

IMPROVING REGIONAL GOVERNANCE THROUGH PUBLIC-PRIVATE PARTNERSHIPS

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Introduction

Partnership[1] is a fundamental principle that applies to both private and public life. It assists and strengthens economic and social life, contributing to the stable and sustainable development of the community, the municipality, the region, and the country. Partnership is a co-operation between the authorities of the government, the business and the civil sector, which in developed countries is carried out under a mutually agreed scheme to determine the process of planning, management and responsibility for the benefit of the community or society as a whole (Dushkova, 2007).

An important principle of state policy in the sphere of regional development is the application of the principle of partnership, publicity and transparency at all levels in the implementation of regional policy, incl. its planning, financing, monitoring and evaluation of the implementation of the measures and activities undertaken. By applying this principle, the actions of the government are aimed at achieving horizontal coordination and effective complementarity in the implementation of the objectives and priorities of the National Regional Development Strategy, the regional development plans, the regional strategies and the municipal development plans.

The Regional Development Documents at each territorial level are a specific projection of integrated regional development in the respective territory and as such they take into account the projections for the development of sectoral policies (Nikolov, 2016). Insufficient integration of national sectoral strategies and the difficult coordination of multiple development documents do not ensure their optimal interaction and coherence. These circumstances determine in some cases the insufficient quality of the process of strategic regional planning. Objective difficulties are also created by the large number of administrative structures and advisory bodies involved in the elaboration, coordination, implementation and control of the implementation of regional development policy.

The subject of a survey in this report is the collective bodies for regional government in Bulgaria – Regional Development Councils and Regional

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Development Councils, whose activities are institutionalized by the Regional Development Act 2008. The methodological toolbox of the study involves the use of a systematic method, a formal-logical and deductive method.

The report discusses a series of issues that seek to explore ways to improve the process of strategic regional planning and implementation of regional policy objectives. How do regional and district development councils work and how do they partner their diverse members? What is the role of private business in managing regional development? Is it possible to strengthen the capacity of regional government bodies through a public-private partnership?

Regional Development Councils

It is characteristic of the collective management bodies for regional development that their representatives are set on a quota basis by existing administrative and constitutional bodies.

The Regional Development Council is the collective body that implements the state policy for regional development in the relevant level 2 area [2]. Its rotating chairman is a district governor of the areas covered by the area. The members of the council are representatives of central authorities, district governors, representatives of municipalities from each area of the region, as well as representatives of nationally represented socio-economic partners from the territory. The members are supplemented by representatives of universities, scientific organizations, civic associations and others.

The main responsibilities of the Regional Development Council are related to discussing, agreeing or approving all regional development policy papers on the respective territory (regional development plan, regional spatial development schemes, regional strategies, resource support schemes, etc.).

The Regional Development Council is also entrusted with monitoring and controlling the implementation of both strategic and planning documents for regional development as well as the impact of operational programs operating on the respective territory. In order to improve the expertise of the Regional Development Council, the legislator provides for the possibility of setting up specialized committees in the field of public infrastructure, competitiveness, human resources development and the environment.

District Development Councils

The collective authority for managing regional development in level 3 areas is the District Development Council. Its main task is to contribute to the implementation of the state policy for regional development on the territory of the respective area.

It is chaired by the district governor, and members are the mayors of the municipalities of the district, one representative of the municipal council from each municipality and nominees from the regional structures of the nationally represented organizations of employers and employees.

There is also the legal possibility to participate in the meetings of the District Development Council and representatives of legal entities that have a bearing on the development of the district.

The most important functions of the Regional Development Council are in three main directions, which are in line with the powers of the district governor:

- discussion and adoption of the district development strategy; providing information on its implementation and evaluation by discussing and approving monitoring and evaluation reports;
- coordination of municipal initiatives related to annual planning of funds and measures for activities in the areas of targeted support; proposing initiatives and schemes to provide resources for the implementation and evaluation of the district strategy, including financing of municipal projects;
- representative functions – adoption of decisions for concluding cooperation agreements with other areas within and outside the country for the implementation of joint activities on regional development and territorial cooperation.

The functions of the Regional Development Councils provided by the Regional Development Act and its Implementing Regulations provide them with the necessary minimum of normative conditions for the formation of an active and creative style of work. Prerequisites have been made to transform them from formally acting structures into a body that can effectively influence its decisions on the development of the area, which is based on the principles of equality, fairness and publicity between members and participants in seeking a common position and concrete ways of synergy.

The strengthening of regional and district development councils as effective bodies for the management of regional development imply the continuous improvement of the expertise of their staff.

Numerous studies have been carried out among members of regional and district development councils in order to investigate problems arising in the performance of their functions and to identify areas where there is a need to strengthen administrative and expert capacity [3]. The analysis of the results obtained shows that the focus is mainly on strengthening the functions and the capacity of the regulated members of these collective bodies for regional governance. There are no assessments of the effectiveness of the implementation of the partnership principle in the implemented regional policy.

