Governance of Regional Development in Romania: the Role and Limits of the Institutional Framework

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Abstract

A key prerequisite for development regions to effectively fulfil their role within the EU cohesion policy is the existence of an institutional framework capable of ensuring coherent coordination and implementation of public interventions. This study analyses how institutional architecture shapes policy effectiveness, based on the assumption that performance depends not only on resource allocation, but also on administrative and coordination capacity. The framework is examined through three dimensions: formal institutional structures and resources, actors' construction of territorial interests, and interaction patterns in regional governance. The findings highlight that, despite institutional consolidation, persistent constraints remain, including fragmented competences, weak inter-level coordination, uneven administrative capacity, and limited regional autonomy. These shortcomings reduce policy coherence and implementation effectiveness. The study underscores the need for reforms aimed at clarifying responsibilities, strengthening capacity, and improving inter-institutional cooperation, in line with principles of participatory governance and European best practices.

Keywords: *region; governance; actors; structures; interests; power*

1. Introduction

Regional development is a complex process. It involves economic, social, and institutional changes within a given territory. Its objectives may include increasing prosperity, reducing disparities, enhancing the use of local resources, or all of these

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simultaneously (Cornea et al., 2026, p. 60). Regardless of their physical and socio-demographic characteristics, any region can become a subject of development if it has a governance framework capable of mobilizing endogenous resources, coordinating relevant institutional actors, and ensuring the integration of public decisions into a coherent intervention architecture. From this perspective, the performance of regional development depends less on initial endowments and more on the quality of governance mechanisms that structure multilevel cooperation and the capacity to implement public policies.

In the context of European integration, the concept of regional governance has become a fundamental pillar of cohesion policy, being presented as the most concrete example of how actors involved in governance processes overcome the constraints imposed by their institutional roles and strictly functional interests, creating new public policy commitments, new spaces for cooperation, and new forms of political solidarity (Piattoni & Polverari, 2016, p. 67). In this perspective, regional development is no longer conceived exclusively as a technical process of resource redistribution or reduction of territorial disparities, but as a political and institutional process through which different levels of government, organizations, and territorial communities participate in defining and implementing common development objectives.

Although the general objectives and principles are established at the European level, the organization of policy implementation remains "strongly embedded" in existing national and regional administrative structures (Molle, 2015, p. 4). Member States enjoy a considerable degree of autonomy in shaping institutional arrangements and organizing implementation mechanisms.

Specialized literature highlights that there is no single institutional model for organizing regional governance (Sabel & Zeitlin, 2012, p. 169). The significant autonomy granted to states and regions in choosing instruments and implementation mechanisms allows interventions to be adapted to territorial specificities. General trends and mechanisms show that regional governance—understood as the ensemble of institutions, rules, and mechanisms through which regional actors coordinate collective action and manage common regional problems (Blažek & Hampl, 2009, p. 75; Nolte, 2011, p. 54)—is profoundly influenced by the existence of territorial communities and the collective identities associated with them. Therefore, the configuration of governance cannot be reduced to a mere administrative design issue; it must be understood as a complex process of balancing governance requirements with the aspirations of territorial communities.

The core objective of any institutional arrangement should be to ensure economic, social, and territorial cohesion by reducing development disparities between regions and increasing their convergence, thereby contributing to the consolidation of European integration and global competitiveness (Bachtler & McMaster, 2018, p. 420).

Empirical evidence shows that neither population size, territorial area, nor even the degree of decentralization explains differences in regional development as convincingly as the quality of regional governance (Charron et al., 2012, p. 15; Marin et al., 2023; Neamțu, 2021). Regions facing deficiencies in governance quality encounter difficulties in effectively using the resources made available through cohesion policy. Although they continue to benefit from European financial support, resource transfers alone are insufficient to generate durable structural change when governance mechanisms function poorly. One possible explanation is that regional disparities are influenced not only by the formal distribution of political competences but also by the concrete manner in which public policies are implemented.

