

***The paper for the discussion in working group
on the main conference theme
of the 11th NISPAcee Annual Conference
(Bucharest, Romania, April 10-12, 2003.)***

New Governmental Functions of the Hungarian Regions regarding to the Accession to the European Union: Challenges and Realities

*Péter Szegvári**

Regarding to the accession to the European Union innovative approaches are needed to cover the new functions of the regions in the candidate countries. *The implementation of the requirements of the European Common Regional Policy and the Principles of Subsidiarity opens new horizons for the regions in the former transition countries*, because of the disparities of municipalities, the increasing of the differences between the capacity of the regions and the weakness of the regional democracy.

Therefore it could be interesting to *review the role of the regions in the European Union*, whether these different functions would be relevant or not in the future in the CEE countries. There are existing several functions of the regions in the member countries of the European Union, which could be branched into two parts: firstly the regions mainly used *as statistical, planning and programming territories for the regional development policy of national governments* and secondly could be mentioned *as administrative entities or regional self-governments for the sub-sovereign governance and public administration*. The two different meanings of the regions in the European Union could be characterized in one hand, as the tool of the common structural and cohesion policy under the umbrella of *regionalisation*, and in other hand, like a mainstream of modernization of public administration and democratization of governance toward a 'Common Administrative Space' and 'Europe of Regions' under the umbrella of *regionalism*.

Reflecting to the different meanings on the regions what was above mentioned, could be recognized a *different* institutionalizing of the *common and community policies of the European Union* on the regions. (NUGENT, 1997) While the regional development affairs are belonging to the common structural and cohesion policy under the *First Pillar*, till the public administration and regional governance issues are belonging to the *Third Pillar*. Since the Treaty of Maastricht the First Pillar mainly operating by the Autonomic Institutions of the European Union, mainly by the European Commission using the Structural Funds, just when the Third Pillar based upon the contribution of the member countries, mainly dominated by the European Council complying the Principle of Subsidiarity. (BOULOUIS, 1991) Hence, as while as the First Pillar has a *direct effect* on the national regional policies because of the Regulations and the Decisions, which are obligatory to the Member States to put the European law directly into operation, as till as the Third Pillar has an *indirect effect* on the domestic public policies because of the Directives, which are recommended to the Member States to achieve the common goals by the compliance of the principles to the right application of the tools and methods compared to their traditions and legal circumstances. (RAWLINSON - CORNWELL-KALLY, 1994)

In accordance to the Accession to the European Union in all candidate country the *National Government should strength the absorption capacity of the Regions*, which are existing at N.U.T.S. 2nd level as statistical, planning and programming territories, *to comply the Common Regional Policy and to use effectively and efficiently the Structural Funds and sources of Cohesion Fund*.¹ Perhaps it would be useful to draw up the Regional Policy of the European Union, therefore the first part of this study try to offer a brief survey of the main objectives, the principles and requirements, the financial instruments of the European Regional Policy.

However *there is no existing a uniform model for the regional government system in the European Union*, but there are some principles on the regional democracy, which raising up new challenges in CEE countries for the National Governments. The '*New Public Management*' movement in the '*Common Administrative Space*' goals new requirements as the '*Effectiveness*', '*Efficiency*', '*Quality*' and '*Good Governance*', which are *new challenges mainly in the former transition countries*. (EC, 2001; EIPA, 2000) Reflecting to these new

* The Author is a Chief Advisor of Prime Minister, Deputy Secretary to State in the PMO's of Hungarian Government.

¹ The lack of the absorption capacity of the Regions is one of the reasons why the European Union in all CEE countries offered that the Regional Operative Program should be managed in the national level instead of the regional one until 2006.

requirements the National Governments should assess the role and function of the Regions in their Public Administration System, and if it is needed to enhance the Regional Authorities by the delegation of power from the National Government (*de-concentration or decentralization*). At the same time the National Governments should try to involve the local governments (municipalities) to associate for the management of their public services in the regional or sub-regional level, hence the Region could be the right level for the public services and local developments (*integration*). In the European Union *there is no direct regulation for the regional democracy*, because it is belonging to 'The Third Pillar', therefore under the umbrella of 'Home and Justice Policy' every member country could implement in an own way the principles of the 'acquis communautaire'. *Every member and candidate country should take care the mainstream of Europe* which could be *emphasized in the 'European Charter of Regional Governance'*. (EP, 1988; COR, 2000) Regarding to the subsidiarity principle may would be interesting to overview the present and future role of the European regions in the several public administration system and in the regional democracy. (CCRE, 2002; EP, 2003) So the second part of this study allows an insight into the European policies on the regional democracy.

1. Regional Policy in the European Union

1.1. The shape and intention of regional policy in the European Union

There are significance social and economic differences inside the European Union. The main structural obstacles of the social/economic cohesion are the differences between the capability of the regions. That is the main reason of the shape and intention of the autonomic regional policy in the European Union to decrease the differences of the GDP growing capacity and competitiveness of the regions. Therefore *the main goal of the European Regional Policy is the strengthening the regional competitiveness of the underdevelopment regions*. Hence there are two basic elements of this policy: the involvement of the territorial innovation and spatial close up of the regions lagging behind.

If we were looking at the differences of the developments of the regions in the European Union, we could recognize more than fivefold differences between them,² and it means that the GDP capacity of 6 regions from the 208 one achieve the 50 % of the average of the European Regions', and 50 European regions' capability does not achieve the 75 % of the average of the European regional level. It is very important because in the European Union those regions are seemed to lagging behind which have a GDP-capacity below the 75 % of the average of the European Regions.³ We could summarize *one of the main intentions of the regional policy in the European Union: the easing of the social/economic differences between the European Regions*.

Beside them not only the differences between the European regions are significant, but it is also important problem looking at the domestic differences between the regions in the several countries. In the most of the member countries there is a twofold differences between the most developed and most underdeveloped regions.⁴ That is the reason of the same intention of the domestic regional policies in the member states like in the European Union, so the main goal of the national regional policies is the reducing of the differences between the national regions. (EC, 1996/1a) Furthermore some structural problems of the domestic economy also raised up new regional problems and challenges for the national governments in the member states. Hence the regional problems inside the member countries has been combined many times with the special problems of the restructuring areas (like the former mining districts, steel areas, shipping and textile territories, rural areas) which would be shifting from the unproductive industry or agricultural activity to the more innovative industrial productivity and service delivery. (However these problems raised up in all country, not only in the underdeveloped one.) We could summarize that there is *another intention of the European Regional Policy, implementing the principle of subsidiarity, to aid the member states by the tools of European structural policy and to coordinate the domestic regional policies of the member governments*. (So it is very important to ensure the coherency between the regional policy and the other common and community policies, which will be mentioned in the next subtitle.) Therefore in the other hand the main objectives of the European regional policy also included the supporting and coordinating the national governments' activities to easy the differences between the domestic regions and to close up the regions lagging behind.

