

## NEEDS OF LOCAL SUSTAINABLE DEVELOPMENT

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*In terms of structure of local authorities, we made an analysis of how the principle of sustainable development applies by highlighting the fact that it differs locally in structure and content from the overall development which shall be addressed at national level. Locally, we have identified disruptions that may adversely affect the implementation of sustainable development policies. It is about the existence of undue restrictions in allocating funds from the state budget. In most cases these restrictions have a political tint. Specifically, we stressed the requirements of sustainable development in Romania, consisting mainly of a responsible financial management and human resources management, towards meeting the needs of local people.*

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### **1. Remarks on the development in general and local development in Romania**

The concepts and mechanisms resulting from research show that worldwide there is particular interest to implement policies on sustainable development which means mainly meeting the needs of the present generation without compromising the needs of future generations and the development of the free man, that must take place in harmony with the environment and, as a must, in a balanced society.

In other words, in the current time of turbulences, sustainable policies are primarily directed towards economic growth, reducing unemployment and improving the people's standards of living.

As a member of the European Union, Romania acts towards the implementation of the principles of sustainable development, particularly at the national, regional and local level (cities, towns and villages).

Of course, our country also had so far a general economic development policy and less a policy of local development.

**The performed research revealed that it is necessary to define and clarify the concept of overall development (national development), local development and sectoral development in order to avoid any interference that may have negative effects on those concepts.**

**Overall development** is generally one of the government's functions that has the duty to establish investment objectives and investment policies for the sectors of the economy that can ensure economic growth and, on this basis, a sustainable development (overall

fiscal policy to stimulate investment, providing skilled labor, development of revenue-producing activities for which sources of raw materials and local skilled labor are ensured, providing general interest infrastructure (railways, highways, motorways). These objectives are financed from the state budget resources, as well as grants and reimbursable funds.

Local development is, in fact, the policy through which the local administration authorities conceive the specific objectives of their communities in order to meet the needs of the local people and to ensure financing for these objectives. Within local development, the targets are as follows: providing public services to the population, providing the local transport infrastructure, the water supply and sewerage network, the heat and gas supply networks, streets, sidewalks, parking lots, green spaces and leisure areas; providing and ensuring operation of the local health and education systems, the social assistance system, increasing the level of employment and community's standards of living, improving the habitat and the natural environment, etc.

In conclusion, from the above it results out that the local development differs fundamentally from the overall development, both in content and structure, but local development carried out in all localities finally ensures Romania's development and contributes directly to the improvement of the people's quality of life.

Sectoral development belongs to central level by making investment in important public sectors such as education, health, culture, stimulation of economic activity (mines, railway transportation).

Taking into account that the sectoral development is carried out by the central administration, it can interfere directly in the local development by building common objectives in the mentioned sectors (education, health, culture and infrastructure).

However, we need to say that in the local development field that was put in practice so far, there was a series of shortcomings with negative consequences in what concerned ensuring a continuous development of the local economy. The shortcomings consisted in: poor management; unrealistic view on the effects of the public investment; failure to providing financing resources or changing their destination during execution; unjustified high costs for achieving the objectives; inappropriate reflection of the financing and the development objectives in the local budget.

The regulations in force have also contributed to these shortcomings because they provide that an investment is an asset whose value exceeds the amount of 1,800 lei, without requiring the budget holders to provide objectives that can contribute to increasing the added value and objectives with an unproductive administrative nature.

Sustainable development must bring fundamental changes in the decision-making capacity of the local administration so that it can set development goals concerning particularly the meeting of the local population's needs and ensuring the necessary public funds.

**We believe that, at present, at local level, it can no longer be about a "general" development because the experience of past 20 years shows that the policy that was put in practice did not bring the expected results, although significant amounts of money were allocated for this purpose.**

Therefore, we believe that the concept of sustainable development is a practical tool by whose help the local public administration can proceed to ensure normal living conditions on a given territory.

The responsibility of the elected bodies is a feature of the sustainable development concerning their obligation to draw up targeted development projects in the fields of public service, education, health, all of them being sectors which bring the people the most of the complaints.