The EQI 2024 (European Quality of Government Index) results reveal considerable variability in governance quality at the regional level. Even within the same country, some regions rank among the best evaluated in the entire European Union, while others fall among the lowest. For example, the region of Cantabria (ES13) is situated in the top third of the European ranking, obtaining an EQI score comparable to that of Alsace in France or Wallonia in Belgium. At the opposite end, Castile and León (ES41) received one of the lowest evaluations, placing it in the last decile of European regions in the most recent edition of the study. This region thus falls into the same category as Romania's West region or Italy's Puglia (Charron et al., 2025, p. 22).

Assessed through the PEESH Index (population, economy, education, social, and health), Romania's regional development (2000–2019) indicates persistent territorial disparities and a gradual reconfiguration of the hierarchy of counties in terms of development level. At the national level development dynamics are not uniform, with structural differences between more urbanized regions and peripheral or less economically integrated ones (Veres et al., 2022, p. 28; Marin et al., 2023). Although Romania shows signs of approaching the performance levels of countries such as Hungary, Croatia, and Greece (Charron et al., 2025), it continues to fall within the group of EU member states characterized by relatively low levels of governance quality.

This situation suggests the existence of a gap between the formal institutional architecture of regional development and the actual capacity of regional governance structures to generate balanced development and territorial convergence. Considering that Romania benefits from nearly €80 billion in allocations from the European Union (including €31 billion from Structural and Cohesion Funds and around €20 billion from the Common Agricultural Policy) for the 2021–2027 multiannual financial framework, while the absorption rate at the end of 2024 was only 2%, it becomes essential to analyze how the configuration and quality of regional governance influence regional development performance in Romania within the context of Cohesion Policy.

The ultimate objective of any institutional arrangement should be the achievement of economic, social, and territorial cohesion through the reduction of development disparities among regions and the enhancement of convergence, thereby contributing to European integration and global competitiveness (Bachtler & McMaster, 2018, p. 420).

The objective of this study is to examine the governance of regional development in Romania. It analyzes the evolution of Romania's institutional framework from the post-accession period to the present, with a focus on its capacity either to generate substantial regionalization or, conversely, to function primarily as an adaptive mechanism oriented toward compliance with the European Union's regulatory requirements. The analysis seeks to highlight the relationship between institutional design and the performance of regional development policies, with particular emphasis on identifying the structural barriers that limit the emergence of regions as autonomous actors in the development process. In this regard, the study evaluates aspects such as the fragmentation of competences, inter-institutional coordination, differentiated administrative capacity, and the degree of functional autonomy of regional structures.

1.2. Research Methodology

The research adopts a qualitative, exploratory-analytical methodological design aimed at understanding how regional development governance is configured and operationalized in Romania within the framework of the European Union's cohesion policy. The study is based on a three-dimensional analytical model that captures the complexity of regional governance from three complementary perspectives: (i) the formal-institutional dimension, focusing on organizational architecture, the regulatory framework, and administrative resources available at national and

regional levels; (ii) the cognitive-interpretative dimension, examining how institutional actors define, negotiate, and internalize territorial interests in the process of public policy formulation; (iii) the relational dimension, centered on the analysis of interactions, coordination mechanisms, and power relations among actors involved in the multilevel governance of regional development.

The unit of analysis is the governance architecture of regional development in Romania, understood as the set of institutions, rules, and practices through which interventions financed under cohesion policy are planned, coordinated, and implemented. The research relies on an extensive documentary analysis of the relevant national and European legislative framework, strategic programming documents (operational programs, regional development strategies, implementation reports), as well as specialized literature on governance and cohesion policy.

2. From Region to Governance: Conceptual Foundations and Dimensions of Analysis

Any region, regardless of how it is defined or understood, necessarily implies the existence of governance mechanisms. This necessity stems from the fact that regions are institutional, political, and socio-cultural constructs resulting from compromises among different interests and identities, or, in Keating's formulation, they are anything but natural entities (Keating, 1998).

