# **Regionalization in Central and Eastern European countries after EU Enlargement**

# La regionalizzazione nei Paesi dell'Europa Centroorientale dopo l'allargamento

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DOI: 10.14658/pupj-rsld-2020-1-6

Abstract. Nell'Europa centro-orientale la decentralizzazione e la regionalizzazione possono essere analizzate come due fasi in un unitario processo di democratizzazione, che, avviato in seguito alla caduta del regime comunista, si è rafforzato in occasione dell'adesione all'Unione europea. In corrispondenza alle politiche dell'UE per la creazione delle NUTS, sono state create le c.d. Regioni di sviluppo, enti amministrativo-territoriali stabilite su base volontaria, senza personalità giuridica. La presente analisi propone un'indagine concernente l'evoluzione delle politiche regionali in tre paesi dell'Europa centro-orientale – Polonia, Ungheria e Romania. In primo luogo, si evidenziano le differenze nell'impostazione amministrativo-territoriale di questi paesi; in secondo luogo, si sottolineano le successive riforme e gli aspetti normativi che hanno mutato l'iniziale impianto regionale verso un consolidamento delle aree metropolitane; in terzo luogo, uno sguardo critico alle attuali politiche di regionalizzazione in questa area svelerà l'inefficacia di queste regioni tra risveli nazionalisti e paure del passato.

**Abstract.** In Central and Eastern Europe, decentralization and regionalization can be analyzed as two phases in a unitary process of democratization, which, started following the fall of the communist regime, was strengthened upon accession to the European Union. In correspondence with the EU policies for the creation of NUTS, the so-called the "development regions", administrative-territorial bodies established on a voluntary basis, without legal personality. This analysis proposes a survey concerning the evolution of regional policies in three countries of Central and Eastern Europe - Poland, Hungary and Romania. First, the differences in the administrative-territorial setting of these countries are highlighted. Secondly, the subsequent reforms and regulatory aspects that have changed the initial regional structure towards a consolidation of urban and metropolitan areas are emphasized. Thirdly, a critical look at current regionalization policies in this area will demonstrate the ineffectiveness of these regions through nationalist trends and past fears.

**Keywords:** Regionalization, Development regions, Statistical regions, NUTS reform, CEE regional policy

### 1. Introduction

To speak of a region is to understand its past, to grasp the attachment that societies and men have for places, it is to explain its economic, political and social functioning in a local and world context, it is to address the prospects for its future (Bailly, 1998).

Regions within European Union vary largely in territory, status, functions and responsibilities – a flexible approach enhanced by the historic evolution of the concept of "region". While in the past "region" referred rather to a geographical area than to a political entity, nowadays it is steadily used to describe a territorial-administrative, socio-economic and political unit, regardless of the diversity that characterizes these units in each country. A process aiming at establishing "regions" would first need to clearly define this concept and its goal.

Regionalization has been usefully and pragmatically defined as

the process that creates a capacity for independent action aimed at developing a specific area (sub-national but supra-local) through the mobilization of its economic fabric and - where appropriate - of features of local and regional identity, through the development of its potential (Marcou, 2002).

This process can occur on the basis of existing institutions or can give rise to a new territorial organization which will better fulfil these aims. It may be accomplished through an enhanced administrative decentralization or via a specific re-allocation of economic and entrepreneurial resources and capacities. It may fall within attributions of central government that need to be devolved or attributions of local authorities that need to pool efforts. Regionalization is a broad concept that can accommodate with a lot of meanings and which has nothing compulsory in it.

Not always, an existing region or the creation of a new one means a process of regionalization. In Central and Eastern Europe (CEE), member states such as Romania, Poland and Hungary have different historical, ethnical, cultural, social features of their regions. In these CEE countries, the regionalization process has a different meaning: is more linked to democratization process and to the accession to the European Union (EU) and is based on the design of regions on statistical basis in order to promote an efficient allocation of EU co-financing resources.

Regional development is more of a goal or, at least, a farther tool, since regional policy is meant to bridge the prosperity gap within the European Union. There is no specific chapter of EU *acquis* related to regions and each member state has the territorial organization and local government

structure that corresponds best to its political and legal traditions and environment. Besides, the legal nature of the *acquis* under "Regional policy and coordination of structural instruments" is, primarily, a standard which do not need national legislation transfer. There is only an EU classification system of geographical administrative areas for statistical purposes - the socalled Nomenclature of Units for Territorial Statistics (NUTS)<sup>3</sup> – shaped within the EU Cohesion Policy. In correspondence of the NUTS, each member state divides its territory, administratively speaking, in order to provide for the strengthening of economic and social cohesion and cooperation among all existing levels of government. In practice, this has not led - and need not lead - to changes in the administrative structure of member states or to the establishment of new/additional territorial units. It is only a specific model followed by the structure and organization of the sub-national administration. NUTS classification offers a format within which the national administrative units of member states can fit to a given level. In this case, regionalism is the necessary predecessor of a well-functioning regionalization (Lorenz, 1991). It can and has, however, had an impact on the development of regionalization in some member states, but this has not been the case of Romania and Hungary.

If, at the beginning, administrative development has looked upon the design of territorial units targeted to reduce economic, social and regional disparities, starting from the end of 20<sup>th</sup> century CEE countries undergo in favor of urbanization and metropolization processes.

The aim of this paper is to discuss the aspects of the evolution of regional policies in three countries of Central and Eastern Europe – Romania, Hungary and Poland –that, notwithstanding democratic backsliding and regionalization process interrupted by central authoritarian tendencies, benefit from the EU funds earmarked to regional policy. The present analysis investigates whether the regional policies of these member states follow the same purpose of pre-accession goal. First, the differences in the administrative-territorial setting of these countries are highlighted with the consequent diversity in the establishment of NUTS. Secondly, the subsequent reforms and regulatory aspects that have changed the initial regional structure towards a consolidation of urban and metropolitan areas are emphasized. Thirdly, a critical look at current regionalization policies in this area will demonstrate the ineffectiveness of these regions through nationalist trends and past fears.

<sup>&</sup>lt;sup>3</sup> The NUTS exists since long but its present version has been introduced by Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS), online at: http://eur-lex.europa.eu/ lexuriserv/lexuriserv.do?Uri=OJ:L:2003:154:0001:0041:EN:PDF.

# 2. Models of regionalization in CEE countries

The administrative-territorial structures to the East of the former Iron Curtain carried a strong political stamp, manifested by excessive centralization, undermining or even denial of local autonomy, through an obvious tendency to uniform social, cultural or ethnic discrepancies. Only states with a federal and decentralized structure, based on argument ethnic heterogeneity were able to preserve regional units comparable in size to those in the west of the continent, endowed with real autonomy guarantee of keeping ethnic tensions and separatist movements under control. Whether the strict delegation of the central authority to the local samples seems to be a common element for the entire ex-communist space, the administrative models in these countries have known different shapes.

