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Local political leadership and administrative capacity for EU Structural Funds: the case of Cohesion policy in urban Romania

By
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This thesis is the result of the author's original research. It has been composed by the author and has not been previously submitted for examination, which has led to the award of a degree.

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Signed:

A handwritten signature in black ink, appearing to read "A. Dray".

Date: 11.11.2022

Abstract

The EU Structural Funds are instruments to support less developed regions, aiming to close the gap between Europe's least and most developed regions. Their implementation is essential for the EU's regional policy to achieve economic development. Empirical evidence indicates that the implementation rate of Structural Funds in Romania has been consistently low. However, at regional and local levels, a different pattern emerges. This thesis emphasises the critical roles of local political leadership and administrative capacity to explain the success of local authorities in securing EU resources in a context unfavourable to such an outcome. Through an empirical analysis of thirteen municipalities during the 2014-2020 programming cycle, this study assesses the ability of local elected leaders to leverage EU funds to address local needs and evaluates the administrative capacity in each municipality. It finds that political leaders affect implementation through the strategic decisions and actions they take in the early stages of the process (formulation), through the measures they undertake to mobilize resources and enable the public administrations to attract funds (mobilization) and the assistance offered during implementation. While administrative capacity is an essential and necessary condition for attracting resources, it remains insufficient without political drive. The findings confirm the intertwined nature of politics and administration in the implementation of EU Structural Funds, highlighting the significant role political leaders play alongside administrative capacity.

Keywords: local political leadership, administrative capacity, municipalities, implementation, Cohesion policy, EU, Romania.

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¹ It includes: Cohesion Fund (CF), European Regional Development Fund (ERDF).

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List of acronyms

AC – Administrative capacity

CAP - Common agricultural policy

CEEC – Countries of Central and Eastern Europe

CF - Cohesion Fund

CP - Cohesion policy

CR – Critical Realism

EAFRD - European agricultural fund for rural development

EC – European Commission

EMFF - European maritime and fisheries fund

EP – European Parliament

ERDF - European Regional Development Fund

ESF - European Social Fund

ESIF – the European Structural and Investment Funds

EU – European Union

IB – Intermediate Body

INS – Institutul National de Statistica

LA – Local authority

MA – Managing Authority

MC - Monitoring Committee

MDRAP – Ministerul Dezvoltării Regionale și Administrației Publice

MDRAPFE - Ministerul Dezvoltării Regionale, Administrației Publice și Fondurilor Europene

MLG – Multi-level governance

NIS - National Institute of Statistics

NW – North–West region

OP – Operational Programme

PA – public administration

PI – Priority Axis

PNDL – Programul Național de Dezvoltare Locală

PNL – Partidul Național Liberal

PSD – Partidul Social Democrat

RDA – Regional Development Agency

ROP – Regional Operational Programme

RO – Romania

SF – Structural FundsStructural Funds

TO – Thematic objectives

UDMR – Uniunea Democrată Maghiara din România

UN – United Nations

UNDP - United Nations Development Programme

W – West region

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Chapter 1. Introduction

1.1 Introduction

The European Union (EU) mobilizes substantial financial resources, the Structural Funds, to support its Members States' most impoverished regions for economic, social and territorial cohesion (Rodríguez-Pose & Fratesi, 2004; Beugelsdijk & Eijffinger, 2005; Ederveen, de Groot & Nahuis 2006; Sandu, 2022). Empirical evidence indicates that EU uses these resources differently (Mohl & Hagen, 2010; Crescenzi & Giua, 2020; Bachtrögler, Fratesi & Perucca, 2020). Romania, for instance, is home to the least developed regions in Europe (Berica, 2010; Benedek & Kurkó, 2012; Healy, 2016; Bran, Alpopi & Burlacu, 2018; Nagy & Benedek, 2021). Its entire² territory enters the category of less developed regions in the EU³ (EC, 2016a). The EU allocates substantial funds through its Cohesion policy to support its development. However, despite its evident need for these resources, at the end of its first experience with receiving these funds (2007-2013), Romania registered the lowest spending levels in Europe and a slow spending pace (Zaman & Cristea 2009, 2011; Zaman & Georgescu, 2014; Surubaru, 2017a; Schoenberg, 2018; Moreno, 2020). What explains this slow and low EU funds spending in Romania? Previous research identified a series of factors unfavourable to attracting EU funds. Administrative capacity was the most common factor identified (Georgescu, 2008; Marinas & Prioteasa, 2016; Surubaru, 2017a; Tiganasu, Incaltara & Pascariu, 2018; Incaltara, Pascariu & Surubaru, 2020). Moreover, political factors such as political stability (Surubaru, 2017a, 2017b) and corrupt practices were also identified as affecting implementation (Badea, 2012; Dimulescu, Pop & Doroftei, 2013; Doroftei &

² In the eighth Cohesion Policy report (EC, 2022), Bucharest is a more developed region.

³ The term "less developed regions" refers to EU territories having a GDP per capita lower than 75% of the average EU GDP.

Dimulescu, 2015a, 2015b; Hunya, 2017; Batory, 2021), but also the fiscal capacity of beneficiaries (Georgescu, 2008; Toth, Dărăsteanu, Tarnovschi 2010: 57; Marin, 2014).

Against this background, some regions are prosperous and attract EU funds faster and at higher levels than others. The statistical regions (NUTS II)⁴, used by the EU for determining the allocation of funds, show notable variations (Benedek & Török, 2014; Benedek, 2015; Eurostat, 2017; European Commission, 2019). Similarly, some cities showed remarkable transformations in recent years due to Cohesion policy funded investments (Nagy & Benedek, 2021), such as Alba Iulia (Neagu, 2018; Lazaroi, 2020), Cluj-Napoca (Banila, 2018; Nagy & Benedek, 2021; Popa, 2021), Oradea (Simic, 2018), or Resita (UrbanizeHub, 2021). Some cities achieved unexpected results within a centralised and unitary system, affected by the same (unfavourable) national conditions. What made this possible?

The academic and policy research identified local authorities as critical actors in implementing the Cohesion policy (McAleavey & De Rynck, 1997; Caldas, Dollery, & Marques, 2018; Angelova, 2020). In the Romanian case, regions have only statistical and no political functions (Hansen, Ianoş, Pascariu, & Sandu, 1996; Apostolache, 2014). Local authorities (counties, municipalities⁵) are the primary beneficiaries and actual users of the EU resources. Their involvement in accessing these funds is a precondition for Cohesion policy to impact economic, social and territorial cohesion. Analysing local rather than regional implementation is relevant in the Romanian context.

This study aims to investigate local implementation in a national context unfavourable to using EU-allocated resources by proposing a conceptual framework to explain the rather

⁴ The NUTS abbreviation refers to the European System of Nomenclature of Territorial Units for Statistics from the French *Nomenclature des Unités territoriales statistiques*.

⁵ In this thesis, a municipality is a generic word denoting urban areas/ localities represented by local governments, excluding local rural localities/ authorities.

surprising local implementation. The study proposes a two-step analysis to identify what affects local access to EU resources. Firstly, it conducts a multi-level analysis of local implementation to identify the multiple factors situated at different governmental levels and affecting cities in accessing EU funds (Chapter 5). Secondly, to explain local implementation differences, a theoretical framework built on the concepts of local political leadership and administrative capacity is proposed (Chapter 2), along with an operationalization and measure (Chapter 3) to empirically analyse the experience of cities in accessing EU funds (Chapters 6 to 8). The following sections develop the logic presented above, introducing the research problem, the rationale, the research questions and objectives, and the theoretical assumptions underpinning the study. It closes with a summary of the thesis chapters.

1.2 Research problem

The EU allocates around 75% of its budget to the common agricultural policy (CAP) and Cohesion policy (CP) (McCann, 2015; Becker, Egger & Von Ehrlich, 2018; Bostan, Moroşan, Hapenciuc, Stanciu & Condratov, 2022). Since the 1988 reform, the Cohesion policy has received substantial allocations from the EU budget to achieve economic, social and territorial cohesion (Sutcliffe, 2000; Bailey & De Propris, 2002a). The Treaty on the Functioning of the EU provides the legal basis for EU cohesion policy through Articles 174-178⁶. The objective is to close the gap between Europe's least and more prosperous regions and balance its territorial development (Molle, 2007). The EU's Structural Funds⁷ comprising the European Regional Development Fund (ERDF) and the European Social Fund (ESF)⁸, are the main Cohesion policy financial instruments dedicated to this objective (Michie &

⁶ European Union, *Consolidated version of the Treaty on the Functioning of the European Union*, 26 October 2012, OJ L 326/47-326/390; 26.10.2012, available at: <https://www.refworld.org/docid/52303e8d4.html> [accessed 25 April 2023]

⁷ To achieve its objectives for 2014-2020, the EU used 5 European structural and investment funds (ESIF): the European Social Fund, the European Regional Development Fund, and the Cohesion Fund, European agricultural fund for rural development (EAFRD), and European maritime and fisheries fund (EMFF).

⁸ From 2021 the European Social Fund is named European Social Funds Plus (EFS+).

Fitzgerald, 1997; Bachtler & Mendez, 2020). The most significant Structural Funds are allocated for public investments in less developed regions⁹. For instance, in the 2014-2020 financial cycle, the Cohesion policy received around a third of the EU budget (351.8 billion euros¹⁰), channelled through three funds, ERDF, ESF (Structural Funds), and Cohesion Fund (CF). The Structural Funds allocated to less developed regions totalled 163 billion euros, covering around 50% of the 2014-2020 CP budget. Historically, Member States and regions across and within states registered spending variations, an issue that caught the interest of EU scholars and policymakers (Rodríguez-Pose & Fratesi, 2004; Tosun, 2014; Kersan-Skavic & Tijanic, 2017).

1.2.1 Subnational and urban focus of Cohesion policy

The 1988 EU reform gave subnational actors formal decision-making positions in the EU's Cohesion policy (Hooghe, 1996; Sutcliffe, 2000; Bailey & Propris, 2002). To capture the new "dynamics of EU Cohesion policy", the concept of multi-level governance (MLG) was proposed (Marks, 1993; Bache, 2004; Piattoni, 2009), which is now used in other international political and policy contexts (Bache, Bartle, & Flinders, 2022: 528, 536). MLG scholars posited that the central states lost some competencies favouring supranational and subnational levels (Marks, Nielsen, Ray & Salk, 1998: 42; Börzel, 2002). However, the evidence produced mixed results. Some supported the claim that national governments remained "gatekeepers" in control of subnational actors (Bache, 1999; Benz & Eberlein, 1999; Bailey & De Propris, 2002b; Bache & Bristow, 2003), while others questioned the role of national governments in critical implementation decisions (Bachtler & Mendez, 2007: 556). It was also suggested that the Commission and national governments retained their

⁹ The term "less developed regions" replaces the term "convergence", or "Objective 1", all three terms denoting regions with a GDP per capita below 75% of the EU average.

¹⁰ Source European Commission. Accessed at https://ec.europa.eu/regional_policy/en/policy/what/glossary/c/cohesion-policy retrieved on 01.03.2022.

central position in policy-making and subnational actors at an operational level to prepare and implement investment projects (Hooghe, 1996; Sutcliffe, 2000: 306).

Over the last 20 years, European cities as local subnational actors have benefited from significant Cohesion policy allocations (Atkinson, 2015; Atkinson & Zimmermann, 2016; Cotella, 2019). While there is no explicit "EU urban policy", the EU actions in urban matters have been growing gradually and consistently, taking different forms (Atkinson & Zimmermann, 2016; Cotella, 2019). For instance, the initiatives like URBAN I, URBAN II, or URBACT I, URBACT II (Atkinson & Zimmermann, 2016; Cotella, 2019) or the urban development initiatives such as JASPERS, JEREMIE, JASMINE and JESSICA (see EC, 2009: 36-37). Additionally, since 2007-2013, urban development issues have become part of Cohesion policy programmes (EC, 2009; Dijkstra, Garcilazo & McCann, 2013). The "urban turn" of the Cohesion policy (Nagy & Benedek, 2021: 142) continued in the 2014-2020 period, with an even stronger emphasis on its urban dimension (Hamza, Frangenheim, Charles & Miller, 2014; Cotella, 2019).

The EU Structural Funds 2014-2020 regulation highlighted the concept of sustainable urban development¹¹ (Bachtler, Berkowitz, Hardy & Muravska, 2016), requiring that at least 5% of the ERDF for a country be allocated to this initiative (Article 7, Regulation (EU) 1301/2013). In addition, it delegated responsibilities to urban authorities by demanding that "[...] cities, sub-regional or local bodies responsible for implementing sustainable urban strategies ("urban authorities") shall be responsible for tasks relating, at least, to the selection of operations" (Regulation (EU) 1301/2013). These provisions not only created new financial opportunities for urban development but also extended the responsibilities of local authorities beyond policy execution, allowing them to play more active roles in decisions

¹¹ Article 7 of Regulation (EU) 1301/2013.

regarding the allocation of funds. Urban authorities are now expected to provide a strategic direction of development and have new decision-making and accountability roles that might potentially tweak central-local relationships (Atkinson & Zimmermann, 2016). Are local authorities' active partners in European governance grasping these opportunities?

1.2.2 Romania's EU funds implementation track record

The 2004-2007 EU enlargement to Central and Eastern Europe (CEE) changed the policy focus of Cohesion policy, as the level of development of the twelve new Member States was lower than that of the EU average (Leonardi, 2005; Mrak, Richter & Szemlér, 2015; Brunazzo, 2016). This event exacerbated the existing EU territorial imbalances and widened the gap between the EU's more and less-developed territories (Vachudova, 2005). In consequence, the CEE countries have become the primary recipients of structural funding, ERDF and ESF (Popa, 2012; Dabrowski, 2014a, 2014b), a position previously occupied by the "old" Cohesion policy beneficiaries, namely Greece, Ireland, Portugal, and Spain (Hooghe, 1996; Popa, 2012; Brunazzo, 2016; Hagemann, 2019b). The 2007 EU's enlargement to Romania and Bulgaria further increased the income disparities within Europe (Schoenberg, 2018). Particularly pertinent for Cohesion policy is the case of Romania, which has a concentration of the least developed regions in Europe (Healy, 2016; Schoenberg, 2018). Romania's entire territory falls under the "less developed regions" category, except for the capital city (Bucharest). Given this, Romania had become a significant recipient of Structural Funds.

Romania has eight development regions playing a statistical role, corresponding to the NUTS 2 level¹². The development regions have no political status, emerging during the accession process through the voluntary association of neighbouring groups of counties, as shown in

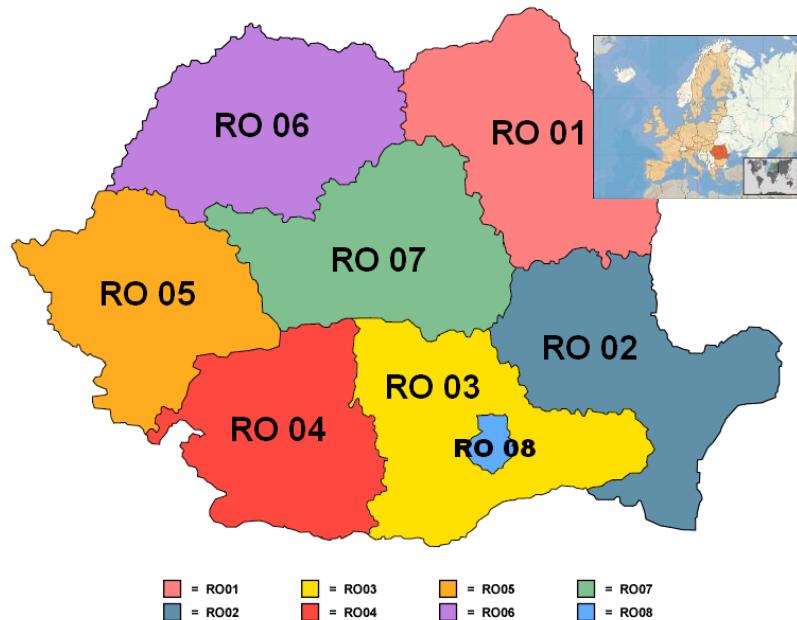
¹² The NUTS 2 regions are territories that have between 800 thousand and 3 million inhabitants.

Table 1.1 (Apostolache, 2014). The EU integration and the large gap between Romania's level of development and that of the EU's regions and states made territorial convergence a priority for Romania (Mitrică, Grigorescu, Săgeată, Mocanu & Dumitrașcu, 2020).

Table 1.1. Development regions in Romania

ID code	RO ID	NUTS 2 region	NUTS 3 regions (counties)
RO21	RO01	North-Est	Bacău, Botoșani, Iași, Neamț, Suceava, Vaslui
RO22	RO02	South-Est	Brăila, Buzău, Constanța, Galați, Tulcea, Vrancea
RO31	RO03	South Muntenia	Argeș, Călărași, Dâmbovița, Giurgiu, Ilalomița, Prahova, Teleorman
RO41	RO04	South-West	Dolj, Gorj, Mehedinți, Olt, Vâlcea
RO42	RO05	West	Arad, Caraș-Severin, Hunedoara, Timiș
RO11	RO06	North West	Bihor, Bistrița-Năsăud, Cluj, Maramureș, Sălaj, Satu-Mare
RO12	RO07	Centre	Alba, Sibiu, Brașov, Covasna, Harghita, Mureș
RO32	RO08	Bucharest-Ilfov	Bucharest municipality, Ilfov county

Figure 1.1. Map of development regions in Romania



Source: David Liuzzo¹³, CC BY-SA 4.0 <https://creativecommons.org/licenses/by-sa/4.0>, via Wikimedia Commons: https://commons.wikimedia.org/wiki/File:EU_location_ROM.png; Mihai Stan, Public Domain, via Wikimedia Commons: https://commons.wikimedia.org/wiki/File:Romania_EuroRegions.png#globalusage.

¹³ The image size adapted to match the needs of the paper.

Since its accession, Romania has had two implementing experiences related to CP funding, the 2007-2013 and 2014-2020. In the first cycle, Romania channelled its 20 billion Euros allocation (ERDF, ESF and CF) through seven operational programmes. The Structural Funds (ERDF and ESF) represented 15.4 billion euros (EC, 2016a). The European Commission's evaluation report for the 2007-2013 Structural Funds states that by the end of 2013, Romania only spent 37% of the funds, the lowest level in Europe (EC 2016b). By the end of March 2016, when the 2007-2013 cycle closed, spending was below 80% of the allocated funding (EC 2016a). The situation did not improve at the end of December 2016 (Table 1.2).

Table 1.2. Structural Funds spending (%) in 2007-2013¹⁴ in December 2016

2007-2013 period			
Member state	Spending (%)*	Member state	Spending (%)
Greece	100	Finland	95
Portugal	95.01	Lithuania	94.93
Denmark	95	Belgium	94.67
Poland	95	Slovakia	93.99
Ireland	95	Germany	93.85
Bulgaria	95	Czech Republic	93.23
Cyprus	95	Hungary	92.68
France	95	Spain	91.22
Sweden	95	Austria	90.9
Estonia	95	Italy	90.41
Luxembourg	95	Netherlands	89.92
Latvia	95	Malta	88.99
United Kingdom	95	Romania	88.65
Slovenia	95	Croatia	80.68
EU28	93.66		

Source: European Commission

In the 2014-2020 period, Romania received 30. 84 billion euros from the European Structural and Investment Funds (ESIF)¹⁵. Romania received a total of 22.43 billion euros¹⁶ (ERDF, ESF, CF), representing 73% of all the 2014-2020 ESI funds. In turn, the Structural Funds (ERDF and

¹⁴ Source: European Commission, accessible at [SF 2007-2013 Funds Absorption Rate | Data | European Structural and Investment Funds \(europa.eu\)](https://ec.europa.eu/eurostat/web/eurostat-news/-/sf-2007-2013-funds-absorption-rate-data-european-structural-and-investment-funds_en), retrieved at 08.03.2022.

¹⁵ The European Structural and Investment Funds (ESIF) are composed of five EU funds, namely the European regional development fund (ERDF), European social fund (ESF), Cohesion fund (CF), European agricultural fund for rural development (EAFRD), European maritime and fisheries fund (EMFF).

¹⁶ These values do not include the national contribution/ co-financing.

ESF) represented 15.5 billion euros, covering 50.6% of the ESI funds, while the ERDF concentrated 34.8% of all the resources (10.73 billion Euros). By the end of December 2020, the financial implementation, understood as spending, was 49% of the allocated ESI funds (Table 1.3).

Table 1.3. The ESI Funds spending in 2014-2020

		2014-2020 period	
Member state	Spending (%) *	Member state	Spending (%)
Finland	83%	<i>Malta</i>	58%
Ireland	77%	<i>Slovenia</i>	57%
Austria	75%	<i>Greece</i>	56%
Luxembourg	74%	<i>Cyprus</i>	56%
Sweden	70%	<i>Poland</i>	55%
Netherlands	66%	<i>United Kingdom</i>	55%
France	66%	<i>Bulgaria</i>	53%
<i>Lithuania</i>	64%	<i>Denmark</i>	52%
Portugal	63%	<i>Italy</i>	51%
<i>Estonia</i>	62%	<i>Belgium</i>	50%
Germany	62%	<i>Croatia</i>	49%
<i>Latvia</i>	61%	<i>Romania</i>	49%
<i>Czechia</i>	58%	<i>Slovakia</i>	45%
<i>Hungary</i>	58%	Spain	43%
EU28	57%		

Source: European Commission (2021a¹⁷)

*Calculated by 31 December 2020

However, despite this spending performance, evidence showed that the EU funds contributed to economic development. According to the European Commission, more than 40% of the public investments done in 2011-2013 in Romania used Structural Funds (EC, 2014: 156). This is particularly important as nationally funded public investments declined over the 2008-2019 period in Romania (EC, 2022: 251). Moreover, most regions, in particular those in Eastern Europe, registered an increase in the GDP per capita over the 2001-2019 period (EC, 2022: 20). Among other contributions, Cohesion policy-funded projects in

¹⁷ Source: European Commission. (2021a). Annex 2.1 ESI Funds cumulative financial implementation by Member State reported by programmes on 31 December 2020 (in total cost, with selection and expenditure volumes). In *European Structural and Investment Funds 2021 Summary report of the programme annual implementation reports covering implementation in 2014-2020*. Brussels.

Romania improved urban public spaces, contributed to traffic, reducing congestion and increasing safety, developed new social services, and increased the touristic attractiveness of the country (EC, 2022). Academic research, however, found a somewhat subtle effect on growth. There is some evidence suggesting a contribution to national economic growth (Dobre, 2014) and regional convergence (Schoenberg, 2018; Bostan et al., 2022) and a modest impact on economic development (Lungu, 2013; Zaman & Georgescu, 2014).

Regarding Cohesion policy implementation (spending the funds), the data review above indicates that Romania has not had a good record of implementing Cohesion policy resources (Zaman & Georgescu, 2014; EC, 2016a; EC, 2016b). On the contrary, a pattern of low and slow use of structural resources emerges in two consecutive periods of Cohesion policy delivery, despite the need for such resources (Dodescu & Chirilă, 2014; Antohi et al., 2020). In its initial cycle, Romania registered a slow implementation pace and closed with low absorption levels compared to the other EU Member States (EC, 2016a), despite needing these resources (Zaman & Cristea, 2011; EC, 2017; Schoenberg, 2018). Similarly, in the second cycle, Romania did not show radical improvements, despite gaining experience and knowledge (EC, 2021b). A key question for this thesis is what contributed to the slow use of resources, explored in detail in Chapter 5.

1.2.3 EU funds and urban development

In investigating the subnational use of Structural Funds in Romania, the case of urban development and the role of towns and cities is of particular interest. Firstly, the Structural Funds, ERDF in particular, aim to achieve sustainable regional and local economic development by addressing pressing needs (Dall'Erba, 2003). Significant public investments in essential public services and infrastructure are targeted, focusing on urban areas in less developed territories that face significant infrastructure deficits (Croxford, Wise & Chalkley,

1987; McAleavy, 1995). Secondly, these resources are substantial. Access to EU funds can represent a solution to local funding problems. They can enable urban governments to enhance and complement existing resources (Zerbinati & Souitaris, 2005) but also imagine and propose complex and innovative solutions to problems and accelerate development.

Moreover, urban areas face multiple and diverse challenges of different scales for which local governments need resources to address them. In the case of Romania, the urban problems have roots in its recent history. The socialist approach to urbanisation had long-term adverse effects (French & Hamilton, 1979). The urban infrastructure inherited from communism in 1989 was poorly and insufficiently developed, and many urban areas lacked essential public services. When the socialist regime took power in 1947, the Romanian urban system was underdeveloped. Territorial urbanisation became a central priority for the socialist regime. In the 40 subsequent years, the Romanian urban system underwent intense urbanisation. The natural growth of cities was replaced by artificial urbanisation through imposed industrialisation (Chen, 2003), rural-urban migration, and legislative measures redefining the status of its territories allowing rural localities to become urban. These measures led to a fast rise in the urban population. Between 1948 and 1989, the Romanian urban population grew from 25.6% in the 1950s to 53% in 1989 when socialism ended (Benedek, 2006). However, the existing urban infrastructure could not accommodate the newly arrived population. For that, it required extension and extensive public works. However, population growth exceeded the speed with which essential public infrastructure was developed. In addition, the living conditions in urban areas were often worse than those in rural areas. Furthermore, soon after the fall of communism (1989), Romania started to experience a steady loss of its population and continues to face a constant and persistent

loss of its urban population (except for Bucharest). Population loss had adverse effects on the local economy and the local labour market.

Thirdly, the urban system faces intense financial pressures and needs to ameliorate its services and infrastructure and potentially prevent population loss. After 1989, the urban system has undergone substantial reforms in decentralisation processes. These reforms comprised delegating responsibilities from national to local levels—however, the financial delegation of resources needed to follow. A partial decentralisation took place, and continued financial dependence on central government resources followed, which created additional burdens on local governments, eroding their autonomy and ability to tackle local problems. The budgets of urban governments have not grown at the same pace as their needs but instead decreased (Dragoş & Neamțu, 2007). As urban budgets diminish, the quality of public services also tend to degrade (Petrescu & Mihalache, 2020). Annually, as local needs increase, urban spending is expected to grow. It becomes difficult for municipalities to achieve their objectives with reduced resources and increasing spending.

Lastly, with gradual reforms and increased demands and pressures for decentralisation (Council of Europe 1985), local governments are in charge of the entire stock of public resources used by the local population. Local governments provide and administer many local resources, such as water and heat systems, education, health, transport and housing infrastructure, human capital, green spaces, and social care. Over time, this stock of resources may deteriorate and reduce, severely threatening the sustainability of the Romanian urban system. Urban governments must imagine novel ways of creating and managing public resources to sustain and protect them. In short, urban governments face many challenges but lack the necessary resources to address them. In this context, the EU's

Structural Funds, which focus on less developed regions and cities, are particularly important for local governments to tackle multiple problems at different scales.

1.2.4 Governance: the scope of regional and local actors to influence the use of Structural Funds

As discussed previously, one of the critical partners of local authorities has been the European Union, which devises specific measures and allocates resources for urban governments to solve locally based problems and thus collectively contribute to developing a better urban system. Since the EU accession, the investment budgets of local governments have yet to be rebuilt with national resources in addition to the EU funds (Ion, 2014).

Governing without resources limits the ability of politicians and governments to solve problems and serve the electorate. What are urban governments doing to overcome these financial constraints? Are they seeking to maximise and enhance their resources, particularly concerning EU aid? Are political representatives taking sufficient measures to sustain cities and towns for future generations?

In Central and Eastern Europe, Cohesion policy created a greater scope for involving regional and local actors in EU policies (Bachtler & McMaster, 2008; Baun & Marek, 2008; Bruszt, 2008). The formal governance arrangements for handling the 2014-2020 Structural Funds in Romania are centralised for all the national programmes, including the Regional Operational Programme (ROP), dedicated to regional and urban development. The ROP was conceived as a unitary programme for the entire country with regional allocations and a centralised system for managing the funds. The central government is in charge of creating the programme, establishing the rules for accessing the funds and allocating and distributing the funds to the regions, acting as a Managing Authority (MA). Additionally, it includes regional actors performing delegated attributions at the level of each region, mainly centred on

managing programme operations and playing the Intermediate Bodies (IB) role. Thirdly, it includes the national ROP Monitoring Committee (MC), bringing together public actors from national and local governments and socio-economic actors to oversee the implementation of resources.

The governance system set up for the EU funds does not formally include local governments. They remain informal and marginal partners whose degree of involvement in rules-making remains at the discretion of central government institutions. The central government kept ownership of deciding over the resources allocated to municipalities in 2007-2013 and continued to do so in the 2014-2020 programming cycle. This arrangement emerged despite the EU regulation for 2014-2020. Nevertheless, local governments are accountable to the local community for their ability to solve problems while, at the same time, not having full access to their resources. Urban governments are also the main actors needing to attract these resources. However, they are also able and legitimate to pursue complex public investments like those supported by EU funds. For local governments, attracting EU funds for public investments is a political action rather than a technical and passive implementation act. It is a means to replenish deprived local budgets, solve problems, and gain political capital. This brings us to whether and how elected officials seized the alternative solution offered by the EU funds and attracted them to solve local problems.

ERDF took the largest share from the structural and cohesion funds for 2007-2013, amounting to 8,976 billion euros or 47% of the total EU allocation for Romania. The pace of using the ERDF funds remained slow and lower than the EU average. Romania only used around 50% of the ERDF allocation¹⁸, below the EU level, by the end of 2021 (Table 1.4).

¹⁸ Source: European Commission, available at: <https://cohesiondata.ec.europa.eu/funds/erdf>, retrieved on 03.03.2022.

Table 1.4. ERDF spending in 2014-2020

2014-2020 period ¹⁹			
Member state	Spending (%) *	Member state	Spending (%)
Ireland	91.58	United Kingdom	63.08
Greece	84.82	Croatia	60.75
Portugal	81.3	Malta	59.09
Poland	75.94	Germany	55.57
Hungary	75.04	Austria	55.33
Cyprus	73.94	Italy	55.09
Finland	71.93	Belgium	51.92
Lithuania	71.57	France	51.59
Estonia	70.17	Romania	49.91
Slovenia	67.49	Spain	49.56
Sweden	66.66	Netherlands	47.87
Czech Republic	66.18	Denmark	46.63
Latvia	65.19	Slovakia	45.89
Bulgaria	63.55	Luxembourg	25.17
EU28	63.64		

Source: European Commission

*Calculated on 31 December 2021

The most significant proportion of the ERDF allocation for Romania went to the Regional Operational Programme (ROP 2007-2013), which received 3 726 million euros (41. 5%). The last implementation report for the ROP 2007-2013²⁰ indicates differences between regions in the implementation of ERDF (Table 1.5). Similarly, in 2014-2020, the ROP remained the main investment programme for regional development, receiving financial allocations totalling 6.86 billion euros, representing around 64% of the total ERDF for Romania. In the first period, the North-West region grasped a higher rate of ROP resources than the rest. It maintained this position during the second period, outpacing the country level in both periods. In a national context of low performance, what makes it possible for a region to attract more resources and establish itself as a leading performer?

¹⁹ Source: European Commission, accessible at [Regional Policy 2014-2020 EU Payment Details by EU Countries \(daily update\) | Data | European Structural and Investment Funds \(europa.eu\)](https://ec.europa.eu/eurostat/web/eurostat-news/-/eurostat-news-1000333), retrieved at 08.03.2022.

²⁰ The Final Implementing report 2007-2013, March 2017, by the ROP General Direction in the Ministry of Regional Development and Public Administration.

Table 1.5. ROP spending at regional level

2007-2013 ²¹ period ²²		2014-2020 period ²³	
Region	Spending (%) *	Region	Spending (%) **
North-West	86%	North West	58.84%
North-East	80%	Bucharest Ilfov	56.71%
Centre	78%	South East	38.35%
West	75%	North East	26.05%
South Muntenia	73%	South West	25.56%
South-West	70%	West	22.20%
South-East	69%	Centre	20.27%
Bucharest-Ilfov	62%	South Muntenia	20.16%
TOTAL	74%	TOTAL	34.86%

Source: own elaboration.

* Situation in March 2017

** Situation in December 2020

As mentioned earlier, the Romanian regions are statistical units created and used for allocating the EU funds for development, with no administrative and political status (Ferry & McMaster, 2013). As such, regions cannot access the EU resources nor prepare investment projects at the regional level. Instead, most of the regional ERDF allocation for the ROP goes to local authorities, particularly urban ones. Municipalities in urban areas are the primary recipients and beneficiaries of the ROP allocations. As such, municipalities are contributing to a large extent to the level and pace of regional spending as the primary recipients of these funds. How are local authorities performing within each region? Are there municipalities that concentrate more resources than others? Can the regional implementation pattern and variation be reproduced at the municipal level? The thesis aims to examine these issues and identify potential explanations.

²¹ Source: Final ROP 2007-2013 Implementation Report, March 2017, by the ROP General Direction in the Ministry of Regional Development and Public Administration.

²² It includes ERDF spending. Source: European Commission, accessible at [Historic EU payments by region: 1988-2018 | Data | European Structural and Investment Funds \(europa.eu\)](https://ec.europa.eu/eurostat/web/eurostat-news/-/eurostat-news-10003), retrieved at 09.03.2022.

²³ Source: Ministry of Development, Public Works and Administration, Managing Authority for ROP 2014-2020, accessible at: <https://www.mlpda.ro/uploads/articole/attachments/5fe0a0391f5bb576308063.pptx>, retrieved at 09.03.2022.

1.2.5 Factors explaining the implementation of Structural Funds

In the last 20 years an essential literature in European studies developed about the contested effectiveness (Reiner, 2003; Ederveen, de Groot & Nahuis, 2006; Bakucs, Fertő, Varga & Benedek, 2018) of Cohesion policy and its impact on stirring economic development and convergence (Fagerberg & Verspagen, 1996; Rodríguez-Pose, 1998; Boldrin & Canova, 2001; Lebre de Freitas, Pereira & Torres, 2003; Rodríguez-Pose & Fratesi, 2004; Dall'Erba & Le Gallo, 2008; Becker, Egger & Von Ehrlich, 2012; Pellegrini & Cerqua, 2016; Crescenzi & Giua, 2016; Pîrvu et al., 2019; Becker, Egger, & Von Ehrlich, 2018; Aivazidou, Cunico & Mollona, 2020; Santamarta et al., 2021). Another meaningful body of literature developed about why some Member States do not spend their allocated funds (absorption). Within the latter strand, a subnational focus emerged investigating regional implementation patterns. In the CEE countries, research indicated that Cohesion policy had a differentiated impact across subnational actors, i.e. regional and local levels (Dabrowski, 2012; Bakucs, Fertő, Varga & Benedek, 2018).

Capacity factors

Studies identified several factors explaining low absorption levels. A range of “capacity” factors were identified. For instance, several empirical studies focused on the “absorption capacity” of the candidate countries after accession (Noetzel, 1997; NEI, 2002; Horvat, 2003; Šumpíková, Pavel & Klazar, 2004; Horvat, 2005; Horvat & Maier, 2005). Others discussed capacity in terms of regional institutional capacity (Bailey & De Propris, 2002a), government capacity (Tosun, 2014), or implementation management capacity (Bauer, 2006). This literature draws from a broader discussion about the quality of government for economic development (Rodríguez-Pose & Garcilazo, 2015; Arbolino & Boffardi, 2017; Mendez &

Bachtler, 2022). Institutional, government, management and administrative capacities are essential for spending the funds (Horvat, 2005; Mohl, 2013).

Administrative capacity has been found to affect the implementation of Cohesion policy (Boeckhout et al., 2002; Wostner, 2008; Farole, Rodríguez-Pose & Storper, 2011; Bachtler, Mendez & Oraze, 2014; Szabo, 2016). The administrative capacity literature emerged during the first wave of EU enlargement to CEE countries (Bachtler, Mendez & Oraze, 2014; Tiganasu, Incaltara & Pascariu, 2018; Hagemann, 2019a, 2019b; Incaltara, Pascariu & Surubaru, 2020), and remained a common explanation for low performance in EU Member States like Italy (Milio, 2007; Terracciano & Graziano, 2016), Ireland (Chardas, 2011), Portugal (Nanetti, 2004), and Spain (Medeiros, 2017). There was a shared concern about whether the CEE countries were able to manage the post-accession EU funds (Dimitrova, 2002; Cameron, 2003) or whether they were capable of maintaining the administrative capacity after accession when compliance pressures would diminish (Bachtler et al., 2014). Administrative capacity has been used to explain absorption levels in CEE countries at national (Bachtler et al., 2014; Tiganasu, Incaltara, & Pascariu, 2018), regional (Baun & Marek, 2017) or local levels in a few case studies (Tatar, 2010; Lorvi, 2013).

Regarding Romania, after the EU accession in 2007, the absorption of the Structural Funds became of crucial interest (Zaman & Georgescu, 2009a; Zaman & Cristea, 2009, 2011; Tătulescu & Pătruti, 2014). One line of research was concerned with the economic impact of the Cohesion policy (Pîrvu, Bădîrcea, Manta, & Lupăncescu, 2018; Antohi et al., 2020; Bostan et al., 2022). The other concern was related to the country's low absorption rates (spending) and the key factors contributing to it (Camelia, 2011; Szilard & Lazăr, 2012; Batusaru, Otetea & Ungureanu, 2015; Surubaru, 2017a, 2017b; Crucitti, Lazarou, Monfort & Salotti, 2022).

Initially, absorption capacity was identified as a critical condition for spending the allocated resources (Cace, Cace, Lova & Nicoleascu, 2009; Tomescu & Stanescu, 2009; Florina, 2010). The literature on absorption capacity suggests that in order to spend the allocated funds, a well-functioning state-level institutional system is needed to administer the funds (macro capacity) and a good administrative capacity is needed at the beneficiary level (micro capacity) (Florina, 2010). Administrative capacity was one of the conditions imposed on Romania during the EU accession process (Noutcheva & Bechev, 2008). Post-accession implementation research continued to focus on administrative capacity as a key ingredient to successful, effective and efficient implementation (Talmaciu, 2014; Marinas & Prioteasa, 2016; Surubaru, 2017a; Tiganasu, Incaltara & Pascariu, 2018; Alexandru & Guziejewska, 2020; Incaltara, Pascariu, & Surubaru, 2020). These studies make administrative capacity a particularly pertinent candidate when explaining local implementation patterns. However, despite its acknowledged importance, administrative capacity often proved insufficient to explain absorption problems (Hagemann, 2019b: 189), suggesting that it might be a necessary condition to access the funds but that additional factors should be identified and examined (Hagemann, 2019b).

Political factors

Consistently, studies have found that politics plays a sufficiently important part in implementation to affect absorption (Hagemann, 2019: 189). Such factors range from clientelism, political patronage and bargaining (Piattoni, 1998; Bouvet & Dall'Erba, 2010; Surubaru, 2017b), domestic pork-barrel politics (Bloom & Petrova, 2013), political influence, or corrupt practices (Brand, 2010; Vuceva, 2008). The politicization of civil servants refers to the practice of changing staff in the public bureaucracy in order to obtain political control over implementation and access to resources (Meyer-Sahling, 2008; Kopecký & Mair, 2012)

with severe consequences over the quality of the administration and its suitability to handle implementation (Milio, 2008). This strand of literature highlights the critical role played by politicians in office seats and by their own political and policy preferences, which might differ from or align with the goal to ensure absorption (Hagemann, 2019b: 3). The literature of politicization also included political motivations and behaviours (Dotti, 2016), political commitment (Piattoni & Smyrl, 2002), and political stability (Milio, 2008; Surubaru, 2017b), but also the politicization of the implementation process like frequent party alternations (Hagemann, 2019a). The analysis of Dellmuth & Stoffel (2012: 414) in the context of German sub-state governments (Länder) suggested that sub-national governments' political and electoral preferences significantly affected the local allocation of Structural Funds, given their substantial discretion. Additionally, the political entrepreneurship of regional authorities plays a crucial role in mobilising resources and relevant actors, ultimately influencing access to funds (Smyrl, 1997). In the case of Romania, research on sustainable local development found that local politics and financial resources influence the economic approaches to development (Bercu, Tofan & Cigu, 2015). Additionally, political stability (Surubaru, 2017a, 2017b), and political interference were also found to be significant political factors that affect the implementation process (Badea, 2012; Dimulescu, Pop & Doroftei, 2013; Doroftei & Dimulescu, 2015a, 2015b; Hunya, 2017; Batory, 2021).

Politicians and political leaders

Studies have also found that the varied regional use of EU funds could be explained by the role of politicians (Smyrl, 1998; Piattoni & Smyrl, 2003; Dabrowski, 2012). However, related conceptual frameworks have not yet been sufficiently developed and applied in Cohesion policy research, although many studies identified political behaviours, preferences and specific political actors as critical factors. Politicians remain figures marginally examined in

the landscape of implementation processes. Sotarauta (2016a) argues that leadership in regional studies is a form of agency hidden by other visible influences such as structures, formal institutions, development programs and plans. Place-based leadership was examined in relation to urban and regional development, claiming that there are several actors at the local level with the capacity to exercise leadership that is conducive to economic development (OECD, 2009; Collinge, Gibney & Mabey, 2010a, 2010b; Ayres, 2014; Beer & Clower, 2014; Sotarauta, Beer & Gibney, 2017; Beer et al., 2019). Place-based leadership is conceived as a broad concept that includes various actors with the potential to bring change.

However, political leaders have not been central in similar research despite the growing focus on actors with critical potential to transform places. The concept of local political leadership needed to be mobilised, despite local leaders such as mayors being identified as critical local figures with the potential to bring meaningful change (Sotarauta, 2016a, 2016b; Dabrowski, 2012; Dabrowski, 2014b).

1.2.6 Political leaders and administrative capacity

Building on previous research, this study looks at the specific role of elected politicians in a local governance context in relation to the EU's Cohesion policy through a leadership approach. Empirical evidence using a leadership approach to subnational implementation of Cohesion policy remains limited, as does exploring this issue in the urban context and the Romanian setting. The study aims to contribute to this research area.

Analysing political leaders would mean analysing how political office holders (elected representatives) navigate the multi-level system specific to Cohesion policy and the complex implementation processes. Equally, it would imply looking at how politicians shape the interactions with the system governing the allocation and use of funds and how they make

use of the rules and structures governing access to resources (Sørensen, 2020). A leadership approach considers the system with which leaders interact, the emerging range of actions and decisions that determine how resources are attracted and used, and local absorption levels (spending) achieved.

In the context of a globalised world with new urban challenges, persistent development needs, a lack of resources for urban problems, and an ongoing political discourse centring on the need for an EU urban policy, now couched in Cohesion policy, this study proposes an alternative perspective on explaining variation in local implementation of EU funds. Implementation data show that Romania has experienced implementation problems (EC, 2016a) and a low-performance level in spending the allocated resources. Despite these outcomes, Romania has not had many attempts to try different approaches to modernise regional policies or create a national urban policy (Ion, 2014), as both continue to be connected to the EU's Cohesion policy (Ferry & McMaster, 2013), and neither did it try to rethink and improve the relationships between the national and subnational governments. In the second cycle of Cohesion policy implementation (2014-2020), the study examines whether the case of several Romanian local authorities (municipalities) can be used as a model for future cohesion and urban policy in Romania or the broader European urban system. It seeks to examine their success in a context somewhat unfavourable to attracting EU funds from a political and administrative perspective.

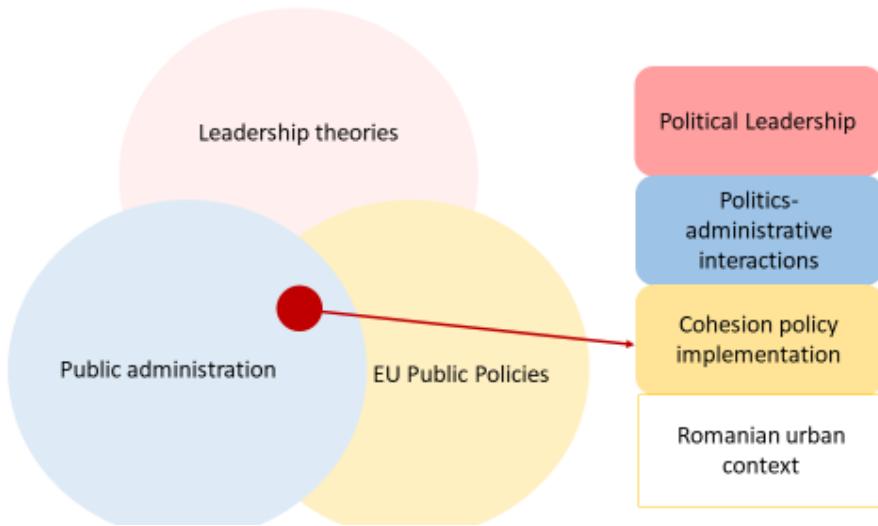
Furthermore, alternative explanations were sought since the explanations identified in the literature do not fully explain the puzzle observed. As such, one key objective is to build a conceptual framework and then apply it to the case of Cohesion policy. Political leadership does not appear to explain policy outcomes, while political and administrative interactions are most often limited to politicisation and are, to a lesser extent, conceptualised as a

necessary interplay in executing decisions. Lastly, the concept of administrative capacity analysed governance arrangements in EU policy implementation and remained marginal in explaining implementation outcomes at the level of the actual implementers and users of policy funds (beneficiaries).

While European urban systems differ significantly, most identify with the challenge of handling, protecting, and enhancing their dwindling limited resources, addressing financial sustainability and solving new urban problems (Zerbinati & Souitaris, 2005). Cohesion policy research has yet to examine local implementation from the perspective of local political leaders. More broadly, research on the local implementation of the Cohesion policy is limited to a handful of studies (Tatar, 2010; Dabrowski, 2012; Dellmuth & Stoffel, 2012; Lorvi, 2013; Angelova, 2020). Tatar (2010) investigated the main factors affecting the use of Structural Funds by Estonian local governments and found that local governments' low administrative and financial capacity influenced the capacity to absorb (spend) the funds. Continuing this line of research, Lorvi (2013) examined the administrative capacity of municipalities in Estonia to manage the Structural Funds and found that the weak administrative and co-financing capacities of small municipalities in Estonia affected their ability to use the EU Structural Funds as effectively as the large municipalities. More recently, Angelova (2020) identified Bulgarian municipalities as crucial stakeholders in implementing the EU funds at the country level. Mendez, Van der Zwet, and Borkowska (2022) also highlight the role of capacity, path dependence and redistributive politics in explaining the rescaling of EU Cohesion policy local development strategies in the Netherlands, Poland and Spain. However, the main focus is on systemic patterns rather than local variations in outcomes, and the role of leadership still needs to be explored.

The thesis seeks to contribute to this research gap by applying the concepts of political leadership and administrative capacity to examine a familiar but different experience among European municipalities, namely their access to European Structural Funds in the Romanian context.

Figure 1.2: Identifying the research gap



1.3 Research questions

The thesis examines the local implementation of Structural Funds, understood as a process of attracting resources for supporting local investments. Specifically, the thesis aims to identify the factors affecting urban action in implementing Structural Funds. Secondly, it examines the role of local political leadership and administrative capacity to explain local differences in levels of EU resources attracted. It examines local political leadership to find out whether and where leadership emerges and contributes to fluctuations in EU resources attracted. Adopting an interactionist approach, the thesis looks at the interactions of local political leaders with their leadership environment, specifically, with the *external leadership environment* consisting of the structures and societal needs and the *internal leadership*

environment (the local administration) in performing the leadership tasks relating to attracting EU funds. Lastly, it seeks to understand the role of administrative capacity and how it affects the local implementation of EU resources.

1.4.1 Research objectives

The thesis focuses on the regional development programme funded through EU funds in Romania. The EU and the national government expect to stimulate the economy and reduce territorial development imbalances through this programme. Investing in essential infrastructure would equip regions and cities with the necessary assets to develop and improve essential public infrastructure, attract investors and boost their economies. Empirically, the study aims to gain insights into how local governments attract EU funds and contribute to allocating and using such resources. Theoretically, the study aims to build a theoretical explanation of the problem examined.

The aim of the research is twofold. First, it aims to explain what affects the access of urban authorities to Structural Funds²⁴. Secondly, it examines various leadership and administrative capacity components to explain performance in local EU spending. To achieve this, the study first identifies and examines a range of structural and institutional factors affecting the access of municipalities to EU Structural Funds (ESIF). Secondly, it will assess local political leadership and administrative capacity in a few selected cases. In doing so, the study defines local political leadership, administrative capacity, and corresponding measurement. The expectation is that political leadership is stronger/ weaker where the implementation rate is higher/ lower. Similarly, when administrative capacity is good/ weak, the implementation rate tends to be higher/ lower.

²⁴ We use urban authority and municipality interchangeably to denote urban localities regardless of their size, or economic importance. Among municipalities, we distinguish between small, medium-sized, and big urban localities. We use big municipalities to refer to urban localities that are county capitals.

The objectives of the thesis are:

- a) To examine the overall context and system for allocating EU funding to local authorities in Romania's urban areas (municipalities).
- b) To develop a conceptual framework for analysing the implementation of CP at the local level, with particular reference to the role of leadership.
- c) to examine the extent to which local authorities in urban areas (municipalities) are involved in different stages of implementation of Cohesion policy.
- d) To examine how specific factors, particularly leadership and administrative capacity, influence patterns of CP implementation at the local level.
- e) To provide new insights on multi-level governance by examining how governance interactions shape the access to structural resources and (de)motivate actors.
- f) To provide new insights on local governance and EU funding in Romania.

1.4.2 Research questions

The main research questions are:

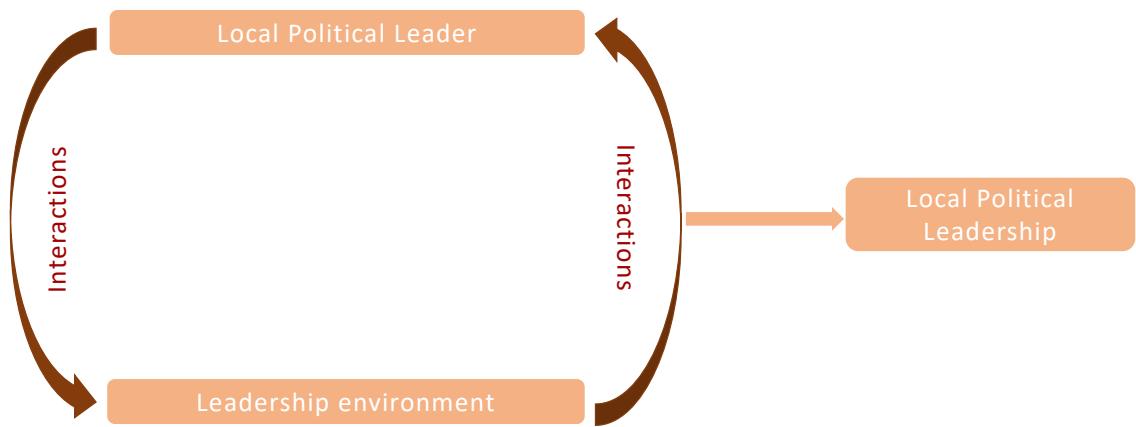
- 1) What factors influence the access of urban areas to EU resources in Romania? Are there specific systemic issues that facilitate or inhibit resource access?
 - a. What levels of funding have urban authorities received in the 2014-20 programming period? How do these levels vary between regions and urban authorities?
 - b. What are the systems through which urban authorities access EU funding?
 - c. To what extent do these systems facilitate or inhibit urban authorities accessing EU funding?
- 2) Do some municipalities access more resources than others? Why?

- a. What is the role of local political leaders in CP implementation? How do local leaders respond to EU funding? Are there specific decisions and actions that enable political leaders to seize the EU opportunities and attract resources?
- b. Do political leaders interact with the administration during the process of accessing EU funds? If yes, when and in what consists this interaction? Are there specific interactions that enable/ inhibit performance?
- c. Do local authorities have the necessary administrative capacity to perform the tasks required to access the allocated resources?

1.4 Conceptual framework

This study argues that local elected leaders can effectively overcome systemic barriers and attract new resources for urban problems by exercising political leadership. In order to argue this, a conceptual framework was built using leadership theories, public administration and implementation literature. The key assumptions underpinning the conceptual framework are the following. Firstly, the study assumes that political leaders matter and that they can make a difference and shape the course of events (Elgie, 1995). Secondly, it assumes that leaders' actions and ability to act freely are shaped and constrained by external factors (Elgie, 1995). Given these assumptions, an interactionist approach is adopted to study political leadership. Interactionism considers the individual's characteristics and the systemic aspects (Figure 1.3), stating that elected leaders act within an environment that shapes their behaviour and limits their actions while also having the opportunity and the potential to shape the environment (Elgie, 1995). Leaders may change the events if (or to the extent to which) the environment permits it (Elgie, 1995). This study will show that mayors can implement EU policies and access Structural Funds, but only to the degree that the leadership environment allows it.

Figure 1.3. The interactionist approach to local political leadership



Source: adapted from (Elgie, 1995: 8)

The political leader is present during the process, particularly in the initial stages, when critical strategic decisions are taken, and resources are mobilised. Political and administrative interactions are expected to manifest during the process, mainly when resources are mobilised, and capacities are built to enable administrative structures to pursue action. Lastly, through administrative capacities, public administrations can act on political decisions and pursue plans for attracting resources. The public administration is part of the entire process, playing a central role in the execution of operations when its capacity to perform specific tasks matters. Each factor within the conceptual framework influences the implementation process and is interrelated.

1.5 Methodology and research design

A qualitative approach was adopted using case study methods in a critical realist approach. It will select urban authorities with different implementation outcomes in CP implementation. Romania is a relevant case to investigate the role of elected leaders and administrative capacity at the local level. Firstly, one key concern regarding Romania during and after enlargement was its ability to handle the post-accession Structural Funds

(Dimitrova, 2002; Cameron, 2003; Noutcheva & Bechev, 2008; Tiganasu, Incaltara & Pascariu, 2018; Alexandru & Guziejewska, 2020). Secondly, Romania has adopted a centralized system for Cohesion policy in an overall centralized administrative system. The local authorities are the primary vehicles for attracting and implementing EU funds for regional development. Thirdly, Romania concentrates the least developed territories in Europe, for which it receives substantial resources for development but needs more time to spend them due to administrative capacity issues. Lastly, municipalities have lower development, thus needing EU support. The EU funds may allow political representatives to access resources and create investments which, otherwise, might have yet to be possible from the local budgets. However, the Romanian regions and local authorities register different spending patterns. This research will compare similar municipalities having different funding patterns.

To evaluate local political leadership and its role in delivering supranational policies and attracting resources, interviews and documents were analysed. Triangulation was used to examine data from different sources, and thematic analysis facilitated the analysis of the qualitative interview data.

Theoretically, the study proposes a conceptual framework as a conceptual and analytical tool to help organise and understand the situations before and during the process of attracting EU resources. This explanatory framework is used to examine local differences in resources attracted associated with political and administrative efforts. Additionally, the multilevel analysis seeks to identify barriers situated at different governance levels and examine how different factors identified at one level affect, act and constrain the following level creating a complex set of interlinked barriers narrowing the access to resources.

1.6 Structure of the thesis

This thesis aims to bring a theoretical and methodological contribution to the study of local implementation of EU policies and the concepts of local political leadership and public service capacity to implement supranational policies. These issues are examined in ten chapters.

Chapter 1 presents the puzzle, objectives, and research questions and introduces the theoretical framework. It also presents the background of the research and its relevance. Chapter 2 introduces the theoretical foundations of the research and explores the literature from which the conceptual framework was drawn. It discusses leadership theories and public administration literature detailing the different leadership perspectives, political and administrative interactions, implementation theories and the related administrative capacity literature. Chapter 3 discusses the methodological approaches employed and justifies the choice of the research design. Using critical realism in qualitative research, it explains the selection of a comparative case study as a suitable means to examine variation in policy implementation. It also introduces the data collection and data analysis tools, as well as the ethical procedures.

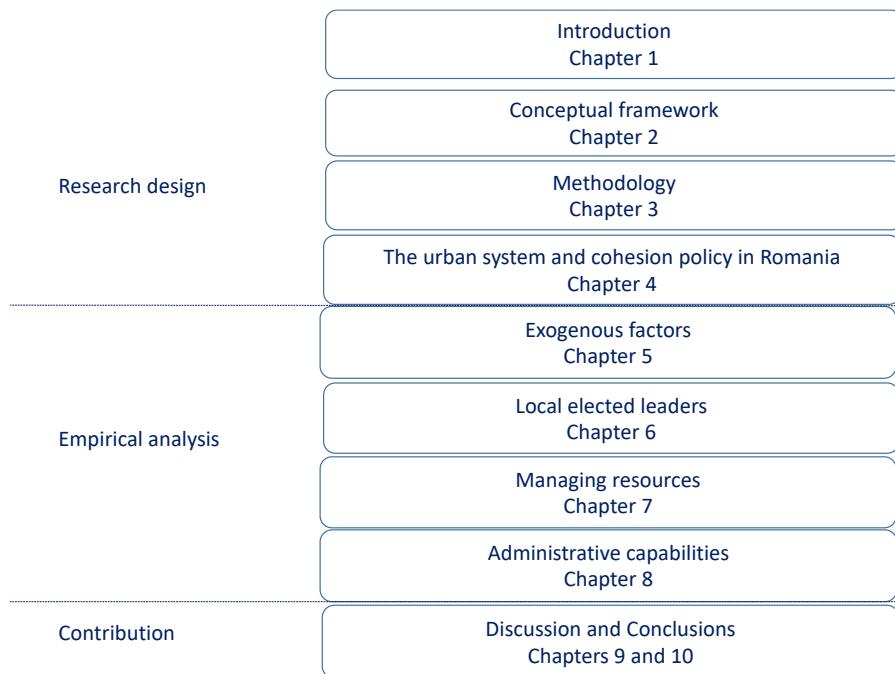
Chapter 4 introduces the Romanian urban system and Cohesion policy in Romania. It presents the urbanisation process from a historical perspective. It provides the context and institutional changes leading to the current urban system and the centralised governance for managing the funds. Lastly, it presents the Regional Operational Programme 2014-2020 as an appropriate case for the study of local implementation. Chapter 5 analyses the exogenous factors or pre-existing conditions in which the implementation of EU policies takes place. It aims to identify the factors that were critical in the implementation process. Namely, it focuses on the key factors in the initial strategic phase (planning, negotiation,

design, and approval) and the operational stage (implementation). First, it presents the territorial and organisational attributes of the Romanian system relevant to distributing structural resources. Second, it illustrates the attributes of the governance system that allocates, distributes and oversees resources. Thirdly, it discusses the initial rules for allocating funds. Then, it explores the local factors that emerged as meaningful in attracting EU resources. Lastly, it discusses the structural measures to widen access to resources. The initial research question is tackled in Chapter 5.

Chapter 6 examines the mayors' interaction with the leadership environment, how political leaders adjust their behaviour and develop patterns of interaction with the local community, and the multilevel system in decision-making and strategy building to attract resources. Chapter 6 initiates the answer to the second research question. Chapter 7 examines the interaction between local leaders and public administrations. It discusses the administrative measures taken to prepare the public service for attracting EU funds and the relationship of political leaders with the civil services during the process. Chapter 7 develops the answer to the second research question. Chapter 8 presents the findings relating to administrative capacity for local implementation. The analysis follows the dimensions identified in the theoretical framework and assesses the administrative capacity of each administration. Chapter 8 completed the answer to the second research question.

Chapter 9 reviews the key findings and discusses their implications for research, while Chapter 10 reflects on the theoretical, methodological and policy contributions of this research, it delineates its limitations and proposes future research avenues.

Figure 1.4. Thesis chapters



Chapter 2. Local political leadership and administration capacity: a conceptual framework

2.1 Introduction

Chapter 1 presented the main research question, what explains the success of some cities in attracting more EU resources, and provided evidence pointing to regional and local differences in the use of EU funds. Similarly, it introduced a related question: What explains the slow mobilization of local governments (municipalities) in attracting EU resources? It introduced empirical evidence indicating a slow implementation of Structural Funds. Secondly, it reviewed the existing literature to identify potential explanations. The review indicated that implementation research tends to focus on the regional level or the constellation of actors in the management system in charge of allocating and implementing resources. The local implementation of Structural Funds needs to be developed. After introducing the different explanations, the study proposes local political leadership and administrative capacity to explain differences in local implementation.

This chapter aims to develop the proposed explanations and introduce this research's conceptual and theoretical foundations. Section 2.2 aims to define local political leadership, introducing the multiple definitions and approaches to study leadership and providing a definition of the concept used in this study. Section 2.3 theorizes the interplay between politics and administration (politics-administrative interactions) in implementing public policies. The public administration literature suggests that politics and administration are two distinct spheres of government. In practice, their actions are often difficult to separate, political actors take part in implementation (administrative sphere), and administrators take part in decision-making (political sphere). The study argues that this interaction manifests

itself constantly, prior to and during implementation. Section 2.4 defines the concept of capacity to implement public policies efficiently.

2.2 What is local political leadership?

Leadership theories are contested and criticised for lacking consensus (Bennis, 1959; Dion, 1968; Burns, 1978; Rost, 1991; Rost, 1993; Goethals & Sorenson, 2006; 't Hart & Rhodes, 2014b). The different paradigm shifts, or shifty paradigms in studying leadership, reflect the complex nature of the field and its theoretical challenges (Ciulla, 1995: 11; Bass & Bass, 2008; Nye, 2008). This section aims to place this inquiry in the large domain of leadership studies and formulate a definition. Response to revisions requests

2.2.1 Leadership theories

The first “modern” theory of leadership, the *great-man theory*, proposed by the historian Thomas Carlyle (1841)²⁵ asserts that the course of history is driven by specific individuals who are “natural born leaders” and are naturally inclined to lead based on exceptional innate characteristics or traits (Rost, 1991; Elgie, 1995; Tucker, 1995). The great man theory evolved into the trait theory, which dominated much of the early twentieth-century leadership research, but it could also be traced in other more recent leadership theories, such as transformational leadership, or the literature on leaders and followers (Burns, 2003; Harrison, 2018b; Mouton, 2019). One of the early and prominent critics of Carlyle’s great man theory was Herbert Spencer (1873), who, alongside other cultural determinists, posited that the forces of society outweigh the innate qualities of Great Men (should they exist) and shape the course of history, and that leaders are the by-product of the society that created them. According to this perspective, change in society does not come from the sole actions

²⁵ as it emerges from Thomas Carlyle’s 1841 volume *Heroes and Hero-Worship and the Heroic in History*.

of Great Men but from social and cultural forces (the environment) that escape individual control and shape the actions of leaders, leaving them little scope for a personal mark (Elgie, 1995: 6; Elgie, 2015). In modern democracies, political leaders are limited by the system in which they act, and their actions are shaped by multiple institutional, social and political factors (Elgie, 1995: 5). An early response to Carlyle's and Spencer's views was provided by William James (1880), who stated that leaders affect the environment and can be agents of social change, while at the same time, the environment shapes the actions of leaders. Leaders and their environment are in a reciprocal relationship. A century later, this perspective formed the basis of "interactionism", which had at its core the agent-structure paradigm (Gibb, 1958; Greenstein, 1992; Elgie, 1995; Elgie, 2015; Bennister, 2016: 2). According to this approach, events are shaped by the mutual exchange and interaction of leaders with their leadership environment (Elgie, 1995: 7; Helms, 2012: 142-143; Hermann, 2014: 119).

