

# MULTI-LEVEL GOVERNANCE AND DECENTRALIZATION IN THE UNITARY STATES OF THE EUROPEAN UNION. CASE STUDY: FRANCE AND ROMANIA

*GOVERNAÇÃO MULTI-NÍVEL E DESCENTRALIZAÇÃO NOS ESTADOS UNITÁRIOS  
DA UNIÃO EUROPEIA. ESTUDO DE CASO: FRANÇA E ROMÊNIA*

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**SUMMARY:** 1 Introduction. 2 Regional decentralization and multi-level governance. 3 Why regional decentralization? 4 Why did Romania adopt a regionalization process through the extension of the competences of the local authorities? 5 What are the results of regional decentralization in France? Is it efficient? 6 The results of administrative decentralization in Romania. 7 Final considerations. 8 References.

**RESUMO:** Atualmente, governança multinível é o modelo mais adequado para descrever a União Europeia. A participação de atores públicos e privados no processo de tomada de decisão representa um fator fundamental para assegurar eficiência e responsabilidade nas atividades das autoridades públicas. Este artigo aborda o sistema de governança multinível a partir da perspectiva da distribuição vertical de competências entre as autoridades central, regional e local. O estudo de caso apresenta o modo em que a governança multinível pode ser implantada nos estados unitários, estruturada em três níveis, através da introdução de um nível intermediário entre os dois níveis já existentes (central e local). Este artigo também analisa o processo de descentralização regional que ocorreu na França, comparando-o com o processo de regionalização ocorrido na Romênia, através da expansão das competências das autoridades locais. Enquanto na França a governança multinível levou à descentralização regional e à transferência de competências para os departamentos e municípios, naquilo que pode ser caracterizado como uma complexa parceria entre o Estado e as três coletividades territoriais, na Romênia o Estado manteve seu caráter centralizado e a transferência de competências para os municípios e distritos ainda é limitada.

**PALAVRAS-CHAVE:** Governança Multinível. Descentralização regional. Estado unitário.

**ABSTRACT:** Multi-level governance is currently the most suitable model for describing the European Union. The participation of public and private actors in decision-making represents a key factor for ensuring responsibility and efficiency in the activities of the public authorities. This paper addresses the multi-level governance system from a perspective of vertical distribution of competences between the central, regional and local authorities. The case study presents the way in which multi-level governance can be implemented in the unitary states, structured at three levels, through the introduction of an intermediary level between the existing two levels (central and local). This paper also analyzes the regional decentralization process

that has occurred in France, comparing it with the regionalization process that occurred in Romania, through the expansion of competences of the local authorities. While in France, multi-level governance led to a regional decentralization and a transfer of competences to the departments and communes, in what can be characterized as a complex partnership between the state and the three territorial collectivities, in Romania, the State still retains its centralist character, as the transfer of competences to the counties and communes is still limited.

**KEY WORDS:** Multi-level governance. Regional decentralization. Unitary state.

## 1 Introduction

Multi-level governance is a concept that promotes neo-pluralism, meaning, that it recognizes the presence and participation in the decision-making, of different networks and political communities, besides the interest of old groups, and problems are solved after reaching a compromise through the aggregation of the various divergent interests [Stubbs, 2005: 66-87].

Multi-level governance signifies the totality of relations between public and private sector actors, situated at different territorial levels. The concept of multi-level governance as a "system of continuous negotiations between the government and the different territorial levels" was introduced to the academic literature by Gary Marks [1993: 392-403], but it was only in subsequent years that this concept, seen from the perspective of the supranational organization, was developed [Bache, 2005: 5].

The objective of governance consists of the involvement of all the actors, through different forms of partnership, regardless of the level at which they are situated (community institutions, national governments, local and regional authorities or civil society). A specific feature of the multi-level governance system is the fact that the decision-making process is based on negotiations between the main actors, to arrive at a consensus and non-majoritary vote.

In this context, hierarchy is made up by competence and qualification. The Commission and the national states act merely as mediators, seeking to optimize the decision-making, in order to combine or transform the rival interests of the actors involved, as argued by Beate Kohler [2003:10-22] in a paper on the evolution of economic and political integration. Under this aspect, it is evident that the change of the rules within the multi-level governance system depends on the competence and decision-making power of these actors.

Multi-level governance reveals the way in which certain competences are transferred from the national state "portofolio" to the supranational level, and to the sub-national, public and private authorities.