As like as the regional differences inside the member states, the differences between the capability of national economics also impede the compliance of the principles of EC Treaty. When the European Union have enlarged

² For example: the GDP capacity of the Greece Ipeiros Region cover the 44 % of the average of the European Regions' and the figures of the Inner London show the 224 % of the average of the European Regions' in 1998. (EUROSTAT, 1999)

³ The 1260/1999 ER on the Structural Funds declared the eligibility of the regions, which is comparing this criteria. (EC, 1996/1c)

⁴ However we could recognize higher differences between the several regions in some countries, for example could be shown more than fourfold differences between the certain regions in Germany after the reunion of the former east part of the country. (EUROSTAT, 1999)

by the South European countries it caused the increasing of polarization of welfare, because of the relative underdeveloped domestic growth and the mostly regions lagging behind of the accession countries. The member states recognized that the economic convergence could be endangered without the strengthening of the social/economic cohesion. (EC, 1996/1b) Regarding to that the Treaty of Maastricht declared the establishment of the Cohesion Fund.⁵ Whereas the aspects above mentioned, *the European Regional Policy included the intention of social/economic cohesion too between the member countries and their regions.*

The importance of common policy to achieve these common goals was realized by the member states in an early stage of EU' s story, as the Treaty of Rome declared that common action must be taken against the disadvantageous social and agricultural consequences of the European integration.⁶ Nevertheless *the European Regional Policy has stood on its own foot since 1975*, after the joining of Denmark, Ireland and United Kingdom, *when the European Regional Development Fund (ERDF) was founded* to reduce the social and economic differences between the regions in the EC, and furthermore *when the Committee of Regional Policy was established.*

The first decade of the European Regional Policy could be characterized by the determination of national quotes, *based upon the principle of subsidiarity* which gave the national governments permission to adapt the principles and directives of the common regional policy in the member states in an autonomous way. But the national governments did not follow in every case the intention of the common regional policy, hence many times the relatively developed regions have got aids via the national government from the European sources and there was no a significant changes of the status of the underdeveloped regions. (WISE – CROXFORD, 1988: 161/182) The Council of the European Union have realized the weakness of implementation of the common regional policy at the framework of the domestic regional policy of national governments, therefore *in 1979* have established *a new program system supported from the Community Initiatives* up to 5 % of ERDF.⁷ It was meaning that the redistribution of the national quotes between the regions depended on the domestic regional policy and programmed by the national governments. Meanwhile the European Commission have supported directly the development programs of the restructuring industrial and mining areas, furthermore the contributions of the border regions under the umbrella of an agreement between the Commission and the member state to add plus financial support above the national quotes.

In 1981 the Commission have had a statement on the regional differences as the barriers of social/economic convergence, and explained the seek for the implementation of *integration principle in the programming* and for the ensuring of *concentration principle in the financing*. (HALSTEAD, 1982) Furthermore *in 1984* the Commission *amended three basic elements of the EC regulation on the appropriation of the Structural Funds*: firstly defined the criteria the eligibility, secondly made general the integrated development programs and thirdly increased the sources for the programs under the umbrella Community Initiatives against the national quotes. (KEATING – JONES, 1985: 20/59) After that three main reforms of Structural Funds have modified yet significantly the principles and objectives of the European Regional Policy.

In 1988 the first reform strengthened the importance of the regional policy between the structural policies to ensure the coherence of the several common and community policies *increasing the share of the Regional Fund from the community sources* and implementing the *coordination principle* allowed to the Commission the co-financing from several sources in the more underdeveloped regions. At the same time instead of the project-financing this reform *initiated the program-financing*, and *implemented the integration principle* in the programming (combining the sector orientation with spatial approach), and furthermore ensured the compliance of the additionally principle and the requirements of decentralization and partnership in the financing. (ARMSTRONG – TAYLOR, 1993) *The second reform in 1993* (adapting the *convergence theory*) *established the Cohesion Fund* for the supporting environmental and transport projects (mostly joining the Trans European Network) of the less developed member states to help the regional policy influence and to linkage the peripheries to the center regions. (EC, 1996/1b; 1996/1c) *In 1997* the European Commission initiated the *third reform of Structural Funds*, so called *Agenda 2000*, to renew the cohesion policy of the European Union. There were two basic elements of the Structural Policy which have been shifting from the former status quo toward a

⁵ In 1993 the Cohesion Fund has been established originally for the subsidies of the member countries which has GDP below the 90% of European average, so Greece, Portugal, Spain and Ireland was eligible till 2000, but after the accession of new ten countries they would be eligible too. (EC, 1996/1c ; EC, 1997.)

⁶ See Preamble and Articles 2, 3, 39, 123/125, 130/a. of Treaty of Rome.

⁷ The Community Initiatives mainly are used by European Commission to support the community policies, which are different from the common policies, targeted the certain measures which are relevant to the structural policies but are not covered by the Structural Funds. Since 2000 four programs (INTERREG, EQUAL, LEADER, URBAN) are working instead of the former thirteen ones. (EC, 1996/1d; EC, 1997)

sustainable regional development policy: *the requirement of concentration and the additionally principle*. In one hand the implementation of the requirement of concentration caused the reducing the number of objective territories from six to three, and in other hand the compliance of the additionally principle led to the definition of the criteria of state subsidies below the domestic regional policy regarding to the aspects of the European Regional Policy. (OJ C 74, 1998) Does it mean that the Structural Funds could only join the domestic regional state subsidies even than the objective territories and the eligibility criteria are matching to the requirements of the Community Regulation on these topics. (EC, 1997)

1.2. *The harmony of the European Regional Policy with the other common and community policies*

The Structural Policy of the European Union is concerning on the two measures: using financial incentives and coordinating of domestic regional policy of member states. *The European Regional Policy harmonizes with the other common and community policies and surveys the implementation of state regional policies*, first of all it guarantees the implementation of the principles of the European Competition Policy by the using of Structural Funds and Regional State Aids to disclose the torsion of principle of free competitiveness.

As was mentioned above, since 2000 the Structural Policy of European Union has been concentrating to three main objectives:

Objective 1. included the so underdeveloped regions on N.U.T.S 2nd level, which has less GDP capability than the 75% of average of European Regions.⁸

Objective 2. included the so special areas on the N.U.T.S. 3rd and 4th level, which do not situated in the Objective 1. region and have significant social and economic problems raised up by the reconstruction of the economy and the social changes, first of all like the former declining mining and industrial areas, the rural areas with high rate of the agrarian employees, fisheries areas and the urban areas, which have heavy difficulties.⁹

Objective 3. included the so special developing areas which do not belong to the territories of Objective 1. and 2., furthermore seek after the development of human resources to strengthen the capacity of these areas and to ensure the social/economic cohesion in the regional level.

