

Ene-Corbeanu, Christian

Article

Regionalization and federalization in European Union: Application of the principle of subsidiarity

Budgetary Research Review (BRR)

Provided in Cooperation with:

Budgetary Research Review (BRR)

Suggested Citation: Ene-Corbeanu, Christian (2010) : Regionalization and federalization in European Union: Application of the principle of subsidiarity, Budgetary Research Review (BRR), ISSN 2067-1784, Buget Finante, s.I., Vol. 2, Iss. 1, pp. 92-114

This Version is available at:

<https://hdl.handle.net/10419/62274>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.

Regionalization and Federalization in European Union – Application of the Principle of Subsidiarity

by Cristian Ene-Corbeanu
Romanian Academy

Abstract: Regionalization and Federalization in European Union are concepts which should be clarified in order to assure best financial allotments through EU budget. Historical background can direct EU policies giving good practice guidelines for the future. Starting from the European models, now when all kinds of approaches began to be made with the intention to compromise the idea of local and regional autonomy, subsidiarity should be applied across EU.

Keywords: federalization, regions

JEL Classification: H77, N94

Regionalization in EU

In the context of the application of the principle of subsidiarity at the Community level, it is spoken more and more frequently about a new form of distribution and delegation of administrative authority which many of the European states have adopted long time ago. Regionalization, regional development, decentralization, correlation between the activity of central and local administrations, optimal administrative-territorial organization represent a novelty factor for many states. Starting from the European models, now when all kinds of approaches began to be made with the intention to compromise the idea of local and regional autonomy, we consider that it is adequate to perform within the meaning of the application of subsidiarity which must be presented comparatively. So, in this part we want to make an enumeration of the novelty elements of Lisbon Treaty brought since 2009, as well as the clarification of some predicates of subsidiarity, which gave birth to divergent opinions.

What has happened in Europe after the adoption of the new Constitution is the continuation of a process

commenced more than fifty years ago, establishing the new legislative framework asserting this construction. It is very interesting that in the last decades the concept of „region” gave birth to a real „mania of regions”, because one of the most precipitated debate today is the one dedicated to the regions: „East” or „West” regions, „central” or „peripheral” regions, „geographic” or „historic” regions, „economic”, „political” or „administrative” regions, etc. For this reason, the proposed definitions and characteristics do not lack ambiguity, the object of these debates depending on the delimitation criteria (Oșoianu, 2008). We shall not be tempted by the merry-go-round of theories and definitions which have marked this regional analysis passage in order to make a theory of the subject „about the region”, but we shall quote the definition which the Council of Europe gives to the region, this one being the administrative-territorial unit located immediately under the state level – unitary or federal, –which has a chosen authority of the public administration and financial means for the assertion of this authority. The meaning attributed to the region within this study and in this context we say that regionalism begins from the premise that the region

is defined under the aspect of an assembly of human, cultural, linguistic characteristics justifying the creation of a political body with more or less autonomy and represents the awareness of some common interests and the aspiration of the local collectivities to manage these interests. That is why this process is considered more or less spontaneous, oriented from below upward folding to the regional characteristics, based on the cultural collaboration, language, traditions and belonging to a geographic region characterized by specific living and thinking. This factual state is initiated and supported by the local communities and promoted at the central level. To this effect regionalism is more flexible and may lead to the creation of the regions which do not constitute administrative-territorial units within the strict meaning of the word, which may exceed even several administrative regions or even the borders of some states. Examples of regionalism are South Tyrol in Italy, Corsica in France, Bavaria in Germany, Catalonia in Spain, Scotland in Great Britain, and so on.