In this paper, we present two different approaches to multi-level governance in the unitary states, based on the assumption of G. Marks and L. Hooghe [2004: 15-30] that multi-level governance involves three territorial levels: central, regional and local.

We present the way in which, through regional decentralization, France has introduced these three levels and has transferred competences to the departments and communes. In contrast to the reforms in France, Romania has adopted a regionalization process through the extension of competences towards the local authorities. The comparative analysis of multi-level governance in the two states reveals the centralized nature of the Romanian state.

## 2 Regional decentralization and multi-level governance

Regional decentralization in the unitary state represents a means of implementing multi-level governance on three levels: central, regional and local. This part of the paper presents a vivid picture of the procedures through which reforms have been implemented in the unitary states, particularly in France.

### 3 Why regional decentralization?

France was one of the most centralized states in Europe, and perhaps the most representative western centralized unitary state, having developed from an industrial base. The fundamental characteristic of the unitary state is the power structure on one level, with its single constitution, single set of supreme bodies, and single citizenship. Furthermore, the tradition of the centralized organisation of the state relies on maintaining the predominant role of the state in its relations with the internal actors. The welfare state, a concept that was in vogue during the first two decades after the Second World War, played an important role in assessing competences at central and local levels.

The answer to this question lies in the ascertainment of the three initial hypotheses presented below. The research hypotheses are based on the realities seen at international level, and it is necessary to establish which of these variants explains the steps taken by the French government.

There is also the possibility that the decision of the French law-maker regarding the setting up of the region is determined by two or all three hypotheses, that are about to be validated through research.

*Can this decision be regarded as an initiative of the government to improve the administrative organization of the state by increasing the responsibilities of the local public administration, including the creation of regions as intermediary levels with their own functions? Can the will of the government to introduce the region as an intermediary level be explained only by motives of administrative-territorial reorganization to improve efficiency at regional and local levels? The creation of the regions, with their own administrative bodies, elected through direct and universal vote, can be considered a possible answer to these questions.*

Through decentralization, a fundamental change in the institutional framework occurred in relation to the elaboration and adoption of political, economic and social decisions. Decentralization was the principal means by which the regional and local authorities overcame the inconveniences of control exercised by a central authority.

Italy, for example, set up regions as late as 1977 [Poggi, 2007: 101-103] although the regions were recognized by the 1947 Constitution, while from 1970, in Belgium, a new set of reforms were launched that culminated in the transformation of the unitary state into a federal state, based on linguistic grounds [Hendriks 2001: 296-302]. In general, it can be affirmed that the decentralization process can be performed through: a) the transfer of competences and resources to regional level; b) the transfer of competences to local level; c) the transfer of responsibilities to both levels [Rondinelli 1980: 137].

Decentralization may indeed be a response by the central public authorities to the changes produced in the economy and society, through European integration, or to the democratic pressures exerted with this aim by the political parties or organizations of civil society.

The reasons why the national authorities proceeded to implement a regionalization process, although the spirit of Jacobism was strongly present in the French administration, can be identified by analyzing the political and economic situation after the Second World War. The organization of the French state on two levels - central (departments) and local (communes) - did not, in the government's view, enable adequate economic planning. This fact became apparent from the 1960s, bearing in mind that economic development committees had been created in 1954, while in the following year, regional activity programmes were established, and 23 regions were created in 1956, but this number was reduced to 21 in 1960.

Although the issue of creating a region as an administrative unit was not on the agenda, regional economic and social development plans were created, including territorial planning. The regional district actions defined in 1960 were institutionalized in 1964 through the appointment of a regional prefect, assisted by a Commission for regional economic development, which included, among its members, deputies responsible for economic and professional issues.

De Gaulle submitted the idea of a true regionalization to a referendum in April 1969, but the simultaneous inclusion of the Senate reform that aimed to transform it into a body of technocrats [Boyer et al, 2005: 6-7] was a failure. According to the Gaullist project, the region had to be governed by a regional council made of the deputies from the region, as representatives of the territorial collectivities and regional councilors representing the economic and social interests of the region.

However, the failure was only temporary and partial, because in 1972, the region became institutionalized through law 619/5July: it now had legal status, and was declared a public territorial institution, governed by an indirectly elected assembly.

The regional council was assisted by an economic and social committee. The designation 'public territorial institutions' clearly shows that the regions were not considered territorial collectivities in the same way as the departments and communes.

The economic difficulties that emerged in the 1980s, related mostly to the 1973 oil crisis and the 1978 economic recession, made a decisive contribution to the reorientation of the government on the issue of tasks assumed by the government on matters of economic and social development.