In this sense, regions do not exist as "given" spaces but as "spaces of action" in which diverse actors, interests, and resources coexist. Governance provides the framework through which these interests are articulated and common objectives are translated into collective action. A region's achievements depend significantly on the activities and choices of local actors and institutions. The higher level of development observed in western Romanian regions is not merely circumstantial but reflects a stable spatial structure of administrative capacities, whereby western regions function more effectively as interfaces between the European level and local beneficiaries (Maier et al, pp. 19-20).

What differentiates regions is their ability to build institutions, generate cooperation, and create a collective vision of development (Ionescu et al., 2023, p. 1246; Şurubaru, 2017). According to Keating (2001), the construction of a development model is based on five essential factors: 1) Culture: norms, values, and social practices that facilitate cooperation and collective action; 2) Institutions: formal and informal

structures that coordinate actors and reduce uncertainty; 3) Leadership: the capacity of political and administrative elites to formulate and mobilize a development project; 4) Social composition: relations among social and economic groups participating in the development process; 5) External relations: the region's capacity to connect to national and international flows of resources, investment, and knowledge.

The diversity of theoretical approaches highlights the plural nature of governance, which is why it cannot be reduced to a single definition. From an institutional perspective, the regional governance emphasizes the way structures and power relations are organized (Brownill & Parker, 2010); participatory theories highlight the negotiation and conflict processes, while complexity and practice-based theories capture the dynamic, adaptive, and emergent nature of governance by directing attention toward concrete interactions among actors and the processes through which governance is produced in practice.

Such perspectives suggest that institutions and rules are not fixed structures but arrangements engaged in a continuous process of adaptation to economic, social, and political change. A general understanding of regional governance is that it constitutes a dynamic process of rule-making and institution-building required for coordinating collective action within a given geographical space (Nolte, 2011), in which improvisation, attentive listening, and contextual adaptation become central decision-making mechanisms (Forester, 2025, p. 115).

The literature on regional governance has been profoundly influenced by the contributions of Liesbet Hooghe and Gary Marks (2020), synthesized in the post-functionalist theory of governance. At the core of this theory lies what the authors call the "Who Question". The "Who Question" represents the fundamental inquiry of governance: "Who has the right to govern?"

Unlike functionalist explanations, which reduce governance to its instrumental effects, post-functionalist theory argues that governance simultaneously responds to: the need for efficient solutions to collective problems (the functional scale); the need for territorial communities to express identity, representation, and self-government.

Preferences for autonomy do not derive exclusively from the desire to obtain specific public policies. Territorial communities often seek control over the decision-making process itself because power and authority are fundamental political goods.

Thus, even when a central government provides services consistent with local preferences, demands for self-government may persist because they reflect the need for legitimate control over a community's own collective destiny (Hooghe & Marks, 2016; Hooghe & Marks, 2020; Eaton et al., 2019). From this perspective, regional governance results from a permanent balance between the logic of efficiency and the logic of community belonging, a balance that explains the diversity of regionalization and decentralization models observed internationally.

Empirically, regional governance is operationalized through the Regional Authority Index (RAI), which enables the systematic comparison of different forms of regional governance at the international level. The essential elements of the model are the degree of autonomy exercised by a region over its own affairs—self-rule—and shared rule, meaning the region's participation in decision-making concerning the state as a whole (Marks et al., 2008).

A multidimensional analytical framework for comparing forms of regional governance is developed by Willi, Pütz, and Müller. The authors define regional governance as "the vertical and horizontal coordination of regional transformation processes, beyond administrative boundaries, by state and non-state actors" (Willi et al., 2018, p. 775). The key elements of this definition include vertical coordination (between levels of government) and horizontal coordination (between actors operating at the same scale), transformation processes (not merely routine administration), the transcendence of formal administrative boundaries, and the involvement of both state and non-state actors. The authors argue that regional governance is a complex construct that can be assessed through five fundamental dimensions: Participation – who participates and how broad the circle of involved actors is; Bindingness – the extent to which decisions and agreements are "obligatory"; Formalization – the degree to which processes and structures are formalized (rules, procedures, organizations); Regional autonomy – the level of freedom regions or regional actors have vis-à-vis higher levels of government; Power relations – the distribution and balance of power among actors and levels.