In the structure of the discussions about the application of the principle of subsidiarity, at the delegation of the administrative authority there also

appear the concepts of regionalization and regionalism. By regionalization it is generally understood the creation of a new level in state's territorial organization by creating regional institutions and transferring administrative competences at regional level. Regionalization is a result of a political decision concerning the administrative-territorial reorganization of a country. Regionalization is depending on the internal organization of a state and, usually, is realized by legal and administrative methods, based on a decision setting up and delegating competencies at regional level. For exemplification is Western Europe, in France a regionalization process takes place by creating some regions which win institutional structure with delegated prerogatives from the central government. Similarly is in Spain, where the Spanish regions are the result of a regionalization process (Kolumban, 1998). Consequently, it is about a down-up approach, central authorities initiating and implementing the process.

Federalization in EU

At European level is extending the idea of federalization and some states are too small in order to promote a successful external policy to this effect, but they are also too large, from territorial point of view, to react in real time to some problems appearing at the administrative level and at the citizens' level. On these reasons is based the delegation of sovereignty to the Community.

Since 2007, when the European Union numbered 27 Member countries, we speak more and more frequently about the state consolidation. The Member States of the European Union are the target of a regionalization process, its purpose residing in sufficiently large regions and, thus, sufficiently powerful, which have the financial force necessary for a real decision-making autonomy. Thus, we also reach to the concepts of federation, federalism, and federalization. By definition, the word federation (foedus and fidere) starts from what in the translation from Latin means trust based agreement (we see that trust is what already misses in the case of most of the states). Within the

federations, a federal organization supposes the setting up of units to the state sovereignty, of units to the legal, economic and information space. In a federation there are not divided but totalized efforts and resources. Competencies are delimited in different administration spheres, fields of interest and responsibility. The citizen must feel comfortable in any point of the federation because in any place he must be provided equal rights, freedoms and obligations, meaning equal possibilities of self-achievement (Oșoianu, 2008). There should be considered that there were different theories about federalism. Kant's federalism, for instance, did not aim at the federative state in which peoples merge, but the state in which peoples composing it keep their sovereignty. The idea of kantian federalism excludes any relation of the superior-inferior type between the component entities. Kant tells us that a republic, the work of a "powerful and enlightened people", must be constituted in a "central point of the federative union for the other states in order to join it, to ensure the state of peace of the countries, according to the idea of international law, and by repeated alliances of this kind to extend more and more". The American leadership

exercised in the democratic camp, in the period of the Cold War, made possible the development of the integrationist phenomenon and it shall also supervise the process in the period after the Cold War. The success of the neofunctionalism in Europe owes to the favorable conditions and to the political will. But the passage to federalism shall need the maximization of the last one.

In the opinion of professor Augustin Fuerea, at the level of political manifest, federalism is wanted to be the most important functioning paradigm of EU. This one does not oppose at all costs to intergovernmentalism which is a political reaction, but also theoretical opposing to the idea of state nation as a result of the conflicts from the XX century the Federalist Theory states that the state nation is compromised as a result of these wars and does not succeed to face the needs of the new context of the international relations whose key word is globalization. The federalists promote a European constitution. They say that is needed an institutional architecture which has in its middle the European Parliament. All the other EU institutions should base as legitimacy on the European Parliament. It is necessary the presence of the principle of subsidiarity, meaning the

supranational state has only those competencies which make necessary its functioning, the local level, but also the national level have especially the competencies necessary for the functioning of the institutional system. The supranational system is the one which has the most numerous and the greatest competencies, but in the practice the exercise of competencies begins from the inferior levels. The political practice is considered as being very important. The European federal state should have a common economy and army, based on common principles (Gusilov, 2005).

The future political form of EU depends most on the states' capacity to find on the new realities and to be responsible for the new requirements. A 100% federal form has, at present, few chances of succeed.