As a consequence of the oil crisis, inflation remained at a 10-15% rate until the 1990s. Unemployment (see Fig.1) rose steadily, more slowly in the 24-25 year age group, but much more quickly in the 15-25 year age group [Jamet, 2005: 10].

The impact of the oil crisis on the budget was also very important, and this was manifested through the growth in taxes. In comparison with Germany and the United States, in France, this growth, expressed as a percentage of GDP, revealed the economic difficulties of the French economy (Fig.2.), bearing in mind that there is a direct relationship between the quantity of goods produced and tax revenues collected from individuals and companies [Van der Hoek, 2003: 22].

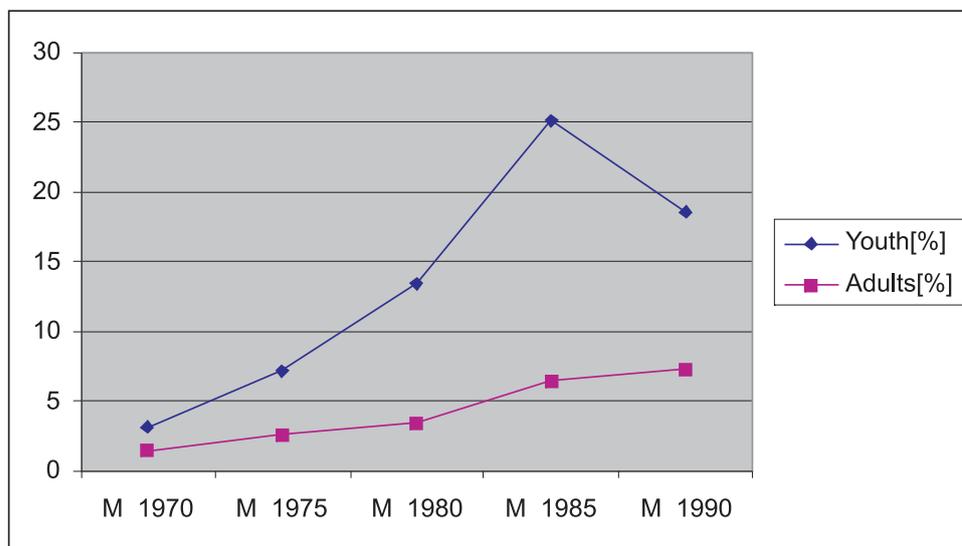


Fig.1: Growth of unemployment [%] in France from 1970 - 1990 by age group  
Source: OECD Statistics (2000).

Through the adoption of the principle of free administration, the state wanted to assure a certain freedom of decision-making for the territorial collectivities. The economic difficulties contributed to the transition from an administrative decentralization, promoted especially after 1972, through those structures for the mobilization of economic development, to a regional decentralization, which involved a new distribution of competences.

The reforms initiated after 1982 were motivated by the following objectives on the part of the central authorities: a) to increase the responsibility of the administration and implement collective strategic administration; b) to reduce the concentration of central services; c) to bring the decision-making process closer to the citizen; and d) to strengthen regulation in the private domain. The analysis of the aims followed through each important law on the competences of the region, or the broadening of competences of the departments and communes, reveals which hypothesis best confirms or defines the option of the French state.