Originating from the Great Man theory, the trait theory states that leaders possess exceptional characteristics (Helms, 2012: 143). Its central assumption is that a set of individual characteristics (traits) produces behaviour patterns across situations that would predict leadership (Nye, 2008). However, Stogdill's (1948) extensive first review of the early trait research did not support this theory, despite identifying common traits shared by leaders (Helms, 2012). Instead, Stogdill (1948) concluded that the situation in which leaders act plays a more determinant role than their traits, "Constant situational change appears to be a primary obstacle encountered not only in the practice of leadership, but in the selection and placement of leaders" (Stogdill, 1948: 65). The traits alone cannot explain the actions, and achievements of leaders, nor the situations in which they manifest (Blondel, 1987; Gardner, 1990).

Furthermore, early studies on group behaviour from sociology and psychology revealed that groups behaved differently depending on their leadership styles, i.e. democratic, authoritarian or laissez-faire (Lewin, Lippitt & White, 1939). Democratic leadership emerged as constructive (Lewin et al., 1939; Seligman, 1950), while authoritarian leaders generated relations of obedience, patterns of aggressive domination among group members, and attention-seeking from their leader (Lewin et al., 1939). The leading method and the social atmosphere created by leaders matter over the personality of the leaders or of its group members (held constant). Leaders and leadership emerge as two distinct concepts. The behaviour theory (Lewin et al., 1939) aims to identify leaders' specific and combined behaviours that produce effective leadership (Rost, 1991; Bass & Bass, 2008). In the late 1960s, the contingency/ situational theory was formulated, which considers that the behaviour of leaders could not fully explain effective leadership (Nye, 2008) without including the situation "upon which the behaviours of leaders were contingent" (Rost, 1991: 18), the nature of the task to be undertaken and the goals to achieve (Elcock, 2001). The theory connects leaders' performance with their level of situational control (Fiedler, 1978; Elcock, 2001). These ideas relate to Stogdill's (1948) early conclusions regarding the importance of situations. Fleishman et al. (1991) created a taxonomy of leader behaviours for effective organizational leadership.

Political scientists started to show interest in leadership only in the 1970s (Wiatr, 1988). Until then, the study of leadership was a "minority pastime among political scientists" (Blondel, 1987: 39). Among its pioneers, Neustadt (1960) focused on presidential power and observed the US presidency but only discussed the characteristics of presidential leadership in general terms. On the other hand, James MacGregor Burns (1978) proposed two theories, transformational and transactional leadership (Burns, 1978; Blondel, 1987; Burns,

2003). *Transactional leadership* is defined as a leader-follower (led) exchange (transaction) and power relations of praise (reward) or punishment (discipline) for performance (Burns, 1978; Bass & Riggio, 2006). *Transformational leadership* refers to the interaction between leaders and followers to accomplish mutual purposes and seeks to align the objectives of the individuals with those of the leader and the larger communities (Burns, 2003; Bass & Riggio, 2006). Transformational leaders empower their followers and respond to their needs. This perspective infuses leadership with an ethical dimension, which was absent from previous approaches (Rost, 1991).

2.2.2 Defining local political leadership

Reflections on leaders are found in Plato's Republic, Aristotle's Politics, Machiavelli's The Prince, and in contemporary writings (Stogdill, 1948; Weber, 1947; Dahl, 1961; Burns, 1978; Rost, 1991; Bass & Bass, 2008; Nye, 2008; Rhodes & 't Hart, 2014a; Yukl, 2019; Ciulla, 2020). Despite an impressive body of leadership literature, the field lacks an integrated (Stogdill, 1974 in Yukl, 1989) and generally accepted definition (Rost, 1991; Tucker, 1995; George et al., 2007; Hackman & Wageman, 2007; Nye, 2008; Grint, 2010; 't Hart & Rhodes, 2014a; Ciulla, 2020). Instead, Rost identified as many as 221 definitions of leadership (Rost, 1991: 44). This results in complexity (Sorenson, Goethals & Paige, 2011), conceptual diversity (Rost, 1991), confusion (Edinger, 1975; Heifetz, 1994), lack of consensus (Elgie, 1995; Elgie, 2015), controversy (Yukl, 1989; Yukl, 2019), ambiguity (Pfeffer, 1977) and contestation ('t Hart & Rhodes, 2014: 1).

The existing definitions do share common elements. They refer to an individual identified as a leader, a group (the led or followers), situations and something to achieve (goals, missions, purpose, direction, interest). The existing conceptualizations differ in how they discuss the leader's relations with these aspects. For example, when the emphasis is on the leader, their

characteristics and traits are central, as well as their acts and behaviours. When the relationship of the leader with the followers is emphasized, leadership is defined as relational (Seligman, 1950: 912; Rost, 1991), or influential (Burns, 1978; Yukl, 1989; Rost, 1991; Heifetz, 1994: 16; Tucker, 1995), as leaders determine followers to do something they would not otherwise do (Burns, 1978). Leadership is interactive when the environment is included (Rost, 1991; Elgie, 1995; Tucker, 1995; Nye, 2008; Elgie, 2015).

Leadership as a relational and interactional process is embedded in an agent-structure paradigm. It represents "the product of the interaction between the leader and the environment within which the leader is operating" (Bennister, 2016: 1). In this conception, leadership emerges from the leader's interaction with the surrounding context. Political leadership centres on leaders in political positions (political office holders) who can impact the lives of the led, influence society, modify the environment, and change the course of events, specifically government decisions (Edinger, 1975: 262; Blondel, 1987: 4; Endo, 1999). It draws from the interactionist approach to leadership (Blondel, 1987; Endo, 1999) proposed by political scientists (Blondel, 1987; Burns, 1978; Paige, 1977; Tucker, 1995). Political leaders interact with political communities (states, regions, cities), with the institutional rules and their specific contexts (Blondel, 1987). However, in political science, the phenomenon of political leadership received reduced attention (Cole, 1994: 453; Endo, 1999: 15).

Leadership does not equal status (Gardner, 1990), headship or an official leading position (Edinger, 1975; Gardner, 1990; Ciulla, 1995). For Nye (2008), leadership involves a social relationship between leaders, followers and the context (Elgie, 1995; Nye, 2008: xi; Elgie, 2015). For Elgie (1995), political leadership is "the product of the interaction between leaders and the leadership environment with which they are faced" (Elgie, 1995: 23). For

Burns (1978: 19-20), leadership is relational, collective and purposeful, inseparable from followers' needs and goals, emphasizing its interactive nature.

The study adopts the interactionist approach proposed by Elgie (1995) and defines *political leadership* as a process of interaction between political leaders, their followers and the environment. In this study, the followers are the political community that political leaders represent. Political communities, national and local (such as municipalities), differ, among others, in their distance from their respective governments and elected leaders. National governments are abstract entities, while local governments are physically and politically closer to citizens (Larsen, 2006). As a result, local political leaders are more accessible to approach by citizens than their national counterparts, and the interaction between them and citizens has more arenas for direct interaction and exchange. This proximity might empower citizens to seek political interactions as the sense of efficacy of their actions might be higher, especially when other community members join.

As an interaction process, political leadership is not separated from its contexts, such as the national (or international) political environment and the local context (Elgie, 1995: 195; Steyvers, Reynaert & Valcke, 2012: 240). The institutional environment, European and national, and local context in which leadership is exercised are extensively discussed and developed in Chapter 4. In local political leadership, the local context and its problems might prevail in the overall political agenda of the leader while at the same time being strongly connected to and affected by the broader national and international political, institutional and policy contexts, as well as international events and regulations (such as the EU) (Steyvers, Reynaert & Valcke, 2012: 240).

As opposed to political leadership at the state level, local political leadership is exerted and emerges in smaller political communities where the context is considered to play an

essential part in the political decisions and actions of mayors, who are the local political leaders (Leach & Wilson, 2002; Lowndes & Leach, 2004; Leach & Lowndes, 2007). Context can constrain the political actions of mayors or enable them (Judd, 2000: 959; 't Hart, 2014a; Copus & Leach, 2014). On the other hand, local political leaders may shape institutions or events by acting on contextual constraints and opportunities (Elgie, 1995). They may use power and resources for political action (Elgie, 1995: 14–15; Blondel, 1987: 149, 156–79). Specifically, they may deploy administrative and institutional resources, mobilise social and political capital, engage with upper levels of government, develop narratives and engage with the local community to pursue and achieve collective goals ('t Hart & Rhodes 2014c: 13). Therefore, analysing local political leadership entails also considering its urban context and the mayor's able interaction with the surrounding conditions to grasp and utilise the context in shaping different local policy responses ('t Hart 2014b).

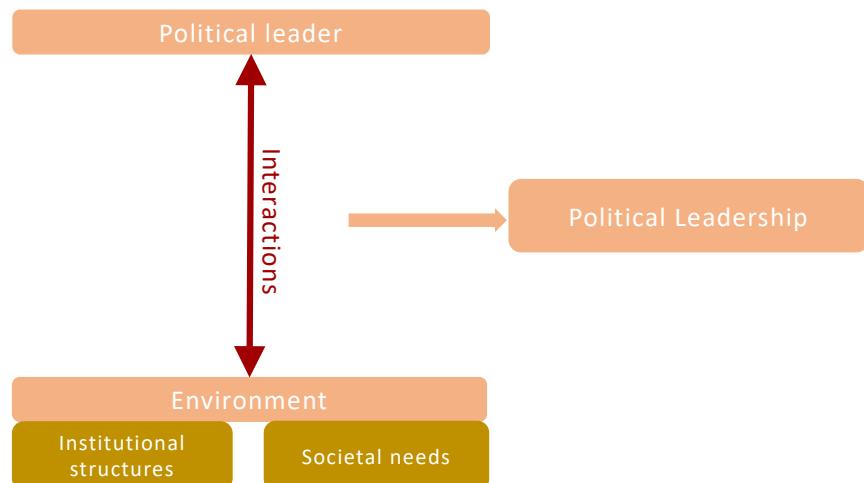
Local political leadership is conceptualised as the interaction of local elected leaders with their leadership environment during their term in office. Implementing EU resources also entails the local leader's interaction with the environment consisting of institutions, structures and societal needs in a multilevel governance system (Hooghe, 1996).

2.2.3 Interactionist approach

Adopting an interactionist approach to leadership implies that the leader and the environment must be included in the analysis for a systematic understanding of local political leadership. The interactionist approach captures the agent-structure dynamic, as it refers to the relations between “the leader and the environment within which the leader is operating” (Bennister, 2016: 1). Three main factors are included, the context in which they perform, the institutional structures in which they act, and their skills and capabilities (Kotter & Lawrence, 1974; Greasley & Stoker, 2009: 127). Blondel suggests that understanding the actions of

leaders requires taking into account three things “the personal characteristics of leaders, the instruments they have at their disposal, and the situations they face” (Blondel, 1987:25; Elcock, 2001:84; Northouse, 2018). Political leadership refers to the *political leader’s* interaction (Figure 2.1) with the *environment* (Elgie, 1995: 8), which entails *institutional structures* and *societal needs* or *situations* (Elgie, 1995). The interaction involves three variables, *the leaders’ characteristics*, the *institutional structures*, and the *societal needs* or *situational setting* (Müller, 2019).

Figure 2.1 Leadership as interaction



Source: adapted from Greenstein (1992: 109) and Elgie (1995: 8).

2.2.3.1 Political leaders' personal characteristics

As unique individuals, political leaders bring unique traits, predispositions, knowledge and emotions to the office (Blondel, 1987: 115; Elgie, 1995). Each leader has a distinctive manner of interacting with the environment and shaping the policy processes (Elgie, 1995). The personal characteristics and predispositions include the *personal qualities* and *capacities* of leaders (energy, ambition, capacity to grasp problems, background, psychological traits),

their *political ambitions, political and institutional abilities, and political capital or reputation* (Blondel, 1987; Page & Wouters, 1994: 456; Elgie, 1995; Endo, 1999: 18; Elcock, 2001; 't Hart, 2014a: 11; Müller, 2019).

Analysing leaders' *personal characteristics* and *predispositions* entails a distinction between personal traits and resources. The abilities, skills and styles are difficult to separate as they evolve and change over time, yet they can help to compare the personal capacities to fulfil the office roles (Blondel, 1987: 115, 130). Equally, personal previous experiences and career development are relevant to show the level of understanding of the office, the values espoused, the attitudes and long-term preferences, but also the skills and ways of leading (Blondel, 1987; Endo, 1999; Hermann, 2003: 181).

Political ambitions are the foundation for initiating, directing and implementing policies (Müller, 2019: 20). According to Elgie (1995), political ambitions differ in focus and scope, and these differences influence the outcome of decisions. For instance, when it comes to the aspects on which leaders focus their attention and ambition, some might focus on the procedural functioning of governments, while others might be policy-oriented. In contrast, others might differ based on the types of policies they focus on. Similarly, the scope of their ambitions might vary (Elgie, 1995). Some leaders might have the ambition to affect many aspects of the internal political system and bring a great degree of change, while others might limit their actions to a few policy areas. However, should a context filled with great opportunities not be fully explored, the ambitions, either modest or bold, might lead to weak outcomes (Renshon, 2012: 188).

Similarly, when the ambitions exceed the available resources and capacities to execute them, they lead to deadlocks and dysfunctions (Renshon, 2012: 188). Moreover, Blondel (1987) identifies the adjuster leader, that who changes policies in restricted areas, producing

"moderate change within the context of a more specialized area" (Blondel, 1987: 95). The leadership challenge is to adjust the scope of the political ambition to the opportunities and constraints of the environment (Elgie, 2015). For this, particular abilities and skills are needed. The empirical chapters will identify the extent to which leaders' ambitions are adjusted to their means in the leadership process.

Moreover, political leaders also differ in how they seek to act on their ambitions, judgement, abilities and skills. The *political and institutional abilities* include the expertise and competencies acquired through education and career experience (Northouse, 2018: 115). Skills or capabilities enable leaders to accomplish goals based on experience and education, i.e. the capacity to utilise their knowledge and skills (Northouse, 2018: 102). The skill-based model of leadership proposed by Mumford and colleagues comprises five elements: competencies (problem-solving, social intelligence, knowledge), personal abilities (general and crystallised cognitive ability, motivation, character), professional history, environmental influences and leadership effects (Mumford, Zaccaro, Harding, et al., 2000: 12). The political and institutional abilities of leaders, their skills, and experiences explain how leaders interact with the leadership environment based on their skills, professional and educational background (Müller, 2019: 21). Lastly, *political capital* refers to political status, political expertise, relations and reputation as viewed by followers ('t Hart, 2014a: 62; Müller, 2019: 21). These qualities can be mobilised to gain access to other essential actors, to win support and access resources or information. However, political capital is a fragile asset to have and utilise as it can be lost, for instance, through scandals.

2.2.3.2 Leadership environment

For Elgie (1995), leadership is the result of a process by which leaders change the course of events, and a range of factors from the structural and institutional environment also shapes

them. The leadership skills model of Mumford, Zaccaro, Harding, et al. (2000) considers the environmental influences that include factors external to the leader's identity (his competencies, attributes, past). These factors may lie within the organizational environment, the *internal environmental influences*, or outside it, the *external environmental influences* (Blondel, 1987: 98; Northouse, 2018). The existence or absence of internal resources, technological or human, and the quality of internal communication, may impact the leaders' ability to perform their office role. Similarly, external environmental constraints, such as economic, political, social or natural calamities, may pose unique challenges and affect the leaders' ability to solve problems (Blondel, 1987: 96; Northouse, 2018: 114). Lastly, the environment comprises *institutional structures* and *situational settings or societal needs* and desires in which leaders such as mayors act (Blondel, 1987; Elgie, 1995; Elgie, 2005; Heinelt, Hlepas, Kuhlmann & Swianiewicz, 2018).

Institutional structures

According to Elgie (1995: 195), the *institutional structures* are the main factor shaping the leadership process, as they set the boundary in which political leaders act (Blondel, 1987: 149; Heinelt et al., 2018). In a local governance context, the institutional structures create constraints and opportunities that shape local leaders' interactions and the consequences of mayoral decisions and plans (Judd, 2000; Mullin, Peele & Cain, 2004). The institutional structures may include *rules*, *procedures* and *organizational resources* (Müller, 2019). For instance, *rules* might refer to the length of the office term, the appointment procedures, the size of the cabinet, selection and dismissal of procedures, portfolio distribution and decision-making rules (Muller, 2019: 22). *Procedures* may entail inter-institutional relations and balance of power. *Organizational resources* refer to the bureaucratic structure of an office, its resources and funding, and the capacity and number of the administrative staff "for

without the bureaucracy, leaders and governments would not have a direct impact on the societies they rule" (Blondel, 1987: 167; Elgie, 1995: 14-15; Muller, 2019: 22).

Furthermore, local governments are caught in *horizontal and vertical power relations*, which place the institutional structures discussed above and the emerging interactions on both axes. Firstly, the *horizontal power relations*, including the mayor, the local council and local bureaucracy, are shaped by rules that determine the scope of mayoral decision-making powers (Egner, Sweeting & Klok, 2013; Heinelt et al., 2018). These horizontal power relations may be depicted in circles of proximity emanating from the inner circle of the mayor's cabinet to the local civil service, the council, and other local actors and extending to the broader local community. The horizontal institutional interactions and the capacity to build horizontal collaborations and find solutions to problem-solving are part of leadership. In local governments with strong mayors, such as mayor-council forms (Mouritzen & Svara, 2002), local leaders hold strong decision-making powers, while local administrations hold implementing roles (Heinelt et al., 2018). Such structural arrangements may create more scope for mayors to influence municipal decisions and actions towards EU policies and funds than the "street-level bureaucrat" (Lipsky, 1980/2010), as discussed in Chapter 4.

Secondly, local governments are also embedded in a *vertical power structure* (Heinelt et al., 2018), creating scope for multi-level interactions. This interaction is particularly pertinent in the case of the EU's Cohesion policy, where a multi-layered governance structure is set up (Hooghe & Marks, 2003), in which local governments exercise their formal roles (Hooghe, 1996). In Cohesion policy, this multi-layered governance implies a shared responsibility between the supranational, national and subnational levels in decision-making and implementation. Local governments are invited (or not) to provide input in problem identification, prioritization, solution and programme consultations (Milio, 2007a, 2007b).

Additionally, they are actively and directly involved in implementing resources (Atkinson, 2015). Therefore, the institutional structures of the leadership environment for CP policy should also include multi-level relations.

Indeed, EU policies extend the institutional and structural environment for mayors to interact. The contextual constraints and opportunities are no longer limited to the local context but extend beyond the state level. Therefore, by accessing and interacting with these multi-level structures, mayors can enter and build networks of actors and gain informal and formal information and resources (Sørensen, 2020). This multi-arena and multi-actor presence might enable mayors to gain an informational advantage and identify potential weaknesses in the existing system, which they can further exploit to their advantage (Vinci, 2021).

Situational setting and societal needs (the context of local political leadership)

According to Elgie (1995: 195), *societal needs* also shape the outcome of leadership, as they may create potential resources and constraints. They may represent the (1) *political situation* during an office term, (2) the *historical legacy* of an office, or the (3) *social attitudes* and widespread desire for the office (Paige, 1977: 174; Blondel, 1987: 134; Elgie, 1995: 21-3; Renshon, 2012:202; Müller, 2019: 22). The *political situation* refers to current events and actors (Müller, 2019: 22), while *historical legacy* refers to past events. It refers to the effects of previous officeholders, the broader tradition of the systems in which political leaders operate after taking office, and the historical and geopolitical situation (Müller, 2019: 22). The history influences the institutional environment where leaders lead, structuring the outcomes of the decision-making process (Elgie, 1995). History may also shape popular and elite behaviour instilling behavioural norms. For instance, a tradition of "great" leaders might pressure incumbents to sustain the previous leader's tradition (Elgie, 1995). Lastly, *social*

attitudes and popular desires refer to public opinions about the office, as reflected in polls or the media, but also the political preferences of the voters and the activity of interest groups that might be included in or act independent from the formal decision-making of the government (Elgie, 1995: 195; Müller, 2019: 22). The very diverse popular desires may produce a leadership environment which "either helps or hinders in their attempts to control the decision-making process" (Elgie, 1995: 23). They might also alter the fixed elements in which leadership is exercised (Elgie, 1995).

In the context of this study, the *political situation* may well include the funding opportunities offered by the EU for the incumbent to grasp and realise their political agenda. The historical legacy might be represented by previous local EU investments and an overt preference of local leaders to pursue such investments. If previous EU investments were pursued and implemented, there is a higher chance that the incumbent will develop practices that tap into an established tradition. Similarly, a lack of EU investments might allow new officeholders to seize to establish new traditions diverging from the past. *Societal attitudes and preferences* may provide political weight to a mayor's decisions, should the local community be in favour and support of EU investments. When and if these aspects emerge as necessary in the selected case studies' decision-making process, their role will be analysed. *Popular desires* might be preferences for specific investments or public demands if lengthy construction works cause disruptions.

Mayors fulfil their duties within these surroundings. Understanding the leadership environment, i.e., the institutional structures and situational setting, is essential for a systematic view of leaders' pressures and opportunities (Elgie, 1995: 204). However, "[p]olitical institutions and processes operate through human agency. It would be remarkable if they were not influenced by the properties that distinguish one individual from

another" (Greenstein 1992: 124, emphasis in original; see also 't Hart 2014a: 11-12). As such, the leadership environment cannot explain the outcomes of leadership. Personal characteristics, institutional structure and societal needs create an integrated analytical framework. They are thus analysed together to assess the outcome of political leadership in attracting EU funds (DV) - see Figure 2.2. The three components mutually and constantly interact, leading to different outcomes (Müller, 2019). For example, the bigger the scope of political ambitions, the bigger the possibility to explore the opportunities of the office and the more the leader may be able to shape societal needs. At the same time, the institutional structure can shape the leader's powers. The more power leaders have, the more they may shape societal needs. Lastly, societal needs may influence the personal characteristics of leaders in terms of priorities and objectives, particularly in election years or crises. Similarly, societal needs may affect the tasks an office is expected to execute (Paige, 1977). These situations are possible types of interactions defining the process of political leadership and shaping outcomes.

2.2.3.3 Functions and tasks

There are several definitions of a policy (Birkland, 2010). Thomas Dye defines public policy in one of the simplest and yet pertinent terms, "anything a government chooses to do or not to do" (Dye 1972/ 2012: 3). Policies are about how governments, which are institutions with the legitimacy to represent large communities, make choices (or not) and take actions. According to Jenkins (1978), various levels of government embedded in different contexts should be considered in addition to central governments.

Birkland (2010) views a policy "as a statement by the government—at whatever level—of what it intends to do about a public problem" (2010: 9). This definition brings into focus the public character of policies and their object, i.e. *problems*. The *public* gives governments the

“political authority” to decide for and act on their behalf (Birkland 2010: 9). Only measures adopted and enforced by governments are *public* policies (Howlett & Cashore, 2014). Secondly, policies refer to *problems* of general (public) concern which affect large groups of people and interests. The existence of problems that require solving generates policies, and governments are tasked with understanding problems, identifying potential solutions and choosing the solutions that will be entirely or partially effective in solving problems (Birkland, 2010). Conceiving public policies involves “matching actors’ goals and means. Policies are thus actions, which contain goal(s) and the means to achieve them” (Howlett & Cashore, 2014: 17).

Public policy, for Jenkins (1978), is “a set of interrelated decisions taken by a political actor or group of actors concerning the selection of goals and the means to achieve them within a specified situation where those decisions should, in principle, be within the power of those actors to achieve” (Jenkins, 1978:15). Making policies is both a political and a technical process “of articulating and matching actors’ goals and means” (Howlett & Cashore, 2014: 17). Articulating political visions and proposing potential solutions to public problems that would produce desired outcomes, and changes is a process that involves “an extremely complex set of elements that interact over time” and includes “hundreds of actors” with “different values/ interests, perceptions of the situation, and policy preferences” (Sabatier, 2007: 3).

Establishing goals and intentions for problem-solving is an act of *policy formulation*. Goals are statements of intention that require an action to follow. Otherwise, they remain legal acts without consequences (Hill & Hupe, 2002). Thus, policies involve taking actions and using the resources to accomplish policy goals “however well or poorly identified, justified, articulated and formulated” (Howlett & Cashore, 2014: 17). Taking concrete actions to

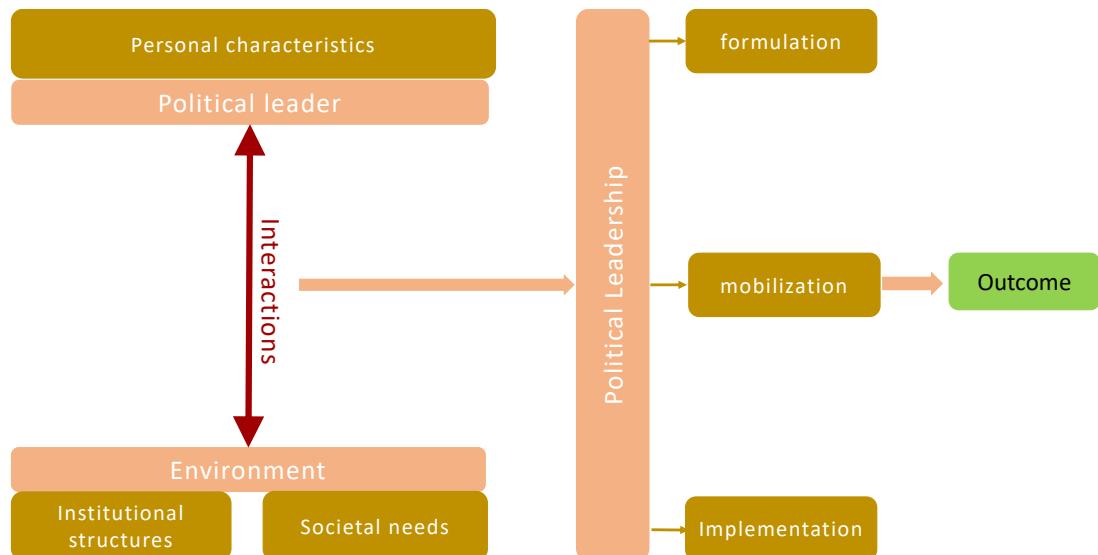
achieve collective goals refers to *policy implementation*. Policy formulation and implementation are tasks for politicians and public administrations to act on.

This study requires a systematic analysis of local political leadership to identify the situations that political leaders need to handle. Specifically, it required identifying and understanding the specific parts political leaders are expected to play (Blondel, 1987) and the tasks they must undertake (Elcock, 2001) in specific situations. This requires identifying the demands of the public office and the phases of the leadership process of the office (Muller, 2019: 27). The role of leaders is defined by constitutions and legislation (Neustadt, 1980). Equally, if leadership roles are also shaped by contingencies, understanding the nature of the tasks to be performed is essential when examining leadership (Elcock, 2001).

According to Tucker (1995), political leadership is a process of deliberation (formulation), decision (promulgation) and execution (implementation) of policies for directing collective action. Using insights from political science and policy literature, three leadership phases and functions can be identified following the demands of the local leadership office. First, the *formulation phase* or *policy setting* consists of problem diagnosis and analysis, solution elaboration, decision-making and the formulation of policy goals and long-term political directions (Kotter & Lawrence, 1974: 46; Blondel, 1987:138; Tucker, 1995:31). This phase relates to what the policy literature calls problem selection (White, 2003), and political science considers *agenda-setting* (Muller, 2019), referring simply to the process through which mayors decide what to do (Kotter & Lawrence, 1974: 49). Secondly, the *mobilisation phase* or *resource management* involves the mayor's mobilisation of resources (votes, money, laws, human, task completion capacity) and building and maintaining positive relationships, support and coordination (Kotter & Lawrence, 1974: 46, 64). Thirdly, the *implementation phase* entails leadership and operational response, accomplishing tasks to

achieve goals (Kotter & Lawrence, 1974: 87; Tucker, 1995:31; Muller, 2019). These distinct leadership phases enable the analysis of the leadership process about their inherent tasks (Figure 2.2).

Figure 2.2. Conceptual framework for local political leadership



Source: adapted from Greenstein (1992: 109) and Elgie (1995: 8)

2.2.4 Analytical dimensions

In the case of the EU funds, the *formulation phase* coincides with the programming phase (Milio, 2007a). It entails identifying needs and problems for solving, formulating solutions, articulating goals, designing measures and operations for achieving them, networking and allocating funds for operations. Moreover, it also entails a strategic component that varies substantially from leader to leader. The *mobilisation phase* involves the assessment, administration, and allocation of resources and capacity-building measures to enable the administration to follow the set directions and execute decisions and agreed action plans (Grindle & Hilderbrand, 1995). For this, mayors may use institutional and structural (organisational) resources from their leadership environment to prepare for action. To

analyse leadership in the mobilisation or capacity building phase, the focus would be on organisational structure building and the measures on the administrative structure to prepare it for the tasks specific to EU funding. This may include creating internal structures (departments), allocating human resources, and developing internal relationships. The improvement and development of administrative capacities to align performance with organisational objectives is linked to strategic management (Grindle & Hilderbrand, 1995; Milen, 2001). Cohen (1995) views public sector capacity as a process of strengthening human resources (managerial, professional and technical), focusing on the ability, talent, competency, efficiency and qualifications of people (Cohen, 1995: 409). Lastly, leadership in the *implementation phase* involves the execution of operations. It entails problem-solving and coordination in executing the tasks to achieve agreed goals through administrative and personal resources.

For a systematic analysis of the leadership process, the leader's interactions with the institutional structures and situations are examined across the leadership phases and associated functions and tasks identified above. The interactions with the structures and the societal needs are particularly pertinent in the formulation phase when problems are identified, solutions are determined, and priorities are established. The interaction with the internal institutional structure, the local bureaucracy, is intense in the mobilization and implementation phase.

Leadership in the formulation phase for attracting EU funds is examined along (1) a set of interactions of leaders with the local community to establish an agenda for investments, here understood as *public accountability*; (2) a set of interactions with the local context and structures that constrain and enable leaders to seize opportunities, i.e. *context utilization*; (3) interactions with *multi-level institutions and structures* to navigate the process; and (4)

the leader's political *ambition or vision* for the local polity which represent the destination of the political decisions and actions.

Taking each of these in turn, (1) *public accountability* refers to the leader's interactions with the societal needs and desires, i.e., the relation with the citizens. As elected officials, Mayors legitimately gain and hold power over the territory and community they represent through public and free elections (Borraz & John, 2004; Wollmann, 2004). Local political officeholders have "influence over public resources and thus have accountability and power relations with the citizens" (Greasley & Stoker, 2009: 126). The exercise of this power is limited by mechanisms that oblige representatives to be answerable for their decisions, actions, non-actions and outcomes to those affected by their choices and to be responsive to the needs expressed by those affected (Stone, 1980). In democratic systems, this capacity of the ruled to hold their representatives accountable for their decisions and actions is tightly linked to the legitimate gain and exercise of political power. It is assumed that when leaders value this relation, officeholders will be more responsive, inclusive of, invested in, and committed to satisfying the public demands, political commitments, and electoral promises (Getimis, Grigoriadou & Kyrou, 2006b: 288). In this research, it is expected that those seeking to attract EU funds will actively develop this relationship.

(2) *Context utilization* refers to the leader's apprehension and interaction with the local context/ setting, navigating its problems, constraints and opportunities (Hermann, 2003; Lowndes & Leach, 2004; Getimis & Hlepas, 2006a) or "the interaction between leadership resources (personal and positional) on the one hand, and environmental constraints and opportunities on the other" (Cole, 1994: 453). Research indicates that leaders who challenge constraints are more inclined to step into a situation as it occurs, find solutions to issues and address a problem directly (Hermann, 2003). Leaders may challenge (or not) the constraints

and seize their environment's opportunities (Hermann, 2003: 181; 't Hart, 2014b). This is particularly pertinent to attracting EU funds when new mayor opportunities are available. The national, local or supranational context might pose problems in overcoming the conditions (constraints) affecting how these opportunities were grasped for specific local problems (Fratesi & Wishlade, 2017; Bachtrögler, Fratesi & Perucca, 2020).

(3) *Multi-level interactions* entail the development of *horizontal and vertical relations* with structures situated at different government levels, i.e. administrations and organizations (Sørensen, 2020). Seeking and gaining access to multi-level structures may enable mayors to enter and develop networks of relevant actors possessing relevant informal and formal information. Such actions could enhance their understanding of processes and provide an informational advantage that could shape their responses to novel policy opportunities (Sørensen, 2020). Equally, they may identify potential weaknesses in the existing system, which they may further exploit to their advantage (Vinci, 2021). Specifically, EU policies create new arenas of engagement, which enlarge the institutional and structural environment with which mayors usually interact. The contextual constraints and opportunities framing the interaction of leaders in their response to EU policies are not reduced to the local context but extend to upper levels of government. Mayors need to engage with *horizontal governance structures and dynamics* like the local institutional, social, economic and political environment, but also *vertical governance structures and power relations* (Kübler & Michel, 2006; Bazarli, Caponio & de Graauw, 2022: 299), as is the case of Cohesion policy, which remains the policy domain of central governments.

(4) The *vision* captures or reflects the leaders' ambition for the future and represents a long-term projection of reality (Page & Wouters, 1994: 456). According to Handy (1993: 117), "A leader is someone who is able to develop and communicate a vision which gives meaning to

the work of others". Empirical research in Spain indicates that a lack of clear long-term planning vision affected the impact of the Cohesion policy (Medeiros, 2017: 1264, 1266). Similarly, Rodriguez-Pose (2013: 1042) suggests that a "tailor-made" development strategy matching the institutional environment is a critical initial step for enabling formal and informal institutions to stir economic development efficiently.

Table 2.1. Analytical dimensions for leadership interactions in agenda setting

Leadership interactions	Indicators	Leadership functions
Public accountability	Public commitment Public engagement Public responsiveness	Agenda setting / Formulation phase
Context utilization	Needs mapping Opportunity spotting Constraints apprehension	
Multi-level interaction	Horizontal and vertical relations	
Vision	Future projections	

Source: own elaboration

2.3 Leader-local bureaucracy interactions

The relationship of political leaders with their close "entourage", but also with "the more distant subordinates and indeed with the nation as a whole" is essential for achieving societal goals (Blondel, 1987: 6). These multiple connections affect the operation and, potentially, the outcome of leadership (Blondel, 1987). Particularly relevant in shaping outcomes is the relationship of political leaders with the bureaucratic body in charge of providing support and executing decisions (Blondel, 1987). Public administrations are the closest administrative structures with which leaders interact in the leadership process across all the office's demands. This remains true in the leadership process for attracting EU funds. In the public administration literature, the politics and administration relationship has been

a point of contention (see Wilson, 1887; Waldo, 1946; Simon, 1947; Goodnow, 1900; Frederickson, Smith, Larimer, & Licari, 2012; Svara, 1998, 1999, 2001, 2006a; Overeem, 2010; Demir, 2018). Politics has been defined as the realm of decision-making and the civil service of policy execution, contributing to policy outcomes (Peters & Pierre, 2012). However, these two government spheres constantly interact, making separating their roles and functions difficult.

This section theoretically discusses the interaction of elected politicians with the public administration (PA). It aims to define this interaction, operationalize it and identify the arenas in which it manifests in implementing EU resources. Local governments' political and administrative spheres are part of the institutional structure involved in attracting EU funds, where leadership interactions occur.

2.3.1 Conceptualizations of politics and administrative relationships

Woodrow Wilson's²⁶ (1887) essay, *The Study of Administration*, is often regarded at the origin of the politics-administration debate that is still shaping the theory and practice of public administration²⁷. The politics-administration relationship was initially discussed as a difference (Wilson, 1887; Goodnow, 1900), then as a dichotomy (White, 1937), later on as a false dichotomy (see Waldo, 1948; Simon, 1947; Svara, 1985), and more recently as complementarity (see Svara, 1998, 2001, 2008; Svara & Brunet, 2003; Frederickson, Smith, Larimer & Licari, 2012). Attempts to trace the "conceptual 'pre-history' of the politics-administration dichotomy" indicate that "politics" and "administration" were not opposing

²⁶ Van Riper (1983) argues that Wilson is not the first to discuss the idea of a public administration science. He indicated that Dorman B. Eaton (drafted the Civil Service Act of 1883) had already formulated this idea in his 1880 study of the British civil service, where he talked about the development of a science of administration in Britain, which he recommended for the US as well. This assertion reappears in Eaton's contribution to the *Cyclopedia of Political Science* (1882) regarding the civil service reform. To many, Frank Goodnow founded public administration as an academic discipline in America (Patterson 2001).

²⁷ Van Riper (1983) contests this view, stating that Wilson's article has gone unnoticed until after reprinting it in the 1950s, claiming that the essay has not had the attributed influence on the development of the field of public administration after 1887, as the conventional discourse proclaims.

terms before the nineteenth century, and the dichotomy is not found in the tradition of political philosophy (Overeem, 2010: 22-23). In recent years, the debate is centred on how to connect politics and administration in democratic societies (Demir, 2018). However, attempts have been made to restore the dichotomy (Overeem, 2005, 2010), which stirred critical reactions (Svara, 2006a, 2008).

Wilson (1887) argued that the "administration lies outside the proper sphere of politics. Administrative questions are not political questions. Although politics sets the task for administration, it should not be suffered to manipulate its offices" (Wilson, 1887: 210; italics in the original). According to this stance, politics should be about policymaking, while the administration is about policy implementation, and be "sensitive to public opinion" (Wilson, 1887: 216). Svara (1998) argues that Wilson's politics and administration differentiation is not a separation or a dichotomy but a mere description of existing differences between the two spheres of government. According to this view, Wilson only sought to protect the administration from politics, understood as partisan interference (O'Toole, 1987), political abuse, and corruption, through the patronage and spoils systems dominating the US politics at that time (the "political machine")²⁸ (Fox, 1977).

Similarly, Goodnow's (1900) argues that politics is in charge of conceiving policies while the administration of executing them. Goodnow's differentiation was often interpreted as a dichotomy. However, most scholars today agree that he only articulated a typological and analytical difference (Stillman, 1973: 586) and did not propose a dichotomy that completely separates politics from administration (Svara, 1998; Patterson, 2001). Instead, the "function of administration... must be subjected to the control of politics, if it is to be hoped that the expressed will of the state shall be executed" (Goodnow, 1900: 72 in Patterson, 2001).

²⁸ for more on the US administration in the second half of the 19th century see Fox, 1977; Schiesl, 1977; Skowroned, 1982.

The *orthodox period* is when the dichotomy model prevailed in the public administration discourse and lasted until the 1940s. The dichotomy model and the scientific operation of administration dominated (Tahmasebi & Musavi, 2011). The administration in the 1930s was reduced to a managerial view, close to scientific management, emphasising expertise, neutrality, and hierarchy (Demir & Nyhan, 2008: 83) with no emphasis on purpose, persons, or objectives (Caiden, 1984: 60-1). Government is viewed as divided into two spheres, i.e. politics and administration. Their relationship is analysed through a functional approach (Demir, 2009). The function of politics is to decide, and the administrative function is to provide neutral input and competence to public policies and ensure their implementation (Demir, 2009). The core ideas of public administration orthodox ideology refer to efficiency, division of decision from execution, scientific principles for studying administration and applying business management principles and practices to public administrations—a framework which excludes values.

The classic Friedrich - Finer debate at the beginning of the 1940s about ethics in public bureaucracies, and the best method to guarantee public officials' accountability, clearly highlights the tension between bureaucrats and elected officials. Friedrich (1940) claims that through internal checks, professional standards, and technical knowledge, bureaucrats are better suited to make decisions and address administrative problems, not needing elected officials. In contrast, Finer (1941) argues that politicians should hold administrators accountable and that elected officials are better positioned to make decisions for the public good because the public, including bureaucrats, elect them. Bureaucrats should thus be accountable for implementing and not taking decisions. In practice, the notion of a clear politics-administration separation informed the council-manager form of local government

(Pressman, 1972; Svara, 1987), which is the closest form of government to the ideal dichotomy model, making it suitable for studying it (Frederickson et al., 2012).

In the *heterodoxy period* of the 1970s, scholars claimed no politics-administration dichotomy (Frederickson et al., 2012). Particularly influential were the works of Dwight Waldo (1948), Herbert Simon (1947/ 1997) and Appleby (1949) that challenged the dichotomy model, but each on different grounds (Overeem, 2008; Frederickson et al., 2012). Waldo (1946) pointed to the limitations of orthodox thinking from the angle of political theory (Carroll & Frederickson, 2001). Waldo (1948) challenged the positivist form of inquiry dominating the early decades of the 20th century, which underpinned scientific management and public administration ideas (Carroll & Frederickson, 2001). Positivism is concerned with measurable truths (or false) at the expense of other questions that escape measurement, such as questions of value. By relying on positivism, public administration gives primacy to "managers and a managed polity" (Carroll & Frederickson 2001: 3). Waldo (1948) instead claimed that the administrative acts are political, challenging the value-free notion of public administration (Frederickson et al., 2012). Efficiency is not a value, so a framework of consciously held democratic values must underpin governmental efficiency (Waldo, 1948: 202). Similarly, Herbert Simon (1947) and Appleby (1949) opposed the dichotomy model by reasoning that, in practice, it is complicated to untangle politics from administration, and they should not be viewed as two distinct governmental functions.

Svara (1999, 2001) proposes complementarity to understand the interaction between politicians and administrations. Complementarity acknowledges the interdependence and reciprocal influence of elected officials and administrators collaborating to govern (Svara, 1999, 2001). While performing distinctive roles, their functions often overlap. Whereas administrators contribute to creating and implementing policies, elected officials decide and

oversee the implementation, take measures in case of poor performance, or solve implementation problems through measures of fine-tuning (Svara, 2001). There is a continuous interaction, mutual influence and respect between elected officials and administrators (Svara, 2001:179). The study draws from the complementarity approach viewing elected officials and administrators in “an interaction between political control and professional independence” (Svara, 2001:180). The politics-administration interaction is part of the leadership interactions with the horizontal institutional structures to which public administrations belong.

2.3.2 Defining politics-administration interaction

Public administrations perform a complex mix of activities, which might escape empirical efforts to fit them into categorical boxes that match the policy cycle's theoretical clear separation and boundaries (Aberbach, Putnam & Rockman, 1981; Peters, 1987). For instance, while an administration's primary purpose and role is to take care of the execution of decisions, an administrator also takes care of drafting and wording law proposals. This activity belongs to the decision-making domain (political sphere) and the policy process's initial phases (Alba & Navarro, 2006: 288). Additionally, after passing laws, administrators elaborate on the general principles and prescriptions of the laws passed by legislatures (see Kerwin, 1999; Page, 2000; Page & Jenkins, 2005). These administrative efforts are necessary to draft laws to enable the expert (administrator) to implement and execute them (Peters & Pierre, 2012). Politicians, as able as they might be in political matters, can only hold expertise on some matters under their jurisdiction, particularly in local governments requiring technical knowledge from politicians and administrators.

Empirical evidence indicates that the support and direct involvement of elected leaders in policy execution influences the implementation process (Terman & Feiock, 2015). Moreover,

the interactions between elected officials and administrators might influence the government's capacity to implement decisions and execute their assigned tasks (Klaussen & Magnier, 1998; Mouritzen & Svara, 2002; Alba & Navarro, 2006).

In light of the positions discussed above, this study's *political and administrative interaction* is defined as a constant exchange between elected officials and administrators, mutual influence and respect (as proposed by Svara 1999). Specifically, in this study, this interaction is examined in the implementation of EU funds, where the fulfilment of the tasks and activities necessary to secure EU funds and deliver EU-funded investments rely on the relationship of local leaders with the public administrations under their subordination, particularly to mobilize resources and build the necessary administrative capacities to achieve policy outcomes (Cole, 2006).

2.3.3 Analytical dimensions

The interaction of political leaders with public administrations in attracting EU funds is analysed in the phases identified in the previous section (formulation, mobilisation, implementation). This choice is for analytical purposes only, as these phases are neither neatly separated nor sequential.

- 1) *The strategic approach* is manifested in the formulation phase when problems are identified, solutions are proposed, and resources are sought. Two aspects are examined. Firstly, the (a) *strategic action plans* crafted by decision-makers to guide the actions and implementation decisions to seize the opportunities the EU funds offer. Secondly, (b) *the timeliness of the strategic planning* that comprises the calendar and timeline of the plan to execute.

2) *Bureaucratic structure* corresponds to the mobilization phase, which refers to adapting or building internal organizational structures and capacities to enable the administration to act on the decisions taken at the political level (Christensen, Lægreid, & Rykkja, 2016). This aspect is analysed through several aspects. First, the (a) *structural adaptation* refers to the creation of internal structures (departments) tailored or adapted to the responsibilities specific to attracting EU resources to prepare the administration for this task (creating structures, positions, allocating roles and responsibilities). It has been found that municipalities that created a separate EU funds unit were more successful in attracting them (Pander 2009: 121 in Charasz & Vogler 2021: 451). The second aspect is (b) *staffing*, which entails populating departments with people with relevant experience and expertise to perform the allocated tasks. Thirdly, (c) *knowledge building*, which entails taking training and learning measures to ensure that the staff has the appropriate and sufficient information to perform the allocated tasks and knowledge corresponding to the functions of the dedicated structures. Evidence from Poland indicate that municipal governments that went through processes of learning improved their handling of external funding (Swianiewicz et al. 2013 in Charasz & Vogler 2021: 451).

3) *Internal relations* exercised in the implementation phase are analysed through four main aspects. Firstly, (a) *overseeing* refers to the monitoring activities assumed by leaders over the timeliness and succession of administration's actions to attract EU funds. Secondly, (b) *problem-solving* refers to the leader's readiness to solve concrete problems and support administrators to overcome implementation challenges. Thirdly, (c) *coordination* refers to adapting means to ends, synchronising the activities performed by various administrative structures, determining the timing and sequencing of activities to link appropriately, and reallocating and recalibrating resources, times, and priorities. Lastly, (d) *control* of the execution of the vision and the action plan (Elcock, 2001: 70) refers to checking that the plan

is carried out. It entails comparing the operations with the initial plan, evaluating the quality of the work, and detecting potential or actual deviations from the plan.

Table 2.2. Analytical dimensions for leader-bureaucracy interactions

Leader-administration interactions	Indicators	Leadership phases/functions
(1) Strategic approach	(a) Strategic action plan (b) Timeliness of strategic planning	Formulation phase/ Agenda setting
(2) Bureaucratic structure	(a) Structural adaptation (b) Staffing (c) Knowledge-building	Resource mobilization phase/ Capacity building
(3) Internal relations	(a) Overseeing (b) Problem solving (c) Coordination (d) Control	Implementation

Source: own elaboration

2.4 Administrative capacity for implementation

Previous implementation research identified administrative capacity as a meaningful factor explaining implementation outcomes and levels of Structural Funds spending, irrespective of political leaders' contribution (Milio, 2007a; Farole et al., 2011; Bachtler, Mendez & Oraze, 2014; Terracciano & Graziano, 2016; Surubaru, 2017a). Public administrations (PA) are involved in all the actions specific to attracting EU funds, more intensely in charge of the operational implementation. In consequence, the capacity of the PA to perform the tasks associated with attracting EU funds is essential. This section aims to define administrative capacity in implementing EU policies. In doing this, it highlights the debate regarding the boundaries of policy formulation and execution and the critique of a precise sequencing and division of policy stages as in Lasswell's (1956) ideal model (Nakamura, 1987; Hill & Hupe, 2002). Policy stages are not always sequential but interdependent, parallel and interactive.

This discussion echoes the politics-administration debate regarding the strict separation of the domains of politics and administration.

2.4.1 Implementation approaches

Mazmanian and Sabatier (1983: 20) view implementation as "The carrying out of a basic policy decision". Two main implementation approaches emerged the "top-down and bottom-up" theory (Matland, 1995). The "top-down" approach begins with a policy decision and examines whether policy objectives are met and why, focusing on the control of implementing actors (Mazmanian & Sabatier, 1983; Sabatier, 1986: 32; Matland, 1995). The "bottom-up" approach posits that implementation research should start with identifying the actors involved in the implementation and sitting the closest to the problems that policies target (Sabatier, 1986; Matland, 1995). The bottom-up approach of Hjern et al. (1978) seeks to identify these actors' goals, strategies, activities and contacts (Sabatier, 1986: 32).

For the *top-down theorists*, implementation starts with a central authoritative decision and refers to the fitness between the goals of the authoritative decision maker and the implementing actions (Van Meter & Van Horn, 1976; Nakamura & Smallwood, 1980; Mazmanian & Sabatier, 1983). Critics of the top-down approach argued that it excludes the initial stages of policymaking, which nest many implementation barriers, claiming that the understanding of implementation is only complete if it recognizes what happens in the initial policy stages (see Winter, 1986, 2003a, 2003b). They argue that implementation is more than just a purely technical and administrative process and that implementation problems have roots in the complex, ambiguous, and messy policymaking process (Baier, March & Saetren, 1986). Additionally, top-down perspectives exaggerate policymakers' centrality and suitability to propose meaningful policies. In opposition, local actors have a more extensive experience and close understanding of realities and problems to be better suited to propose

policy solutions. Similarly, the ambition of top-down models to control the behaviour of implementers is unrealistic as administrators (or implementers) have a high degree of discretion which is not possible to control for this model to function (Matland, 1995).

The *bottom-up theorists*, on the other hand, claim that policies should be understood from the perspective of the target group and of the actors that are situated the closest to the source of the problem and delivering problem-solving policies (see Berman, 1978; Elmore, 1979; Lipsky, 1980/2010; Sabatier, 1986). These theorists emphasize contextual factors and argue that implementation theories should not ignore context (Maynard-Moody, Musheno & Palumbo, 1990). Policies influence the actions of local implementers (street-level bureaucrats). Contextual factors from the local environment (micro implementation level) interact with the policy rules created by actors at the top (macro implementation level), and this interaction leads to wide variations in local policy implementation within the same policy or programme (Berman, 1978; Matland, 1995). In order to comprehend policy execution, the “bottom-up” theory considers that the goals, interests, strategies and actions of local actors, as well as their interaction with the environment and their network, need to be understood, as they can dominate the top policy rules (Matland, 1995). Because of this focus, this approach allows researchers to capture strategic interactions over time (Sabatier, 1986). The limitation of this perspective is that the level of local autonomy and the importance of the Periphery as opposed to the Centre are exaggerated (Matland, 1985).

A review of implementation research identifies over three hundred key variables affecting implementation (see O’Toole, 1986, 2000). In the early work of Pressman & Wildavsky (1973), implementation outcomes are attributed to the difficulty of many actors to work together and to the slowness of the implementing structures to adapt to changes occurring during the process. In other early cases, implementation problems were attributed to

constraints under which administrators worked (rules and regulations, scarce resources, and pressure to deliver) that affected both the administrators and the public receiving public services (Lipsky, 1980). The study falls into the tradition of bottom-up research, examining the actors taking part in the micro-implementation process.

2.4.2 Capacity for implementation

The historical EU enlargement to Central and Eastern Europe was a major implementation challenge for the EU. A key area of concern during the accession negotiations referred to the capacity of the new countries to successfully handle and implement the Structural Funds after accession (Dimitrova, 2002; Boijmans, 2003; Cameron, 2003; Hughes, Sasse & Gordon, 2004; Shoyolekova, 2004; Kun-Buczko, 2004). While being frequently used in the enlargement process of the CEEC (Bollen, 2001), administrative capacity affects all EU Member States handling Structural Funds (Milio, 2007a; Bachtler, Mendez & Oraze, 2014; Terracciano & Graziano, 2016). Building administrative capacity was a requirement for candidate countries to manage and access Structural Funds.

Capacity is the ability to execute specific tasks "effectively, efficiently and sustainably" (Hilderbrand & Grindle, 1994: 15) or carry out functions, find solutions to problems, create and accomplish goals (Fukuda-Parr, Lopez & Malik, 2002: 3). According to these definitions, capacity is the ability to perform the actions needed to achieve specific government goals (Fukuda-Parr et al., 2002). Achieving goals relies upon an alignment between capacities, objectives and political ambitions. According to this view, existing capacities are likely to shape the level of achievement of goals.

In public policies and European policies in particular, capacity has been defined in various ways such as quality of government (Mendez & Bachtler, 2022), institutional capacity,

absorption capacity (Noetzel, 1997; Nel, 2002; Šumpíková, Pavel & Klazar, 2004; Horvat & Maier, 2004) and administrative capacity. Institutional capacity is a broad concept, encompassing a country-level view of a state's ability to perform different actions. Institutions refer to physical organizations such as government, universities, but they may also refer to rules, procedures or practices and norms that shape the interactions of different actors (people, enterprises, governments, community actors), shape and constrain behaviours (Keohane 1988, 2017). Institutional capacity, in this case, has a systemic dimension and refers to individual organizations and abstract entities such as norms, rules, culture or social capital (Putnam, 1993; Segnestam et al., 2003). Institutional capacity is also defined as the ability to perform certain functions to accomplish policy objectives (Milio, 2007a). These functions relate to the various phases of the policy process. From this perspective, capacity represents the ability to perform each function correctly, efficiently and timely (Willems & Baumert, 2003). As each function entails performing different tasks, the capacities for each function may vary. Moreover, the effectiveness of performing specific tasks may influence the next. Therefore, the capacity to perform the actions related to each stage affects the entire process and overall result (Willems & Baumert, 2003).

Institutional capacity may also be defined through the components of an organisation operating together towards achieving its objectives (USAID, 2000). This view relies on defining an *organization* as "a system of related components that work together to achieve an agreed-upon mission" (USAID, 2000: 3). However, these components are not universal and differ with each type of organization and specific context (USAID, 2000). Organizational capacity depends on areas essential for organizations to perform their tasks successfully (USAID, 2000).

As a narrower concept, administrative capacity could represent a component of institutional capacity. In public administrations, administrative capacity relates to the capacity of civil servants to perform their tasks and determine their delivery performance (Mentz, 1997). The training of people to strengthen organisations occurs within an institutional environment of rules, procedures and practices that limit the actions of organisations and individuals (Willems & Baumert, 2003). Their success depends on the surrounding institutional environment. Administrative capacity may also be viewed as the public administration's ability to fulfil its duties, address problems and fulfil goals, approaching its evolution in a broader context in a sustainable way (OECD 2005: 44)²⁹.

In a recent study inquiring whether and how the Structural Funds affected the local bureaucratic capacity of municipal governments in Poland, the concepts used for local state capacity reflect "the increasing role of information in determining governance quality" (Charasz & Vogler, 2021: 447). Two indicators of administrative capability were used, (1) *information provision capacity (or information capacity)*, the capacity of administrations to mobilize resources to reply to inquiries by the public and (2) *discrimination capacity*, the capacity of governments to assess inquiries, prioritize them, and adjust their resources to address them (Charasz & Vogler, 2021: 450). The study found that only a relationship existed between the level of EU funding received and the capacity of municipal bureaucracies to discriminate between different inquiries (Charasz & Vogler, 2021: 465).

2.4.3 Defining administrative capacity in this study

For this research, *administrative capacity* refers to the suitability and ability of public administrations to perform the activities and responsibilities necessary to secure EU funds.

²⁹ OECD (2006). *The challenge of capacity development. Working towards good practice*.

Administrative capacity is analysed in each of the specific phases/ functions identified in the previous section following the demands imposed by the implementation process and followed by local administrations, namely (1) *formulation*, (2) *mobilisation* and (3) *implementation*.

2.4.4 Analytical dimensions

Three administrative capacity aspects are considered for each phase and corresponding actions. Given the involvement of the administration in more implementation tasks, the capacity dimensions will be mainly analysed at this stage, as it is here where the local administration performs many important operational tasks that are essential to attracting EU funds: (1) The functioning of the dedicated structures with precise distribution of roles and responsibilities related to EU funding is analysed; (2) The human resources are analysed, specifically their knowledge, staffing, motivation and workload; (3) The collaboration capacity of the units involved in the process is analysed for tasks that rely on this function.

(1) *Dedicated structures* created in public administrations for dealing with EU funds. It refers to their existence and suitability for performing the allocated tasks. Three aspects are considered.

(a) *The allocation of tasks, responsibilities and competencies* for attracting EU funds (Toth, Dărăsteanu, Tarnovschi, 2010: 57). The key focus is on whether and how these internal structures clearly accommodate the roles and responsibilities associated with the actions needed to attract resources, such as project preparation, project management, and implementation.

(b) The capacity to *attract the best talents* to the public sector. The ability to attract expertise within the public sector is a key indicator of its importance within public organizations (Mazzucato, 2018: 25).

(c) The capacity to *retain the best talents* to the public sector.

(2) The *human resources* are the stock of civil servants mobilized and involved in the actions to attract EU funds and deliver public investments (Toth, Dărăsteanu, Tarnovschi, 2010: 56). Previous bottom-up research indicate that the implementation of programmes depends largely on the skills of the people from the local implementation structure involved in implementation (Matland, 1995). EU Programmes require (a) specialised EU funds and technical knowledge to perform special tasks and follow long-term calendars; (b) appropriate levels of staffing, and stability of personnel to manage workload (Horvat, 2005); and (c) motivated people to ensure performance and continuity.

(a) *Knowledge capacity* refers to the in-house knowledge capital of local administrations in relation to the complex mechanisms of attracting EU funds. Previous research found that the performance of programmes depended on the skills of the people from the local implementation structures more than on the activity of national governments (Hjern et al. 1978 in Sabatier, 1986: 32). The process of attracting EU resources mobilizes and requires *specific knowledge related to EU policies and funds*, regulations and procedures (Cace, Cace, Iova & Nicolăescu, 2010). For instance, limited experience with preparing projects and limited knowledge of public procurement legislation and procedures was found to have contributed to a low absorption rate of the European Regional Development Fund in Poland in the 2004-2006 period (European Parliament, 2007).

On the other hand, the design of investment projects relies on specialised knowledge in law, public procurement and technical fields (engineering, construction, electricity). Acquiring technical expertise requires specialised qualifications. It is more difficult to find, attract and retain such personnel within public administrations, given the limited offer on the labour market, as later chapters will illustrate (see Chapter 5). The labour market is a crucial factor relating to the knowledge capacity of teams and the staffing capacities of organisations (Hackman & Wageman, 2005). Minimum knowledge in these fields is crucial for municipalities to attract EU structural resources. Technical knowledge, specifically, is necessary for preparing the design of investments and verifying the technical design projects, but also for overseeing the delivery of the investments on the ground. Thus, public administrations must possess the appropriate level of expertise to check the content and quality of technical projects and oversee the execution of projects on the ground.

Local public administrations often lack a comprehensive body of internal technical experts to design their investment's technical projects or oversee their execution. Given the practice of externalising such services to specialised companies, the focus is on the technical expertise within public administrations to verify deliverables and oversee the execution of investments of external companies. For this, diverse and sufficient knowledge and expertise in these domains would enable administrations to oversee processes and activities outsourced to specialised companies. Where such knowledge is high, the capacity to oversee contractors is also higher. Additionally, it may enable public administrations to gain independence from external contractors and increase their autonomy and control over the processes of attracting EU funds.

(b) *Staffing and workload* are two interrelated aspects. *Staffing* refers to the stock of people allocated to accomplish a specific workload within a time limit and their continuity and

stability (Horvat, 2005). *Workload* refers to a team's work in a given timeframe. The level of work for each person depends on the size of the team, the timeframe for completing the work and the volume of work that needs to be completed. Given the complexity of attracting EU funding and the number of sub-(sub-)activities to perform, time is one of the highest pressures on each entity seeking to attract funds. In addition, this challenge is multiplied by the number of investments (political ambition) each municipality seeks to pursue and the number of people allocated to prepare and deliver these projects. Insufficient staffing was one of the factors found to have affected the low absorption rates of the European Regional Development Fund in Poland in the 2004-2006 period (European Parliament, 2007).

(c) *Motivation* is a key driver of organisational success (Ritz, Neumann, Vandenabeele, 2016). It determines the 'direction, intensity, and the power of endurance' of behaviours (Heckhausen 1989 in Ritz, Neumann, Vandenabeele, 2016). In the public sector, it refers to the non-imposed adherence of civil servants to important public goals (Behn, 1995). Previous research has identified two major determinants of motivation (Wright, 2001: 562; Ritz, Neumann, Vandenabeele, 2016). One relates to employees' characteristics like *employee motives* (their expectations from the job), and *job satisfaction* (their reactions to the job). The second determinant refers to the characteristics of the work environment, like *job characteristics* (the tasks performed), and *work context* (the rewards, incentives, goals).

In the case of the EU funds, the job characteristics refer to preparing and implementing projects to attract resources. It also involves continuous learning, attention to legal details, following strict rules, and tight deadlines. Attracting EU funds requires following a sequence of inter-connected actions thus relying on employees' long-term dedication. To achieve this, public administrations need people attached to this goal, but also stable and involved on the long-term to absorb new knowledge, adapt to change and cover new, and multiple

tasks. The staff's intrinsic adherence to work may affect the performance of these tasks, but also the team's ability to achieve collective goals. In EU funds, it might affect the timeliness and the quality of the work delivered. Motivated people tend to have an active and energetic behaviour. This might translate into working overtime, starting early, or working faster every day to meet tight deadlines and coordinate efforts and outputs. Demotivated people tend to be passive and slow.

(3) *Collaboration capacity* refers to the ability of administrations to handle (a) internal departmental relations, but also (b) external relations with actors, such as outsourced contracts, other public bodies with which municipalities interact for the preparation of projects and (3) the EU funding system.

The creation of projects and the delivery of investments involve many actors and rely on several internal departments' activity and good functioning. The internal working relations need to be functional, supportive and timely. Additionally, in the initial phases of preparing investment documentation, local administrations engage and depend on many other external organisations for receiving investment approvals mandatory for accessing Structural Funds. After the approval of the investment by the assessment bodies, local administrations need to deliver the investments. For this, they hire different contractors. Local administrations depend on the companies contracted to deliver their investments and provide the equipment or services prescribed in the project. Administrations need to be able to handle these multiple actors, oversee their actions, and monitor the fulfilment of the contracts within the agreed project calendar.

Table 2.3. Analytical dimensions administrative capacity

Administrative capacity	Indicators	Phases/ functions
(1) Dedicated structures	(a) Allocation of roles and tasks (b) Hiring capacity (c) Stability and retention	Formulation / implementation
(2) Human resources	(a) Knowledge capacities (b) Staffing and workload (c) Motivation	
(3) Collaboration	(a) Internal collaboration (b) External collaboration	

Source: own elaboration

2.5 Implementation performance in this study

In this research, performance is defined and analysed in relation to the execution of specific policy delivery functions and tasks (Section 2.2.3.3). The assessment of local (administrative and political) performance is closely connected to the functions and operations to be executed to use the allocated resources. It refers to what directly emerges from implementing operations. Implementation involves fulfilling specific regulatory, strategic and financial requirements and executing on-the-ground operations that produce outputs (Bachtler, Mendez, & Oraze, 2014). This research investigates what emerges from executing specific actions on the ground to use the allocated funds (implementation outputs).