Regarding to these objectives, above mentioned, *the community measures of European Structural Policy could be implemented by the principle of subsidiarity*. (WALLACE – YOUNG, 1997) Does it mean that the domestic local, regional and national governments' activities could not be replaced by the measures of community policy, which could lonely supplement the domestic regional policy and should be *limited by the principle of additionally*. Regarding to the requirements of additionally, it means that the Structural Funds could be used in those cases when the initiators' sources are not enough to accomplish their regional programs and therefore these European sources must not cover totally the initiators' costs. So the support of the European Structural Policy needed a co-financing on behalf of the initiators, which measures are depending on the characteristics of the certain program. Whereas the *principle of co-ordination* even the same objectives could be supported from more than one of the Structural Funds, regarding to the requirements of co-financing.

The measures of the European Structural Policy should be matching the Community Supporting Framework (CSF), which is the mid-term agreement between the European Commission and member state's government, included the objectives of the sector policies and the aspects of the regional policy. The supports of the objectives of the regional policy required a regional development program, based upon the horizontal (inter-sectors) and a vertical (inter-governments) consultation by the *principle of partnership*. All regional program, by the *principle of programming*, should be included the following elements: the social/economic and environmental impact assessment of the measures, the strategy and the certain objectives, the tools and measures, the resources for the realization of the program. When the initiator is a local or regional government the program requires the detailed drawing up of the financing support on behalf of the national government.

The CSF based upon the National Development Plan (NDP), launched by the national government of member states, which is included the evaluation of the status quo, the drawing up the strategies, the distribution of resources and the expected impacts of the measures. The CSF is concerning on – joining the NDP – the main objectives matching the intentions and principles of the common and community policies, included the required

⁸ The 1260/1999 EC Regulation allowed the following areas to join the Objective 1 territories: the areas of less density of population in Finland and Sweden, furthermore the Overseas Departments of France, the Canary Island, the Portuguese Azury Island and Madeira. (See: EC, 1996/1c)

⁹ The 1260/1999 EC Regulation declared the followings into 'heavy difficulties': the high level of unemployment rate, the significant poverty of habitants, the damaged environment, the high criminal figures, the low level of education of citizens. (See: EC, 1996/1c)

community support. In many case the CSF will be realizing by the Country Operative Program(s) – (COP)¹⁰ gathering the several operative programs regarding to the relevancies of the main objectives. The CSF – especially in the European Cohesion Policy Framework – could cover some environmental or transport project support too.

Looking at the draft review on the realizing of European Structural Policy, what was above mentioned, it could be summarized that *the regional policy seeks to harmonize the several community policies* and tries to create a coherence between those. But it is true in the case of the member states, because the *domestic regional policy also requires a horizontal and a vertical coordination* in the process of programming and implementation of the regional program. It is especially important when the principles of European Competitive Policy should be complied together the Regional Policy.¹¹ Whereas the importance of the harmonization between the two policies, it is not only should be expected by the using of Structural Funds, but it must be enforced by the using of national state subsidies or other interventions given by the national or local/regional governments of member states. It would be underlined that the *Treaty of Rome declared that the supporting of common regional policy is consistent with the principles of competition policy* to help the development of the underdeveloped or highly unemployment areas, regarding to the community interests.

The Treaty of Rome allows on generally the supporting of economic areas lagging behind or suffering by the significant jobless problem, hence the direct interventions or indirect subsidies (e.g. tax allowances) in the objective areas of regional policies could be compatible with the principles of European Competition Policy. Meanwhile it could be underpinned that *this principle could be implemented in the member countries too*, it does mean that the national governments could use the state subsidies under the umbrella of the national regional policy to support the relative underdeveloped areas by the figures of regions in domestic level, not only in the comparison to the European regions.¹² As like as the regional policy practice the supports of underdeveloped areas are divided into two type: the additional sources to the investigation or job-creation and the subsidies to the operating costs. (By the practice of the European Court it could be explained that the additional sources should be proportional to the costs of investments and the subsidies to the operational costs must be compatible with the principle of sustainability.) Regarding to the importance of the coherence between the regional and competitive policies, in 1988 the European Commission published the Directives on the National Regional Aid, which stated that the national regional aid could be used only in the disadvantaged areas to help the development of these regions by the strengthening of the competitiveness and the job-creation. (OJ C 74, 1998)

1.3. The Principles and Requirements of the European Regional Policy

It could be stressed that less the importance of the primary legislation of the European Institutions on the regional policy than the influence of the secondary legal norms and the 'acquis communautaire', which should be enforced by the member states complying the European principles and requirements on the regional policy. (PRECHAL, 1995) In the former parts of this study there were mentioned many of the principles and requirements of the European Regional Policy, but it would be useful to gather these for the adaptation into the national regional policies of the accession – and perhaps in the near future like the member - countries.

1.3.1. The Principles of the Regional Policy

In all member countries the national regional policy must follow the next principles of the European Regional Policy:

- Subsidiarity,
- Decentralization,
- Partnership,
- Openness and Participation.

A) The Principle of Subsidiarity

The essence of the subsidiarity is that the local communities could manage their own issues with autonomy and responsibility, could use the local resources for this purposes and could initiate the higher level contributions when their sources are not enough to solve their problems. The principle of subsidiarity enforceable between the European Union and the member states, but it also relevant between the national government and the

¹⁰ Many times the COP included the Regional Operative Programs (ROP), but when the initiator of the European supporting measures is not the national government the CSF could be realized by more COP.

¹¹ See the Article 92 of Treaty of Rome.

¹² See the European Court Reports, 1987 (4013 and 4042 cases).

local/regional governments too. (EC, 2001.) By the principle of subsidiarity the national government should seek after the decentralization of decision power and the strengthening the capacity of local/regional decision-makers. But it is required that the decision-making process compare the optimistic division of responsibilities between the European, the national, the regional and the local players, especially regarding to the inter-regional contributions.