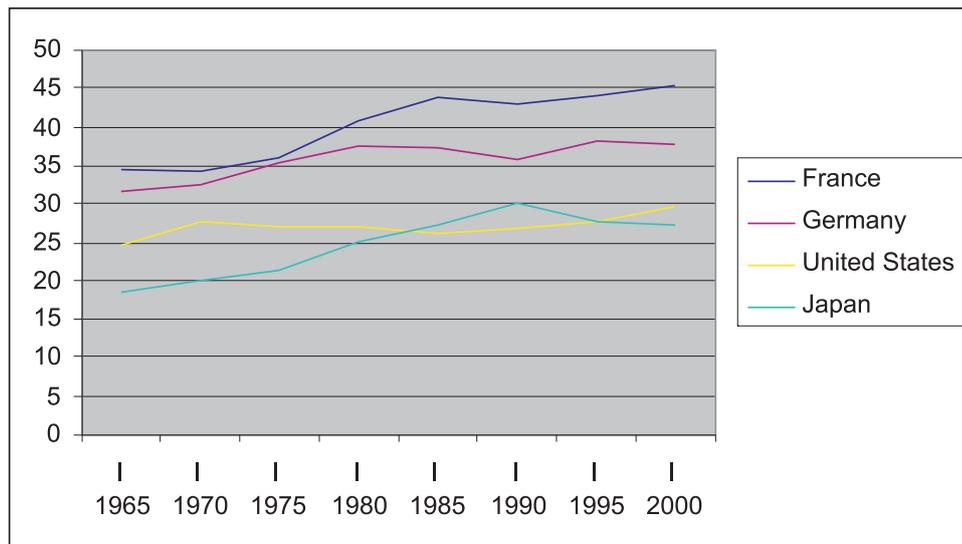


Fig. 2: Evolution of total income tax [% of GDP] from 1965 to 2000 in France, compared with other OECD member-states  
Source: OECD Statistics (2002).

The administrative reform, launched in 1982, sought to reduce the involvement of the State in relation to its economic and social responsibilities. The State no longer wanted to be regarded as the "organizing genius" of the economy [Pinson & Le Galès 2005: 13-17], preferring to play the role of supplier of procedures for establishing collective strategies, instead of imposing the guidelines for economic development. The withdrawal of the State from its position as sole policy-maker aimed to favor the local and regional authorities, by improving their administrative capacity and expertise.

#### 4 Why did Romania adopt a regionalization process through the extension of the competences of the local authorities?

The question seeks to determine the economic and political reasons for introducing the statistical region, bearing in mind that the introduction of the region as a territorial administrative unit would have been more efficient in terms of implementing the regional development policy. It is true that this type of regionalization was also adopted by several other States, such as Finland, Ireland, Holland, and among new EU member states, Latvia and Lithuania.

Granting enhanced responsibilities to the local and regional authorities enables public participation to be increased and promotes the interests of different groups (political, religious, ethnic, etc), through their involvement in decision-making. The result is a fairer allocation of resources and investments in these territories. The greatest benefit of the decentralization process is that it enhances the administrative capacity of the local and regional authorities to promote public policies for the benefit of their citizens. Public participation in decision-making aims, in the first place, to involve citizens and organisations of civil society in the decision-making process and the adoption of the decisions made, and sometimes, in implementing the decisions of the local authorities.

*Can we explain the adoption of the statistical regions based on the assumption that the governmental authorities, faithful to the unitary character of the Romanian state, did not consider it opportune to launch the regionalization process, perceived by many political leaders as a true "Pandoras box"?*

*Can the communes and counties, be regarded as unique administrative units that correspond to the Romanian traditions and Romanian concept on the organization of the territory, as well as to the new requirements related to the promotion of the community policies, after the accession to the EU?*

The adoption of the territorial-administrative organization lies in the exclusive competence of the state; the EU requires only the setting up of regional structures for the implementation of the

regional policy. So, in this case, can the statistical regions be considered the result of the most advantageous cost/benefit process? The answer to these questions can be found by analyzing not only the Constitution and the laws promoted in the field of local public administration and local finances, but also the Romanian traditions in matters of administrative organisation.

## 5 What are the results of regional decentralization in France? Is it efficient?

The answer to this question is more complex, because it involves the evaluation of political, economic and social parameters. We should also mention that the results of the decentralization can be evaluated synthetically, through analysis of the following aspects:

a) *functional responsibilities*, involving the clear and precise establishment of competences for each administrative level;

b) *access to resources*, evaluated through the distribution of the resources allocated for the fulfillment of the needs included in the adopted programs;

c) *political responsibility*, expressed through responsibility towards the voter, and not only towards the control bodies of the central administration (respect for the law, and the need and opportunity for some projects adopted by the local and regional councils).

Is the region, as a territorial collectivity, equipped with exclusive competences and sufficient financial resources to play the role of an intermediary level authority, typical of multi-level governance? This hypothesis became credible following the implementation of the laws of 2003-2004.

Have the continuous transfers of competences towards the territorial collectivities determined the transformation of the State into a decentralized one? Or is the change in the role of the State merely formal? The research hypothesis underlines the possibility that the stipulations that sought to reduce the responsibilities of the State were not put into practice, because the financial resources of the collectivities depended on the "generosity" of the central authorities.

*Can the second act of decentralization be appreciated as an intermediary stage in the process of federalization of France?* We advance this hypothesis, because the opinions of many commentators, regardless of their area, overestimated the effects that would result through the implementation of these laws, concluding that France is a subsidiary state in the making [Chavrier, 2004: 47-48].