The European Structural and Investment Funds (ESIF) are based on an intervention logic presented in the EU legislation and strategic framework³⁰. The intervention logic consists in identifying and assessing needs, creating specific objectives and actions for these needs,

³⁰ Annex I of the Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006. Available at <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=celex%3A32013R1303>.

allocating funds, setting out expected outputs for each action and establishing broader results (outcomes) to be achieved (European Commission, 2018). The intervention logic clearly distinguishes between implementation outputs, produced by individual actions, and outcomes, the desired change to be achieved, such as economic development (policy impact).

The distinction between implementation outputs and outcomes (impact) is meaningful as implementing a programme (and producing outputs) is a necessary precondition to ensure that objectives are achieved. However necessary, the implementation of a programme may not be sufficient to achieve broader policy objectives (Van Meter & Van Horn, 1975: 449). Policies may be fully implemented without having the expected societal impact and producing the desired change. Yet, resources need to be implemented and outputs produced for a policy impact to be assessed. Similarly, in order to assess if the Structural Funds bring economic development, governments first need to implement them (Milio, 2007a: 42).

Cohesion policy research clearly distinguishes between implementation outputs and outcomes (impact). On the one hand, there is notable cohesion policy research investigating the impact of cohesion policy on economic growth measured through the growth of the GDP (Ederveen, de Groot & Nahuis, 2006; Dall’Erba & Le Gallo, 2008; Becker, Egger and von Ehrlich, 2010; Becker, Egger & von Ehrlich, 2012b; Fratesi and Perucca, 2014; Crescenzi & Giua, 2015). Additionally, in the past 15 years, studies have also carefully examined implementation outputs, referring to absorption performance understood as the spending rates of the EU allocated funds (Milio, 2007b; Tosun, 2014; Kersan-Škabić & Tijanić, 2017; Tiganasu, Incaltarau & Pascariu, 2018; Incaltarau, Pascariu & Surubaru, 2020).

This study does not aim to analyse the final impact of a policy (outcome). Instead, it examines the decisions, actions and strategies of the actors concerned by a policy and the outputs they

produce when fulfilling the functions and tasks required to access the policy resources allocated for addressing specific problems.

2.5.1 Analytical dimensions

The assessment of implementation performance, as defined in this study, will refer to the function of implementation related to project preparation and submission and the outputs produced by the execution of the associated tasks.

Previous cohesion policy research used the dimensions proposed by the EU institutions to examine implementation performance (Bachtler, Mendez, Oraze, 2014; Mendez & Bachtler, 2022). In a recent study, Mendez and Bachtler (2022: 4) identified three dimensions of regional administrative performance, financial absorption (absorption rate), financial compliance (regularity and legality of spending) and the achievement of outcome objectives. In a previous study, Bachtler, Mendez and Oraz'ë (2014: 738-740) developed a complex framework to assess administrative implementation performance using 13 indicators covering "the complete programme management cycle". Previously Milio (2007b; 2008) analysed the determinants of regional implementation performance in Italy in relation to the spending rate of the EU funds. Similarly, in the case of Romania, most studies investigated the absorption of the Structural Funds by looking at the implementation of the funds measured through spending rates (Cace, Cace & Nicolăescu, 2011).

This study aims to build on these dimensions. However, despite being extremely valuable and pertinent dimensions and measurements for cohesion policy implementation, this study must adapt them to its research unit. The study focuses on the actors carrying the implementation on the ground (bottom-up) and does not examine the top decision-makers or management (top-down) as most cohesion policy studies. Instead, this research includes indicators for the outputs produced in the project preparation stage other than the commitment of funds

(Bachtler, Mendez & Oraze, 2014) or the absorption rate (Milio, 2007a, 2007b). This adaptation is needed to reflect the outputs produced by the types of tasks executed at the operational level. These tasks differ from those executed by the management system for the same policy stage and function.

The preparation and then submission to funders of investment projects is one of the key stages of the operational implementation of a programme. It involves a series of interlinked actions and decisions from identifying needs, and developing a calendar for writing and submitting projects, to creating a management team, following public procurement procedures, and securing the necessary co-funding. The objective is to prepare a number of investment projects that respond to funding requirements and project calls in a timely manner.

Project preparation measures the performance related to preparing projects and is defined as the number and value of projects prepared and the percentage of funds covered by the value of the projects relative to the total financial allocation for each municipality (where applicable)³¹. Timeliness of project preparation measures the mobilization of cities and is defined as the date when the majority of the projects were submitted to the funder relative the date of the call for projects.

Table 2.4. Analytical dimensions for implementation performance

Dimension	Indicator	Definition
Project submission	Project submission level	It indicates the number of projects submitted for EU funds, and the extent to which their value covers the allocated resources.
	Timeliness	It indicates when the majority of the investments were submitted for EU funding

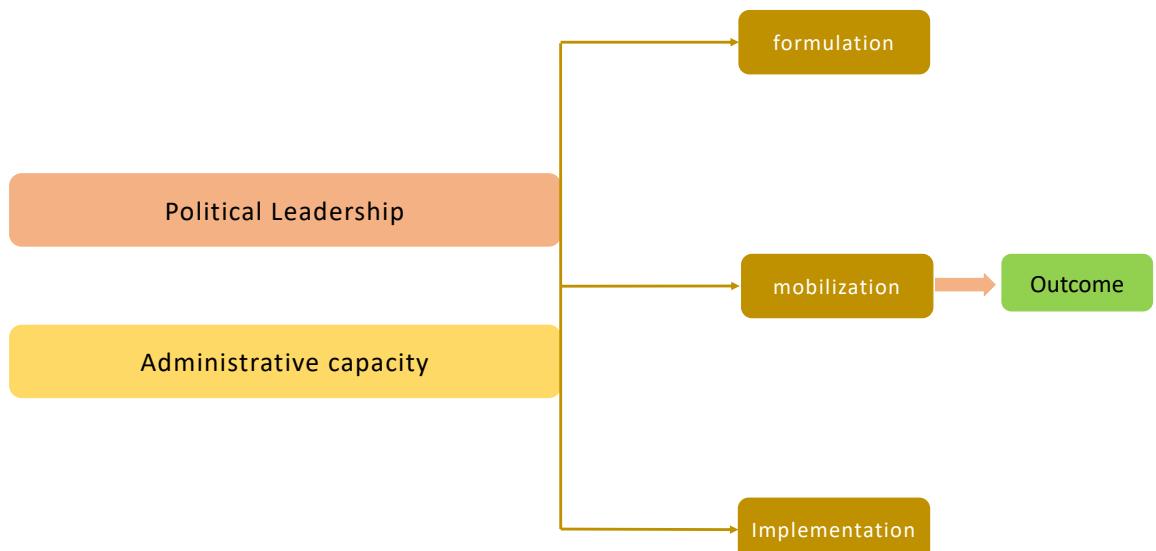
Source: own elaboration

³¹ Only the municipalities that are county capitals have received a dedicated and non-competitive allocation through article 7 of the ERDF regulation no. 1301/2013. The rest of the cities will need to access EU funds through competitive calls for projects. This indicator does not apply to these cases (Section 3.3.3).

2.6 Summary

This chapter laid out the theoretical foundations of the research and defined the critical concepts mobilized in this study (Figure 2.3). It defined local political leadership and its key dimensions. It also discussed the politics-administration complementarity as part of the leadership process and interactions with the environment. Lastly, it discussed the implementation process, the crucial role of public administrations, and their capacity. It formulated a definition of capacity and identified its key dimensions. Based on the theoretical discussion, the research argues that local governments need political leadership and administrative capacity to achieve goals and attract EU resources. By extension, through political leadership, communities with fewer resources can strengthen their capacities to govern and support political will to attract and increase their resources to solve collective needs.

Figure 2.3³². Conceptual framework



Source: own elaboration

³² Note: In Figure 2.3, implementation represents the outcome of the three tasks on which leaders and administrations act.

Chapter 3. Methodology

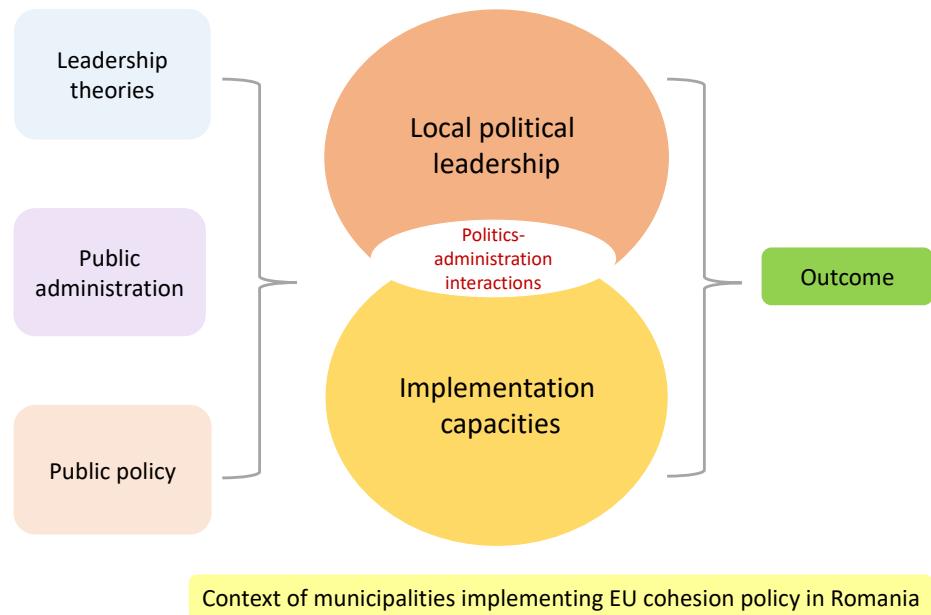
3.1 Introduction

This chapter introduces the philosophical perspective that underpins the study, its methodology and research methods to answer the research questions. This study takes a critical realist approach using qualitative methods, and comparative case studies are used to examine variation in local spending of EU resources in Romania. Data were compiled from different sources. Semi-structured interviews were conducted with political and administrative actors.

- 1) What factors influence the access of urban areas to EU resources in Romania? Are there specific systemic issues that facilitate or inhibit resource access?
 - a. What levels of funding have urban authorities received in the 2014-20 programming period? How do these levels vary between regions and urban authorities?
 - b. What are the systems through which urban authorities access EU funding?
 - c. To what extent do these systems facilitate or inhibit urban authorities accessing EU funding?
- 2) Why do some municipalities access more resources than others do?
 - a. What is the role of local political leaders in CP implementation? How do local leaders respond to EU funding? Are there specific actions and decisions that enable political leaders to seize the EU opportunities and attract resources?
 - b. Do political leaders interact with the administration during the process of accessing EU funds? If yes, when and in what consists this interaction? Are there specific interactions that enable/ inhibit performance?

c. Do local authorities have the necessary administrative capacity to perform the tasks required to access the allocated resources?

Figure 3.1. Theory areas of the conceptual framework



3.2 Philosophical paradigm

Philosophical paradigms or meta-theories are systems of ideas and assumptions about the nature of the world, containing ontological (what exists, how the world is), epistemological (what we can know), and methodological positions (how to acquire knowledge about the world) (Bache, Bulmer, & Gunay, 2012). They are the “basic architecture and requirements of scientific research, both guiding it and providing standards” (Jupille, 2006: 210). Ontology studies reality (Crotty, 1998; Creswell, 2007; Fleetwood, 2014). Epistemology is the study of knowledge, “*how we know what we know*” (Crotty, 1998: 16, italics in the original), so that knowledge is reliable (Healy & Perry, 2000; Wight, 2002: 35).

There are two main ontological (*realism* and *irrealism*) and epistemological positions (*objectivist* and *subjectivist*). In *realism*, the world exists outside the mind (Crotty, 1998),

while in *irrealism*, there is no universe and no reality in the social world. For *objectivists*, the world exists independent of human consciousness and experience, and objects have truth and meaning within them (Crotty, 1998). Knowledge is accessible through careful observation of the world (Crotty, 1998). *Subjectivists* question the production of objective knowledge. Knowledge might only sometimes be truthful. It could be wrong (fallible). Observations depend on theories about the world (*theory-dependent*). As such, there is no neutral position to produce knowledge. These ideas underpin different philosophies of science, such as positivism, constructivism (interpretivism) and critical realism (Table 3.1).

Table 3.1. Main philosophical paradigms

Philosophy of science	Positivism	Critical realism	Constructivism
Ontology	Realism	Realism	Relativism
Epistemology	Objective	Subjectivism	Subjective

Source: own elaboration

Positivism takes a realist and objectivist position, originating in natural science (Flick, 2009). Positivism does not distinguish between natural and social realities, which are only “manifestations of reality”, independent of the observer (Gorski, 2013). It assumes that the world is *real*, having *universal laws* and regularities (Gorski, 2013), which allow explanation, prediction, and the possibility of making causal statements (Easton, 2010). In social science, objective and scientific knowledge is produced by analysing social behaviours from “outside” the individuals’ thoughts and beliefs through actions that can be measured (Fleetwood, 2014). The scientific method is used to observe and measure events (Trochim, 2006) through *deductive reasoning* and theory testing in different contexts (Bryman, 2008).

Interpretivism is a post-positivist perspective that separates natural from social entities, arguing that social reality is constructed linguistically (Geertz, 1973). Individuals exist in a social world that they constantly interpret, creating meanings (Easton, 2010; Fleetwood, 2014) and understanding it through interaction (Flick, 2009; Easton, 2010). Meanings govern social life. Interpretivists dismiss the idea of universal laws and the possibility of identifying causality (Gorski, 2013), advocating for interpretive, subjectivist, and interactionist approaches to social realities. Knowledge is produced by analysing social behaviours from the “inside”, through beliefs, thoughts, intentions and interpretations (Fleetwood, 2014). Social science seeks to discover subjective meanings and intentions from which to draw empirical evidence to build theories through *inductive reasoning* (Gorski, 2013; Fleetwood, 2014). Similarly, reality and universal laws do not exist for *constructivists*, focusing on *discourse, meaning, and experiences*. Knowledge production is *theory-dependent* and *fallible*.

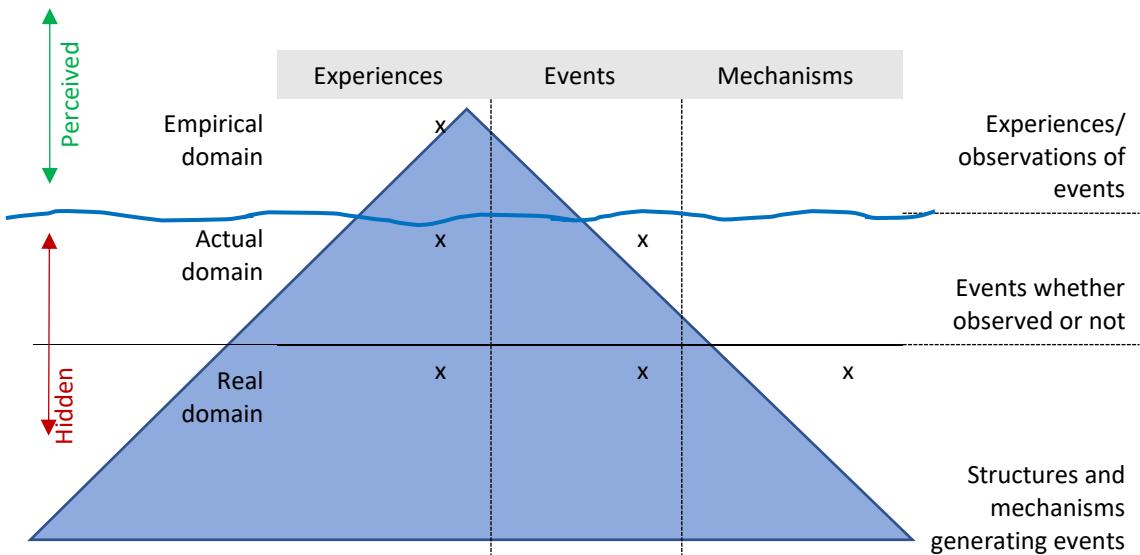
Critical realism (CR) emerges in the United Kingdom through the works of Roy Bhaskar³³ (Gorsky, 2013). It takes a *realist* ontology and a *subjectivist* epistemology and assumes the world to be real, independent of the human mind (Easton, 2010; Gorski, 2013), and objective (“intransitive”), with properties and powers that can be known through scientific effort (Vincent & O’Mahoney, 2018). Its ontology is defined as “stratified, emergent, and transformational entities, relations, and processes” (Fleetwood, 2014: 1). The world is “*an open system of emergent entities*” (O’Mahoney & Vincent, 2014: 6, *italics in the original*). The parts of the universe (entities) interact and produce the observed events, and they cannot be researched separately from their context (O’Mahoney & Vincent, 2014: 6). *Entities* are parts that can make a difference in themselves (Fleetwood, 2005: 199), existing at

³³ Works published in 1975, 1979, and 1994 (*Realist Theory of Science* published first) and developed by a number of British social theorists³³ such as Sayer (1992), Collier (1994), Archer (1995).

different hierarchical levels that create the material and social systems. As such, explanations need to consider them (O'Mahoney & Vincent, 2014: 7). *Emergence* takes place when an entity has causal properties different and higher than those of its constitutive (lower) parts (O'Mahoney & Vincent, 2014). Similarly, the social world is an “open system” (Healy & Perry, 2000), created through perspectives and perceptions, but not only (Easton, 2010; Shannon-Baker, 2016), as “the ‘real’ world breaks through and sometimes destroys the complex stories that we create in order to understand and explain the situations we research” (Easton, 2010: 120).

CR proposes a *stratified ontology*, arguing that reality is stratified, not flat (Figure 3.2), containing three strata or domains of reality (Collier, 1994), the “empirical”, the “actual”, and the “real” (Easton, 2010; Gorski, 2013; Vincent & O'Mahoney, 2018). The *empirical domain* entails *experiences*, and views on the world, i.e., the events that we experience and perceive (Cork, 2008; Vincent & O'Mahoney, 2018), and “consists of all mechanisms that have been activated and observed” (Gorski, 2013: 665). The *actual domain* contains events that occur and may differ from what we perceive (Vincent & O'Mahoney, 2018), consisting of “all mechanisms that have been activated, even if they have not been observed” (Gorski, 2013: 665), nor experienced by everyone or anyone. The *real domain* has *causal mechanisms*, the mechanisms, relations, structures and tendencies that cause (and explain) events (Cork, 2008; Vincent & O'Mahoney, 2018), consisting of “all the mechanisms [...] of all various levels and types of entities with their various powers and tendencies” (Gorski, 2013: 665). Events occur, and they are produced (caused) by “real” mechanisms that are usually not seen by the researcher, residing in the domain of the real (Vincent & O'Mahoney, 2018). The structures enable and constrain the events from the domain of the actual through inherent mechanisms (Easton, 2010).

Figure 3.2 Levels of reality in CR, the iceberg metaphor



Source: own elaboration based on (Collier, 1994: 44; Fletcher, 2017)

Epistemologically, CR assumes that our knowledge of reality is not objective but *subjective*, depending on individuals and their backgrounds (Easton, 2010: 119). CR does not reject entirely the positivist approach to research (theory testing and empirical methods) but considers that observation is *fallible* and *theory-dependent* (Easton, 2010). Knowledge is a social construct, thus constantly changing; it is discursive ("transitive") and subjective (Vincent & O'Mahoney, 2018). Science is viewed as a human activity shaped by language and social power (Gorski, 2013). However, realists investigate perceptions because they offer a connection to a reality beyond those perceptions, unlike constructivism, which investigates perceptions for their own sake (Healy & Perry, 2000).

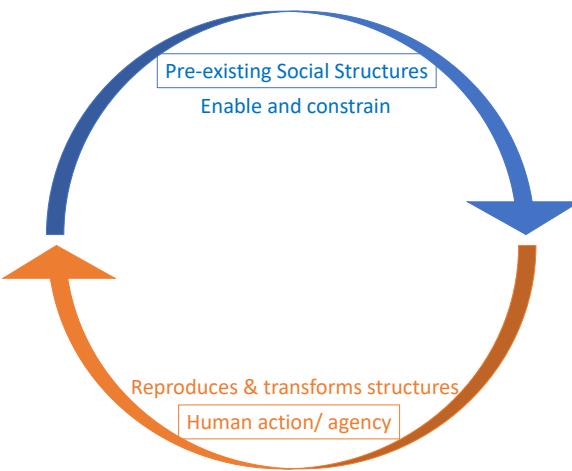
CR embraces different ways to produce knowledge, accessing subjective meanings and beliefs, arguing that meaning has to be comprehended, not measured or counted. According to CR, there is *no direct link* between a realist world and a subjective production of knowledge, but only *an indirect link* through our depiction and representation of the world we consider real. Thus, our individual subjective perceptions filter the external reality independent of us. As a result, reality is a representation of the world from multiple

perceptions created about the unique reality (Healy & Perry, 2000). Realist research aims to present a “family of answers” that refer to diverse contexts and distinct perspectives, albeit imperfect (Healy & Perry, 2000). Its core purpose is not to identify universal laws but the underlying mechanisms that caused phenomena and could cause them again. In CR, agency is central, as well as structure and relationships, to scrutinize the issue under study (Easton, 2010; Smith, 2010; Smith & Elger, 2012; Vincent & O’Mahoney, 2018).

Agency and structure

According to CR, there is no “structure/ agency problem” (Gorski, 2013), as both have “properties and powers in their own right” (Carter & New, 2004: 5). CR argues against social theories that only consider individuals (i.e. rational choice theory in economics) and exclude the impact of social structures on individuals. Instead, it considers that they ought to include both agency and structure, as they affect mutually and co-exist relationally (Figure 3.3). In CR, social structures are real, having lasting features that pre-exist individual lives, shaping and constraining human action (Bhaskar, 2014), i.e. behaviour, identity, knowledge, decisions or actions. Individuals, in turn, can reproduce and transform social structures, shaping reality through their actions (Hay, 2011; Bhaskar, 2014). Moreover, agency refers to actions, principles, senses, and beliefs which can influence the social system (Carter & New, 2004). Individuals cannot escape the social structures they created collectively, so individual decisions are not individual, “unlike natural reality, social reality is not independent of human minds” (Gorski, 2013: 666).

Figure 3.3. Structure and agency cyclic interaction



Source: based on (Stutchbury, 2021)

Why critical realism for this research?

How do all these philosophical ideas relate to this study? Firstly, CR considers that social structures contain causal mechanisms that determine and explain outcomes and events. This research is concerned with identifying structural/ systemic factors that could explain local governments' access to EU resources. Secondly, CR offers the theoretical framework for the interaction between structures and agency (actors) over time (Frederiksen & Kringelum, 2021: 19). This research aims to identify the role of agents within the social structures that frame their actions. It examines leaders' individual actions and preferences interacting with the pre-existing structures to access EU resources, in line with the CR position. Thirdly, CR recognizes the role of theories in conceptualizing and guiding research (Ackroyd & Karlsson, 2014) while considering that there are unseen and unobserved underlying structures that cause events to happen. This research uses a conceptual framework and relies on deductive reasoning but also aims to generate new observations regarding unobserved events or structures that may cause outcomes, thus relying on inductive reasoning. This use of

deductive and inductive reasoning represents the logic of **abduction** essential to CR (Shannon-Baker, 2016; Vincent & O'Mahoney, 2018).

Moreover, in European studies, CR is not an often-used meta-theory. However, it could be helpful to advance Europeanization research (see Bache, Bulmer & Gunay, 2012), and understand some methodological problems, such as ontology (the role of structure and agency) and temporality (Bache, Bulmer & Gunay, 2012). Lastly, the dominant paradigms provide weak support to our research problem. Firstly, they deny the possibility of causal explanations through social structures (Gorski, 2013), while CR offers an exit from universal laws and meanings. Indeed, it is challenging to consider that the success/ failure to attract EU resources is the outcome of universal laws, which presuppose closed universes and regularities of incidents, whilst social systems happen in overt realities (Danermark, Ekstrom, Jakobsen & Karlsson, 2001). Positivism also excludes the role of context. However, the events under study occur in specific socio-political and cultural contexts and depend on the actors involved who might affect what happens. Interpretivism and constructivism, on the other hand, focus on subjectivity and meaning and not on causality or underlying mechanisms. As a result, the paradigm underpinning this research is critical realism.

Table 3.2. Philosophical paradigms

Elements	Positivism	Constructivism	Critical realism
Ontology	Single, measurable reality	reality consists of “multiple realities” that people have in their mind	world is “real”, autonomous, created by us, but exists independent of people
Epistemology	value-free data and analysis researcher’s observations do not change data.	Knowledge is a belief system in a specific context Ideologies and values are behind a finding	Imperfect understanding of reality
Researcher	Outside the investigated reality	Inside the investigated reality. Interacts with the context and participants.	Inside the investigated reality. Interacts with the context and participants.

Methodology	Quantitative research – hypotheses testing (experiments/ surveys)	Qualitative research - researcher among the participants of the investigated world	Open to all methodologies
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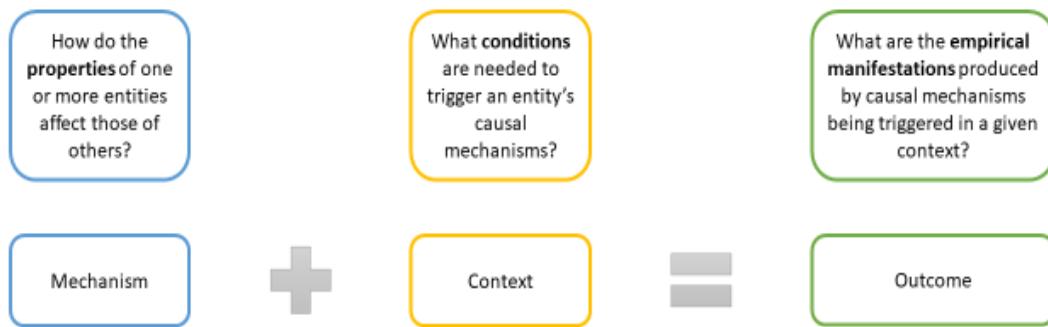
Source: (Healy & Perry, 2000: 119-120)

3.3 Research methodology

Methodology refers to the research techniques to investigate reality (Heady & Perry, 2000).

Critical realism's primary concern is to identify causal explanations and to move from "what" to "why" and "how" questions (Easton, 2010; Fergnani & Chermack, 2021). It seeks to gain an understanding of and explain the "mechanism" behind the events (empirical and actual) that it produces (Vincent & O'Mahoney, 2018). This approach steps away from regression analysis and results that show that x "causes" Y and aims to have a deep understanding of the world we aim to explain and towards grasping why "different contexts, conditions and aspects of X can cause Y" (Vincent & O'Mahoney, 2018: 7). In addition, critical realism emphasizes context (Shannon-Baker, 2012; Fergnani & Chermack, 2021) and argues that the mechanism is an open system that is impossible to separate from its context, as captured in the equation: Mechanism + Context = Outcome (Pawson & Tilly, 1997 in Vincent & O'Mahoney, 2018). The inclusion of context in shaping outcomes means that understanding causality in the social world is a complex task (Vincent & O'Mahoney, 2018), as the mechanisms that manifest in a particular context may create other results in other contexts or the same context but in another period (Vincent & O'Mahoney, 2018).

Figure 3.4. Causality equation



Source: (Vincent & O'Mahoney, 2018)

This study examines the local implementation of CP to identify more facets of implementation patterns and potential explanations, generating a hypothesis to be further tested. To explain the underlying mechanisms of why and how specific outcomes happened, the study considers the qualitative approach as a suitable methodology. Qualitative research will reveal meanings, behaviours, and intentions and provide a rich comprehension of the context in which phenomena happen (Sutton & Austin, 2015). Most importantly, qualitative research operates within the critical realist paradigm (Healy & Perry, 2000; Cork, 2008). According to Easton (2010), identifying mechanisms implies understanding the “why” and the “how” specific to qualitative research (Bunge, 2004), but also using existing theories as in quantitative research to guide the inquiry and identify relationships and mechanisms. Qualitative approaches provide the epistemological benefit of revealing “how systems, structures, or processes play out ‘on the ground’” (Vavrus & Bartlett, 2009: 8).

Qualitative research and critical realism

Using qualitative methods with critical realism has several strengths. Firstly, qualitative research goes beyond quantitative methods (statistical methods) and generates evidence that captures meanings and interpretations from the participant's viewpoint (Yilmaz, 2013). Such subjective evidence might not be visible at the empirical level. This approach, thus,

provides new understandings of the conditions under which causal mechanisms emerge and how they function. Second, critical realists argue that it is essential to first conceptualise the underlying causal powers (or mechanisms) and acknowledge that theories provide help in explaining the collected data (Ackroyd & Karlsson, 2014) and the causal processes and observable patterns (Shannon-Baker, 2012; Roberts, 2014). Therefore, qualitative research within critical realism draws from theoretical concepts to collect and analyse data.

Additionally, CR acknowledges the subjectivity of research, and the difficulty of complete objectivity, thus emphasising such relationships throughout the process (Shannon-Baker, 2012). Qualitative research, in turn, highlights the researcher's interpretative actions as well as the importance of meanings to the participants. Regarding methods and inferences, similar to qualitative research, CR seeks to collect perspectives and processes to make causal inferences within specific contexts (Shannon-Baker, 2012). The study employs deductive and inductive reasoning, moving from theory to observations and back to theory, in line with CR, which employs abduction and retrodiction, an analytical process guided by theory and the researcher (Ackroyd & Karlsson, 2014; Fletcher, 2017).

3.3.1 Measuring indicators

The study aims to address the primary and secondary research questions. The first question is exploratory and seeks to identify the main factors affecting municipalities in attracting Structural Funds for local development. The second question proposes a theoretical explanation identified through a literature review. For this, each explanation is assessed in the selected cases. The aim is to determine how these explanations relate to the level of funds attracted. Firstly, it looks at leadership to assess the leader's interaction with the environment when seeking to attract EU funds. It also analyses the interaction of political

leaders with the local administration during the process. Lastly, it assesses administrative capacity in each case to determine whether it relates to the level of EU funds attracted.

In order to assess the role of these interrelated factors with regard to the outcome, the concepts were operationalised. Table 3.3 illustrates the indicators developed for analysing each concept. They were created in relation to what they aim to achieve, but also so they could be used across cases and over time.

Table 3.3. Analytical framework

Dimensions	Indicators	Functions/ phases
Local political leadership		
(1) Accountability	Public commitment Public engagement Public responsiveness	Agenda setting / Formulation phase
(2) Context utilization	Needs mapping Opportunity spotting Constraints apprehension	
(3) Multi-level interactions	Horizontal and vertical relations	
(4) Vision	Future projections	
(5) Strategic approach	Strategic action plan Timeliness of strategic planning	
(6) Bureaucratic structure	Structural adaptation Staffing Knowledge building	
(7) Internal relations	Overseeing Problem solving Coordination Internal Control	
Administrative capacity		
(1) Dedicated structures	Allocation of roles and tasks Hiring capacity Retention and stability	Formulation / implementation phase
(2) Human resources	Knowledge [levels]	

Dimensions	Indicators	Functions/ phases
	Staffing and workload Motivation [level]	
(3) Collaboration	Internal collaboration External collaboration	

Source: own elaboration

A rating scale was developed, with progressive qualifiers (very high, high, medium, low, very low, absent), and assessment criteria for each indicator of the framework. Each indicator will be assessed. A scale from 0 to 5 will help rate and score each indicator, for example 0=non-existent, 1=incipient (very low), 2=starting (low), 3=developing (medium), 4=developed (high), 5=fully developed (very high). This rating scale will help provide an average score for each leadership and administrative capacity dimension (Table 3.4).

Table 3.4. Rating scores for each indicator

Rate	absent	very low	low	medium	high	very high
Stage	inexistent	incipient	starting	developing	developed	fully developed
Score	0-0.5	0.6-1.5	1.6-2.5	2.6-3.5	3.6-4.5	4.6-5.0

To analyse local political leadership and administrative capacity, each dimension will be rated progressively from “very high” to “low” or “absent”, based on specific criteria (Annex 7), and then an overall score will indicate for each case the stage of development of each dimension and their overall leadership and administrative capacity (Table 3.5).

Table 3.5 Progressive stages of local political leadership and administrative capacity

	non-existent	incipient	starting	developing	developed	fully developed
Local political leadership	Most of the components are absent.	Leadership processes have a very low development level.	Leadership processes are weakly developed	Leadership processes exist and are in development at a	All leadership processes are in place and highly developed.	Leadership is fully functioning and very high

				medium level.		
Administrative capacity	Most of the components are absent.	Very early development stages. All the components are in a very elementary state and developed very low	Early development stages and all the component are in an elementary state and developed low.	Some components are in place, but their functioning is not smooth.	The administration is functioning well in most aspects measured.	The administration is fully functioning on all the component measured and is fully developed.

Lastly, to analyse the implementation process comparatively, indicators for measuring local implementation are used (Table 3.6) by considering the implementation tasks and expected outputs specific to the Cohesion policy. For the local implementation, a measure of project implementation is used in the form of submitted projects for accessing EU funds. They capture the efforts made by municipalities to attract EU funds and measure the number and total value of projects prepared by municipalities for EU funds, as well as their temporal response to calls for projects. These are comparable measures of local implementation at the project submission stage.

Table 3.6. Measuring local implementation performance

Dimension	Indicators	Measurement	Definition
Project submission	Project submission level	Number of projects	The number of projects submitted for EU funds
		Value of projects (€)	The funds needed by each investment
		Ratio project values/ allocation % ³⁴ (if applicable)	The extent to which the total value of the projects exceeds the allocation
	Timeliness	Submission year of 50% of the projects	How early most of the projects were submitted

Source: own elaboration

³⁴ This measure is applicable to the projects submitted by cities for the case of Axis 4 of the ROP 2014-2020.

A rating scale was developed, with progressive qualifiers (high, medium, low, absent), and assessment criteria for each indicator of the framework (detailed in Annex 8). Each indicator will be assessed. A scale from 0 to 3 will help rate and score each indicator, for example 0=absent, 1=low, 2=medium, 3=high. This rating scale will help provide an average score for each implementation indicator (Table 3.7).

Table 3.7. Rating scores for each implementation indicator

Rate	absent	low	medium	high
Score	0-0.5	0.6-1.5	1.6-2.5	2.6-3.0

3.3.2 Case study research

One research objective was to shed light on processes producing specific outcomes (i.e. levels of resources attracted). For this, the research relied on in-depth *case studies* and *comparisons*. For CR research, a case study is “*the basic design*” (Ackroyd & Karlsson, 2014: 23, italics in the original), very suitable to identify the sequences of causation, or causal mechanisms, and the operation of a mechanism or a process (Ackroyd & Karlsson, 2014). Case studies are unique ways of gaining original insights into events in the context in which they occur (George & Bennett, 2005; Flyvbjerg, 2011). In *an instrumental case study*, cases only support the understanding of an issue beyond the case (Stake, 2005). Its primary purpose is to produce general theoretical statements, contributing to “the advancement of general theory” (Rohlfing, 2012: 1). It relies on individual perceptions and experiences to understand specific contexts and capture realities beyond individual experiences and perceptions (Flyvbjerg, 2011). The case is analysed thoroughly, its contexts investigated, and its typical activities described, yet the case remains of secondary interest (Flyvbjerg, 2011). This research design allows the examination of conceptual variables and to refine theoretical propositions (Yin, 1984: 107).

The use of *multiple* or *collective cases* also supports generalisations (Stake, 2005). Their understanding may enhance the knowledge of a wider group of cases (Stake, 2005). Therefore, this study focused on several cases to get a broader and better understanding of local implementation and leadership experiences in order to be able to draw broader lessons (Lowndes & Leach, 2004). Therefore, the study followed multiple case studies, specifically an *instrumental case study* extended to several cases. Lastly, we used instrumental case in a *most-similar comparative design* and selected cases that were as similar as possible with regard to extraneous variables. A most-similar strategy design allowed the identification of different mechanisms and whether different mechanisms and processes drove changes in similar places and contexts. The national setting served as the common ground for the similarity of conditions for implementation.

One strength of qualitative case study methodology is that it offers tools to investigate complex phenomena inside and in relation to their contexts (Flyvbjerg, 2011). The *case study method* was chosen for its potential to help illuminate more prominent factors that influenced local authorities in urban areas to implement EU policies while focusing on individual small cases that allowed in-depth explorations. Ontologically, this method assumes that “some empirical relationships are regular” (invariant or systematic), and something can be found about them through systematic small-n research (Rohlfing, 2012). The observations and insights into the problems encountered by local authorities when attracting EU funds formed a significant case study because these issues were previously under-researched, even though these concerns are shared across the European Union. The local implementation of EU policies and Cohesion policy is a prevalent phenomenon, which offers a strong justification for using this method on the grounds of its revelatory nature.

The (case study) research process

A succession of steps was followed to organize and conduct this research, adopting an iterative approach, moving constantly from theory to data.

- 1) First, preliminary readings of the literature about subnational actors implementing EU policies were conducted and initial theoretical explanations about the phenomenon were drawn.
- 2) Then the most relevant case studies for the research were selected, the data collection and analysis methods chosen, and preliminary interviews with regional actors managing EU funds, and local actors seeking EU funds were carried out.
- 3) After the initial exploratory stage, the initial concepts were revisited, and a conceptual framework that supported the creation of the interview guide for conducting interviews was developed. The interview guide focused on the relationship of mayors and local administrative capacities with the process of attracting EU resources.
- 4) Then the case studies were selected across two regions in the Western part of Romania.
- 5) The relevant organizations and participants for interviewing were then sampled.
- 6) Semi-structured interviews were organized in each case (local authorities). In addition, data from other actors involved in the process from regional to national and EU civil servants were gathered to triangulate the information.
- 7) After fieldwork, interviews were transcribed and analysed. The cases were compared, and the key factors assessed individually.

The first step was presented in the previous two chapters. In the sections and chapters that follow, the research plan and its execution will be developed and discussed.

3.3.3 Case selection

The first challenge in conducting comparative case study research is case selection. The sampling must be conducted in relation to the goals of the research (Arber, 2001). According to Peters (1998), “the strength of much case-analysis is that it samples (sic) purposefully on the dependent variable to be able to test the theory in the most difficult setting” (Peters, 1998: 9). Qualitative research can handle the confounding factors “through careful research design, and a greater attention to the proper selection of cases, and fairness to all causes when doing the research” (Peters, 1998: 8).

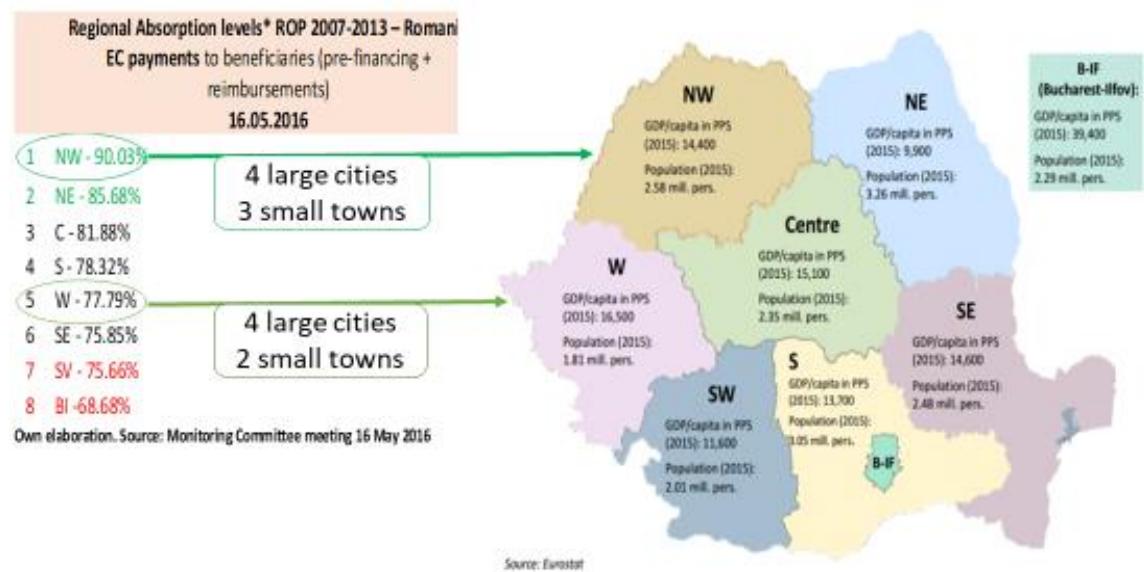
The study relied on *purposive sampling* for selecting the units of analysis (Arber, 2001). The research aimed to maximize theoretical understanding and generate a broader understanding of processes and actions (Arber, 2001). The units of analysis needed to be chosen based on their relevance to the topic. The small sample chosen was not a probability sample from which to make inferences about the population characteristics from which the sample was created. The conclusions were not be drawn on local administrations but only regarding those administrations that took part in structural policies.

When selecting cases, it is vital to identify a large population of possible cases and a small subpopulation of accessible cases (Stake, 2005). The purpose is to generalize about a phenomenon without particular interest in the cases available for research (Gerring, 2004). On representational grounds, the purpose is to learn essential things from almost any case (Stake, 2005). The large population of cases was represented by the local public authorities that could access EU policies in general and Cohesion policy in particular in urban areas. Stake (2005) recommends choosing the case from which we can learn the most. That may mean selecting the most accessible or the one we can spend the most time with. According

to Stake (2005), learning potential is often a better criterion for representativeness. This rationale guided the selection of the cases.

The case selection was informed by the puzzles that prompted the study. The initial puzzle was a pattern of slow and low use of the main EU funds for public investments (ERDF) in Romania for two consecutive funding cycles in the last 15 years, compared with the rest of Europe. This prompted the first research question, asking what affected resource access. Secondly, implementation data revealed patterns of inter-regional variation in the levels of resources attracted through Cohesion policy (Figure 3.5), as well as intra-regional variation among the primary recipients and implementers of resources, i.e. the local authorities in urban areas.

Figure 3.5. Map of regions and implementation patterns for ROP 2007-2013



Source: Eurostat and own elaboration

Some local authorities registered spending levels above the national average (see Chapter 1). Within a national environment of low implementation, these subnational implementation variations prompted another research question asking what explains local implementation differences.

Using purposeful sampling, similar cases were selected on the outcome, i.e. the dependent variable (Peters, 1998). The selection aimed to identify comparable units based on their similar characteristics and different implementation outcomes (ex. the number and value of projects created to attract EU resources).

Thirteen cases were selected based on their similarities (see Annex 5), eight representing county capitals and five representing smaller municipalities regarding their population size and economic importance (Figure 3.6). The eight-county capitals and the five “small” cases are located in the Western part of Romania and are spread across two NUTS II regions (North West and West region). Historically, this area shared a common past, a common foreign occupation, a shared urbanization legacy and administrative culture (Chapter 4). In addition to this, the very recent NUTS II statistical regions across which the cases are located share other similarities, such as size (population and surface), economic activity, level of development and population distribution.

Regarding access to EU resources, the eight-county capitals had the same access to EU funds. To allow a careful and systematic comparison of the factors of interest and control for other intervening factors, the selected cases were paired based on similar characteristics, such as size (population and surface) and political, economic, and cultural importance. Four pairs of most-similar cases emerged: Cluj-Napoca and Timisoara, Oradea and Arad, Bistrita and Deva, Zalau and Resita. The five small cases were compared as they had similar characteristics but varied outcomes.

This research could have been conducted only with the eight cases benefitting from non-competitive and considerable EU funds (Annex 13). However, several small municipalities were added to the study to provide a broader perspective on the different experiences that municipalities of different sizes and allocations of EU funds have.

The careful selection of cases based on similarities will provide analytical leverage in applying the theory put forward to explain implementation patterns.

Figure 3.6. Geographical location of the selected cases (county capitals in circles and small municipalities in white)



Source³⁵: David Liuzzo, CC BY-SA 4.0 <https://creativecommons.org/licenses/by-sa/4.0>, via Wikimedia Commons: https://commons.wikimedia.org/wiki/File:EU_location_ROM.png, <https://creativecommons.org/licenses/by-sa/3.0/deed.en>, via https://commons.wikimedia.org/wiki/File:ROMANIA_orase_principale.jpg.

The case of Cohesion policy implementation

In Romania, Cohesion policy-funded programmes are the critical source of public funding for local governments (EC, 2022). Among the EU programmes, the Regional Operational Programme (ROP) is the primary funding source that targets essential public investments to develop urban areas. The ROP 2014-2020 offered local authorities in urban areas a new

³⁵ Image adapted to mark the cases selected for comparison.

impetus for development, new and increased financial opportunities, and the opportunity to think strategically and coordinate public investments for an economy of scale (see Chapters 1 and 4).

All these novelties were adopted as a response to Article 7 of the Regulation (EU) no. 1301/2013 which referred to a sustainable urban development and were included in Axis 4 “Supporting sustainable urban development” of the ROP 2014-2020³⁶, and targeted the county capital cities, i.e the largest cities in each county. Moreover, this new EU policy context also carried the promise of creating new avenues for urban authorities to develop independently of the national opportunities. This made the ROP’s 2014-2020 Priority Axis 4 an interesting case to study at the local level, for several reasons. Priority Axis 4 of the ROP 2014-2020 covered almost a quarter of the EU funding allocated to the ROP 2014-2020 in Romania³⁷. Its implementation was relevant for the overall implementation of the Programme. Secondly, through Axis 4 of the ROP 2014-2020, each of the eight selected cases received a dedicated and non-competitive EU allocation³⁸. The amount allocated was substantial. It would be a valuable financial resource for urban development for each case, and a relevant case to examine implementation of a Cohesion policy programme for urban development. The conditions to access the EU resources were very complex and new, as they required the creation of Integrated Urban Strategies, a Mobility Plan and an internal structure within each local government to select the investments³⁹. These novel requirements were challenging to fulfil for most governments. They changed the way of

³⁶ The approach to sustainable urban development, provided for in art. 7 of Regulation (EU) no. 1301/2013, will be implemented in Romania through the Regional Operational Programme 2014-2020, within which a priority axis was established, namely Priority Axis 4 entitled Supporting sustainable urban development.

³⁷ See section 2.1.3 ‘The Budget of the Priority Axis’, and section 2.1.4 “The Allocations of the funds for each county’s capital” of the Framework Document for The Implementation of Sustainable Urban Development, Priority Axis 4 - Supporting Sustainable Urban Development, Amendment no. 3, effective from: 18.06.2018,

³⁸ See Annex 1 of the Framework Document for The Implementation of Sustainable Urban Development, Priority Axis 4 - Supporting Sustainable Urban Development, Amendment no. 3, effective from: 18.06.2018.

³⁹ See section 3. Strategic Documents of the Framework Document for The Implementation of Sustainable Urban Development, Priority Axis 4. Supporting Sustainable Urban Development, Amendment no. 3, effective from: 18.06.2018.

accessing EU funds for urban development and proposed a new way of thinking about urban public investments in general. From a political science perspective, the case of Axis 4 of the ROP 2014-2020 was a very pertinent case to examine elected officials and urban administrations in relation to one of the most important EU policies for urban governments in Romania, i.e., Cohesion policy. The EU funds allocated to Axis 4 proposed an innovative way of conceiving public investments and of using public funding. It complexified the way urban governments conceived their development in relation to Cohesion policy but also the manner in which public policies were implemented and EU funds were accessed, which increased its policy and political relevance for research. Elected officials and administrators needed to fulfil their political and administrative role of governing in a new EU policy context that required them to think creatively in order to access public funds.

For the five small towns, a different Axis of the ROP 2013-2020 was examined, Axis 13 'Supporting the regeneration of small and medium-sized cities'⁴⁰, dedicated to urban development of small and medium sized municipalities. Given the competitive nature of Axis 13 and the reduced allocation, the study took into account all the investments proposed for the ROP 2014-2020 by each small municipality.

Urban authorities might increase their investment budgets and maximise their resources by implementing specific investments. Moreover, through these actions, they might also increase their autonomy and budgetary independence from the central government without introducing new fiscal decentralisation reforms.

⁴⁰ Regional Operational Programme 2014-2020, Priority Axis 13: Supporting the regeneration of small and medium-sized cities.

3.4 Data collection

The CR approach to research methods is flexible, using different techniques to combine evidence from diverse sources (Ackroyd & Karlsson, 2014:22). In CR, research techniques are a means to gain access to data considered relevant in developing one's understanding (Ackroyd & Karlsson, 2014). To collect empirical data, three methods were used and several sources, (1) desk research of policy documents and statistical data (to observe trends in the Romanian urban system); (2) interviewing relevant stakeholders; and (3) taking field trip notes. Using different methods and sources to collect data is suitable for critical realist case studies, and triangulation permits the combination of multiple data sources to corroborate findings (Yin, 1994) and strengthen the validity of the findings (Easton, 2010).

(1) Desk-research

Documents are a convenient source of evidence (Creswell, 2009). At first, desk research was used to review and collect available documentary evidence related to Cohesion policy implementation. This involved systematic scrutiny of local, regional and national planning, programming and implementation documents relevant to the 2014-2020 period for evidence relating to local implementation, governance and policy background. The documents included in the analysis were the Managing Authority's annual reports on the implementation of the ROP 2014-2020 from 2014 to 2019, which provided details about the financial management of the ROP implementation over one year; the regional implementation reports for the 2014-2020 cycle from 2014 to 2019 were regular weekly updates provided by the Intermediate Bodies to the Managing Authority about the implementation of the ROP 2014-2020 in each region; and the European Commission's implementation reports, based on the annual implementation reports of the Member

States. Further, European and national legislative acts were consulted to understand the rules for accessing and using the Structural Funds (detailed in Chapter 4).

Extensive statistical data were collected from the Romanian Census of Population in different periods to gather evidence related to the demographic developments in urban areas, but also in relation to the selection of the cases for which the 2011 Census Population Data were needed. Additionally, UN open data on population trajectories in Romanian urban areas and beyond were used. Extensive statistical data were drawn from official ERDF spending databases published on the European Commission's websites and the ROP's Managing Authority. Retrospective data on implementing the ROP 2007-2013 were also retrieved from governmental official open data websites.

Lastly, to collect evidence about participatory budgeting, several documentary sources were used, such as communication news (dates, venues, allocated values, procedure), calls for public consultation, municipal meeting notes, news updates, the list of civic initiatives, the list of projects funded through participatory budgeting. For a complete list of sources, please refer to Annexes 6 and 12.

(2) Semi-structured interviewing and fieldwork

After the review of available documentary data, several interviews were conducted. Although biased and incomplete, interviews bring additional information and explanations, and they also help to corroborate and validate the findings, making them a suitable additional source.

The fieldwork for collecting data was the essence of the research. A review of the available data did not find information on all the proposed explanations. Therefore, the interviews with the actors involved in implementation represented a crucial information source. They

aimed to collect unavailable data and ensure the desk research's accuracy. For this, semi-structured interviews were used.

The semi-structured interview is “an interview with the purpose of obtaining descriptions of the life world of the interviewee with respect to interpreting the meaning of the described phenomena” (Kvale, 2007: 8). As opposed to the structured or open interviews, its format offers a flexible structure that allows to engage with the literature and adapt while new ideas emerge (Fielding & Thomas, 2001; Fontana & Frey, 2003; Rabionet, 2009). Secondly, it allows to pursue topics emerging from the participant’s interests and insights (Fontana & Frey, 1998). As tentative conclusions develop, these ideas can be challenged, refined, and extended in further conversations to explore new themes (Robson, 2002). Lastly, face-to-face interviews can assist data collection by building rapport and participant interaction (Fielding & Thomas, 2008).

The fieldwork was organised in four rounds between September 2018 and June 2019, totalling around 60 interviews (Annex 6). All the interviews were recorded with an audio recorder, following the consent of the participants, and transcribed verbatim afterwards. Most interviews were individual, and some were in groups of 2 to 3 people. The discussions followed a pre-designed interview guide, but the questions were adapted and modified depending on the role of the interviewee. They resembled elite and expert interviews due to the role of the interviewees. On the political side, the interviews included mayors, deputy mayors, and European Members of the Parliament. On the administrative side, local authorities' civil servants, regional representatives, and government and European Commission representatives were interviewed.

At the local level, the questions referred to the key actors taking part in attracting EU funds, the resources mobilised, the measures taken to prepare the organisation and the projects

to attract funds, the critical problems encountered, and the solutions identified to overcome bottlenecks, the degree of involvement in decision-making when the ROP was created, but also about explanatory factors and scope for greater involvement in implementation.

Additionally, the interviews aimed to identify the internal structure of local authorities for implementing ROP projects and the political decisions and measures related to taking part in the ROP. The interviews with representatives of the European Commission sought to understand the processes of local implementation during the creation of the programme and its execution. Similarly, the interviews in the Ministry of Regional Development and Public Administration and the Regional Development Agencies sought to understand the implication and contribution of local authorities in creating the ROP, their implementation problems, the types of mistakes they made in implementation and their causes.

(3) Other primary sources

In addition to the fieldwork, evidence was collected from the researcher's involvement in a research project focusing on "*Administrative capacity for EU's Cohesion policy*", funded by an EIB scholarship. This study analysed the Structural Funds management system in four EU countries, including Romania. The project sought to assess the administrative capacity of the Structural Funds' management system to explain implementation performance. This project was meaningful for providing a first fieldwork experience in December 2016 in Romania, establishing contact with national and regional organisations in charge of Structural Funds, and the insights and information it enabled. Representatives of the national authority⁴¹ for the ROP 2014-2020 in the Ministry of Regional Development and Public Administration in

⁴¹ The national body managing the Structural Funds is called the Managing Authority of the ROP 2007-2013 and 2014-2020.

Bucharest, that were overseeing the implementation of the ROP in Romania were interviewed, but also regional implementing bodies in two regions.

(4) Note taking

Field notes were taken during onsite interviewing. Taking notes aimed to capture the daily insights and impressions after interviewing and the potential new understandings or reflections on new data. The attitude of the participants, insights or other incidents (if any) happening during the interviews, and logistical information, were noted (contact details, role, appointment date/ hour, location). During data analysis, the notes helped recreate the fieldwork context, provided initial thoughts about the data, and provided evidence about how the analysis developed.

3.4.1 Challenges in data collection

Data collection revealed that access to publicly elected officials and civil servants was difficult because of a generalized lack of trust in research and a fear of "cover-up journalism". This was reflected in a reserved attitude towards recorded conversations and expressing opinions freely. To overcome this, I built rapport with each interviewee before, during and after interviews to reassure them of confidentiality and anonymity. This also required reformulating specific questions ad-hoc, depending on the level of sensitivity the participant displayed on specific topics. For instance, locally elected politicians and civil servants seemed very cautious in their replies, raising questions about their willingness to discuss their challenges and problems honestly and openly instead of providing short answers. Lastly, physical access was a challenge as Romania's inter-municipal public transport system needed better geographical coverage. Therefore, arriving at a specific hour for an interview was often challenging, particularly as interviewees often had limited time available.

3.4.2 Ethical procedures

The ethical procedures sought to ensure a rigorous research process. Ethics focuses on relationships (Marshall & Rossman, 2016) and is grounded in the moral principles of esteem for people, beneficence and justice (Marshall & Rossman, 2016). It ensures that people are not exploited and that their privacy, anonymity and right to free consent are respected.

Ethical approval

In preparation for fieldwork, all the required procedures for receiving the ethical approval for conducting the research from Strathclyde University, the European Policies Research Centre Ethics Committee were followed. For this, the *Ethics Form*, the *Consent Form*, the *Participant Information Sheet*, and a sample of a site visit letter were prepared (Annexes 1, 2, 3). Prior to conducting the interviews, consent to audio record the interview was sought from all interviewees.

During data collection, participants were supplied with the *Participant Information Sheet*, translated as appropriate, explaining the purpose of the investigation, the description of the meeting, the reasons for interviewing, the voluntary and confidential nature of their participation, potential risks, and benefits. A consent form was provided to inform about the aim of the research, their uncoerced participation, the extent of their commitment to the study, the protection of their identity, and the minimal risks of participating in the study (Marshall & Rossman, 2016). Additionally, a verbal presentation of the research and their role in the project was provided to each participant before the interview and a short description of the critical points in the consent form. Confidentiality and anonymity were guaranteed to all interviewees.

Data Management

Once transcribed, the interviews were anonymised, and pseudonyms were used to protect participants' anonymity (Fielding, 2001; Marshall & Rossman, 2016). All identification documents, the ethical and consent forms, the original audio recordings and the transcripts were stored separately from the anonymised documents. The fieldwork paper notes were gathered on archival paper and stored securely. The interview transcripts and the fieldnotes copied electronically were stored on a password-protected hard drive provided by Strathclyde University in an electronic Word format, only available to the researcher. The storage covers the finalisation of the research and additional three years in case the validity of the research needs to be verified.

3.5 Data analysis

The analysis of primary qualitative data was planned to be undertaken in a manner that aimed to complete a rigorous comparison of “themes and concepts” (Fielding & Thomas, 2008: 137).

Causal mechanisms as tendencies

In critical realism, data analysis starts with searching for “demi-regularities” at the empirical level of reality (Fletcher, 2017). Bhaskar challenged the standard way social scientists conceived change in the social world and argued that explanations should include “causal mechanisms” (Gorski, 2013). A causal mechanism explains how different structures, conditions and other mechanisms unite to cause an effect or event (see Sayer, 2000). They create events that can be observed and experienced (Clark, 2008; Blom & Morén, 2011). Events result from causal mechanisms that act in social structures within a context (Clark, 2008; Blom & Morén, 2011). Structures contain entities that can produce causal power

(Clark, 2008). However, the causal mechanisms in critical realism are not causal laws or deterministic regularities (Fletcher, 2017). Events intersect and interact in the open system of society where individuals can learn and change (Danermark et al., 2001; Fletcher, 2017). As a result, research must look for causal mechanisms and not for universal laws that act as tendencies, i. e causal tendencies, and find out how they influence the world (Danermark et al., 2001: 70). These tendencies, called “demi-regularities”, may be observed “in trends or patterns in empirical data” (Fletcher, 2017).

Abductive and retroductive logic of inference

Abduction is the “inference or thought operation, implying that a particular phenomenon or event is interpreted from a set of general ideas or concepts” (Danermark et al., 2001: 205). The movement from events to their causes, called abduction, is opposed to induction and deduction to describe, predict, correlate and intervene (Perry & Jensen, 2001; Ackroyd & Karlsson, 2014). Abduction combines empirical observations with theory to identify the most plausible explanation of the mechanisms that caused the phenomenon (O’Mahoney & Vincent, 2014). In CR, abduction is the logic through which the operation of causal mechanisms is discovered. At the same time, retrodiction seeks the best explanation for a phenomenon and is the reasoning through which the broader conditions that allow the causal mechanisms to exist are identified.

Data processing

Data processing provided insights into the empirical demi-regularities, and it was the start of abduction and retrodiction (Fletcher, 2017). After collecting and transcribing the interviews, the aim was to identify “demi-regularities” through qualitative data coding (Lewins, 2001). The previous theory is a critical component of CR analysis, relying on a

“theory- and researcher-driven analytical process” (Fletcher, 2017). CR seeks to explain reality by engaging with existing theories before and during data analysis (Fletcher, 2017). The inferential processes related to CR are abduction and retrodiction. Therefore, a deductive (concept-driven) but not rigid approach to data coding and analysis was used (Hsieh & Shannon, 2005), relying on concepts from the conceptual framework while being opened to new codes and meanings (Saldaña, 2013).

Based on the literature review, the conceptual framework and the CR concepts, a list of initial codes was created (Hsieh & Shannon, 2005). During coding, the initial list was adapted and modified with new codes (Gilgun, 2011). The initial codes were theoretical, drawn from literature and theory, and organizational, i.e., topic-based “containers” to “hold” information (Maxwell 2012a, 2012b). These codes were treated as “temporary” or “orientative”, as “preconceptions of what to expect ... may distort your objective and even interpretive observations of what is ‘really’ happening there” (Saldaña, 2013: 146). Consequently, the codes were continually changed, added, and removed (Fletcher, 2017). A large number of codes emerged. Subsequently, the codes were progressively reduced, by combining and reorganizing them into conceptual maps, informed by CR (Fletcher, 2017). For instance, the CR category of “structure” grouped organizational or theoretical codes to identify potential structures. Similarly, codes were grouped into the category of “agency”.

To analyse the importance (‘weight’) of some of the less frequent codes attributed to the information mentioned less frequently but emphasized by the participants as being key to the implementation process, the interviews were re-coded manually in a word document and analysed in the context of the entire narrative. Pieces of text (sentences or paragraphs) were given a code either *invivo* or from the initial coding list. This exercise allowed less

frequent codes to be re-examined in the context in which they were being mentioned to assess their centrality to the issue discussed.

The coding process allowed the identification of the main empirical findings (demi-regularities). The empirical data was redescribed through abduction or redescription, employing the concepts (Fletcher, 2017). The most common codes were the starting point to detect demi-regularities. A key demi-regularity was how the civil servants involved in implementation discussed their roles. Most described the mayor as the “key” character in the implementation process, particularly in starting and keeping it going in difficult times. The majority depicted their activities as “support” or “pawns” in the complex process of accessing funds. The tasks pursued by civil servants were writing and managing projects, handling contractors, maintaining communication with funders, providing documents, filling in papers, and reporting. Civil servants were unlikely to be included in decisions directly, although they contributed to discussions and their input was sought. The centrality of mayors in attracting EU funds and the secondary roles of administrators as “helpers” was an important “demi-regularity”.

Identifying themes involved looking for recurrent ideas, and patterns, and for less repeated but strongly emphasized ideas by the participants in relation to the research questions. Attention was given to elements that discussed the involvement of political leaders in attracting EU resources, but also to the resources used, and the timeline of actions on the political and administrative side. It also involved identifying the recurrent challenges in attracting EU resources. It then assessed each theme against the qualitative assessment criteria that were developed (Annexes 7 and 8).

Data analysis

The analysis followed several steps:

First, it identified the conditions and structural factors that affected all municipalities that were engaging in the process of attracting Structural Funds. These factors constrained the decisions and choices that local authorities could make, and they were located within regional, national and European governance structures. Notably, it identified the factors that limited the actions of local authorities and acted as barriers, limiting access to funds and affecting their actions throughout implementation. These structural factors, external to municipalities and affecting all of them, represent the initial and starting conditions under which local actions occurred. The analysis also aimed to capture the interaction between these multiple levels of governance, which were not static nor uni-directional but were actively engaging with each other. For this analysis, interviews conducted at local, regional, national and European levels were used, but also policy documents (policy documents and legislation).

Secondly, the regional management of the ROP 2014-2020 programme in the two regions where the municipalities were located was compared to determine whether meaningful differences occurred. The two regional structures and the relationships they developed with the local authorities throughout the implementation process were compared. For this analysis, the interviews conducted in the two regions were used, with insights from the local-level interviews if relevant evidence was found.