Together, these dimensions enable comparative analysis of different governance arrangements and highlight that regional performance depends not only on available resources but also on institutional potential, meaning the ability of institutions to cooperate, learn, coordinate collective action, and exercise authority at the territorial level. One of the most important empirical findings is that uniform governance has become the exception rather than the rule. Increasingly, states grant special status to certain regions, create asymmetric forms of autonomy, and adapt

institutions to the particularities of territorial communities (Hooghe & Marks, 2016, p. 152). Moreover, what matters is not the number of institutions, but whether they form a coherent system of regional governance. The mere existence of institutions within a fragmented structure limits the capacity for coordination and territorial development (Keating, 2001, p. 371).

Within cohesion policy, governance is based on a multi-level architecture. For effective regional governance, the European Union does not prescribe a specific model to be followed, but rather general principles and criteria that allow institutional arrangements to be adapted to the territorial, administrative, and socio-economic particularities of each Member State, while respecting the objectives of efficiency, coordination, participation, and public accountability. The partnership principle and two criteria are essential: governance structures must be designed to respond to regional needs and must be compatible with the structural framework of EU assistance. This latter condition is necessary in order to benefit from support provided through the Structural Funds and the Cohesion Fund. Justifications such as "the European Union requires us" to create certain structures are often overstated. In reality, the emphasis is placed on the existence of adequate institutional capacities capable of ensuring the effective coordination, implementation, and monitoring of policies, regardless of the administrative configuration adopted.

From the perspective of research on regional governance (Metcalfe, Peters, Rodríguez, Cotella & Rivolin, 2025; OECD, 2022), an institutional framework is considered "complete" when it includes structures and mechanisms of vertical and horizontal coordination that ensure the fulfilment of four fundamental functions: 1) the strategic function (setting priorities); 2) the coordination function (harmonizing actors and policies); 3) the operational function (implementing programs and projects); 4) the analytical and evaluation function (monitoring results and institutional learning). The absence of any of these functions leads either to administrative fragmentation or excessive centralization, both of which are incompatible with high-performing regional governance. From a formal-institutional perspective, the existence of these components indicates alignment with the architecture required by EU regulations governing cohesion policy.

Given that regional development is strongly influenced by cohesion policy as a whole, Member States must have a multi-level institutional system capable of ensuring both vertical coordination (EU–national–regional–local) and horizontal coordination (across sectors and organizations). The system for implementing regional operational programs is built on a stratified institutional hierarchy in which

functions are distributed across several administrative levels: European, national, regional, and local. This structure includes five main categories of actors: 1) the Managing Authority (MA); 2) Intermediate Bodies (IBs); 3) Project beneficiaries; 4) the Audit Authority; 5) the European Commission, as the supranational oversight actor. This institutional framework is complemented by auxiliary structures such as certification bodies, external consultants, and national institutions responsible for public procurement. The European Commission verifies whether Member States have a well-defined management and control system, with clear procedures and regulations; separation of functions so that selection, contracting, verification, and payment are not carried out by the same individuals or structures; and qualified staff with clearly assigned responsibilities, capable of administering projects in accordance with EU rules.

