represented as the case may be, by the mayor or president of the county council or a lawyer, empowered by the mayor, respectively the president of the county council or a legal adviser from the specialised apparatus of the mayor, respectively county council.

The local or county councillors, mayors, vice mayors, General Mayor of Bucharest Municipality, presidents and vice presidents of county councils, secretaries of territorial- administrative units shall be responsible as the case may be, administratively, civil or penal for the deeds committed in the exercising of their duties. The offences declared by the prefect, as public authority and representative of the Government on local level are subject to fines.

The associative structures of local government authorities are: Association of Communes in Romania, Association of Towns in Romania, National Union of County Councils in Romania, other associative forms of general interest.

### 5. Local responsibilities

The transfer of competences from central level to communes, towns and counties, and implicitly, the creation of new forms of organisation and coordination of national and local policies represent the major step undergone by Romania since 1990 in *decentralisation* of power, authority and decision. Some ministries and central bodies organise *local agencies*, most of them with headquarters in the municipality, county residence<sup>28</sup>, where on behalf of the ministry and according to its rules, the activities belonging to the area of competence in that county are managed. For example, the Government, respectively, the ministry by county inspectorates of the Ministry of Culture is managing theatres or museums, institutions with local specificity, which could be better managed by city halls. The local deconcentrated agencies of ministries have attributions concerning the control, inspection and monitoring, the attributions concerning supply or administration are transferred to county or local level, excepting those considered of strategic or national importance.

The only *decentralised public services* are those organised in *communes, towns or counties by local government authorities*. Local government authorities exert exclusive competences, shared competences and delegated competences (Table 2).

*Local government authorities* may be *authorities responsible of public service financing* that provide the funds necessary for public services in their own budget or the state budget. They may be regional operators of public services and *authorities responsible for implementation*, in charge with service provision.

They are public services, for which the law stipulates competences, both for local and central authorities, i.e. education or health. Transferring the attribution on establishing





the price of Giga calories represents another example of decentralization.

The county council coordinates the activities of commune, town and municipal councils, aiming at carrying out public services of county interest. It has attributions on social economic development of the county, managing the patrimony of the county, the subordinated public services etc. The relations between local government authorities in communes, towns, municipalities and government authorities at county level are based on the principles of autonomy, legality, accountability, cooperation and solidarity in county problem-solving. There are no relations of subordination between local government authorities and county council or between local council and mayor. The local council exerts functions, stipulated by law<sup>29</sup>, of which we mention: local economic development, setting up and organisation of public institutions and services of local interest, according to the specificity and local needs, managing the goods belonging to its public or private ownership; the local councils of the sectors of Bucharest Municipality exert also other attributions stipulated by law or delegated by the General Council of Bucharest Municipality. At local government level, the successful actions are as follows: decentralisation (administrative, decisional, financial decentralisation – budget, charges and taxes) at local level, accountable local development policy-making, management and provision of public services of local interest; the following actions should be enhanced: mechanisms for local governance accountability, selective modernisation of local government and cultural development of local policy.

#### *6.1 Local government incomes*

Local government authorities have the competence to establish the levels for local taxes and charges, to elaborate and approve local budgets of communes, towns, municipalities and counties, under the limits and terms of law<sup>30</sup>.

The revenues of local budgets comprise:

- a) own revenues from: taxes, charges, contributions, other payments, other revenues and shared amounts from the income tax;
- b) shared amounts from some revenues of the state budget;
- c) subsidies from state budget and other budgets;
- d) donations and sponsorships.

The share from GDP designated to local budgets during 1998-2001 increased from 3.6% to 6.5%, and local public expenditure increased from 14% to 26%.

From the state budget, by the budgets of main credit directors, as well as from other budgets, transfers may be awarded to local budgets in order to finance some development or social programmes of national, county or local interest, which are approved, annually, in global form, by the Law on state budget.