And if being a subsidiary represents the essential principle that will govern the relations between the State, on one hand, and the territorial collectivities, on the other, will not France take the decisive step towards federalization?

The analysis of the results of the decentralization was based on the following sources:

a) Stipulation of legal texts that foresee the transfer of competences and the way in which they are exercised (exclusive and shared competences)

b) Senate reports [Hoeffel 1997; André 2000 ; Mercier 2000 ; Bourdin 2000; Dallier 2007] *and of the National Assembly* [D' Estaing ; Le Nay 2004; Gest 2004];

c) *Les comptes des régions, Synthèse nationale, local public sector*, La Documentation Française, 2000-2006;

d) *Other edited papers*.

For the analysis of the selected parameters (GDP/inhabitant, professional training costs, investment costs, etc), we will use the dispersion indicators (arithmetical mean, variance, standard deviation, coefficient of variability).

According to the decentralization strategy, the region was set to become an important actor. It played an active role in the field of economic activities and development, through its involvement in planning and territorial planning. The region received exclusive or shared competences, according to art.7 of law 8/7 of January 1983 and art. L 1111-4 of law 142/1996 (regarding the general code of the territorial collectivities), and the State allocated the resources necessary to exercise the transferred competences. By removing administrative tutelage, the State gave the signal for the autonomy of the territorial collectivities to develop in the sense stated in the law.

In the field of education, the regions were granted competences only for secondary education (construction, endowment and financing of high schools) and maritime vocational training, and for professional training, the expenses being quasi constant for the period of 1996-2000. The involvement of the region in the field of education is manifested through participation in the implementation of the restoration policies of the documentation institutions belonging to one or more universities, and the introduction of communication networks, particularly through the use of new technologies, and financial aid for renovating the student accommodation [Legrand 2004: 136].

The regions were also granted competences in the field of training for auxiliary medical staff, including: the establishment of training institutes or schools, this decision being taken by the president of the Regional Council with the approval of the prefect. The region is also responsible also for the functioning and endowment of these institutions [Truchet 2004: 141].

In addition, the regions participated in the financing of higher education institutions. This crossed financing, as it was called in the academic literature, created confusion with regard to the sharing of competences, and demonstrated that the State did not follow the initial plan. Its maintenance was motivated through the need to finance the endowment with equipment, under the condition that the necessary resources would not be restricted to just one collectivity.

With the exception of professional training, the regions became coordinators in the field of economic development, this being the main competence exercised, according to the provisions of the laws of 2003-2004.

The regions also decide on the regime of aid for enterprises (economic and real estate aid), instead of the direct and indirect aid that existed prior to 2003, and have the competence to establish the possible leasing of enterprises.

As coordinator in the area of territorial planning, the region draws up the regional transport and infrastructure plan, cooperation with the departments being an expression of the multi-level governance system [Offner, 2004: 154].

The *contrat du plan* was implemented through law 653/1982, in a way that guaranteed State participation in decision-making on matters of local development and enabled it to impose its priorities in the development programs.

From this perspective, the analysis of the relations between these two partners; State and region, enables us to identify how far the region succeeds in including its own proposals in the signed agreement. From the interpretation of art. 1 of law 653/1982, it is obvious that the national plan aims to determine the strategy and objectives in the medium term, in relation to the economic, social and cultural development of the nation, and to adopt the necessary means for their achievement.

The elaboration of the plan is conceived in partnership with the regions, the Economic and Social Council, and other economic and social partners. The interpretation of the provision of art.7 leads to a different conclusion: the regions are consulted, and no more. Partnership means much more than mere consultation. The law also stipulates that the national plan and the regional development plans of the regions should be compatible; there should be no contradictions or differences between them. Art.11, modified through law 1376/23 December 1985, foresees the creation of the *contrat du plan* through partnerships with the interested partners.

At the time the *contrat du plan Etat-Region* was created, although the law did not specify a deadline, the national plan was already finalized, because the two plans had to ensure common aims.

An initial conclusion that can be drawn is that the region and the other partners have to shape their own actions and objectives in accordance with those included in the national plan.

A second conclusion, actually, a question, is: would the State sign the *contrat du plan* if the actions included in it did not correspond to its vision as expressed in the national plan?

The answer is evident. Given that the region does not have the necessary resources to accomplish its objectives, the State is the partner that imposes the general lines of the common project.

The financial quotas for implementing the agreement are decided mutually, and may be unequal (the financial contribution is between 40% and 60%).