Federalization means the action to federalize, to create a federation. In comparison to the unitary state, the federal state is characterized by the existence of two types of state organizations, constitutional states, bodies systems, citizens. There are four main characters of the federal state: the unity of the federal state, the plurality of federal states, the constitutional autonomy of the federal states and the partial superposition of the two

constitutional orders. In theory, federalization represents a simpler and more transparent form of territorial administration. We do not go back in time too much, only at the XIX century, and notice how many concrete, explicit proposals have been made by the leaders from that time. A first clear federalist solution is presented in the case of the Italy unification by the philosopher, historian, economist, geographer and linguist Carlo Cattaneo (1801-1869). He is the former leader of the Milano Revolution of March 1848, who has seen in federalization and in the federal integration of Europe in portions the only concrete progress element. Cattaneo has permanently pronounced against the economic nationalism, asserting a European customs union which shall facilitate the commercial freedom. In his theory he began from the American and Swiss models, claiming that the freedom of peoples and the lasting peace may be won by federalizing the nations. Based on the regional tensions, the Habsburg Monarchy designs a federalization daft project generically called the Danubian Confederation, and the period of the 1848 revolutions makes possible the appearance of some

premises for some radical transformations at the geo-political levels.

In Paris, émigrés from Czechia, Poland and Hungary (Riger, Adam Czartoryski, Ladislau Teleki, Rieger) bring into discussion a reorganization of the Danubian area, which shall be put into practice after the monarchy collapse from Austria (Gyémánt, 1999). They proposed the realization of a Confederation including Hungary, Poland, Romania and, with the help of Turkey, the South Slavs theories. In 1849 there appears another project named the Austro-Slavism, initiated by the Czech Frantisek Palacky, which presents a new form of reorganization of the Empire in a federative formula. This one was to be composed of eight great units, representing autonomous cultural and linguistic entities: the German-Austrian provinces, Polish-Ukrainian, Illyrian, Italian, Hungarian and Romanian provinces, South-Slav, Czech-Slovakian provinces, organized on the principle of complete equality. In the period of the Ruler Alexandru Ioan Cuza a proposal of Iona Brătianu is brought into discussion, also concerning the federalization of the Danubian states. Even Ludovic Kossuth, although was in emigration in 1851, comes with

a variant of Danubian federalization of the Hungarians, Romanians and South Slavs, organization which was to come against Austria and Russia. In 1878, the Swiss Johann Kaspar Bluntshl, a well known jurist of that time, launches the idea of creating a confederation of the European states. This confederation was to be directed by a federal council containing permanent representatives of all the European states, as well as a Senate, composed of parliamentary representatives from all the Member States of that confederation. We may also mention the project of the writer Godin (1883), the project of Frederich Passy and Randal Cremer for the creation of an Inter-Parliamentary Union (1888), the project of François Crispy (the end of the XIX century), the consultation on federative themes of the Hague Conferences in 1899 and 1907.

We did not want to make a profound history of federalization, but to show that it is not a concept belonging only to the XX century, but its serious problem has been also raised in the modern period of Europe. We notice nevertheless that the adoption of this form of leadership was and is limited. An important cause of this weak spread of federalism in the contemporary world is

the complexity of this form of state organization. For the successful functioning of this, there are needed some conditions, inclusively the high political culture of the population which supposes an increased political activism of the citizens, their habit to permanently follow the political events in the country, to acknowledge with consciousness what their interests are in this field and dependant on the changes in the state policy to react to these ones by its civic behaviour. At the planetary level, about 45% from the total surface of the land, over 65 millions km², except Antarctica, is occupied by states having as state organization the federal model, and less than 2 billions inhabitants. There are also a number of about 200 states where there are the so-called „hidden federations”, as there is in the model of Spain. From all the large states, almost all of them are federations, exceeding 20 cases. It must be noticed that the federal form generally appears at large states like Argentina, Australia, Brasilia, Canada, Russian Federation, India, Mexico, Nigeria, USA, each of them having a surface of over 1 million km². Exception are the smaller states which have become federations by virtue of the historical conditions (Austria, Switzerland, and others), being

constituted from previously independent entities, or by virtue of the geographic location, the federal organization being determined by the insular location of the state (Malaysia, the Comore Islands, Saint-Kitts and Nevis)(Ivan, 2007).