But the principle of subsidiarity includes an integration function too. Whereas this role of the principle of subsidiarity, the central decision-makers must determine the national objectives and measures of the regional policy, they shall orient the local/regional decision-makers to comply the intentions of the national regional policy. So it means also that, when the central decision-makers should decide instead of the local/regional partners they should contribute with the local/regional decision-makers, as like as the European Institutions must co-operate with the national governments by the principle of subsidiarity. (CRAM, 1997)

B) The Principle of Decentralization

The principle of decentralization is closely linked up the principle of subsidiarity. Could be defined those fields when the tasks would not be managed efficiently or at all at local/regional level, therefore the responsibilities needed the contribution of the higher level. Whereas the essence of this principle, the decentralization means the delegation of power from the central level taking care the rationale of cost-effectiveness and co-operation. It is required the participation of the citizens and their organizations in the policy-making process at all level of governance, including the European Union. (WALLACE – YOUNG, 1997) On the other hand, the best practice of the decision-making, so the decisions are matching the levels when the problem raised up. However it is required the combination of the principle of decentralization and the autonomy.

C) The Partnership Principle

The partnership principle first of all is involving a multi-participatory policy making process on the regional policy. (KIRCHNER, 1992) Whereas the partnership principle in the regional policy, it is meaning that the responsibilities and the tools of regional development affairs are distributed on the one hand between the national and the local/regional governments, and on the other hand between the public and the private/civil sectors' players. Regarding to the multi-function of regional development issues, as the European Regional Policy required this policy belongs not only to the competences of the state in the member countries, hence the partnership principle should be implemented in all level of governance in the European Union in the policy making on the regional policy.

The partnership principle should be comply technically too in the programming and planning of the regional development. Generally, in the spatial planning hierarchy is required, so the legitimacy and the efficiency of the regional development programs and plans are needed a 'bottom-up approach'. (CRAM, 1997) That is the reason of the co-operative planning and programming methods in the regional policy making, which could be characterized as like as a corporate decision making process based upon an on-going discussion and consultation between the actors of the regional development affairs.

D) The Principle of Openness and Participation

The openness principle is very important to ensure the transparency and the accountability of the policy making on the regional development measures, especially on the redistributed sources. The participatory principle technically is very important for the corporate planning and programming process, but because of the limited representation of the stakeholders in the decision making bodies on the regional development affairs it is very important to create a wider opportunity and channel for the participation of all certain partners in the policy making process, hence the principle should be implemented together as soon as possible. (WALLACE – YOUNG, 1997) Therefore these principles are seeking after so mechanism in the decision making process on the redistribution of the regional development sources and on the adoption of the regional development plans and programs, which is involving the all institution to ensure the openness and participatory principles in their activities.

The openness and participatory principle especially important in a renewed regional policy, because it is needed - for the efficiency and effectiveness of the regional development - the absorption of local/regional resources and the 'social capital' for the success of the realizing of the regional development programs. Therefore it is required that the main rules of spatial planning and regional development programming shall be regulated in legal norms, regarding to these principles and the local/regional traditions and circumstances, furthermore

ensuring the civil rights of the citizens and the local communities to take part in the controlling of the regional development institutions and decision makers.

1.3.2. The general requirements of the regional development institutions and policy-making process

Meanwhile there are no general requirements – aside from the compliance of the general principles – on the institutional system and the content of regional programs, so there are existing general requirements on the measures, which are the followings:

- Complexity,
- Co-ordination and Co-operation,
- Systematically.

A) The requirement of complexity

The characteristic of the regional policy is that its realization depending on the system of instruments of the structural policy and its linking up the institutions of the state is very complex. Even if the sector policies would not take care the territorial aspects, or the instruments and institutions of regional policy were divided from the global and local system, so the objectives of the regional policy could not been realized at all, or only in an inefficient way. Without the complexity of the regional programming and development affairs could not be reached the main goals of the regional policy, hence the all governmental body (in the local, regional, national and European level) must ensure the regional approach also in the economical and strategically sector decisions.

B) The requirement of co-ordination and co-operation

The success of the regional policy is mostly depending on the co-ordination and the concentration of the stakeholders' activity and the using of resources to the common-targeted objectives. Regarding to the principle of partnership, the vertical and horizontal co-ordination and the co-operation between the key-player in the certain regional development issues are very important to enforce the regional policy approach, especially in the regulation, in the redistribution of the resources, in the service delivery and in the economic development. Therefore this requirement is valid in the sector and economic programming and planning, furthermore in the redistribution of the state aids. Regarding to the aspects of the regional policy, the public administration system also shall take care the aspects of the regional policy, hence especially the environmental, the human resource-development, territorial information system must harmonize with the regional-development institutions and their activities should be co-coordinated in the objective areas of the regional policy.

C) The requirement of systematically

The regional policy is a program-oriented policy, based upon an on-going survey and evaluation on the territorial tendencies to choose the adequate instruments the certain objectives and measures. The requirement of systematically means that the all decision maker should take care the program and plan by the determination of their activities and the redistribution of the regional sources. On the other hand, it means also that all support for the regional development could be available by the initiators if the project matching to the multi-annual regional programs and plans.

1.3.3. The general requirements of the financing of the regional policy

As like as the institutions, so the financial instruments of the regional policy also should compare some requirements, which are the followings:

- Harmonization,
- Decentralization,
- Concentration,
- Additionally,
- Program-orientation,
- Multi-funding,

- Normative and Flexible.

A) The requirement of harmonization of regional financing with the general fiscal and monetary policy

Whereas the impact of the regional policy on the territorial development, it would be underlined that the development of problematic areas more highly depend on the nation-wide economic status and global or local/regional social-economic circumstances, than on the limited influence of the measures and instruments of the regional policy. (EC, 1996/1a) Whereupon the financing instruments and tools of the regional policy should be harmonized with the general (European and national) fiscal and monetary (or economic) policy, by the way the requirements of the general fiscal and monetary (or economic) policy have a priority against the aspects of the regional policy.

B) The requirement of decentralization of the redistribution of the regional resources

The requirement of decentralization of the redistribution of the regional resources is linking up the general principles of the regional policy as like as the subsidiarity and the decentralization. Does it mean that the local or regional development is seeking after the support of the higher tier governments (including the European too), but in the policy making process at the local or regional (perhaps at national relating to the European Union) level should be determined the concrete objectives and measures, as like as, there must be decided the redistribution of the regional resources, the using of regional financing instruments for the purposes of determined common goals. Wherefore the redistribution of the regional resources must enforce the requirement of decentralization, beside the effectiveness and the efficiency, to take care the specific local/regional characteristics and circumstances. But this requirement also is needed the strengthening of the financial capacity of the local/regional initiators, which could be realized by the increasing of their own sources.

C) The requirement of the concentration of the regional financing sources

The requirement of the concentration of the regional sources is concerning on the effectiveness of the instruments of regional policy. So it means that the regional sources should not been dissipated their efforts, and the using of them focusing on the priority of the more efficient measures and the seeking of multiplying effect. The rationality of the redistribution of regional sources requires the concentration of the regional sources – including the European, the national public and private sources too – into the main objectives and measures which should be declared the most important by the all owners of the sources. Meanwhile the concentration of the regional instruments must prefer the underdeveloped areas, the main priority by the using of regional sources should be aided the establishment of sustainable economy and job-creation, first of all in the regional centers.