The continuous transfer of competences has contributed to increasing the responsibilities of the General and Municipal councils. Compared with the period prior to 1982, the territorial collectivities now have greater autonomy, due to the removal of administrative tutelage and the greatly increased role of the municipal and general councils in managing the financial resources.

The implementation of the reforms adopted in 2003-2004 will bring France closer to the objective expressed in the Constitution (a decentralized State), but marked differences between it and other decentralized States still remain. We do not believe the 2003-2004 reforms will represent an intermediary stage towards federalization: there is no political desire for this radical change. The efficiency of the decentralization process in France can be evaluated through analysis of the data shown in Fig. 3 and 4, and Table 1.

In France, the financial resources of the regional and local authorities are around 9 -11%, shown as a % of GDP (Fig.3) over the last 20 years, the evolution being shown in relation to State revenues and expenses [Jamet, 2005: 6].

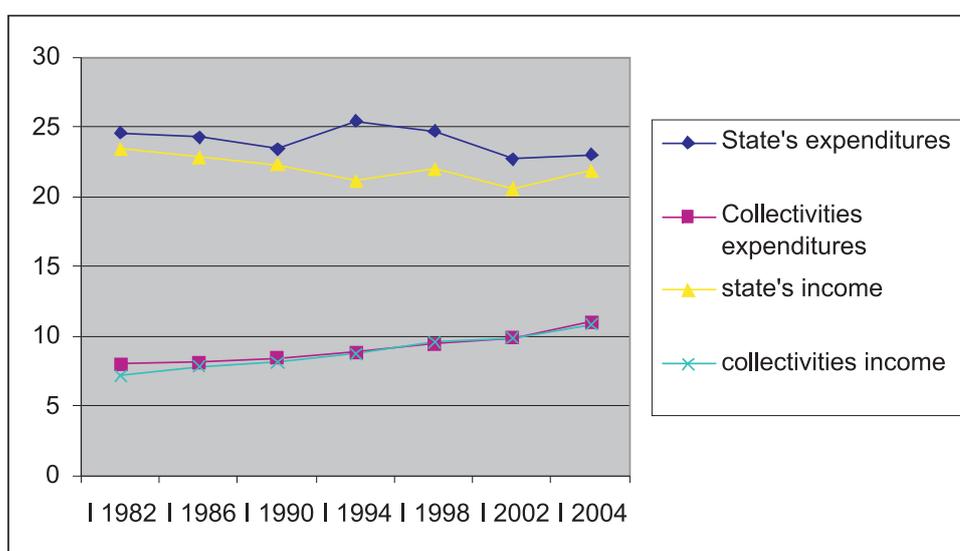


Fig.3: Evolution of expenses and revenues of the territorial collectivities and the State for the period 1982-2004, expressed as a % of GDP

The main difference between the revenues of the State and the territorial collectivities is the fact that the financial resources of the State are centralized, while the territorial collectivities depend on the State in order to balance their annual budgets.

The sources of revenue of the central and local authorities also differ significantly. The State budget relies on income tax (individual persons and corporations), social insurance contributions, property tax, capital gains tax, production tax, tax on sales and transfer of goods, service taxes, and others. The local authorities collect revenues for their budgets from property tax, taxes on financial and capital transactions, production tax, tax on sales and transfer of goods, and taxes on certain goods and services.

Compared with the resources of the regions and local authorities of other European states, the French territorial collectivities have more limited financial resources (Fig.4). Compared with other States, France falls below the European average in terms of its volume in revenues collected by the territorial authorities, expressed as a percentage of GDP.

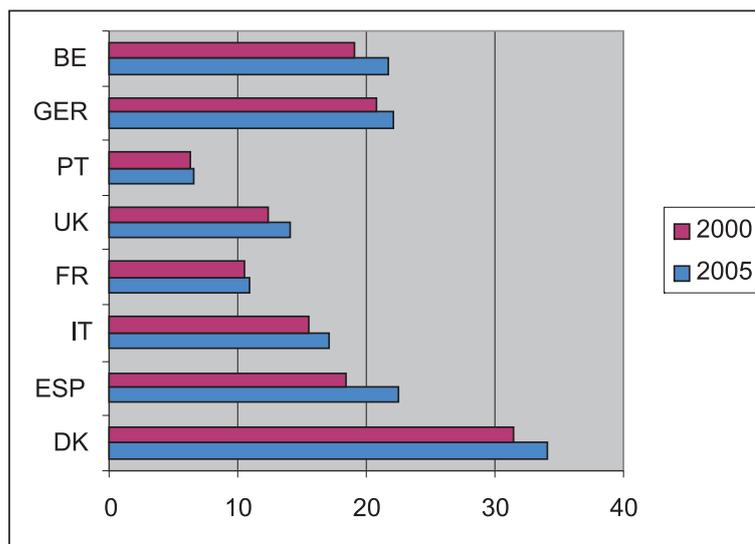


Fig. 4: Evolution of regional and local collectivities of some European states, [% of GDP] from 2000 to 2005

Source: Dexia (2006).