The post-war political changes that paved the way for the establishment of communist dictatorships in Central and Eastern Europe were almost inevitably followed by administrative reforms (Poland - 1946; Bulgaria -1947; Hungary, Czechoslovakia and Albania - 1949; Romania and Yugoslavia - 1950). Integrated in all economic and social changes, administrative reforms had to create models that would serve to streamline control and to implement planning tasks and economic reforms. At the same time, in a first phase ('50s -'60s) was aimed, through the newly created administrative structures and the destruction of some outbreaks of resistance from previous political regimes, by including cities or regions with a "bourgeois past" in administrative structures authoritatively controlled by the representatives of the new power. The reforms were radical and were made in both directions: if in Bulgaria it went on a large fragmentation of the territory (out of 7 regions, 100 were created), in Romania and Poland the trend was reversed (28 regions, later reduced to 18 and 16, respectively 17 voivodeships). The impact of these changes has been found in an obvious turbulence of administrative systems materialized by repeated "readjustments": 1950, 1954, 1960, 1972, 1973 and 1975<sup>4</sup> in Poland; 1952, 1956 and 1960 in Romania; 1984 in Hungary) (Fourcher, 1993).

Following changes of administrative models have resulted in a reduction of to three to two of the number of administrative levels, thus generalizing the departmental system (Albania - 1953, Bulgaria - 1959, Romania - 1968, Poland - 1975, Hungary - 1984). The regional administrative structures have been abolished, the departmental ones have been reduced to simple control and planning units, implementation tools in territory of central policies, also

<sup>&</sup>lt;sup>4</sup> The Polish administrative reform of 1975 was intended to be a radical one by multiplying the number of voivodeships and suppressing the intermediate administrative level (*powiat*).

giving formal importance to the lower level, unable to become strong local authorities with real financial autonomy. This form of centralization was avoided and the regional system was maintained in Poland (by adding an intermediate level - "*rejon*") and Hungary (by creating a higher level, regional one).

In the year of the revolution, the administrative structures in the three countries had been presented in the context of a departmental system of a country with regions of decentralized shape (Poland) or regions with district form (Hungary and Romania) (Fourcher 1993).

Country	Area (kmp)	Departmental level	District level
POLAND	312.677	49 województwa	2465 gmina
ROMANIA	238.391	41 județe	2688 comune
HUNGARY	93.030	20 megyék	2898 köség

Table 1 - Administrative units in CEE countries

While the departmental level remains the same in Romania and Hungary, the 1998 reforms in Poland reduce the number of old *voivodeships* to 16.

The process of democratization of CEE countries is a unitary process that comprises the decentralization and regionalization, which, initiated following the fall of the communist regime, was strengthened upon EU accession.

The standards of accession to EU do not directly include the adoption of decentralized or regional territorial organization systems. However, it cannot be denied that an influence, at least indirectly, in favor of territorial organization reforms is exercised by the European Charter of Local Self-Government. The European Charter of Local Self-Government - opened for signature by the member countries of the Council of Europe on 15 October 1985 - provides for signatory states to adopt rules to provide local institutions with the tools to carry out their functions, in conditions of autonomy and in compliance with the principle of subsidiarity.

It was precisely the subsidiarity the foundation for the allocation of development and identity functions for each of the levels of territorial organization. The administrative divisions followed in the CEE countries aimed to create the *regions of development* and not a real *regionalization* of the countries, in compliance with the subsidiarity principle. In such context, any proposal for territorial organization which does not refer to development as a goal of regionalization and to subsidiarity as the fundamental principle

Source: Fourcher M. (coord.) (1991), Fragments d'Europe, Fayard, Paris, p. 74, with adjustments.

of allocating functions for different spatial units is susceptible the lack of relevance.

In correspondence with the EU policies for the creation of the NUTS, the socalled *development regions*, administrative-territorial bodies established on a voluntary basis, without legal personality, represent only a way of embedding the regional development policy at the pre-established provinces level. But it should be considered that in the case of 22 of the 27 EU countries, NUTS 1 or NUTS 2 regions have administrative status.<sup>1</sup> Romania and Hungary are part of the series the countries (Sweden, Finland, Hungary, Slovenia, Bulgaria, Romania and Ireland) which have not granted administrative status to regions of rank 1 or 2.

Despite ethnic, cultural, social disparities, in the CEE states, *development regions* has been created as statistical administrative and territorial units with the aim of:

- reducing the lack of balance between the regions by stimulating the well-balanced development by recovering the delay in development from the disadvantaged areas;
- preparing the institutional frame correspondent to the accession criteria to EU and the access to the structural funds;
- at regional level, correlating the government sectorial politics by stimulating the initiatives and capitalizing the local and regional resources in order to obtain a
- sustainable socio-economic development of regions;
- stimulating the interregional cooperation nationally, internationally and over the borders, the attendance of the regions to the European organizations, economic, regional and institutional development promoters.

Whether the objectives could have a common *fil rouge* in all three considered countries, the administrative divisions reflect only a proportionally partition of the territory and the creation of regions in order to manage the European funds. Hence, in Poland and Romania, these are 7 and respectively 4, and the *regions* as territorial units of rank 2 are 16 and respectively 8, which more or less corresponds to historical territorial fragmentations. In Hungary, the unitary feature of the state did not give space to administrative division<sup>2</sup>; territorial units are statistical entities created in occasion of accession to EU; there are 3 macroregions and 8 regions.

The regional reorganization of CEE countries is shaped as a two-steps project: before and after the EU accession. Notwithstanding the first stage

<sup>&</sup>lt;sup>1</sup> See European Regional and Urban Statistics Reference Guide, EUROSTAT, EC, 2010.

 $<sup>^{\</sup>rm 2}\,$  In Hungary, it comes to administrative division only in regards to territories of the Kingdom of Hungary (1920).

seemed promising by homogenizing the disparities between different counties, the second phase was characterized by a regression in terms of inefficiencies and setting aside the regional policies in favor of local and urban ones.

The statistical regionalization in these countries and the regional policies implemented through three main funds – Regional Development Fund, Cohesion Fund and Social Fund – aimed to contribute to the completion of integration process in the greater environment of regional Europeanization. Hence, the integration process is not yet complete. The classic gap between North and South on economic and budgetary policies was accompanied by the deep division between East and West on the concept and practice of solidarity. Social and territorial disparities undermine EU cohesion and policy. In this sense, the importance of the link between a country's macroeconomic balance and compliance with its European rules, with the use of European funds, is one of the Commission proposal to further intensify.

# 3. Regional policies and reforms in CEE countries

# 3.1. Framework of EU regional policy

The most influential catalyzing force behind the construction of the regional level was connected to the accession process to the EU. With the conditionality of adopting the *acquis communautaire*, the EU largely motivated and legitimized the adoption of vital reform and the overall modernization of the CEE states. This was also true in the field of spatial policy, where the EU through the PHARE programme provided technical assistance for the preparation of regional policies.