On the European continent, we have models among the Danubian states like Germany and Austria, but also Switzerland which, as we may see, constitute successful examples of the federal model. What we must notice is that federalization did not lead to the deterioration of the state unity and Austria and Germany are homogeneous countries, if we refer only to the ethnic and linguistic aspects. Another model may be the situation from Switzerland and Belgium, where federalism has the aspect of some very homogeneous ethnic and linguistic communities (Oșoianu, 2008). We must show that Belgium and Switzerland did not constitute as federation because they had troops stationed on their territory contrary to the constitution. None of these ones was federalized by concluding an agreement between the state (in the person of the central authorities) worldwide recognised and a part of the territory (represented by a group of persons declared

by the European Union and USA persona nongrata). No state of the world has recognised the elections and referendums organized by those who control this territory, these being contrary to national and international regulatory acts (Oșoianu, 2008). The closest model of relatively recently born federation, with external guarantees, is Bosnia and Herzegovina. According to Dayton Peace Agreement which has been signed in 1995, according to which federalization is institutionalised. A endorsers, European Union (represented by a special negotiator), France, Germany, Russia, United Kingdom and USA assert the agreement's signatories, Bosnia and Herzegovina, Croatia and FR of Yugoslavia having federal future, the capacity of parties having the neighbour states and the future federal state, the agreement not being signed by suppositional subjects of the future federation (Fuerea, 2000).

As we stated above, the concepts of regionalization and federalization gave birth to many divergent points of view and to many nationalist passions. The principle of subsidiarity is difficult to implement in the totality of its function at the national

level because there are still many disparities from the point of view of resources and economic development. But, at a simple look, we notice that there are many convergent points, especially that time could make possible communication and information within the meaning of the implementation of subsidiarity on concrete bases and observing the Community legislation.

In Western Europe the examination of the regionalization problems shows that this process numbers several decades. As we stated above, the administrative territorial amendments took place in a close interdependence with the conception of federalization because, at the EU level, the units from the areas located immediately under the level of the unitary states, as well as the subjects of the federations are defined by the generally-accepted word of „region”, fact officialised by the statistical classifications of the Community. These ones include the Austrian lands and the French regions in the same category, both being alike addressees of the structural funds. According to the Statement of the European Regions' Assembly, a non-governmental structure with about 300 regions from the

EU Member States, having totally almost 400 million inhabitants, „the common statement translates the Regions’ aspirations to new progresses of regionalization in the institutional framework of their countries with federal, autonomous or decentralized structures. This text shall not be interpreted as employing the regions in one or another of these systems”.

At the same time, it is considered taking place a convergence of the principles for the Member States’ constitutions with federative ones. For instance, Italy and Spain are not declared federations, but at the same time are examined by specialists in the constitutional law together with the federal states. In these states the regions possess even much more decision-making power than the subjects of a federation (Oșoianu, 2008). The Spanish constitution, for instance, uses the formula „state of autonomies”, avoiding, probably for reasons of anticipation of the separatist tendencies, any reference about federalism.

The difference of a federation from a „non-federation” is not in the volume of competencies attributed to the centre and regions, as it is often

considered. It may happen that the sphere of competencies attributed to the region of a unitary state be larger than the one attributed to the subjects of some federations. In practice it is admitted that the federation is a model imposing certain relations, as well as their character, between state and its components and can be changed only with the agreement of both parties. Practice has showed that a federal administration imposes, first of all, the acceptance of a functions' delimitation between the federal government and the states' governments, delimitation which cannot be changed by the federal government, unilaterally acting, nor by the governments of the federation subjects which also act unilaterally and, secondly, that the government activity cannot be controlled by the governments of the federal state and vice versa (Wheare, 1991). A similar philosophy is at the base of decentralization of regionalization in France or Italy, or, with certain reserves, in Spain.

Budgetary impact of regionalization in EU

In the states of the Central and East Europe, the definition of the territorial units, from statistical point of view, is reported to the administrative-territorial units. The lack of the regions in a first stage, as well as of the administrative attributions at the regional level have put through the mill the realization of the regional initiatives, the implementation of the projects aiming the administration and use of the Structural Funds.

