

LOCAL AUTHORITIES' ECONOMIC ATTRIBUTIONS IN THE LIGHT OF THE ROMANIAN ADMINISTRATIVE CODE

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ABSTRACT: *This study presents the newest legislative regulations regarding the financial and economic attributions of the Romanian administrative local authorities. In the middle of the summer of 2019 the Romanian administrative law area was enriched by the Administrative Code. This new comprehensive act, containing more than 600 articles, regulates the organization of local public administration and the general rules applied to local autonomy. Local public administration is one of the important sectors of state administration. Through public administration, state achieves its goals, respecting legal regulations. Local authorities - city councils and mayors – must manage in the name and interest of local collectivities the public business and resources.*

KEY WORDS: *local administrative authorities, local autonomy, local finances, local budgets, financial autonomy, city councils, mayors.*

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1. ASPECTS REGARDING THE ROMANIAN LOCAL ADMINISTRATIVE AUTHORITIES

Public administration represents that special state activity that is neither law nor justice. Through public administration, state achieve its goals, respecting legal regulations.

Local public administration is one of the important sectors of state administration. Our fundamental law, the Constitution adopted in 1991 and revised in 2003 established the fundamental principles underpinned to the reforms present in all society's fields, inclusive public administration - representing the incidence domain of state-citizen relation.

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Relatively recently, in the summer of 2019, the long-awaited Administrative Code appeared in the field of administrative law. It contains regulations on central and local public administration, the prefect, public property and the status of civil servants.

The local public administration is defined by the Administrative Code as representing all the activities carried out, in the regime of public power, of organizing the execution and concrete execution of the law and of providing public services, in order to satisfy the local public interest.

The local public administration in the administrative-territorial units is organized and operates based on the general principles of public administration:

- a) the principle of decentralization;
- b) the principle of local autonomy;
- c) the principle of consulting the citizens in solving the problems of special local interest;
- d) the principle of eligibility of local public administration authorities;
- e) the principle of cooperation;
- f) the principle of responsibility;
- g) the principle of budgetary constraint.

Local autonomy represents the right and the effective capacity of the local public administration authorities to solve and manage, in the name and in the interest of the local communities at the level of which the public affairs are elected, in accordance with the law. Local autonomy is exercised by local public administration authorities.

Local autonomy is only administrative and financial, being exercised on the basis and within the limits provided by law. Local autonomy concerns the organization, functioning, competence and attributions of the local public administration authorities, as well as the management of resources that, according to the law, belong to the township, city, municipality or county, as the case may be.

Local autonomy guarantees to the local public administration authorities the right, within the limits of the law, to have initiatives in all fields, except those expressly given in the competence of other public authorities.

In Romania, at the level of public administration in townships, cities and municipalities (from the basic level) the local authorities are: the local councils, as deliberative authorities, and the mayors, as executive authorities.

Within the national economic policy, the administrative-territorial units have the right to their own financial resources, which the local public administration authorities establish, administer and use for the exercise of their competence and attributions, according to the law.

The financial resources available to the local public administration authorities must be correlated with the competence and attributions provided by law.

In order to ensure local autonomy, the deliberative authorities of the local public administration have the right to establish and collect local taxes and fees, to approve the local budgets of the administrative-territorial units, in accordance with the law.

The establishment, ascertainment, imposition, fiscal inspection, collection, pursuit and forced execution, as well as the procedures for the administration of the local budgetary debts are carried out in accordance with the law.

The local public administration authorities manage or, as the case may be, dispose of the financial resources, as well as of the public or private property of the administrative-territorial units, in accordance with the principle of local autonomy.

2. SOME FINANCIAL AND ECONOMIC RESPONSABILITIES OF LOCAL ADMINISTRATIVE AUTHORITIES

In this paper we will focus only on some general aspects regarding the economic attributions of the local public administration authorities at the basic level.

The local councils decide, according to the Administrative Code, that the goods belonging to the local public or private domain, as the case may be, to be:

- a) data in the administration of public institutions and autonomous utilities subordinated to the administrative-territorial unit that owns them;
- b) leased;
- c) rented;
- d) given for free use to public utility institutions;
- e) capitalized by other means provided by law.

As for the attributions of the local councils as deliberative authorities at the basic level (townships, cities and municipalities), the Administrative Code lists the attributions regarding the economic-social and environmental development of the township, city or municipality.