3. Evolution of the Institutional Framework of Regional Governance in Romania

The preparation of the fundamental principles underlying regional development policy in Romania began in 1996. The Department for Local Public Administration, subordinated to the Romanian Government and assisted by a team of local and international experts, coordinated and implemented a program for regional development policy. Financed through the PHARE Programme, the initiative aimed to transfer European expertise in regional development and to establish the institutions necessary for implementing a regional policy in Romania. The coordinator of the international PHARE team that assisted Romania in designing the institutional framework of regional policy and in transferring European models of regional governance was Torben Nørkær Hansen, a Danish expert in regional development and cohesion policy. The group also included: Ioan Ianoș – geographer specializing in territorial organization, regional development, and urban systems; Gabriel Pascariu – architect and urban planner, university professor with expertise in spatial planning, regional policies, and European integration; Victor Platon – economist specializing in economic policies and regional development; Dumitru Sandu – sociologist known for research on community development, migration, and social capital (Green Charter, 1997). The studies and analyses conducted within the program were consolidated in the report entitled "Green Charter: Regional Development Policy in Romania", formally endorsed by the Romanian Government in 1997 (Ianoș & Pascariu, 2012, p. 76).

Chapter 4 of the Green Paper proposed that the main elements of the future system of regional governance should be organized on two levels – a national level and a regional level. At the national level, the document recommended the establishment of the National Council for Regional Development (NCRD), conceived as the main body responsible for coordinating regional policy. Its membership was to include representatives of the central administration, the business sector, social partners, and the main sectors relevant to development, but under the chairmanship of a highly experienced businessperson or an academic expert of high standing, appointed by the Prime Minister (Hansen et al., 1997, p. ii).

The main responsibilities of the NCRD included drafting the National Programme for Regional Development, formulating legislative proposals in the field, managing the National Fund for Regional Development, and setting priorities for allocating financial resources to regional programmes. The Council also had the role of promoting cooperation between regions, counties, and local authorities, monitoring the implementation of regional programmes, and facilitating the relationship between regional structures and national or European institutions.

To support these functions, the NCRD was to be assisted by an Executive Secretariat and several specialized operational groups dealing with regional policy design, European cohesion, regional development assistance, professional training, research and evaluation, as well as financial and budgetary management. The Green Charter envisioned the NCRD as a genuine interface between the Government, development regions, and European Union institutions, ensuring the coherence of regional policy and the application of principles such as subsidiarity, partnership, programming, resource concentration, and co-financing.

As one of the NCRD's essential tasks was to establish funding priorities for regional development programs, the Charter recommended the creation of eight development regions, without legal personality, functioning as institutionalized forms of inter-county cooperation. Each region was to have a Regional Development Agency (RDA) responsible for coordinating and implementing regional development policies. These agencies would include representatives of local and county authorities, the business community, trade unions, academia, and other relevant stakeholders. Their main responsibilities included preparing regional development programs, identifying investment priorities, negotiating financing with the national level, and managing the implementation of regional projects.

To financially support regional policy, two instruments were proposed: The National Regional Development Fund, managed centrally to finance regional

programs; The Regional Development Funds, managed by the RDAs for implementing interventions within each region.

Overall, the model proposed by the Green Charter outlined a multilevel governance system based on partnership, decentralization, and cooperation between central and regional levels.

Completed and adopted in 1997, the Green Charter constituted the conceptual foundation for subsequent institutional reforms. In the context of preparing for accession to the European Union, the year 1998 marks the transition from the design stage to that of institutionalization. By signing the position papers related to Chapter 21 – Regional Policy and Coordination of Structural Instruments – Romania committed itself to building a regional development system compatible with European requirements. In the same year, Law no. 151/1998 on regional development in Romania was adopted, the first normative act that defined the objectives, instruments, and institutional structures of regional policy. The law established the principle of voluntary cooperation between counties and created the necessary framework for the establishment of development regions as units for programming and implementing regional policies.

To coordinate the process, the National Agency for Regional Development was established, and in 1999 the Regional Development Agencies (RDAs) and the Regional Development Councils (RDCs) were created. These structures represented the core of Romania's regional governance. The Regional Development Councils were conceived as deliberative bodies, bringing together representatives of county and local administrations within each region, while the Regional Development Agencies were organized as executive structures responsible for drafting regional strategies, managing development programmes, and coordinating projects financed from national and European sources.

