

## **A PREFIGURED CRISIS OF SMALL TOWNS – PART I (INTRODUCTION)**

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**ABSTRACT:** *This paper presents and explains the difficult financial situation of some small towns in Romania appeared during 2015-2016. The author considers that the analysed cases reflect a delicate and essential issue at the level of the Romanian local public administration - namely the situation of small and poor towns that reach to the conclusion that the village status would be more appropriate for them.*

**KEY WORDS:** *local public administration, intermediary level: county, basic level for urban areas: city or town, municipalities, basic level for rural areas: communes. village, crisis of the small towns.*

**JELL CLASIFICATION:** *H83.*

### **1. MOTIVATION**

The elaboration of the present paper was determined by the appearance during 2015 and 2016 of several alarm signals in the Romanian written press about the difficult financial situation of some small towns in Romania, who wanted to be demoted to the rank of villages (like the town of Căzănești from Ialomița County, Ocnele Mari Town from Vâlcea County and Livada Town from Satu-Mare County).

You could protest against the granting of this special interest that I am showing to some particular cases from the nowadays life of the Romanian local public administration, but the organisation of the Romanian territory represented my area of interest for an exceedingly long time (Herbei & Szasz, 2005, pp. 52-66).

The truth is that they exist and I am also convinced that at the end of this article you will agree with me that although I have started from a particular case, it still reflects a delicate and essential issue at the level of the Romanian local public administration - namely the situation of small and poor towns that reach to the conclusion that the village status would be more appropriate.

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Moreover, as you have seen from the title of the article itself, I think we are at a moment when it is absolutely necessary to analyse a possible crisis of the small towns and their dilemma, namely what would be more convenient for them - to be small towns with a small number of inhabitants suffocated by local taxes specific to towns or rather be demoted to the status of a village.

These are the reasons why I ask you to let me present and analyse them in detail.

## **2. INTRODUCTORY CONSIDERATIONS REGARDING THE CURRENT ADMINISTRATIVE-TERRITORIAL ORGANIZATION OF ROMANIA**

Nowadays, Romania's administrative-territorial delimitation is based on the two levels: the **towns** and **villages** that make up the *basic level* (with the statement that some cities can be declared **cities** or **municipalities**) and the **counties** corresponding to the *intermediate level*. Since 1999, the *regional level* has also been created, but it *is not an administrative level*, but only a functional way of meeting the requirements of the European Union's regional policy.

In the context in which, after the revolution of December 1989, in the process of reforming the public administration, the governments of the post-revolutionary years have always argued that they consider the issue of improving the administrative-territorial organization, enlisting it among the objectives of the government, the theory of an administrative-territorial reorganization of Romania has been intensively spread.

Nevertheless, I would hereby like to remind that none of the advanced ideas on administrative-territorial reorganization has taken on legal form, the only measures being limited to increasing the number of localities, by organizing some villages as towns and declaring certain towns as cities or municipalities, which, as I will show in this article, were based only on political and electoral considerations.

As a matter of fact, not only at the political level, but also in the post-December doctrine, there were many opinions and proposals regarding a possible administrative-territorial reorganization.

Thus, a series of draft laws on the granting of legal personality to the development regions elaborated by some MPs<sup>1</sup> were formulated, but also studies with proposals regarding the administrative-territorial division elaborated at the level of the Romanian Academy (Oțiman, 2013, pp37-41) and the Society of Geography in Romania<sup>2</sup>.

Also, the Ministry of Regional Development and Public Administration website contains a distinct section dedicated to regionalization, in which the end of 2013 had been scheduled as a deadline for the establishment of regions and regional

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<sup>1</sup> <http://www.antena3.ro/romania/proiectul-legii-regionalizarii-202194.html>, accessed on 15th of February 2017.

<sup>2</sup> <http://geo-sgr.ro/wp-content/uploads/2013/05/Proiectul-de-Regionalizare.pdf>. accessed on 10th of February 2017.

authorities, without the existence of any project on the number or individualisation of the future regions, or the organization and functioning of the regional authorities<sup>3</sup>.

I consider that the emergence of these theories about the administrative-territorial reorganization focused on a reorganization of the intermediate level was triggered by three major factors.

First of all, their emergence has been determined by the crisis in which the Romanian public administration finds itself and the need to consider a series of trends regarding a new administrative-territorial organization (Kovacs, 2000, p. 199). Moreover, in the specialized literature (Popescu, 2005, p. 14) it has been considered that the most conservative element in the Romanian public administration is the organization of the territory, as it has remained unchanged since 1968.