Over the past decade, regional policy in many EU member states has undergone extensive reassessment. In virtually every country there has been a debate about the future of regional policy, followed by changes that often represent a significant break with past practice. The characteristics of the policy shifts are varied, but essentially they focus on regional growth rather than their distribution of resources. Instead of targeting intervention selectively on struggling regions, newer regional policies encourage development of all areas, increasingly attempting to capture socio-economic processes that traverse administrative boundaries. The use of standard policy tools (such as financial subsidies and incentives) is being superseded by decentralized regional policies that are broader in scope and instruments, often involving programmes that contain a range of actions. The focus of new policies tends to be on regional capabilities and the role of regional policy is now to mobilize a more effective use of public and private resources rather than direct intervention. As part of this, traditional hierarchical relationships, where national governments monopolized policy administration, have been supplanted by more network-based arrangements involving a wider range of participants at multiple levels and relying on cooperative structures.

In the early post-communist period, regional policy objectives in CEE countries were commonly uncoordinated and strategically weak (Bachtler and Taylor, 1999). During the second half of the '90s, many of these countries began to put in place national regional policy legislation that included strategic objectives; for example Hungary (1996), Poland (1998), Romania (1998), Bulgaria (1999), Slovenia(1999), the Czech Republic (2000), Lithuania (2000) and Slovakia (2001). These national regional policy objectives included a significant equity component, emphasizing balanced regional development and the need to reduce regional disparities (Yuill and Quiogue, 2005). In general, however, this legislation was part of the preparations for EU accession: the drafting of legislation, concepts or strategies set out the main objectives of regional policy within a framework that reflected EU goals.

Several national regional policies explicitly stated that one of their basic objectives was to take full advantage of the opportunities offered by EU regional policy. Many of these domestic policy strategies, plans and objectives were developed as an explicit mechanism to bring national regional policy into line with EU policy approaches and were used as framework documents for EU programmes. Cohesion policy has had a significant effect on the national policy framework in Hungary. The way that national regional policy objectives are expressed through identifying objectives and then setting priorities and measures is modelled on cohesion policy, suggesting that there has been a substantial cultural and operational impact (EPRC and Euroreg, 2010).

Another sign of the increasing influence of the EU regional policy model was the multi-annual perspective of domestic strategies and objectives. Evaluations of some cohesion policy programmes contend that they introduced more strategic, long-term conceptualization of domestic regional development objectives (ÖIR, 2006). There is evidence from elsewhere in the EU that cohesion policy programmes can push domestic regional policy towards objectives that foster competitiveness, entrepreneurship and innovation, in line with the priorities set out in the *EU's Lisbon Agenda for Growth and Jobs* (Bache, 2008).

Despite the persistence of regional disparities within many CEE countries, the priority attached to competitiveness-related themes has increased, in keeping with cohesion policy trends over the past decade. For instance, the National Strategy for Regional Development in Poland, launched in 2010 has as its first objective supporting the growth of competitiveness of regions.<sup>3</sup> This applies to the whole Polish territory and aims to employ the potential of those areas that have the greatest capacity to spur economic growth, especially the largest urban centres, in Warsaw and other regional centres.

From this perspective, EU policy influence on regional policy objectives seems to be clear-cut and direct. However, CEE member states interpret cohesion policy objectives according to their own needs and priorities. An example of this is the inclusion of objectives associated with the Lisbon agenda. For the 2007–2013 period, Structural Funds programmes were obliged by the EU to earmark or dedicate a percentage of funds for investments that directly strengthen competitiveness and job creation in research and innovation, human capital, business services, major European infrastructures and improvement of energy efficiency. In CEE, strong commitment to Lisbon goals is evident from the increased and sizeable volume of cohesion policy earmarked expenditure (especially in Poland), despite not being formally bound by the rule. On the one hand, this suggests that the CEE countries have been particularly receptive to EU norms, incentives and discourses transmitted through EU cohesion policy (Scherpereel, 2010).

From a more critical perspective, the earmarking exercise illustrated the scope for cohesion policy objectives to be shaped and diluted as the cohesion policy regulations are negotiated with member states. At different stages, extra categories were added to the Lisbon categorization, some of which were regarded by the Commission as being inconsistent with the spirit of the Lisbon agenda (Mendez, 2011). Similar tensions are reflected in current debates on the European Commission's proposals to concentrate cohesion policy funding in the next programming period 2014–2020 on a limited number of priorities related to the Europe 2020 strategy (including energy efficiency and renewable energy, SMEs and innovation).

The need for flexibility to adapt EU priorities to national and regional contexts has been underlined in virtually every member state response to these proposals. The need to provide scope for other priorities that are less prominent in the Europe 2020 strategy, notably basic infrastructure support, has been emphasized in several CEE member states. Thus, domestic regional policy objectives in CEE increasingly favor competiveness over equity aims, in line with the turn towards competiveness under cohesion policy after the Lisbon agenda. However, the meaning of these concepts and the regional policy activities that they support has been adapted in the process,

<sup>&</sup>lt;sup>3</sup> See Polish Ministry of Regional Development (2010), Krajowa Strategia Rozwoju regionalnego 2010–2020:Regiony, Miasta, obszary Wiejskie (Warsaw, Ministry of Regional Development)

incorporating domestic preferences. National regional policies continue to reflect the particular territorial development challenges faced.

Finally, it is important to note the emergence in some CEE member states since 2010 of new national regional policies that are distinct from cohesion policy. Having gained experience with cohesion policy, these countries are developing or debating new domestic regional policy frameworks to determine or guide broader, national approaches to regional development. The leading example of this trend is the launch of the new National Strategy for Regional Development (*Krajowa Strategia Rozwoju Regionalnego* 2010–2020, KSRR) in Poland. The KSRR has been judged to be, at least partly, an assertion of Poland's domestic regional development vision, aligned with – but distinct from – cohesion policy (Grosse, 2009).

Looking to the future, the role of domestic policy could intensify. As cohesion policy programmes potentially take a narrower view of regional economic development, and one focused on growth in all regions, the CEE member states may not wish to be constrained by a comparatively narrow set of EU-led regional economic development goals.

#### 3.2. Regional development in Romania

The Green Paper, EC, 1997. Regional development policy in Romania highlighted that "from the perspective of development it would be much more effective if the country would be divided into a smaller number of development regions, based on the grouping of counties (*judeţ*) according to their similar level of development." Thus, a structure of eight development regions was proposed between the national and county level to facilitate the implementation of regional policies.