The mean European expenses of the territorial collectivities, calculated at EU-2005, is 12.8% of the GDP. Denmark heads the classification; the expenses of the local Danish authorities are higher than those of the central authorities, while Malta (not shown in Fig.4), occupies last place (0.9% of GDP).

Table1: Indicators for interregional economic disparities, from 2000-2006

Indicators	Year 2000	Year 2002	Year 2004	Year 2006
Aritmetic mean Xmed [euro/ inhabitant.]	20,894.16	21966.40	23309.75	24903.25
Mean deviation Am	1210.8	1216.3	1232.75	1368.13
Variance, S <sup>2</sup>	2,251,813.9	2,084,180.9	2,293.159	2,647,967.1
Standard deviation, S	1500.60	1443.67	1514.32	1627.26
Coefficient of Variability, Cv	7.18%	6.57%	6.49%	6.53%

Interpretation of the standard deviation (S) reveals that 70% of the regions have GDP/inhabitant included in the sampling interval (Xmed-S) - (Xmed+S), namely, the revenues of 14 regions is between:

- 19393 euro/inhabitant and 22395 euro/inhabitant in the year 2000;
- 20523 euro/inhabitant and 23410 euro/inhabitant, in the year 2002;
- 21975 euro/inhabitant and 24824 euro/inhabitant, in the year 2004;
- 23276 euro/inhabitant and 26531 euro/inhabitant, in the year 2006.

The application of resource cutbacks has not helped to decrease the economic disparities between the regions, but it has emphasized the dependency of the poorer regions towards the centre.

## 6 The results of administrative decentralization in Romania

The government established the outline of the statistical regions, and the representatives of the county councils needed only to comply, by signing the convention. This is the conclusion that emerges from the text of law 151/1998, and the document, *The Green Paper on Regional Development in Romania*.

The competences of the regional structures, Regional Development Council (RDC) and Regional Development Agency (RDA) have been established by law, in order to meet the requirements of implementing the regional development policy. In other matters, however, the two structures are irrelevant [Cuglesan, 2006: 9-12].

The central authorities sought to implement a decentralization process through the transfer of competences to the counties and local councils. In the last two years, two laws have been promoted that have clarified the situation to some extent. Law 196/2006, the framework law on decentralization, defines the competences of the local authorities as either exclusive, shared or delegated. It emphasizes the weight of the exclusive competences and the partnership between the central public authorities and the local and county authorities, for the exercise of shared competencies.

The second law - law 273/2006 - relating to local finances, establishes precise rules for estimating the amounts allocated to the local and county authorities for the balance of budgets, as well as increasing the share of income tax revenue in the local budgets.

With regard to the previous definition, the share of income tax that remains at the disposal of the local authorities has increased to 30%.

Table 2 shows the weight of the revenues to the local budgets for the period 2002-2005, and Fig.5 shows the weight of local authority revenues, in 2007, following the implementation of law 273/2006.

Table 2: Structure of local budget income from 2002-2005

Indicators of income	2002		2003		2004		2005	
	Mil. RON	[%]	Mil. RON	[%]	Mil. RON	[%]	Mil. RON	[%]
Total income	9322.8	100.0	13079	100.0	15956	100	19481	100
Tax income	1184.2	12.7	1825.9	14.0	2177.2	13.6	2414.5	12.4
Non-tax income	377.3	4.1	460.0	3.5	570.0	4.2	735.0	3.8
Income from capital	59.2	0.6	123.9	0.9	328.8	2.0	397.5	2.0
Income with special destination	432.7	4.6	319.4	2.5	n.a.	-	n.a.	-
Deduction from state budget	7096.0	76.1	9374.3	71.7	11910	74.6	14667.1	75.3
Subventions	117.4	1.3	734.9	5.6	920.2	5.8	1218.1	6.3
Loans	55.1	0.6	239.2	1.8	n.a.	-	23.2	0.1
Cashings from return of loans	0.9	0.0	0.5	0.0	1.1	0.0	2.0	0.0
Donations and Patronages	-	-	-	-	n.a.	-	23.5	0.1

Source: Annual Statistical Yearbook, 2005 and 2006); n.a. = no available data.