D) The requirement of additionally

In a market-oriented economy the regional policy try to involve the local/regional players to use mostly their own sources for the local/regional developments, which could be supported by the national or European subsidies or aids. Because of the requirement of transparency, the supporting system must be regulated by the law, regarding to the principle of openness, and should be incentive for the private sector to invest into the regional developments, regarding to the partnership principle. However, on generally those projects could be supported by the regional aids and subsidies which based upon the local/regional own sources, in some cases – mostly in the objective areas of regional policy, suffering by special social/economic problems – the need of own sources for the requirement of additionally would be disclosed, even if the regional supporting do not injure the principles of competitive policy.

E) The requirement of programming

The basic condition of the regional development supporting is the program-financing. It means that those investigation could be supported by the regional financing instruments which has an expected territorial advantage harmonizing with the objectives of the regional development programs and plans. The requirement of the programming also means - instead of the separate project-financing – that the regional instruments must support the coherent and complex elements of the regional development programs and plans, including the systematic measures in the objective areas. Hence the regional development program could be defined as like as

a mid-term operational plan, determined by sector and territorial aspects together and multi-funded by several sources. The more complex regional program, covering bigger objective areas, would have a priority by the regional financing and supporting.¹³

The requirement of programming related to the partnership principle, because the preparation and planning process of the regional development program based upon the vertical and horizontal co-ordination and co-operation between the actors in the field of regional policy. The programming methodology based upon the principle of partnership may ensure the integration of the objectives and measures, the definition of priority and may help the most effective and efficient problem solving. It could be underpinned that, the requirement of programming is linking up the requirement of concentration, because of the integration of several objectives and sources in the regional development program would lead to the concentration of financing instruments.

F) The requirement of multi-funded financing

Regarding to the requirement of programming, the regional development program could be multi-funded by the several sources to achieve a harmony and coherency between the special approaches, aspects and measures.¹⁴ Besides them, this requirement also means that for the special purposes could be used different instruments of the regional policy, as like as European and national subsidies and aids, development loans and venture capitals.

G) The requirement of normative and flexible financing

Many times there are a conflict inside the regional policy by the enforcing of different aspects of the efficiency and the equity together. Meanwhile the requirement of the normative decision making on the financing issues is very crucial because of the general requirements of the transparency and the accountability, so in the local/regional level also is important the flexibility of the decisions to give an opportunity for the consideration of the special circumstances. Whereas the European practice, the combination of the clear regulation of the certain decision-making process together the possibility of the conditions of perhaps discredit decisions, it tries to balance between the requirement of normative and flexible financing. (EC, 1996/1d)

1.4. The role of the territorial statistic system in the regional policy of the European Union

As mentioned as before, *there are two different functions of the regions in the European Union*: on the one hand ensuring the territorial development *as the objective areas of the regional policy* and on the other hand delivering the public services *like the second-tier level of public administration*. The European Statistic System try to match the two approach each others and help the comparison of the different measures of the regions.

In 1987 the Single European Act declared the reducing of regional differences and after it, in 1991 the Treaty of Maastricht enforced this goal initiated the establishment of a new financing tool to strengthen the cohesion of European Union, especially in the development of transit network and solving of environmental problems. (CARTOU, 1996) After Maastricht, first of all the regional policy is seeking after an objective nomenclature of territorial units for statistic. (DEHOUSSE, 1994; CLOOS, 1994)

1.4.1. The Nomenclature of Territorial Units for Statistic (N.U.T.S.)

Whereas the need of the regional policy, the European Union have established an objective Nomenclature of Territorial Units for Statistics (N.U.T.S.) to survey the capacity and territorial problem of regions. The N.U.T.S. system defined three regional levels (N.U.T.S. I. - III.) and two local ones (N.U.T.S. IV. – V.) for the regional development policy.

This framework of *the Territorial Units for Statistic must be fulfilled by the member countries*, regarding to their public administration system and tradition. The member countries must follow the guidelines for the determination of their territorial units, hence the one of the requirements is that, the territorial statistic system *shall be based lonely on the administrative units of the country* (does not on the analytic areas, e.g. natural heritage or environmental areas) which *cover the whole territory of the certain country*. However the member states may define their own N.U.T.S. system so like than, they may create territorial units for the statistic and the planning of the regional policy, which not became 'sui generis' administrative or political entities. Whereas

¹³ That is one of the reasons why the 1260/1999 EC Regulation mainly prefers the N.U.T.S 2nd level for the supporting of objective areas by the European Structural Funds. (EC, 1996/1c)

¹⁴ The EC Regulation on the Structural Funds allows the multi-funding of regional development programs in the Objective 1 areas by the several sources together, so some measures could be supported by the ERDF, the ESF and the EAGGF too. (EC, 1996/1c)

the relative freedom of the member states in that field, there are existing several N.U.T.S. regions in the member countries with different size and populations, and especially with different legal status.¹⁵

The different measures of the statistic and planning regions are limiting the objective comparison the situation of the regions and would be weakening the impact of the instruments and tools of the implemented regional policy. Therefore *the European Commission try to narrow the possibilities of member states to define their N.U.T.S. system*, so in 2001 the Commission have prepared a proposal for Regulation of the European Parliament and of the Council on the establishment of a common classification of Territorial Units for Statistic. Regarding to the best experience of the member states, the standardization of the N.U.T.S. system try to determine the right measures of the Objective 1 areas to use the instruments of regional policy most efficiently for the development of the regions lagging behind.¹⁶

1.4.2. The relationship between the N.U.T.S. system and the public administration structure

As mentioned as before, *there are existing two types of the regions in the European Union: statistic/planning areas and administrative/governmental bodies*. It could be recognized that in some countries there is no created regional territories in all level and in many member states the two types of regions do not match to each others in all tier. But it is true, that in the Objective 1 areas every member state have been organized some kind of public administration system (decentralized self-governments or de-concentrated state administration authorities), depending on their political circumstances and tradition.

However there is no direct correlation between the N.U.T.S. system and the public administration structure of the member countries, but they have to inform the European Union about the changes of their public administration system, when it would be linking up the N.U.T.S. structure of the statistic/planning regions of the member states.

1.5. The financing instruments of the regional policy in the European Union

The historical development of the regional policy in the European Union could be shown by the drawing up the changing of its financial instruments. The first step was in this way – together the staying on its own foot – the establishment of the European Regional Development Fund (ERDF), in 1975, as like as the one of the main financial instruments of the European structural policy. Since that time until now *the objectives and measures of the Structural Funds enforcing directly or indirectly the principles and requirements of the regional policy in the European Union*.