A new stage began in 2001, with the opening of negotiations on Chapter 21 of Romania's accession to the European Union. The Ministry of Development and Forecasting was created, establishing separate structures for programming and management on the one hand, and structures for payments on the other. The newly formed ministry took over the responsibilities of the NCRD, as well as the duties and responsibilities of the NARD, becoming responsible for the financial and technical management of the National Fund for Regional Development and for the structural-type funds allocated by the EU for social and economic cohesion. The Ministry of European Integration received responsibility for coordinating the

Community Support Framework and for implementing European assistance (IER, p. 39).

Institutional consolidation continued after Romania joined the European Union. A significant milestone was the adoption of Law No. 315/2004 on Regional Development, which replaced the previous legislation and redefined regional policy objectives, regional structures, and financing mechanisms. During this period, the Ministry of Public Finance became the managing authority for the Community Support Framework, while the Ministry of Development, Public Works and Housing was designated as the Managing Authority for the Regional Operational Programme 2007-2013. RDAs acquired the status of Intermediate Bodies, assuming important responsibilities for project evaluation and monitoring financed from European funds.

During the 2014-2020 programming period, the institutional model remained largely unchanged, with RDAs continuing to serve as Intermediate Bodies under the Regional Operational Programme. However, the experience accumulated in managing European programs created the conditions for greater decentralization of decision-making processes.

A major institutional reform occurred in 2020, when the Romanian Government adopted Emergency Ordinance No. 122/2020, granting RDAs the role of Managing Authorities for the Regional Programmes of the 2021-2027 programming period. This reform transferred significant responsibilities for managing European funds from the central government to the regional level and represented the most important step toward strengthening the functional autonomy of development regions.

The reform was further consolidated through Law No. 277/2021 and Emergency Ordinance No. 88/2022, which amended and supplemented Law No. 315/2004. These legal changes explicitly recognized the RDAs as bodies exercising public authority in the management of regional programs. Consequently, the docuements issued by RDAs acquired the legal status of administrative acts, strengthening their institutional position within the architecture of regional governance in Romania.

4. Functionality and Limitations of the Institutional Framework for Regional Development

The prospect of European Union accession prompted Romania to implement decentralization and regionalization reforms through the creation of regional

governance structures capable of managing both regional development and European funds. The General Decentralization Strategy 2015-2016 envisaged the transfer of additional responsibilities and assets to subnational authorities and the establishment of autonomous regions. However, the initiative was declared unconstitutional, leading to the preparation of a new decentralization and regionalization project based on a revised General Decentralization Strategy (OECD, 2022, p. 31). Nevertheless, political or fiscal decentralization alone does not guarantee better absorption of European funds. In the absence of strong institutions and adequate administrative capacity, increased autonomy may even be associated with weaker cohesion policy performance (Aivazidou et al., 2020; Lupăncescu et. al., 2020).

According to the OECD typology of regional governance, Romania can be classified as a functionally centralized model with incomplete administrative regionalization. It represents an intermediate and asymmetric model characterized by the absence of a fully autonomous regional administrative level and the existence of functional coordination and development structures.

The eight development regions corresponding to the NUTS II level are not administrative-territorial units and do not possess public legal personality. They primarily function as planning and programming regions, responsible for coordinating regional development policies, preparing regional strategies, and managing European funds. In the absence of elected regional governments, development functions are performed by the Regional Development Agencies (RDAs), acting as coordination and implementation structures, and by county councils, which are democratically elected authorities responsible for investments and development at the subregional level. This institutional architecture reflects a predominantly functional governance model characterized by fragmented responsibilities among central, regional, and county levels.

An analysis of the administrative capacity of the RDAs reveals significant differences among regions. The North-East RDA possesses the largest administrative apparatus, with approximately 376 employees, followed by the South-East RDA (346 employees), the West RDA (318 employees), and the North-West RDA (238 employees). Organizational size reflects, at least partially, the complexity of the managed project portfolio and the volume of administered funds, but it does not automatically translate into superior regional development outcomes.