The legal framework was created with the adoption of the 154/1998 Law for regional development in Romania. Institutionally speaking the new development regions represent more of a compromise, an ambiguous solution between centralism and regionalism (Cernea, 2000). They are not legal entities and their functions are mainly limited to the establishment, implementation and evaluation of regional development policies. The development regions are administered by the National Council for Regional Development, the coordinating bodies being the Regional Development Agencies and the Regional Development councils. Therefore, the development regions have very limited decision-making capabilities and are largely subordinated to the central government. They also pose a democratic deficit, because they do not enjoy any form of legitimacy through local or regional elections. In this context, the implementation of the Romanian regional policy as well as the establishment of the development regions can be interpreted as a top-down oriented process of regionalization rather than a bottom-up oriented process of regionalism (Deaconu, 2003).

Regionalization was not understood as a political process, rather as and administrative one, part of the process of decentralization, in an attempt to further increase the participation of citizens to the decision-making process and the democratic legitimacy of the state at large while also improving the accountability of public authorities in particular and allowing them to better fulfil to the needs and requirements of their constituencies (Tănăsescu, 2002).

After Romania's accession to the EU, the question of reorganizing the current state structure quickly came back to the political agenda, mainly brought up initially in 2011 by the state President Traian Băsescu and the then ruling Democratic Liberal Party. However, the necessity to create administrativeterritorial regions was linked to more pragmatic considerations. First of all, the 2007-2008 global financial crisis in 2009 began to hit hard the economy of Romania, which compared to 2008 in terms of GDP began to contract by more than 7% (Onofrei and Lupu, 2010). As a result harsh austerity measures were introduced and the public sector had to be largely curtailed. According to the President the "fat man" as he described the state of public administration, had to be reformed. Therefore, words like efficiency, economies of scale, as well as the notion of decentralization and deconcentration slowly began to spread in public and political discourses (Popescu, 1999). At the same time there was also the problem posed by the slow absorption rate of EU structural funds, which at the time of austerity could have brought the deeply needed capital and investments into the struggling economy.

Under these circumstances, a thorough administrative-territorial reform was proposed, with the transformation of the eight already existing development regions into administrative-territorial entities (Gutan, 2002). Unfortunately, however, the whole process in the absence of a clear proposal backed by comprehensive feasibility studies, not to speak about public consultations, remained only on a declarative, political statement level. It is also unfortunate that the initial principles of the reform process, namely, subsidiarity and decentralization were largely neglected, and the completely societal discourse, mainly due to public support, shifted to more populist, superficial aspects. At a certain point a form vs. functionality paradox began to emerge. People were more interested in the future 'borders' and 'capitals', in the overall spatial characteristics of the new administrative-territorial units and less in the more serious, pragmatic aspects of the reform process, like what kind of rights will be conferred to these new units, or will they have legislative authority as well regionally elected bodies and representatives, etc. Thoughtlessness and superficiality was present also in the relationship of the ruling political party with the coalition partner, the Democratic Alliance

of Hungarians in Romania. The proposal, rejected from the very beginning the bottom-up oriented movements of self-determination of the Hungarian ethnic community in Transylvania, in particular in Székelyland, which stood in a sharp contrast to the political programme. In this respect, it was obvious that without the support of the Hungarian community any initiative towards an administrative-territorial reorganization was condemned to failure.

The necessity to establish a functional and efficient administrative system was once again brought back to the political agenda as one of the key themes of the 2012 legislative elections, from which – mainly as a result of the post-crisis discontent wave – the two thirds majority winning Social Liberal Union didn't constitute an exception. After the formation of the new government, the ruling union under the three thematic pillars of 'Development, Decentralisation, Regionalisation' initiated a thorough process of administrative-territorial reform (Ianoş and Pascariu, 2012). Officially, the reform process started from the consideration that in the following period Romania has to overcome a serious economic gap, that it faces towards Europe, by bringing public services and decisions closer to the ordinary citizen – according to the European principle of subsidiarity – and by using existing resources in a more efficient way: local resources, governmental funds and European possibilities (Benedek and Kurkó, 2010).

In the background, however, it was obvious that the reform process is motivated once again by the existence of a highly centralized, bureaucratic and inefficient public administration, which, although largely curtailed during the financial crisis, was right due to a lack of structural reforms largely responsible for the low absorption rate of EU funds. The risk of losing the majority of the budget allocated to Romania during the 2007-2013 financial period of the EU posed a serious concern for the new government, which in times of economic hardship deeply needed fresh capital to shake up the struggling Romanian economy. Therefore, the new government soon aimed at modernization of public administration and the question of EU funds.

From the very beginning, a very controversial reform process began to emerge, especially if we consider that Romania was in the middle of a negotiation and accreditation process for the next financial period (2014-2020) of the EU and the coalition wanted to push through the process in one year, during 2013. In this respect one of the most intriguing aspects was that both the Permanent Representation of Romania to the EU as well as the National institute of statistics informed the Commission in February 2013 that in the framework of the NUTs-2013 revision process, Romania will not propose any changes to the current NUTs system (NUTs-2010). Taking into consideration the strict regulations of the EU regarding the modification or amendments to existing NUTS classifications (Reg. No 1059/2003 and No 1046/2012), it became obvious that the government, although on the surface open to debate new proposals, in the background largely supported the proposal of the former government. Under these circumstances, the government tended to preserve the current status quo by transforming the current development regions into administrative-territorial units, mainly because this scenario had the lowest consequences in terms of costs and conflict risks.

Although the government tried to back up the reform process by a series of public consultations organized all over Romania, yet in the absence of a clear proposal these were more like campaigns to promote and legitimize the reform process itself than comprehensive approaches to engage with bottom-up oriented initiatives. Unfortunately, the technical body, the Consultative Council for Regionalization (CONREG) that was entrusted with the elaboration of a concrete policy proposal, proved to be nothing else than a tool in the hand of the government to scientifically underpin already decided proposals. Given the political frictions and internal tensions of the ruling coalition, in addition the superficiality and hasty preparation of the reform process, not to mention the lack of public support for a constitutional revision that was necessary, there is no surprise that the initiative of the coalition ended up in failure.

As a movement of last resort, the coalition tried to materialize some aspects of the reform proposal through a decentralization draft bill, according to which several central governmental functions would have been decentralized, better to say deconcentrated to county level institutions, however without transferring their funding from central authorities. The initiative can be regarded as a compromise between the centre and local, county-level ruling elites who feared that the government-initiated regionalization process could lead to diminishing their rights and influence. However, the hastily adopted superficial bill by governmental responsibility was immediately attacked by the former political party at the Constitutional Court. The court decided unanimously, backed by a 106-page motivation that the government's decentralization bill clearly violated the constitution mainly around the principle of local autonomy and the constitutional regime of property.