In the exercise of the attributions regarding the economic-social and environmental development of the township, city or municipality, the local council:

- a) approves, at the proposal of the mayor, the budget of the administrative-territorial unit, the transfers of credits, the use of the budgetary reserve and the closing account of the budgetary exercise;
- b) approves, at the proposal of the mayor, the contracting and / or guaranteeing of loans, as well as the contracting of local public debt through issues of securities, in the name of the administrative-territorial unit, in accordance with the law;
- c) establishes and approves the local taxes and fees, in accordance with the law;
- d) approves, at the proposal of the mayor, the technical-economic documentation for the investment works of local interest, in accordance with the law;
- e) approves the strategies regarding the economic, social and environmental development of the administrative-territorial unit;
- f) ensures a favorable environment for the establishment and / or development of businesses, including through the capitalization of the existing patrimony, as well as through the realization of new investments that will contribute to the fulfillment of the regional and local economic development programs;
- g) ensures the accomplishment of the works and takes the necessary measures for the implementation and compliance with the provisions of the commitments assumed by Romania as a member state of the European Union in the field of environmental protection and water management for the services provided to the citizens.

Also, related to the administration of the public and private domain of the township, city or municipality, the local council:

a) decides on the administration, concession, rental or transfer for free use of the public property of the township, city or municipality, as the case may be, as well as of the public services of local interest, in accordance with the law;

b) decides on the sale, administration, concession, free use or rental of private property of the township, city or municipality, as the case may be, in accordance with the law.

From the analysis of the provisions of the Administrative Code, we notice the importance given to the economic and financial attributions of the local public administration authorities, because the decisions of the local council regarding the local budget, contracting loans, under the law and the decisions establishing local taxes and fees absolute. We consider that the legislator included in the category of decisions that are adopted by absolute majority these categories of decisions that reflect the economic and financial attributions of the local public administration authorities, thus emphasizing the importance of this category of attributions with multiple implications at the level of administrative-territorial unit.

The townships, cities and municipalities have one mayor and one deputy mayor each, and the county seat municipalities have one mayor and 2 deputy mayors each, elected in accordance with the law. The mayor's term is of 4 years. The mayor is the executive authority at the basic level (townships, cities and municipalities).

The mayor ensures the observance of the fundamental rights and freedoms of the citizens, of the provisions of the Constitution, as well as the implementation of the laws, of the decrees of the President of Romania, of the ordinances and decisions of the Government, of the decisions of the local council. The mayor orders the necessary measures and provides support for the application of normative orders and instructions of the ministers, of the other heads of the central public administration authorities, of the prefect, of the dispositions of the president of the county council, as well as of the decisions of the county council.

For the implementation of the activities given in his competence, the mayor is subordinated to a specialized apparatus. The mayor leads the public institutions of local interest, as well as the public services of local interest.

The mayor participates in the meetings of the local council and has the right to express his point of view on all issues on the agenda, as well as to formulate substantive or formal amendments to any draft decisions, including those of other initiators. The mayor's point of view must be recorded in the minutes of the meeting.

According to the Administrative Code, the mayor, in exercising his attributions regarding the local budget of the administrative-territorial unit:

a) exercises the function of chief authorizing officer;

b) draws up the draft budget of the administrative-territorial unit and the closing account of the budget year and submits them for approval to the local council, under the conditions and within the terms provided by law;

c) presents to the local council periodic information regarding the budget execution, in accordance with the law;

d) initiates, in accordance with the law, negotiations for contracting loans and issuing securities on behalf of the administrative-territorial unit;

e) verifies, through the specialized departments, the correct fiscal registration of the taxpayers at the territorial fiscal body, both of the main registered office and of the secondary headquarters.

The mayor also presents to the local council, in the first quarter of the year, an annual report on the economic, social and environmental status of the administrative-territorial unit, which is published on the website of the administrative-territorial unit under the law and prepares, in following the public consultations, the draft strategies regarding the economic, social and environmental status of the administrative-territorial unit, publish them on the website of the administrative-territorial unit and submit them to the approval of the local council.

In the relations between the local council and the mayor, the county council and the president of the county council, as well as between the public administration authorities of townships, cities, municipalities and the public administration authorities at county level, there are no subordination relations; In the relations between them there are relations of collaboration.

Local autonomy is only administrative and financial. This above mentioned clarification of the law is meant to eliminate any tendency to implement autonomy on other criteria, such as the political, ethnic or linguistic ones. At the same time, this regulation underlines a very important aspect of local autonomy, namely financial autonomy.

Public administration local authorities have as base of their activities local autonomy principle. Due to this principle, local authorities have a lot of responsibilities managing local finances.