In this context, an important role should rest to accounting. By means of the used techniques and tools, accounting will reflect, through specific financial indicators, the way the objectives are being achieved and the related costs. The provided information will be particularly important when becoming transparent, namely known and subject to analysis by the entire community.

## **2. Requirements of sustainable development at local level**

In this paragraph, it is described the result of the research work on the implementation of the principles and rules of sustainable development at local administration level, taking into consideration the concepts and provisions of the international bodies and Romania's achievements in this field.

Sustainable development at local level aims at local economic prosperity and social welfare by creating a favorable business environment, along with the integration of vulnerable groups into the community, the use of endogenous resources, and the private sector development.

The local communities build, operate and maintain the economic, social and environmental infrastructure, supervise the planning process, establish policies regarding the environment and contribute to the implementation of national and regional plans.

The concept of local development concerns not only the local administration units, but also the units at intercommunity, interregional and even cross-border level. In the context of regional development, it is necessary to understand the place and role of the local development, partnership development and types of relationships at various administrative levels.

Particular attention was paid to corroborating the legislation about operating the local administration units (on the model of a capital city of a county) with the new concepts of sustainable development, especially as they have significant material, human, financial and natural resources, which can substantiate the development programs whose implementation will contribute to improving the civilization of the community members.

**The experience acquired in the past 20 years of activity in a democratic system has revealed the fact that maintaining a high degree of decision-making at central level had a negative influence on the operation mechanisms of the local administration, thus the effects passing on all sectors (education, health, public order, etc.), as well as on people.**

The modernization and decentralization process that begun in the past years creates the potential to widen and improve the local administration's functions and thus the local administration will have more possibilities to act in the interest of all citizens and of the whole community.

The analysis of the human and material potential existing in the local administration units has revealed that the implementation of the sustainable development principles will contribute to improving the civilization of the whole community. *The positive effects are to be felt as follows:*

*improvement of education system; effective organization and functioning of health system; increase of the employment and standards of living in the community; decrease of the number of people who live below the poverty line; food, habitat and social environment improvement; increase of air, water, soil and environment quality; protection and extension of green areas; waste storage and processing; improvement of public service quality; appropriate spatial planning policies; attraction of foreign investment and increase of autochthonous investment.*

Consequently, local administration authorities have a duty to develop strategies to attract investment and especially to intensify their efforts to finance those objectives which are to the direct interest of the community.

For the local public administration, local decentralization will play an important role which will lead to welfare, because the public services will be carried out by the administrative level which is the closest one to the citizens.

This is confirmed by the European practice, where efforts have been directed towards the following objectives: most services of the public sector shall be provided by local public administration because this situation can offer great benefits at low cost to the population; government administration should only provide national services - defense, foreign policy - where local competences cannot be operational; local public administration should limit itself to services which the market cannot offer to the local community and for which the citizens pay taxes and local taxes; the economic development must be achieved in close contact with the decentralization; local public administration should reduce its operational costs; the benefits of a better political representation shall be made visible.

In order to support the sustainable development of all regions of the country, the local public administration authorities in Romania have promoted local development policies that included a series of measures, planned and promoted by central and local authorities in partnership with various private actors, public actors, volunteers with a view to ensuring a sustainable economic growth and improving the living conditions.

The country's social and economic development depends largely on the rational territorial organization of the local administration units. Thus, a relatively small number of development poles with economic and social power will be re-defined with a view to managing creatively and efficiently the local activities.

The competitive advantage of the development poles lies in: the existence of highly developed companies, universities, skilled labor, transportation infrastructure, production activities structure.

Developing cities - as centers of growth - can lead to a polycentric development of the Romanian territory. Thus, the objectives to be achieved are the following:

- increase of the economic and social role of the urban centers, through a polycentric approach in order to stimulate a balanced development of the regions;
- improving the accessibility of the regions and particularly the accessibility to urban centers and their links with the surrounding areas;
- improving the quality of the social infrastructure of the regions;
- improving the competitiveness of the regions as business locations;
- improving the contribution of tourism to the development of the regions.