The data in Table 2 reveals the limited share of local authority revenues (resulting from taxes, including local taxes, plus the 36% from income tax) of the local authorities. Since the application of law 273/2006, local authority revenues have increased (Fig.5), but the real beneficiaries of the law are only the residents of the counties, due to the fact that they have a larger income tax catchment area (Fig.5), with more land and buildings. The communes and small town are also dependent on the county and central authorities for the budget cutbacks.

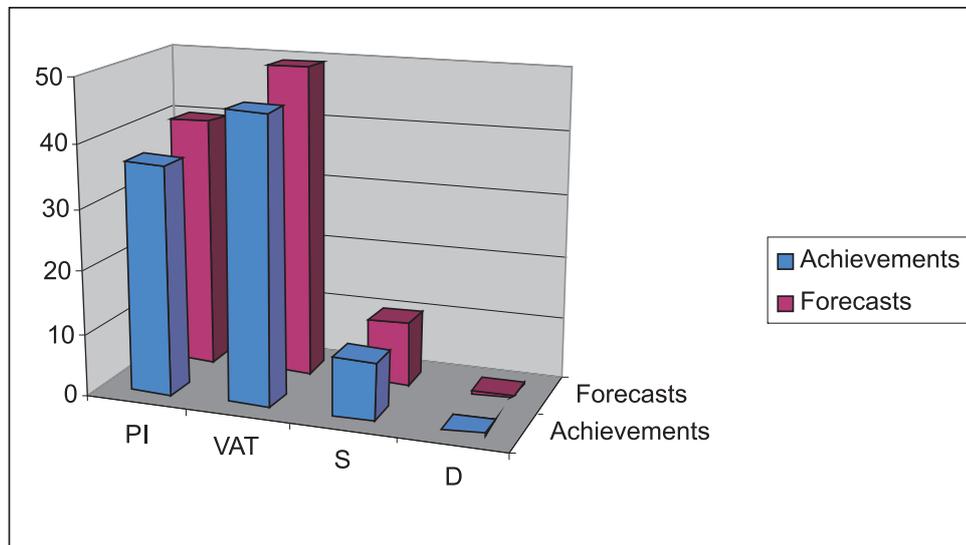


Fig.5: Local budgets in 2007, including achievements and forecasts, expressed as a % of total revenues; PI-own incomes; VAT-sums deducted from revenues; S-Subventions from the state budget; D-Donations and patronages

Source: [www.primpuc.ro/executie.html](http://www.primpuc.ro/executie.html).

The sums deducted in VAT are used to finance the decentralized expenses at commune and city level, while State subventions (represent sums for financing capital expenses and secondary education units, as well as for household heating).

The structure of the local authority resources seen according to categories of revenue, reveals the importance of the quotas from income tax in relation to the sums allocated by the county councils for the local budget cutbacks.

The value of the local authority revenues represents the weighted average, at national level, of the revenues from the commune, city, municipalities and county councils.

### Final considerations

The French State has transferred competences by several criteria, such as the administrative capacity of the collectivity, and the importance of the activity for the respective community. However, through Law 704/1 of August 2003, the possibility emerged of competition between regions, departments and communes to gain these competences.

The problem with evaluating multi-level governance in France is analyzing the efficiency of the decentralization process. Firstly, this involves an analysis of the relations between the territorial collectivities and the State, and the access by the territorial collectivities to the resources needed to exercise the competences assigned through the decentralization laws.

The efficiency of decentralization can be assessed by analyzing the impact of the reforms on the economic situation of the communes, and the reduction in economic and interregional disparities.

Regionalization through the expansion of the local authorities was the most suitable type of regionalization: it did not require any change to the constitution; it did not require regional elections for setting up regional bodies; and the cost of organizing and operating the regional structures was lower.

The Romanian state was not willing to introduce an intermediary level, from an administrative point of view, in accordance with the constitution, which recognizes Romania's organisation on two levels: central and local.

Multi-level governance in Romania is currently structured on two levels. If we extend this to the supranational level. The process of decentralization is unfolding, the transfer of competences depending on the results of the pilot experiment, but what can be affirmed for certain is the need to increase the responsibilities of the local public authorities.

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