During the discussions on the administrative-territorial organization carried out both in the political and the academic environment, the question has often been brought to attention, if after many years, is still this organization an efficient one?

Secondly, all these arose in the context in which as a result of joining the European Union, it has been felt the need for construction of larger territorial entities than the counties - the development regions, as functional structures, which are not administrative-territorial units, but through which it has been aimed at preparing the institutional framework corresponding to the absorption of European funds and effective collaboration with the regions of other states of the European Union.

And thirdly, I believe that these theories have also sprung as a consequence of the trend of establishing larger territorial-administrative units as a stronger territory manifested at European level (Rougemont, 1978, p. 98).

The reality is, however, that there is no ideal model for administrative-territorial reorganization, and therefore each country depending on its economic, social, political and geographical specificity is to set its own administrative-territorial organization criterion, so that to meet the demands of its own development needs and to eliminate economic disparities and achieve territorial and social cohesion.

As I have already emphasized, most proposed solutions, with a few exceptions<sup>4</sup>, on a possible administrative-territorial reorganization of Romania refer to a reorganization of the intermediate level, consisting either in the creation of the regions and thus of *a second intermediate level*, or in maintaining *a single intermediate level* with the dissolution of the counties and the creation of larger administrative-territorial units, that will replace counties.

It remains to be seen whether in the near future an administrative-territorial reform in which regionalization plays a key role shall be considered necessary and whether a new level of territorial organization of the state with all that is required (creation of regional institutions and transfer of administrative authority to the regional level) shall be implemented.

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<sup>3</sup> <http://regionalizare.mdrap.ro/despre-regionalizare/cand-se-vor-constitui-regiunile>, accessed on 20.12.2016. As well as [regionalizare.mdrap.ro](http://regionalizare.mdrap.ro), accessed on 20.02. 2016

<sup>4</sup> Pl-x no. 654/2010 *Legislative proposal on the administrative-territorial division of Romania*, which provided for the dissolution of over 30% of Romania's cities and 60% of its small cities. [Online] available at [www.cdep.ro](http://www.cdep.ro), accessed on January 5th, 2016.

The problem of regionalization needs to be carefully analysed, as examples in the not too remote history - the creation of the 10 lands between 1938-1940 and the establishment of the 28 regions in 1950, which proved to be unsustainable, inefficient and inappropriate to the Romanian tradition and were abated – show us that the establishment for better administrative organization of larger administrative-territorial units than counties, such as the 1938's lands or 1950's regions, did not always have the expected result.

My opinion is that the legislator's objective and doctrinaire's solutions should not only focus on an administrative-territorial reorganization that has as its first objective the creation of the regions, therefore a reorganization of the intermediate level, as I consider that this will not solve the problems that the public administration in general and local public administration in particular are faced with.

In my considered opinion, the goal of the governors should first be to reorganize the basic level by merging the basic territorial-administrative units, because their number is too high and involves substantial budgetary effort, as well as giving greater autonomy to the units administratively and territorially supported by the increase of the role of the authorities in the existing administrative-territorial units for the management of their affairs and, at the same time, the provision of the financial resources necessary for their effective realization and not the establishment of a new intermediary level.

It is only after achieving these objectives that I think that a reorganization of the intermediate level could also be considered.

In addition, a number of small administrative and territorial units (small towns and villages) no longer meet the criteria laid down in the Law on the approval of the National Territory Organization Plan, as such, I reckon that when it comes to these measures should be taken to merge or degrade them, as I will detail in the following sections.

Apart from the opinion of the author of this article, there are other opinions expressed in the specialized literature, according to which due to the continuous expansion of the activity at the level of the administrative-territorial units, it is necessary to improve the organization of localities, both urban and rural (Brezoianu & Oprican, 2008, p. 29).

It is worth noting that the respective authors do not detail the way in which they see the starting and implementing the actual measures through which the organization of localities should be carried out.

### **3. GENERAL ASPECTS REGARDING THE BASIC ADMINISTRATIVE TERRITORIAL UNITS AND THE PROVISIONS OF LAW 351/2001 ON THE APPROVAL OF THE NATIONAL TERRITORY ORGANIZATION PLAN**

The *city or the town* is the basic administrative – territorial unit for urban areas, being a human settlement that constitutes an important political-administrative, industrial, commercial and cultural centre.