#### 3.3. Regional development in Poland

Changes in the Polish development policy after 1989 have been one of the most important fields of reforms after the fall of the communist regime. In 1990, the local government in the Third Commonwealth of Poland was restored after 40 years of non-existence during the time of Polish People's Republic (1944–1989). The reform that took place in 1998 and further changes related to the country's EU membership since 2004 demonstrate the polarization and

diffusion model of the development that is currently promoted in the strategic documents. This model is one of the main innovations in the regional policy that is currently implemented in Poland and which was designed since 2014. The perspective to join the EU enforced the decentralization reforms and the introduction of multi-level governance in Poland. The claim to access the EU has forced the transformation and adaptation of administrative structures at the regional level in order to manage the Structural Funds. As the pressure came from the European level the first stage of regionalization process of Poland can be classified as a top-down regionalism.

Poland is a regionally diversified country. Due to turbulent history and present-day development circumstances (Opiłowska, 2019), Polish territory is characterized by three types of disproportion: development gap between large cities and the rest of the country; development gap between Eastern and Western Poland; and increasing intraregional disproportions. Statistical regions were founded in consideration of these disproportionalities: there were founded 7 macroregions (NUTS 1) and redesign of old *voievodships* (NUTS 2) in order to homogenize such regional disparities.

Development policy in Poland undergoes enduring changes, which are results of changing environment. Polish socio-economic reality transformed significantly after joining the European Union and has been remodeling until now due to progressing decentralization and regionalization of the territory. The top-down regionalism facilitated the bottom-up regionalization.

As a result of the first stage of the reform of 1990, territorial selfgovernments were introduced at the local level (*gmina*). In the government, there were no appropriate organizational structures to deal with the issue of the regional development. However, a part of ongoing post-1989 reforms and implemented activities also contributed, somehow occasionally to the regional development in the subsequent years. With the Act of 8 March 1990 on the Municipal Local Government, under which the local self-government units (*gmina*) was established. At the same time, however, the Act disbanded the national councils, which represented the local authorities at the regional level (*województwa*). Thus, the new law created the situation in which there were no strong entities capable of leading an efficient policy in the intraregional dimension.

In 1998, when already the Polish Constitution came into force on 17 October 1997, two following self-governing levels were established: *poviat* and *voivodeship*, bringing back the three levels of territorial self-government structure.

Respect to Romania and Hungary, Poland is a unitary state with a decentralized system and administrative self-governing. The reform of the territorial structure consisting in decentralization of public authority was of key significance to the development of regional policy in Poland. On 1 January 1999 the administrative reform became more effective reducing the number of *voivodeships* from 49 to 16 that are equivalent to NUTS 2 units. In Poland there is a dual administrative structure at regional level. There are *voivodeships* councils (*sejmiki*) elected in general elections and headed by elected marshals, which are responsible for the development and implementation of regional economic policies. They dispose of independent budgets. Besides this, there are *voivodes* who are state appointed officials that represent the central government at a regional level. The *voivodeships* can enter into bilateral and multilateral cooperation with foreign partners and are responsible for public security services.

A complete change of government shape was made under the two Acts of 5 June 1998: on the *Powiats* Government and the Regional Government. Particularly important was the establishment of the regional self-government –the entity entitled to independently set development strategies and plans, as well as programmes and projects aimed at their implementation at the *voivodeship* level (NUTS 2).

A fundamental change in nature and scope of regional policy in Poland, which was a foregone conclusion because of the solutions from reform of 1998, required the preparation of other statutory regulations. This process was also associated with the need to adapt Polish solutions to the changing model of cohesion policy of the EU (Szlachta and Zaleski, 2010). In the next edition of the legal basis for regional policy in Poland, attention should be primarily paid to the Act of 12 May 2000 on the Principles of Promoting Regional Development. This Act was a contribution to the adoption by the Council of Ministers on 28 December 2000 of the National Strategy of Regional Development 2001-2006. This strategy constituted a basis for action at national and provincial levels. The strategy established the principles, criteria, and mechanisms for formulation and implementation of regional development policy in Poland. The strategy was also a basis for programming the midterm regional development policy. As the mission of the National Strategy of Regional Development was to specify the adaptation of Polish regional policy model to the standards of the European cohesion policy, which was a prerequisite for the use of the Structural Funds and Cohesion Fund in Poland. Priorities of the National Strategy of Regional Development 2001–2006 were: (1) the enlargement and upgrading of the infrastructure needed for improving the competitiveness of regions; (2) the restructuring of the economic base of regions and its diversification; (3) the development of human resources; (4) the additional support for areas endangered by marginalization due to natural conditions; and (5) the development of international cooperation of regions (Ministry of Regional Development and Construction, 2000). This strategy

was also the basis for applying for funds from pre-accession programs of the EU: PHARE, ISPA, and SAPARD (Grochowski and Rzeźnik, 2010).

The strategic document in the field of the regional policy was initially the *Programme of Regional Development 2004–2006 (Ministry of Economy and Labour, 2003).* The Programme was established by the Act of 20 April 2004 on the National Development Plan, which adjusted Polish regional policy to the European cohesion policy. This document was prepared in accordance with the provisions of the Council Regulation No 1260/99 (European Commission, 1999) and was a legal and organizational basis for the absorption of resources of the Structural Funds and the Cohesion Fund by Poland for the period 2004–2006.It became the core document for a new organization of regional policy in Poland in the first years of membership in the EU (Churski, 2009).

The national spatial management concept, which was prepared before Poland's entry to the EU structure, did not consider many important conditions such as results of globalization process and Poland's accession to the European Union. Therefore, in 2005 the updated spatial management plan was adopted, which although minimized shortages of the previous concept did not advanced evidently the bases for regional policy. Both documents the basic national spatial management concept and updated one - expressed that the key problem for elaborating on national development strategy is to fulfill the requirements of competitiveness and efficiency urged by the world economy and a need for rapid modernization of the national economy. In 2007, the Ministry of Regional Development began working on a new concept of national spatial management, where the first step included formulating theses and assumptions. The new concept of national spatial management was supposed to be a strategic planning instrument of long-term spatial policy of Poland. Its structure contains the conditions, targets and guidance for national sustainable development and the activities essential for their accomplishment. When faced with regional disparities, the Ministry of Development worked out the additional support for the eastern voivodeships (Lubelskie, Podkarpackie, Podlaskie, Świetokrzyskie and Warmińsko-Mazurskie) - the Operational Programme Eastern Poland 2014-2020. The main objective of the programme is to increase the competitiveness and innovation of the Eastern Poland macroregion (NUTS 1).

The adopted objectives of the State regional policy include the construction of hierarchical system of space management policy; increasing competitiveness of Poland and regions by supporting metropolization of the country space, developing cooperation between cities in Poland, in Europe and in the world; supporting the utilization of growth and innovation centres situated beyond the metropolis areas. The National Development Strategy 2007–2015 was adopted by the Council of Ministers on 29 November 2006 and was the primary strategic document setting out the objectives and priorities of development policy, and taking into account the trends described in the strategic documents and policies of the EU. The National Development Strategy defined the objectives and priorities of development policy in the perspective of 2007–2015 and the conditions that should encourage this development. The rationale behind the creation of this type of document was the fact that although there were many positive changes after 1989, Poland remained in the group of poorest countries of the EU. As the main, long-term strategic document, it constituted a point of reference for other strategies and programs of central and regional government.