Thirdly, the thirteen cases were examined, focusing on the specific administrative structures in each administration created to attract the funds and on the mayor's figure in each case. The purpose was to identify the factors that affected the behaviours of local actors involved in implementation. The last stage of the CR analysis is called retrodiction, which centres on

causal mechanisms and conditions (Fletcher, 2017). After identifying the main themes across all the cases, each factor was observed and how it behaved in each case throughout the process and its relationship with the outcomes. The interviews conducted in the units examined were used.

Assessment and scoring

Each indicator will be assessed using the assessment criteria developed (Annex 7) and the rating scale containing progressive qualifiers (very high, high, medium, low, very low, absent). A scale from 0 to 5 is used to rate and score each indicator, for example 0=Inexistent, 1=Incipient (very low), 2=starting (low), 3=developing (medium), 4=developed (high), 5=fully developed (very high). This rating scale will help provide an average score for each leadership and administrative capacity dimension (Table 3.4). Each dimension will be rated progressively from “very high” to “low” or “absent”, based on the assessment criteria (Annex 7), and then an overall score will indicate for each case the stage of development of each dimension and their overall leadership and administrative capacity (Annex 13).

Similarly, for local implementation, each indicator (Table 3.6) is assessed based on the assessment criteria developed (Annex 8) and rated from 0=absent, to 1=low, 2=medium, and 3=high (Table 3.7). This rating scale will help provide an average score for each implementation indicator (Annex 8.2, Annex 13).

3.6 Limitations

The most significant critique of the case study research is its lack of thoroughness (Yin, 2003). To overcome this problem, the researcher set and followed systematic procedures to collect, store and analyse evidence to report all evidence fairly and avoid equivocal evidence and biased views affecting the findings and conclusions. Another issue concerns the capacity of

the case study research for scientific generalisation (Yin, 2003). Indeed, case study results cannot be applied to broader contexts (statistical generalisation) but "to theoretical propositions" (Yin 2003: 10). This relates to the understanding that a case is not a "sample" of a population, like in statistical research. Instead, case studies aim to explain and generalise theories through "analytic generalisation" (Yin, 2003: 10), through which the empirical findings are contrasted with a theory. It aims to "generalise a particular set of results to a broader theory" (Yin, 2003: 37). Thirdly, case studies produce lengthy narratives and unreadable documents (Yin, 2003). A specific structure was used to communicate the findings and avoid unreadability. Lastly, the main limitation and disadvantage of the most-similar system's design is the difficulty, if not impossibility, of finding systems (countries) that are similar in all relevant aspects except for the researched phenomenon (Anckar, 2020). The study focused on subnational units within a centralised system to make controlled comparisons (Snyder, 2001).

3.6.1 Validity and reliability

Attention has been paid to the conceptualization of the study, the data collection and analysis, and also to how the findings were presented to ensure validity and reliability (Morse, Barrett, Mayan, Olson & Spiers, 2002).

External validity concerns whether the empirical findings can be applied to other settings (Frambach, van der Vleuten & Durning, 2013). Firstly, to enhance external validity, an instrumental or theory-centred case study was used that aimed to contribute to theory rather than limit itself to an intrinsic knowledge of cases. A second strategy to enhance external validity was to include multiple cases (Merriam, 2009). This type of research shows less interest in one specific case (Stake, 2005). The research focused on variables and concepts studied within their administrative contexts, requiring the creation of narratives to

uncover them. Comparing the same concepts across cases might allow greater generalization (Agranoff & Radin, 1991).

As mentioned earlier, the study followed a comparative logic, which took the form of a within-case comparison between municipalities that attracted EU funds, to identify possible explanations and examine the potential implications for the overall policy. Critics of the case study method claim that the research of a few cases cannot produce reliable findings that can be applied generally. Some state that the intense exposure to the case may bias the findings (Creswell & Miller, 2000). Others claim that case study research is meaningful as an exploratory tool only. While not dismissing these arguments, the study aims to bring a *theoretical contribution* rather than the generalizations of its findings, as mentioned earlier.

3.7 Summary

This chapter introduced the philosophical paradigm, methodology, research design and methods. Critical realism is the meta-paradigm underpinning this study in a qualitative approach. The case study method allows a thorough understanding of implementation processes and comparisons to examine outcome differences. An instrumental multiple case study supports analytical generalization and helps overcome the limitations of case study research. The chapter also discusses the context, the sampling of cases, and the sources used to collect data. It closes with the data analysis process and limitations of the research.

Chapter 4. Policy background and context

4.1 Introduction

This chapter describes urbanization and the Romanian urban system to contextualize the urban realities for which the EU designs policies and local governments implement them. Romania is located in the broader European and global context regarding urbanization trends and population trajectories, the main urbanization phases are outlined, and an overview of the national urban policies is provided. Secondly, it introduces the local administrative system in Romania, the main decentralization reforms, the roles and responsibilities of local governments and the structure of urban governments. Thirdly, it presents the EU's Cohesion policy, fundamental principles, and multilevel governance arrangements. Lastly, it introduces the central CP-funded Programme in Romania, the ROP 2014-2020, its allocations, governance, content and national implementation outcomes.

4.2 Urban demographic trends

Over 50% of the global demographic (55.3%) was based in urban areas in 2018 (UN-DESA, 2019). The United Nations projections indicate a further increase in the global urban population to 60% by 2030 (UNDESA, 2018). In 2018, 74% of Europeans lived in urban areas, and the predictions for 2050 in Europe indicate an increase in urbanisation to 83.7% (UN-DESA, 2019). Conversely, over the last 50 years, many urban areas around the world experienced depopulation (see, for example, Hartt, 2021 for Canada, and Cunningham-Sabot & Fol, 2009 for France and Great Britain), and large cities with populations over 100 000 people have shrunk by at least 10%, (Blanco et al., 2009). Similarly, the urban population of the post-socialist countries of Eastern Europe has been contracting at a faster pace than their overall population after the fall of the socialist regimes in 1989/ 1991 (Kunzmann &

Wegener, 1991; Mykhnenko & Turok, 2008). In Eastern Europe⁴², urbanisation levels vary, and between 50% and 80% of people live in cities. In 2018, Romania and the Slovak Republic registered the lowest (54%) urbanisation levels compared to the rest of Europe (UN-DESA 2019). A mosaic of urban population trajectories across Europe's largest cities emerges (Kabisch et al., 2012). An interplay of multiple overlapping factors drives the divergent path of population development (Kabisch et al., 2012).

Population loss in urban areas is associated with the concept of urban shrinkage, which concerns cities with a smaller demographic or economy than that of their past (Cunningham-Sabot, Roth, Fol & Elissalde, 2014; Haase, Rink, Grossmann, Bernt, & Mykhnenko, 2014; Herrmann, Shuster, Mayer, Garmestani, 2016). Urban areas experiencing considerable and constant population loss classify as shrinking cities (Haase, Bernt, Großmann, Mykhnenko, & Rink, 2016). Population loss is also the primary indicator used to measure the phenomenon of urban shrinkage (He, Lee, Zhou & Wu, 2017) or how attractive a city is for its people (Beauregard, 2009). The city shrinkage phenomenon is neither new nor recent (Fol & Cunningham-Sabot, 2010). It has a history dating back to Antiquity, the Middle Ages, and late 19th-century industrialisation (Blanco et al., 2009), already affecting numerous post-industrial locations across the globe (Haase et al., 2014; Haase, Bernt et al., 2016). In the United Kingdom, for instance, the debate on urban shrinkage has been at the centre of attention when important heavy industry centres experienced deindustrialisation in the second half of the 20th century (Haase, Bernt, et al. 2016). Urban shrinkage is a multi-faceted process with multiple and varied causes and equally complex effects on different aspects of urban life (Haase, Bernt, et al. 2016; He, Lee, Zhou & Wu 2017). However, it often does not

⁴² Including Belarus, Bulgaria, Czech Republic, Hungary, Poland, Republic of Moldova, Romania, Russian Federation, Slovakia, Ukraine (UN-DESA, 2019).

receive the policy or academic attention it deserves for the effects it triggers (Blanco et al., 2009; Buček & Bleha, 2013).

The main areas currently experiencing urban shrinkage are the post-socialist cities of Central and Eastern Europe (Haase, Bernt, et al. 2016), particularly Latvia, Bulgaria, Romania, Hungary, Slovakia and Eastern Germany (Blanco et al., 2009), considered also as the strongest affected by shrinkage (Buček & Bleha, 2013; Ubarevičienė, van Ham, & Burneika, 2016). The former socialist countries of Central and Eastern Europe are among the states with the highest prevalence of urban shrinkage (Wolff & Wiechmann, 2018; Eva, Cehan, & Lazar, 2021). A study examining 36 European countries between 1990 and 2010 found that the first 12 most affected countries by urban shrinkage are in Central and Eastern Europe (Wolff & Wiechmann, 2018). The post-socialist cities registered a severe and rapid shrinkage after the fall of socialism (Mykhnenko & Turok, 2008), turning into the new European poles of shrinkage, replacing the former post-industrial cities of Western Europe (Rink et al., 2014). However, this phenomenon is not only specific or limited to post-socialist cities. As many as 42% of all European cities with more than 200 000 people are shrinking (Turok & Mykhnenko, 2007).

Romania and Slovakia experience a dramatic decline in their urban population, showing signs of de-urbanization (Buček & Bleha, 2013; Eva, Cehan & Lazar, 2021). In the last 30 years, Romania's non-rural population declined from 12.5 million in 1990 to 10.5 million in 2020 (UN, 2018). Stimulated by an intense process of industrialization after the Second World War under Soviet-style socialism (Ericson, 1991), Romania operated a significant shift from a pre-war predominantly agrarian society to a predominantly urban society by the end of socialism (Boia, 2001). In 1989, most of the Romanian population (53. 2%) was urban (Turnock, 1987), as opposed to only 23.4% in 1948 (Boia, 2001). However, after 1989, when the transition to

free-market capitalism started in Romania, complex restructuring processes began, which brought a significant transformation in urban areas, affecting all the urban structures (Taubenböck, Gerten, Rusche, Siedentop & Wurm, 2019). Additionally, from the 1990s, the political, economic, social and cultural restructuring brought a constant and persistent urban population loss. What is specific to the Romanian urbanization trajectory? What determined the shift from a predominantly agrarian society before socialism to rapid urban growth during socialism? How does the socialist urban growth relate to the current urban shrinkage in Romanian cities and the broader urban concerns?

4.3 Urbanization in Romania

One of the factors often cited to explain the specificities of the urbanization process in Central East Europe is its late development as opposed to Western Europe (Enyedi, 1996). Medieval urbanization originated in Western Europe and spread to CEE in later periods (Kunzmann & Wegener, 1991). Similarly, in the Middle Ages, only a small territory in CEE developed into a densely urban network, but elsewhere remained underdeveloped, mainly south of the Carpathian Mountains (Enyedi, 1996). None of the great Middle Ages cities is located on the territory of modern Romania. Modern urbanization in CEE only started in the second part of the 19th century. It spread differently across the entire region and only included a few cities in a primarily non-industrialized urban system (Enyedi, 1996).

Urbanization is understood as:

“a spatial process. It is the spatial reorganization of society by which, first, the geographical distribution of the population of a given country changes and (at least in the first stages of modern urbanization) gradually concentrates in cities and urban agglomerations. Second, the urban lifestyle, urban social structure and technology diffuse into the countryside, so that an

urban/rural continuum (or a unified settlement system) replaces the earlier sharp urban/rural dichotomy" (Enyedi, 1996: 101).

4.3.1 Early urbanization (1859-1918)

Modern Romania appeared from the union of three distinct Romanian Principalities: Wallachia, Moldova and Transylvania - that happened at the end of the First World War (the Great Union) with the post-war Treaties (1919-1920) (Boia, 2001; Hitchins, 2014). Before the 1919 Great Union, modern Romania was smaller. It only included the two Principalities of Wallachia and Moldova, which united in 1859 (the Little Union) under the same rule and formed the first independent Romanian state known as the Old Kingdom of Romania⁴³ (Boia, 2001; Hitchins, 2014). Transylvania at that time belonged to the Austro-Hungarian Empire. As a result, different approaches to urbanization were adopted in the Old Kingdom and the Romanian Habsburg territories (Turnock, 1987). For instance, Transylvania experienced the Habsburg approach to urban growth that focused on developing industrial centres (Turnock, 1987).

At the turn of the 20th century, Romania was predominantly a rural country, despite some industrial activities and slight population growth in most towns (Turnock, 1987; Abraham, 1992). According to the 1912 census, Romania's urbanisation level was around 16% (Abraham, 1992). Most of the urban population is concentrated in Bucharest (over 100 000 people). In the small towns of around 20 000 people (Andrusz, Harloe, & Szelényi 1998: 35). Particularly noticeable is the urban growth in the South-Est part of the Regat (Bucharest, Dobrogea, Muntenia and South Moldavia), but also the Western Habsburg part (in the

⁴³ Known as *Vechiul Regat*, or simply *Regat* (in Romanian).

regions of Banat, Crisana and Maramures). After the First World War, the main activity remained agriculture, with low economic development (Abraham, 1992).

4.3.2 Interwar period 1920s and 1940s (1918 – 1947)

There are two notable dynamics in the interwar period. On the one hand, economic and demographic changes. On the other hand, administrative challenges. On the economic side, in the 1920s, industrialisation began in Romania (Enyedi, 1996). However, despite some industrial developments, the Romanian economy remained mainly rural for most of the interwar period, characterised by low productivity and an increased pauperisation of the peasants (Ronnås, 1982; Pop, 2013).

Regarding demographic dynamics, peasants sought new ways to increase their gain by engaging in non-agricultural activities in urban areas as living conditions worsened. In consequence, the urban population registered a slight increase (2%) with the influx of peasants, clustering in Bucharest mainly. However, the country remained predominantly peasant (Rey, 1982; Ronnås, 1982; Pop, 2013). Therefore, The initial urbanisation stage resulted from peasants moving to urban areas (Rey, 1982; Abraham, 1992) rather than from industrial growth and better living standards in urban areas (Ronnås, 1982). In addition to these demographic and economic dynamics, after the Great Union of 1919 and the Paris Peace Treaties of 1920, the one unitary state of Romania inherited three different territories with at least three different urban systems, which created a fragmented national urban system that required an integrated approach for the new urban network (Enyedi, 1996).

4.3.3 Socialist measures 1950s and 1980s (1947-1989)

During the socialist regime between 1947 and 1989, the Romanian economy was characterised by centralisation of planning, “top-down modernisation-driven policies”

(Stanus, Pop, & Dragoman, 2021: 196), and a strong focus on rapid industrialisation and urbanisation (Ronnås, 1982; Abraham, 1992). Territorial reforms were undertaken, forced collectivisation of agriculture, the development of heavy industries, and the nationalisation of private property (Ericson, 1991; Stanus, Pop & Dragoman, 2021). An intense urbanisation took place, aiming to reduce the urbanisation gap between the historical provinces (Rey, 1982; Benedek, 2006; Stanus et al., 2021). As a result, between 1948 and 1989, the Romanian urban population grew from 25.6% in the 1950s to 53% of the total population at the end of socialism (Benedek, 2006). How did this rapid growth happen?

Two main factors contributed to the increase in the urban population between 1948 and 1977. First, the village-to-town internal migration, and second, the status change from village to town of rural settlements (Benedek, 2006). In its first phases, industrialization rapidly created non-farm employment in urban areas (Ronnås, 1982), which triggered an internal migration from villages to urban areas (instead of the pre-war migration from village to village), and a pattern of fast urban growth (Abraham, 1992). As a result, between 1948 and 1956, many industrial and heavy industry towns doubled their population. Secondly, communes in proximity to mineral resources turned into industrial centres and became towns, while the “service” or “market” towns either declined, stagnated or degraded to rural communes (Ronnås, 1982; Benedek, 2006).

From 1965 to 1989, the country became the Socialist Republic of Romania. This new phase emphasised the centre-hinterland relations and the role of towns in providing functions and employment for rural places and spreading urban socialist culture (Ronnås, 1982). Administratively, this period was impacted by the administrative reform of 1968 (Benedek, 2006), which reorganised the public administration, reintroducing the counties (41) and eliminating the regions (Benedek, 2006; Antonescu & Popa, 2012). It also emphasised the

county capitals, aiming to stimulate the development of medium-sized towns, which became essential development centres (Benedek, 2006). Additionally, the reform revised the urban boundaries and extended them to include neighbouring villages, turning many communes into urban places (Ronnås, 1982; Abraham, 1992). These new towns became urban due to their location, to cover areas and villages where urban centres were lacking (Ronnås, 1982). The non-rural inhabitants in medium and big urban areas quadrupled or tripled between 1966 and 1989 (Ronnås, 1982; Benedek, 2006).

The urban infrastructure, however, remained underdeveloped and specific aspects of urban life (public roads, social and cultural facilities, housing, water, sewage, public lightning) were not a priority for the economic approach adopted by the socialist system (Abraham, 1992). The efforts to urbanise the population were not matched by a similar effort to invest in urban infrastructure (Mitrica, Sageata & Grigorescu, 2014). For example, 1960, less than 50% of the urban areas had a sewage system, and only 60% were connected to a drinking water supply (Abraham, 1992).

In short, the socialist measures, particularly the industrialisation of urban centres, greatly affected the development of the Romanian urban system (Mitrica, Sageata, & Grigorescu, 2014). The industrial town became the symbol and the most representative type of urban settlement with significant economic and demographic growth (Dumitrescu, 2008).

4.3.4 Transition stage (1990s to present)

After the collapse of socialism in 1989 (1990), the societies of Central and Eastern Europe embarked on a new political, economic, social and cultural journey in which external (globalization of the economy, EU enlargement) and internal “forces” (political, economic, and social) exerted their influence (Tosics, 2005: 44). All the former socialist countries of

Central and Eastern Europe experienced a radical structural change when they transitioned from the centrally planned economies of socialism to the neoliberal approach of free-market economies already in vogue in the Western societies since the 1980s (Smith & Swain, 1998; Campos & Coricelli, 2002). Overall, the transition of the CEE countries to a market economy was painful as it came with economic decline and increasing inequalities (Campos & Coricelli, 2002).

Romania was no exception to the post-socialist transformations. These complex changes strongly influenced urban areas (Kostinskiy, 2001; Benedek, 2006; Tsenkova, 2006; Hirt, Sellar & Young, 2013; Eva et al. 2021). After 1989, foreign capital and investments concentrated in specific urban areas, in the capital city of Bucharest, the largest cities in the West of Romania (Arad, Cluj Napoca, Oradea, Satu Mare, Sibiu, Timisoara), and some other big cities across Romania where innovative and big industrial businesses concentrated, like Craiova, Galati, Pitesti, Ploesti (Benedek, 2006). Among the losers of the transition period were the small and medium-sized towns, specifically the industrial centres that declined after 1989, the mining towns and those county capitals with an engineered population and no local resources. Industrial employment gradually decreased (Benedek, 2006), and unemployment increased in places where development and urbanization depended on an industrial economy. As a result, a solid territorial inequality emerged, driven by the development of Bucharest and of large cities.

Urban areas reacted differently to these post-socialist transformations (Antonescu & Popa, 2012), depending on their abilities, resources, competitiveness and institutional network (Benedek, 2006). Firstly, the small towns that experienced the highest population growth during socialism had the lowest capacity to adapt to the new market economy (Benedek, 2006) and experienced the highest population drop after 1989 (Eva, Cehan & Lazar, 2021).

Particularly affected were those places that developed around a mono-heavy industry or mining exploitation (Bănică, Istrate, Tudora, 2013), such as: chemical industry (Făgăraș), defence industry (Cugir), machine industry (Orsova, Sinaia), mining (Predeal, Dr. Petru Groza, Anina, Moldova Nouă, Uricani and Bălan). These places faced economic crises, unemployment and population loss (Benedek, 2006).. The leading causes were deindustrialization, internal migration, natural demographic, and suburbanization (Stanus, Pop & Dragoman, 2021).

A process of suburbanization and urban shrinkage followed (Mitrica, Sageata & Grigorescu, 2014; Eva, Cehan & Lazar, 2021), despite some economic growth (Benedek, 2006), enhanced by an internal migration town-to-village (deurbanization), particularly between 1992 and 2002 (Benedek, 2006) and a process of rurbanization (see Bengs and Schmidt-Thomé, 2005). The number of people leaving towns exceeded the number of those moving to towns (Benedek, 2006). The town-to-village migration was one of the dominant trends (Popescu, 2020), driven mainly by necessity and, in a few cases, by welfare (“welfare suburbanization”) (Kovács 2002 in Benedek, 2006). The latter took place in more developed cities, such as Bucharest, Cluj Napoca, Timisoara, Targu Mures (Benedek, 2006; Dumitache, Zamfir, Nae, Simion & Stoica, 2016; Iatu & Eva, 2016). As for rurbanization or urban involution (Bănică et al., 2013) refers to re-engaging with agricultural activities during the industrial restructuring and the return to a rural lifestyle. Often this entailed giving up essential but costly urban services such as heating or drinking water or creating uncontrolled urban sprawl by living in areas with no urban facilities (Bănică et al., 2013). Lastly, the birth rates decreased, and the mortality rates increased, affecting the urban population trend (Benedek, 2006).

Between 2003 and 2011, artificial urbanization took place, and 53 new settlements received the status of towns (Mitrica, Sageata & Grigorescu, 2014). These measures increased

urbanization by 54% (Stanus et al 2021). These new towns, however, were rural at their core and lacked urban infrastructure and services, and the economy was mainly agricultural (Bănică et al., 2013). In addition, these areas did not fulfil the legislated criteria for becoming urban either at the time of the status change or ten years after (Veress, 2016). Currently, the urban system in Romania includes 319 urban localities (Eva, Cehan & Lazar, 2021; Stanus et al., 2021). Depending on population size and importance, it differentiates between 103 municipia (more significant urban areas) and 181 towns (Stanus et al., 2021). Out of the 103 municipia, 41 are county capitals, excluding Bucharest. Based on population size, it has 225 small towns (under 50,000 inhabitants), 75 medium-sized towns (between 20,000 and 100,000 inhabitants), 19 large cities (over 100,000 inhabitants) and the capital city (Mitrica, Sageata, & Grigorescu, 2014). Compared to its total population and surface, the Romanian urban system appears underdeveloped regarding its number of towns (Mitrica et al., 2014). These urban localities are further subdivided into four groups/ ranks based on size, geographical location and accessibility, economic development, and service-delivery criteria (Stanus, Pop & Dragoman, 2021:196).

4.4 Local government in Romania

This section aims to present the administrative traditions and forms of municipal government in Romania, and briefly discuss the urban policies.

4.4.1 Administrative traditions

Administrative practices and ideas differ across states and administrative systems, and scholars believe that these differences persist over time and they produce varied national administrative responses to global problems (Painter & Peters, 2010), despite many commonalities across national public administrative systems. According to this view, several

patterns of administrative practices and ideas can be identified, which group different administrative systems into distinctive administrative traditions based on their common features and administrative heritage, such as the Germanic, Napoleonic, Anglo-American, Scandinavian (or Nordic), Latin American, Postcolonial South Asian and African, East Asian, Soviet, and Islamic - Table 4.1 (Painter & Peters, 2010: 19; Ongaro, 2018). According to Painter and Peters (2010: 6), there is a constant interaction between the type of state a country has and the type of public administration serving the state, the bureaucrats. The specific manner of delivering public policies persists over time. Administrative traditions rely on ideas and structures (Painter & Peters, 2010), and “traditions ‘live’ both through the thoughts and actions of contemporary actors and also through the ‘dead hand’ of inherited structures that constrain them in varying degrees” (Painter & Peters, 2010: 6). An administrative tradition is an “enduring pattern in the style and substance of public administration in a particular country or group of countries.” (Painter & Peters, 2010: 6).

Table 4.1. Administrative traditions in Western states

Administrative tradition	Main features				Examples
	Legal basis for state?	State and society	Organization of government	Civil service	
Anglo-American	no	Pluralist	“Limited government”. UK: unitary, weak “local self-government”. US: “compound republic”	UK: quite high status, unified, neutral, generalist, permanent. US: upper ranks temporary, politicized	United Kingdom, Ireland, the United States, Australia, (British) Canada, New Zealand
Napoleonic	yes	Interventionist	The indivisible “Jacobin” Republic; hierarchical and centralized (Spain: semi-federalized)	France: Very high status, permanent, Specialized elite training; segmented “corps”.	France, Spain, Portugal, Italy and Greece

Administrative tradition	Main features				Examples
	Legal basis for state?	State and society	Organization of government	Civil service	
				(S. Europe: lower status, politicized)	
Germanic	yes	Organicist	Integrated; cooperative federalism and interlocking coordination	Very high status, permanent. legal training. upper ranks permanent, but can be openly partisan	Germany are Austria, Switzerland and the Netherlands
Scandinavian/ Nordic	yes	Organicist/ Welfarist/ "Open Government "	Decentralized -> Administrative and/or political decentralization	High status. professional, nonpoliticized (Sweden: segmented and decentralized)	Denmark, Sweden, Norway, Finland

Source: own elaboration (Painter & Peters, 2010:20)

Public administration scholars interested in public service politicization have long suspected that differences in administrative traditions could explain variations in the level of control of bureaucracies by politicians (politicization) across countries. Indeed, public service recruitment can be a means to control the public service by preferential selection of civil servants in public administrations. The recruitment process differs across countries and administrative traditions (Cooper, 2021). For instance, merit recruitment varies with state tradition - high in Nordic and Westminster traditions and low in the Germanic and Napoleonic traditions (Cooper, 2021). Political and personal relations are the lowest in the Nordic and Westminster traditions and the highest in the Germanic and Napoleonic traditions (Cooper, 2021). However, it was found that a country's administrative system only affects but does not determine the level of politicization. Instead, the broader social context of a country's administrative tradition determines this variation (see Cooper, 2021).

Romania is a centralised and unitary nation-state in the Napoleonic tradition (its Southern variant), that decentralized after the fall of socialism when the administrative system went through a reform process (UNDP, 2005; Dobre, 2010; Ion, 2014). As discussed previously, the different legacies and experiences of the past, and particularly the most recent socialist legacy of territorial and political centralism, have affected the democratic model and state organization that followed (Dobre, 2010). On the one hand, during socialism, the Communist Party had the subnational administrative structures under its subordination (Hughes, Sasse & Gordon, 2004: 31–32), which left them weak after the collapse of the regime. On the other hand, in post-socialism, in the early 1990s, the administrative system did not suffer major changes. The new constitution of 1991 depicted an administrative system that resembled the one inherited from socialism (Dobre, 2010). According to the new constitution, Romania was a “sovereign, independent, unitary and indivisible Nation State” (Article 1 of the 1991 Romanian Constitution), which preserved its previous centralized state tradition.

In addition to the internal state legacies, a series of external factors also determined changes in the subnational system, particularly the European Union, which conditioned the EU accession with the public administration reform and the promotion of decentralization (Dobre, 2010). This mix of internal and external factors affected the gradual shift from a predominantly centralized state before and after socialism towards decentralization (political, administrative, and fiscal) and the adoption of regional administrative-statistical units (Dobre, 2010).

The current subnational government in Romania has two layers. The first level consists of localities such as municipalities, towns, communes and villages and the second level consist of counties (41 counties). The regions, eight in number, are not political and administrative units but only statistical units used for the allocation of EU and national funds (Ferry &

McMaster, 2013; Ion, 2014). In 1998, neighbouring counties associated and formed eight regional divisions with no administrative and legal personality, called development regions: Nord-Est (North-East), Sud-Est (South-East), Sud - Muntenia (South - Muntenia), Sud-Vest Oltenia (South-West Oltenia), Vest (West), Nord-Vest (North-West), Centru (Centre), and Bucureşti - Ilfov (Bucharest - Ilfov). They correspond to the EU's NUTS II level of territorial configuration, used for statistical data collection. For this thesis, in the following subsections, when discussing the subnational level, we mainly refer to local governments, precisely city governments, unless otherwise specified.

4.4.2 Type of local government

The control of the public administration (bureaucracy) by politics has been one of the main topics among public administration scholars. The political control of the administration can happen through different mechanisms and practices (Eichbaum & Shaw, 2008; Peters, 2013; Hustedt & Salomonsen, 2014). One type of politicization through which governments can control the administration is recruitment and public service appointments (see Dahlström & Niklasson, 2013; Christensen, Lægreid & Rykkja, 2016). The politics-administration dichotomy is a theoretical and practical reaction to limit and prevent political interference for preferential and non-merit-based political appointments. In local governments, one of the forms created to limit the political control of the bureaucracy is through the horizontal distribution of authority within local governments among the mayor, the council and the local bureaucracy (Heinelt, Hlepas, Kuhlmann & Swianiewicz, 2018). A typology based on the horizontal power distribution in local governments highlights four ideal types: the council-manager form of local government, the mayor-council form, the committee-leader form and the collective form (Mouritzen & Svara, 2002).

Mouritzen and Svara state that

political leadership is the starting point for the development of a typology of government forms. The key issue is how political power is obtained, maintained, exercised, and shared. [...] Political power is a function of the degree of control a political actor—a person or a collective body—has in two arenas. First, to what extent is the city council controlled by one or more political actors? The second arena is the executive, and the question is to what extent is control over the executive in the hands of one or more political actors. Formal structure is important to answering these questions, but so are informal institutional rules and norms. (Mouritzen and Svara, 2002: 53).

The *council-manager* form is one type of local government which promises the separation of politics from administration. In the *city-manager* form, the elected city council brings a professional administrator (manager) to manage various city operations (Bae & Feiock, 2013). The city manager concentrates all executive functions, and the council, led by a mayor with presiding and ceremonial roles only, has restricted involvement in administrative issues (Mouritzen & Svara, 2002: 56). In the *mayor-council* form, the executive (elected mayor) and the legislative (city council) share political authority (Bae & Feiock, 2013). The elected mayor is in “full charge of all executive functions” (Mouritzen & Svara, 2002: 55) and controls most of the city council. The latter is the strong mayor-council form of government (Mouritzen & Svara, 2002). The difference between the two forms also implies distinctions in the “motivations and incentives of local executives” (Bae & Feiock, 2013: 779). The public administration at the local level follows the mayor-council configuration in Romania.

Mayor-council form of government

The Romanian Constitution and the National Law of Local Public Administration (no. 215 / 2001) regulate the structure of local public administration in Romania (Matei et al., 2003).

The local government units (LGUs) are divided into municipii (municipia), orase (towns) and comune (communes). The counties (41) cover the entire surface of the state and hold within their boundaries the LGUs (municipalities, towns and communes) (Matei et al., 2003). No subordination relationship exists between counties and local governments (Matei et al., 2003). In terms of responsibilities, the LGUs, regardless of their geographical area and type (rural or urban), have identical responsibilities and competencies - Table 4.2 (Matei et al., 2003).

Table 4.2. Functions and roles of subnational governments in Romania

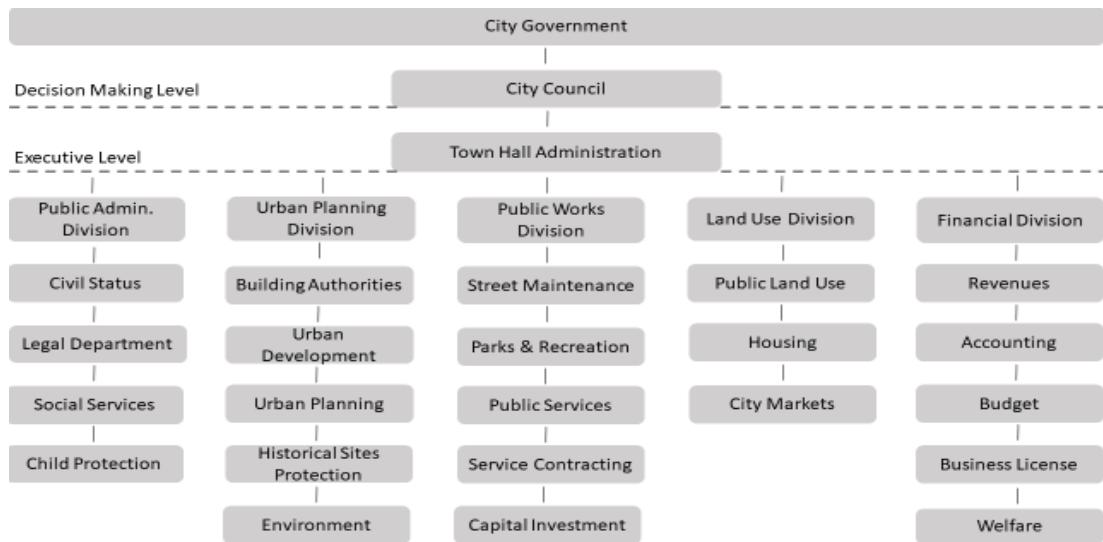
Functions	Subnational governments			
	Local Government		County government	
	Legislative	Executive	Legislative	Executive
Entities	City Council	A mayor and vice mayor	County Council	A president
Attributions	Legislative functions Set up committees of specialists. Draft decisions.	Mayor - principal official executive of local government Accountable to city councils for the efficient operation of city government	Legislative functions Set up committees of specialists. Draft decisions.	Executive function Accountable to county councils for the efficient operation of county government
Election method	Direct and universal vote	Mayor - directly elected	Direct and universal vote	Elected by the county council members
Term	4 years	4 years	4 years	4 years

Source : own elaboration (Matei et al. ,2003)

The subnational authorities (either counties or LGU) have exclusive, shared and delegated attributions (Dobre, 2010). In the exercise of their competencies, there are certain overlaps between these levels (see Dobre, 2010). The structure of local governments is quite similar across municipalities (Figure 4.1). The structure generally varies with the size of the LGU, and

it reflects the types of services and public policies local governments deliver, as well as the horizontal departments in place for the functioning of the administration (Coman, Crai, Radulescu & Stanciulescu, 2001).

Figure 4.1. Example of a typical city government structure



Source: based on (Coman et al., 2001: 377)

4.4.3 Decentralization reforms

The transition to a decentralised system of governance in CEE, the “quiet ‘revolution’ of decentralisation” (Tsenkova, 2006: 23), was a key factor in producing post-socialist urban change. In particular, the transfer of responsibilities from the centre to the local did not include the transfer of financial resources that would enable local governments to provide urban services and address urban problems (Tsenkova, 2006). In Romania, the reform of the administrative system has occupied the post-1989 agenda for the last 30 years (Matei, Antonevici, Popa & Giosan, 2003; Dragoş & Neamţu, 2007; Stanus, Pop & Dragoman, 2021). During the EU accession, the restructuring of the public sector and decentralisation reforms regained importance. On the one hand, the accession process required the adoption of such

reforms. On the other hand, local administrations could not access EU funds without taking responsibility for local services and local development (Ion, 2014).

The administrative reform concerned the two tiers of sub-national government, i.e., urban and rural local authorities (first tier) and counties (second tier). It involved gradually transferring responsibilities from the centre to the sub-national level in education, healthcare and social services (Stanus, Pop, & Dragoman, 2021). The role of local governments in spatial planning has also evolved from the first decade after 1989 to the present day due to several administrative and decentralization reforms. In the 1990s, local governments had limited urban planning competencies. The EU accession process also required administrative reforms, which increased its role with “interventions at the scale of the entire city” (Ion, 2014: 177). In some cases, the reforms meant amalgamation of services, and some municipalities took over the provision of specific services to neighbouring rural areas, like fire and population records (Stanus, Pop & Dragoman, 2021). Despite these reforms, the autonomy of local governments remained limited, particularly in budgetary matters (Dobre, 2010; Plaček, Ochrana, Půček, & Nemec 2020). The local fiscal reform took speed in 1998 with a new law on local public budgets that brought ample changes in intergovernmental relations and the structure of local finances (Matei et al., 2003). Without fiscal decentralization (Profiroiu, Profiroiu & Szabo, 2017), the central government kept much control over local government budgets (Grabbe, 2001; Stanus, Pop & Dragoman 2021). Local governments have several sources for their revenues, (1) own revenues, (2) shared taxes, (3) state transfers, and (4) loans - Table 4.3 (Matei et al. 2003: 62-64).

Table 4.3. Local government revenues

Revenue types	Revenue sources
(1) own revenues	Taxes from local ownership (estates and land, physical and legal entities, income from leases and rents). Taxes and fees for goods and services (property vehicles, different fees for permits). Other taxes and fees.
(2) shared taxes	% state budget % local budgets % county budgets
(3) state transfers	equalization grants the earmarked subsidy transfers from the state budget to local budgets to protect the rights of children and of disabled adults
(4) loans	Earmarked subsidies for investments from the state budget to local budgets, partly financed by foreign loans.

Source: own elaboration based on (Matei et al., 2003: 62-64)

The Romanian Constitution entered into force on the 8th of December 1991 and was amended in 2003 to adapt to the EU legislation. According to Article 3(3) of the Constitution, the Romanian territory is made of communes, towns, and counties. The counties (41) form the intermediate administrative-territorial units, corresponding to the NUTS III level, while the local administrative level comprises Communes (2853), Towns (217) and Municipalities - cities (103). The capital city of Bucharest holds municipality and County competencies. In 1998, neighbouring counties associated and formed eight regional divisions with no administrative and legal personality, called development regions: Nord-Est (North-East), Sud-Est (South-East), Sud - Muntenia (South - Muntenia), Sud-Vest Oltenia (South-West Oltenia), Vest (West), Nord-Vest (North-West), Centru (Centre), and Bucureşti - Ilfov (Bucharest - Ilfov). They correspond to the NUTS II level, being used for statistical data.

4.5 Urban policies

The Romanian national strategic documents emphasise and acknowledge cities as essential in achieving a polycentric development (Mitrica et al., 2014). Nevertheless, the government

still needs to design and follow an explicit national urban policy (Stanus et al., 2021). Instead, most measures emanate from EU policies and EU funds (Stanus et al., 2021). This reality might indicate an uncritical acceptance of EU policy goals and instruments into national development strategies and plans (Benedek & Cristea, 2014). The EU funds for public investments in urban areas represent the most extensive financial resource for development. However, due to the competitive nature of the funds, they further the uneven development (Ion, 2014). Instead of redistributing public resources, EU-funded public investments are a means for local authorities to extract public resources (Ion, 2014). As Ion (2014) argues, the obsessive pursuit of absorbing EU funds for cities and the prioritisation of public investments into projects that qualify for funding and have the potential to attract EU funds divert public resources from addressing other more pressing local needs. Instead, they create competition between local administrations over limited EU funds, which leads to an uneven appropriation and distribution of resources (Ion, 2014).

Several actors shape the Romanian national urban policy. At the national level, the Ministry of Regional Development and Public Administration is the leading actor and the key policy designer (Stanus et al., 2021). The European institutions also play an essential part in shaping the urban policies in Romania, mainly through the regional development programmes, which include policy goals that rely on actions taken by urban governments that shape the urban spaces. In 2020, the Romanian government released the national plan to create its first urban policy to develop sustainably and strategically its urban areas by creating new models of urban development, such as sustainable and integrated urban development, through increased collaborative processes.

4.6 Cohesion policy in Romania

This section presents the policy background by briefly describing the core aims of the Cohesion policy (CP), the developments of CP in Romania, the institutional and funding arrangements for managing and delivering the policy, its urban component and the central Cohesion policy-funded programme in Romania, the Regional Operational Programme 2014-2020.

4.6.1 European policy context

The EU regional policy originates in the Rome Treaty (1957) when France, Germany, Italy and the Benelux countries created the European Economic Community (EEC). The six founding States agreed to gather and form a Community to achieve integration through trade and created common supranational institutions and decision-making mechanisms in such a way as to express both national interests and a Community vision⁴⁴. Article 2 of the Treaty creating the European Economic Community specifies that one of its objectives is "to promote throughout the Community a harmonious development of economic activities, a continuous and balanced expansion, and an increase in stability, an accelerated raising of the standard of living and closer relations between the states belonging to it"⁴⁵. These provisions lay out the core objectives of what has later developed into the complex regional policy of today. Despite these early foundations, the European Regional Development Fund was only established in 1975 (European Commission, 2008).

The objective of reducing disparities in economic performance among the EU regions became central following the structural fund reform of 1989 (Farole, Rodríguez-Pose &

⁴⁴ Treaty of Rome, 25 of March 1957, available at:

http://europa.eu/legislation_summaries/institutional_affairs/treaties_eec_en.htm, accessed on 06.11.2021

⁴⁵ The EEC Treaty, establishing the European Economic Community, 1957. The non-consolidated/ original version to be found at: http://europa.eu/eu-law/treaties/index_en.htm

Storper, 2011). The EU allocations for this policy reflect this, as the Cohesion policy has gradually become a significant component of the EU budget (Farole et al., 2011), currently amounting to one-third of its entire budget (Rodríguez-Pose & Fratesi, 2004). The subsequent enlargements of the European Union increased the EU territory and its disparities. The EU12 had already been facing uneven development between its regions before the accession of Greece, Portugal and Spain in the 1980s and the CEE countries in 2004 (10 countries⁴⁶), 2007 (Romania and Bulgaria) and 2013 (Croatia). The Southern and CEE enlargement widened regional disparities and increased the development imbalance between Europe's most prosperous and poorest regions. These realities further emphasized the role of Cohesion policy as the main instrument to address territorial inequalities.

Cohesion policy reforms and subnational emphasis

In its early years of the policy (1970s-1980s), addressing regional disparities was a matter for national governments to handle. It took the simple form of financing projects pre-decided by the Member States, with little interference from the EU or other subnational levels (European Commission 2008). With the EU expansion and the increase of the EU budget for handling territorial disparities, Cohesion policy underwent several transformations and reforms, particularly in the 1980s (European Commission, 2008).

One of the major policy reforms is the 1988 reform, which laid out the core principles of the policy, such as a focus on the less developed regions, multi-annual budgetary allocations (programming), strategic investments, subsidiarity and partnership – the involvement of regional and local actors into the policy (European Commission, 2008). Since the 1988 reform, central governments and local and regional authorities have implemented the policy

⁴⁶ Estonia, Cyprus, the Czech Republic, Hungary, Lithuania, Malta, Poland, Slovenia, Slovakia.

in partnership with the European Commission in different national governance arrangements (Hooghe, 1995; Bauer, 2006; Yesilkagit & Blom-Hansen, 2007; Milio, 2013). This created opportunities for bottom-up input into the policy's creation and delivery (Bachtler et al., 2013).

With the 1988 reform, the partnership principle has been closely linked to the Cohesion policy (Dąbrowski, 2013; Perron, 2014). The principle entails the involvement of sub-national administrations, economic and social actors in implementing Cohesion policy resources (Dąbrowski, 2014a). With the 1993 policy reform, the partnership extended horizontally to include economic and social partners, known as stakeholders (Milio, 2013; Dąbrowski, 2014a), within the framework of national rules (Bachtler et al., 2013). The vertical and horizontal/ social engagement was meant to facilitate communication and transfer of knowledge (Milio, 2013) to create a national framework which would gradually be translated into Operational Programmes at the regional level.

The urban dimension of Cohesion policy in 2014-2020

On the one hand, urban governments, as subnational actors, are part of the actors targeted by the partnership principle of the Cohesion policy and thus are expected to contribute to the design of the policy. On the other hand, urban governments are one of the primary beneficiaries of Cohesion policy funds (Structural Funds) in Romania. Additionally, their role was further emphasised in the 2014-2020 programming period. For instance, Article 7 of the ERDF regulation no. 1301/2013⁴⁷ required that at least 5% of the national ERDF be allocated to sustainable urban development (Bachtler, Berkowitz, Hardy & Muravska, 2016). Article 7

⁴⁷ European Commission (2013a), *Regulation (EU) 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing, Regulation (EC) No 1080/2006.*

proposed three arrangements for (1) sustainable urban development, (2) integrated territorial investment, and (3) a specific operational programme or a specific priority axis. In addition, Article 7 allowed Managing Authorities to delegate some operational tasks to cities, at least project selection. These new responsibilities, however, come with the expectation from cities to have the capacity to administrate and implement Structural Funds. Cohesion policy continues to shape urban spaces.

4.6.2 National policy context: Romania

Romania has received EU structural funding since 2007, starting its third programming period with the 2021-2027 cycle. It has experienced two cycles of EU funding implementation in 2007-2013 and 2014-2020. For its first programming period, 2007-2013, Romania received a total allocation of 19.7 billion euros⁴⁸, from the EU's Cohesion policy budget of 347 billion euros for 2007-2013. Approximately 5.68% of the total Cohesion policy budget went to Romania. On the 30th of June 2016⁴⁹, Romania officially ended its first programming cycle (2007-2013), with an absorption rate of 88.65%, more than double the 38.31% rate at the end of 2013 (Table 4.4).

Table 4.4. Structural Funds⁵⁰ 2007-2013 absorption rate

Years	Absorption rate %	
	EU28	Romania
2007	1.97	2.22
2008	5.28	5.64
2009	12.69	10.48
2010	22.21	13.17
2011	33.57	16.89
2012	46.6	22.95
2013	62.04	38.31
2014	76.85	57.14
2015	88.73	70.87
2016	93.66	88.65

⁴⁸ European Commission (2014). Available at: https://ec.europa.eu/regional_policy/sources/information/cohesion-policy-achievement-and-future-investment/factsheet/romania_en.pdf, retrieved at 10.11.2021.

⁴⁹ Available at <https://cohesiondata.ec.europa.eu/2007-2013-Finances/SF-2007-2013-Funds-Absorption-Rate/kk86-ceun>, retrieved on 06.11.2021.

⁵⁰ It includes all Structural Funds, namely: Cohesion Fund (CF), European Regional Development Fund (ERDF), and European Social Fund (ESF).

Years	Absorption rate %	
	EU28	Romania
2017	95.31	88.65
2018	97.24	88.65
2019	97.66	88.7
2020	97.85	88.7
2021	97.86	88.7

Source⁵¹: own elaboration

The Cohesion policy 2014-2020 received 454 billion euros from the EU budget. In turn, the EU allocation for Romania for 2014-2020 was 30.84 billion euro, which increases to 36.47 billion euro when the national contribution of 5.63 billion euros is added. Romania followed a similar national implementation in the 2014-2020 programming cycle (Table 4.5). Romania's slow and low absorption rate in both programming periods raises questions about its performance's root causes.

Table 4.5. Structural Funds 2014-2020⁵² absorption rate

Year	Absorption rate %	
	EU28	Romania
2014	0.58	0.00
2015	2.41	2.82
2016	7.7	5.64
2017	13.81	12.29
2018	24.17	18.97
2019	35.95	29.02
2020	52.03	42.24
2021	61.6	49.57

Source⁵³: own elaboration

Romania's EU absorption rate has remained below the EU average (Ion, 2014) since its accession due to a series of complex factors, some of which we aim to unpack in this research. It took Romania approximately nine years to close the 2007-2013 programming period and reach an absorption level of 88.65% nationally. Similarly, at the end of 2020, Romania registered 34.17% of payments to its beneficiaries. In order to find out what, why

⁵¹ European Commission website for Cohesion policy data for 2007-2013, at <https://cohesiondata.ec.europa.eu/2007-2013-Finances/SF-2007-2013-Funds-Absorption-Rate/kk86-ceun/data>, retrieved on 10.11.2021.

⁵² It includes: Cohesion Fund (CF), European Regional Development Fund (ERDF).

⁵³ European Commission website for Cohesion policy data for 2014-2020 at <https://cohesiondata.ec.europa.eu/2014-2020-Finances/Regional-Policy-2014-2020-EU-Payment-Details-by-EU/vs2b-dct3/data>, retrieved on 10.11.2021.

and how these results came about, our study will take a closer look at the Regional Operational Programme that has considerable dedicated funding for the development of cities. The EU's Structural Funds represent around 30% of local investments (Ion, 2014), and the urban emphasis has remained in the 2014-2020 programming cycle.

The governance arrangements for the EU-funded Programmes in Romania vary. However, they are all based on a multi-level interaction. They typically include the European Commission at the European level, central governmental authorities at the national level, and subnational actors. Depending on the Programme, the subnational level can include two other layers, regional, as in the case of the Regional Operational Programme, and a local level, represented by beneficiaries. All Operational Programmes for 2014-2020 have a centralised management system, usually within Ministries. The authority that oversees the entire Programme and manages its overall implementation is called the Managing Authority (MA). Implementing programmes is delegated to different bodies, called Intermediate Bodies (IB). The actual users of these funds are referred to as potential beneficiaries and are of different types. Depending on the Programme, they can be national, local, public, private or non-profit.

Figure 4.2. Typical governance system in multiple layers



Source: own elaboration

4.6.3 Regional policy context

The regional context of Cohesion policy in Romania mainly refers to the operational programme that targets regional development, namely the Regional Operational Programme (ROP). Until 2014-2020, the ROP has been the only programme with regional implementing bodies and regional allocations. The ROP 2014-2020 is one of the eight Programmes by which the European Structural and Investment Funds (ESIF) can be accessed in Romania. The funds allocated to ROP represent 21, 5% from the total ESIF funds allocated to Romania for 2014-2020⁵⁴.

At the national level, article no. 2 of the law no. 315/2004 on regional development defines the regional development policy as being a policy created by the Government, relying upon

⁵⁴ The Regional Operational Programme 2014-2020, available at: https://www.adrse.ro/POR_2014/POR_ADRSE, retrieved on 06.11.2021.

the involvement of actors from all levels of the administration, national, local, and regional, through consultation with the socio-economic actors (Apostolache, 2014). In line with the EU regulation, the principles underlying the regional development policy are stated by Law no. 315/2004: subsidiarity, decentralisation and partnership. The partnership appears essential in policy implementation and goal achievement. For instance, the Regional Development Councils in Romania, which are deliberative regional bodies, are based on partnership, the National Development Plan is set to be elaborated on partnership, and partnerships are used as a means to enhance national-regional institutional collaboration, knowledge sharing and spreading, project building, or attracting investments.

Governance and funding arrangements for ROP 2014-2020

The Regional Operational Programme 2014-2020 is managed nationally, with regional implementation by the Regional Development Agencies. Romania does not have administrative regions, but eight statistical territorial units called development regions (Ferry & McMaster, 2013). They were created in 1998, during the pre-accession period, together with the Regional Development Agencies and the corresponding bodies, as a response to the accession requirements regarding the administrative and territorial capacities necessary to close Chapter 21 regarding the regional development policy.

Concretely, the Regional Operational Programme 2014-2020 is managed by the Ministry of Regional Development and Public Administration, which acts as the Managing Authority at the national level. The implementation occurs in the eight regions through the Regional Development Agencies, which act as Intermediate Bodies. The Managing Authority and Intermediate Bodies are the leading organizations responsible for creating, delivering, monitoring and managing the Regional Operational Programme (Table 4.6). There is no

bureaucratic, hierarchical relationship between the MA and IB to impose a top-down chain of command from the MA to the IBs, but a delegated arrangement.

After the first programming period, the RDAs were implementing structures for the Regional Operational Programme 2014-2020, which maintained the same governance arrangements established for the ROP 2007-2013. The decision-making and management of Structural Funds remained heavily centralized. The RDAs were also involved in designing the 2021-2027 Regional Operational Programme and prepared the necessary strategic documents. Regarding the governance arrangements, progress has been made on two aspects. First, the ROP 2021-2027 will be at the level of each region. Second, the RDAs were named Managing Authorities and Intermediate Bodies. The case of RDAs in Romania stands out among other institutions with similar management and implementation attributions, as they remain critical players at the regional level in the management of EU-funded programmes, with considerable capacity and broad networks.

Table 4.6. The System for implementing the ROP 2014-2020⁵⁵

Structure/ actor	Organization	Role
Management Authority (MA)	The Ministry of Regional Development, Public Administration and European Funds	Programme management and monitoring. Selection of operations.
Intermediate Body (IB)	The 8 IB (the IBs for ROP belong to the RDA structures)	Delegated roles for evaluation, selection, contracting, monitoring, and payment verifications.
Monitoring Committee (MC)	Partnership structure	Decision-making role in the process of programme implementation. Monitors the implementation of the programme.
The Payment and Certification Authority	The Ministry of Public Finance (MFP)	Preparation and submission of payment requests to the European Commission for spending reimbursements to the member state.
Audit Authority	within the Romanian Court of Audit (AA)	Audit on the good operation of the management and control system of the OP.

⁵⁵ The General Guideline for ROP 2014-2020 (2017:12), version published on 12.07.2018.

Source: (MDRAPFE, 2017)

The Programme is unique for all regions, and its content is identical for each region covering the country's entire territory. There is the same Programme for each development region. Beneficiaries within their region access the same types of investments and follow the same conditions for accessing these funds. The European Regional Development Fund (ERDF) finances the Regional Operational Programme 2014-2020. The European Commission adopted and approved the Programme on the 23rd of June 2015. Regarding content, the Programme has 11 priority axes (with an additional technical assistance axis) (Table 4.7).

The Programme's design has its foundation in the Regional Development Plans that were created at the level of each development region and elaborated by the Regional Development Agencies before the design of the Programme started. The purpose of these Plans was to build the Programme starting from these Regional Development Plans by identifying the common development priorities of all regions and including them in the final Programme so that the operations of the Programme address these development priorities in a coordinated and centralised manner.

Table 4.7. Priority axis of ROP 2014-2020⁵⁶

Axis no.	Axis name
Priority axis 1	The Promotion of technological transfer
Priority axis 2	The improvement of competitiveness of medium and small enterprises
Priority axis 3	Transition to an economy with low carbon emissions
Priority axis 4	Support for sustainable urban development
Priority axis 5	Improving the urban environment and the preservation, protection and sustainable use of cultural patrimony
Priority axis 6	Regional road infrastructure
Priority axis 7	Diversifying local economies through the sustainable development of tourism
Priority axis 8	The health and social infrastructure

⁵⁶ This is the list of priorities of the initial ROP 2014-2020 as it was approved by the European Commission. The programme has undergone several changes after its approval, as mentioned in Chapter 5, and this list was modified.

Axis no.	Axis name
Priority axis 9	Support for economic and social regeneration of the marginalised communities in urban areas
Priority axis 10	Improving the education infrastructure
Priority axis 11	Geographical extension of the property registration system in the cadastre and land book
Priority axis 12	Technical assistance

Source: own elaboration⁵⁷

4.7 Summary

This chapter introduced the context and background of the study in which to ground the theories and concepts. It presented the historical development of the urban system in Romania and the urbanization process to contextualize the urban problems and accurately capture the realities of the Romanian urban areas. Then it described the urban governments and policies before introducing the Cohesion policy and its brief history in Romania. This chapter sets the framework for the following four chapters in which the empirical findings are introduced.

⁵⁷ The ROP 2014-2020 is Available at <https://www.fonduri-ue.ro/por-2014>, retrieved on 06.11.2021.

Chapter 5. External multilevel factors

5.1 Introduction

This chapter will thoroughly examine the factors that significantly affect the ability of urban areas in Romania to access EU resources. It will focus on the external factors at multiple levels contributing to this issue. The aim is to identify and comprehend these factors to develop effective ways to enhance access to these resources and ultimately bring benefits to these urban areas. It will examine the overall context and system to understand how EU funding is allocated to urban local authorities in Romania. Identifying the pre-existing conditions and system-level factors that dictate access to resources can provide valuable insights into the behaviour of actors seeking to attract these resources. This research aims to shed light on these critical issues and provide a comprehensive understanding of the allocation process.

Moreover, institutions pre-exist organisations and can influence their actions and behaviour significantly. The specific regulatory framework, the existing rules governing the access to funds, and the timing of their dissemination shape the behaviour of cities. Ultimately, these factors dictate a city's capabilities (what it can do), methods (how), and timelines (when).

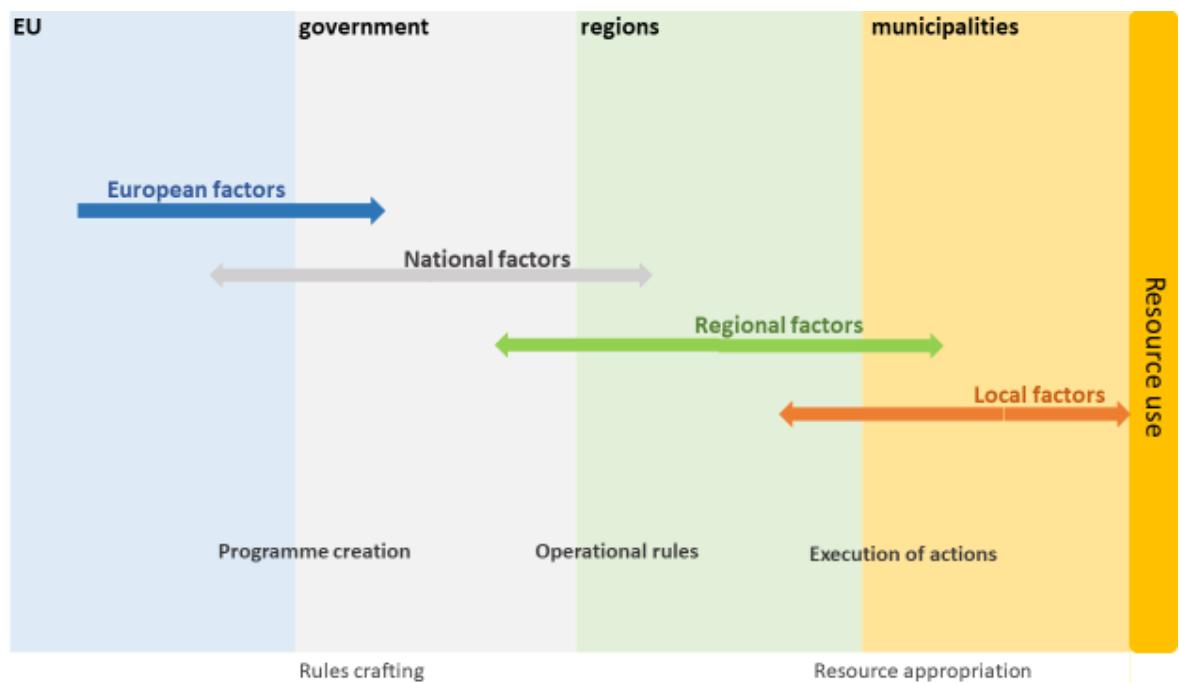
When it comes to attracting SF, multiple governance levels are involved, each with its interests, responsibilities, and powers. Cohesion policy has a multi-level governance model that involves supranational, national, and subnational actors in decision-making (Hooghe, 1996; Bache, Bartle & Flinders, 2022). The EU shares decision-making powers with national governments (Hooghe & Marks, 2001), who share responsibilities with subnational actors (Sutcliffe, 2000). Local governments play a role in identifying their needs and proposing solutions, seeking resources, including SF as an option. As a result, the factors that shape the

incentive to attract SF and the subsequent actions are situated at different governance levels and interact with each other (Figure 5.1). This chapter aims to highlight these multi-level factors and examine their interaction, which lower levels may not perceive or control.

This chapter is organised in five sections. It will first examine the territorial and organisational attributes of the Romanian system that are pertinent to the Structural Funds. We will place a specific emphasis on the formation, configuration, and functioning of the governance system, identify the system's attributes and discuss the initial regulations for resource allocation when the programme and the rules to access the funds were created. These three factors, namely territorial configuration, management system, and regulatory framework, establish the preconditions that create the impetus to attract resources and provide the starting conditions to access the funds. Lastly, we will introduce the local factors that are significant in pooling EU resources.

Primary as well as secondary sources were used. To gather data, interviews were conducted at different governance levels (European, national, regional, and local) and analysed thematically (Braun & Clarke, 2006). Documentary evidence was also collected through desk research, such as the EU's CP 2014-2020 policy documents, specific EU regulations, the regional OP 2014-2020, national, regional, and local development strategies, the general and specific ROP 2014-2020 application guidelines, national legislation relevant to EU funds, annual implementation reports for ROP, programme evaluation reports, and regional implementation reports (for a complete list of sources see annexes 6 and 12).

Figure 5.1. Multi-level factors in attracting resource



Source: own elaboration

5.2 Territorial and administrative configuration

This section introduces the key features of the state's territorial and administrative system relevant to the governance arrangements created for the Structural Funds in Romania. Second, it discusses the history of collaboration between different administrative levels of relevance to the governance system for Structural Funds in Romania.

5.2.1 Territorial-administrative features

Centralized administration

The centralised feature of the Romanian political and administrative system (See Chapter 4.4.1) was reproduced in the case of the institutional framework created to deliver Cohesion

policy in Romania (Section 4.6.2), shaping two essential features of the system set up to distribute the Structural Funds. First, the SF governance system reproduced the centralised nature of the national administrative system. Secondly, the allocation of the Structural Funds was also centrally decided based on nationally established investment priorities. For example, a European Commission interviewee stated that:

I have worked with seven countries and, if I were to compare [them with] Romania, I have never seen a more centralized system than this one.” (E1.1: 4)

These issues are evidenced by documentary evidence, such as the Romanian Constitution⁵⁸ and the national legislation for territorial and administrative organisation⁵⁹, but also the legislative acts regarding the creation of the development regions⁶⁰ and of the management system for the Structural Funds⁶¹.

Partial decentralisation and limited local autonomy

Another feature of the Romanian system is its administrative and financial decentralisation level⁶², specifically the financial transfer of resources, which needs to be decentralised. The financial dependence of local governments on the national distribution of resources affected the relationship cities developed with the structural resources. Mainly it affected the decision of urban governments to solve local problems through Structural Funds. Local budgets depend on national budgetary allocations, and this dependency keeps local

⁵⁸ The Constitution of Romania republished in M.Of. no. 237 of March 19, 2018.

⁵⁹ Law no. 290/2018 for the amendment and completion of Law no. 2/1968 regarding the administrative organization of the territory of Romania.

⁶⁰ Law no. 315 of June 28, 2004 regarding regional development in Romania.

⁶¹ Government Decision no. 1/2013, regarding the organization and functioning of the Ministry of Regional Development and Public Administration, with subsequent amendments and additions; Government Decision no. 1183/2014, regarding the nomination of the authorities involved in the management and control system of the European structural and investment funds 2014 – 2020; Government Decision no. 398/2015, for establishing the institutional framework for coordination and management of European structural and investment funds and for ensuring the continuity of the institutional framework for coordination and management of structural instruments 2007-2013.

⁶² Decentralization Framework Law no. 195/2006. Decentralization framework law no. 195/2006 was repealed with the entry into force of the provisions of the Government Emergency Ordinance no. 57/2019 regarding the Administrative Code.

governments under the control of the government, with little possibility to organise and plan their financial resources. For instance, according to respondents at the regional and local levels, the approval of the national budget in 2019 has suffered many delays. This situation stalled the approval of local budgets and prevented local governments from freely pursuing their investment calendars and, subsequently, pursuing investments, such as those funded from Structural Funds. As local governments were the primary users of the EU funds from the ROP 2014-2020, this situation created delays at the level of the ROP implementation, influencing the overall timeline of distributing the EU funds.

Respondents from the European Commission consider that the level of decentralisation and the limited autonomy of cities in financial matters were vital in determining the level of EU funds accessed by cities. In the current form, the autonomy of municipalities to make decisions on the use of centrally managed resources is limited. This situation was perpetuated and reproduced in the case of the management system for disbursing the SF, despite the partnership principle introduced in the functioning of the governance regime.