Partnership in Regional Management

The partnership principle was introduced in 1988 as a fundamental principle of the Structural Funds in the European Union, involving close cooperation with relevant institutions at national, regional and local level. It was further developed in 1993 with the involvement of the economic and social partners. As a principle, partnership is a broad term with the flexibility to interpret it.

This principle requires the use of consultation and participation mechanisms to ensure the effective involvement of employers' organizations and associations, trade unions, NGOs, civil society and other stakeholders in regional policy planning and programming.

Partnership in the European Union is a key and most distinctive feature in the implementation of the Cohesion Policy (European Code of Conduct for Partnership, 2014). It has many sides – it is not just a donor-recipient relationship, it goes beyond economic and trade issues, placing individual member states in a leading role in defining priorities in regional development cooperation. Moreover, in a wider context, ensuring stability and sustainability in the functioning of regional economic and social systems is crucial to maintaining their civil security and stability (Tsolov, 2017, p.163).

The following can be distinguished among the most important tasks of the partnership:

- more active involvement of civil society and the private sector, especially in the development of development plans, programs and projects for their realization;
- rationalizing financial instruments, focusing on new initiatives to support regional cohesion;
- supporting regional integration in order to meet the challenges of globalization of the economy.

In Bulgaria the participation of the socio-economic partners, the non-governmental and the private sector in the regional development policy is permanent and positive. In the process of working together and interacting, they offer new ideas to central, regional and local authorities based on their practical experience and support decision making with greater public consensus, participate in the implementation of partnerships at local and regional level to implement regional and local development strategies and plans, participate in the regional and regional development councils, contribute their own resources to implement activities to raise citizens' awareness through ensuring greater publicity and transparency of the initiatives taken within the territory of the districts and municipalities in the country.

Employer organizations [4] support the implementation of regional policy as an object and beneficiary of regional development activities. They also have

significant opportunities to support the information, educational and qualification, mediation and other components of the actions for implementation of the strategies and plans for regional development.

Syndicates [5] are an important partner of the central, regional and local authorities in the process of shaping and implementing regional policy. Their representatives participate in the regional and regional development councils. Their good regional network of regional and municipal offices facilitates the communication and coordination of local actors responsible for regional governance.

Non-governmental organizations also have the function of a useful corrective in terms of preparation of the regional development planning documents and a real participant in their implementation. They have good opportunities to support information, education and qualification, marketing and other components of actions to implement regional development strategies and plans.

Many non-governmental organizations [6] are direct participants in the implementation of projects and actions to accelerate regional development funded by European and national funds.

In recent years, civil society organizations have been increasingly involved in the public life of the country. The implementation of regional policy also favors the creation of effective regional and local development partnerships. They are built on the basis of mutual trust, equal and profitable cooperation. The issue for an adequate response is how to stimulate citizens to be involved in strategic planning processes for the development of the regions in which they live, and to express their active stance through civic and non-governmental organizations – both in formulating the vision for regional and local development, the preparation and development of strategic planning and programming documents, as well as to actually participate in the next stages of realization of the planned measures and activities, monitoring their implementation.

A good example of a broad non-governmental structure is the Citizen Participation Forum [7], established in 2010 as a network of more than 120 Bulgarian non-governmental organizations across the country working in the field of civic participation and good governance. The Citizen Participation Forum interacts with central state institutions and local authorities to improve the environment for civic participation in the process of democratic governance and pooling the resources of active civil society organizations across the country for effective and competent dialogue with the institutions.

Permanent representatives of the Citizen Participation Forum are actively involved in the preparation of the plans and programs for the next programming period at the national level as well as in the meetings of the Regional Development Councils in the Level 2 regions. Given the wide range of competencies and expertise of the Citizen Participation Forum participating organizations, the

inclusion of their representatives raise the expertise of regional development councils.

In the past few years, the involvement of academic circles in the process of regional development management has also been actively developing. Representatives of universities, institutes and research organizations participate in the meetings of regional and district councils development and express their active position on issues and issues in the field of education and science.

According to the regional development council secretariats [8], in the years 2016, 2017 and 2018, lecturers from 25 higher education institutions participated in the meetings of the Regional Development Councils, including: University of National and World Economy, Sofia University "Kl. Ohridski", New Bulgarian University, University of Architecture, Civil Engineering and Geodesy, American University (Blagoevgrad), Southwest University "Neofit Rilski" (Blagoevgrad), Veliko Tarnovo University "St. Cyril and Methodius", Ruse University "Angel Kanchev", Economic Academy "D. A. Tsenov" (Svishtov), Technical University (Varna), Institute of Oceanology at the Bulgarian Academy of Sciences, Thracian University (Stara Zagora), Burgas Free University, Medical University (Plovdiv), Higher School of Agribusiness and Development of Regions (Plovdiv) and others.