The practical result of discussions and amendments to the Act of 6 December 2006 on the Principles of Development Policy was the creation of a new strategic order. The principles alluded to the report "Poland 2030" of the Board of Strategic Advisors to the Prime Minister of Poland and the decision of the Council of Ministers in 2009 regarding the new system of the development management in Poland, which had to allow the creation of an efficient mechanism for ensuring implementation of strategic programming of the state development goal,

The Council of Ministers on 13 July 2010 adopted the National Strategy of Regional Development 2010–2020: Regions, Cities and Rural Areas (NSRD) – a strategic document relating to a policy of socio-economic development of Poland in regional terms. This strategy sets out the objectives of regional policy towards the different regions of the country, in particular, the division into urban and rural areas and defines their relationship in reference to other public policies with a strong territorial orientation. The NSRD also outlines how public entities, in particular, the central government and regional governments have to act to achieve the strategic objectives of national development. The NSRD assumes further strengthening of the role of regions in achieving the development objectives of the country and, therefore, contains proposals to change the role of provincial governments in this process and proposals to improve the participation of other public entities. Regional policy is understood more broadly than ever before - as a public intervention realizing the development objectives of the country by actions aimed territorially and the principal level of which remains planning and implementation of the regional system.

It should be emphasized that the new paradigm of regional policy in Poland presented in the NSRD draws heavily from the new approach to the conduct of development policies introduced by the Organization for Economic Cooperation and Development, and the debate on the territorial cohesion and future of cohesion policy of the EU. The mindset used in the NSRD is consistent with the direction proposed in the Green Paper on Territorial Cohesion: Turning Territorial Diversity into Strength (European Commission, 2008) that postulates better use of development potentials of the territories that are regionally differentiated. The Green Paper also refers to the third dimension of cohesion policy of the EU – to the territorial dimension alongside with social and economic dimensions. In addition, the NSRD introduces the category of areas to which the regional policy will be specifically targeted, which are called as areas of strategic intervention. These areas include: 1) basic spaces of concentration of socio-economic development processes of the country and regions (the main urban centers together with their functional environments); 2) areas beyond the direct impact of the main centers that require strengthening potentials to develop and create or improve conditions for increasing the absorption and spread of focused development processes in major urban centers; and 3) the problem areas or territories with the highest concentration of negative phenomena and a range of national or supraregional importance issues (Wiktorowski, 2011).

New regional and development policy in Poland introduces some instruments and structures to facilitate the implementation of their goals. The whole process focuses on various configurations of the authorities to improve the coordination and implementation of policies (for example, the major urban centers and their surrounding areas have to create socalled agglomeration associations). Moreover, efforts are taken towards further decentralization of responsibilities to regional governments through National Spatial Development Concept 2030. The above mentioned NSRD 2030 emphasizes the objective to counteract the development discrepancies between and within regions.

#### 3.4. Regional development in Hungary

Hungary represents a particular case study since the introduction of new NUTS regions lead to an up till now unsettled professional and political debate and the connections of the traditional administrative system and the new statistical system shape the departmental model. The regionalization period in the history of Hungarian public administration came to an end in 2010 without the decentralized management of the structural funds having been created.

The territory of Hungary is traditionally divided into counties. Counties form traditional mezzo level units in Hungary's administrative hierarchy, between the level of the central government and settlements (municipalities). All three administrative levels have elected governments; however, Hungary is a functionally very centralized state with a strong central government. Today there are 19 counties along with the capital city, with their borderlines were last modified by the administrative reform of the 1949-1950's. In the past decades, counties' jurisdiction was significantly decreased upon the pressure of settlements (Csomós, 2012). Thereby currently counties only fulfil an institutional provider role without actual administrative power (Schneider, 2010).

The country today is characterized by pronounced and exacerbating disparities in income and economic opportunities between its regions (Dusek, Lukács, and Rász, 2014). In recent years many social scientists have been talking about a torn apart country or about evolving dualism to describe the divide between central and peripheral areas, which is starting to be more and more impermeable and invincible (Timár, 2007). On one hand, there is the relatively prosperous and fast growing central area, and on the other, there is the countryside lagging behind, facing economic downturn and severe social problems. The latter areas often labelled as crises area are hit by high unemployment, decreasing incomes and living standards, pockets of poverty, increasing social exclusion, spatial segregation and tension between the Roma and non-Roma population. In 2012, a fourth administrative level of so-called districts (*járás*) was re-established between the level of counties and municipalities.

After the transition and with the accession of the country to the European Union, Hungarian territorial divisions needed revision in order to meet with the NUTS statistical system. Since the institution of regions above the level of counties was previously unknown in Hungary, the question of the new planning regions (NUTS 2) resulted in a hitherto unresolved polemics. Amongst spatial planners, some have opposed even the creation of regions, arguing that the county system is the only historically integrating unit, and the artificially created NUTS regions for the request of the EU are not driven by inner forces (Szanyi et al, 2010). On the other side, most planners have understood that NUTS 2 regions play a vital role for spatial planning purposes and the allocation of different EU financial instruments addressing regional disparities. However, they disagreed on the possible demarcation of the new regions (Kovács, 2000). Parallel to planning questions, a political discussion started on the potential allocations of administrative power on the new regional level. Eventually, the regional division was accepted in 1999, and seven NUTS 2 planning regions were established by merging three counties each, except Central Hungary only containing Budapest and the surrounding Pest County. A regional institutional structure has been established, serving developmental policy objectives connected to the central government.

As a consequence of the decentralization process started after the system change, the local governments are now independent from the Central one and there's no hierarchy among them: their duties and rights are established by the Self Government Act. By the way, decentralizing governmental powers has not avoided the coming out of efficiency and coordination problems, especially in dealing with the application of regional policies.

In order to follow the requirements of the *aquis communitaire* and to become able to achieve and manage the European funds for the cohesion policy, Hungary has established a renewed institutional and administrative system. By the way, regional entities has just played a limited role in the decision making regarding regional policy because of the lack in managing abilities and because of the initial instability (due to the opposition of powers among counties). Therefore, the control on the regional development programs remained to the Central Government, specifically to the Ministry for Environment and Regional Policy, created in 1990.

In 2010, a reform was introduced in Hungary, which pushed public administration towards the notion of effectiveness and cost-efficiency. This reform seems to have been accompanied by a rather étatiste state in the framework of which the hierarchic and centralized methods of the management of public tasks enjoy priority over the principle of decentralization. The new constitution entered in force in 2011 has produced a major political change of the legal system: slowly Hungary became an authoritarian and illiberal system in which the Fidesz party has the goal to eliminate the disparities among regions. The most important change in the context of statistical regionalization has the split of the Central Hungary in two parts corresponding to Budapest and Pest county, effective since 2018.