Overlapping competing policy measures

In addition to the financial dependence, another problem that affected the use of structural resources by municipalities was the existence of a nationally funded programme for local development⁶³ (the National Programme for Local Development) that financed similar investments to those of the SF, following different and more relaxed rules. In comparison, the rules for accessing these national funds were more relaxed⁶⁴. They required less effort,

⁶³ The National Programme for Local Development represents the main source of financing for local infrastructure, available at: <https://www.mdlpa.ro/pages/programulnationaldezvoltarelocala>, accessed on 25.04.2023.

⁶⁴ Emergency Ordinance No. 28/2013 of April 10, 2013 for the approval of the National Local Development Program, and Order No. 1851/2013 of May 9, 2013 *** Published regarding the approval of the Methodological Norms for the implementation of the provisions of the Government Emergency Ordinance no. 28/2013 for the approval of the National Local Development Program.

less internal capacity to handle investments and less time for local governments to access the funds and deliver a visible public investment. The easiness and speed of attracting and using these resources meant that the investments produced visible results quickly. The speed of attracting resources and solving problems matters enormously for political actors who must provide palpable actions to validate their mandate and term in office.

The national funding opportunities, such as the National Programme for Local Development (in Romanian, PNLD), affected the distribution of structural resources to cities and towns. This national programme proved particularly tempting for small municipalities, which preferred to use the national funds due to their easy and fast access. This programme was a strong competitor to the ROP, notably as it funded several similar investments.

5.2.2 Territorial relations and collaboration history

The history of collaboration between the national and local governments, the pattern of their interaction over the years, and the actors' collaborative attributes are relevant to the governance system for Structural Funds. Specifically, noteworthy are the features that shape the willingness and ability of actors to engage with each other when the context for such engagement exists and when it is possible for meaningful collaborations to emerge. In the case of Romania, the long history of strenuous central-local relations and the lack of desire to govern collectively contributed to formal central-local relations and little engagement of local actors in policy decision-making and crafting of the rules.

Historically, the central and local governments' relationships are defined by hierarchical, top-down relations and power asymmetries. Respondents at the European level considered that this type of relationship affected the attitude of the ministries towards municipalities and vice versa. This relationship is one of power and command. This type of interaction is

considered to disempower cities, limit the scope of local and national collaborations and decrease the possibility of consolidating these relationships. Instead, this situation tends to create opposition and tension. This type of interaction does not support the principle of partnership, which is central to the EU governance system. Moreover, interviewees in the European Commission noted that traditionally, most municipalities had a submissive attitude towards the central government and did not tend to stand up against the actions and decisions of Ministries. Other respondents considered that some municipalities do not usually oppose the Ministry as they had a direct interest in preserving and exploiting the status quo from which they benefited.

“The attitude across the programmes, particularly when it comes to working with local authorities, is very much one of the Ministry making decisions and everybody else just waiting for those decisions to be issued. Moreover, it creates a kind of serfdom that has upper dogs and underdogs, and the underdogs are the local authorities. The challenge we have right now is to find a way to involve municipalities or regions or the RDAs...” (E1.1:3).

This historical distance between the central and local governments extended into the domain of EU funds. In the initial stages of negotiation and formalisation of the rules for allocating SF, the Ministry was reluctant to involve the cities and towns to contribute to crafting the ROP. The collaboration with stakeholders took the form of minimal engagement with cities during consultations for drafting the programme, selecting the investment priorities, or deliberating over the allocation of funds. The government took ownership of writing the programme, while cities received marginal roles and provided limited input.

This situation led to several consequences. Firstly, it led to a need for more local ownership in decision-making choices. Cities only reacted to an external stimulant when accessing

resources and preparing projects. The choices for EU investments that cities made represented a response to something the Ministry decided, compared by a respondent to the experience of buying from a “vending machine”. Municipalities could only choose from the options decided for them. Interviewees in the European Commission considered that giving cities the power to decide over types of investments would provide ownership to decisions and investment choices and stimulate local governments to involve.

Secondly, according to several respondents representing all government levels, the estranged relationship between the state and cities led to distorted images of each other. European and local actors considered that the Ministry needed to gain a more accurate image of the struggles and resources at the local level. Such information is significant, particularly when allocating resources to complex local investments. The assumptions of the Ministry regarding the available local resources and existing local capacities to attract resources is believed by some respondents to have contributed to the slow use of EU funds. The smaller municipalities with few human and financial resources were less likely to react quickly and pursue EU investments to attract SF.

Lastly, respondents at national and European levels considered that some cities adapted to the (imperfect) EU management system and used it to their advantage to the detriment of other local authorities. Concretely, more assertive cities learnt how to benefit from the inability of other cities to use the EU funds. Generally, when the EU funds remain unspent, they are redistributed to other cities that demand many funds. This situation also risks concentrating the EU resources in a few highly active cities. Taking advantage of this situation instead of changing it would not challenge the system but only exploit it, creating other imbalances. From this perspective, challenging the established system and changing

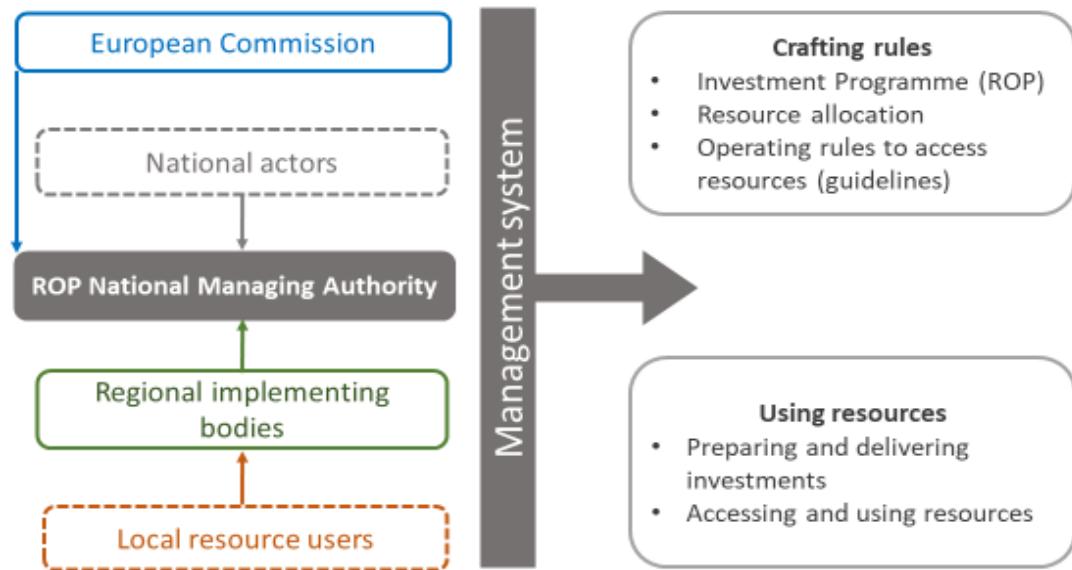
the status quo might be costly for some cities, incurring the risk of losing the advantage gained from knowing how the system works to their advantage.

5.3 Governance system

It is crucial to ensure that the governance system is functioning correctly to allocate resources from the European to the local budget effectively (Figure 5.2). The actors involved in this process must work together and take shared responsibility to ensure the management system operates smoothly. As one respondent pointed out, the interdependence of these actors is critical to the system's success.

“[...] we [the European Commission], collectively, with the Ministry of Regional Development, but, in a sense, also with the RDAs and the municipalities, we have messed up the beginning of [the] implementation.” (E1.1:16)

Figure 5.2. Management system for Structural Funds



Source: own elaboration

5.3.1 Features of the management system

Three governance features have emerged as key in analysing the factors that drive cities to attract resources, the centralisation of management, the centralisation of decision-making processes and tight control and accountability lines. These features should all work together to create a robust and efficient governance framework, enabling cities to attract the resources they need to thrive.

Centralised management and decision-making

As outlined in Chapter 4, Romania's method of distributing the SF via the ROP 2014-2020 involved a centralised management system with a unique programme for resource allocation. Shared responsibilities, delegated roles, and centralised decision-making characterised this system. All decision-making processes related to the distribution of funds were under centralised control, from programming to implementation. This governance model presented significant challenges for municipalities attempting to access resources. Three governance features emerged as key in analysing the factors that drove cities to attract resources: (1) the management system's centralisation level played a significant role; (2) the centralisation of decision-making processes was also critical; (3) tight control and accountability lines were essential in ensuring effective resource management. These features all worked together to create a robust and efficient governance framework, enabling cities to attract the needed resources to thrive.

The central government primarily led the decision-making process, possessing exclusive powers over SF through the Managing Authority. Although some responsibilities were shared, the government had discretionary powers when it came to involving partners. These powers included establishing the POP and creating rules for accessing resources, as well as

deciding on how to allocate resources. At the regional level, the Intermediate Body oversaw the operational activities related to the EU investments of beneficiaries such as cities (Sections 4.6.2, 4.6.3). The European Commission also played a critical role, particularly in financial matters, as it allocated the EU funds to Member States and approved the funding requests made by beneficiaries. Furthermore, the Commission adopted the ROP proposed by the Managing Authority.

During the programming stage, the Managing Authority was crucial in determining which types of investments would receive resources and establishing the guidelines for municipalities to access those resources. According to feedback from the Managing Authority, the central government adopted a multi-level approach to identify needs, which involved stakeholders and decision-makers at all levels of government. The process began with each local authority identifying their specific needs and issues. These needs were then combined at the regional level to create a comprehensive understanding of the needs within each region. Finally, the national level combined the regional needs to establish the national investment needs and priorities.

The process of selecting investment priorities to fund through SF was centralized. Collaborative mechanisms, such as consultations, were used to discuss national selection, but ultimately the central government had the final say in establishing priorities. The Managing Authority held exclusive responsibility for this, with consultations and collective input used to make decisions. In addition, the central government was responsible for shaping the rules to access resources in the applicants' guidelines. This process relied on multi-stakeholder consultations and collective input.

The creation of the national operational programme was exclusively in the hands of the Ministry, with no influence or input from local governments. This left subnational and local

actors in a reactive mode, with no real opportunity to have a say in the process. The Managing Authority had the power to select investment priorities and allocate funds through multi-level consultations. This centralized approach gave the Managing Authority exclusive powers of initiation and decision-making, leading to national ownership over the programme's construction and content. This left little room for local input, and municipalities were left in a reactive position with no sense of programme ownership.

The Ministry did not release sufficient and timely information for municipalities to select their investments and prepare projects in advance. From the perspective of the involved actors and interviewees, municipalities needed more autonomy to take proactive measures. However, the central government's control over the rules and release dates through the Ministry was limiting progress.

[...] if you do not have some true political and meaningful ownership at the local and municipal levels, it is not enough to use the opportunities of the Structural Funds [...]. How on earth can the Ministry in Bucharest take care of a project in Suceava⁶⁵? It cannot and it does not care. It is not exposed to any citizen [in Suceava].” (E1.1: 26)

Accountability relationships within and outside the management system

It is important to note that fieldwork interviews found that the governance system would have benefited from stronger bottom-up accountability relationships. The Managing Authority was responsible for the system's functioning and the programme's results. In the event of errors, measures were taken for all beneficiaries, regardless of cause or case. It is worth noting that any measure or potential programme suspension affected everyone implementing the ROP. This implies that even if the error was only confined to a specific

⁶⁵ Suceava is a municipality situated in the North East of Romania.

issue in one region, it still carried consequences for the entire implementation process. This scenario bore significance for the governance system's functioning, as it gave the Managing Authority considerable discretion but very little to local authorities. This reinforced the traditional relations established based on distance and control, perpetuating the historical dependency of the local level on the centre.

The municipalities bore the responsibility of appropriately managing and controlling the utilization of funds. Nevertheless, the Managing Authority remained unaccountable, and their decisions remained unchallenged due to limited formal mechanisms in place (Table 5.1). Despite being vital to accessing and utilizing funds for public investments, municipalities are merely cast in a partner role in the programme creation process and are scarcely involved in crucial decision-making processes. This is a critical area that, municipalities argue, necessitates immediate attention and improvement.

Table 5.1. Accountability lines in the management system

Role	Accountability lines
Supranational funder	To EU Council, European Parliament, European Court of Auditors
Managing Authority	To European Commission
Working groups	To their respective organisations
Intermediate Bodies	To Managing Authority
Beneficiaries	To Managing Authority & Intermediate Body

In an idealised system, the Managing Authority would establish a direct and transparent relationship of accountability with citizens. Currently, the Managing Authority is an administrative body appointed from within the central administration, which means that it is not directly accountable to citizens. This has led to a centralized management system that is far removed from the local population and actions, with the MA administrators avoiding public scrutiny. Local political leaders have minimal control over the entire management

system, yet they face frequent public scrutiny and accountability pressures for SF decisions that are beyond their decision-making scope. To address this issue, local government interviewees considered that policies or initiatives grant municipalities more control over decision-making processes and ensure greater accountability for the Managing Authority.

Strong control system

Respondents in the Managing Authority and European Commission considered that municipalities might not be attracted to EU funds because of the strict allocation and monitoring of these resources. The control system is extremely rigorous and involves strict compliance rules, constant supervision, and close scrutiny of all operations carried out by beneficiaries and the management system. As a result, municipalities face a high risk of incurring financial corrections due to the strict application of rules and constant monitoring of how the EU funds are spent. This can be particularly challenging for small municipalities that have limited resources at the local level. The fieldwork research indicated that these factors could discourage cities from engaging in the process of attracting structural resources.

5.3.2 Functioning of the management system

The smooth functioning of an ESIF management system is highly dependent on the effective utilization of all its features. Each actor is assigned specific roles and responsibilities crucial in producing actions that optimize the management of structural resources. Experience has shown that merely having the features required by the EU regulations for the governance system was not sufficient to ensure the desired outcomes, as discussed in the previous section. The system's functionality depended on how these features were utilised to achieve their intended purposes, as highlighted by one interviewee.

Distribution of SF depends on critical management processes, including programming, implementation, and evaluation. Programming necessitated decision-making processes to establish the rules governing the behaviour of the management system and its beneficiaries (formulation, negotiation, approval). These rules outlined how resources were allocated and accessed, who received them, when, and how. Implementation involved executing operations and spending funds to cover investment costs. Beneficiaries, such as cities, prepared investments, signed contracts and spent funds to cover expenses in this stage. The success of the Programme was influenced by how actors navigated these processes. This section scrutinizes how the system functioned during these stages and its impact on municipalities.

Multi-level partnership

European Commission as partner

The European Commission is responsible for creating the regulatory package that establishes the entire framework for Cohesion policy throughout the EU. The Commission was involved in the process from start to finish and acted as the primary negotiator and decision-maker for approving the national operational programme, the ROP. It also had the final authority in approving expenses and reimbursing EU funds. However, according to a respondent in the Managing Authority, the Commission's involvement restricted the scope for local intervention, as it determined the types of investments to allocate funds to.

Municipalities as partners

The interviews with the Intermediate Bodies and municipalities found that the Managing Authority did not fully adhere to the mandate of Article 7 of the EU regulation, which required municipalities to take charge of project selection. Fieldwork interviews found that

municipalities were initially invited to select projects for funding under Article 7⁶⁶, but the Managing Authority ultimately seized complete control over the process of selecting local investments. According to the interviewees, this situation created a significant delay and increased the bureaucracy in the selection process as more actors were involved. According to the local perspective, this position did not challenge the existing central-local relations. Indeed, as the interviews indicate this responsibility was not entirely delegated to municipalities.

Fieldwork research found weaknesses in the relationship between the central and local governments in Romania's governance system. The interviews indicate that municipalities were left without support to prepare projects, even when it was clear that there was a high risk of returning EU resources due to underuse. According to a European Commission interviewee, the EC offered technical assistance to municipalities to help them overcome potential financial barriers to prepare projects, but this initiative was not followed through by the Ministry despite agreeing to it. This measure could have widened struggling cities' access to EU funds, according to interviewees in the European Commission.

It has been observed that municipalities did not receive any support in preparing their projects for EU funding, despite the Commission's initiative. This has led to a situation where cities that mobilized for EU resources and prepared projects but did not secure the funding could not recover the funds used for project preparation. This has made it difficult for many municipalities to justify spending resources on projects that might never receive funding. The Commission proposed a solution to this issue, which allowed project preparation costs

⁶⁶ European Commission (2013a), *Regulation (EU) 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing, Regulation (EC) No 1080/2006.*

to be reimbursed. Without any financial support, many cities faced capacity issues and were unable to prepare and submit projects, resulting in no projects from many cities.

“I think we are facing a situation where the ministries in Romania had made no single effort ever to ask or help municipalities to develop any urban projects.” (E1.1:9)

An effective management system for implementing ESIF includes direct measures to assist municipalities in developing urban projects. However, interviews with the European Commission found that compared to other countries such as Bulgaria, Romania did not offer support to municipalities in preparing mature project pipelines for the 2014-2020 period. Fieldwork data indicate that Bulgaria has been implementing such initiatives since 2009, and cities have been receiving assistance in creating a project pipeline that allows for project development and maturation over several years for the 2014-2020 period.

As a result of the lack of proactive measures to assist municipalities in developing a mature project pipeline and the absence of support for project preparation, many municipalities that had resources allocated under Article 7 were not ready when the first calls for projects opened. According to several interviewees, many of these projects were just on paper and not yet fully developed. The delays in allocating and using resources were a major setback, causing contract levels to remain shallow by the end of 2018. It was a difficult situation that would have benefitted from a more careful handling and strategic planning.

“[...] until autumn last year [2018], out of the 3 billion euro we had available, all that was contracted, that means all that was signed as a grant from a municipality to a beneficiary under Article 7 was one kindergarten out of 3 billion euro, at the end of the 4th year of implementation.” (E1.1:10)

Intermediate Bodies as partners

The Intermediate Body within the Regional Development Agencies, as the formal partner of the Managing Authority, was not fully utilized at both the European and regional levels. Although the Managing Authority delegated various tasks to the Intermediate Bodies, they double-checked their work. Interviewees in the European Commission considered that this approach slowed down the Programme's progress and prevented it from catching up on lost time. A long-standing issue of mistrust existed between the central and regional partnerships. This mistrust was attributed by national and European respondents to the varying administrative capacities of the Intermediate Bodies. The Managing Authority felt obliged to frequently check and ensure the correct execution of all tasks due to the significant responsibility they had in managing the SF.

Administrative capacity

It was found that the administrative capacity of the management system played a crucial role in the successful completion of the complex tasks associated with the use of funds. This was observed by respondents at all the governance levels, including European, national, regional, and local, as highlighted by one of the participants.

“Capacity across all the actors involved is one of the elements that contribute to the system’s effectiveness in pushing the funds from the European Commission to municipalities and citizens (E1.1).

Administrative capacity in the European Commission

The Managing Authority expressed concerns regarding the European Commission's administrative capacity to efficiently fulfil its responsibilities regarding the negotiations of the investment programme with Member States.

“[...] I have this question: does it [the Commission] have the administrative capacity to understand the problems in a state? ‘No’. [...] And now, the Commission wonders why the implementation started so late in almost all Member States.” (N1b:23)

Administrative capacity in the Managing Authority

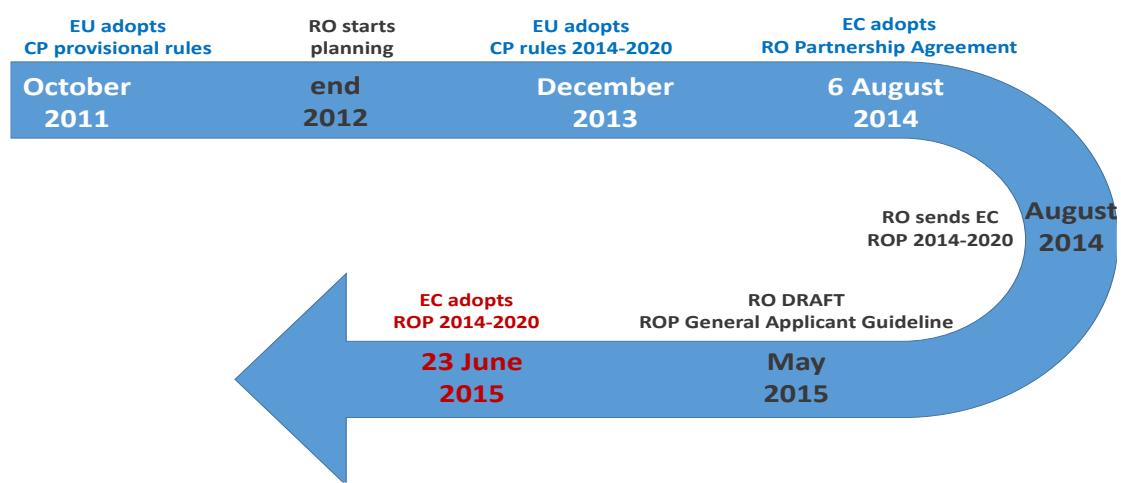
As discussed in the accountability section, the Managing Authority faced logistical and political capacity issues. The management system in Romania had a flat learning curve, which is a cause for concern. It's important to note that the central system responsible for designing, managing, and coordinating the programme has yet to utilize previous knowledge, experience, and expertise to prevent implementation problems, raising questions about its ability to accumulate and retain learning outcomes. European and local respondents strongly emphasized that national-level administrative capacity played a significant role in shaping the implementation of the ROP.

5.4 Regulatory framework

This section will be looking at the process of creating the rules for the Programme and the applicants' guidelines. Before focusing on the Operational Programme and its requirements, it is worth outlining the EU rules which provide the overarching framework for constructing the Operational Programme and its operational constraints. They act as the formal regulatory conditions for all future decisions and actions regarding structural resources. The section will only discuss the initial rules that were put in place when the Programme was elaborated and approved by the European Commission on 23rd June 2015, before the actual operation of the Programme (Figure 5.3). These initial rules have undergone several modifications over time, constantly adapting to the process.

Clear rules for accessing and distributing funds were established. It is essential for municipalities to participate in the rule-making process to ensure a transparent and effective governance system, as emphasized by the officials in the Managing Authority. The EU regulation mandates collective input during the decision-making process based on two fundamental principles: partnership and subsidiarity. The bottom-up approach is critical for informed rules that benefit the actors who invest and attract resources. This study explicitly scrutinises the contribution of municipalities to the decision-making process rather than the involvement of all stakeholders.

Figure 5.3. Programme creation timeline



Source: own elaboration

5.4.1 EU rules and regulations

Before each programming cycle, the EU budget and regulation for distributing funds to each policy area and member state must be established (Table 5.2). The Partnership Agreement, which allocates EU funds to Member States and sets specific rules for funding intensity in line with the thematic objectives of Europe 2020, is then negotiated and approved (Bachtler, Berkowitz, Hardy & Muravská, 2016). This framework has been instrumental in setting up the national regulatory framework, guiding municipalities in accessing and using EU fund

Table 5.2. EU regulatory package⁶⁷

Fund	Regulation
Common provisions (CPR)	Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 ⁶⁸
ERDF	Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 ⁶⁹
ESF	Regulation (EU) No 1304/2013 of the European Parliament and of the Council of 17 December 2013 ⁷⁰
Cohesion Fund	Council Regulation (EU) No 1300/2013 of 17 December 2013 ⁷¹ on the Cohesion Fund and repealing Council Regulation (EC) No 1084/2006

Source: (European Commission)

After conducting interviews at both the European and national levels, it was found that the EU regulation played a crucial role in establishing the rules for using Structural Funds. These regulations limited the investment priorities available for the ROP and directed the allocation of funds towards specific thematic objectives. As a result, the national government's options were restricted when it came to allocating resources to meet priority needs identified through consultations.

There appears to have been a conflict between the needs of cities and the financing provided by the EU. Local authorities in Romania were in dire need of investments in primary infrastructure. Still, the EC's approach was to set up unique mechanisms for all Member States, regardless of their development levels and needs. This approach put the Romanian government in a difficult position of mediating the investment expectations of local

⁶⁷ https://ec.europa.eu/regional_policy/en/information/legislation/regulations/2014-2020/ - Retrieved on 14.12.2021

⁶⁸ Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006. Available at <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=celex%3A32013R1303>.

⁶⁹ Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006. Available at <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32013R1301> .

⁷⁰ Regulation (EU) No 1304/2013 of the European Parliament and of the Council of 17 December 2013 on the European Social Fund and repealing Council Regulation (EC) No 1081/2006. Available at <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX%3A32013R1304>.

⁷¹ Council Regulation (EU) No 1300/2013 of 17 December 2013 on the Cohesion Fund and repealing Council Regulation (EC) No 1084/2006. Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32013R1300>.

authorities with the EU priorities. Furthermore, the concentration of resources sustained by the EU created national-EC tensions. While themes such as innovation, research, environment, climate change, and energy efficiency appealed to the big cities, it was not a top priority for smaller municipalities. The energy efficiency priority was a top concern for cities with many blocks of flats. Nevertheless, for those without many blocks, it wasn't as urgent. It's important to cater to each municipality's unique needs to make the best investments. According to the Managing Authority and local respondents, small municipalities found using financial instruments for public investments unappealing because they needed to satisfy basic infrastructure needs that did not generate revenue.

Establishing an institutional framework was arduous and time-consuming, particularly with the weighty and intricate EU regulatory framework in place. This complexity resulted in delays and complications due to the involvement of a lengthy chain of actors, each leaving their mark on it. The numerous conditions within EU regulations made it even more challenging for the national government to incorporate them into its legislation. It was a convoluted process that demanded unwavering patience and meticulous attention to detail.

“[...] all members States, they had delays because of the heavy regulatory framework we [European Commission] did.” (E1.2:43)

It has been observed that the size of EU funding allocations has become a challenge for municipalities with limited investment budgets. In Romania, the amount of EU funding allocated to local municipalities was much larger than their usual investment budgets. This high funding volume may have been difficult for most municipalities to handle. Additionally, the limited time given to municipalities to spend the allocated funds made it challenging to utilize them fully. Unfortunately, the EU funding could not easily reach its intended users due to the current system.

It is important to note that EU regulatory provisions were sometimes unclear and required further clarification. This issue is especially concerning in a system with strict controls because it could lead to a limited interpretation of regulations, negatively impacting the recipient and delaying implementation.

According to respondents in the Managing Authority, EU's regulations had a profound impact on national actors' resource allocation decisions, resulting in a top-down approach that favoured European preferences over local needs. Despite extensive consultation and partnerships, final decisions often succumbed to the influence of European regulations.

5.4.2 The Partnership Agreement

In August 2014, the European Commission adopted the Partnership Agreement⁷² with Romania, which outlined how the €22.4 billion allocated to Romania for Cohesion policy 2014-2020 (ERDF, ESF, and Cohesion Fund) would be distributed across EU funds operational programmes and thematic objectives. Notably, the Regional Operational Programme received € 6.7 billion from ERDF, with a significant focus on the first four thematic objectives - R&D (TO1), ICT (TO2), competitiveness (TO3), and low carbon economy (TO4)⁷³, which received 51.2% of ERDF funding.

The process of allocating EU funds to Romania was complex, and it came with a set of rules regulating which domains received funding and how much each thematic objective received. However, according to a national respondent, this requirement made including local input

⁷² The 2014-2020 partnership agreement is a document approved by the European Commission, negotiated in advance with Romania, as a member state, representing the reference document for the programming of structural instruments, ensuring compliance of the interventions of these funds with the strategic community guidelines regarding cohesion and national development priorities, as well as the link between community-level priorities and/or other national programs. The Partnership Agreement includes provisions to ensure alignment with the Union's strategy for smart, sustainable and inclusive growth, as well as with the Funds' specific missions in line with their objectives based on the EU Treaties, provisions for the effective and efficient implementation of the ESI Funds and provisions regarding the application of the partnership principle and an integrated approach to territorial development. Available at https://www.fonduri-ue.ro/files/documente-relevante/acord/Acord_de_Parteneriat_2014-2020_EN.pdf, retrieved on 27.04.2023.

⁷³ The 2014-2020 partnership agreement, available at https://ec.europa.eu/info/sites/default/files/partnership-agreement-romania-summary-aug2014_en.pdf retrieved on 13.12.2021.

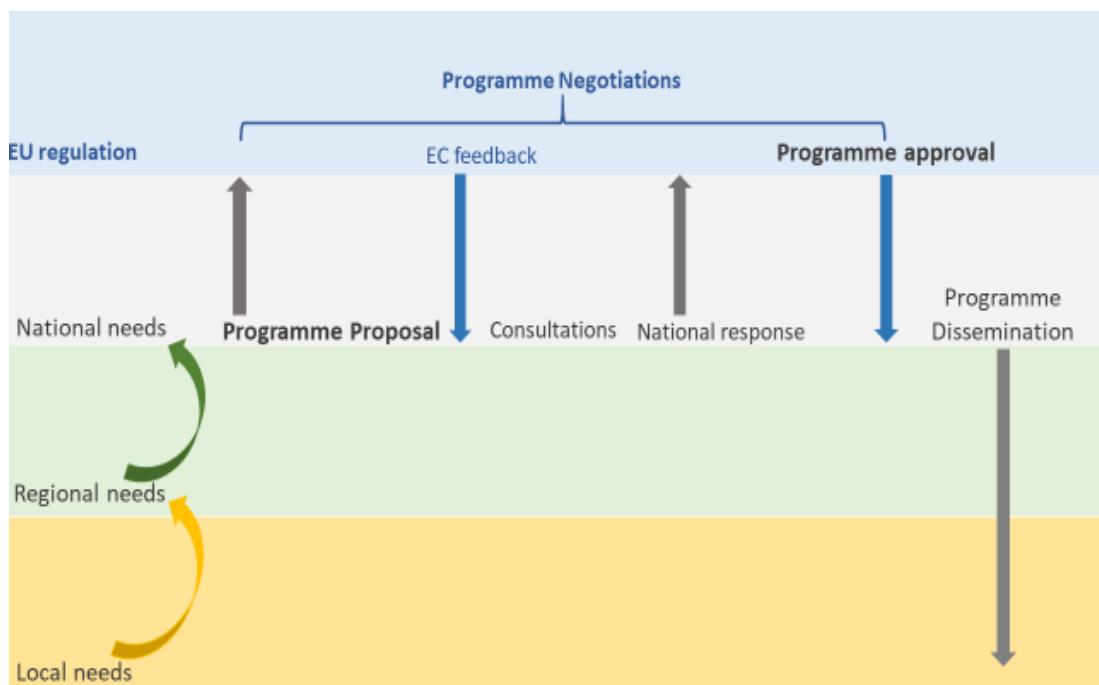
into the final programme challenging. The EU's requirements regarding the concentration of resources on specific thematic objectives often did not align with the priorities set by local municipalities. According to the interviews, municipalities had limited influence on choosing investment priorities to be included in the final version of the programme.

5.4.3 The Operational Programme

Upon the finalisation of the Partnership Agreement, the national government swiftly proceeded to develop the Regional Operational Programme 2014-2020⁷⁴, which allocated resources to specific investment priorities and established guidelines for accessing structural funding. This development resulted from a collaborative effort involving multiple levels and actors, as depicted in Figure 5.4. Upon completion of the first draft, the ROP was promptly submitted to the European Commission for approval, and negotiations ensued. Following the Partnership Agreement's approval in August 2014, the ROP 2014-2020 was submitted, and on 23 June 2015, the European Commission approved the final version of the ROP 2014-2020.

⁷⁴ The Regional Operational Programme 2014-2020 for Romania, available at https://www.inforegio.ro/images/Documente_de_programare/Programme_2014RO16RFOP002_1_2_en.pdf, retrieved on 13.12.2021.

Figure 5.4. Multi-level partnership in programme creation



Source: own elaboration

The development of the ROP 2014-2020 was not a linear process but rather a series of simultaneous processes that required immediate attention. The government's top priority was establishing a consensus on the investment priorities that would guide the allocation of resources. Furthermore, the government needed to define the applicant's guidelines to ensure that the rules for accessing resources for the types of investments supported by the ROP were clear. These critical steps were essential to guarantee the efficient and effective implementation of the ROP.

The programming for 2014-2020 in Romania lasted 2.5 years, starting in late 2012 and concluding in June 2015. The Managing Authority of the ROP under the Ministry of Regional Development and Public Administration managed, organized, and coordinated the process was at the national level. It is important to note that the Regional Operational Programme

2014-2020 primarily focused on local public authorities, who accounted for 95% of the stakeholders involved in the consultation process during programming.

The national operational programme was created after extensive consultation with various groups in different policy areas and ministries. Thematic working groups were established, and coordinated by the Managing Authority, to ensure effective collaboration. At the regional level, a similar engagement process was carried out in each region and involved multiple stakeholders, including local public actors, to identify and prioritize regional needs. All these efforts culminated with approving eight regional development plans, one for each region. At the local level, consultations were undertaken in each city to determine the local needs and establish the local development plans of each city, which served as the foundation for the regional development plans.

The Managing Authority was central to the entire process. Its duties entailed collecting and arranging the requirements of numerous municipalities, alongside pinpointing national demands. It bore the responsibility of collaborating with public policies and ascertaining which necessities pertained to which domain. Lastly, the MA linked the requirements with suitable funding from the European Commission and made the decision on the funding amount to be assigned.

The programming process was crucial during the implementation stage. Prior experience with the ROP 2007-2013 showed that the programming stage is strongly connected to the implementation stage. Rules were established, and resources were allocated during programming. The ultimate programming goal was to create a programme that invested in relevant areas for local actors and contributed to local problems. This approach would ensure that resources were used to solve real problems.

Multilevel and multi-actor engagement

Municipalities had a limited number of options to participate in the ROP programming. The programming and monitoring of Structural Funds took place at the national level under the guidance of the Committee for the Coordination and Management of the Partnership Agreement. Local authorities and towns were indirectly involved through associative structures. Various proposals were presented and opened up to public consultation, inviting different associative structures, civic societies or public administrations for consultations. Meetings were organized horizontally around public policy domains, such as health, labour or education. Different Ministries contributed individually to the programme through proposals on their policy areas. Investment priorities included in the programme needed to be supported by a national public policy in the respective policy domain. Therefore, those Ministries involved in programming had to consult with local authorities. However, it is doubtful that this consultation ever took place.

The association representing big cities was the most active among the associations of local authorities, and the central government worked efficiently with this structure. On the other hand, the association representing the more petite or mid-sized municipalities failed to reach a consensus due to either divergent positions or a lack of interest in the programming stage. Their input was "without substance," and their position was mostly reactive. They provided input only when their direct interests were affected, such as when they needed to fund a concrete project idea. At the national level, the municipalities had an indirect contribution.

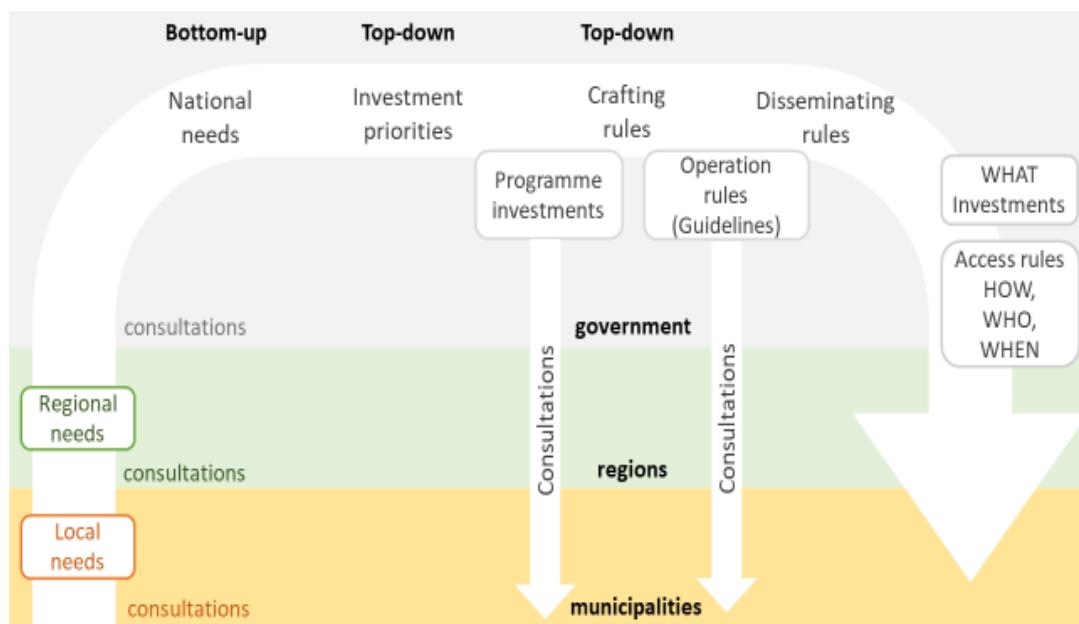
The central government conducted a series of internal negotiations with local authorities. The national proposals clashed with the local preferences favouring the areas where local authorities had decentralised responsibilities. Municipalities focused on the local needs on

which they had decision-making powers. On the other hand, ministries considered investments in infrastructure outside the remit of local governments. It was important for this internal negotiation to balance national public policies and local preferences to satisfy both sides.

Local authorities were crucial in providing input on local needs as regional development plans were being prepared. The regional plans were crafted with the help of local governments, who contributed their unique perspectives on investment needs. The process was initiated by intermediate bodies coordinating and organising the planning process, integrating local views and fostering open dialogue between local and regional actors. This approach was far more effective than relying on the less active participation of local authorities at the national level. Meetings and thematic groups were organised at the county and local levels and inter-regional interactions.

The third point of entry was through the National Monitoring Committee of the programme (Figure 5.5). The Managing Authority had the role of Secretary for the Monitoring Committee. The membership of the Committee included stakeholders from all sectors. Municipalities from each region were also members. However, the municipalities tended to represent themselves rather than represent the aggregate interests of all cities and towns. In addition, no initiatives or mechanisms were in place to stimulate and encourage members to meet before the Monitoring Committee meetings. Therefore, the presence of the municipalities in the Monitoring Committee remained symbolic.

Figure 5.5. Sub-national actions in programming



Source: own elaboration

Identification of investment needs

The government created the ROP 2014-2020 by thoroughly assessing the country's needs.

The National Strategy for Regional Development⁷⁵ was formulated as the initial step towards achieving this goal. Furthermore, the Managing Authority collaborated with regional Intermediate Bodies to develop eight distinct Regional Development Plans⁷⁶, each outlining the regions' specific requirements and investment priorities⁷⁷. Similarly, individual municipalities followed a comparable process to identify and prioritize local needs.

⁷⁵ National Strategy for Regional Development 2014-2020, available at: https://inforegio.ro/images/Documente_de_programare/Strategia_Nationala_Devoltare_Regionala - iulie 2013.pdf, retrieved on 13.12.2021.

⁷⁶ According to the ROP 2014-2020, the Regional Development Strategy 2014-2020 is a document developed for each development region, it contains priorities and measures that can be financed from structural instruments through the Regional Operational Program, sectoral operational programs, the National Programme for Rural Development, as well as from other sources of financing.

⁷⁷ The eight Regional Plans for Regional Development 2014-2020: (1) The development plan of the development region 1 Northeast, available at: http://www.adrnordest.ro/index.php?page=pdr_cr_planificare, retrieved on 13.12.2021; (2) The development plan of the development region 2 Southeast, available at: http://www.adrse.ro/DezvoltareRegionala/PDR_2014-2020.aspx, retrieved on 13.12.2021; (3) The development plan of the development region 3 Sud Muntenia, available at: <http://www.adrmuntenia.ro/static/18/planul-de-dezvoltare-regionala.html>, retrieved on 13.12.2021. (4) The development plan of the development region 4 Southwest Oltenia, available at: <http://www.fonduri-structurale.ro/detalii.aspx?t=Stiri&eID=15284>, retrieved on 13.12.2021; (5) The development plan of the development region 5 West, available at: <http://www.adrvest.ro/index.php?page=domain&did=180>, retrieved on 13.12.2021; (6) The development plan

In order to identify needs and priorities, two types of tools were utilized. SWOT analyses were conducted at the state level in both regions and municipalities. Additionally, consultations were arranged at national and regional levels to create national and regional development plans. Political representatives and civil society members attended these consultations. Moreover, local governments organized local consultations to devise local development plans.

Selection of investment priorities⁷⁸

Respondents explained that initiating the rule-crafting process was under the central government's responsibility. It first took place at the national level. After completing the national process and producing a draft of the national investment priorities, the process moved to the European level for negotiation and agreement. At the European level, the negotiation base was represented by the initial documents proposed by the central government, based on the EU regulation, voted in the EU Parliament. According to local and European participants, municipalities had little impact on the content of the ROP 2014-2020 due to the EU regulations that directed the funds to different investments than those locally identified.

of the development region 6 North-west, available at: <http://www.nord-vest.ro/planul-de-dezvoltare-regionala-2014-2020-eID1614.html>, retrieved on 13.12.2021; (7) The development plan of the development region 7 Center, available at: <http://www.adrcentru.ro/Lista.aspx?t=ADElaborare%20PDR%202014-2020>, retrieved on 13.12.2021; (8) The development plan of the development region 8 Bucharest-Ilfov, available at: <http://www.adrbi.ro/consultare-pdr-2014-2020.aspx>, retrieved on 13.12.2021.

⁷⁸ Investment priority is the operation or set of operations clearly identified within a priority Axis. The investment priorities related to each thematic objective financed from the ERDF are detailed in art. 5 of Regulation (EU) NO. 1301/2013 of the European Parliament and of the Council of 17 December 2013 regarding the European Regional Development Fund and the specific provisions applicable to the objective relating to investments for economic growth and jobs and repealing Regulation (EC) no. 1080/2006.

Applicant guidelines

The general and specific guidelines

One of the novelties of 2014-2020 was the creation of the general applicants' guideline⁷⁹, which aimed to regulate the standard conditions found in the specific⁸⁰ guidelines⁸¹. This document appeared before the publication of the specific applicants 'guidelines. However, several requirements from the general guidelines conflicted with the specific requirements published in the Applicant's Specific Guidelines. For example, there were cases in which municipalities found their projects ineligible after the specific guidelines appeared. The general guideline provided insufficient information and created delays. Since its publication and approval in November 2015, the general guideline underwent frequent changes until the data collection date (Annex 9).

The slow process of attracting funds can be attributed to the overly detailed criteria outlined in the guidelines, causing delays in project preparation. Furthermore, releasing specific guidelines a year and a half after the general ones only added to the uncertainty surrounding eligibility criteria. They shortened the implementation period of the Programme. Lastly, the tight deadlines for project submission made it challenging for municipalities to meet requirements, mainly because they needed to be aligned with other deadlines for issuing project certificates.

⁷⁹ Applicant Guide. General conditions for accessing funds under the 2014-2020 ROP available at <https://www.inforegio.ro/ro/ghidul-general-por>, retrieved on 13.12.2021.

⁸⁰ Each Investment Priority of the ROP 2014-2020 had an individual guideline for applicants, called the Applicant's Guidelines. It included the specific conditions for accessing the EU funds for each Investment Priority.

⁸¹ The Applicant's Specific Guidelines for ROP 2014-2-2, available at <https://www.inforegio.ro/ro/domenii-de-finantare>, retrieved on 13.12.2021.

Negotiation with the Commission

According to the feedback from the Managing Authority, the European Commission played a crucial role in both the timeliness and content of the approved programme. The national government participants consider that the negotiation approach of the Commission delayed the approval process and influenced the final ROP's content. Despite the national government's prompt creation of the initial draft in 2014, negotiating the programme with the EC took time, resulting in an overall negative experience. Conversely, the EC participants argue that the national government is responsible for the late approval and content of the programme.

[...] in the programming periods 2007-2013, and 2014-2020, one of the delicate issues was the negotiation of the national needs with the European Commission in relation to the thematic objectives of the regulations. A region always identifies as its main development objectives what the Commission proposes [...]. You cannot say that a highly developed region in Germany, and the example of Germany is not random, and a region in Romania have the exact needs. They do not have the same needs." (N1a)

The government made a firm decision to allocate funds to all municipalities, including small ones, in response to the EU's favouritism towards larger cities. This approach, although not new, contrasts with the European Commission's view on funding allocation. Despite the challenges, the government stood by their decision to provide necessary funding to all municipalities.

The national government ultimately decided to allocate the funds, despite the Commission's initial encouragement to concentrate them. The Commission assumed that the Managing Authority thoroughly analysed the feasibility of spreading the funds and ensured that small

municipalities could access the EU funds. However, this choice had various effects, including an increase in the number of eligible municipalities and actors eligible for funding, ultimately increasing the programme's dependency on a larger pool of potential beneficiaries.

"There was a very deliberate move to spread the funding as thinly as possible. [...] I don't blame politicians for doing that, but what one would expect from the technical system is to come in and check whether this is doable." (E1.1:13)

Programme misfit

Smaller municipalities have not been able to fully utilize EU funds due to limited programme options. For example, the funds intended for sustainable transportation in areas with insufficient infrastructure have resulted in a shortage of practical projects. Many small towns that received funding for this type of investment could not use it, leading to a common issue of unused funds and no tangible projects to showcase the allocated funds.

"[...] small municipalities see the EU funds as a source to rehabilitate more streets or parking spaces, but we disagree. We [EC] want to have investments that are more meaningful on the ground. This could be one of the aspects why they do not submit projects [the small municipalities]." (E1.3:14)

5.4.4 National legal framework

National legal constraints

The legal provision in the public finance law⁸² limiting the possibility to finance feasibility studies from local budgets, unless they yield an investment, was a legal constraint that had

⁸² Law no. 500/2002 on public finances, with subsequent amendments and additions, source: Official Gazette no. 597/13 Aug. 2002 with subsequent amendments; L 273/2006 on local public finances, with subsequent amendments and additions, source: Official Gazette no. 618/18 Jul. 2006 Correction: Official Gazette no. 627/20 July. 2006 with subsequent amendments.

a powerful effect on local governments. The entire process of preparing mature technical documentation for EU funds relied on this aspect, i.e. having technical documentation, like feasibility studies, ready for submission when calls for projects opened. This requirement affected the impetus to prepare projects in advance, particularly during programming when the rules were still undefined and unclear. Similarly, the public procurement law⁸³ was complex, and the procedure to solve errors was very lengthy, often obstructing the flow of the process, “it takes two years until public procurement cases solve or not”.

The effect on implementation was strong as the entire programme implementation depended on the maturity level of the EU projects when calls for projects opened. The national regulation made it difficult for many local governments to have mature documentation. Often, cities only prepared projects to benefit from EU funding. Otherwise, they might not have prepared certain feasibility studies if the possibility of obtaining EU funds was unavailable. Consequently, municipalities face an ongoing dilemma of whether to prepare mature EU projects in advance, as they face the risk of not receiving the EU funds and, thus, needing more money to finance these publicly funded technical projects. This legal context could also similarly affect the next programming period (2021-2027), starting without mature project pipelines.

National interpretation of Article 7 Urban Authority establishment

Regarding the requirements stipulated in Article 7, the Ministry demanded that all eligible municipalities create an “Urban Authority”. Interviews with the Commission revealed that this term was a generic term proposed in the regulation to refer to municipalities more broadly, given the diverse forms of municipal organisation in Europe. However, in Romania,

⁸³ Government emergency ordinance 34/2006 regarding the awarding of public procurement contracts, public works concession contracts and service concession contracts, Official Gazette no. 418/15 May. 2006 with subsequent amendments and additions.

the interpretation was strict and narrow and demanded that municipalities create this extra body, which was the municipality itself. The impact was another delay and more administrative burden on local governments, as they had to mobilise human resources, allocate time and expand their workload. This interpretation added new tasks that were not advancing the implementation, leaving other tasks uncovered.

“[...] everybody [in Romania] was arguing that municipalities needed to establish an urban authority before they could move on. Wrong! They could just have named themselves urban authority and moved on.” (E1.1:9)

Unstable legal framework

According to local and regional respondents, the national legislation about the programme implementation underwent frequent changes, which affected the implementation timeline and created implementation problems. The programme's legal framework was not stable throughout the entire programming cycle, which created delays. Similarly, during implementation, there were frequent changes in the implementation rules and guidelines, as indicated in figure 5.6. Moreover, interviewees mentioned that new rules were introduced after the initial ones for the municipalities taking part in the urban development priority.

The main consequence of these law changes was the implementation timeline, which constantly narrowed, leaving little time for beneficiaries to implement investments. One such example is the decision of the Ministry to start selecting the projects of municipalities taking part in sustainable urban development after the projects have already been selected as the EU regulation required. This aspect further delayed the implementation timeline.

“[...] we only had a real selection of projects way into 2017, even 2018, I think” (E1.1:7)

These changes once again proved that engaging with EU funds was a slow and lengthy process for local authorities needing funds—attracting EU funds to the local budget extended well beyond a mayoral term in office. Therefore, according the respondents it did not represent a viable resource or many mayors to solve the immediate needs.

There were reallocations of resources from the areas with no projects to the areas with many project requests, but no resources left to fund them. However, the experience from the previous ROP 2007-2013 proved that often this allocation of resources took place in the later stages of the programme's implementation timeline, thus leaving very little time for municipalities to deliver investments on the ground, often with consequences on the quality of the investment.

Article 7 rules on Sustainable Urban Development

All the 39 big cities with specific structural allocations on Article 7 of Regulation 1301/ 2013 are subject to the same rules for attracting EU funds. A closer look reveals that among the 39 big cities that benefit from separated and non-competitive allocations for integrated investments, seven municipalities were growth poles⁸⁴ in the 2007-2013 programming cycle (Ferry & McMaster, 2013). According to respondents in the Managing Authority, the seven former growth poles entered the 2014-2020 period with a more comprehensive experience in attracting structural funding for integrated urban development investments⁸⁵ than the other municipalities now benefitting from separate non-competitive allocations for sustainable urban development.

⁸⁴ The growth poles are the following municipalities, together with their area of influence: Iasi, Constanta, Ploiesti, Craiova, Timisoara, Cluj-Napoca and Brasov.

⁸⁵ The General Applicant's Guideline explains sustainable urban development as follows, the ERDF supports sustainable urban development through strategies that establish integrated actions to address economic, social, climate, demographic and environmental challenges affecting urban areas, taking into account the need to promote the links between urban and rural. Sustainable urban development can be achieved through ITI or through a specific operational programme or through a specific priority axis, the details of these elements being established by the partnership agreement.

This additional factor increased the multiple layers of differentiation existing among municipalities. Applying the same rules to cities with different development levels, investment needs, and different experiences with complex SF investments led to varied policy responses.

The types of investments proposed do not differentiate between types of communities and types of needs. Big cities concentrate large populations and have needs connected to an economy that attracts people. Their infrastructure serves a large territory, and they have university centres, which attract young and educated people. As a result, their investment needs are linked to a high population density and their specific local economy. At the same time, small or medium size communities have needs connected to a different type of local economy, different infrastructure sizes, and public services. Some, for instance, do not have a public transport system due to size. Thus, allocating funds for mobility might not be relevant to them.

[...] you cannot ask the same [things] from cities that are large and developed, as from the rest [of municipalities that are smaller and less developed], nor give [the same things to them]. You have to give them [the large cities] something [...] more interesting for them.” (N1a:8)

5.4.5 Rules dissemination, communication, information and transparency

According to a Ministerial participant, communicating the rules to municipalities is part of the programming process. After elaborating, approving and publishing the Programme, the rules are disseminated. This activity involves promoting and publicising this resource opportunity and the types of investments it targets. It also explains to potential users how

to access resources and prepare suitable investments. Communication and transparency emerged as necessary throughout the process.

Efficiency and intensity of communication

While all the actors agree on the importance of communicating efficiently, transparently and timely, divergent views emerged regarding the efficiency and intensity of communication with municipalities.

European level

At the EU level, some interviewees argued that the EC had inefficient and insufficient communication with municipalities. The Commission acknowledges that, at times, the communication style adopted with the national government might not have been efficient. However, its position might have been unintentionally inflexible, which did not improve the communication, quite the opposite.

National communication

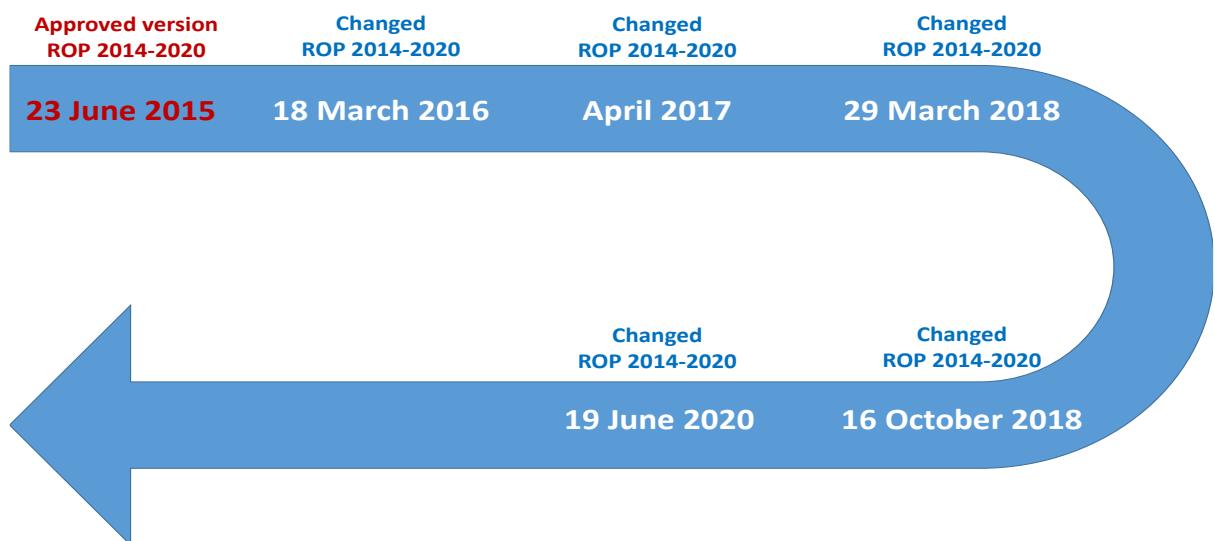
The perception at the national level was that after the approval of the Programme, the Managing Authority has made efforts to inform municipalities. This activity involved responding to invitations and initiatives coming from municipalities but also creating communication and information opportunities by going to each region to promote and discuss funding opportunities with municipalities and keep them informed throughout the process. In addition, the Managing Authority mentioned that it made all the efforts possible to give as much information as possible. Instead, it perceived municipalities as needing to be more responsive to or perceptive of the engagement initiatives of the Managing Authority. From this perspective, communication is unidirectional and top-down, from MA to non-responsive municipalities.

Local information needs

The local perception was that the Managing Authority was utterly absent from the informational process and needed to involve local actors more in decision-making. In addition, local respondents considered that their knowledge needs were not satisfied. More specific instructions were necessary for local management teams to properly master the rules and demands of the specific guidelines. Without a good understanding of the guidelines' requirements, municipalities needed more time to clarify the requirements' meaning, reducing the available time for applying. Similarly, the European Commission is perceived as distant, although this perception shifted during implementation when the Commission started organising site visits in municipalities.

The programme has undergone modifications since its creation (Figure 5.6). One of these changes was the introduction of funding opportunities for urban development for small and medium-sized towns, and this meaningful change needed to be promoted and popularised. Some small towns lost substantial time and funds due to a weak promotion of these new opportunities.

Figure 5.6. Timeline of changes to the ROP 2014-2020



Source: own elaboration

5.4.6 Timeliness of rules crafting and promotion

Another critical aspect related to the regulatory field is the timeliness of creating rules and then disseminating them to potential beneficiaries. Three aspects emerged. First, the late launch of the ROP. Second, the late publication of rules for urban development strategies and the late opening of the project calls. Third, short timeframe for project preparation and implementation.

Launch of the Programme

The programme launched late, relative to the seven years budgetary cycle. The ROP's approval, publication and launch took place in June 2015. After the publication of the ROP, the Ministry had to draft the guidelines for each investment priority included in the programme. The first version of the ROP had 11 axes, and each axis had several investment priorities, each needing specific guidelines to detail the exact conditions for application.

This situation had several effects on municipalities and the overall programme implementation. Firstly, it led to a late disclosure and apprehension of rules by municipalities. The national legislation limited the ability of municipalities to mobilise funds for preparing the technical documentation of investments, particularly when their execution was not guaranteed. In addition, the lack of timely information made it difficult for municipalities to decide whether to access funds. It also made it difficult for municipalities to prepare themselves in advance, had they wanted to have mature documentation. Moreover, their level of information and understanding was low during the programming period. The late launch of the programme and guidelines triggered a very late start of the overall implementation of the ROP and a significant reduction in the time left for its overall implementation and use of resources.

“[...] the Regional Development Programme started extremely late. All programmes in Europe started late, but this is one of the slowest to take on” (E1.1: 6).

Publication of rules and opening of calls for integrated urban development

Similarly, when it comes to the ROP funds allocated to urban development, the first things that municipalities needed to prepare and submit were the urban development strategies which formed the basis of the fund’s allocation. The initial plan of the Ministry of Regional Development in 2016 was to launch the urban calls, after the preparation of the urban development strategies. Unfortunately, this plan did not work. The Ministry published the rules for preparing urban strategies in late 2016. The timeline for the integrated urban investments underwent significant delays, given that municipalities only started to prepare the strategies at the end of 2016, which was one of the many steps to take before launching the urban calls for projects and before municipalities could have their documents prepared for submission.

Timeframe for operations

Municipalities' timeframe to deliver their investments also emerges as limiting the level of funds a municipality can attract. This limited timeframe put pressure on the human and local financial resources, creating a situation that added more complexity to the process.

5.5 Local factors

This section presents the local factors that emerged as meaningful in pooling EU funds for solving local needs. At the local level, interviewees differentiated between small and big municipalities and often discussed the local factors that were specific to each. They highlighted that the two types of municipalities (cities and small towns) sometimes faced different struggles and challenges. Two prominent factors emerged at the local level about attracting SF, the local decision-maker, the mayor, and the human resources inside local administration.

5.5.1 Political factors

It emerged that the local political elite significantly influenced the quality of the municipal administration and the municipality's overall performance in attracting EU funds. None of the local political factors that emerged was related to party politics, politicization or corruption, often the most expected factors in Central and Eastern Europe. Firstly, mayors emerged as key figures and mobilizing factors in attracting EU funds. Secondly, the mayoral term in office played a significant role in determining how to solve problems and with what sources. Thirdly, a local political consensus emerged as necessary.

“[...] definitely, the quality of the political elite influences very significantly the quality of the municipal administration that's where we see an extreme gap between [...] L1.1 and other cities...” (E1.1:26)

Mayors

In the programming stage, the most frequently mentioned and emphasized local factor was the interest of mayors in pursuing EU funding opportunities. This factor is often proposed to explain how municipalities get involved in the discussions regarding the preparation of the ROP or in implementing it. Mayors' will or lack of will to attract resources appears as the main barrier. The lack of interest of mayors to involve in programming is proposed by the Managing Authority as the sole explanation for engagement levels at this stage, dismissing the existence of other potential factors. Despite this, the contribution of the mayors to the creation of the ROP is considered less important than their contribution to the performance of the ROP. Lastly, mayors in opposition parties might disengage and self-exclude from the programming process, fearing that their effort would not influence the negotiation process. However, this point of view is not shared by many interviewees. On the contrary, the EU and local-level interviews state that there is no party component in explaining the performance of the ROP 2014-2020.

“It's not a matter of party and political colours, it is a matter of ownership [...] and of stamina and the overall possibility to have a consensus in the area.” (E1.1:33)

In the implementation, mayors emerge as crucial, particularly in interpreting EU funds' potential to solve local problems. The involvement of mayors in attracting EU funds relates to how they understand and decide to handle their problems, whether they choose to do it through local, national or European support. Their awareness of the existence of these

opportunities is vital to take informed decisions and their assessment of the value these funds can bring to their problem-solving capacity.

Mayors emerge as particularly essential in the initial stages of the process. It is they who stir the process. The role of the mayor is to identify at least the available opportunities as viable sources to attract. The mayor is identified as driving the process. Respondents in local governments viewed this role as a decisive element, more potent than the administrative capacity factor. Therefore, the mayor is responsible for deciding whether a municipality even engages in the process in the first place.

"The role of the mayor is to identify at least what he can do. From that point onwards, it is not the mayor's problem. When we hear that the mayor did a project, that is not the mayor's job. Without a mayor imposing a certain approach, you can have the mother of administrative capacity, but you cannot do anything with it." (N1a:6)

Moreover, mayors emerge as essential in building capacity internally, especially when the mayor chooses not to outsource the activity of attracting EU funds. Mayors interested in EU funds must also deal with the internal administrative resources needed to go through the process. According to the Managing Authority, they create internal structures dedicated to attracting funds. Mayors continue to remain significant in implementation too, when they oversee the process, provide to solve implementation problems, unlock bottlenecks and mobilize the team.

Moreover, the number of projects prepared, and their quality depends on the mayor's thinking process or visionary capacities. Some mayors are forward-thinking and modern, while others lack such thinking. Successful mayors think beyond immediate political gains, have a good understanding of local needs, and have a vision. Such mayors focus on real

needs and are less concerned with pursuing only visible but less-needed investments. The critical roles of mayors in selecting the projects to receive EU funding means they are responsible for choosing between pursuing community-relevant or electorally beneficial investments.

[...] everything starts from the elected mayors. They should have a vision and see what they want to do with the municipality". (E3:6)

Often, when discussing the role of the mayor and what exactly it is that mobilizes mayors, participants mentioned the mayor's willingness to participate in the process. This issue appears as the main barrier/ driver to participation. It all comes down to whether the mayor considers the EU resources an excellent way to address local problems in a particular context and moment. The mayor is also the main explanation given to no EU projects for funds attracted when administrative capacity existed, but also to explain positive outcomes when administrative capacity was weak.

Term in office and continuity

The local electoral cycles and the continuity of mayors in office also affect the programme's implementation. After local elections, some political leaders might be changed, and new incumbents will take office. Attracting EU funds is a lengthy process, which exceeds one office term. Local elections necessarily happen during the cycle, thus interfering with and disrupting the process and shaping its course. Consequently, if mayors are changed, a learning curve exists regarding accessing SF. Second, before and after elections, mayors might feel reluctant to invest resources in programming for multiple reasons. As for implementation, new mayors might affect the list of agreed investments by rearranging or pausing agreed or ongoing investments.

“if you look at the successful cities, they all have something in common, they have a mayor who stayed there for more than two terms.” (E1.2:31)

Political consensus

A political consensus emerged as another hypothesis. Local councils expressed broad political consensus for EU projects across all cases. The only investments fuelled by tension in local councils were those funded from the local budget and those with local ownership. As political consensus for EU projects was a condition fulfilled by all, it was excluded from the empirical analysis.

5.5.2 Administrative capacity

Administrative capacity emerges as one of the essential factors affecting participation across all the stages, but more explicitly affecting the implementation stage rather than programming and rules formulation.

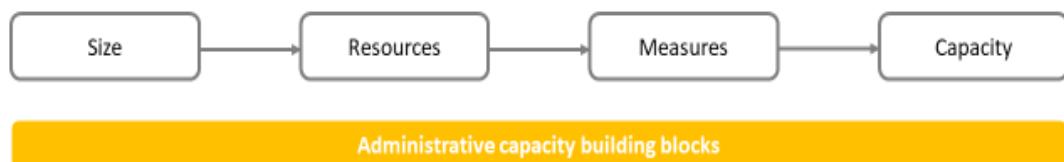
The size of the municipality makes the most striking difference between cities' administrative capacities, and two narratives emerge along the size of municipalities, small and big. Therefore, when size plays a role, we will present the findings separately for big cities and small towns. When discussing measures to improve the programme's overall performance and SF spending, administrative capacity at the level of local authorities emerges as a critical issue, which is more problematic for beneficiaries than the SF management and control system.