Local finances are managed by local authorities - city councils and mayors – according to subsidiarity principle. Financial resources of local authorities must be proportional to its constitutional and legal competences. Financial autonomy is an instrument of local power's reinforcement and defence. Public local finances are important in a democratic state, because without them decentralisation and local autonomy are impossible to put into practice.

One of the most important economic attribution of the local administrative authorities is that they elaborate and approve local budgets.

Local finances represent the process of constitution, distribution and utilization of local incoming funds. Administrative-territorial areas' needs regarding public services and other financial local needs determined the apparition of local budgets. Local budget is a budget of incomes and expenses belonging to administrative territorial areas.

In this process local authorities have the right to establish, observe, control, follow and charge municipal taxes. Municipal taxes are a source of budgetary incomes paid by taxpayers.

Also, in budgetary process, local authorities have to report local budgets implementation and rectification. It is very important so the local authorities to respect the principle of a balanced local budget. Authorities can contract intern and extern loans. Local authorities must efficiently manage local funds and the assets from private and public property of administrative-territorial areas. In budgetary process an important part is played by the credit officers. According to law credit officers can be principal officer, secondary officer and tertiary officer.

Principal credit officers are the mayors of administrative-territorial areas, including the mayor of Bucharest, the capital of Romania. Principal credit officers can delegate this quality to other representative persons. This procedure will contain the limits and the conditions of delegation.

Economic and Financial Attributions of Local Administrative Authorities
Secondary and tertiary credit officers are the chiefs of public institutions with legal entity and budgetary fund allocated.

Principal credit officers analyze how budgetary credits are utilized in their own budgets and in the public institutions budgets' managed by secondary and tertiary credit officers and they approve expenses accomplishment from their own budget respecting legal provision.

Secondary credit officers distribute budgetary credits from their own budget and from the public institutions budgets' managed by tertiary credit officers and they approve expenses accomplishment from their own budget respecting legal provision.

Tertiary credit officers utilize the assigned budgetary credits only to accomplish their administrative-territorial area businesses.

Credit officers must use budgetary credits only for approved destinations. Credit officers must respond for: budget elaboration and substantiation, the pursuit, booking, liquidation and ordering of incomes, book-keeping organization, the presentation of financial situations, budget implementation, monitoring public acquisition and investments programs, keeping evidence for public heritage.

Local administrative authorities must establish how public services of local interest will be provided. The public services can be provided by local authorities or authorized traders. The main objective is to increase efficiency in the benefit of local communities.

3. CONCLUSIONS

This study proposes to continue the research in the field of financial autonomy of the local administrative areas (Cenușe, 2014) and the main financial issues emerged in Romanian local life of the last years (Cenușe, 2013, Cenușe, 2019). Obviously, they are in direct correlation with the economic and financial attributions of the local public administration authorities.

All these concepts: local autonomy, financial autonomy, economic and financial attributions of the local authorities and the insolvency of administrative-territorial areas are interconnected.

As I have already underlined in previous studies, one of the groundwork of a democratic and efficient local public administration is administrative and financial decentralization. According to local autonomy, local administration authorities have economic and financial attributions. One of the economic attributions is to elaborate and approve local budgets, because a real autonomy doesn't exist without financial autonomy. That's why local administration must have its own sufficient resources and independently dispose them for a real financial autonomy. They also, must use the resources efficiently and have a good management.

As I have already underline - the financial component of local autonomy is an essential aspect in the effective implementation of local autonomy. That is why, I also consider that the state has the obligation, under conditions which place local autonomy on a constitutional level, to create, by enforcing laws, a balanced financial system that gives administrative-territorial units the possibility to be financially independent in order to carry out tasks successfully.

I believe that in practice it is very important that financial autonomy does not remain only a theoretical principle, but it should be strongly supported, because the lack of local material resources limits in fact the freedom to decide in favor of the community. At the same time, I believe that the powers of the local public authorities must be correlated with the financial resources available to them; this is very important and should represent the quintessence of financial autonomy.

Referring to the importance of financial autonomy, allow me to bring into question another nowadays phenomenon, i.e. the concept of the insolvency of Romanian administrative-territorial units. In Romania, in the past years, a lot of administrative - territorial units have been faced with financial difficulties, some of them having debts that exceed 50% of the budget of the administrative territorial unit.

As I have underlined in another recent study regarding the insolvency of the administrative-territorial unit Aninoasa, inadequate management decisions in the implementation of the economic and financial attributions of the local authorities can have serious and bad results. For all these reasons, I consider that the economic and financial attributions of the local authorities represent an essential subject of study and a great attention should be paid to it.

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