The Hungarian government approved a new Act on local governments in 2011 that transformed the division of tasks between the local and the meso-levels of public administration. The Hungarian Act on Local Self-Governments suggests that the legislator was aware of all the critics of fragmented local governments that have so many responsibilities and which resemble the North European model of governance. The basis of the new concept of state organization is the Constitution which reconsidered and intensified the relationship between the state and the municipalities. The regulation at the local level entailed, in several areas, narrowing down the responsibilities. Some tasks were absorbed by the state (primary and secondary education, health care services etc.). In addition, at the subnational level, a completely new profile was created by the model of the county selfgovernments. This is related to the fact that the new power simply threw away the system of regional development, built on development councils. Regions and regionalization were forgotten and regions were downgraded into nothing more than statistical units of data collection (NUTS 2); their status was taken by the county. It was a relief for the advocates of county general assemblies, because the task of regional and rural development was assigned to the subnational level as of 1 January 2013. This level was also authorized for spatial planning and the management of some development coordination tasks. Counties, a territorial unit formerly considered as weak and void of positions, have become the almost exclusive actors of meso-level governance - or have they? This doubt is indicated by the fact that Parliament deprived counties of all their former public service provision tasks, and also nationalized the related institutional properties of the counties. Counties no longer run hospitals or special service institutions; they no longer operate secondary education institutions, libraries and other public collections, and they no longer offer sports and pedagogical professional services etc. The nationalization of these tasks and the parallel building of the county government offices moved the meso-level from decentralized structures towards a hierarchical and centralized organizational system. Of course, there is another contradiction in the fact that the counties are now responsible for both development and spatial planning. Neither the local nor the other territorial actors are integrated in a manner governed by public law into this important governance tool. From this aspect, the authorization of the county to cooperate in the harmonization of the spatial development plans of the villages and towns is indifferent. All in all, meso-level self-governments lost their functions, which could have been their links to the municipalities in the case of strong counties. As we have already mentioned, the legal institutional framework for the cooperation of the two layers of self-government are still missing from the Act on Local Self-Governments. Local governments can cooperate in a formalized framework with each other, quite absurdly, if they participate in some cross-border cooperation, such as a European Grouping of Territorial Cooperation (EGTC), Euro-region etc.

Institution building continued at the meso-level by a major amendment to the Act on Regional Development and Spatial Planning in 2012. Two new institutions were created with the label "consultation" in their names: the Regional Spatial Development Consultation Forum and the County Spatial Development Consultation Forum. The names suggest that organs suitable for the articulation of the interests of local and territorial actors were created. The Forum is empowered to act on those issues that require regional level decisions, statements or opinions, and, pursuant to the Par. 14/A of the Act also to represent the single decision of the county self-governments as the viewpoint of the region.

The institutional frameworks of the cooperation of municipalities (multipurpose micro-regional association, micro-regional development council, types of intermunicipal bodies according to the Act on municipalities) were overruled by the legislator. the new Constitution has created a constitutional background for the legislator to oblige the municipalities to associate, both for the management of local public affairs and for public authority proceedings. The Hungarian Parliament remedied a long malpractice by inaugurating the institution of the so-called obligatory associations. Now if municipalities are reluctant to cooperate on their own initiative, the state may order the establishment of associations for the provision of the respective tasks, even in a single manner for the whole country. One kind of requirement to cooperate came into effect as of 1st January 2013 by the obligation for villages with less than 2,000 inhabitants to set up joint mayors' offices. Another requirement for the foundation of joint offices is that they have to serve a minimum of 2,000 population from which the legislator excuses those joint municipal offices that have been composed of at least seven municipalities. This way the element of the economies of scale is now being integrated into the operation of municipal level public administration, two decades after transition.

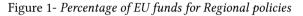
The local government system formerly considered as definitely liberal and democratic will be under stricter state control by the Hungarian Act on Local Self-Governments, from legal, legislative and economic aspects alike that seems to point over re-centralization.

# 4. Regionalization vs metropolization

Since 1975 the EU Regional Policy has been targeted to reduce economic, social and territorial disparities across the EU. Today roughly one-third of the EU's budget is dedicated to this particular goal.

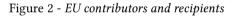
2004 and 2007 have been characterized by a fundamental event for the future of the EU: the enlargement to Eastern European countries. This step has led to the modification of the EU Cohesion Policy, mainly regarding the programs (43 more, especially for underdeveloped regions) and the EU instruments, whereas the financial allocations for the programming years 2004-2006 reached 24 billion euros. After the second wave of EU enlargement there was an increase in structural and cohesion funds from 94.9 billion euros (2007-2013) to 351.8 billion euros (2014-2020).

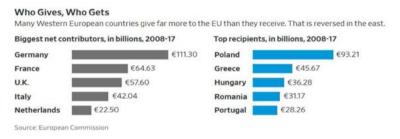
At a glance, various programmes were started to uniformed the disparities among regions. For instance, in Romania, 9 programmes for more than 32 billion euros were dedicated for regional and infrastructure development and agricultural development. In Poland, a multi-regional program managed at national level (integrated regional program), through 16 regional operational programs and 7 European territorial cooperation programs, as well as a technical assistance program for about 24.6% of total European funds. In Hungary, 15 programmes with thematic priorities (economic development, transport development, societal renewal, environment and energy development, territorial development, state reform) were developed for a total of 24.5 billion euros. If suddenly after the EU accession the EU funds were earmarked to these programmes in order to uniform the regional disparities, over time, regional policies focus on the implementation of programmes that aim at the development of metropolitan areas. It is important to highlight the percentage of EU funds dedicated to each analyzed CEE country (Fig. 1); all this in the context of a balance that see the largest net contributors to cohesion funds (Germany, France, the United Kingdom and Italy) and these CEE countries most favored by European funds but where nowadays anti-Europeanism is stronger (Fig. 2).





Source: European Commission (2019)





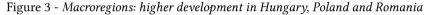
Source: European Commission (2019)

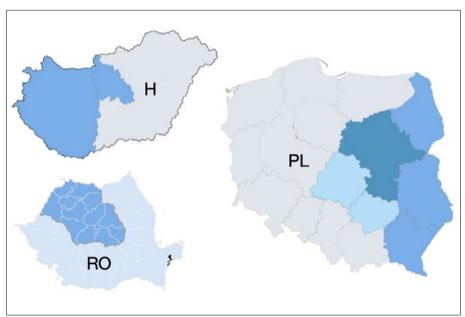
Between 2007-2013, the introduction of ROPs (Regional Operational Programmes) for each region ensured the prerequisites of regional capacity building and the diffusion of multi-annual strategic planning of developmental initiatives at regional and local levels (Dabrowski, 2012). At the present, the regions are involved in the implementation of sectoral programs. The ROP are administered by the regional authorities (25% of the funds). In such context, the structural funds are managed by the regional authorities, in collaboration with the central ones and the government is not

involved in the ROP management but only imposes guidelines. The problem that persists is determined by the existence of limited financial resources of the regional authorities.