“where we have an issue of administrative capacity is at the level of the beneficiary. Unfortunately, it is not the MA that has an immediate solution because it is a matter of regulation.” (N1b:18)

Resources

Administrative capacity depends on the available resources and their mobilization to enable local governments to perform their tasks (Figure 5.7). Indeed, local administrations' size and pre-existing resources are essential to allow governments to perform any task. Certainly, resources enable municipalities to achieve administrative capacity should they consider creating it. By contrast, local governments with fewer resources have fewer means to develop administrative capacity. As municipal resources vary, the measures and experiences of the capacity building also vary.

Figure 5.7. Administrative capacity building



Source: own elaboration

The local governments present in the programming stage usually have more resources. Whereas the municipalities that got involved less actively in programming usually have fewer resources and show less administrative capacity. They usually tend to self-exclude themselves and not attend meetings. In programming, administrative capacity is essential in determining the interaction between local authorities and the management system. Similarly, when it comes to generating, submitting and implementing projects, one of the main struggles of municipalities was their administrative capacity.

“I think [administrative capacity] it is key. If they don't feel confident enough, [...] they usually tend to stay a bit aside and not get into the discussion actively.” (E3:5)

Human resources

In addition to the figure of the mayor, a second factor emerging at the local level that affects the process of attracting structural funding refers to the quality of the human resources able to support the political decision to engage successfully in attracting SF. Human resource is a key and essential component of administrative capacity. The existence of human resources dedicated to attracting EU funds within local authorities makes the difference between authorities in attracting SF. Local governments with an EU team dedicated to programming, for instance, get involved more actively and confidently during consultations as they better understand the process.

"[...] it is essential that the mayor be surrounded by capable staff." (E5: 3)

The stability of the personnel is necessary for developing and maintaining administrative capacity. Building and maintaining people in public administrations, notably those experienced and well-trained, emerged as challenging and essential. Personnel retention is essential in maintaining administrative capacity. However, retaining people has proved challenging for most municipalities, but also providing incentives for motivating people.

Retaining experienced people in public administrations is particularly challenging for small or medium-sized municipalities. Indeed, municipalities invest time and resources to train staff. However, once the experience is acquired, people leave administrations for the private sector. This pattern weakens the capacity of local administrations to attract SF and can destabilise the team, disrupting processes and creating additional workload for the remaining team.

"The issue of administrative capacity at the level of the local public authority is the sustainability and the expertise of the staff involved." (N1b:20)

Financial resources

The financial resources available within the local budget are another component of administrative capacity, and it is vital to co-financing the EU investments, staff retention, and building administrative capacity.

Financial power is also associated with staff retention. Bigger municipalities have larger local budgets and have a higher potential to create capacity, build internal teams, to hire, train and retain people. Financial resources for administrative capacity building allow municipalities to refrain from externalising services for EU funds and allow authorities to decrease their dependency on other actors who are not accountable for their actions. On the contrary, municipalities with weaker financial resources are less able to develop internal capacity and thus resort to external consultancy firms. In the case of small municipalities, the co-financing power and the overall financial resources also affect the number of projects prepared for EU funding.

Consultancy capacity

Consultancy emerged as an administrative capacity surrogate for many local governments that must compensate for lacking human resources to attract SF. However, for consultancy to be efficient, a minimum administrative capacity inside the administration is still needed. This minimum capacity refers to the ability of local administrations to understand what to demand and expect from consultants to deliver, but also to be able to monitor and understand the deliverables provided by consultants. Without minimum internal expertise, local administrations might be unable to verify consultants' actions and hold them accountable. This issue is particularly important as consultants are not accountable to the broader public or the funder, and instead, local governments are held accountable for what

consultants do. Therefore, externalising governmental tasks without minimum internal expertise does not guarantee the accomplishment of the tasks at the expected standards.

Internal dedicated structure for EU funds

The existence of an internal structure dedicated to attracting EU funds was an important part of administrative capacity. The existence of an internal structure dedicated predominantly or exclusively to taking part in planning, programming and implementing projects was needed to attract funds.

“There are some [municipalities] who have managed to create these structures that cover everything from programming to impact assessment and that are very active because they somehow understand the terms of this negotiation.” (N1:6)

Municipalities often create internal teams or structures dedicated only to the implementation stage. These teams are meant to prepare projects, organise public procurement, deal with contractors, make payment requests, monitor calendars and maintain relationships with the funders.

Having an internal and permanent team dedicated exclusively to accessing structural funding has multiple positive effects. First, the municipality can be present in all the stages and learn the functioning of the entire process, from programme creation to project operation. Secondly, it helps authorities accumulate and share knowledge.

“The simplest explanation is that they [the champion municipalities] have dedicated teams that understand the process from programming to evaluation. Those who understand what programme evaluation is, have this area covered. [...] A team that understands both programming and implementation can collaborate.” (N1:12)

Moreover, creating dedicated and stable internal would also allow local governments to increase their ability to identify new funding sources. Therefore, those municipalities that are mobilised and have structures dedicated to EU funds have more chances to become interested in external resources.

The medium and small municipalities often do not have an internal dedicated structure for attracting EU funds. Small municipalities struggle with attracting young and specialised personnel into their administrations. These administrations use consulting services to compensate for the lack of resources.

“[...] the smaller municipalities are likely not to have strong administrative capacity. In Romania, we are faced with depopulation, so everything is more difficult.” (E1.1:12)

5.5.3 Mayors and administrative capacity

Municipalities with low administrative capacity but with a mayor determined to attract Structural Funds manage to access their target resources. These two aspects are interdependent. An administration must have a mayor interested in EU funds to attract resources, even if they are administratively capable. Similarly, mayors alone cannot attract funds without mobilizing the necessary administrative resources. For determined mayors, low administrative capacity is not a barrier to accessing funds. The administrative capacity-building measures depend on a mayor’s assessment of the potential of the EU funds to solve problems. Additionally, mayors need to understand the need for dedicated units to work on the specific and complex issues related to attracting SF.

“It is important that at least [the mayor] understands that he needs a dedicated structure, this is probably the most important issue, the rest then comes with time.”
(N1:7)

Indeed, the mayor's reasoning is essential in building administrative capacity. The measures mayors take to prepare their administrations and use internal resources differ among municipalities. Concretely, mayors motivate and mobilise people, hire new personnel if insufficient, and influence staff training.

5.5.4 Operational maturity for accessing SF

Lastly, the level of projects prepared emerged as an important factor in explaining the initial lack of projects submitted for funding by urban authorities. On the one hand, while being present in programming is an advantage for implementation, this does not ensure a municipality will attract funds. On the contrary, intense activity and mature documentation prepared before the calls for projects opened played a role in determining the levels of resources attracted. Indeed, the level of mature projects is both a consequence and a cause, and it is a precondition to attract funds and an effect of the preparatory measures taken.

Participation in programming

Taking part in programming has not been correlated with the process of accessing resources. Instead, it emerged as an enabling factor produced by political choice and administrative capacity, giving knowledge an advantage in attracting funds. The municipalities present in programming gained a knowledge advantage over those absent, which helped them implement projects. However, it did not determine it. Municipalities that engaged in consultations had an improved understanding and clarity over the entire process. The later municipalities learnt about the funds, the less prepared and competitive they were.

Moreover, the mayor's office term is shorter than a programming period. Therefore, some mayors might have participated in programming because they were interested in solving urban problems through structural funding. However, they lost the local elections, and thus

their efforts might not bear any fruits. Even though absent from programming, newly elected mayors might still seek to attract EU funds. Participating in this stage might not be attractive to those mayors with slim chances of winning the elections.

Lack of ownership

This factor refers to the ownership or lack of local ownership over the programme's content. Indeed, the experience of the 2014-2020 cycle has shown that the mere allocation of resources to starved local budgets and less developed regions was not enough to stimulate municipalities to access EU funds quickly. The hypothesis emerging from interviews was that municipalities did not receive enough decision-making powers over the programme's construction to be invested in implementing it effectively and timely. This lack of programme ownership and the overall marginal role accorded to municipalities in decision-making explained their lack of enthusiasm over its implementation, according to interviews with the European Commission. Municipalities were the 'underdogs' in the process, although implementation depended on their activity. Indeed, local governments have directly elected decision-makers, they create investments, supervise them, and receive financial corrections, if needed. According to the interviews, the lack of programme ownership was a powerful lesson from the 2014-2020 programming experience.

No mature project pipelines

Another local factor that affected the programme's actual performance was that municipalities did not have projects in mature stages prepared for when the calls for projects opened. This situation created a high risk of non-implementation. As projects were not ready, there were no projects to submit, and thus the call for projects had to reopen, delaying the implementation.

Local market

Local labour market and local construction market

Another factor that emerged as affecting municipalities was the shortage of workforce on the local labour market. A lack of qualified labour in the local construction market affected the implementation of the projects. For pursuing investments, municipalities depend on and need to contract builders. In turn, the capacity of companies to deliver investments depends on the available labour resources. Local authorities needed to extend the period of delivering the projects. The procedure entailed a formal change of contract provisions which was lengthy.

“We have a problem with the workforce, so we cannot find [people] anymore. There are vacancies, but we cannot find people.” (L1R1; L1R2small:10).

No construction offers for public works

Selection of contractors was another challenge for municipalities facing a labour shortage in the construction sector. Many public procurement procedures for selecting the constructors did not receive offers. This context created delays in implementation. This problem is an essential element of the local reality, which should be known and acknowledged by the management system when conceiving the programme and crafting the implementation timeline of the investments. Municipalities feared that without any offer the projects would be eventually terminated. This situation needed measures to stimulate local companies to bid for public contract works.

Quality of construction works

In addition, local authorities faced a shortage of quality construction companies. They delivered poor services and often did not respect the approved projects. Administrators from local authorities needed to supervise the contract implementation to ensure constructors followed the approved documentation. Otherwise, the municipality risked losing the approved funding. This activity took time and used many human resources to supervise construction contracts.

5.6 Local implementation differences

As indicated in Chapter 1, at the local level cities and towns displayed differences in implementation, some cities attracting notable levels of EU funds, despite the national low performance (Table 1.3). When compared, the selected cases for this study (Section 3.3.3) displayed a consistent variation pattern on the indicators used to assess their implementation performance (Annex 8.1).

When it comes to timely mobilization for project submission to access EU funds, Cluj-Napoca, Oradea, Resita, Bistrita and Zalau mobilized early (2018) to prepare and submit most of their projects⁸⁶ (85%-100%), as shown in Annex 8.1. Three cases (Arad, Timisoara and Deva) mobilized later in accessing EU funds, submitting most of their projects in 2019.

When it comes to the total number of projects submitted by the end of March 2019, three cases prepared the highest number of projects (Cluj-Napoca - 23, Oradea - 21, Bistrita - 18). This indicator is important as it illustrates the breadth and intensity of activity of each case.

⁸⁶ The data presented reflects the situation on Axis 4 of the ROP 2014-2020 at the end of March 2019.

Indeed, each project, regardless of its value, goes through the same process of preparation, assessment and implementation.

When it comes to yearly project values⁸⁷ and the EU allocation⁸⁸ coverage, Cluj-Napoca, Oradea, Bistrita, Zalau and Resita submitted projects whose total value covered and exceeded their total allocation by 2018. Timisoara, Arad and Deva submitted projects with most meaningful values for their allocation only by 2019. When examining the total number of projects submitted and their cumulated value for each case, by March 2019, Cluj-Napoca and Oradea stand out with a total project value exceeding 5 and 6 times the EU allocation. Among the remaining cases, Bistrita, and Zalau are the cases with project values that exceed more than twice their allocation.

Among the small municipalities, local implementation also varied in terms of number and value of projects submitted (Annex 8.1). Hunedoara submitted 19 projects for ROP 2014-2020, totalling around 60 million euros. By comparison, Negresti Oas only submitted 10 projects totalling around 11 million euros. Santana submitted 4 projects, Valea lui Mihai submitted only 7 projects of a total value of around 17 million euros. Lastly, Sacueni submitted 6 projects with a total value of around 21 million euros.

5.7 Summary

This chapter has extensively covered the numerous factors that impacted urban responses to the Cohesion policy from 2014-2020. It also explored the incentives that were put in place to attract structural resources in Romania. The aim of this chapter was to uncover the reasons behind the slow mobilization of cities to access SF. This was accomplished by

⁸⁷ Project value refers to the ERDF contribution (85% of the eligible costs) and the State Budget contribution.

⁸⁸ The total allocation for each city includes the ERDF allocation and the State Budget allocation.

analysing the Regional Operational Programme 2014-2020, which received significant EU resources for investments in urban infrastructure in Romania, as discussed in Chapters 3 and 4.

It was found that there were many factors that influenced the way municipalities accessed and utilized SF. These factors were not just limited to one level, but included macro-level elements such as territorial configuration, management systems, regulatory frameworks, and the local context. Additionally, internal factors such as the actions and decisions made by local political leaders and the availability of human and administrative resources within public administrations also played a significant role. These findings highlight the need for a comprehensive and multi-level approach to addressing the challenges faced by municipalities in accessing and utilizing SF.

The way in which funds were managed and distributed in Romania was largely influenced by the territorial and administrative configuration of the state. The history of relations between central and local governments, as well as the specific features of the Romanian territorial-administrative system, have played an important role in shaping the management system. One such feature is the centralised nature of the administrative system in Romania, which has been replicated in the creation of a centralised system for managing the EU funds. One interesting aspect of the government's structure was the partial decentralisation of responsibilities and resources to local governments. This means that the adoption of the local budget each year depended on when the national budget was adopted, and the size of the local budget was also determined by decisions made by the national government. This gave the central government a significant amount of power to allocate funds based on political affiliation rather than on objective criteria like the needs of each municipality. We must recognise these potential biases and work towards a more equitable system for all

communities. Municipalities need increased autonomy when it comes to deciding how to utilize their resources. The central government held exclusive decision-making power over who received EU funds and how they were allocated. The history of central-local relations and the lack of desire to govern collectively have gravely impacted how these relations have developed concerning EU funds.

How the EU funds were managed and implemented impacted the resources available to municipalities. One of the systemic factors affecting access to these resources was the governance system. Specifically, the centralised management system was responsible for handling a programme that covered the entire territory. In this system all decision-making responsibilities were held by a central government authority, namely the Managing Authority. As a result, decision-making roles were not shared, and a top-down control system has emerged. There were weak bottom-up accountability lines and no local ownership of the programmes' content.

When it comes to accessing EU funds, there are several factors at play. Firstly, the EU rules and regulations impacted how things worked nationally. This aspect made it difficult for local governments to choose where to allocate resources, as they needed to align with specific EU objectives. This means that national priorities may not always be considered. Secondly, there were the national rules that also needed to be followed when accessing these funds. They included things like specific guidelines and legislation around procurement and construction. Finally, it is worth noting that municipalities often had to deal with larger budgets when accessing EU funds. While this could be good, it could also lead to mistakes or delays if they were not used to handling such large amounts of funds.

Lastly, accessing funds in cities was heavily influenced by local factors, both political and administrative. The longevity and decisions of the local decision-maker, specifically the

mayor, could significantly impact the process. Additionally, political consensus was crucial.

On the administrative side, the resources available to each local authority and how they were utilized were critical factors in their ability to attract funds and participate in all the stages of the process. It is important to consider these factors when seeking funding in municipalities.

After discussing the general systemic factors that affected the access and utilization of SF by municipalities, the following three chapters will take a closer look at the varying factors that impacted the access and utilization of SF by municipalities. Chapter 6 will scrutinize the formulation process with a focus on the crucial role of leadership in interaction with the environment. Chapter 7 will explore political-administrative interactions in depth. Lastly, Chapter 8 will examine the role of administrative capacity.

Chapter 6. Local Political Leadership in the formulation phase

6.1 Introduction

This chapter examines the intricate relationship between elected local leaders and their environment. The leadership process is explored as a dynamic interplay between leaders and the context in which they operate (Section 2.2.3). The leadership environment encompasses institutional structures (legal, procedural, political, economic) and the unique needs of the society or the situational setting (Elgie 1995: 195). It combines the structural factors identified in the previous chapter to comprehend better how local political leaders navigate the system and work alongside their respective communities to secure the necessary funding.

The chapter has four parts. It begins by presenting the findings related to the interaction of local leaders with the local population in attracting EU funds when needs are identified and prioritised, solutions proposed, strategies conceived, and decisions are taken about the problems identified. Secondly, it discusses the interaction of local leaders with the local context specific to each case, how leaders make sense of the problems they identify, the constraints that limit their actions about problems and how they seize the opportunities, such as attracting ESIF to overcome constraints and solve problems. Thirdly, it discusses the interaction of leaders with the multi-level governance system of the funds. Lastly, it illustrates the findings about each leader's vision for their polity and whether and how it informs the process of attracting funds. Thirteen cases were analysed for this study, with data collected through rigorous fieldwork efforts conducted at the local level. On the political side, the interviews included mayors, and deputy mayors, while on the administrative side, civil servants from local authorities working in the unit dedicated to attracting EU funds. The

regional bodies in charge of ESIF were also consulted, and the data was analysed using thematic analysis (Braun & Clarke, 2006). Primary data from official documents published by each municipality was also used, including strategic planning documents that were elaborated for EU investments. Additional data were collected regarding participatory budgeting processes, such as events organised, meeting notes, civic proposals, and follow-up reports. For a complete list of sources, please refer to Annexes 6 and 12.

The study examined and compared eight large cities, county capitals, namely Cluj-Napoca, Timisoara, Oradea, Arad, Bistrita, Deva, Zalau, and Resita that received a dedicated non-competitive EU allocation⁸⁹ for sustainable urban development⁹⁰ through the ROP 2014-2020⁹¹. Their locations are detailed in section 3.3.3. The study thoroughly analysed their levels and types of engagement with citizens, as well as their attitudes towards EU funds. Additionally, the study focused on five small municipalities - Hunedoara, Negresti Oas, Santana, Valea lui Mihai, and Sacueni. Unlike the large cities mentioned above these municipalities received a smaller funding envelope designated for "small municipalities⁹²" specifically. The funding was made accessible through a competition process⁹³, detailed in Chapter 4 of the study. The timeframe spans before and after the launch of the EU-funded Programme (ROP 2014-2020), prior to its implementation.

⁸⁹ Dedicated EU allocation means that the EU funds are allocated at the level of each county seat municipality. Source: Framework Document for The Implementation of Sustainable Urban Development - Priority Axis 4 - Supporting Sustainable Urban Development, Amendment no. 3, effective from: 18.06.2018, the Regional Operational Programme 2014-2020.

⁹⁰ The approach to sustainable urban development, provided for in art. 7 of Regulation (EU) no. 1301/2013, was implemented in Romania through the Regional Operational Programme 2014-2020, within which a priority axis was established, namely Priority Axis 4 entitled Supporting sustainable urban development. Source:

Framework Document for The Implementation of Sustainable Urban Development - Priority Axis 4 - Supporting Sustainable Urban Development, Amendment no. 3, effective from: 18.06.2018, the Regional Operational Programme 2014-2020.

⁹¹ Priority axis 4: Supporting sustainable urban development of the Regional Operational Programme 2014-2020, available at: <https://www.inforegio.ro/ro/axa-prioritara-4>, retrieved on 12.11.2021.

⁹² Priority axis 13: Supporting the regeneration of small and medium-sized cities of the Regional Operational Programme 2014-2020, available at: <https://www.inforegio.ro/ro/axa-prioritara-13>, retrieved on 12.11.2021.

⁹³ This opportunity is aimed mainly at the cities and municipalities in Romania, under 100,000 inhabitants, with the exception of the county seat municipalities. Source: Applicant's Guide – Specific conditions for accessing funds within the project calls with number POR/2018/13/13.1/1/7 REGIONS, POR/2018/13/13.1/1/ITI and POR/2018/13/13.1/1 /SUERD, Priority Axis 13: Supporting the regeneration of small and medium-sized cities, Investment Priority 9b: Providing support for the physical, economic and social revitalization of disadvantaged communities in urban and rural regions, Specific Objective 13.1: Improving the quality of life of the population in small cities and medium-sized from Romania, available at: <https://www.inforegio.ro/ro/axa-prioritara-13/ghiduri-in-dezbatere-publica/423-ghid-specific-13-1>, retrieved on 12.11.2021.

6.2 Public accountability relations

This section focuses on the citizens-mayor relationship in the planning phase when local needs are identified and prioritized, strategies are created, and investment projects are negotiated and selected. Firstly, it discusses the mayors' view of the EU funds and their role in achieving the leaders' public obligations and political ambitions (what they ought to do and want to do). It then identifies the participatory tools used to interact with the citizens to identify and prioritize needs, propose solutions, and decide on investments and local spending. Thirdly, it presents the response of local leaders to public feedback. It closes with the assessment of the leader's interaction with the public.

6.2.1 Public commitment

This section presents the normative positions of mayors towards the EU funds, i.e. their ambitions (political objectives), the degree of political prioritisation of the EU funds to address local needs, and how their stated position manifested. These elements were the main aspects analysed to grasp the leader's commitments and the extent of their commitments.

Big municipalities

Most municipalities were interested in the issue of **attracting EU funds**, but their objectives and dedication differed. In cities Cluj-Napoca, Oradea, Bistrita and Resita, the issue of attracting EU funds for solving as many local needs as possible occupied the local leaders' top political agenda. The EU funds were the central political and administrative priority in these cases (Cluj-Napoca, Oradea, Bistrita and Resita). For the political leaders in Cluj-Napoca, attracting EU funds was a key political priority, integrated into the municipality's plans for investments and the civic consultations organised locally. The purpose of

addressing societal needs gave politicians in Oradea the impetus to attract EU funds and deliver on public duties and promises, as one responded stated:

"There is nothing special [in the institutional culture of the administration]; it is about doing what you say you have to do when temporarily you have public responsibilities and be interested in the people's interest". (L2R1: 17)

The municipality of Bistrita focused on identifying and addressing public concerns through available resources, pursuing actions to satisfy popular desires captured in consultations for needs mapping. The EU funds were a top political and administrative priority in Bistrita throughout the entire programming period of 2014-2020. Resita expressed a strong political commitment to its newly developed vision to improve the population's living conditions and standards, prevent population loss and stop the outflow of human capital. To achieve this, the new mayor shifted the focus of the local administration from service provision and management towards development and integrated investments. The mayor's determination and commitment to achieve this vision directed the political actions towards attracting EU funds and adopting the EU approach to public investments.

In cities Arad, Deva and Zalau, the issue of increasing the local budget's dwindling development resources was considered crucial. Respondents mentioned that attracting new EU resources was a unique opportunity, thus mobilising to take advantage of it. Zalau focused on identifying and addressing place-based needs through tailored investments. The ambition was to develop the municipality bottom-up, from the area's specific needs, instead of moulding its investments on the EU priorities. This approach was often difficult to sustain due to a low local budget. Increasing these resources was a critical political direction supported by the EU dedicated unit. Respondents in Deva mentioned satisfying the broader interest and increasing the local budget as necessary for the local administration without

articulating a public political commitment to attracting EU funds. There was an evident political commitment to use the EU funds to improve the municipal budget for development and a high administrative commitment to implementing the civic component of the EU funds (consultations, needs matching).

According to respondents in Timisoara, the issue of attracting EU funds was necessary without transforming into a core political objective and top political priority. Neither the civic component related to EU funds ever became prominent (civic consultations). The citizen was absent in the narrative regarding acquiring the funds. Documentary evidence on the public consultation process substantiates this. Instead, attracting EU funds aimed at increasing the local investment budget and exploiting new opportunities. When demanded by the EU unit of the administration, the political leadership engaged with the process on an issue-by-issue basis.

The EU and national regulation recommend **civic** engagements and public consultations for EU-funded investments but leave the depth and breadth of these processes at the discretion of local governments. The EU management system does not monitor these processes closely or compare them against a standard. As a result, the presence or absence of these actions is an observable manifestation of political commitment to attracting EU funds. As developed in the next section, Cluj-Napoca, Oradea, Bistrita, and Deva, engaged continuously with the public through various means to support and create public engagement concerning EU funds and local needs identification. The public consultations were not ad-hoc and unique events but followed by subsequent sessions and constant public information actions. For example, civic engagement developed gradually and consistently through various public engagement tools in Cluj-Napoca, including participatory budgeting, which grew and became an established practice over time (see the section below). Documentary sources evidence this

conclusion. In Bistrita, civic engagement was intense, with frequent meetings and a variety of tools for public engagement actively used (see next section). Many civic initiatives were selected and included in the strategic documents adopted. The administration in Deva organised public consultations and actively searched for different funds to access, indicating a close administrative relationship with the public. The EU funds unit was dedicated and committed to EU policies and funds (Sections 8.3.2 and 8.3.3). The administrative and political commitments emerged as two separate and divergent processes. The middle management was committed and active. The political preferences for EU funds were expressed but lacked clear lines of action. The political leaders mostly sustained the operations of the administration. A more moderate engagement emerged in Zalau and Resita, as they tended to diversify and broaden the engagement tools and their scope. In comparison, Resita started developing a civic dialogue more recently, creating communication channels with society to identify public concerns and priorities. Timisoara and Arad emerged with less diverse tools used and formal engagement processes. In Timisoara, weaker levels of public engagement were evidenced around the issue of attracting EU funds.

Based on these aspects, Cluj-Napoca, Oradea, and Bistrita cities were assessed as having leaders with high **commitment levels** to attract EU funds. In Deva, the political approach was limited to setting the direction to attract EU funds to increase the local budget and perform several investments. Its political commitment towards attracting EU funds emerged as relatively passive and weak. In Timisoara, public commitment did not emerge explicitly as central to attracting EU funds.

Small municipalities

All small municipalities expressed an interest in and a need to attract EU funds. This issue was the local political priority, and the mayors engaged with the process actively and continuously. Most small municipalities expressed their commitment to the issue of attracting EU funds.

Several differences were noted, for instance, regarding the political responses when the EU funds became available. Negresti Oas, Valea lui Mihai, and Sacueni responded spontaneously to calls for projects and prepared disparate investment projects based on the calls opened and their assessment of a project's success. Hunedoara and Santana had a more strategic response. For instance, Santana broadened the scope of the EU funds, and by accessing them, it aimed at gaining more financial autonomy from the central government and overcoming the financial constraints imposed by a low distribution of national funds to local governments while at the same time making some meaningful EU investments at the local level while governing in opposition. For Hunedoara, attracting EU funds was a critical political objective occupying the top local priority. The mayor followed the process actively and closely and supported the EU team (Chapter 7). This variation in political responses to the incentive of acquiring EU funds was due to external constraints (Chapter 4) and the mayor's internal use of resources (co-financing, use of personnel, investment knowledge).

6.2.2 Public engagement

This section presents the tools local political leaders used to engage with the citizens concerning the EU funds. Specifically, it looks at the engagement tools for creating local strategies for development (the integrated urban development strategy at the local level⁹⁴,

⁹⁴ The existence of integrated sustainable urban development (ISUD) strategies at the local level (or integrated urban strategies for development (IUSD) in the case of Romania) is the basic condition for granting funding through the ROP's 2014-2020 Priority Axis 4 -

the urban mobility plan⁹⁵, and the local development strategies⁹⁶), deciding over public investments, and allocating the local budget to co-funded EU investments. Firstly, it presents public consultations for identifying local needs. Secondly, it looks at the consultations for specific EU investments where direct civic engagement was needed. Thirdly, it discusses the use of participatory budgeting processes. While not directly linked to attracting ESIF, participatory budgeting offered a powerful position to observe local leaders' innovative approaches to civic dialogue.

Big municipalities

1) Consultations for local strategy building

All eight cities engaged with their local communities when building their local strategy⁹⁷ required by the Article 7 of Regulation (EU) no. 1301/2013 to access EU funds. However, the depth of the engagement and the maturity of the mechanisms used differed. Cluj-Napoca, Oradea, Bistrita, Deva and Zalau displayed intense public interactions, unlike Timisoara, Arad, and Resita.

Supporting sustainable urban development. Regulation (EU) no. 1301/2013 states that the ERDF supports sustainable urban development through strategies that establish integrated actions to address economic, social, climatic, demographic and environmental challenges affecting urban areas, taking into account the need to promote links between urban areas and rural.

⁹⁵ One of the basic conditions for financing projects through ROP's 2014-2020 Investment Priority 4.e – sustainable urban mobility within Priority Axis 4 - Supporting sustainable urban development is the substantiation of the proposed investments (measures/activities/projects), within the **Sustainable Urban Mobility Plans (SUMP)**.

⁹⁶ Local Development Plans are strategic documents prepared by each municipality before each programming cycles. It is a multi-annual strategic document for local development at the local level. Each EU investment needs to be linked with the local development plan to justify its relevance for local development.

⁹⁷ The development strategy of Cluj-Napoca 2014-2020, available at: <https://www.clujmet.ro/resurse/>, retrieved on 03.12.2021; The Integrated Urban Development Strategy of the Municipality of ORADEA 2017-2023, available at: https://www.oradea.ro/fisiere/module_fisiere/26163/SIDU%20Oradea.pdf, retrieved on 03.12.2021; The local development strategy of the municipality of Bistrita 2010-2030, available at: <https://www.primariabistrita.ro/wp-content/uploads/2022/11/Strategia-de-dezvoltare-locala-a-municipiului-Bistrita-2010-2030-actualizata-2022-1.pdf>, retrieved on 02.11.2022; The Integrated Urban Development Strategy (SIDU) of the municipality of Zalău for the period 2016 – 2023, available at: <https://cmpg.expert/cases/strategie-integrata-de-dezvoltare-urbana-zalau/>, retrieved on: 10.01.2022; The Integrated Development Strategy of the Timișoara Growth Pole 2015-2020 - Final Version - published on 21.04.2016, available at: <https://www.primariatm.ro/mobilitate/strategia-integrata-de-dezvoltare-urbana-2020/sidu-2015-2020/>, retrieved on 03.12.2021; The Integrated Urban Development Strategy of the Municipality of Arad for the period 2014 – 2030, available at: [https://www.primariaarad.ro/dm_arad/portal.nsf/53639700F9D48FA9C2258776003C20A8/\\$FILE/p960.pdf](https://www.primariaarad.ro/dm_arad/portal.nsf/53639700F9D48FA9C2258776003C20A8/$FILE/p960.pdf), retrieved on 10.01.2022; Integrated Strategy for Urban Development of Deva Municipality 2014 – 2023 - 2017 version - approved by HCL 275 / 2017, available at: https://www.primariadeva.ro/images/uploads/documente/SIDU_final_2017.pdf, retrieved on: 08.11.2021; The Development Strategy of Resita Municipality for the period 2015-2025, available at: [https://www.primariaresita.ro/portal/cs/resita/portal.nsf/allbyunid/8344F47786786C39C22581E1004756C4/\\$FILE/SDL%20Resita.pdf](https://www.primariaresita.ro/portal/cs/resita/portal.nsf/allbyunid/8344F47786786C39C22581E1004756C4/$FILE/SDL%20Resita.pdf), retrieved on: 03.12.2021.

Cluj-Napoca, Oradea⁹⁸, Bistrita, Deva and Zalau emphasised the existence and the exercise of a municipal civic dialogue. In addition, all these cities developed mechanisms to involve the community in designing long-term directions and development plans and strategies, and their engagement remained constant throughout the process. Cluj-Napoca, Oradea, Bistrita, Deva and Zalau developed a relationship between the local political leader and the public. This relationship was exercised through concrete public engagement actions that continued, intensified and matured. For instance, Deva developed and used mechanisms to involve the community in designing the local development plans and strategies and involved the public in the entire planning process, from identifying the local needs, prioritising them and discussing the draft strategy with the citizens, using questionnaires, meetings, and focus groups.

The cities of Timisoara, Arad and Resita displayed a lower level of civic engagement. Arad needed to rely on more frequent interaction with the local community. The evidence regarding this process needs to be improved in Timisoara, indicating that this process was less extensive and played a minor role. At the time of the fieldwork, Resita has only begun to use forms of civic engagement, ranging from direct to online interactions with the public.

For example, Timisoara did not emphasise the role of civic consultations for local strategy building, and the consultation process needed to be more robust. Documentary data collected through desk research confirmed this evidence. In the case of Arad, the mayor was the central decision-maker, and organising public consultations was a rare practice. The process for creating local development strategies for EU funds excluded the citizens entirely. A technical and administrative approach prevailed, where the mayor decided on a list of

⁹⁸ Strategia Integrata de Dezvoltare Urbana a Municipiului Oradea e finalizata si intra in dezbatere publica. (2017, February 2017). *Oradea in Direct*.

priorities based on proposals formulated by civil servants, with no prior grassroots interactions for identifying, defining, and prioritising local needs. For instance, respondents in Arad mentioned that Arad elaborated its Integrated Urban Development Strategy, required by Art. 7 of the European Regulation no. 1301/ 2013 (see Chapter 4), in 2017 without organising civic consultations. To justify this civic exclusion, respondents mentioned a public consultation organised 20 years ago (2001-2002) when the citizens were described as passive and their feedback as weak. This experience occurred six years before the country joined the EU (2007) and before its first programming period (2007-2013), which also required consultations for the local development plan. The citizens were included in more minor investment decisions in Arad, such as building parking spaces, with meetings organised in each neighbourhood.

“[...] now when we did the SIDU [Integrated Urban Development Strategy], we didn't go to the neighbourhoods, to the citizens. We had here [at the town hall] many discussions, the directors, the heads of services and the mayor. We identified our vision for medium- and long-term development, or short, medium and long” (L2R2: 26).

2) Consultations on local investments

All cities made efforts to involve the public in discussions regarding ESIF investments that needed the public's consent, like the energy efficiency projects for housing⁹⁹ that needed the consent of all flat owners before proceeding with the investment. Cluj-Napoca displayed

⁹⁹ As required by the Regional Operational Programme (POR) 2014-2020, Priority Axis 4: Supporting sustainable urban development, Investment Priority 4e: Promoting strategies with low carbon dioxide emissions for all types of territories, especially for urban areas, including the promotion of urban mobility sustainable multimodal and adaptation measures relevant for mitigation, Specific Objective 4.1: Reduction of carbon emissions in the county seat municipalities through investments based on sustainable urban mobility plans, Applicant Guide – Specific conditions for accessing funds within the call for projects with the number POR/2018/4/4.1/3/in partnership.

structured forms of civic engagement for investments requiring the explicit consent of the citizens.

“For the projects submitted on the new programme [2014-2020], for the majority of them, we organized public debates in the Centre for Urban Culture from the Casino, where they [the citizens] were present, were invited, and they all could express their opinion. This aspect will be developed further”. (L1R1: 31).

Timisoara engaged with the citizens to promote the EU investment opportunities into energy efficiency for private housing, acknowledging the complexity of these interactions and the financial burden for the municipality for pursuing such investments. Convincing the citizens to pursue the investment, gain their trust, and reach a collective agreement took much work.

Oradea also displayed advanced and structured forms of civic engagement for investments requiring direct public consent. On the other hand, Arad and Bistrita did not provide insights into these processes and only made passing remarks.

“[...] meeting the citizens helps. For instance, as I also manage the blocks of flats rehabilitation programme with European funds, we invited the presidents and building administrators [of the blocks of flats] and explained them the programme’s requirements and offered advice and asked them to prepare projects” (L2R1).

The cities of Deva and Resita made efforts to gain the interest and involvement of the citizens in the EU housing investments and convince them of the benefits. Similarly, in Zalau, the citizens were reluctant to take part in the actions of the local administration. Developing a stable and close relationship with them took time despite the pro-activeness of the administration.

3) Participatory budgeting

Cluj-Napoca had a history of participatory budgeting initiatives, which began in 2013 and continued to the present (2022)¹⁰⁰. The other cities have more recent histories with participatory budgeting from 2018 or 2019. In Cluj-Napoca, civic initiatives were funded from the local budget and some from EU funds. Cluj-Napoca and Oradea¹⁰¹ have been using participative budgeting continuously since their first initiatives.

“[participatory budgeting] It is a sort of brainstorming; projects are submitted, selected, voted and implemented” (L1R1).

“I believe that this dynamic relationship and collaboration are very well developed, and they [citizens] have the opportunity [to submit projects]. We [the municipality] receive and assess these projects and there are some good ideas” (L1R1: 31-32).

By contrast, in Timisoara¹⁰², the incumbent (in 2019) openly stated there was no intention to put this process in place. Arad¹⁰³ only experienced participatory budgeting in 2019, with no calendar and funding allocations for 2020. Deva¹⁰⁴ started and continued to organize participatory budgeting, showing persistence and commitment. Zalau¹⁰⁵ only experienced

¹⁰⁰ A percentage of the local budget in Cluj-Napoca is allocated for participative budgeting. This budget is meant to fund projects suggested by members of the civil society, either organisations or citizens. Source: <https://bp.primariaclujnapoca.ro>, last visited on 06.11.2020; <https://bugetareparticipativa.ro>, last visited on 10.04.2023.

¹⁰¹ The city of Oradea started using participatory budgeting in 2018. The municipality has allocated a portion of its local budget to investments initiated and voted by citizens. The municipality allocates an annual fixed amount of 1,5 million euros for civic investments, and it opens calls for ideas of projects and creates a set of rules for project ideas. A special website for participatory budgeting was created. The website created for participatory budgeting received critics in 2018 for lacking detailed information on the investments, and afterwards the website improved. Sources: <https://activ.oradea.ro/proiecte> - last visited 06.11.2020; <https://www.skyscrapercity.com/threads/oradea-participatory-budgeting.2056168/page-2> last visited on 06.11.2020.

¹⁰² Participative budgeting in the city of Timisoara, available at: <https://www.tion.ro/stirile-judetului-timis/campanie-inedita-pentru-bugetul-participativ-in-timisoara-tinerii-din-fit-il-contrazic-pe-primarul-robu-94574/> - last accessed 06.11.2020.

¹⁰³ Arad opened a call for participative budgeting in 2019 and allocated around 1 million euros for investment ideas proposed by the citizens. The initiative hasn't been repeated in 2020. A website was created for the initiative, which details quite clearly the rules of participation, the categories of investments and the voting system. Sources: <http://bugetareparticipativa.primariaarad.ro/> - last accessed on 06.11.2020; <https://www.bugetare-participativa.ro/unde-se-intampla/> - last accessed on 06.11.2020.

¹⁰⁴ Participative budgeting in the city of Deva. Source: <https://deva.decide.direct/proiecte/> - last accessed 06.11.2020.

¹⁰⁵ Participative budgeting in the city of Zalau, available at: <https://participibuget.zalausi.ro/> - last accessed 06.11.2020.

participatory budgeting in 2019, with no calendar and funding planned for 2020. Bistrita¹⁰⁶ also started experimenting with participative budgeting more recently starting with 2021 only. Resita¹⁰⁷ initiated the process, and it was still in its early stages. This relationship's different degree of maturity and sustainability indicates that there was room for this complex process to mature.

Small municipalities

1) Consultations for local strategy building

All five towns engaged with their communities to build the local strategy. Despite having limited administrative resources, these cases displayed evidence of noticeable efforts to engage with the public for long-term agenda-setting. The breadth of this relationship, however, varies. Negresti Oas, Valea lui Mihai, Sacueni, and Santana were at the incipient stages of such processes. At the same time, Hunedoara displayed a sustained and more established practice of civic engagement when it came to building the local strategies for development used to access EU resources.

Negresti Oas, Valea lui Mihai and Sacueni displayed lower levels of civic engagement in designing the local development strategy. The local consultation processes were limited. Documentary evidence from the local development strategies of Negresti Oas and Sacueni indicates that the civic consultations were a source of evidence for the strategies without discussing the weight of the process on the strategy, their frequency and importance. Negresti Oas, Valea lui Mihai and Sacueni have made minimal efforts to engage with the citizens. The relationship between local leaders and their communities was still to develop.

¹⁰⁶ Participative budgeting in the city of Bistrita, available at: <https://www.primariabistrita.ro/primaria-municipiului-bistrita-demareaza-adoua-editie-a-procesului-de-bugetare-participativa/> and at <https://www.primariabistrita.ro/primaria-municipiului-bistrita-demareaza-adoua-editie-a-procesului-de-bugetare-participativa/>, retrieved on 04.04.2023.

¹⁰⁷ Participative budgeting in the city of Resita, available at: <http://www.primaria-resita.ro/portal/cs/resita/portal.nsf/AllByUNID/INCREDERE+iN+REsITA-0002CBBE?OpenDocument> – last accessed 06.11.2020.

By contrast, Hunedoara and Santana displayed closer ties with the local community. Respondents in Hunedoara mentioned civic engagements organised for designing the local strategy for development. The local leader in Santana emphasised the importance of identifying civic preferences when deciding on local priorities and objectives. However, from this evidence is difficult to conclude that the outcomes of these civic discussions shaped the long-term development strategy of the community.

2) Consultations on local investments

Negresti Oas and Hunedoara used civic engagement for local investments. Hunedoara and Negresti Oas organised consultations for EU investments requiring civic awareness and public consent for certain investments. Hunedoara made efforts to reach out to citizens to promote and discuss the benefits and obligations for citizens of these EU investments. Valea lui Mihai, Sacueni and Santana provided no evidence of public consultations for civic input on investments. For example, in Valea lui Mihai, respondents mentioned animosity and tension between the incumbent's office and the public. Santana mentioned civic engagement for identifying priorities and emphasised the intention to develop such a dialogue.

3) Participatory budgeting

Participatory budgeting among the small municipalities was either absent or reduced to a public invitation to take part in approving the local budget. Hunedoara¹⁰⁸ launched the initiative in 2019 but cancelled it in 2020 due to the Covid-19 pandemic and transferred the funds for the 2020 participatory budgeting to hospitals. In Negresti Oas¹⁰⁹, the documentary

¹⁰⁸ Participative budgeting in Hunedoara. Source: <http://www.primariahunedoara.ro/ziar/2020/04/975-000-de-lei-bani-prevazuti-pentru-bugetarea-participativa-si-finantari-in-baza-legii-350-transferati-unitatilor-medicale/> - last accessed 17.11.2020.

¹⁰⁹ Negreşti-Oaş initiated the process of public consultations regarding the local budget in 2019 and repeated the consultations in 2020. Source: <https://www.negresti-oas.ro/bugetare-participativa/bugetare-participativa-2019/>, and <https://www.negresti-oas.ro/bugetare-participativa/bugetare-participativa-2020/>, accessed on 06.07.2020.

evidence about participative budgeting was reduced to public announcements about the annual adoption of the local budget. No evidence made public indicated a civic dialogue. No evidence of participatory budgeting was provided in Sacueni¹¹⁰ and Valea lui Mihai¹¹¹, and Santana¹¹² showed intention to involving citizens in allocating the local budget in the future.

Summary of local engagement and EU funds

1) Consultations for local strategy building

There was a clear distinction between the big and the small municipalities in how consultations took place. Large municipalities showed a higher level of public engagement than the small ones, and a more engaged leader emerged in the big cities instead of smaller communities. These differences relate to the engagement mechanisms, frequency of consultations, transparency, access to information and political discourse about this aspect of local governance. Those municipalities with higher civic engagement levels have taken a normative position and operational measures to organise consultations. Cluj-Napoca and Oradea had the most mature, continuous and long-term tradition of civic consultations concerning local strategy building.

2) Consultations on local investments

The relationship of the local elected leader with their local community, as expressed through the consultations for local investments, had different levels of closeness and patterns of interaction. Leaders that actively engaged in public consultations for strategy design have

¹¹⁰ Participative budgeting in Sacueni. The qualitative interviews and the desk research did not provide any evidence of participative budgeting in the town of Sacueni.

¹¹¹ Participative budgeting in Valea lui Mihai. The qualitative interviews and the desk research did not provide any evidence of participative budgeting in the town of Valea lui Mihai.

¹¹² Participative budgeting in Santana. The interviewees in Santana mentioned that the town of Santana organised a public meeting at the townhall with the citizens before the approval of the annual budget for 2019. A fully developed process of participatory budgeting is still to be developed.

also mobilised resources and their communities towards investments that required and relied on their decisions and actions.

Overall, the big municipalities displayed higher engagement levels than the small ones. A clear distinction between the big and the small municipalities emerged. The big municipalities organised consultations for EU investments that depended on the direct involvement of their citizens. Cluj-Napoca and Oradea showed evidence of mature civic engagement mechanisms for public investments, communicating with and mobilising local communities for investments that depended on their level of information, involvement and action. Bistrita and Zalau displayed similar patterns of civic engagement and a desire to develop these processes further. Bistrita supported grassroots initiatives to access EU funds, and Zalau engaged with a local community that tended to reject ideas proposed by the town hall. Resita and Deva reached out to citizens to discuss these opportunities and the improvements they could bring to their lives. In Timisoara and Arad, these consultations were moderately frequent, displaying a low political appetite for deepening, developing and normalising such processes. As for the small municipalities, only Negresti Oas and Hunedoara registered medium levels of public engagement.

3) Participatory budgeting

Overall, the big municipalities displayed higher engagement levels, with almost no such processes in the small municipalities. Among the big municipalities, there were significant differences. Cluj-Napoca, Oradea and Deva had the highest levels of engagement. At the same time, the mayor of Timisoara publicly declared that this process was unnecessary when a representative was elected to decide on such issues. Across the small towns, participatory budgeting either needed to be more present or was in incipient stages.

6.2.3 Public responsiveness

This section presents the findings related to the reaction of local leaders to an immediate or long-term civic concern and the civic feedback regarding decisions and actions of public concern.

Where it occurred, public responses supported the process of attracting EU funds, which benefitted from immediate action on problems arising during the implementation process or from proactive measures to prevent them. Municipalities' responsiveness differed in what it aimed to achieve, either save the investment, avoid financial corrections from the funder or satisfy the public's expectations.

Big municipalities

Cluj-Napoca, Oradea, Bistrita, and Zalau were examples of responsiveness to public feedback in the case of EU-funded investments, particularly in the implementation phase when projects were visible to the public. For instance, Cluj-Napoca and Oradea have proactively anticipated implementation errors and tried to prevent them. Bistrita and Zalau used the past problems experienced with sub-contractors to change the sub-contracting agreements to change their behaviour and avoid repeating these issues. For example, Zalau tried to develop means to supervise the site masters that were outsourced and made sure the contractual obligations were well respected. Moreover, Zalau sought the collaboration of the judicial department to improve the contractual terms of the agreements closed with the external contractors, including clauses that constrained the contractor to deliver as prescribed in the contract and ensured the quality of the services was safeguarded. The aim was to set up preventive mechanisms in Zalau to avoid the low quality of services.

Deva displayed a low ability to respond to situations in advance, prevent problems in implementation, and prepare in advance for attracting EU funds. Timisoara showed an ad-hoc problem-reaction approach, dealing with issues as they occurred.

As discussed in the previous section, Arad and Timisoara did not seek civic engagement actively nor develop a responsive approach to civic input. For instance, the city of Arad only considered the civic response to local investments when it was positive and provided legitimacy to investment decisions. Regarding EU implementation, Arad sought to prevent financial corrections that might occur in case of errors, so its efforts to anticipate and respond to problems were motivated by this aim. This approach is coherent with the previously presented evidence that showed a need for more political and administrative willingness for public engagement. Seeking and integrating civic feedback into decisions and actions rests on a political willingness to change and experience innovative governing methods, which was absent in Arad.

"After seeing everything paved, marked, parking spaces with space slots, with the possibility to rent, to reserve, with green areas next to them, beautiful edges, sidewalks, they [the citizens] begin to like and appreciate. At first, they were reluctant and would not have said "come and demolish my garage". These are the kind of decisions that the visionary chief, the mayor, has to take" (L2R2: 25).

Small municipalities

Negresti Oas and Hunedoara mentioned the critical moments that risked jeopardising the delivery of the EU-funded investments and the measures taken. Hunedoara, for instance, took action to avoid implementation errors and successfully deliver its investments. A sense of purpose and meaning defined this approach rather than fear of sanctions from the community or the funder. Negresti Oas developed creative mechanisms to solve problems

in implementation to respond to critical moments that would otherwise threaten the finalisation of the investment. A sense of purpose and meaning defined this approach rather than fear of sanctions from the community or the funder.

Valea lui Mihai and Sacueni had a slow response to civic dissatisfaction. Valea lui Mihai needed help to develop a constructive dialogue with the citizens. The mayor of Sacueni emerged as a local leader with good intentions who could not respond to implementation risks. He desired to do more for the community but could not overcome critical moments when responsiveness and proactiveness were needed. Lastly, Santana discussed responsiveness related to re-election and the citizens' satisfaction. Santana desired to act in the community's interest, seeking to prevent problems before they occurred for a positive community assessment at the end of the mayor's mandate.

"[...] the citizen always changes his mind. He wants sewage, and when he has sewage, then he doesn't want to connect anymore. [...] because that means costs [for him]. In Romania or Valea lui Mihai, people want everything and fast. They want just as much a tree as a plane, but without costs. When something involves costs, then they do not want that anymore and they change their minds" (L2.1R1small: 34).

6.2.4 Assessment of public accountability

The leaders in Cluj-Napoca, Oradea, Bistrita, Zalau, Deva and Resita displayed an attitude that was citizen focused, although the level of citizen focused measures varied. Various mechanisms were set up to capture civic preferences related to local investments through EU funds. The cities of Cluj-Napoca, Oradea, Zalau, Deva and Resita centred firmly on identifying public concerns and desires. Attracting EU funds represented another means to act on public obligations and interests. For example, Deva developed a close relationship

with its citizens through public engagement mechanisms, and Resita used EU funds to fulfil the vision to increase the quality of life of its public. By contrast, in the cases of Timisoara and Arad, the desire to improve the local investment budget motivated the actions to attract ESIF rather than public commitment (Table 6.1). The small towns, on the other hand, justified their interest in ESIF through the need to deliver essential infrastructure to their citizens and focused on creating and enhancing lacking public services (Table 6.2).

Table 6.1. Assessment of accountability¹¹³ - big municipalities

Municipalities	Accountability	Public commitment	Public engagement	Responsiveness
CLUJ NAPOCA	very high	very high	very high	high/ very high
ORADEA	very high	very high	Very high	high/ very high
BISTRITA	medium/ high	medium/ high	medium	medium/ high
ZALAU	medium	medium/ low	medium	medium/ high
RESITA	medium	high	medium/low	medium
DEVA	medium	medium/ low	high/ medium	low
TIMISOARA	low	low	low	low
ARAD	very low	low	low	very low/ absent

Table 6.2. Assessment of accountability¹¹⁴ - small municipalities

Municipalities	Accountability	Public commitment	Public engagement	Responsiveness
HUNEDOARA	medium	medium/ high	medium	medium/ high
NEGRESTI OAS	medium/low	medium	low	medium/ high
SANTANA	low	high	low	low
VALEA LUI MIHAI	low	medium	low	very low/ absent
SACUENI	low	high	low	low

6.3 Context interaction

This section presents the findings related to the ability of political leaders to interact with the problems, opportunities and constraints of the local context to address local issues by

¹¹³ A rating scale was used to assess each component (Section 3.3.2: 92) and the assessment criteria developed in Annex 7. The big municipalities are listed in a descending order based on their accountability score, from “very high” to “very low/ absent”.

¹¹⁴ A rating scale was used to assess each component (Section 3.3.2: 92) and the assessment criteria developed in Annex 7. The small municipalities are listed in a descending order based on their accountability score, from “very high” to “very low/ absent”.

seizing the available EU opportunities. It closes with a summary of the main findings across all cases.

Big municipalities

The city of Cluj-Napoca proved to be highly aware of the context in which it acted and acknowledged and integrated its constraints into its action plans. By matching needs with funds and by seeking solutions to contextual conditions, Cluj-Napoca managed to create a synergy between funds (opportunities), needs (problems) and investments (solutions). Cluj-Napoca prioritised and sought to integrate and utilise all the *funding opportunities* available at a given time to maximise and enhance the limited investment funds at the local budget. Similarly, the incumbent in Resita changed the entire approach to developing the town, adapted investments to existing problems and formulated integrated and creative solutions to maximise its dwindling resources and seize new opportunities. Resita's approach to local development represented a change of political leadership and a structural change of the local administration, without which leaders could not seize opportunities and bring change.

"I have never seen things happening in Resita in the way they do now. The team is fantastic. Beforehand, there was no team. It has been four or five years since they put it into operation. It is from when the new mayor came. They do wonders." (L1R2: 42)

"Unfortunately, Reșița, under previous mayors, lost business opportunities. I do not know how much it can catch up now. [...] It would be fantastic if he managed to do what he set out to do." (L1R2: 42).

To grasp the EU funding opportunities, most municipalities *identified early its local needs*. For instance, for the city of Oradea, *understanding local needs* was a necessary pre-condition for attracting different resources. Cluj-Napoca, in turn, developed a constant dialogue with the regional funding structures headquartered in Cluj-Napoca (NW Intermediate Body) to

discuss investment possibilities, devise lists of projects, design integrated projects and gain early access to funding information. As for Resita, mapping, the multiple development problems and their negative effect on the living conditions have informed Resita's political actions towards attracting ESIF. The town was losing its population since the fall of communism in 1989. This loss had long-term consequences on the development of the city. Resita's mono-industry collapsed after 1989, and afterwards the city did not manage to attract investors and to support the local economy recover. Resita needed to build its economic, social and cultural life. The city of Resita searched for potential solutions to overcome its multiple challenges related to population loss, underdevelopment, unemployment and low income. The mayor at the time of the fieldwork (who had been in office since 2016) sought long-term solutions to improve the lives of the citizens and use the EU funds to accomplish them.

Moreover, all the cases faced *several constraints*, which limited their ability to tackle the problems identified. The funding conditions, the local budget, the availability of the local workforce for implementing investments, and the national and EU legislation were all factors considered when conceiving plans to attract ESIF. Oradea and Resita lacked resources at the local budget, which could only support some local investments. Moreover, the city of Resita needed more civic interest in the EU initiative to invest in increasing the energy efficiency of flats. Flat owners showed resistance to this initiative. Collecting the signatures and convincing the citizens of the profitability of the investment was challenging for the municipality. In addition, Resita experienced a limited offer of construction companies that could implement and deliver the EU projects. The municipality struggled to find quality contractors, and contractors struggled to employ people to deliver their contracted services. A similar constraint existed in the consulting sector, where services were low quality.

"Unfortunately, just as there is a shortage of constructors, those who build projects on the ground, there is also a problem with consultants. There are a few quality consultants on the market" (L4R2: 20).

To address the multiple problems of the city in a demanding context, Resita focused on identifying the local potential for growth and the financial opportunities available to support this process. Moreover, Resita sought to explore its natural environment. For instance, they identified the river crossing the town as a possible asset for development if adequately integrated into projects. Additionally, the municipality purchased a funicular to transform into a public park using an architectural project designed by a local architect, now a successful architect living in New York. Moreover, Resita identified a new and deserted place between the city's two main parts and repurposed it to build a mall, an aquapark and a museum of its industrial past. Moreover, Resita also continued and finalised the investments started by the previous mayo. Many of these projects were written poorly and had very ambitious indicators, which had to be sized down.

"I worked on all the axes, including energy efficiency, high schools, residential buildings and public buildings." (L4R2: 10-11).

Cluj-Napoca, Oradea, and Resita aimed to attract substantial all EU funds accessible through the ROP 2014-2020. For Cluj-Napoca, Oradea, and Resita *attracting EU funds* represented an essential opportunity and the primary and most important source of funding for local investments, along with other external funds. According to respondents in Cluj-Napoca, the EU non-refundable funds could double or triple the value of local investments into infrastructure, development, urban renewal, and sustainable development. The EU funds were the most critical funding source for the local investments in Oradea. They were an opportunity to overcome financial constraints and narrow the gap between needs and local

resources. Attracting EU funds to tackle multiple problems became a priority for the incumbent mayor of Resita. They could bring new resources to the local budget to tackle problems and create the conditions to improve the quality of life of its inhabitants, prevent population loss and attract creative people.

"Three years ago [2016], when we started working, the needs were multiple. [...]

Resita was a dying city, on an infusion dripping in small drops [...]." (L4R2: 7)

In addition to ESIF (ROP 2014-2020), Cluj-Napoca Oradea, and Resita also attracted a diversity of funds from other sources. For instance, the cities also attracted national and Norwegian funds. In addition, Cluj-Napoca attracted funds from the Swiss-Romanian cooperation programme, from programmes directly handled by the European Commission, and from the EU-funded Big Infrastructure Operational Programme. In turn, Oradea and Resita also attracted EU funds for cross-border cooperation (Hungary-Romania and Serbia-Romania).

Cluj-Napoca, Oradea, and Resita integrated these multiple funds into a complex synergy of funds and investments. Combining several funds for investments contributing to the same purpose and fulfilling the programme's objectives (such as reducing CO2 emissions) proves strategic thinking and a good understanding of each fund. Indeed, Cluj-Napoca understood the programme well and designed its investments to contribute to its goals and maximise the use of its resources. The same approach was used previously for ROP 2007-2013 when the municipality focused on complex infrastructure, as the programme required. These previous investments in building infrastructure created the conditions for the city to move a step forward and focus on mobility. Resita also aimed to integrate its investments in a way that would complement each other, increasing the added value of each investment. With an understanding of the local context, the local potential for growth and investment

opportunities, these objectives would be easier to achieve. The mayor in Resita adopted a creative and open approach to designing investments and sought to attract different funding opportunities in a relentless effort to increase resources and mix funds and investments in an integrated manner to create something relevant for the local community.

"our policy goes towards attracting funds for non-polluting means of transport. We are the first city in Romania which through the use of two programmes managed to buy 41 electrical buses. We bought 11 through the Swiss – Romanian cooperation programme and 30 through ROP 2014-2020. Similarly, we submitted projects for 24 trams and 50 trolleybuses to replace the old ones that are still in use" (L1R1: 8-9).

Bistrita was able to critically analyse the context in which the municipality engaged in attracting EU funds. It identified general and EU funds-specific system-level barriers that limited their access to EU funds and the conditions that would support the use of ESIF. Bistrita actively searched for new opportunities to fund their needs and highlighted the difficulty of contributing to the high-level goals of EU policies and their relevance to their specific local context. For instance, the EU's objective to reduce carbon emissions led to very few allocations of EU funds to build road infrastructure. This EU objective relied on the assumption that most basic infrastructure needs were covered and well-functioning, thus its focus on reducing carbon emissions and investing in eco-friendly alternative options for mobility. These assumptions, however, were not matched by the realities in Bistrita. The city was expanding, and new infrastructure needed to be created in the new neighbourhoods to ensure the development and functioning of the newly developed areas. While embracing the environmentalist approach to development, the city needed a mix of both types of investments: eco-friendly means of transport and core road infrastructure, which was complex and expensive to build.

As such, Bistrita prioritised investment in opening access to all parts of the city by modernising its roads and utilities and by building new infrastructure there where it needed improvement. However, the EU's objective and financial allocations directed the municipality to focus its investments on alternative transportation means where the basic infrastructure was either poor or lacking in the city's old and newly developed areas. The municipality's primary focus was on addressing as many needs as possible. The approach adopted to attract funds, EU included, was mainly bottom-up, from needs to resources. However, the municipality could only sustain this approach for a short time, as the resources available were scarce or the projects were challenging to adapt to fit the financial offer.

“It is not normal to have paved roads in villages and communes, but in cities, in county capitals, we cannot design projects of this kind, but only those that promote sustainable development, public transport and bicycle lanes. We do it, we believe in this, but we need the other ones too because the citizens are not satisfied with the quality of the infrastructure in the first place” (L3R1).

Resource exploitation was necessary for Bistrita in the context of solving local challenges. However, addressing multiple needs was only one aspect of attracting EU funds. The lack of funds in the local budget was the main driver towards attracting EU funds, as Bistrita faced significant financial constraints. The national government has gradually reduced the local budgets in the past two years [in 2017, 2018]. The local constraints limited the financial capacity to develop the city, driving the municipality towards identifying and attracting other financial resources for its investments. Other local contextual constraints posed problems. While the budgetary constraints drove the city to seek EU support to increase its financial capabilities, the broader system for EU funds did not support their efforts nor facilitate the

process. However, the conditions to attract EU funds added an extra burden to the local budgetary constraints, limiting their capabilities to access EU funding.

“This year or the past two years, a policy of impoverishing local authorities started through all sorts of regulations which reduce the financial resources of cities. Instead of further development, our resources are reduced” (L3.3R1: 17).

Knowledge of EU opportunities and conditions to access funds allowed the municipality to react faster to changes in requirements, legislation or calendar. The EU funds carried the potential to address local needs, overcome budgetary limitations and stimulate development. The EU funds were vital for the city's development, indicating a relationship of dependency between the city's development and the EU funds. The mayor believed that municipalities could only develop appropriately with EU funds. Otherwise, their development would be slow. For instance, his term started in 2008, soon after the country joined the EU in 2007. The city marked this moment by attracting many EU funds to the local budget. The local budget increased several times in the 2007-2013 programming period. The municipality finalised many investments, like paving more than 40 streets. The EU funds directly affected the local budget and investments.

“They [the EU funds] are not important. They are vital, I believe, for the development of cities of more or less similar sizes with Bistrita.” (L3.1R1: 13)

The mayor was highly aware of the local context, informing the decisions and actions to address them. He was aware of the constraints of the local context in which he acted. However, he was also highly aware of the opportunity the ESIF represented for the city and the funds he might grasp to overcome the constraints that limited the types of actions and duties he needed to carry during his term in office.

Zalau highlighted (1) local challenges, (2) local needs and (3) the municipality's geographical position. It highlighted its infrastructure problems, streets, schools or mobility, but also emphasised the citizens' lack of engagement in the city's life, the lack of grassroots organisations, and the loss of skilled workforce. The municipality considered that the city needed a basic functioning infrastructure and a young, skilled and active population. Nevertheless, the municipality understood its limitations and the need for other organisations to work alongside the municipality to address the local challenges.

These aspects shaped the types of funds that the municipality could access. Firstly, the city faced the loss of its local skilled young workforce, which reduced its capacity to retain labour. Young and educated people sought work in bigger cities like Cluj-Napoca, despite the availability of employment in the local market. Additionally, young people moved to bigger cities while continuing to work in Zalau and commuting to Zalau for work purposes. Left unaddressed, these trends might lead to long-term effects on the city's demographics, the labour market, the local economy, and the community's overall development.

"Young people would choose Cluj-Napoca. There are cases in which they work for Silcotub [a company in Zalau], but they go to Cluj and buy flats there" (L4R1: 13).

A third contextual challenge was the lack of facilities to support an active lifestyle (a cinema, a theatre, a public pool, a park with cycling lanes, a stadium for running, and a sports centre with courts for tennis, football, or basketball). An increasing concern was to make the city more attractive to its young demographic by building more leisure spaces. The basic infrastructure to support community life and interaction was lacking in Zalau. This context did not satisfy the needs of the young demographic and young families. The public feedback indicated that the lack of these facilities contributed to the loss of its young population despite the availability of local jobs.