Socio-economic data indicate that the North-East region, despite having the strongest administrative capacity among the RDAs, remains the least developed

region in Romania, with GDP per capita accounting for only 46% of the European Union average in 2022. In contrast, the West Region, operating with a smaller administrative structure, ranks second nationally after Bucharest-Ilfov, reaching 78% of the EU average GDP per capita (EUROSTAT, 2026).

The development of partnership structures was at different stages among the managing authorities. In most cases, partners are selected from organizations and institutions that are representative for the intervention areas of the programmes, thus strengthening the participatory nature of the programming and implementation process (Oprescu et al., p. 66).

This situation suggests that the relationship between administrative capacity and regional development is more complex than the mere size of institutional resources would imply. While the number of employees constitutes an indicator of organizational capacity, regional performance is also influenced by structural factors such as: Initial economic development levels; Investment attractiveness; Infrastructure connectivity; Economic sector composition; Urban density; Overall quality of governance.

Thus, a larger regional administration may facilitate the management of development programs but cannot fully compensate for historically accumulated structural disadvantages.

Regional GDP trends confirm this interpretation. Between 2015 and 2022, GDP per capita in the North-East Region increased by approximately 11 percentage points relative to the EU average, whereas Bucharest-Ilfov recorded an increase of 42 percentage points and the Centre Region 28 percentage points. These differences indicate that cohesion policy and strengthened administrative capacity contributed to economic growth, but were insufficient to reverse territorial polarization trends or accelerate convergence in less-developed regions.

From a regional governance perspective, these findings support the existence of a possible"administrative capacity paradox." Less-developed regions require larger administrative structures to manage both development needs and substantial volumes of European financing; however, the effectiveness of these structures is constrained by the economic and institutional limitations of the territories in which they operate. Consequently, strengthening administrative capacity must be accompanied by measures that promote regional competitiveness, productive investment, and functional territorial integration if development disparities are to be reduced.

A distinctive feature of the Romanian model is that development regions lack their own political authority, while regional functions are exercised by institutions with different legal status and sources of legitimacy. County councils possess decision-making powers and investment resources, whereas RDAs coordinate programming and implementation of cohesion policy at the regional level. This distribution of responsibilities creates a structural institutional asymmetry because planning and investment processes are dispersed between county and regional levels without a clearly defined hierarchical integration. As a result, functional overlaps, coordination difficulties, and perceptions of institutional redundancy may arise, particularly in territorial development and European fund management.

Romania's regional governance system is characterized by a high institutional density; however, the dominant effect is not the multiplication of actors, but rather the overlapping of functions and the fragmentation of the public policy cycle.

Table 1. Structures and functions in regional governance

Structure	Strategic function	Operational function	Coordination function	Control function	Participatory function
Managing Authority	●●●	●●●	●●●	●●●	●
Intermediate Body	●	●●●	●	●●	●
Accounting Body	–	●	–	●●●	–
Audit Authority	–	–	–	●●●	–
Monitoring Committee	●●	–	●	●	●●●
Coordinating Body	●●●	●	●●●	●	–
Beneficiary	–	●●●	–	●	–

Legend: ●●● = high involvement; ●● = average involvement; ● = low involvement; – = no assignments in that function.

Source: Own presentation, with the date colected from European Commission (2021), Regulation (EU) 2021/1060; Hooghe & Marks (2001), Multi-Level Governance and European Integration

The analysis of the distribution of functions shown in the table confirms that the institutional fragmentation of regional governance in Romania does not stem from the number of actors involved, but rather from the dispersion of competences across organizations with different levels of authority and legitimacy. Strategic, coordination, implementation, and monitoring functions are allocated to separate institutions, and no single regional authority exists to integrate the entire public policy cycle. As a result, regional development relies heavily on inter-institutional

cooperation mechanisms and on the ability of actors to build consensus, rather than on formal hierarchical relationships.