1.5.1 The objectives and measures of the regional policy in the European Union

The *structural policy* in the European Union strives to *harmonize and to make efficient the several common and community policies in the underdeveloped regions*. Therefore, under the umbrella of the structural policy – as was mentioned before – in the Objective 1 areas the common and community policies try to support the regional development by the coordinated way but with different purposes and priorities.

The regional policy especially is dealing with the economic investments or the development of physical infrastructure, as like as in the health and educational affairs, in the tourism and service delivery, furthermore in the transport and telecommunication issues. Because of the main goal of the regional policy to strengthen the capacity of the underdeveloped areas for the competitive and the innovation, the measures of the regional policy also included the supporting of the SMEs and the research and technological innovation.

The social policy mostly is dealing with the reduction of the unemployment rates, especially in the underdeveloped regions. It is included the easing of the enter work, the development of the talent to service, the reducing of the disparities and the equal of the differences and last but not least the job-creation. In this framework, the measures of the regional policy – regarding to the purposes of the social policy – focusing on the human resource development, especially in the field of general and vocational education.

¹⁵ For example in Portugal there are existing 5 + 2 statistic/planning N.U.T.S. 2nd level regions for the regional development policy, but those have not yet any role in the public administration and regional self-government system of the country.

¹⁶ The member states' experience established an average measures (the average population including about 1,8 million habitants) of the regions in N.U.T.S. 2nd level, which is the main Objective 1 area of the regional development affairs for the job-creation and competitiveness. (EUROSTAT, 1999) Whereas these figures, the Commission have made a proposal for the standardization of the size of N.U.T.S. 2nd level statistic/planning regions between 800 000 and 3 000 000 habitants. (COM 83, 2001)

The agrarian and rural development policy is dealing with the agrarian structural measures and the social/economic and environmental problems of the rural areas. Hence the regional policy supports the restructuring of the agrarian economy and the solving the problems of the local/regional communities in the regions characterized by rural figures.

1.5.2. *The sources of the regional policy in the European Union*

There are existing three main financial instruments in the budget of the European Union which could be used as the sources for the supporting of the implementation of the regional policy:

- Structural Funds,
- Cohesion Fund,
- Community Initiatives Supporting Framework.

A) Structural Funds

Regarding to the main objectives of the regional policy, *the most important financial instrument of the structural policy is the sources of Structural Funds*, but there are more other tools for the structural policy beside the Structural Funds. (Here it is the Financial Instrument for Fisheries Guidance (FIFG) for the development of the agrarian and fisheries structures, established in 1993, as like as the Cohesion Fund for the development of environmental and transport infrastructure, furthermore the credits of the European Investment Bank (EIB) or the special financing services of the European Coal and Steel Community (ECSC) are also available for these purposes.)

Whereas the objectives and measures of the regional policy, the Structural Funds mainly used for the regional policy compliance – supported by the European Regional Development Fund (ERDF) -, and for the purposes of the social policy – supported by the *European Social Fund (ESF)* -, furthermore for the implementation of the agrarian and rural development policy – supported by the *European Agricultural Guidance and Guarantee Fund (EAGGF)*. Surveying the ratio of the Structural Fund in the budget of European Union, it could be declared that the real value of these sources were have been duplicating since 1987 until 1993 (EC, 1996/1c), and nowadays as the Agenda 2000, the sources of the structural policy are covering more than one third part of the budget of the European Union. (EC, 1997)

B) Cohesion Fund

In the Treaty of European Union the member states have made an agreement to establish a *Cohesion Fund* for those countries with relatively weak economic performance, since 1993. However the objectives of the Cohesion Fund are matching the main goals of the structural policy, but this resource is *basically different from the Structural Funds*, as like as it will be explained below. (EC, 1996/1c)

Firstly the different is depending on the basic figures of the criteria of eligibility. Till the Structural Fund takes a comparison between the regions, until the Cohesion Fund is *focusing on the figures of the countries*. Meanwhile the Structural Funds could be used mainly in the less developed regions at N.U.T.S. 2nd level with GDP capacity less than 75% of the average of the European similar regions, but the Cohesion Fund account the eligibility of the countries with GDP capacity below the 90% of the average economic performance of the member states.¹⁷

Secondly the different between the two financial instruments is, that the Cohesion Fund lonely would be *used for the environmental and transport infrastructure investments*, and not only in the underdeveloped regions, even these are comparing to the objectives and requirements of the European common and the national sector policies.

And last but not least, the different is also recognizable looking at the financing techniques. Meanwhile the Structural Funds prefer the program-financing methodology, so the Cohesion Fund *mainly used for the project-financing*.

¹⁷ Originally since 1994 Greek, Spain, Portugal and Ireland have been comparing to the criteria of eligibility, but after 1998 Ireland has better figures (102% GDP of average of member states), but the Irish projects were supported by the Cohesion Fund too, because of the 'phasing out' methodology. (See: *European Commission DG for Economic and Financial Affairs, 1998*). After the accession of the ten new countries the Cohesion Fund will be available for all of them.

C) *Community Initiative Supporting Framework*

This financial instrument was established in 1988, originally for those purposes to help the enforcing of some certain community programs or equalize the different impact on the regions of the national regional policies. So nowadays *this source is serving for those like purposes which could not be enforced by the member states or could be achieved by the international/interregional co-operation.*

The Agenda 2000 has determined the measures of this source in 8% of the budget of the European Union and radically reduced from 13 to 4 the objectives of this instrument. (EC, 1997) Now there are four program which could be supported by the Community Initiative Supporting Framework (CISF):

- *Interreg-program*, supporting the cross-border and transnational or interregional co-operations,
- *Leader-program*, purposing the integrated rural development,
- *Equal-program*, focusing on the easing of the unemployment problems,
- *Urban-program*, financing the revitalization of the digressed cities and their agglomeration area.