At a great extent, regionalization was the effect of the increase of the institutional and political capacity from each state. Actually regionalization was considered a binder between the implementation of the policies for the elimination of unbalances and the assurance of the social cohesion. In order to assert this idea we shall present models of regionalization from different European states, which function according to the model of the regional autonomy and to the federal model, description in which there may be noticed the way in which the delimitation of competencies has been realized, especially in the case of federations. The Community notion of the region and regionalization,

even if differently interpreted or transposed in practice at the level of each Member State, is based on the equilibrate dynamic and long-term development. The fundamental principle is financial solidarity realized by directing some important financial resources from rich regions to the poor or less developed areas (regions). The huge amounts destined to the improvement of the economic and social situation of such regions (213 billions Euro for the period 2000-2006 – at the level of the EU Member States) constitutes a major motivation in order to create regions and to develop strategies at regional level in view of defining the financing objectives and priorities, as well as for the repartition of resources. Indifferently that it is about unitary or federal states, the regions from the European countries have an important role in the edification of the united Europe, in the homogeneous and equilibrated development of all the component regions.

Talking about equilibriums and unbalances we notice there are great economic and social disparities between the European regions. One of the reasons is the distribution of the number of inhabitants. In the below table we present the situation of the number of

inhabitants from inferior and superior level regions in order to better understand one of the reasons of the disparities existing at present.

Table no. 1: Regional comparisons between the average number of inhabitants in administrative-territorial units of inferior and superior level of the local administration in the Central and Eastern Europe Countries

	Country	Number of levels of local public administration	Average number of inhabitants of the superior level	Average number of inhabitants of the inferior level
1.	Czechia	3	720.000	1.670
2.	Slovakia	2	510.000	1.850
3.	Hungary	2	590.000	3.315
4.	Moldavia	2	76.000	4.400
5.	Ukraine	3	2.050.000	4.770
6.	Estonia	2	96.000	6.120
7.	Romania	2	550.000	7.730
8.	Albania	3	275.000	8.800
9.	Croatia	2	230.000	10.900
10.	Poland	3	2.400.000	15.600
11.	Bulgaria	2	920.000	30.400
12.	Slovenia	1	-	32.200
13.	Lithuania	2	371.000	66.900

Source: Adapted according to the SAR Project-World Bank, "Are România nevoie de regiuni?" by Sorin Ioniță

The perfecting of the regional autonomy has been initiated by Italy (1970s), Spain (since 1978), Portugal (since 1976), Belgium (1970-1988), France (since 1982) and others. Examples do not stop here; on the contrary, during the more profound integration of the Union states, the strong decentralization is imposed everywhere as structural model. Regionalization of Ireland or Greece, intervened at the same time with the attraction of the structural funds, constitutes a new argument for the benefit of the structural reform of the state in the context of integration. The regionalization of the countries which have adhered in 2007 is also considered a support element of the institutional development, laid down in the European Parliament Resolution of 18th of November 1988. The revitalization of the interest towards the regional reform in the candidate states was provoked by the acknowledgement of the European dimension of the regional policy and administration. The regions become thus engines of the integration.

References:

Fuerea Augustin (2000). Instituțiile Uniunii Europene, Editura Universul, București,

Gusilov, Gina (2005) Neofuncționalismul European, Sfera Politicii No. 116-117

Gyémánt Ládislau (1999), European Tradition and Experiences, European Studies Foundation Publishing House, Cluj-Napoca

Ioniță Sorin (2002). Are România nevoie de regiuni?, Proiect SAR-Banca Mondială

Ivan, Liviu Adrian (2007) Statele Unite ale Europei, Uniunea Europeane între interguvernamentalism și supranaționalism, Editura Institutului European Român, București

Kolumban, Gabor (1998). România într-o Europă a regiunilor, Altera, No. 9

Oșoianu, I. (2008). Federalizare sau regionalizare? Experiența europeană, Chișinău

Wheare K.C. (1991). What Federal Government Is?. - The Federalist, Vol. 33 (1)