The table also highlights areas of functional overlap between regional and county-level actors, especially in development planning, investment prioritization, and the implementation of EU-funded projects. Although these overlaps can facilitate coordination and strengthen territorial representation, they may also generate additional coordination costs, decision-making delays, or ambiguities regarding responsibility for outcomes. Thus, the efficiency of the system depends significantly on the quality of governance mechanisms and the institutional capacity of the actors involved.

From this perspective, Romania illustrates the characteristics of a functional regional governance model, in which coordination capacity substitutes for regional political authority. The principal challenge of the Romanian model does not appear to be a lack of institutions, but rather the difficulty of ensuring coherent public action within a framework characterized by distributed competences and shared responsibilities.

A working document produced by a regional development agency in 2005 noted that "the lack of clearly defined and strong regional structures made it impossible to negotiate significant EU funding capable of supporting locally generated and sustained projects" (Ianoş & Pascariu, 2012, p. 79). The National Council for Regional Development occupies an intermediate position between strategy and implementation but functions not as an autonomous authority, but as an interministerial body. This reflects a model of centralized coordination of regional decisions rather than a decentralized regional governance system. Even from its first meetings in 1999, the Council played a largely passive rather than proactive role and rarely debated major strategic issues. Its importance further diminished when the Prime Minister was replaced as its chair by the Minister of Development and Forecasting.

The transformation of regional policy into a simple competition for projects, in which planning, dialogue, and partnership often became largely formal or declarative, may have contributed to relatively satisfactory absorption of European funds. However, it represented a failure in terms of preventing and reducing both interregional and intraregional disparities (Ianoş & Pascariu, 2012, p. 78; Cohal et al, 2023). Comparative analysis also highlights an asymmetric distribution of administrative capacity among Romania's eight RDAs. This asymmetry reflects not only organizational differences but also structural factors such as population size, regional development levels, and project portfolio complexity.

In general, the RDAs in the West and North-West regions display higher levels of institutional efficiency, whereas the North-East and South-Muntenia regions manage large financial volumes under greater administrative pressure.

5. Conclusions

Since the late 1990s, Romania has gradually built an institutional framework dedicated to regional development, strongly influenced by the requirements of the European Union's cohesion policy and the need to establish structures capable of managing European funds.

The data indicate a gradual evolution toward institutional consolidation. Romania has moved from a model in which programmes were managed almost exclusively by ministries (2014–2020) to one in which 80% of Managing Authorities (8 out of 10) are regional institutions, representing one of the most significant decentralisation reforms in regional policy since EU accession. However, the strengthening of the institutional framework has not been accompanied by the creation of a regional tier of government with its own political-administrative legitimacy. The development regions remain a pragmatic—or even artificial—response to EU regulatory requirements. This has led to the emergence of institutions that function primarily as administrative extensions of the central state, dedicated mainly to fund absorption rather than exercising genuine political autonomy. They continue to operate as programming and implementation units, without administrative status and without direct decision-making authority over key territorial policies.

The main vulnerability of the system does not lie in the absence of institutions, but in the fragmentation of functions and the distribution of competences among actors with different legal status, resources, and legitimacy. The coexistence of Regional Development Agencies, county councils, central coordination structures, and numerous bodies involved in cohesion policy implementation generates a governance model characterised by shared responsibilities and complex coordination mechanisms. In this context, regional development performance depends more on the quality of inter-institutional cooperation than on clearly defined hierarchical relationships.

From the perspective of contemporary theories of regional governance, the Romanian case illustrates the limits of a model based predominantly on administrative coordination and institutional compliance with EU requirements. Although recent reforms have strengthened the role of regions in managing

cohesion policy, they have not yet led to the emergence of regions as autonomous actors of development. Consequently, the major challenge for the coming period is not necessarily the creation of new institutions, but the enhancement of coordination capacity, the clarification of responsibilities, and the increase of functional and strategic autonomy of regional structures.

Overall, the study suggests that the future success of regional development in Romania will depend less on expanding the existing institutional framework and more on its ability to function as an integrated multi-level governance system, capable of transforming available resources into balanced and sustainable territorial development.

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