2. Regional Democracy in the European Union

As it was mentioned before, there is no a uniform model or direct regulation for the public administration and local government system of the European Union which should be followed and implemented by the member states. Hence *the role of the regions in the 'middle level' level of public administration system or in the 'sub-sovereign' governance as like as local self-governments depending on the home policy of the member states.* In spite of that there are some directives and principles of the European Union on the regional governance which should be enforced by the member states in their own way regarding to their domestic political circumstances and tradition. Whereas the preparation the Convent to create an 'European Constitution', it could be interested to draw up some elements of the role of the regions in the regional democracy in the present and future of the European Union. (BATLEY – STOKER, 1991; EP, 2003)

2.1. *The role of the regions in the public administration system and in the regional democracy*

The basic principle of the Treaty of European Union is the subsidiarity which has a relevance between the all level (European, national, regional and local) of governance in the European Union. (EC, 2001) In the shape of the subsidiarity many documents of the European Union are favoring the decentralization of the domestic public administration system and the democratization of the governance of the member states, where the regions have a preferred role and status.¹⁸ Regarding to the principles and the 'mainstream' of the European regional democracy, the new member states will be facing some new challenges to determine the role and function of the regions in their public administration and local/regional government structure.¹⁹

Whereas the principles of *the Community Charter of Regionalisation (CCR)*,²⁰ the member states should enforce the following requirements in their home policy. The basic philosophy of the CCR, that its principles should be enforced by the member states, therefore it is *required to regulate in the Constitution and in the laws the rights of the regions and the guarantees of constitutional or legal rights.* Furthermore the CCR declares in details that the borders of the regions could not be changed without their agreement and in the laws should be given them a right to bring a matter before the court in the event of a presumed violation of their legal rights, as well as that their decision would be supervised by the legal reason.

After that the CCR defines the meaning of the region: *the biggest territorial administrative entity of the state*, so called 'middle level' between the local and national governments, but the regional governments functions *required an elected body and an executive organ in the leadership of the regional self-governments*, but beside them they should have a right for the self-regulation on their statutory questions. By the CCR the region should have been *a general public administrative authority*, included the own and delegated responsibilities by the central governments to them. The CCR mentions between the responsibilities especially the regional policy and the interregional or cross-border co-operation.

¹⁸ For example, see: EP, 1988; COR, 2000; EC, 2001; COR, 2002; EP, 2003

¹⁹ The Council of Local and Regional Authorities of Europe (CLRAE) usually assesses the status quo of the regional democracy in the member states and in the candidate countries, whereas the Community Charter of Regionalisation. (For example, see: *Recommendation of CLRAE on the Hungarian regional democracy* (adopted on 4th of June, 2002).

²⁰ See: EP, 1988

It is very important that the CCR explains the *consultation right of the region in the national decision making process*, when the certain decision would have an impact onto the regions, and also *declares the participatory right of the regions in the European institutions and decision making process*. Regarding to the regional functions and responsibilities, the CCR has a commitment on the financial autonomy of the regions, including the regional taxation rights.

*Regarding to decentralization of the public administration system, the Committee of Regions of European Union (COR) has a statement on the regional governance could be seemed more radically than the CCR to give real competencies to the regional self-governments from the central level.*²¹ It would be interesting to draw up the main elements of this document, because it is the basement of the statements of the Council of European Municipalities and Regions of the European Council (CCRE) and Committee of Regions of European Union (COR), in 2002, furthermore of the European Parliament, in 2003, on the Convention of Europe.²² The so called *regionalism* emphasizes the ambition of the regional/local governments to achieve more competencies from the national governments and to take part more deeply and/or directly in the decision making process of the European Union.

Whereas these documents, the *regional self-governments* should be managed the main regional *tasks and responsibilities* instead of the state public administration authorities, therefore the financial and human resources should be shifted from the de-concentrated regional state authorities to the regional self-governments.²³ Regarding to this mainstream of the member states of European Union the *competencies of the regions* would be the followings: regional economic policy, regional development affairs, housing policy, telecommunication and transport infrastructure development affairs, energy and environmental policy, agriculture and fisheries policy, educational issues in all level, research and innovation affairs, culture and media policy, public health, sport and tourism, regional public order and security. Naturally it means also that the financial sources should be matching to these competencies, so the principles of the redistribution of the state incomes should be regulated by the law, maybe the Constitution.

Regarding to the regions' rights to take part in the decision making process of European Union, these documents declared those ambition of the regions, that they would be taken part not only indirectly, but directly too in the institutions and decision making process of the European Union, especially in the regulation on their rights and responsibilities or the distribution of the European financial resources between them. It could be seemed, that recommendation of these documents for the election system of the members of European Parliament by regions, it would be the same like striving after the more significant role of the regions in the institutions of European Union.

It could be summarized, that the role of the regions in the public administration system or in the regional democracy in the European Union could not been determined only on behalf of the aspects of regional policy, because it is needed a wider point of view, including the role of the whole public administration and the division of power. Therefore, present day these questions could be determined by the domestic policy of the member states of the European Union, and in the future it would be also, as like as the European Parliament have made a commitment on the amendment of Treaty of European Union.²⁴

2.2. *The role of the regions in the decision making process of the European Union*

The regions could be active participant in the decision making process of the European Union. It is basic interest of the regional governments to influence the European regulation on their responsibilities or the distribution of the European financial sources between them. However in the decision making process of the European Union the national governments have a significant role on behalf of the member states, but the regional/local governments could be taken part *directly* or *indirectly* in the decision making process lobbying the European Union. (VAN SCHEDELEN, 2002) Beside the *formal co-operation* with the Institutions of the European Union it could be recognized that the regional/local governments striving after the *informal lobbying*, using several

²¹ See: COR, 2000

²² See: CCRE, 2002; COR, 2002; EP, 2003

²³ The delegation of power from the central level of governments to the regional/local levels under the umbrella of 'regionalism' could be characterized mostly as like as 'decentralization' instead of 'de-concentration.' (BATLEY – STOKER, 1991)

²⁴ The European Parliament have made a proposal to the Convention for the amendment of Article 6(3) of Treaty of European Union as following: '*The Union shall respect the national identities of the Member States, their domestic structure and the autonomy of the regions and municipalities.*' (EP, 2003)

methods and techniques to enforce their special interests, maybe against the national governments' official statement.²⁵

In the decision making process of the European Union – because of the institutional development – nowadays the Commission, the Council and the Parliament have together a key role to enforce the principles of the Treaty of European Union. (BOULOUIS, 1991) The main decisions on the common policies, including the regional policy too, mostly initiated by the Commission and adopted by the Council – in certain issues together the Parliament – after the discussion with the Parliament, and in some cases regarding to the opinion of the Committees, but the statement of the Committees does not oblige the Council to accept it. Whereas this decision making process the *regional/local governments* first of all could *take part directly* – through their consultation rights – *in the community decisions*, by their representatives *as the member of the Committee of Regions of European Union (COR)*.²⁶ The representation of the regions is depending on the domestic regulation and the agreement between the national and regional/local governments (or their Associations).