Further decentralisation of some activities, the administration and financing by local government authorities of some public expenditure, as well as of other new public expenditure has determined an increase of local subsidies during 2003-2005 from 654.4 million lei to 1102.1 million lei<sup>31</sup>.

In order to finance public expenditure provided also for balancing local budgets of territorial- administrative units, in the law on state budget, shared amounts from some revenues of the state budget are approved. Thus, 80% from the amount designated to balancing local budgets is distributed by the decision of the Director of General Directorate for Public Finances,

## **6. Local finance and management**



according to a clear and transparent formula, and 20% by decision of the County Council, exclusively to support the local development programmes.

The local, county councils and General Council of Bucharest Municipality may approve to contract or guarantee internal or external loans, on short, medium or long term, in order to achieve public investments of local interest, as well to refinance the local public debt. The territorial- administrative units may benefit also of external loans, which are under state contract or guarantee, in accordance to law.

#### *6.2 Local government personnel and management*

The total number of public positions in the own apparatus of county councils, local councils and other local public authorities has recorded an increase from 40.69% in 2003 to 45.35% in 2006<sup>32</sup>, reaching 58,282 civil servants in 2006. The increase is due especially to the efforts in view of decentralisation, making administration more citizen-friendly and developing proximity services. The ratio between executing and leading public positions is 9 to 1, observing the maximum limit of 12% for leading public positions, stipulated in Law no. 188/1999 on Statute of Civil Servants.

The decrease of the number of public positions in the category of high civil servants is due to legislative changes – the public positions of director general and secretary of the county do not belong to that category.

According to study level, the structure is as follows: executive civil servants with long-term higher education studies (44.80%), short-term higher education studies (3.72%), upper secondary studies (51.48%).

The degree of professionalisation decreases in case of local councils and other local

government authorities (only 3 of 10 civil servants have higher education studies), due both to the lack of labour market with high qualification and lack of an attractive package of remuneration and rewarding the potential employees.

Concerning the increase of the capacity to prevent and resist to corruption for civil servants, Law no. 7/2004 on the Conduct Code of Civil Servants was changed in 2007. Transparency International Romania<sup>33</sup> reveals „a series of legislative developments with major impact on the integrity at local government level” on allocation and management of local public finances, modification of the law on local government and punishment of political migration. At the same time, the results of the Barometer on 2007 reveal that both the services of public utilities and those issuing documents have obtained in 2007 higher rates than in the previous year, respectively 2.4 points and 2.9 points. Taking into account this perspective, Transparency International Romania draws attention to the fact that anticorruption efforts should focus on genuine reform of the administrative system, as long as citizen perception on corruption is based on a large extent on personal experiences in the direct relation with the state institutions<sup>34</sup>.

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<sup>1</sup> Source: National Institute of Statistics  
([www.insse.ro](http://www.insse.ro)).





<sup>2</sup> Law no. 370/2004 for election of the President of Romania and Law no. 373/2004 for election of the Chamber of Deputies and Senate.

<sup>3</sup> Art. 3 (3), Constitution of Romania, 2003, «Official Gazette» Autonomous Regies, Bucharest.

<sup>4</sup> Historically, in the last two centuries, public administration in Romania, was subject to reforms, being reorganised 30 times, supporting gradually the institutionalisation of local and regional structures. Romanian local government structure represents the result of centralisation and decentralisation actions at the end of the 19th century and 20th century. We mention the first law on local government (Law 394/1864), enforced during a period of developing the concept of local governance and the principles of decentralisation and local autonomy. The law regulated election of a local council and mayors, directly by citizens. Romanian territory division into counties was documentary certified on 8 January 1392, when in a document, the ruler Mircea cel Bătrân appointed "Vâlci land" as county. Thus, Vâlcea county is the first county, documentary certified, on the current territory of Romania. The last major administrative-territorial reform in Romania took place in 1968 when the territory was divided into *counties*.