Opportunities to build institutional public-private partnerships

In the old Member States of the European Union there is an effective partnership between public institutions and private businesses in all phases of policy formulation and implementation. It should be noted that at this stage the idea of partnership between the public and the private sector has been formally implemented in Bulgaria. In practice, there is no real public-private partnership within the framework of interinstitutional coordination in the conduct of regional policy.

The European Framework for Public-Private Partnerships in Regional Development defines several types of partnerships: planning and consulting; to access resources through projects; for co-operation and co-development; partnerships on an institutional basis, public and private sector cooperation in a separate structure.

The effectiveness and efficiency of partnership in regional development would be greatly enhanced if, in addition to the institutionalized involvement of socio-economic partners, NGOs, civic associations, academic community, opportunities were sought in the regional and district development councils to include real representatives of regional business, of working small and medium-sized enterprises. This would ensure a working and mutually beneficial cooperation between public institutions and the private sector, which would bring new content to regional governance.

Modern management is directly linked of the structures of civil society. Motivated governance cannot only be normative. It should be sought above all in the context of a vital link with civil society structures, since it is nothing more than an effective and solution to social problems (G.Nikolov, N.Tanakov, V.Bakardzhiev, 2018, p.35).

The new institutional public-private partnership within the regional and district development councils will allow for free expression of positions, opinions, consultations and shared responsibility in decision-making. The "right" partnership between public institutions and private businesses has added value at national, regional and local levels.

The proposal to build an institutional public-private partnership in regional governments will provide their new added value in terms of:

- good governance and a high level of expertise in strategic regional planning and coordination of integrated regional policies;
- mobilizing the internal potential through improved expertise and administrative capacity;
- attracting financial resources and engaging the economic and social partners;
- incorporating regional and county councils for development of key regional and local business representatives;
- implementing an innovative method of organizing the activity, sharing responsibility and risk between public and private partners.

Conclusion

The partnership in regional development enhances the quality of the regional development policy and creates new opportunities for publicity, awareness and broadening of the active participants in the actual implementation of the set goals and priorities for achieving sustainable economic growth and better living conditions in the regions to Bulgaria.

The participation of partners at all levels in the preparation, coordination, discussion and control of the implementation of regional policy ensures transparency, competence, efficiency and realism of the whole process. The partnership enriches regional development documents and their implementation from a different perspective from that of the executive, through the involvement of a wide range of stakeholders, institutions, and the direct involvement of citizens and their organizations in the management and decision-making process.

It is recommended that these opportunities be promoted and promoted through the development and implementation of specific initiatives in order to ensure increased attention, commitment and transparency in the implementation of the Sustainable Integrated Regional Development Strategy.

Undoubtedly, there is a need for a change in the institutional model of regional development management. There is a need to strengthen the capacity of collective bodies for regional governance by building and maintaining an effective institutional public-private partnership. It is also appropriate to expand the future analysis on the issue: are two levels of regional governance bodies needed: regional and district development councils? It is expedient to put this issue in the process of public consultation and discussion of changes in the legislation on regional development.

Notes

[1] Translated from English: partnership

[2] Art. 18 of the Regional Development Act (SGD), SG, No. 50 / 30.05.2008

[3] Analysis of a survey conducted in order to study the problems arising from the implementation of the functions of the Regional Development Councils, Ministry of Regional Development and Public Works, BKS – Stroy AD, Sofia, July 2009, p.14, p.21, and p.27-28. The author also conducted an empirical survey in 2011 among regional governors in the context of their regional policy.

[4] Specific examples include the Bulgarian Chamber of Commerce and Industry, the Bulgarian Industrial Association, the Industrial Capital Association in Bulgaria, the Confederation of Employers and Industrialists in Bulgaria, the Bulgarian Maritime Chamber and others.

[5] The Confederation of Independent Trade Unions in Bulgaria, the Podkrepa Labor Code and others.

[6] The Foundation for Local Government Reform, Balkan Assist, Geografia Ltd., Conceptta EOOD, Ecorris BACK, Regioplan EOOD and many others.

[7] <http://www.fgu.bg/> accessed 15 March 2019

[8] According to information from the territorial units of DG "Strategic Planning of Regional Development and Administrative-Territorial Structure", the Ministry of Regional Development and Public Works, <http://www.mrrb.government.bg> accessed 23 January 2018.

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Abstract

The publication analyzes the structure and the functional characteristics of the collective management bodies of regional development in Bulgaria – Regional and District development councils, in relation to the implementation of the partnership principle. Emphasis is placed on the contributions of the participating stakeholders: socio-economic partners, non-governmental organizations, academic circles, civil society associations, etc. Discussing opportunities for improving regional management by building public-private institutional partnerships within the collegiate bodies surveyed.

Key words: regional development, regional government bodies, public-private partnerships

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