It is very important for the regions, because the Treaty of Maastricht have declared an *obligatory consultation with the COR in the following questions*: the educational, cultural and vocational issues, the youth and public health policy, the trans-European network, the social and economic cohesion and others, which have relevance the competencies of the regional governments. By the Treaty, in this questions the decision-making body should not adopt any decision without the consultation, however the statement of the COR does not oblige the decision-maker to accept it, but usually it is happening, because of the reduction of 'democratic deficit' of the institutions of the European Union and the deepening the legitimacy of their decisions. (WALLACE – YOUNG, 1997) In the same way the European Parliament have declared that in the future the European Union introduce greater participation of regional and local authorities in the European decision-making process, as early as the stage when Community policies and acts are being devised. (EP, 2003)

Regarding to the importance of the promotion of the democratic local/regional structures and the cross-border/interregional cooperation at European level the regions could be taken part in the decision-making process, *beside the COR*, via another lobbying organizations. Meanwhile the European Parliament have been reaffirming the legitimacy of and the crucial role played by the COR as the institutional interlocutor of the regional/local authorities in the European union, but have been explaining *the importance of the role of assemblies of them* to express their views on European projects.²⁷

It seemed to be clear, that in the decision-making process of the European Union – in spite of the increasing importance of the European Parliament - the Council has a key role, meaning the national governments via this institution. Hence the *regions mostly have an opportunity to take part indirectly in the European decision-making process*, joining the internal decision-making process, as the partners of the national governments on the preparation of the European decisions. (COR, 2002) However there is no direct regulation about it and the member states have different experiences in that field, but the European Parliament have declared the importance the internal mechanisms which provide for participation by the regions, in all aspects of the process of formation of State policy in the field of European affairs that are of specific interest to them. (EP, 2003.)

It could be summarized, that the principle of subsidiarity opens new horizons to the regions in the European Union as like as the partners of the national governments and the European institutions in the European policy-making process and they shall have a more and more significant role in the European integration.

²⁵ See: Wolesa, R.: *Lobbying – Information Gathering, Coalition Building, Increasing Influence, Maximizing Legislative Impact*. (LOGON, 2002) and Holm. T.: *EU-lobbying in Sweden and Brussels*. Presentation at LOGON Conference, Vienna on 29th of October, 2002.

²⁶ Article 203 of the Treaty of Maastricht have allowed the member states with federative constitutional system to give an opportunity their regional governments to seat in the Council too, when it is dealing with community regulation having impact on the regions. (The Austrian and the German constitutions have an order on it, which allows the regional governments their representation in the Council beside the federal government.)

²⁷ The European Parliament named the following organizations which should have an opportunity to take part in the discussion process on the European projects on behalf of the regional/local authorities in the future: the Conference of Local and Regional Authorities in Europe (CLRAE), the Assembly of European Regions (ARE), the Association of European Border Regions (AEBR), the Conference of Peripheral Maritime Regions (CPMR), the Council of European Municipalities and Regions (CEMR) and the EUROCIITIES. (EP, 2003)

References

- Armstrong, H. – Taylor, J.: *Regional Economics and Policy*. Harvester, London 1993
- Batley, R. – Stoker, G. (ed.): *Local Government in Europe. Trends and Developments*. Macmillan, London 1991
- Boulouis, J.: *Droit institutionnel des Communautés européennes*. Montchrestien, Paris 1991
- Cartou, L.: *L'Union européenne: Traités de Paris – Rome – Maastricht*. Dalloz, Paris 1996
- Cloos, J. [et al.]: *La Traité de Maastricht: Genèse, analyse, commentaires*. Bruylant, Brussels 1994
- Cram, L.: *Policy-making in the European Union. Conceptual lenses and the integration process*. Routledge, London-New York 1997
- Committee of Regions of European Union (COR) : Draft proposal on the '*European Charter of Regional Governance*' (accepted on 13th of December, 2000)
- Committee of Regions of European Union (COR): Draft Opinion on the '*Role of Regions and Local Authorities in European Integration*,' (accepted on 23rd of October, 2002)
- Dehousse, R. (ed.): *Europe After Maastricht*. LBE, Munich 1994
- European Commission (EC): *White Paper on European Governance* (OJ C 287, 12.10.2001.)
- European Commission (EC): *Agenda 2000*. Volume I.-II. Brussels, 1997
- European Commission (EC): *Europe at the service of regional development*. OOP, Luxembourg 1966/1a
- European Commission (EC): *How is the European Union meeting social and regional needs?* OOP, Luxembourg 1996/1b
- European Commission (EC): *Proposal for Regulation of the European Parliament and of the Council on the establishment of a common classification of Territorial Units for Statistic (N.U.T.S.)*. [COM 83, 2001] www.europa.eu.int/eur-lex/en.
- European Commission (EC): *Structural Fund and Cohesion Fund 1994-1999: Regulation and commentary*. Luxembourg 1996/1c
- European Commission (EC): *The budget of the European Union: How is your money spent?* OOP, Luxembourg 1966/1d
- European Institution for Public Administration (EIPA): '*Innovative Public Services*' Conference on Best Practice (Lisbon, 10 to 12 May 2000) and '*Common Assessment Framework (CAF)*' . Maastricht, April, 2000.
- European Parliament (EP): *Community Charter for Regionalisation* (OJ C 326, 19.12.1988.) adopted on 18 November, 1988
- European Parliament (EP): Resolution on the '*Role of the regional and local authorities in building Europe*' (P5 TA PROV 2002, 0009) adopted on 14. January, 2003.
- Guidelines on National Regional Aid*. (OJ C 74, 10.03.1998.)
- Halstead, J.: *The Development of the European Regional Development Fund since 1972*. University of Bath, Bath 1982
- Keating, M. – Jones, B. (ed.): *Regions in the European Community*. Farnborough Saxon House, 1985
- Kirchner, E.J.: *Decision-making in the European Community*. Manchester University Press, Manchester 1992
- Le Conseil des Communes et Régions d'Europe (CCRE): *Convention sur l' Avenir de l' Europe – Prise de Position* (Barcelona, 16 July, 2002.)
- Lobbying in Europe: A Challenge for Local and Regional Governments*. LOGON Report, Vienna 2002
- Nugent, N.: *The government and politics of the European Union*. Macmillan, London 1997
- Prechal, S.: *Directives in European Community law: A study of directives and their enforcement in national courts*. Clarendon Press, London 1994
- Rawlinson, W. - Cornwell-Kelly, M.: *European community law. A practitioner's guide*. Sweet and Maxwell, London 1994
- Regional Statistical Yearbook*. EUROSTAT, 1999. Brussels, EC 2000
- Van Schedelen, R.: *Machiavelli in Brussels: The Art of Lobbying the EU*. University Press, Amsterdam 2002
- Wallace, H. – Young, Alasdair R. (ed.): *Participation and policy-making in the European Union*. Clarendon Press, Oxford 1997
- Wise, M. – Croxford, G. : *The European Regional Development Fund: Community ideals and national realities*. Political Geography Quarterly 2/1988