The dynamic of the workforce market informed the municipality about the types of investments needed to prevent the skilled workforce from leaving the city. This dynamic was key in identifying and matching financial resources with local priority needs. Therefore, contextual challenges might have influenced the funds attracted in the situations in which it was difficult to match funds with needs. The EU's Structural Funds were one of the multiple resources to access.

Regarding the priority of investments, the first related to modernising public transport, improving the road infrastructure, extending the public transport infrastructure and improving the connections with neighbouring metropolitan areas to increase people's access to factories, schools or other services in the municipality. Another priority would be to improve the connection with other municipalities and divert traffic from the city's centre to other arteries. Energy efficiency investments were also prioritised

The local budget needed more significance to maintain and create new investments. The EU funds were the most important financial resource to develop the city. In addition, Zalau actively attracted national and other EU funds to overcome the financial constraints of a small local budget. The EU funds were *survival* funds. These funds were necessary for the municipality to maintain the existing infrastructure and were the primary source of development. However, the EU funds were only partially tailored to the city's needs. The offer of EU funds did not fully cover the local needs identified. For instance, the ROP 2014-2020 offered funds to create green spaces. However, Zalau was surrounded by forests and privately owned gardens covered more than 30% of its surface. While the need for EU funds was high, using the allocated EU funds for more green spaces would be unjustified. Zalau struggled with the misfit.

Deva discussed the local needs for investments focusing specifically on how the EU funds responded to the local needs. For instance, the urban development axis was created in line with art. 7 of the EU regulation and was considered as offering a limited response to actual needs, explicitly concerning the CO2 emissions target. Deva expressed doubts about achieving these goals through the municipality's investments.

"There was urban development in the 2007-2013 [ROP]. It was called urban regeneration, and we did [...] 5 projects on urban regeneration in which we aimed to restore the face of the city, the public spaces. [...] This urban regeneration went very well, and we thought we would continue it similarly. However, now [the 2014-2020 ROP] limits us to reducing CO2 emission levels, which is very good, but we cannot make pedestrian spaces everywhere to reduce emissions. We have no choice. In this town, we have our cars, and we cannot take them out. We just cannot. The context is what it is" (L3R2: 12).

However, Deva faced several constraints limiting its ability to address them. Firstly, the local budget for investments has been shrinking yearly, and the decrease in the local budget made it difficult to allocate funds to local investments. It was one of the main limitations to solving local problems and the main driver for seeking to attract EU funds.

"They [the EU funds] are critical because they are a source of funding that we can use for development. Each year, it seems there is less, and less money left for investments, and the budget decreases through the general budget and all the legislative changes that have occurred. So, we use the European funds to support investments" (L3R2: 10).

Secondly, when it came to the implementation of the EU investments, another concern and challenge were represented by the limited offer of constructors and the quality of the

consultancy services for supporting the preparation and implementation of the EU-funded projects. Both of these challenges increased the workload of the local administration instead of supporting it. They decreased its ability to perform all the necessary tasks in a timely and qualitative manner. The need for local construction companies affected specific processes involved in attracting EU funds, such as the public procurement procedures. These procedures were lengthy due to a low or even an absence of bidders to conduct the construction works and had lengthy deadlines. They were frequently reopened due to a need for bidders. This situation impacted the calendar of the construction works. It extended the overall implementation calendar and lengthened the timeline of attracting the EU funds. The civil servants were mobilized to supervise the constructors more intensely and to deal with errors. Moreover, the need for more qualified people in the labour construction market was an additional local challenge with direct consequences on the timeliness and quality of the investments. In addition to staff shortage, they needed more construction equipment (tools, specialised machines), particularly for more complex interventions, such as those targeted by the EU funds.

"During public acquisitions for selecting constructors, we have calls for bids opened three times with no offer. Companies do not come. There are no more companies to work with, and they do not have people." (L3R2: 28).

These contextual constraints were challenging to overcome and directly influenced the implementation pace, the implementation calendar, and the pace of attracting and spending the EU funds. They influenced the outcome, but they also influenced the processes that happened during the implementation of the project and affected the human resources capacity of the municipality and its available time. Under these conditions, the municipality needed to fill the gap for these services with its staff and internal expertise. It was expected

that the municipality would face challenges in its division of labour which took much work to control.

"In Romania, there is a lack of workforce on the market and a lack of qualified labour. There are stories about companies with one man and a drill for construction work. They do not have the equipment, specialists, or people who know what and how to work. We need a skilled and experienced workforce." (L3R2: 29)

The local needs and the financial constraints contributed to searching for other funding options that would allow new investments to develop while dealing with the challenges imposed by the local context. The opportunities offered by the ROP were the primary source of funding. Deva prepared projects in all investment areas proposed by the ROP, taking advantage of all its funding opportunities. The constraints, however, played an essential role in executing the decision to attract EU funds, affecting different aspects of the implementation process, from public procurement to contract execution, posing challenges to the mayor and the administration directly in charge of implementing the decision and the EU-funded investments.

Arad utilized the needs identified to support the process of attracting EU funds to allow investments to be made. However, to attract EU funds, Arad's main priority was to match local needs with funding opportunities. The main constraints to be overcome related to the actual implementation of investments after the political decision to attract EU funds has been taken. These limitations referred to the local budget allocated for development, and the budget size pushed the municipality to seek funds and resources to complement its financial deficit. Moreover, the lack of labour force in the local market and the low offer of engineers to handle contracts with the municipality was another contextual challenge for Arad. The lack of such technical expertise influenced the implementation of projects and also

affected the ability to handle projects timely and technically correct. The EU funds represented an additional resource that allowed the municipality to invest in more areas of development that would bring added value to the local community. The EU funds were an opportunity which supported and accelerated local development.

"The problem is the expertise. There are fewer and fewer unqualified people with team leaders who could coordinate them and know how to read the reinforcement plan at a foundation. That is one of the problems we face, which may lead to delays in project implementation". (L2R2: 19)

Arad was aware of its needs, constraints, and the role of additional resources for development. As such, Arad engaged with multiple and diverse resources available to fund different local investments. Arad sought to address its needs through the resources available, which were matched with the local context. The local budget was only mobilised for investments that other external funds could not cover. In addition, the mayor played a crucial role in prioritising local needs. The mayor had the final say on the decision to pursue (or not) a type of investment once the funds were identified and eligibility established. Opportunity mapping and resource identification were developed in Arad.

The EU funds in Timisoara represented a significant opportunity and a substantial additional source of funding to the local budget. The local budget was meant to be used only to finance investments the EU funds could not cover. Moreover, the contextual constraints in Timisoara resembled those noted in Cluj-Napoca. They included a limited local budget, a high co-financing rate for certain EU investments, a shortage of labour on the local market, and a shortage of technical designers for construction projects. Timisoara also needed help to properly match certain EU funds with their specific local needs and create a synergy between needs, financial opportunities and constraints.

"There are many local needs that cannot find funding in the new funding programme [2014-2020]". (L1R2: 10)

"We cannot say that it [the ROP] doesn't cover the needs at all [...] We did essential things on the last programme [ROP 2007-2013], especially entire street infrastructure. Now we are told that only paving is financed." (L1R2: 23).

Timisoara faced difficulties overcoming the financial constraints for certain EU investments that required a higher co-financing rate from the local budget. This situation affected the type and number of projects prepared for EU funds and the amount and variety of funds attracted for local needs. For instance, the ESI funds for 2014-2020 did not invest significantly in street infrastructure apart from surface street repairs. However, the streets and roads in Timisoara needed more severe interventions, like replacing and modernising the network of pipelines underneath the streets (or roads). These works were more costly than surface repairs and more difficult for the municipality to cover without any support. Such investments would only be justified if the entire street infrastructure was eligible for EU funding.

"If you want to enter the programme [ROP] for paving streets only, you can't. First, you must build your infrastructure, which is very costly for the municipality. The eligible costs are minimal, and we are not convinced we can cover them. Some projects remain [undone], like Victoriei Square, which could have accessed some [EU] funds if it involved surface rehabilitation only. Here [in Victoriei Square], many pipelines are very old, and the foundation of buildings must be isolated." (L1R2: 23-24)

Thirdly, consultants' lack of experience and expertise in writing project proposals for EU funds was another contextual constraint for Timisoara. In addition, these companies were

small and took on too many projects for their size, experience and expertise. To supervise their activity and verify the deliverables of these companies, Timisoara mobilised some of its staff. Similarly, the need for more workforce in the construction field also raised implementation problems, which were difficult to overcome. As this context could not be easily changed, Timisoara resorted to frequent extensions of implementation calendars.

"It is quite difficult to work with designers as they are small companies, after all, with one or two employees [...] and they have many other projects and deadlines. That was one of the hardest difficulties." (L1R2: 27)

Therefore, the ability to match investment needs with the available EU funding, the budgetary limitations for co-financing and the local construction and service market were the main contextual interactions affecting the process of attracting ESIF in Timisoara. The EU funding opportunities were exploited but not combined with other opportunities to maximise the local budget or create integrated investments. Instead, they were accessed and used on individual projects.

Small municipalities

It took much work for the small communities to match the EU funds with their needs. All small municipalities faced similar problems relating to basic infrastructure, such as roads, water provision and a functional sewage system (Table 6.3). The small towns differed in how they established, prioritised needs and matched them with funds.

Table 6.3. Summary of needs – small municipalities

Municipalities	Public services/ basic infrastructure	Other local needs
HUNEDOARA	health and education, railway station, the football stadium, the town's cultural house, the historical castle in the town	Labour market, lack of workforce
NEGRESTI OAS	roads paving, public lightning, water provision	
SANTANA	essential public services (water, sewage, heating), public leisure investments (exploiting thermal waters)	

VALEA LUI MIHAI	bike lanes, sidewalks, water and sewage systems	
SACUENI	Road infrastructure, water provision, water filtering, sewage	

The small municipalities emphasized the local contextual constraints in attracting EU funds. The constraints emerging from the local context were also quite similar, limiting the range of actions they could undertake towards solving their problems through ESIF. Negresti Oas, slightly larger than Sacueni and Valea lui Mihai, faced a more comprehensive range of urban problems. Hunedoara and Santana both needed a better quality of public services delivered by contractors. Hunedoara faced a financial constraint that affected the payment of the EU-dedicated personnel in the local administration. There was also a concern regarding lengthy procurement procedures. Santana's challenge was related to a lack of funds for its multiple needs and exploiting its natural resource, such as thermal waters. Table 6.4 summarises the main constraints.

Table 6.4. Summary of constraints - small municipalities

Constraints	Cases
Local budget (size, approval date, financial corrections, debts, national budget allocations)	All cases
Population size (population loss)	NEGRESTI OAS, VALEA LUI MIHAI, SACUENI
Consultancy (quality of services)	NEGRESTI OAS, SANTANA
Constructors (quality of work)	NEGRESTI OAS, HUNEDOARA
Technical designers (reliability, availability, workload)	NEGRESTI OAS
Local economy (No offers to tender calls, reduced workforce)	HUNEDOARA, VALEA LUI MIHAI, SACUENI
Others (human capacity, workload levels, misfit, land tabulation, organisation of house owners, electoral cycles)	NEGRESTI OAS

The small municipalities were informed about the funding opportunities available. However, the financial offer for smaller urban communities could have been more significant than their needs and local resources. The mayor of Sacueni aimed to grasp these opportunities to overcome the constraints that limited his investment actions. Valea lui Mihai focused on addressing their priorities and accessing funding opportunities relevant to their most

pressing needs, such as providing public services that were lacking or in poor condition. Hunedoara focused on securing as many funds as possible, while Santana focused on financial opportunities and natural resources, which might provide future development and EU funding. The table below summarises the main opportunities discussed by each municipality (Table 6.5).

Table 6.5. Summary of opportunities - small municipalities

Municipalities	Awareness of opportunities
HUNEDOARA	ROP opportunities; National funded Programmes; Local budget
NEGRESTI OAS	ROP opportunities; a “micro-regional centre” to surrounding rural areas.
SANTANA	ROP opportunities; Natural resources - Thermal waters
VALEA LUI MIHAI	ROP opportunities; National funded Programmes
SACUENI	ROP opportunities; National funded Programmes

6.3.1 Assessment of context interactions

The local contextual needs affect how ESIF opportunities are understood and accessed by small and big municipalities. Big and small municipalities differed on their local problems and ability to identify and integrate various opportunities to fund the investments needed (Tables 6.6 and 6.7).

In the case of Cluj-Napoca, Timisoara, Oradea and Arad, matching EU investments with local needs raised fewer problems than for the rest of the cases. The fit between local investments and funding opportunities was higher in these cases. For Bistrita, Zalau, and Deva, matching local needs with EU funds took more work due to a higher difference between local needs and EU investment priorities. These needs include creating or modernizing basic infrastructure. The degree of misfit between local needs and EU “non-infrastructure” priorities shaped their ability to match local problems with EU-funded investments. In

smaller administrations where infrastructure problems prevailed, the ability to match EU funds with local needs posed problems, as the 2014-2020 ROP has other priorities.

The smaller municipalities' local context and investment needs affected the leader's ability to grasp the EU resources allocated for investments that differed from their needs. This mismatch between immediate and pressing local needs and EU priorities made it difficult for leaders to justify investments in EU projects that did not respond to local needs. Mapping local needs informed municipalities of the realities they faced and the investments they needed. It was necessary but insufficient to enable leaders to access ESIF. However, a well-understood context supported the process of accessing ESIF, and it enhanced the municipalities' ability to identify projects that could access resources.

Table 6.6. Assessment of context utilization¹¹⁵ - big municipalities

Municipalities	Context
CLUJ NAPOCA	high
ORADEA	high
RESITA	high
BISTRITA	medium/ high
ZALAU	medium
ARAD	medium
DEVA	medium
TIMISOARA	medium/ low

Table 6.7. Assessment of context utilization¹¹⁶ - small municipalities

Municipalities	Context
HUNEDOARA	medium
NEGRESTI OAS	medium/ low
SANTANA	medium/ low

¹¹⁵ A rating scale was used to assess each component (Section 3.3.2: 92) together with the assessment criteria developed in Annex 7. The big municipalities are listed in a descending order from "very high" to "absent", based on their score.

¹¹⁶ A rating scale was used to assess each component (Section 3.3.2: 92) together with the assessment criteria developed in Annex 7. The small municipalities are listed in a descending order from "very high" to "absent", based on their score.

VALEA LUI MIHAI	medium/ low
SACUENI	medium/ low

6.4 Multi-level interactions

This section presents the findings regarding the interactions of local leaders with the structures involved in delivering the EU funds to local authorities and other relevant actors at different levels of government (other local authorities, local councils, environment agencies, and public waters agencies). It captures the vertical interactions across the multiple levels of governance of the ESIF and the horizontal interactions of the local leaders, such as those with other local authorities, and the local council.

Big municipalities

The CP's multi-level governance system is a network of actors with varied degrees of autonomy, resources, information and responsibilities concerning ESIF. Accessing the existing knowledge, opening a flow of information and becoming a voice within this system were approached differently by the eight cases. Cluj-Napoca and Oradea engaged with the most diverse actors both horizontally and vertically. They accessed the European, national, regional and local levels. Both cities led the initiative to create a cross-regional alliance of municipalities for EU funds and investments. Both cases actively initiated lengthy, constant and continuous interactions with different actors. Their interactions were both issue-based but also sought to bring systemic changes. Resita adopted a similar approach to Oradea's towards this constellation of actors and proactively and constantly sought information and arenas of interaction with the management system. Bistrita, Deva and Zalau displayed similar attitudes. Bistrita was active in its engagements with the region and the Managing Authority, and this interaction was mainly issue-based. Deva and Zalau had frequent and issue-based interactions with the region, often displaying a more passive approach to the

latter's initiative. Surprisingly, Timisoara limited its engagements to the regional intermediate body, which most often initiated them, displaying a passive and issue-based engagement.

The mayor of Cluj-Napoca has actively interacted with multiple actors with responsibilities in managing the EU funds. He got involved at different governance levels to improve the functioning of the ROP programme and its governance system. He provided feedback and potential solutions to existing barriers to accessing EU funds by local authorities in Romania. These relations were exercised constantly and continuously throughout the entire process of attracting EU funds since the early stages of designing the policy at the EU level. Cluj-Napoca developed a close relationship with the regional Intermediate Body (for the North-West region). Also, it engaged with the Managing Authority at the national level and the European Commission. These interactions included information exchanges and updates, discussions over project ideas, and innovative approaches to traditional ways of understanding and conceiving local investments. Similarly, during the preparation of projects, the technical aspects of investments were analysed.

In addition, Cluj-Napoca (NW) has been actively involved in discussions with other mayors in the West part of Romania to establish a cross-regional alliance with other municipalities such as Oradea (NW), Arad (W), Timisoara (W) and Resita (W), called the Western Alliance. The purpose of the Western Alliance was to improve the use of EU funds by municipalities across Romania. It aimed to represent the position and interests of local authorities at the European level and to negotiate future EU allocations directly with the European Commission. This approach illustrates an active horizontal engagement with other municipalities and a proactive attitude towards proposing bold initiatives to improve the use of EU funds.

"There are discussions, especially at the political level. We discussed in Brussels, too, the possibility of attracting the region, and decentralization would be the next step [...]. It remains to be settled. [...] The discussion is complex. The legal framework must also be created (L1R1: 26-27).

Like Cluj-Napoca, Oradea displayed a complex approach to networking, using all channels available to gain early access to information about the broad CP's directions, timeline, objectives, conditions and requirements for investments to acquire EU funds. Oradea participated in discussions and networks and gathered information about the overarching EU policy directions ahead of each programming period. Like Cluj-Napoca, the regional intermediate body developed close relationships with Oradea from the early stages of CP formulation. The mayor frequently went to Bucharest to pressure various Ministries to speed up the programme's launch, provide feedback on funding requirements and propose solutions to problematic situations. For instance, when local authorities had projects prepared, the Ministry did not open the calls for projects despite a late calendar. The mayor highlighted that national decision-makers must consider contextual constraints and conditions when conceiving implementation rules for accessing EU funds. The latter should be relevant, realistic and sensitive to context (Section 5.5) to facilitate the implementation tasks of local administrations. In addition, previous experiences with EU funds proved that changing requirements during the programme's implementation bore more delays than if the requirements were adapted and corrected from the start. Last but not least, the mayor also contacted the European Commission for direct contact to provide feedback on national and local developments and seek help to unlock situations, as the national government did not offer the needed support. Moreover, Oradea was also a vital member of the Western Alliance created specifically for EU funds to represent the interest of cities in front of the

Commission and bypass the national government perceived as weak and unprepared to handle Structural Funds at the scale of the country. These interactions show active engagement with vertical and horizontal actors and a preference for bold initiatives to simplify and improve the flow of EU funds to cities. The local leader in Resita wanted to emulate the approach used by Oradea to attract EU funds and engage externally with other organizations and public administrations. He established and maintained close relationships with Oradea regarding the EU funds.

The mayor of Bistrita actively engaged with the national structures that played a vital role in the design and delivery of EU funding to Romania and displayed a critical approach to the government's actions. He attempted to unlock situations that would prevent the effective and timely use of EU funds. As such, the mayor provided feedback to the central government on measures and laws for local authorities that would not support local investments but would lead to delays and additional burdens in accessing EU funds. However, the multi-level interactions were limited to engagements with regional and national institutions on specific issues as one responded mentioned:

“[...] we are fed up. In 11 years since being mayor, whenever we asked the Ministries: ‘This law says this, the other law says that. There is a contradiction between the two. How do we apply it?’ we never received a clear answer saying, ‘Do this or do that.’” (L3R1: 10).

Similarly, Zalau's interactions with the multi-level governance structures were not frequent, except with the Intermediate Body when necessary. To Zalau, the Intermediate Body was a voice for local authorities and an advocate for cities and towns within the multi-level management system. For specific aspects and questions, Zalau initiated contact with the European Commission. However, despite being critical of how the Structural Funds were

handled in Romania and despite the accumulated experience and knowledge of EU funds, Zalau did not extend and increase its interactions with national or European bodies. Instead, the Intermediate Body was the actor expected to speak on their behalf.

“[...] there is, indeed, a very proactive attitude from the Agency [NW Regional Development Agency], that goes bottom-up, and they, together with the other regions, make more efforts to support the real needs” (L4R1: 26-27).

Deva developed work relationships with the Intermediate Body and the Managing Authority initiated by the funders. They were issue-based rather than continuous. Arad only developed work relationships with the regional intermediate body. They happened in the initial phases of the programme's implementation when the region promoted its funding opportunities and continued in the implementation phase on specific issues.

Timisoara engaged more frequently with the regional intermediate body (in the West region) but predominantly at the latter's initiative. Timisoara emphasised the need for an open communication channel with the European Commission to increase transparency and avoid a potential national bias towards downplaying the country's crude realities on the ground, its actual level of development, and the breadth of its territorial needs. For instance, the former ROP 2007-2013 allocated funds to create touristic info desks all over Romania. Consequently, many cities applied for these EU funds and established eligible info-desks in areas with little touristic potential or tradition. However, despite highlighting the need to build and maintain a European-local dialogue, the municipality did not actively seek to interact with the European Commission, nor could it engage actively during national consultations.

Small municipalities

The local dialogue with regional and national actors needed to be more developed. Negresti Oas, Valea lui Mihai and Sacueni had irregular, ad-hoc and issue-based relations with their respective regional intermediate body.

The interactions of Hunedoara and Santana were passive responses to various regional and national initiatives and involved attending seminars, clarifying eligibility aspects or cooperating during project implementation. The two municipalities mainly responded to contact initiated by the regional body managing the funds. Respondents in Sacueni mentioned that the national interactions were rare and indirect through representatives of mayors in the National Association of Towns and Municipalities, and the European interactions were absent.

6.4.1 Assessment of multi-level interactions

A thorough examination was conducted across two axes to gain a comprehensive understanding of the multi-level relations cities and towns developed to access EU funds. Firstly, we examined vertical relations by analysing the interactions between cities and towns with various regional, government, and EU actors during the programming phase. Secondly, we considered horizontal interactions, which involved local actors and other authorities accessing funds during the early implementation of the program. The findings (Tables 6.8 and 6.9) indicate that big cities showed more variation than small towns. The latter demonstrated a modest degree of multi-level interactions.

Table 6.8. Assessment of multi-level interactions¹¹⁷ - big municipalities

Municipalities	MLG interactions
CLUJ NAPOCA	very high
ORADEA	very high
RESITA	medium/ high
BISTRITA	medium/ high
DEVA	medium/ low
ARAD	medium/ low
ZALAU	medium/ low
TIMISOARA	low

Table 6.9. Assessment of multi-level interactions¹¹⁸ - small municipalities

Municipalities	MLG interactions
HUNEDOARA	medium/ low
NEGRESTI OAS	medium/ low
SANTANA	medium/ low
VALEA LUI MIHAI	medium/ low
SACUENI	low

6.5 Vision

This section introduces the findings on how local leaders articulate their long-term projections for the city's future and how their efforts to attract EU funds contribute to fulfilling their long-term view of the future. The assessment aims to indicate the strength with which the fulfilment of the vision is connected with the process of attracting ESIF, and it does not seek to assess its quality. Instead, to evaluate whether and how the EU resources were a means to fulfil the vision.

¹¹⁷ A rating scale was used to assess each component (Section 3.3.2: 92) together with the assessment criteria developed in Annex 7. The big municipalities are listed in a descending order from "very high" to "absent", based on their score.

¹¹⁸ A rating scale was used to assess each component (Section 3.3.2: 92) together with the assessment criteria developed in Annex 7. The small municipalities are listed in a descending order from "very high" to "absent", based on their score.

Big municipalities

The EU investments proposed by the cities of Cluj-Napoca, Oradea and Resita for 2014-2020 were part of a strategic plan or development vision articulating a goal towards which investments aligned. Cluj-Napoca and Oradea designed projects related to previous EU-funded investments and future ones. These investments were part of a long-term vision that did not subordinate but aligned to the EU's policy directions. Under the incumbent mayor, Resita found a new impetus to develop and embarked on a journey to reinvent itself. The political vision for the city's development is articulated around increasing the citizens' quality of life. The achievement of this vision motivated the initial work to search for resources to fulfil it.

The cities of Bistrita and Zalau displayed a strong sense of their future direction. However, the actions to attract EU funds did not coalesce around the fulfilment of this direction but articulated around attracting and using EU resources to solve specific, ideally relevant problems. This approach towards EU investments had shorter-term ambitions and was more pragmatic and reactive to a specific context. The need for funds and the budgetary limitations defined these actions. While both cases prepared long-term development strategies, the evidence did not indicate that the purpose of the EU projects and funds was to fulfil them.

The actions of Arad, Deva and Timisoara to attract ESIF did not emerge as being driven by a vision that needed fulfilment, but by pragmatism or opportunism to use allocated resources. For example, Timisoara had a different approach. The projects prepared for the ROP 2014-2020 did not continue the previous investments done with the ROP 2007-2013. The programme's investment priorities primarily guided the types of projects prepared for ESIF (top-down) instead of an overarching vision or development strategy that would link

previous with current investments and identify various resources to achieve them (EU, national or local). Preparing projects for the ROP 2014-2020 often relied on repurposing existing projects to fit the ROP's funding conditions, priorities and submission deadlines. It did not follow a carefully designed plan or vision for development that the EU funds could support.

Small municipalities

The vision did not drive the small towns' quest for EU funds. All the small cases had a local development strategy perceived as too ambitious for their resources to achieve. Local development plans only guided and justified EU investments and did not drive the process to fulfil their objectives. Instead, the projects proposed were matched with the ROP and the current needs and then checked against the strategy.

6.5.1 Assessment of vision

The evidence presented above indicates that the big and the small municipalities approached the EU funds within different strategic environments. While there were differences among the large cities (Table 6.10), the small municipalities were very similar (Table 6.11). Indeed, all large municipalities had strategic documents and development plans. However, only a few (Cluj-Napoca, Oradea and Resita) provided evidence of a link between development plans and visions and the EU investments proposed. By contrast, the small municipalities did not follow this logic. Among the large municipalities, Bistrita, Zalau, Arad and Deva followed a similar pattern, with stronger intentions and weaker abilities to execute strategies, using them mainly to justify the investments proposed. In Timisoara, the strategic directions and plans did not drive the investments prepared for the Structural Funds.

Table 6.10. Assessment of vision¹¹⁹ - big municipalities

Municipalities	Vision
CLUJ NAPOCA	high
ORADEA	very high
RESITA	very high
BISTRITA	medium
ZALAU	medium
ARAD	low
TIMISOARA	low
DEVA	low

Table 6.11. Assessment of vision¹²⁰ - small municipalities

Municipalities	Vision
HUNEDOARA	medium/ low
NEGRESTI OAS	low
SANTANA	low
VALEA LUI MIHAI	low
SACUENI	low

6.6 Summary

This chapter presented the findings about the leadership process in the initial stages of accessing ESIF, understood as the formulation phase, when local needs are identified, investment priorities decided, and local strategies created. These tasks require interactions outside the leader's office. The chapter has focused on the leaders' interactions with the local society, the local context, multiple levels of governance, and their vision for the city. Some of these aspects are permanent features of leadership, while others are tailored responses to a specific context or a particular stage of the process of accessing ESIF.

¹¹⁹ A rating scale was used to assess each component (Section 3.3.2: 92) together with the assessment criteria developed in Annex 7. The big municipalities are listed in a descending order from “very high” to “absent”, based on their score.

¹²⁰ A rating scale was used to assess each component (Section 3.3.2: 92) together with the assessment criteria developed in Annex 7. The small municipalities are listed in a descending order from “very high” to “absent”, based on their score.

The interactions with the public, or public accountability, is an essential aspect in attracting ESIF, due to the requirements embedded in the regulations that demand public engagement in the initial stages of implementing the Funds. This interaction varies among the big cities. More intense interactions are noted in Cluj-Napoca, Oradea, and Deva, and low levels in Timisoara and Arad, a consistent pattern throughout the analysis. Timisoara and Arad maintain low levels across all the accountability themes, while Bistrita, Zalau and Resita register medium levels across all explored themes.

As for the small towns, Hunedoara and Negresti Oas have the highest score across all small cases and the three themes examined compared to the rest of the small municipalities. The strength of the towns resides in their responsiveness capacity and commitment to public duty. For instance, in Hunedoara, it stems from a commitment to public responsibility, civic engagement and responsiveness capacity. Despite substantial differences in their narratives, Santana, Sacueni and Valea lui Mihai are similar in accountability scores. As for Santana, its strength resides in the mayor's commitment to the public interest.

Moreover, the context analysis (needs, constraints, opportunities) reveals that the leader's perception of their ability to address problems, overcome limitations and use opportunities affects their political actions and decisions to engage with ESIF. These aspects are evident when examining their multi-level interactions. Big municipalities have leaders managing to extend their interactions with all the system's actors, while local leaders in small cities have fewer ad-hoc interactions. For instance, Cluj-Napoca and Oradea provide evidence of direct and constant engagement with all appropriate levels of governance, from the local (local council, other local authorities – see the Western Alliance) to the regional (Intermediate Body), stretching to the national (Managing Authority) and the European (European Commission). They created an Alliance of mayors in the West of Romania to counteract the

central government's actions perceived as ineffective and unsupportive of cities and have a basis for directly negotiating EU matters with EU representatives.

Regarding vision, there is a difference between the leadership of the larger and smaller municipalities. A macro-level perspective in Cluj-Napoca, Oradea and Resita guided the leaders' political actions concerning the investments pursued. In Resita's case, the vision was a powerful force organising and mobilising political action. Resita resembles the case of Cluj-Napoca and Oradea, despite being a smaller municipality (population, surface, economic development). The mayor of Resita managed to display similar leadership skills despite having fewer resources, a lower level of economic growth, a persistent population loss, and no political legacy of EU-funded investments. However, the mayor of Resita developed strong cooperation with Oradea. He emulated Oradea's actions and approach and articulated his political action around a coherent long-term project for the city. Bistrita, Deva and Zalau displayed a pragmatic approach to the use of ESIF. Their actions to attract EU funds do not stem from within a vision. Instead, they are reactions to external incentives and opportunities. The vision for the city does not drive the small municipalities' quest for EU funds. Overall, vision is a crucial dimension of leadership, found in those municipalities where actions are not reactive to external stimulations but embedded in a preconceived long-term vision which triggers proactive engagement with ESIF for its achievement.

The evidence suggests that mayors can harness their commitment to public goods and duties, reconnect with citizens, use the local context, create long-term visions and engage with networks of actors to gain knowledge advantage. Local political leadership played an essential role in the formulation phase when deciding to take part in attracting EU funds. Where possible, mayors took advantage of their experience with EU funds and

collaborations and used these to grasp opportunities promptly but also anticipate difficult situations and propose solutions.

Table 6.12. Assessment of local political leadership¹²¹ - formulation phase

Municipalities	leader-environment	Accountability	Context	MLG	Vision
CLUJ NAPOCA	high/ very high	very high	high	very high	high
ORADEA	high/ very high	very high	high	very high	very high
RESITA	medium/ high	medium	high	medium/ high	very high
BISTRITA	medium	medium	medium/ high	medium/ high	medium
ZALAU	medium	medium	medium	medium/ low	medium
DEVA	medium/ low	medium	medium	medium/ low	low
ARAD	low	very low	medium	medium/ low	low
TIMISOARA	low	low	medium/ low	low	low
<hr/>					
HUNEDOARA	medium	medium	medium	medium/ low	medium/ low
NEGRESTI OAS	medium/ low	medium/ low	medium/ low	medium/ low	low
SANTANA	low	low	medium/ low	medium/ low	low
VALEA LUI MIHAI	low	low	medium/ low	medium/ low	low
SACUENI	low	low	medium/ low	low	low

¹²¹ Municipalities are listed in a descending order from “very high” to “absent”, based on their score for leader-environment.

Chapter 7. Leader-Bureaucracy interactions in EU funding

7.1 Introduction

This chapter examines the relationships of the local leader with the local bureaucracy involved in attracting ESIF, often described as an interplay. It aims to identify the arenas of intersection between political leaders and the civil service, specifically with the departments involved in accessing ESIF, and the measures and actions taken to prepare, mobilize and support the administration for attracting ESIF. The chapter attempts to answer the second research question and identify whether and how political leaders interact with the administration while attracting EU funds. This relationship is significant as the process of attracting EU funds does not neatly separate the tasks of the politicians from those of the administrators. There are moments when the process demands more intense political or administrative involvement. However, as the process is continuous, many situations require the involvement of both spheres of government. Capturing this interaction broadens the analysis of the leadership process, as the bureaucracy is one of the structures with which political leaders constantly interact. For acquiring ESIF, this is particularly pertinent, as the process relies on the involvement of both the elected officials and administrators. By analysing this interaction, the analysis of the implementation process is necessarily extended to those implementation instances that are more difficult to separate into political or administrative tasks neatly. Interview data collected at the local and regional levels were used and analysed through thematic analysis. In addition, secondary data from desk research were collected and analysed to confirm the interview data, precisely concerning the administrative structures in place and their internal organisation. For a complete list of sources, please refer to annexes 6 and 12.

Section 7.2 provides an in-depth analysis of the strategic approach taken in each case. Moving on, Section 7.3 sheds light on the dedicated structures which were created to attract EU funds. It also examines the measures taken to ensure that the necessary staffing was available for this activity, along with the conditions provided for training and learning. Lastly, Section 7.4 presents the various actions taken to ensure the supervision of the general activities of different departments, thereby securing coordination and compliance with the established approach. The chapter concludes with an assessment of the leader-bureaucracy interaction and a summary of the findings.

7.2 Strategic approach

This section presents the strategic approach adopted by each administration to attract EU funds, whether, when and how each administration strategically planned its actions. The cases displayed different approaches to attracting EU funds. They prepared in different ways and started planning their actions at different moments.

Big municipalities

The EU funds occupied the political and administrative priorities of most cities. They were the top priority for Cluj-Napoca, Oradea, Resita, Bistrita and Zalau. However, the way the cities prepared to achieve this goal differed.

Firstly, the officials in Cluj-Napoca, Oradea and Resita started with agenda setting for the medium-term. For instance, the officials in Cluj-Napoca considered the EU funds essential for local investments if they were attracted (Section 6.3). Consequently, its leaders prioritised this activity, placing it at the top of their political and administrative agenda (Section 6.2.1). To achieve this aim, Cluj-Napoca started seeking information about the EU opportunities very early, before the operational programmes were created, to identify the

types of investments they would want to target (Section 6.3). Similarly, attracting EU funds was a top political and administrative priority for politicians and administrators in Oradea. The measures taken, the resources mobilized, and the planning preparations to accomplish this agenda reflected this centrality. As a result, all efforts were channelled into conceiving a strategic plan to attract funds. The city of Resita also prioritised the EU funds, and its goal was to attract funds from all sources. These funds, particularly the EU funds, were an essential component of a long-term strategy for city development. The newly elected local leader of Resita emphasized the need for a well-functioning administrative body to support the achievement of this priority. The local leader decided to go through institutional reform in 2017. This reform was part of the measures to accomplish the new vision for development that the new leader and the administrators devised and involved restructuring and repurposing the local administration's activity. The new mayor shifted the focus of the local administration from administrating public services towards local development and public investments. One of the reasons for this change was that a large part of the local budget was used to pay the salaries of the civil servants administering public services. Instead of focusing on public service administration, the mayor emphasised investments and attracting resources to the local budget. Resita started writing funding applications for the current ROP in 2017 with a small team of five people before finalizing the internal reshuffling.

"[...] we started in 2017 the institutional reform, the restructuring, and rethinking [...], emphasising the development [...] of the project creation side of the administration, the investment part to the detriment of other services." (L4R2: 21-22).

Secondly, Cluj-Napoca, Oradea and Resita sought to collect information regarding the new funding opportunities as early as possible through discussions and multi-level engagements (Section 6.4) to help them plan their projects, investment budget and funding sources. For

example, the city of Cluj-Napoca aimed to enhance its ability to anticipate the content of the new ROP 2014-2020 programme so that its leaders and administrators could analyse the extent to which it could have the potential to address local needs. Additionally, it sought to maximise time, as the creation of the ROP 2024-2020 was slow (Chapter 5). Cluj-Napoca wanted sufficient time to prepare its projects in advance and have mature projects when the funds were agreed upon and the calls opened so that their response to calls was immediate and the funds secured early and quickly. As a result, Cluj-Napoca started to seek information about the new ROP 2014-2020 programme from the early stages of its design. The administration of Cluj-Napoca used the information acquired early to collect the necessary documents and prepare the initial documentation for its projects. Similarly, Oradea started the learning process early on when the discussions for the 2014-2020 period started at the EU level. Oradea's plan to attract SF included analysing the new EU funding opportunities and policy directions as early as possible and acquiring information gradually about the new funding opportunities, a process facilitated by the multi-level interactions of its elected leaders investing time and resources. For example, Oradea took time to engage with the content of the Programme well in advance of its actual approval, launch and delivery. The officials and administration in Oradea started to reflect on the investments to prepare for the 2014-2020 period in 2012 while still implementing the 2007-2013 programming cycle. Similarly, as early as 2019, Oradea started the preparations for 2021-2027. This information was used to create the conditions that would enable the administration to be at the starting line of the calls for projects and attract many funds. Oradea also sought to bring its projects to a mature stage when the call for projects opened.

[...] we try to anticipate and start to prepare at least the technical-economic documentation to have mature projects when they are launched [...]” (L1R1 2019: 28).

Thirdly, Cluj-Napoca, Oradea and Resita were interested in attracting funds and maximising each funding source's value. For instance, the city of Cluj-Napoca aimed to maximise the use of each fund and create more integrated investments that continued the ones prepared and implemented through the previous ROP, ensuring the continuity of EU investments (Section 6.3). For this objective, Cluj-Napoca identified multiple sources of funding which they tried to mix and integrate into their investments. For instance, it aimed to mix several funding sources like the Swiss-Romanian cooperation programme, EU-funded programmes (Regional Operational Programme 2007-2013 and 2014-2020, the Big Infrastructure Operational Programme), funds directly handled by the European Commission, Norwegian funds, national and local funds (Section 6.3). Like Oradea, Resita tried to mix different funds to increase and maximise existing funding allocations for the city. Resita designed complex integrated projects for the delivery of which it sought and managed to secure multiple and complementary funding sources. In this way, Resita did not limit its project design to small fixed allocations but managed to design projects according to the logic of the investment while respecting the requirements of the different funders. By not breaking the investments into small projects to match different (smaller) funding sources, Resita used the existing allocations and attracted and secured more considerable amounts for its overall project pipeline. As a result, Resita tripled the allocated funds to its integrated investment projects and secured a value of investments of more than 160 million euros - three times higher than the initial allocation of approximately 50 million.

Other specific case-based actions

Regardless of its funding source, Oradea created all its projects as if they were targeting EU funds, thus subjecting its projects to the same standards, rules and requirements. As the EU investments have the strictest funding criteria, this strategy offered Oradea the flexibility of

applying to all available funds - EU and non-EU. Oradea thus created a large pool of projects ready to be submitted for EU funding or any other funding source in case projects envisaged for EU funds turned ineligible or needed to be adapted after the programme's approval. This strategy required more preparation time but simultaneously streamlined the process and saved valuable time in the long run. Moreover, the mayor of Oradea was ready to adopt unpopular measures if needed. For instance, if certain investments crossed over individual properties, the mayor was ready to go as far as to expropriate the land or the house from the citizens, even at the cost of trials in court.

Another strategy worth noting is Resita's relationship with the consultancy services used to create and implement projects. Resita used consultancy services but verified all the deliverables. As highlighted in the context interaction section, there was a limited availability of construction companies to implement projects and a limited offer of reliable and good quality consultancy services. In this context, the municipality reduced its reliance on consultancy companies, invested in building internal expertise, and gradually enlarged its team.

The mayor encouraged the preparation of projects for all the funding opportunities identified. Eventually, the team prepared projects for all the investment areas included in the ROP 2014-2020. Moreover, Resita continued the projects prepared by and inherited from the previous administration to ensure the municipality retained all funding sources.

"[...] we worked on all the axes where we were eligible. We did not want to miss absolutely anything, no project [...] including energy efficiency, high schools, i.e., residential and public buildings." (L4R2 2019: 11)

Moreover, Resita was opened to negotiating the allocated funds so that they matched the types of investments that were more relevant to their local context. For this, the mayor and his team negotiated with other municipalities in the West region to allocate some of Resita's unused EU funds in exchange for funds in the investment areas of interest for Resita (and unused by other municipalities). In addition, Resita looked at other thriving cities like Oradea and tried to emulate Oradea's model. Resita analysed what and how Oradea functioned and organised its team and workload similarly.

"We used the model of other cities, other European cities, and looked at how they did things." (L4R2: 20).

The strategic approach to EU funds in the case of Bistrita and Zalau gave a particular direction to their actions. However, it was not sufficiently developed to support their ambitions over time, despite having some lines of action. Overall, their planning needed a more precise and mature plan, with a well-defined and straightforward course of action and consistent and systematic planning of the intermediate steps needed to attract funds. For example, Bistrita strategized its actions regarding acquiring ESIF - a priority goal. The administration of Bistrita prepared a project list in advance, which facilitated the assessment of the potential of the available resources to achieve their investment ambitions and sought to match their project ideas with the resources available (bottom-up). For Zalau attracting EU funds was a key priority, along with urban planning and building long-term development directions. Moreover, Zalau built its approach to EU funds based on its previous experiences and used it to anticipate potential problems occurring in implementation and take preparatory measures to avoid them.

The cases of Timisoara, Arad and Deva did not display a well-defined plan and coherent strategic approach to attract EU funds, which is coherent with the timeliness of their actions.

Deva's only (strategic) plan was to prepare many projects for all funding openings. However, the officials and administrators in Timisoara, Arad and Deva did not set up a strategic plan sensitive to its constraints to seize these opportunities and address its problems, despite acknowledging the opportunities for investments offered by ESIF. The local leaders in Timisoara, Arad, and Deva did not build a strategic roadmap to attract ESIF, nor concentrate their efforts sustainably and continuously on this issue, displaying a weak strategic approach instead. The overall evidence indicates that Timisoara, Arad and Deva had a low level of planning to attract EU funds.

"When outlining the projects, we read the guidelines and found what could be financed. We present the ideas of what we could do to the management, [...] and they say, 'yes, do them, or no, do not do them'." (L3R2 2019: 19).

Firstly, in Timisoara, Arad and Deva, the EU funds did not occupy the top of the local political and administrative agendas (Sections 6.2.1 and 8.3.3). The officials and administrators in Timisoara, Arad, and Deva had a reactive response to the EU funds rather than a proactive approach, strategically and thoroughly prepared. Timisoara, Arad and Deva adopted a top-down approach to project selection, identifying their EU investments from what the Programme offered regarding types of investments eligible to receive funds. For instance, the city of Arad adopted a rather technocratic approach to selecting its EU investments. The administration of Arad identified what the Programme funded, matched the Programme with an eligible local investment and provided the leader with investment ideas, but the local leader eventually decided. In addition, in Arad, the local planning process was highly centralised (Section 6.2.2), i.e., the administrative body identified the local needs, but the mayor selected which needs become investments. Deva had a similar approach: the leader selected the types of investments and approved the proposals of projects identified by the

administration as eligible for EU funds after consulting the funding guidelines. Deva adopted this approach to avoid eligibility risks.

“We could not access as many funds as we would have liked to because we did not manage to have projects ready before the closure of the call for funding of the axis.”
(L1R2 2019: 11)

Secondly, Timisoara, Arad and Deva needed an early and detailed preparation for EU funds. Their approach limited their ability to create integrated and synergistic investments without a more substantial contribution from the local budget or other sources. For example, Timisoara and Arad mobilized the team to get involved in the events before the programme's implementation and to identify and prepare EU projects only after the ROP programme launched in 2015. The administration of Deva started early to learn about the EU opportunities, but the learning process was slow and patchy due to insufficient staffing. Timisoara also developed the list of projects for EU funds after the ROP launched. As the project submission periods were short, the EU projects were chosen from the stock of draft projects in the administration. As these projects were initially designed for something other than EU funds, some needed profound changes to meet the EU requirements. Given their urgent preparation, some of the submitted projects were immature. Consequently, these projects received many clarifications from the Intermediate Body during the evaluation and selection process, indicating severe quality issues.

Lastly, Timisoara, Arad and Deva did not outsource to external contractors the activity of preparing projects for attracting ESIF through the ROP 2014-2020. An internal team of civil servants was delegated to write funding applications and implement projects (Section 8.2).

“[...] we take what the Programme finances. We have to focus on what it finances. We have no choice. [...] Either we comply, or we do not have projects.” (L1R2 2019: 23)

Small municipalities

All mayors prioritised and targeted attracting EU funds. Hunedoara's approach to attracting EU funds indicated a certain level of pre-planning and prior preparation existed. One of the crucial political decisions made in Hunedoara was to prioritise the attraction of EU funds, followed by a concentrated effort to apply for all available investment priorities. Moreover, the political leaders in Hunedoara fostered a close relationship with the EU team, further highlighting their commitment to shaping strategic actions. (see Section 7.4).

Negresti Oas, Santana, Sacueni, and Valea lui Mihai's efforts focused on complying with and adapting to the funding requirements as the implementation progressed. For instance, Negresti Oas made tremendous efforts to attract as many external funds as possible and applied to numerous calls for projects, tailoring their initiatives to the available funding. Valea lui Mihai needed a clear strategic action plan besides prioritising and targeting the EU funds. The approaches of Negresti Oas, Santana, Sacueni and Valea lui Mihai displayed a less proactive and more reactive approach, displaying a lower level of planning and strategizing.

The towns of Negresti Oas, Santana, Sacueni, and Valea lui Mihai had all faced difficulties in preparing their projects early enough to compete in many calls for projects. However, the EU team in Valea lui Mihai stepped up and put in extra hours to ensure they could handle the workload. In contrast, Santana's local leader recognized the importance of building a dedicated and competent team to handle EU funding and invested in creating a competitive team. Similarly, Sacueni also invested in creating an EU specialized team and training new people. The mayor of Sacueni had a resilient approach to attracting investments, even under

challenging conditions. These actions highlight the value of investing in a dedicated team to handle complex processes.

"[...] to prepare an application and submit a project, it would be necessary to create a competitive team to be in charge [...] a serious, capable, and professional team in this field" (L2R2small: 10)

7.2.1 Assessment of strategic planning

The overall strategic planning assessment shows Cluj-Napoca, Oradea, and Resita as having strategized their actions towards attracting EU funds (Table 7.1). At the same time, Zalau, Bistrita, Arad, Deva and Timisoara emerged as having a less strategic approach. The small municipalities (Table 7.2) took measures adapted to their organisational and municipal size and adopted fewer strategic measures related to human resources. Their overall approach could be more strategic. The small municipalities mostly reacted to the process and the events before and after the opening of the calls for projects.

Table 7.1. Assessment of strategic planning¹²² - big municipalities

Municipalities	Strategy building
CLUJ NAPOCA	very high
ORADEA	very high
RESITA	high
ZALAU	medium
BISTRITA	medium
ARAD	medium/ low
TIMISOARA	low
DEVA	low

¹²² A rating scale was used to assess each component (Section 3.3.2: 92) together with the assessment criteria developed in Annex 7. The big municipalities are listed in a descending order from "very high" to "absent", based on their score.

Table 7.2. Assessment of strategic planning¹²³ - small municipalities

Municipalities	Strategic approach
HUNEDOARA	medium
SANTANA	medium
NEGRESTI OAS	medium/ low
VALEA LUI MIHAI	low
SACUENI	low

7.3 Bureaucratic structure

This section presents the organizational structures that local leaders envisaged and created to deliver on their plans. Specifically, it looks at the internal arrangements, personnel distribution, and each leader's approach to knowledge building within the administrative structures. First, it introduces the structural arrangements of public administrations for attracting EU funds. Then it focuses on the efforts of each local leader to attract or allocate human resources to the specific activities related to attracting EU funds and delivering EU-funded investments. Thirdly, it presents the efforts of each local leader regarding knowledge building related to EU funds, specifically the efforts made to encourage and support learning and training opportunities to the staff allocated to attract EU funds. Finally, it closes with the assessment for each case and a summary of the findings.

7.3.1 Structural arrangements

This section discusses the organizational chart created for EU funding, the distribution of roles and responsibilities and the patterns of interaction and workflow established in these structures.

¹²³ A rating scale was used to assess each component (Section 3.3.2: 92) together with the assessment criteria developed in Annex 7. The small municipalities are listed in a descending order from "very high" to "absent", based on their score.

Big municipalities

All large municipalities had EU-specialised units. Some cities created new structures, while others used the structures created to attract EU funds during the 2007-2013 cycle. To begin with, Cluj-Napoca created a clear structure with a precise distribution of responsibilities. For example, Cluj-Napoca created specialised units¹²⁴ to handle EU-related activities. For expert knowledge and support, the dedicated structures in Cluj-Napoca also engaged with other administrative departments when needed. Overall, around 50 people were involved in attracting EU funds. Regarding organisational structure, Oradea focused on creating an internal structure¹²⁵ within the public administration, specialising in performing the activities and tasks related to attracting EU funding.

In the case of Resita, one of the first measures the local leader took concerning EU funds was to create a team dedicated to attracting EU funds and other international grants. After taking office, the incumbent mayor repurposed the role of the local administration. He emphasised the importance of the development unit in charge of attracting EU funds¹²⁶ and delivering public investments (Section 7.2). Gradually, the mayor of Resita enlarged the team dedicated to attracting EU funds for local development from 5 to 18 people. He prioritised building internal expertise in writing projects and sought to attract talent and expertise, but he also focused on attracting young people. At the time of taking office, the EU team was small, and due to its size, it could not write many project proposals nor prepare the technical part of the projects as it needed more engineers.

¹²⁴ The Organisational Chart of the city of Cluj-Napoca is available at: <https://primariaclujnapoca.ro/organograma/directia-generală-comunicare-dezvoltare-locală-si-management-proiecte/serviciul-strategie-si-dezvoltare-locală-management-proiecte/> - accessed on 25.02.2021

¹²⁵ The Organisational Chart of the city of Oradea is available at: <http://www.oradea.ro/subpagina/directia-management-proiecte-cu-finantare-internationale; http://oradea.ro/stiri-oradea/direc-539-ia-management-proiecte-cu-finan-539-are-interna-539-ionala-si-a-prezentat-raportul-de-activitate> - accessed on 28.02.2021

¹²⁶ The Organisational Chart of the city of Resita is available at: [https://www.primariaresita.ro/portal/cs/resita/portal.nsf/AllByUNID/19B25AFA85C9C204C225893B002D6552/\\$FILE/Organograma%20primarie%20Municipiului%20Resita%20incepand%20cu%20data%20de%2001.12.2022.pdf](https://www.primariaresita.ro/portal/cs/resita/portal.nsf/AllByUNID/19B25AFA85C9C204C225893B002D6552/$FILE/Organograma%20primarie%20Municipiului%20Resita%20incepand%20cu%20data%20de%2001.12.2022.pdf) - accessed on 09.04.2023.

Moreover, Arad emphasised the need to have a dedicated structure to access EU funds, thus placing a high importance on creating a dedicated EU structure. As a result, Arad created an internal structure for preparing and delivering EU investments and allocated 26 positions¹²⁷. It created an EU funds unit specialising in local planning and preparing the project applications and a technical unit to oversee the project implementation. Both EU structures worked together during project preparation and delivery after signing contracts. The technical service was in charge of the EU projects and all other investments the local administration carried out. These multiple responsibilities increased their workload considerably.

Bistrita created a special EU department¹²⁸ to coordinate the generation and implementation of EU projects, called the European Integration Department. The EU team was in charge of writing and delivering the projects. For specialised project support, the EU department collaborated with other units: technical, procurement, judicial, and economical. For implementation, cross-departmental project management teams were created before the start of the implementation in order to measure and plan the workload and avoid outsourcing these tasks.

The EU organisational structure¹²⁹ of Zalau included three units/ services, i.e. the Project Management Service that took care of the initial planning process and took part in consultations for the local development plan and the ROP guidelines. The second unit was the Public Utilities Unit, which mobilised public services, such as public transportation, lighting, and roads. Another unit was the Implementation Unit, which belonged to the Public

¹²⁷ The Organisational Chart of the city administration of Arad is available at: https://portal1.primariaarad.ro/download/Organograma_1sep2021.pdf – accessed on 27.09.2021.

¹²⁸ The Organisational Chart of the city of Bistrita is available at: <https://www.primariabistrita.ro/wp-content/uploads/2021/01/Organograma-aparat-de-specialitate-1.pdf> – accessed on 02.03.2021

¹²⁹ The Organisational Chart of the city of Zalau is available at: <https://www.zalausj.ro/portal/zalau/portal.nsf/AllByUNID/directia-tehnica-00002f46?OpenDocument> – accessed on 04.03.2021.

Procurement for Investments Unit. The EU structure in Zalau had responsibilities covering the entire cycle of attracting ESIF, from planning and needs identification to project preparation, evaluation, contracting, and implementation. The evidence indicates good collaboration and communication between the internal management team to overcome problems. The three EU-specific units collaborated and communicated well with each other and the other departments involved (judicial, technical, or financial). As for the size of the allocated personnel, Zalau managed to find a balance between the available staff and their workload while highlighting the need for more civil servants with specialised technical knowledge. The most vital asset that enabled them to manage the workload and acquire the necessary volume of knowledge to access EU funds was the experience acquired in the previous ROP.

Deva did not create a new EU structure for attracting SF in the 2014-2020 programming period. Instead, it used the structure created for the 2007-2013 programming period but requested more staff. Two people were charged with the financial matters of projects. At the same time, the second unit provided project managers and dealt with project ideas, project applications, and the relationship with the Intermediate Body. However, the civil service law constrained the recruitment process despite low staffing levels. The legal limitation influenced the staffing size within the EU dedicated structures. In Deva, there were 12 people allocated to the specialised EU structure. At the time of data collection (June 2019), Deva had 31 submitted projects, from which 18 projects were contracted and in implementation. This number of contracts seemed impossible to be carried by the existing staffing levels. The civil servants were concerned by the lack of legal provisions regulating the administrative burden on the staff per project. The previous regulation stipulated the

number of projects a person should handle, while the current legislation did not stipulate such limitations.

Timisoara created a department specialized in designing and delivering EU-funded projects in the previous funding cycle (2007-2013), the Development Direction, which included the Service for Implementing International Funded Projects. It allocated people for preparing and implementing projects. However, it did not create a department dedicated to the programming stage to gather information about the new ROP. The entire team allocated to the dedicated structures was fully involved in the implementation, with no one allocated to learn about the new programme and work on the project ideas for the next cycle. The administration, however, acknowledged the necessity of a small unit set up to reflect on project ideas before each cycle. Such a structure would enable the municipality to save time, accelerate project preparation, and avoid the current situation, which caught everyone unprepared. However, the allocated staff could not cover these specific tasks. Regarding size, Timisoara allocated around 12 civil servants with exclusive responsibilities to prepare and implement projects funded by the Structural Funds through ROP 2014-2020. When including the people involved from other departments, around 20 people in total were involved. The administrative structure in Timisoara shaped the subsequent decisions and actions towards attracting EU funds.

“The existing structures are used in addition to the specialized department, which collaborates with the technical, and the public procurement service. Several people from the City Hall are involved, around 50, not necessarily all coming from the specialized department of EU project development and implementation.” (L1R1: 5)

In terms of project management teams, all municipalities had created them. In Cluj-Napoca, there was a constant inter-departmental exchange, and the project management teams

were created with people from the EU dedicated departments and other specialised administration departments. Regarding project management, Oradea combined the people from the specialised departments with the civil servants from other specialised departments, like technical, financial, legal, and public procurement departments. In Arad, people from the EU departments were mixed with people from other departments to create project management teams. The structure created for preparing the project applications was included in the project management team. At the same time, the technical department took care of the technical part of the project design and the actual delivery of the investments on the ground after contracting. The project management teams in Bistrita were composed of members from different departments. For implementation, Timisoara created internal management teams, including people from the EU department and civil servants from other departments. Inter-departmental teamwork emerged as being strong. The project management teams in Deva were built with personnel from different departments. The specialised EU team needed more internal technical expertise to deliver EU projects and could not rely only on the EU funds team. For instance, the EU structure had only two people with a technical background, which would not suffice. To compensate, Deva's EU department relied on the technical staff of the town hall. Four people from the EU funds Unit were involved in each project. In addition, administrators from the public procurement department were involved, and the judicial unit, but the highest need and shortage was on the technical side.

Most cities externalised some tasks in the process of attracting EU funds. In addition to creating specialised EU departments and developing internal inter-departmental collaborations, Cluj-Napoca outsourced part of their work to external consultants for writing projects or creating technical designs. Arad used its staff to write funding applications.

Consultancy services were only used when the workload was too high and the deadlines too tight. The previous consultants contracted did not provide an actual workload release. As a result, the personnel gradually learnt about the specifics of attracting SF and avoided relying on consultancy services. However, as Arad needed more engineers and a complete internal technical design team for each investment, public procurements were organised to outsource the technical project design, along with feasibility studies. The internal engineers only prepared the project themes for feasibility studies. While creating and building an internal structure, Resita outsourced most services related to preparing the funding applications to consultants. However, due to previous negative experiences with the quality of the deliverables, the administration decided to verify the entire work produced by consultants before accepting it and including it in the project.

Oradea, Timisoara, Zalau and Deva did not outsource the task of writing EU funding applications. To increase the internal capabilities of the administration, Oradea did not externalise any service related to preparing or delivering EU-funded projects. Timisoara did not contract consultancy services for preparing the documents and projects for ROP 2014-2020. The administration had a bad experience with previous consultants for EU projects, as the civil servants performed the outsourced tasks. Instead of releasing the workload from the internal team, the consultants increased it. As a result, for the ROP 2014-2020, the civil servants wrote all the project applications and were responsible for their delivery. While this approach resulted from previous negative experiences with consultancy companies, Timisoara also acknowledges the shortcomings of relying too much on colleagues committed to other responsibilities within the administration, as opposed to the team exclusively involved in the delivery of EU-funded investments. Due to the structure in place, both sides of the management team, the members with exclusive responsibilities regarding EU

investments and the team members from other administration departments, struggled with the workload. Zalau did not outsource the activities related to preparing the project application. They used their internal team and their built-in expertise. Like other case studies, Zalau also had a negative experience with consultants. In their view, the added value brought by consultants was small compared to the increased workload they brought to civil servants due to their poor services. Lastly, Deva did not externalise the tasks specific to EU funding due to previous negative experiences with consultants and the low quality of the services received when the team had to redo the work delivered by consultants, which only doubled their workload. Deva limited its outsourcing of technical expertise and used its internal expertise for the rest of the tasks. As a result, for the ROP 2014-2020, Deva decided to use the internal structure and its human resources to handle and manage all the EU-funded projects.

"This time, we no longer have consultancy for project writing. We write projects. We had a sad experience last time we paid for consultancy, and often we were doing their work." (L1R2: 15).

Small municipalities

Most small municipalities had EU-dedicated structures, except Valea lui Mihai. For example, Hunedoara maintained and continued with the pre-existing EU administrative structure (from the 2007-2013 cycle) when the new programming period started. The EU unit in Hunedoara was charged with the task of writing EU project applications and then implementing them. The EU funds unit was made up of 8 people. Negresti Oas had two structures dedicated to EU funding, one for project generation and one for implementation. However, no personnel were allocated to occupy the positions within the project generation office. The Project Generation Unit did not have people and was inactive. Its tasks were taken

over by the department for implementing EU projects from the Direction of Public Procurement and Projects, which was in charge of everything from project application to implementation. Therefore, the EU-dedicated structure in Negresti Oas did not have people focusing exclusively on writing project applications. In total, two people were actively involved in both project application and implementation. In Santana, the mayor kept the same administrative structure when he took office but replaced and renewed the personnel working in the town hall departments. The leader focused on organizing the staff based on their experience attracting EU funds. There was a department in charge of attracting EU funds called European Programmes. This department was involved in writing applications, dealing with project submissions, correspondence with the funders and implementation. The EU department was small, having only two people. Additionally, when preparing applications for ROP 2014-2020, the EU unit also developed good relations with other internal departments involved in EU projects. All colleagues across the administration contributed to preparing and delivering EU-funded projects, like the technical and financial departments. Sacueni created a unit dedicated to EU funds. By contrast, Valea lui Mihai needed a department dedicated to attracting EU funds. However, a few civil servants from the administration received tasks related to EU funds. To compensate for the lack of personnel, the delegated team increased its efforts and working hours to handle the workload.

"I kept the structure that existed before I became mayor, but I completely changed the staff, not only in this department that deals strictly with European programmes but also in other departments, where I considered it necessary to make certain changes and refresh the staff, who might not have been accustomed to obtaining these external funding opportunities." (L2.1smallR2 2019: 11-12)

All small municipalities outsourced some tasks to consultants. For example, Hunedoara outsourced the writing of funding applications when the workload was too high and the deadlines for submitting the projects were too close. However, the civil servants verified all the deliverables submitted by consultants. Hunedoara externalised the entire task of preparing the technical project design. Negresti Oas's lack of staff with 100% EU funding responsibilities was a key challenge. This situation led them to outsource some tasks to consultants. However, consultants often made mistakes or wrote weak projects, which required many clarifications from the funding bodies and during implementation. The administration of Santana also collaborated with consultants for complex projects, but the overall experience was negative. Due to the low quality of deliverables, the EU personnel in Santana took on significant work to complete the projects initially prepared by consultants. Due to a lack of experience and lack of sufficient staff dedicated to EU funds, Valea lui Mihai outsourced the activities related to project preparation to multiple consultancy companies. The internal team in the administration of Valea lui Mihai supported the consultants, providing all the documents or information needed. The local leader in Sacueni decided to outsource project writing services due to a need for sufficient staff. The civil servants allocated to attract EU funds were in charge of supporting the consultants' activity, verifying their deliverables and implementing projects.

"We are outsourcing because we cannot [do everything]. For example, three axes opened. [...] We outsourced some services like designing technical projects and drafting funding applications, but we were the ones who centralized and checked everything." (L1smallR2 2019: 16)

All small municipalities created project management teams with their own internal personnel for implementation. For example, Hunedoara created project management teams

from the project writing stage. In addition to the EU departments, other specialised departments were involved in creating project management teams, such as the technical, legal, or economic departments. By ensuring management teams from the project preparation stage, Hunedoara also proved the maturity of their projects to the project assessors who analysed and selected their projects. Similarly, Negresti Oas created project management teams internally with cross-departmental personnel for reimbursements and project implementation. Santana created its project management teams internally with colleagues from different departments. Eventually, this web of internal and external relations increased the dependency of the EU team on external and internal actors. Valea lui Mihai created project-based management teams, and other administration departments supported the implementation of projects.

7.3.2 Staffing measures

This section presents the staffing measures to ensure the appropriate level of people to perform the roles and responsibilities associated with attracting EU funds.