A new approach has been introduced with regard to increasing the performance of regional programs, namely the establishment of management by objectives, including by establishing minimum annual amounts certified by the EU.

The distribution of funds is very different from one macro-region to another. In Hungary, the macro-region of the west absorbs 45% of the funds, in Poland the macro-regions of the East with an absorption of 60% in the Mazovian *Voivodeship.*<sup>4</sup> Differently in Romania, there is a disparity between North and South, in particular with the distribution of EU funds in the macro-region, which corresponds to Transylvania, in the proportion of 49% (Fig.3).





Source: Author's elaboration on EU data (2019)

Moreover, not only these macroregions are more developed respect to other but also present a different implementation of policies. Regional policy re the administrative units is reshaped in favor of urban and

<sup>&</sup>lt;sup>4</sup> The difference between the richest Mazovian and the poorest Lubelskie amounts to 90.8%. The remaining funds are managed at the central ministries level (Sześciło, 2018).

metropolitan development. In these areas, cities are the primary recipients of increasing levels of economic development. As consequences, many EU funds have been appropriated to metropolization and urbanization processes. The main cities of these macroregions have seen a gradually progress through various investment programs. Such projects are run at a metropolitan rather than a regional level and cover a wide range of sectors: health, transport, research, environment and energy, for an amount equal to  $\notin$  8 billion of the EU budget.

Some investment projects in the three case-study countries are highlighted: *Hungary*: Better connectivity, less traffic congestion and greater transport safety around Budapest

€ 105.5 million loan for the modernization of the southern section of the Budapest ring road, with the reconstruction of roads and bridges and new cycle paths. The project will reduce journey times and improve road safety for the 90,000 vehicles that circulate in the area every day; traffic congestion will also decrease, as it will be diverted from the city center.

*Romania*: easier transport to Bucharest, environmental protection and water management in the country

-  $\in$  1 billion for the modernization of the Bucharest ring road, with the extension of various sections and the doubling of lanes in both directions. The loan will also support the construction of a 51 km section in the southern part of the new Bucharest ring road. Also in the Romanian capital,  $\in$  97 million of EU funds will finance works on the entire metro line 2, with new tracks and new rolling stock.

almost  $\notin$  603 million will support the protection and rehabilitation of the tourist area of the Black Sea coast in the Constanta district. The project includes reef consolidation works, artificial beach nourishment with the addition of sand, biodiversity conservation measures (artificial reefs and repopulation of marine species) and monitoring equipment.

- The EU will ultimately invest over  $\notin$  135 million in improved drinking water and waste water systems in the district of Timiş. Another 15,000 inhabitants will be connected to the drinking water network and nearly 380,000 people will benefit from better quality drinking water.

Poland: better healthcare and greater connectivity

-  $\in$  61 million of EU funds in the healthcare sector for the purchase of new equipment for the university hospital in Krakow (Lesser Poland), benefiting 3.3 million inhabitants. Another  $\in$  56 million will contribute to the construction of a new hospital complex for the Regional Pediatric Center in Poznań (Greater Poland), which will allow centralization of health care services, expand facilities and purchase new equipment. The Center will be

equipped with a pediatric first aid service and the orthopedics, traumatology and rehabilitation departments will be expanded.

- € 155 million are earmarked for maritime transport to increase operational safety in the port of Gdansk (Pomerania), thanks to the strengthening of the breakwater structures. A contribution of almost € 65 million is intended for the construction or modernization of the quays and hydraulic engineering works in the port of Gdynia with a consequent increase in traffic safety.

- in the rail transport sector,  $\notin$  126 million will contribute to the construction of the Szczecin Metropolitan Railway which will connect the main cities of Western Pomerania, including Stargard, Police and Gryfino, benefiting 687 000 inhabitants. The purchase of 16 electric trains that will run in the Warsaw agglomeration will be supported by a contribution of almost  $\notin$  39 million. A contribution of almost  $\notin$  58 million will go to the modernization of 152 passenger cars and the purchase of 20 electric locomotives that will circulate on the lines managed in the country by PKP Intercity.

- in the road transport sector, cohesion policy will finance the construction of a section of the S7 expressway between Warsaw and Grójec (€ 129 million), a section of the A2 motorway between the Warsaw southern ring road and Mińsk Mazowiecki (more than € 78 million), a section of the S3 expressway towards the Czech border in Lower Silesia (€ 105 million) and a section of the Olsztyn variant in the Warmian-Masurian *voivodeship* (€ 87 million). All these projects, which are part of the trans-European transport network, will ensure greater road safety, shorter travel times and better territorial cohesion in the country.

But all such ambitious projects should face up the corruption, fraud and office abuses as well as a political framework characterized by nationalist tendencies and populist challenges of the three problematic CEE member states in which democracy and rule of law are under pressure.

### 4. Concluding remarks

In three countries of Central and Eastern Europe – Romania, Hungary and Poland – Eu values such democracy and rule of law are under pressure. Regionalization as part of democratic process is still incomplete or even records a setback. Notwithstanding democratic backsliding and authoritarian trends, such member states still benefit from the EU funds earmarked to regional policy.

The analysis emphasizes the evolution of regional policies highlighting the different approaches and regulation in the institutionalization of territorialadministrative units of these member states. As demonstrated, the regional policies and the creation of NUTS swerve towards metropolization instead of initial regionalization purpose of pre-accession goal. The reforms after EU accession deal with the development of territorial areas around main cities of the macroregions. Current regionalization policies in CEE countries result inefficient because of dissimilar allocation of EU funds. Social, economic and political disparities are still existing and development programs aim at local progress. In such a context, some regions are more developed respect to other or different areas of the same macroregion result more urbanized respect to another. Regardless of the administrative structure, in the three countries, nationalist trends and recentralization of powers enhance the regionalization's inefficiency. As a regionalized unitarian country, Poland has the strongest institutionalized and administrative regions respect to Hungary and Romania. So it is hardly probable that its regionalized system will be revised and/or modified soon, especially if we take into consideration the own financial income, property and assets of the *voivodships*.

In any case, administrative capacity in connection with the institutional and reform capacity and redefinition of regional and state competences are some of future perspective to implement in CEE countries. Innovative approach to the analysis of regional programs should reflect the weakness of regionalization process: on the EU side, flagging of the processes of construction and implementation of programs, and on the national side, the lack of complete coordination of the national intervention instruments (such as institutional agreements and negotiating tools) with European ones.

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