All these objectives, that are reflected in policies and regulations issued by the central authorities, will determine the reduction of both the inter-regional disparities and those within regions, between urban and rural areas, between urban centers and adjacent areas,

and in cities they will determine the reduction of the disparities between the areas which are attractive and unattractive to investors, through a better use of the regional synergies. The balanced development of all regions of the country can be achieved through an integrated approach, based on a mix of public investment in the local infrastructure, active policies to stimulate the business activities and support to the capitalization of the local resources.

As an urban area is not a closed system, the achievement of the objectives is based on an efficient management leading to development by observing the principles included in basic documents on sustainable development (the Report "Sustainable European Cities", Brussels, 1996, the Statement of the Bremen in 1997, the Treaty of Amsterdam in 1997).

Among the objectives that these documents set, we are mentioning the following:

- sustainable development so that, on long-term, changes produce in terms of culture and attitude related to the resources that the population and companies use;
- reinforcing the institutional capacity through efficient management, defining and restructuring the public services according to the current financial resources, the objectives of the sustainable development and community's needs;
- connecting a community to certain networks with a view to exchanging information on the best practices between communities; implementing programs and projects in the framework of the public-private partnerships; carrying out the public investment that the private sector cannot accomplish;
- integrating horizontally the development policies in order to simultaneously achieve a synergistic effect between sectors - and integrating vertically the policies of the community with the regional policies; integrating the energy, material, financial and human resources flows into a natural cycle; using market mechanisms to achieve sustainability, that is issuing regulations on eco-taxes, functioning of public utilities as a market system, investment evaluation based on environmental criteria;
- decentralization of management in the energy sector; sustainable architecture design, by using green building materials.

The needs of the sustainable development include conditions for the local administration units because the legislation concerning their operation has been put in line with the European Charter on Local Self-Government.

Thus, local public administration law no. 215/2001 provides: "local autonomy is the right and the effective capacity of the local public administration authorities to solve and manage the public affairs, under the law, on behalf of and in the interest of the local communities they represent" (5).

In other words, at present, the local authorities are able to take autonomous decisions concerning the following: establishing and collecting the local taxes; land administration; setting up the budget of revenue and expenditure; prioritizing sustainable development of local community; public order; allocation of public services; making efficient the public and private activities of the territorial administrative unit .

Following the analysis of this issue, it has been noticed that in comparison with the necessary financing for the sustainable development, the local communities have not sufficient resources, which leads to call for transfers from the state budget, as broken down quotas and subsidies.

In this area, there is a malfunction with consequences on sustainable financing development that consists of: the elected local administration bodies have autonomy in

setting the objectives for the sustainable development; the completion of the local financing resources for sustainable development - as broken-down quotas and subsidies, where appropriate - is provided by central government through the county councils which might have political interests, and that leads finally to reducing the degree of autonomy.

In this specific field, there is a need of measures to correct these failures so that every community can have access to resources within the limits established by law and without any intervention of the political structures.

We believe that the local authorities have the necessary conditions for implementing sustainable development principles, but at this stage, a concentrated effort towards the training of their employees is needed, with a view to learning the mechanisms and policies to implement at territorial level.

### **3. Conclusions**

Addressing the issues on a good basis of research and substantiation can be summarized as follows:

- Concerning the structure of the local authorities, we've made an analysis of the implementation of the sustainable development principle by highlighting the fact that, locally, it differs in structure and content from the overall development that is to be addressed at national level.

- Concerning the local sustainable development, we have brought my own contribution to a broader definition of sustainable development because my research work was conducted based on a model of a capital city of a county that provided us the appropriate information and arguments.

- We have identified local failures which may adversely affect the implementation of the sustainable development policies. It's about the existence of undue restrictions in the allocation of funds from the state budget, and that, in most cases, has a political tinge.

- Concretely, we outlined the requirements of sustainable development in Romania that consist mainly of a responsible management of the financial and human resources towards meeting the needs of the local people.

A good-result implementation of the policies concerning the sustainable development at local administration level is directly related to the existence of an appropriate accounting system adjusted to these requirements and that can provide data and information to substantiate the decisions locally.

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