Depending on their importance, cities are hierarchically ranked, so cities with a high number of inhabitants and with particular significance in the economic, social-political and cultural-scientific life are declared *municipalities*.

Ordinance no. 53/2002 on the Bylaws of the territorial-administrative unit 11 establishes the *communes* as the basic administrative-territorial unit for rural areas, which includes the rural population reunited through a community of interests and traditions. The countryside can be made up of one or several villages, one of which is the residence.

When we refer to today's administrative-territorial unit - the commune - it is impossible not to think of the ancient communes that have been settled before the state as organic entities with their own interests. That is why the state cannot abate them, but only recognize their existence, since the commune is a natural organization whose origin is at the very origin of society<sup>5</sup>, being the basis of the entire political and administrative organization of the state.

As for the evolution of the administrative-territorial units at the basic level I also consider that the following aspects must be emphasized in view of the provisions of Law 351/2001 on the approval of the National Territory Organization Plan.

First of all, I acknowledge that the legislator's effort has to be appreciated, which, through a legislative amendment in 2007, has increased the number of inhabitants needed for a commune to be declared a town from 5,000 inhabitants to 10,000, and for a city to be declared a municipality from 25,000 to 40,000 inhabitants.

Given the large number of small cities, cities and municipalities currently in existence due to their excessive increase since December 1989, I appreciate the legislator's desire to raise standards for the township, city and municipality status.

Nevertheless, I believe that the legislator's effort must continue to further increase of the minimum number of inhabitants; thus I think it is necessary to have a minimum number of inhabitants to set up a commune and that is at least 3000 inhabitants, in order to set up a town the minimum threshold should be 15,000 inhabitants and to set up a municipality the minimum threshold should be 50,000 inhabitants.

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<sup>5</sup> According to Law no. 351 of 6 July 2001 on the approval of the National Territory Organization Plan - Section IV The Network of Localities, published in M.Of. of Romania, Part I, no. 408/24 Jul. 2001, the national network of localities is made up of urban and rural localities, hierarchized on the following ranks:

- a) rank 0 - the capital of Romania, a city of European importance;
- b) rank I - municipalities of national importance, with potential influence at European level;
- c) rank II - municipalities of inter-county, county or equilibrium importance in the network of localities;
- d) rank III - cities;
- e) rank IV – village, as residence of the commune;
- f) rank V – village, as components of communes and villages belonging to municipalities and towns.

I also appreciate the legislator's efforts to support the declaration of new cities and municipalities by uniting more small cities and towns as I believe that a large scale merge should be considered in the coming years in order to make the local public administration more efficient.

So, I consider that an administrative-territorial reorganization of the basic level should be considered, in the sense of joining small cities and small towns, as I believe that their number has increased excessively since December 1989 and this involves too much budgetary effort.

The reason why we are currently confronted with an overwhelmingly large number of small communes, towns and municipalities is the excessive increase in their number for political reasons.

Thus, the local administration had the interest in upgrading the village, township and the city, because the financial transfers coming from the state budget are higher for the higher level, which is the argument with which the inhabitants of the administrative-territorial unit have been convinced to agree to this upgrading and to approve it by referendum.

What the inhabitants did not know is that, of course, the salary grid for the staff is different, being larger and thus generating higher costs, and also the taxes paid by the population are higher. And as for the legislator who has approved by law such a transition from one rank to another, the interest is obviously an electoral one, the members of Parliament having the concernment of cultivating themselves the image of protectors of the local collectivity where their votes come from and without them they cannot get a new mandate.

Regarding the administrative-territorial organization, according to art. 5 of the European Charter of Local Self-Government, ratified by Law no. 199 of 1997, the provisions of art. 22 of Law no. 215/2001 concerning the local public administration, republished, states that "*the territorial delimitation of small cities, towns, municipalities and counties is established by law. Any change to their territorial limits can be done only by law and only after prior consultation of the citizens of the very administrative-territorial units by referendum, organized according to the law*", being found here the statement from the old Law no. 69 /1991.

The first part of this article was devoted to presenting some general aspects regarding the administrative-territorial organization of Romania, the legislation that regulates it, as well as the main theories that emerged after 1989 regarding a possible administrative-territorial reorganization, both in the political and academic environment.

In the second part of the article I will present a very interesting case study, which I believe to be supportive of my theory of a possible administrative-territorial reorganization.

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