<sup>5</sup> Law no. 195/2006, Law- Framework of decentralisation, art. 2 (1)).

<sup>6</sup> Law 51/2006 on community services of public utilities.

<sup>7</sup> *County* is a traditional administrative-territorial unit in Romania, comprising towns and communes, depending on the geographical, economic, social-political and traditional conditions of the population. *Municipality* is a town with important economic, social, politic and cultural role, with administrative tasks. *Town* represents a human concentration, with administrative tasks, characterised by a life style specific to urban areas, with non-agricultural social-professional structure. *Commune* is an administrative-territorial unit comprising rural population united by interests and traditions, including one or several villages (of which one is commune residence). *Village* is the smallest territorial unit, with characteristics of rural settlements.

<sup>8</sup> Source: National Institute of Statistics, 31 Dec. 2005 (www.insse.ro).

<sup>9</sup> Law no. 315/2004 on development regions.

<sup>10</sup> Art.1 in Law on Local Government –Law no. 215/2001, defines the metropolitan area as an association structure of intercommunity development, set up on the basis of the partnership between the Capital of Romania or municipalities of first rank and administrative-territorial units situated in proximity area.

<sup>11</sup> Romanian Statistical Yearbook, edition 2007, www.insse.ro.

<sup>12</sup> Art.8, paragraph (1), Constitution of Romania, 2003.

<sup>13</sup> Art.8, paragraph (2), Constitution of Romania, 2003.

<sup>14</sup> UNDP, National Report on Human Development in Romania 2003-2005, p.92, 2006, Bucharest.

<sup>15</sup> The number of candidates is related to the number of mandates designated to each electoral constituency.

<sup>16</sup> "Report of OSCE/ODIHR Mission to evaluate the elections in Romania", Warsaw, 2005; „Pro Democrația” Association, 2005, www.apd.20;

"Democracy and politics. Romanian mechanisms, realities and electoral developments", Kosice

<sup>17</sup> Art.39, Constitution of Romania, Law no.60/1991 on organisation and holding of public meetings.

<sup>18</sup> Art.102, art.31, paragraph (2), Constitution of Romania, „The public authorities, according to their competence, shall be bound to provide correct information to the citizens in public affairs and matters of personal interest”.

<sup>19</sup> Law no. 52/2003 on decisional transparency.

<sup>20</sup> Art.36, art.37, Constitution of Romania, 2003, Electoral legislation for local, presidential and general elections, other laws, ordinances and Government decisions with special feature, legal instruments and decisions of courts of law.

<sup>21</sup> Art.74, art.150, Constitution of Romania, 2003, Law no. 189/1999 on exerting legislative initiative by citizens.

<sup>22</sup> "Electoral statistics", Parliamentary and presidential elections, National Institute of Statistics and Permanent Electoral Authority, January 2005, Bucharest.

<sup>23</sup> Art.8, paragraph (1), paragraph (2), Law no.70/1991 on local elections.

<sup>24</sup> Art.11, paragraph (1), paragraph (2), paragraph (3), Law no. 70/1991

<sup>25</sup> Art. 4, 5 and 6, Law no. 195/2006

<sup>26</sup> Art. 122, paragraph 1, Constitution of Romania

<sup>27</sup> Law no. 195/2006, Chapter III

<sup>28</sup> Some deconcentrated public services may also have branches in other large towns of the county.

<sup>29</sup> Constitution of Romania, Law no. 215/2001, Law no. 195/2007, Law no. 273/2006

<sup>30</sup> Law 273/2006 on local public finances

<sup>31</sup> Source: Romanian Statistical Yearbook, chapter 21

<sup>32</sup> National Agency of Civil Servants, Report on management of civil services and civil servants on 2006, Bucharest, 2007.

<sup>33</sup> "National Report on Corruption - 2007", www.transparency.ro

<sup>34</sup> "Global Barometer of Corruption 2007", Transparency International Romania, www.transparency.ro