Big municipalities

Most municipalities made efforts to recruit people for the positions created in the units for EU funds. For example, building the team was a key priority for Oradea. The local leader highly emphasised the importance of a stable, motivated, hardworking team. For this, Oradea opened several positions for recruitment. Unfortunately, recruitment proved challenging, mainly in recruiting people with specialised expertise. The local context affected recruitment efforts in Oradea due to a lack of specialised technical expertise on the local market. The lack of specialised technical expertise in the administration of Oradea affected the process of attracting EU funds as it brought delays or changes in projects. For example, a specialised but inexperienced company from Bucharest prepared the technical design for an Aqua Park. The project was challenging to implement, so a foreign company took over

the contract and changed it to avoid high operational costs. To fill vacant positions and overcome the technical shortage of personnel, the political leaders in Oradea accepted ad-hoc applications for specific investments, which indicates an openness to personnel renewal and innovative recruitment.

One of the first measures the local leader took in Resita was to create a team dedicated explicitly to attracting EU funds. To populate the structures, the local leader aimed at attracting capable, experienced and young people from different sectors. The mayor started hiring people immediately after taking office and built a small team around him early on. Gradually, the team dedicated to attracting EU funds grew from 5 to 18 people. However, the number of projects targeted by Resita and the timeline of the projects did not allow the EU unit to draft its projects. Additionally, the administration did not have all the technical expertise required by the EU investments. To cover the limited range of expertise and shortage of personnel, Resita contracted consultancy services for project writing and outsourced the preparation of the technical documentation.

"We were forced, given the small team, to attract consultants, and we will probably continue not to have the capacity to write[projects] ourselves, like Alba Iulia or Oradea." (L4R2: 23-24)

Arad tried to increase the number of personnel and attract technical expertise in the public administration to increase its human capacity in the technical areas required by the EU projects. However, similar to Oradea, it faced difficulties in attracting technical expertise and the recruitment of engineers needed to be higher. There is a high interest in recruiting younger staff to balance the age of the current staff, who average 50 years old. Arad highlighted that there needed to be more people to perform the work required for EU funds. The personnel were overburdened with work, as it was involved in all the activities from

project design to post-implementation and durability while also handling the projects from the local budget.

Regarding Cluj-Napoca, no specific staffing measures emerged to prepare for attracting EU funds. However, the evidence indicates that quite a large group of civil servants were mobilised to elaborate, submit and implement projects. Due to the high workload, there was a continuous need for more people in the administration of Cluj-Napoca.

Bistrita focused on distributing responsibilities related to the specific activities of EU funds in such a way as to balance workload with the staff's ability to complete the assigned work.

Bistrita tried to allocate responsibilities so that team members developed specialised knowledge. The work was divided into specialities and investment areas so that each civil servant focused on at most two to three investment areas. Similarly, Zalau needed more staff and a limited offer of workforce with expertise suitable for the activities specific to attracting EU funds. The municipality tried to maximise human resources through better management and enhanced internal cooperation between the departments involved. It also checked the contracted staff and tried to employ new personnel or train existing staff to become experts in the EU field.

Timisoara lost valuable people who were not replaced, and no political and administrative attempts were made to retain them, mainly as they all worked on EU funds and had valuable experience and deep knowledge of ongoing projects. The measures to increase staffing levels needed to be more robust as the people involved in EU funds were insufficient. The newcomers had a different level of experience and expertise to replace them. In addition, the administration needed more possibilities to increase its personnel.

Deva expressed strong doubts over the ability of the allocated personnel to perform all the activities required by the number and complexity of the EU projects. Deva assessed its staffing level as low for the level of projects to implement. There were severe doubts about the human capacity to implement the projects. For instance, the public procurement team was small, which raised problems over the team's ability to cope promptly with the EU projects and the rest of the procedures. The unit created to coordinate and oversee the preparation and delivery of EU-funded projects had 12 people, distributed in several sub-units, i.e. the Financial Unit (2 people), the Development Programmes Unit dealing with project management, project ideas, project writing, and the IB contact points. The team from these two units was involved in project implementation and organising tender calls. For Deva, the allocated staffing needed to be increased for the workload assigned and the amount of time allocated to perform all activities. Additionally, Deva dealt with a shortage of people with a technical background, and the administration had only two engineer constructors. Overall, Deva struggled with a severe lack of staffing and estimated it needed to double the number of project managers to handle the workload. Secondly, Deva would need around five constructor engineers and five people in the financial department. Overall, an average of 30/ 35 people were needed to handle the activities required to attract and secure EU funding. However, the legislation regulating the civil service did not allow local leaders to employ people at their discretion. The law limited the level of recruitment, which affected the number of positions that could be allocated to the EU structure. On the other hand, the EU funds added a new workload to the administration, requiring new knowledge, new skills and an extended team to handle the preparation and implementation of projects.

Small municipalities

All small municipalities needed to employ more people, but their staffing measures varied. For example, Hunedoara needed a well-defined staffing policy regarding EU funding. The

local leader created an internal unit to engage with EU funds, and relied on the collaboration of other departments, the contribution of consultants and the support of other political leaders. However, human resources were highly valued by the local leader and civil servants.

When selecting staff for EU projects, the local leader in Negresti Oas sought experience with EU funds, experience, expertise, and good work ethics. The mayor had many constraints in terms of strengthening and increasing the administration's human capacity to access EU funds. As a result, the local leader did not increase the number of staff and also did not manage to provide the working conditions that would increase the quality of the working environment, such as ending overcrowded offices. The staffing efforts of Negresti Oas were low in comparison with the amount of work required by the number and complexity of the EU projects for their preparation, delivery and maintenance. Negresti Oas did not overcome the systemic constraints and limited its staffing measures to creating a small but committed team.

Santana also acknowledged the importance of human resources. Despite struggling with a staff shortage, this constraint has not yet prevented the administration from preparing projects. The local leader relied on the team and praised its efforts. To compensate for the staff shortage, the local leader employed short-term staff or involved people from other departments to supplement the team's efforts. As for Valea lui Mihai the local leader did not invest in increasing the staffing levels, despite struggling with low staffing levels for EU funds. The mayor was mainly concerned with the outcome of the work and less concerned with the means to accomplish it. For that, the people delegated to EU projects often worked overtime to finalize work.

The local leader in Sacueni highly emphasized the need for a higher number and quality of people employed in the administration. One of the measures taken immediately after taking

office was to increase the number of people for EU funds (in 2009), attract young staff and redistribute the existing personnel, redistribute responsibilities and seek to replace those that retired. The mayor also invested in training and requalifying some existing personnel, encouraging them to train and study in higher education. Moreover, the mayor focused on attracting young people with digital skills that older staff might not possess. As a result, Sacueni was the youngest administration in Bihor county. Overall, the mayor of Sacueni made efforts to increase staff levels and train and qualify the people already working in the administration. He pursued a broader investment in human resources by supporting formal education, knowledge and skills building. In addition, the tasks without sufficient staff and expert knowledge were outsourced.

7.3.3 Knowledge building

This section presents the measures taken by leaders about building the knowledge capacity of the team involved in attracting EU funds through training and learning opportunities to enable them to perform the specific activities related to preparing and delivering EU-funded projects.

Big municipalities

Training the personnel was one of the measures taken in Cluj-Napoca to prepare the administration for the 2014-2020 ROP. The emphasis was on building knowledge about the programme's content, the eligibility conditions for applying, and aspects referring to the implementation process. Several funding conditions changed since the previous programming period as the programme evolved. The staff was given access to continuous training to support learning and understanding of new funding rules and legislations. The EU staff took advantage of these learning opportunities and participated in numerous SF implementation training. The involvement of the staff was continuous.

Timisoara mentioned timeliness as essential in knowledge building, specifically in the initial stages of the new programming cycle when rules were discussed, negotiated and formulated. The significant changes in the approach and content of the new programme affected the time required for learning, specifically in the context where the administration did not delegate people to learn the new programme from its early stages. Due to this lack of time and staff allocated to learning and knowledge building, learning and mastering the new requirements took the considerable time (Programme content, guidelines, rules, conditions, legislation, procedures, timeline).

The leaders in Oradea prioritised building the team and its internal expertise instead of outsourcing the activities to attract SF. Oradea aimed to gain more independence from consultants when deciding to take part in EU funding. Learning was treated as a continuous process, starting before the call for projects and the project preparation started. Oradea planned to start the learning process about SF when the first discussions about the new funding period began, or even earlier, when needs were assessed and prioritised and the order of investments established. For this, it used formal and informal learning methods to encourage, support and sustain knowledge building, such as networking with different partners from within and outside the SF management system, taking part in informal meetings proposed by the RDA, and attending courses, training, seminars or public events proposed by the Managing Authority.

Arad was concerned with the time it takes for new staff to learn to perform public responsibilities effectively. As a result, the learning process was lengthy and complex. Among the informal learning channels, socialisation at the workplace was an essential additional means by which new staff learnt the complex procedures and institutional culture. This aspect was considered when analysing the training needs of the staff.

Deva emphasised the importance of knowledge, clarity and early learning. As the consultants did not provide the expected quality of services, Bistrita invested in building in-house knowledge for 2014-2020 to increase efficiency and the internal capacity of the staff and facilitate the flux of information and quality of projects. Once the experience was acquired and built, the team adapted more easily from one programming period to the next, even when changes occurred. However, it provided little information regarding the measures to build knowledge capacity. The overall evidence indicated a bottom-up rather than a top-down learning initiative.

For Zalau, learning was a vital asset in supporting the activities of the staff in the current programming period. Learning by doing was practised by Zalau. The internal middle management of the units in charge of attracting EU funds learnt much from the previous ROP 2007-2013. Learning from experience allowed the municipality to build specialised EU knowledge and rely on internal knowledge capacities to write its projects in the current programming period. The municipality decreased its dependency on consultancy services and the number of actors it interacted with and gained more autonomy.

Resita prioritised learning from others and engaged with other organisations and public administrations before and during the implementation of the ROP 2014-2020. Resita tried to replicate and apply the lessons learnt from Oradea, adapting them to their context. The political leader established relationships with Oradea and exchanged practices. This availability to learning from the experience of Oradea specifically had been essential to Resita in its journey to attract EU funds, replicating Oradea's approach. For instance, it adopted measures to build human capacity and avoid outsourcing activities related to EU projects. In addition, it targeted multiple funds simultaneously and mixed different funds to create integrated investments.

“We started with one person at project writing. Now, out of the 18 people, there are about 5 or 6 [people] who know how to write projects.” (L4R2: 22-23)

Small municipalities

Hunedoara placed high importance on training and learning. However, due to workload, the staff would often be unable to attend external information sessions and seminars. The personnel involved in EU funds either had a previous experience with EU funds or were trained on the job. The local leader supported the efforts of the staff for training and learning.

Negresti Oas made significant efforts to learn about the programme and stay informed. However, their strength relied on their experience with the EU funds, acquired before the administration or in the last programming period. The dedicated personnel attended training courses organised by the intermediate body to enable them to prepare projects for the ROP 2014-2020. The NW RDA proved very helpful to the team in clarifying issues or providing support whenever needed.

The local leader in Santana emphasised the timely acquisition of EU funding knowledge to enable the team to learn gradually and early. The local leader encouraged the team to learn but highlighted the need for enhanced transparency at the system level to enable the staff to access the needed information to prepare projects in line with the programme's requirements. In the case of the ROP, the level of transparency was not considered very high, which made learning and knowledge acquisition more difficult.

Similarly, Valea lui Mihai emphasised learning and knowledge acquisition to attract SF and support the staff. The local leader did not emerge as pushing for training and learning for the staff. However, the middle management was advancing the learning interests of the staff.

Lastly, the mayor of Sacueni placed high importance on training the staff involved in attracting EU funds. He believed that a good mayor depended on a knowledgeable team. A mayor could only have expertise in some of the matters of the polity. As a result, he relied exclusively on the work and expertise of the team. Therefore, for the mayor, without a reliable and knowledgeable team, the mayoral office would not work. The mayor invested generously in building knowledge and skills to build human capital. For instance, the mayor enrolled ten people in different undergraduate courses and brought them into the administrative system. He firmly believed that they would still work in the factories nearby if he had not given them a chance. Some of them were involved in social work. Others were construction engineers. Continuous learning through practice also helped his team develop and gain knowledge. However, despite his efforts, the mayor considered that the staff did not have the necessary expertise for being able to prepare applications for funding and create projects. The civil servants were only involved in overseeing the implementation of projects.

7.3.4 Assessment of organizational structure

In order to systematically analyse the efforts to build structural capacity and capture the relation of the mayors with their respective administrations, three structural elements were analysed (Tables 7.3 and 7.4), the types of administrative arrangements created for EU funds, the measures to fill in the positions within these structures, and the training and learning efforts to build knowledge. Firstly, the large municipalities created EU-dedicated structures, and the small municipalities functioned with smaller structures and looser project management and implementation arrangements. Secondly, mayors across all cases tried to attract new people for the positions created within the structures dedicated to EU

funds. Lastly, the big municipalities displayed intense efforts to encourage, support and sustain continuous learning and training of the staff about EU funds.

Big municipalities

The political leaders of Oradea and Resita prioritised and invested in creating a well-functioning structure dedicated to EU funds. Once created, the EU structure was stable and closely connected to the mayor's office and the other administration departments. The mayor of Resita initiated and built a well-resourced internal structure in the administration that worked closely with his office to stimulate local development and increase local resources. Arad also displayed a strong structure set up to handle the design and delivery of EU projects. The evidence for Cluj-Napoca indicates that the administration created a dedicated structure for EU funds but has yet to invest further in developing this structure, relying on consultants to support the team's efforts. Bistrita and Zalau had a well-defined and developed internal structure dedicated to attracting EU funds and an internal team specialized in EU funds. Despite having clear structures in place, the efforts of Deva to populate these structures with people needed to be stronger. Comparatively, Timisoara used the structures inherited from the previous EU funding cycle without further measures and efforts to adapt, strengthen or develop the existing arrangements. The administrative EU structures in Timisoara displayed weak characteristics in terms of types of units, positions created, task distribution, and size.

Moreover, no evident staffing efforts or staffing strategy for EU funds were found in Cluj-Napoca. In addition, Oradea made efforts to attract specialized expertise for complex investments. However, the labour market affected these efforts, as it did not have the expertise the municipality needed to recruit. Similarly, the efforts made in Resita to increase and invest in staffing were persistent, elaborate and continuous for the EU funding

department. Moreover, Arad, Bistrita and Zalau made notable efforts to increase staffing and attract the technical expertise necessary for complex investments. However, the labour market did not support finding the necessary expertise. Comparatively, Deva struggled with many projects to implement and low staffing levels. Timisoara's efforts to increase and invest in staffing seemed low.

Cluj-Napoca emphasized learning and training activities and encouraged and supported the staff to take part in such activities. Oradea displayed a high level of commitment to different forms of training, such as informal and formal learning like networking, experience sharing, courses, seminars or thematic events. The efforts put into training and active learning in Resita were continuous and highly stimulated. The mayor of Arad encouraged learning and the timely training of the staff. Similarly, the efforts in Bistrita to support and encourage the training of the staff were high. Additionally, Zalau displayed a high commitment to continuous learning, learning by doing, and the availability of learning from others. The learning process in Timisoara was not a priority, and due to a lack of time, it was slow, ad-hoc and unsystematic. The team needed more time to have a good overview and understanding of the ROP opportunities.

"[...] We received it [the support of the mayor]. We would not have been able otherwise to do all the things we did, internally and externally." (L4R2: 29)

Small municipalities

However, the evidence indicates moderate efforts in Hunedoara to increase and invest in staffing. Negresti Oas' efforts to increase and invest in staffing were relatively low, despite acknowledging the overcharging of the existing staff with responsibilities. In addition, the evidence in Santana points to measures targeting creating an internal team dedicated to

attracting EU funds. However, the evidence indicates that the efforts to increase and invest in staffing in Santana were significant, with the mayor emphasizing the importance of hardworking and dedicated people. As for staffing measures in Valea lui Mihai, they emerge as relatively low. The efforts in Sacueni to increase and invest in staffing were significantly high.

Despite emphasizing the importance of knowledge, the efforts made to create the appropriate conditions to sustain and stimulate learning and training in Hunedoara were medium. As for training and learning, the evidence indicates medium measures in Negresti Oas to support training, despite an overt encouragement of the mayor in this regard. The local leader allowed the team to do the activities they deemed necessary and relevant. As for learning and training, the local leader in Santana encouraged and supported learning and training processes, emphasizing the importance of reliable knowledge and expertise within the team. The local leader supported the team's autonomy to do the necessary and relevant activities. As for training, Valea lui Mihai displayed some efforts made in this direction. However, the efforts to support and encourage staff training emerged as low. The local leader in Sacueni displayed a unique dedication to stimulate, encourage and support the staff to specialise and gain the necessary knowledge to enable them to specialise and improve their performance. The mayor in Sacueni strongly encouraged and sustained training and learning activities, making remarkable efforts to support education, training and learning in the EU funds department.

Table 7.3. Assessment of bureaucratic structure¹³⁰ - big municipalities

Municipalities	Bureaucratic structure	Structural adaptation	Staffing measures	Training and learning
ORADEA	very high	very high	very high	very high
BISTRITA	very high	very high	very high	very high
RESITA	very high	very high	very high	very high
ARAD	high	high	high	high
ZALAU	high	high	high	high
CLUJ NAPOCA	medium/ high	medium	medium	very high
TIMISOARA	medium/ low	medium	medium/ low	low
DEVA	low	low	medium/ low	medium/ low

Table 7.4. Assessment of bureaucratic structure¹³¹ - small municipalities

Municipalities	Bureaucratic structure	Structural adaptation	Staffing measures	Training and learning
SANTANA	high	high	medium	high
SACUENI	high	low	high	high
HUNEDOARA	medium	medium	medium	medium
NEGRESTI OAS	medium/ low	low	low	medium
VALEA LUI MIHAI	low	low	low	low

7.4 Internal relations

This section examines the engagement of local leaders with the staff allocated to the EU structures. It aims to identify whether and how local leaders developed and maintained close contact with the team and the engagement patterns developed to support and sustain their efforts. First, it presents the findings about overseeing and problem-solving to facilitate administrator's performance, aiming to identify the measures taken to supervise and support the personnel involved in attracting SF. It then focuses on the coordination efforts

¹³⁰ A rating scale was used to assess each component (Section 3.3.2: 92) together with the assessment criteria developed in Annex 7. The big municipalities are listed in a descending order from "very high" to "absent", based on their score for bureaucratic structure.

¹³¹ A rating scale was used to assess each component (Section 3.3.2: 92) together with the assessment criteria developed in Annex 7. The small municipalities are listed in a descending order from "very high" to "absent", based on their score for bureaucratic structure.

to synchronize the departments' activities and then the internal control and accountability level. It closes with a summary of the findings and the case assessments.

Big municipalities

The evidence from Cluj-Napoca indicates that the mayor had a hands-on approach during the formulation phase and a needs-based involvement during implementation when the administration's role was more prominent. The evidence indicated that the leader supported the team's activity in attracting EU funds. However, the evidence did not provide sufficient support to indicate an active and sustained interaction between the mayor and the administration in implementation.

In Oradea, the mayor's figure was central in the decisional and operational processes. Political leaders stayed close to the team to supervise their work, keep them motivated and red-flag potential problems. The EU-funded projects resulted from a collective effort of civil servants and political leaders. The overseeing process was continuous and based on a solution-seeking approach to anticipate, prevent and solve problems occurring during the process.

For Resita, the essential element that allowed the municipality to participate in many EU, national and international projects was the vision and the strategy that the local leader created and his flexible approach towards the activities performed by the team. The mayor of Resita offered a high degree of autonomy and flexibility to the team to design and perform their work. The activity of the civil service followed the overarching vision and strategy adopted for EU funding, namely: acknowledge and prioritise needs, design a vision, seek investment ideas early, decide over a project pipeline, network with highly achieving municipalities (such as Oradea), exchange knowledge, map opportunities, integrate investments to maximise funds and support the EU team whenever needed.

The mayor of Bistrita was essential in stimulating and initiating the process. EU funds were a top priority on the leader's political agenda. With his impetus and active involvement, the civil servants were able to pursue the activities required to access funds, and they were motivated by professional duty. Moreover, the mayor brought a meaningful contribution to the process by supporting it and getting involved in projects. The mayor made himself available to act when his authority would unlock bottlenecks and facilitate collaboration among departments. Given the workload on the team involved in preparing and delivering projects, Bistrita tried to address problems as they appeared to support the team's efforts and make their work efficient. Through his involvement, the mayor inspired and motivated people to seek to perform better and stay engaged and committed. In addition, the leader oversaw the activity of the specialised unit and was open to the input provided by the staff.

The political leader of Zalau was primarily involved in setting the direction and priority of action for attracting EU funds. Zalau had strong internal middle management that developed a close relationship with the EU team and exercised supervisory roles. It also coordinated the activity of all three EU units. The heads of these EU units built a strong relationship and collaborated closely. This approach strengthened the capacity of the administration to oversee the process of attracting EU funds, as the three managers collaborated well and worked closely, each overseeing a distinct aspect of the process. The managers used collaboration and communication to build relationships across departments.

The involvement of the elected leader in Zalau was limited but essential in building the team. This role was significant in understanding the development potential of the EU funds and in setting the administration's direction towards attracting EU funds. Without understanding the importance and relevance of the EU funds for development, the EU-dedicated structures might not have been created, and the administration's efforts might not have been steered

towards the EU funds. The elected leader was committed and involved but remained external to the technical aspects of the EU project, which the EU team handled. The elected leader remained involved in the strategic aspects of the process, particularly in the discussions regarding priorities, milestones, and implementation timelines.

The mayor of Arad did not interfere in the technical aspects of projects or their implementation and developed a pattern of constant interaction with the administration for project updates. The mayor of Arad mainly supervised the implementation calendar, the timeliness of actions and the impact of the EU projects implementation on other public services, such as traffic. The daily activities of implementation were the exclusive task of the administrative body.

"We have discussions with the mayor [but] not necessarily about the depth of a ditch or quantities. This is up to us, the technicians, we check, we measure, we follow the project." (L2R2: 21)

The direct interaction of the team with the mayor of Deva was distant, and the mayor mostly gave general direction to the team and support in specific implementation problems.

In Timisoara, the leader was essential in critical situations to unlock difficult circumstances. The leader was particularly present when the administration's efforts did not suffice to overcome a problem. The mayor-administration interactions took the form of problem-solving assistance when an authoritative power could unblock specific processes. The mayor did not guide the process. Instead, he was involved sparingly when his presence and problem-solving ability was needed.

Political leaders in Timisoara were critical during the delivery of the EU investments. With their support, it was easier for civil servants to carry on certain implementation activities

when the presence of a higher authority was needed to make specific processes more flexible. For instance, the mayor proved crucial when contractors faced problems with a lack of labour force or weather conditions. The mayor played a problem-solving role, intervening to solve specific problems requiring hierarchical intervention. Otherwise, project generation and delivery fell exclusively on the administration.

Additionally, the mayor and the deputy mayor in Timisoara provided general support in the decision-making stages for agreeing on the types of investments to be pursued. Additionally, they were important in the relationship with the Local Council. Apart from these specific and ad-hoc interactions, the critical resource remained the civil service. The mayor of Timisoara did not take the necessary measures to improve their working conditions, to increase their archiving space to store EU projects or provide logistical support, such as printers or new computers. In addition, the evidence indicates that the incumbent did not show much consideration for the civil servants and their daily struggles. Respondents in Timisoara mentioned that politicians needed more interest in retaining valuable and experienced people. Many experts left the municipality and transferred to other public institutions due to working conditions and demotivation, despite enjoying their work with the EU funds. The staff that left had the expertise that the remaining team needed, which still needed to be replaced after leaving. The remaining team took over their work.

"Romania has four seasons. We sign the contract during the fall. People start working in the winter. It is a period in which the mayor must intervene. He has to. [...] We need him and let him know [...] when we have problems. Then he intervenes, and he can explain things. It is a different kind of discussion, at a different level." (L1R2: 22)

Small municipalities

The local leader in Hunedoara was very involved in all the processes related to attracting EU funds. In fact, during the incumbent's term, Hunedoara had the highest number of investment projects since 1992. The elected leader was vital in mobilizing the team towards preparing projects for EU funds and encouraging and pushing them to prepare many projects. The mayor also encouraged the development of an active and sustained dialogue with the civil service throughout the process. The current mayor demanded transparency and regular briefing. The team felt that their activity was valued, and fully supported. The decision-makers were responsive to the administrator's problems and emergencies. Hunedoara emerged as a municipality where the units appointed to attract EU funds were highly active and closely engaged with local leaders. The contact between the team and their political leaders was constant, frequent, and spontaneous. The communication was open. The political leaders tried to compensate for the shortage of personnel through their active involvement, ability and access to solutions. The team provided timely communications and reporting. For this, the leaders meet with the team thrice weekly to discuss each project in detail. In addition, the mayor provided flexibility to the team in organising their work without interfering and micromanaging their activity, which was highly appreciated by the team. In addition, the mayor openly declared his appreciation of the efforts made by the team. This appreciation gave the team a sense of accomplishment, direction and motivation to persevere.

The mayor's level of involvement in EU projects gave the team in Negresti Oas purpose, direction and motivation. The mayor was very open to the team's input, and their opinion was considered in the decision-making process. This exchange was valuable for both the

mayor and the team. The mayor received detailed insights on the development of the projects, while the team received confirmation that their opinion and work were valuable, which kept the team motivated. The local leader joined the team in specific meetings, and the leader's presence increased the team's feeling of support and confidence. The mayor also offered unconditional and total support whenever needed. Additionally, the mayor of Negresti Oas intervened in problem-solving, providing solutions in deadlocks or when implementation problems required the presence of a higher authority. In such situations, the mayor got involved immediately, facilitated contacts and opened closed doors. Thus, the team relied heavily on their political leader's decision-making powers and ability to provide quick solutions to problems. Despite the lack of staffing, the close ties of the local leader with the EU team provided a level of support that complemented the insufficiency of personnel.

The team in Santana mentioned that the leader developed a solid and close relationship with the team involved in attracting EU funds. This continuous and active relationship covered the entire process, from investment directions to identifying funding opportunities and implementing projects. The interaction developed and matured over time. As one respondent mentioned, *'it is continuous. He is 100% involved'*. Similar to previous cases, the local leader in Santana was vital when the team needed an authority figure to mitigate different relationships with problematic contractors or to mobilize providers who were sensitive to the involvement of the elected leader. The mayor got involved in critical situations which raised implementation problems and threatened the quality or completion of the investment. The mayor's involvement in the project delivery helped speed up some processes and provided solutions. The mayor was very open and helped the team whenever needed. The mayor of Santana got involved in each project and kept track of their progress.

He prioritised the EU funds and displayed overt interest in the activity of the EU team and a proactive attitude to communication and problem-solving. Moreover, the team kept the mayor informed and regularly reported, while the mayor himself asked about the situation of each project.

"[the mayor] also says, 'if you have any problem, come to me and tell me. If I am not here, it is the deputy mayor or the public administrator'." (L1R2small: 35-36)

In Valea lui Mihai, the mayor supported the team by making himself available to solve problems and overcome deadlocks. The mayor had a head-on approach to problem-solving, which helped the team to handle certain situations. Moreover, a communication flow was set up, and the team kept the mayor informed and asked for his intervention whenever problems occurred that the team could not solve. Valea lui Mihai also acknowledged the complete control exercised by the mayor. The implementation team had minimal control over implementation, and this was defined by how much the mayor allowed this control to exist. The administration took on all the responsibility regarding the outcomes of their work, although their activity was highly dependent on the elected leader.

In comparison, the local leader in Sacueni was fully committed to attracting EU funds and building a team to achieve this goal. The elected leader praised the team and tried to build a team, employ people, train them, and specialise so they could perform their duties well. In overseeing the work of the structures involved in EU funds, the local leader was directly involved, working closely with the small team created.

7.4.1 Assessment of internal relations

When it comes to the leader's relationship with the team, most municipalities developed a relationship with different degrees of closeness and different engagement patterns.

Regarding the level of closeness, there was less variation between the big and the small municipalities and more variation within each group and across individual municipalities (Tables 7.5 and 7.6). When it comes to the types of relationships and patterns of interactions developed, there is a more noticeable difference between the big and the small municipalities. The mayors in the small municipalities made notable efforts to develop a relationship with the staff dedicated to attracting EU funding. The relations developed in these cases were more informal and often spontaneous, based on need and problem-solving, while having a traceable record of frequent face-to-face engagement. Among all municipalities, Oradea, Bistrita, Resita, Hunedoara, Negresti Oas, and Santana emerged with the strongest and closest relationship leader-team for overseeing and supporting the administration in attracting EU funds.

Big municipalities

Based on the evidence collected from Cluj-Napoca, the local leader emerged as less invested in the relationship examined to mobilise, support and oversee the efforts of the staff. The elected leader in Timisoara displayed a close relationship with the team based on communication and issue-based support. Deva provided little evidence regarding the direct interaction of the team with the mayor, which seemed essential but distant. Based on the data in Oradea, the local leaders' efforts to mobilise and drive the staff for sustained and long-term activity were high. The relations developed by the mayor in Resita were characterised by a high degree of autonomy and flexibility given to the team to design and perform their work. In Bistrita, the efforts of the local leader to mobilise and support the staff emerged as being high. Respondents in Bistrita mentioned authority as a mobilising characteristic and feature that passive staff needed to stay involved with the process, but also being in close contact with the local leader with the team and constant communication

and exchanges. Based on the data in Zalau, the internal relations were delegated to the internal management teams, who established solid internal management relations to oversee the process. The elected leader played a top strategic role.

The local leader of Cluj-Napoca mostly interacted with the administration when high-level networking was needed for bottlenecks and problem-solving. The engagement in Timisoara mostly took place at the preparation stage, when the mayor decided on the types of projects to pursue, and during implementation, for specific problem-solving. The local leader in Oradea developed close contact with the team and early intervention for problem-solving and prevention. Comparatively, the elected leader in Arad constantly engaged with the team and played a determinant role in the initial stages when deciding the types of investments to pursue.

In addition, there was constant contact with the administration in Cluj-Napoca regarding the implementation of the projects. In addition, the mayor of Timisoara also established reporting sessions to gather monitoring information. However, the evidence indicates a passive and weak relationship mainly based on communication and information. The elected leader invested little in the team and in helping it throughout the process. There was continuous and constant monitoring of the project preparation and implementation process in Oradea. During the delivery stage, the elected leader in Arad played a passive role and delegated all the technical aspects of the process to the team while overseeing the team's activity during project delivery. Zalau took preventive measures to support the monitoring of the contractors and the quality of the work performed by contractors. The local leader in Zalau developed close and constant contact, communication and exchange with the internal management team.

Small municipalities

Hunedoara developed strong oversight abilities through close relationships and open communication with the team. A clear pattern of purposeful, constant, frequent and detailed engagement could be identified in Hunedoara. The constant engagement and support empowered the team to stay motivated and handle the high workload and staffing limitations. Hunedoara showed a solid leader-staff relationship in overseeing and supporting EU funding activities. The elected leader in Negresti Oas developed a close relationship with the team based on mutual trust, openness and support. While a pattern of engagement was not identified in Negresti Oas, a constant and more spontaneous engagement existed based on specific needs. The small size of the team in Negresti Oas allowed the development of a more informal relationship between the local leader and the team.

The elected leader in Santana constantly engaged with the team. The elected leader played a determining role in all the process stages. The leader offered support at every stage, stayed close to the team and kept himself informed about each project. Likewise, the mayor of Santana played an active role throughout the entire period the investments were being prepared and delivered—the overseeing capacity of the leader, as defined in this study, as being high. The elected leader in Valea lui Mihai developed a close relationship with the team based on communication and support. While a pattern of engagement was not identified, a constant and more spontaneous engagement existed. The mayor of Valea lui Mihai kept the management team accountable for the problems occurring in implementation. However, the team was highly vulnerable due to its loose structure and the lack of a support system. As no structures and procedures were established to organise the SF-related activity, the management team's problem-solving ability needed to be stronger and highly dependent on the mayor's involvement. The project manager checked whether

the rest of the team was carrying out a particular activity to prevent potential problems and blame-taking due to its vulnerable position within the administration. The internal control was significantly holding the EU team accountable for its performance. The elected leader in Sacueni developed a close relationship with the team based on mutual trust, openness and support. The oversight capacity of the local leader emerged as weak despite his close relationship with the team.

Table 7.5. Assessment of internal interactions¹³² - big municipalities

Municipalities	Internal relations	Overseeing & problem solving	Coordination	Control
ORADEA	very high	very high	very high	high
BISTRITA	high/ very high	very high	very high	high
RESITA	high	very high	medium	medium
ZALAU	high	high	low	high
ARAD	medium	medium	medium	medium/ high
CLUJ NAPOCA	medium	medium	-	-
DEVA	low	medium/ low	low	low
TIMISOARA	low	low	low	low

Table 7.6. Assessment of internal interactions¹³³ - small municipalities

Municipalities	Internal relations	Overseeing & problem solving	Coordination	Control
SANTANA	high	high	medium	high
NEGRESTI OAS	high / medium	high	medium	medium
HUNEDOARA	high / medium	high	low	medium
VALEA LUI MIHAI	medium	high	low	high
SACUENI	medium	medium	medium	medium

¹³² A rating scale was used to assess each component (Section 3.3.2: 92) together with the assessment criteria developed in Annex 7. The big municipalities are listed in a descending order from “very high” to “absent”, based on their score for internal relations.

¹³³ A rating scale was used to assess each component (Section 3.3.2: 92) together with the assessment criteria developed in Annex 7. The small municipalities are listed in a descending order from “very high” to “absent”, based on their score for internal relations.

7.5 Assessment of Leader-Bureaucracy relations

In order to systematically analyse the leader-bureaucracy interaction, three aspects were examined and assessed, the overarching strategic approach adopted by leaders, their measures to build structural capacity and the internal interactions developed with the EU staff (Tables 7.7 and 7.8). Firstly, regarding the strategic approach to attracting EU funds and delivering EU investments, the large municipalities displayed varied strategies to plan their actions to attract EU funds, with various planning degrees. In contrast, the small municipalities displayed a less strategic and more reactive approach to attracting EU funds. Secondly, in terms of the organisational structures created because of preparing, attracting EU funds and delivering EU investments, all big municipalities had specialised internal structures dedicated to attracting EU funds. By contrast, small municipalities mainly relied on people rather than departments delegated to work on attracting EU funds. Lastly, regarding the internal relations that local leaders created, the big municipalities displayed various patterns of internal interactions, from distant and sporadic engagements to stable, frequent and close relations. Most small municipalities displayed more informal and often spontaneous leader-administration efforts.

Table 7.7 Assessment of leader-bureaucracy¹³⁴- big municipalities

Municipalities	leader-bureaucracy	Strategy building	Bureaucratic structure	Internal relations
ORADEA	very high	very high	very high	very high
RESITA	very high	high	high	high
BISTRITA	high	medium	very high	high/ very high
ZALAU	high	medium	high	hight
CLUJ NAPOCA	medium/ high	very high	medium/ high	medium
ARAD	medium	medium/ low	high	medium
DEVA	low	low	low	low
TIMISOARA	low	low	medium/ low	low

¹³⁴ The big municipalities are listed in a descending order from “very high” to “absent”, based on their score for leader-bureaucracy relations.

Table 7.8 Assessment of leader-bureaucracy ¹³⁵- small municipalities

Municipalities	leader-bureaucracy	Strategy building	Bureaucratic structure	Internal relations
SANTANA	medium/ high	medium	high	high/ medium
HUNEDOARA	medium	medium	medium	high/ medium
NEGRESTI OAS	medium	medium/ low	medium/ low	high/ medium
SACUENI	medium	low	high	medium
VALEA LUI MIHAI	medium/ low	low	low	medium

7.6 Summary

This chapter examined the interaction between elected leaders and the local administration in attracting EU structural resources for local investments. Firstly, the internal relationship between mayors and their EU funding team varies across our cases. The findings indicate that in the big cities, the relationship between political leaders and the administration is essential due to the complexity of the projects and the need of the administration for a guided direction.

Arad's local political leadership efforts were focused on developing an internal EU-dedicated structure. However, there needed to be stronger efforts to support and build the administration in Deva to attract EU funds. Zalau had high efforts to build an internal structure and develop relationships with the EU team. Bistrita demonstrated significant leadership interactions in building an internal structure dedicated to EU funds and developing sustained relationships with the internal team. Cluj-Napoca could improve its leader's interaction with the internal EU structures and team. On the other hand, the leader in Oradea actively supported and interacted with the EU team throughout the implementation process. In the small municipalities the administration depends on a closely

¹³⁵ The small municipalities are listed in a descending order from "very high" to "absent", based on their score for leader-bureaucracy relations.

knitted and supportive relationship with the mayor to perform their tasks to complement for the lack of other resources.

In comparison, the smaller municipalities needed stronger leadership. Their interactions with the EU team were intense. Despite forming close relationships with the team, they faced resource constraints that hindered their efforts to solve local problems. They knew their needs but needed help to take advantage of opportunities to address them. Unfortunately, they did not develop a clear vision, and there needed to be more proactive efforts to establish multi-level relationships. Visions and strategies for utilizing EU funds were absent. Furthermore, public accountability was low across the board, except for Hunedoara.

Table 7.9 Assessment of local political leadership - big municipalities

Municipalities	Local political leadership	leader-environment	leader-bureaucracy
ORADEA	very high	high/ very high	very high
CLUJ NAPOCA	high	high/ very high	medium/ high
RESITA	high	medium/ high	very high
BISTRITA	medium/ high	medium	high
ZALAU	medium/ high	medium	high
ARAD	medium/ low	low	medium
DEVA	medium/ low	medium/ low	low
TIMISOARA	low	low	low

Table 7.10. Assessment of local political leadership - small municipalities

Municipalities	Local political leadership	leader-environment	leader-bureaucracy
HUNEDOARA	medium	medium	medium
NEGRESTI OAS	medium	medium/ low	medium
SANTANA	medium	low	medium/ high
SACUENI	medium/ low	low	medium
VALEA LUI MIHAI	low	low	medium/ low

Chapter 8. Administrative capacities for EU funding

8.1 Introduction

The main theoretical claim is that political leadership matters in attracting EU funding by municipalities to invest in sustainable urban development. Local communities need political leadership to manage and expand their resources for sustainable future development. The thesis argued that political leadership is a process in which local elected leaders engage with the local community, deploy and manage resources to prepare for action and create administrative capacities to pursue decisions and achieve collective goals for local communities.

This chapter aims to answer the last research question, whether local authorities have the necessary administrative capacity to perform the tasks required to access the allocated resources. Specifically, it focuses on public administration from the perspective of the resources mobilised to execute political decisions and their capacities to achieve them. The civil service is a vital resource for delivering political decisions, such as the decision to attract EU resources. Interview data collected at the local level was used from all the selected cases and analysed through thematic analysis. In addition, desk research was conducted to identify the structure of each local administration, their internal organisation regulation, their respective organigrams, and the allocation of positions and personnel across the internal units. It discusses the internal administrative structures involved directly or indirectly in attracting EU funds (Annex 11). For a complete list of sources, please refer to Annexes 6 and 12.

Firstly, it presents the findings about the distribution of roles and responsibilities related to EU funding in public administrations. Second, it discusses the findings related to human

resources, the knowledge levels of those involved in attracting EU funds, the size of the teams, the turnover, motivation and workload. Thirdly, it analyses the interactions between the units involved in EU funds and their external collaborations. The chapter closes with an assessment of the administrative capacity of each case and a summary of the overall findings across all cases.

8.2 Capacity of dedicated structures

This section introduces the structures created in public administrations to attract EU funds. It discusses their fit with the tasks, responsibilities and competencies emerging from attracting EU funds. The key focus is whether and how these internal structures accommodate the roles and responsibilities associated with the actions needed to attract resources, such as project preparation, management, and implementation. At the same time, it presents the distribution of roles, responsibilities and competencies across the structures created.

8.2.1 Allocation of roles and responsibilities

This section illustrates how responsibilities and tasks were distributed and matched, as the roles, positions and competencies attributed to the EU dedicated structures. It seeks to identify whether the internal structures in each municipality accommodate the roles, responsibilities and competencies associated with the actions needed to attract resources, such as project preparation, project management and implementation. The evidence in this section is collected from primary and secondary sources. Interview data were triangulated with relevant secondary sources such as the Statute of Internal Functioning and Organisation of each city administration, the Organisational Charts, or internal activity reports, where available, referenced in the text and footnotes where appropriate.

Big municipalities

All big municipalities created structures for attracting EU funds to take charge of the specific activities related to EU-funded programmes, such as local planning, preparing and writing EU project applications, and delivering and maintaining investments. These responsibilities were distributed across the structures created, and within each structure, positions of management and execution were created.

For instance, according to the Organisational Chart, the administration of Cluj-Napoca created a structure called “Strategy and local development project management service”¹³⁶ to perform the activities specific to attracting EU funds. Similarly, in 2008, Oradea created a structure called “Project Management Directorate with International Financing” to perform activities specific to attracting EU funds, according to its Organisational Chart¹³⁷ and activity report¹³⁸ of the Directorate. According to respondents in the administration of Resita, the EU structure registered an incredible evolution, particularly starting with the mandate of the incumbent mayor. From 2016 the department for attracting EU funds was completely restructured, and the personnel were replaced and increased. The department grew from 5 to 18 people¹³⁹ (at the date of the interviews in 2019). According to its current Organisational Chart¹⁴⁰, the department continued to grow.

¹³⁶ The Organisational Chart of the EU structure in the city administration of Cluj-Napoca is available at: <https://primariacujinapoca.ro/organograma/directia-generală-comunicare-dezvoltare-locală-si-management-proiecte/serviciul-strategie-si-dezvoltare-locală-management-proiecte/> - accessed on 25.02.2021.

¹³⁷ The Organisational Chart of the EU structure in the city administration of Oradea (Project Management Directorate with International Financing) is available at: <http://www.oradea.ro/subpagina/directia-management-proiecte-cu-finantare-internacionala> - accessed on 28.02.2021.

¹³⁸ The Activity Report of the Project Management Directorate with International Financing of the local administration of Oradea is available at: <http://oradea.ro/stiri-oradea/direc-539-ia-management-proiecte-cu-finan-539-are-interna-539-ionala-si-a-prezentat-raportul-de-activitate> - accessed on 28.02.2021.

¹³⁹ The Organisational Chart of the city of Resita in 2018 is available at: [https://www.primariaresita.ro/portal/cs/resita/portal.nsf/AllByUNID/31E9764B01F28303C22582660043B97D/\\$FILE/Organograma%20si%20statut%20de%20Functii%20-%20Aparatul%20de%20Specialitate%20al%20Primarului.pdf](https://www.primariaresita.ro/portal/cs/resita/portal.nsf/AllByUNID/31E9764B01F28303C22582660043B97D/$FILE/Organograma%20si%20statut%20de%20Functii%20-%20Aparatul%20de%20Specialitate%20al%20Primarului.pdf) - accessed on 28.02.2021.

¹⁴⁰ The current Organisational Chart of the city of Resita is available at: [https://www.primariaresita.ro/portal/cs/resita/portal.nsf/AllByUNID/19B25AFA85C9C204C225893B002D6552/\\$FILE/Organograma%20primarie%20Municipiului%20Resita%20incepand%20cu%20data%20de%2001.12.2022.pdf](https://www.primariaresita.ro/portal/cs/resita/portal.nsf/AllByUNID/19B25AFA85C9C204C225893B002D6552/$FILE/Organograma%20primarie%20Municipiului%20Resita%20incepand%20cu%20data%20de%2001.12.2022.pdf) - accessed on 09.04.2023.

Respondents in Bistrita mentioned that the municipality did not outsource the activities related to attracting SF. Instead, the administration of Bistrita relied on a well-delineated structure within the public administration dedicated to attracting EU funds, called the “European Integration Department”, according to its Organisational Chart¹⁴¹, gathering 25 people and distributed in the three subordinating structures.

Similarly, Deva had a dedicated EU funds unit¹⁴², according to its Organisational Chart and its Statute of Organisation and Functioning¹⁴³, since the first programming cycle 2007-13. It kept the same allocation of roles and responsibilities. According to its Organisational Chart and Statute¹⁴⁴, the city of Zalau created the “Technical Directorate”¹⁴⁵ to perform the activities specific to attracting EU funds. It contained 34 people distributed across three smaller units (4 management and 30 executives).

The Organisational Chart of Arad¹⁴⁶ city indicates a dedicated EU structure was in place. According to respondents, Timisoara also created a specialised unit for the 2007-13 programming period, called “Development Directorate”, where the “Service of Project Implementation with International Funding” functioned. The “Technical Directorate” implemented projects, but primarily those focusing on infrastructure.

“As an organization, [...] we are fine: need [identification], access [funds], implementation [of projects]. We believe this is a good working formula. Under the

¹⁴¹ The Organisational Chart of the city administration of Bistrita is available at: <https://www.primariabistrita.ro/wp-content/uploads/2021/01/Organograma-aparat-de-specialitate-1.pdf> – accessed on 02.03.2021.

¹⁴² The Organisational Chart of the city of Deva is available at: https://www.primariadeva.ro/index.php/primaria/departamente_detaliu/662 – accessed on 04.03.2021.

¹⁴³ The Statute of Organisation and Functioning in 2019 is available at: <https://www.primariadeva.ro/images/uploads/documente/Regulament-de-organizare-si-functionare-aprobat-prin-H-C-L--56-din-2018.pdf.pdf> – accessed on 04.03.2021.

¹⁴⁴ The Statute of Internal Organisation and Functioning in the city of Zalau is available at: [https://zalausj.ro/portal/zalau/portal.nsf/AllByUNID/7CF87C3FA3E2F338C22587270040EFF0/\\$FILE/rof.pdf](https://zalausj.ro/portal/zalau/portal.nsf/AllByUNID/7CF87C3FA3E2F338C22587270040EFF0/$FILE/rof.pdf) – accessed on 02.09.2021.

¹⁴⁵ The presentation of the EU structure in the city of Zalau, the Technical Directorate, is available at: <https://www.zalausj.ro/portal/zalau/portal.nsf/AllByUNID/directia-tehnica-00002f46?OpenDocument> – accessed on 04.03.2021.

¹⁴⁶ The Organisational Chart of the city administration of Arad is available at: https://portal1.primariaarad.ro/download/Organograma_1sep2021.pdf – accessed on 27.09.2021.

leadership of the director, we are three departments, and we work well together”
(L4.1R1: 40).

Most municipalities had a precise repartition of roles and responsibilities among the EU units involved in attracting EU funds. In most cases, roles, departmental obligations, and activities were clear, and they covered all the tasks specific to accessing EU funds. According to respondents in the administration of Cluj-Napoca, Oradea, Arad, Bistrita, Zalau, Deva and Resita, there was clarity in the role the EU department needed to perform. The distribution of roles and responsibilities in the EU unit in Cluj-Napoca, Oradea, Arad, Bistrita, Deva and Resita was clear and balanced. The responsibilities of the EU units covered all the activities specific to attracting EU funds, and they were well-defined, with clear boundaries between tasks and units. Arad also displayed reasonable flexibility to adapt tasks whenever the workload required. In the distribution of roles in the administration of Timisoara, the nominated EU team performed different types of activities, not only project implementation. Responsibilities overlapped, leading to an accumulation of tasks for each person.

Small municipalities

All the small municipalities had fewer internal structures dedicated exclusively to attracting EU funds, and smaller teams performed all the roles and responsibilities associated with attracting SF. The people involved in EU funds needed to perform a variety of roles and responsibilities that relied on mastering multiple competencies for their execution. This form of internal organisation had loose accountability lines and relied more on well-performing people than well-functioning systems of structures. All small municipalities outsourced the responsibilities and tasks for writing projects, and as such, these tasks remained undistributed to the internal structures.

Civil servants from different departments formed the implementation teams for each investment and performed project management roles and responsibilities. The personnel from the implementation teams were not dedicated exclusively to attracting EU funds. Instead, they had multiple roles. On the one hand, they performed the roles and responsibilities related to their main activity in the administration. On the other hand, they fulfilled roles in the EU projects. The management structure within the implementation team did not reflect the organisation's management structure, having weaker accountability mechanisms. The project manager's authority over the team members was limited to the delivery of the investment. The distribution of roles and responsibilities related to attracting EU funds ranged from medium/ high in Hunedoara and Santana, to medium in Valea lui Mihai and Sacueni, and low in Negresti Oas.

For instance, in Negresti Oas, the boundaries and remit of action of the units with responsibilities to attract EU funds were not clearly defined. The internal Organization and Functioning Statute did not clearly distribute the roles and responsibilities of accessing EU funds and implementing the EU investments across the units involved. Valea lui Mihai outsourced the services related to writing the EU funds project applications. The administration, however, dealt with implementing the projects through mixed inter-departmental implementation teams. Each project had an implementation team appointed to carry out its activities.

Hunedoara, on the other hand, kept the previous EU structure (2007-2013). The team was small, but there was an obvious work procedure in place to organise the execution of roles and responsibilities for each civil service member involved in attracting structural funding. The department was well organised, with roles and responsibilities distributed according to the roles and responsibilities specific to project preparation and implementation. Similarly,

Santana created a structure dedicated to EU funding called 'European Programmes'. It was involved in collecting the necessary documents for project submission and implementation. There was no ambiguity of roles and responsibilities among the members involved.

"No matter what the legislation says with the implementation teams, with the job descriptions, it is artificial stuff. It should not be. If something goes wrong, it is pushed to the implementation team. The implementation team has no control. It controls only the extent to which the chief authorizing officer allows it [i.e., the mayor]."

(L2.1R1small: 17-18)

8.2.2 Hiring capacity

This section focuses on the administrative units created for EU funds. It discusses the ability of local administrations to attract and hire people for the EU dedicated structures, to fill in the expertise and knowledge gaps of the existing team and increase the number of people mobilized to accomplish the assigned workload.

Big municipalities

As mentioned in Chapter 7 (see Section 7.3.2), most big municipalities tried to hire the right expertise and to fill in all the positions in the EU structures created. Finding and attracting general and EU-specific expertise and experience did not raise many problems for most big municipalities. However, there was little success in attracting and employing technical expertise. The capacity to find people in the dedicated structures for project generation and management emerged as high in most cases, while the hiring capacity for technical expertise was low. Overall, the hiring capacity to ensure the appropriate level of personnel to cover the positions and workload for attracting EU resources was medium in most cases.

"[...] we are facing a lack of staff, especially technical. [...] Unfortunately, few people have applied to competitions lately. We barely have one application." (L3.1R1: 35).

Small municipalities

Similarly, all small municipalities tried to hire people to work on attracting EU funds. All cases struggled to find local people with experience working with EU funds or people with specialised knowledge (technical or legal). The local context in small municipalities has a more significant influence on the hiring capacity of public administrations. The depopulation phenomenon affected the hiring process, as young people tended to leave small municipalities with no prospects of other incoming populations to replace them. Among small municipalities, there was little success in attracting and employing people with EU-specialised knowledge. The civil servants in place at the time of the fieldwork acquired knowledge through previous experience with EU-funded projects in the administration or elsewhere. Consequently, small municipalities were remarkably absent from programming when the types of EU investments and the conditions to access funds were established.

"We do not find expertise. Everyone learns here, including me. I have learnt here. I did not come with experience from anywhere" (L2.1R1small: 23).

8.2.3 Stability and retention of personnel

The section assesses whether staff were stable and motivated to be operational when EU funding opportunities arose. Motivation enabled the staff to go through the lengthy and demanding process of knowledge acquisition and cover the complexity of tasks involved.

Big municipalities

In terms of retention, the case studies indicated a high degree of retention and stability of personnel. There was a continuation of personnel within the EU structures from one programming period to the next. There was a slight variation in terms of retention and

stability of personnel among the big municipalities. Oradea registered low turnover rates in the EU funding team, which indicated a high institutional capacity to retain people for critical areas of investments. By contrast, Timisoara lost essential members of the team that could not be replaced and whose experience and expertise were valuable in the areas of EU funds, ROP specifically.

"[...] The truth is that the average age of the staff in the Investment Service is over 50 years old. So, we are quite old, and we should have an infusion of youth to prepare them [...]." (L2R2: 15)

Small municipalities

The small municipalities emerged as having stable personnel with continued involvement in EU projects across programming cycles. The biggest problem of small municipalities was their hiring rather than retention capacity and the overall loss of the local population. There was always the risk of losing the staff. Nevertheless, the personnel remained significantly stable.

8.2.4 Assessment of dedicated structures

The big municipalities created *structures dedicated to attracting EU funds* (Table 8.1). The roles and responsibilities for EU funds were distributed between these structures, and only the implementation teams had mixed cross-departmental membership, involving civil servants from the EU structures and other specialized departments of the administration (financial, judicial, technical). The big municipalities emerged with a high level of clarity in the distribution of roles and responsibilities related to participation across the structures in place.

The large cities emerged with a higher potential to *attract and employ people* in the dedicated structures than the small municipalities. As for attracting specialised expertise, all

municipalities, regardless of their size, struggled with attracting people with specialised expertise within public administrations. All public administrations struggled to hire people for their dedicated EU funding structures. Comparatively, big municipalities managed to attract more people than small municipalities.

As for *retention capacity*, all cases provided evidence of a good record of the retention capacity of EU dedicated personnel, who had also taken part in the previous cycle of EU funds in 2007-13. The case of Timisoara was exceptional, as the EU dedicated team has lost valuable people with technical expertise and long experience with EU funding. In Resita, the structures for EU funds were newly created and did not record personnel loss. On the contrary, its team increased gradually.

By contrast, not all small municipalities have structures dedicated exclusively to attracting EU funds (Table 8.2). In most cases, the dedicated structures only covered the implementation stage, and in most cases, the positions provided by the organigram were vacant. The structures were weaker in the small municipalities, with few positions occupied, relying only on project-based implementation teams. In addition, the small municipalities needed a clearer distribution of roles and responsibilities across the structures in place. They only relied on one or two dedicated project implementation team members. These people took over the responsibility of delivering the project and maintaining contact with the management system and all the actors concerned. It was one of the most striking distinctions between the big and the small municipalities and their structural capacity to attract EU funds and deliver EU-funded investments. Smaller municipalities faced constant population loss, and this local context weakened their ability to find suitable people.

Table 8.1. Assessment of dedicated structures¹⁴⁷ - big municipalities

Municipalities	Dedicated structures	Allocation roles & responsibilities	Hiring capacity	Stability/ retention
CLUJ NAPOCA	high	very high	-	very high
ORADEA	high	very high	medium	very high
BISTRITA	high	very high	medium	very high
ARAD	high	very high	medium/ low	very high
ZALAU	medium/ high	very high	medium/ low	very high
DEVA	medium/ high	very high	medium/ low	high
RESITA	medium/ high	very high	medium/ low	medium/ high
TIMISOARA	medium/ low	medium/ low	medium	medium/ low

Table 8.2. Assessment of dedicated structures¹⁴⁸ - small municipalities

Municipalities	Dedicated structures	Allocation roles & responsibilities	Hiring capacity	Stability/ retention
SANTANA	medium/ high	medium/ high	medium/ low	medium/ high
HUNEDOARA	medium	medium/ high	low	medium/ high
VALEA LUI MIHAI	medium	medium	low	medium/ high
SACUENI	medium/ low	medium	low	medium/ high
NEGRESTI OAS	medium/ low	low	low	medium/ high

8.3 Human resources

In the empirical investigation, the civil service's resources and human capital emerged as essential for public life in general and sustaining political leadership in particular. This section discusses the findings about the human resources aspect of administrative capacity for each case. Specifically, the focus is on people's knowledge, motivation and involvement in the tasks allocated and the level of staffing and workload within each case. Primary data from interviews were used as evidence in this section. Additionally, secondary data collected

¹⁴⁷ A rating scale was used to assess each component (Section 3.3.2: 92) together with the assessment criteria developed in Annex 7. The big municipalities are listed in a descending order from "very high" to "absent", based on their score for dedicated structure.

¹⁴⁸ A rating scale was used to assess each component (Section 3.3.2: 92) together with the assessment criteria developed in Annex 7. The small municipalities are listed in a descending order from "very high" to "absent", based on their score for dedicated structure.

through desk-research were used, specifically evidence was collected about levels of staffing, for instance through the Organisational Charts of each city administration.

8.3.1 Knowledge capacities

This section focuses on presenting the knowledge findings to determine whether the personnel allocated for attracting resources are equipped with the appropriate knowledge to handle assigned work. It discusses the two types of knowledge relevant to EU funds. On the one hand, it seeks to illustrate the EU-fund's specific knowledge available within public administrations about the rules and procedures to attract ESIF. On the other hand, it examines whether specialised knowledge was present, specifically technical and judicial/legal expertise. The latter is significant in the processes required to attract ESIF. For instance, technical designers are needed to design investments, while legal expertise is necessary for organising public procurement procedures or concluding agreements with subcontractors to deliver investments on the ground. It also discusses the capacity of the experts inside public administrations to verify the deliverables of technical contractors before attaching the deliverables to the project applications submitted by public administrations to funders during calls for projects.

Big municipalities

Within most structures involved in attracting EU funding in the big municipalities, **the EU funds knowledge** was higher than the level of **technical expertise**. All cases faced similar challenges. Firstly, municipalities had a limited range of technical specialities within their administrations. Secondly, public administrations attracted limited specialised expertise (as shown above). Thirdly, local administrations could contract only a limited number and quality experts for the different services needed in the two critical stages of attracting ESIF, designing technical projects, and supervising the delivery of investments on the ground.

While the two types of knowledge examined varied, the overall knowledge capabilities were similar across cases. Six cases had medium to high knowledge levels within their structures; one emerged as medium, and one as medium to low.

(1) EU-funds knowledge

Among most big municipalities, the EU funds' knowledge capability existed within the administrations to different degrees. All big municipalities had already participated in the previous programming period, which allowed them to acquire practical experience and specialised EU-funds knowledge, specifically for the ROP. Most large municipalities (seven) emerged as being able to handle the ROP's information and language to decipher the rules, conditions, requirements and functioning of the Programme and the EU funds management system and their interaction with the system and the rules of the Programme. In five cases, this EU-funds knowledge emerged as high (Table 8.5). It supported the team's activity and allowed them to increase their independence and autonomy from consultancy services. In addition, it enables them to verify the deliverables of the consultants when project preparation services were outsourced. Two cases (Cluj-Napoca and Resita) emerged with medium levels of EU-specialised knowledge. The two administrations emerged as having a comprehensive understanding of the process, the rules and mechanisms to attract EU funds. However, due to an insufficient number of such people who possessed a good understanding, some activities related to project preparation were subcontracted. As for Timisoara, despite being a large municipality and administration, it displayed a need for more knowledge in matters related to EU funds. The team emerged as needing a commendable understanding of the processes, procedures and requirements related to ESIF. While such knowledge might exist within the administration, it needed to be better distributed and capitalised to enhance the quality of their work.

(2) Technical knowledge

As for expert knowledge, technical knowledge emerged as the most problematic. The levels were similar among all cases, displaying weak and medium levels. All selected cases needed more internal expertise to cover the technical aspects of their investments. Six cases emerged as having a weak level of specialised expertise, specifically struggling with internal technical expertise, and two cases emerged with medium levels (Cluj Napoca and Resita). Most of the case studies struggled with having the technical ability to check the technical documentation or to monitor the activity of the site masters overseeing the actual delivery of investments on the site. This shortcoming increased the dependency of public administrations on external contractors. It also decreased their ability to control and check the quality of the deliverables of external contractors that escape quality control and democratic accountability (to the citizens and the EU via the European Commission and European Court of Audit).

"I would be inclined to say expertise, experience and numbers, but quality prevails over quantity. We are trying to get by, but it could be better, definitely." (L1R1: 17-18).

"This issue remains a problem for us. We have many infrastructure projects that need site masters, monitoring, technical support. We do not have them." (L2R1: 12)

Small municipalities

The small municipalities emerged with weak knowledge capabilities, with few variations in levels of knowledge capabilities. Except for one case, the EU-specific knowledge was slightly better in most cases than the technical one, which remained low across all cases. The personnel involved in EU funds had a good understanding of the EU funding system, and they were good experts in the field, having the capacity to write projects and verify deliverables. However, the high workload and the small number of people with such

knowledge limited the ability of the staff to be efficient and autonomous, thus depending on external consultants for writing and delivering projects. Secondly, as indicated in the previous chapter (Section 7.3), small municipalities needed internal structures to deliver their investments after contracting the EU funds. The implications were multiple. Low knowledge capacities increased their level of dependency on external actors. They lowered their ability to control and hold external providers accountable for their actions, as they could not verify the deliverables with the limited knowledge they possessed. This dependency decreased their autonomy over attracting SF, weakening their ability to control implementation calendars and meet deadlines. The level of confidence of the staff was also lower. It did not allow the team to be strategic or proactive or even present in all the process activities (planning, programming, consultations, project generation and implementation).

(1) EU-funds specific knowledge

Small municipalities displayed minimal personnel (numbers) with EU funds knowledge to enable them to prepare projects internally. The existence of EU-funds knowledge in small municipalities was medium to low. All cases followed a very similar pattern. They had one or two people with experience in handling EU projects, gained either from working on previous projects inside the administration or from working experience managing projects for other beneficiaries as part of consultancy companies or NGOs. In all the cases, these people became vital resources, as they were usually the most capable and able to follow the entire process and monitor the activity of each project from its creation to its delivery. Nevertheless, as they were very few, the activities that relied on experience with EU projects, like writing application projects, were often outsourced to consultants. In addition, these key people were appointed project managers. Their role covered all the process stages, from

supervising the activities of the companies that prepared applications and technical projects to contract executions.

The main problem in small municipalities was the low number of people across the administration overall and the low number of people with the experience and knowledge related to EU funds. Overall, the few people involved in attracting EU funds had the necessary experience and knowledge to engage with the process from its initial stages during consultations through preparing applications for EU funds. The small municipalities needed specialised staff working exclusively on EU matters, and they used the existing expertise from other administrative departments to build project management teams. The civil servants in management teams took on additional responsibilities when involved in EU projects. This expert knowledge was limited in the small municipalities due to the small size of such public administrations. Due to an insufficient and low number of civil servants with EU experience, the involvement of municipalities in the initial stages of the policy process was also limited. All the case studies outsourced the activities related to project preparation, which relied on such knowledge

"We do not write projects because we do not have the necessary experience [...]"

(L2.1R1small: 12).

(2) Technical expertise

Regarding **technical expertise**, all cases display a low level of internal technical expertise within their administrations. There are two key policy stages where technical expertise is essential. One was the preparation of the project application and the design of the technical investment project, second, for overseeing the execution of the construction contract. All case studies relied on consultants to cover most of the activities related to attracting EU

funding, from writing project applications, preparing technical projects, supervising the execution of the investment on site and delivering the investment by constructors.

Public procurement and the financial aspects of the investments were dealt with with the limited personnel available through project management teams created for each investment. In addition, they needed more staff with specialised qualifications. These multiple and overlapping responsibilities of the horizontal staff that worked for all investments of the municipality needed more motivation and commitment to do additional activities. As a result, small municipalities not only outsourced all the activities requiring technical knowledge but were also unable to verify the deliverables and hold the consultants accountable for the quality of their services.

8.3.2 Staffing and workload

This section presents staff perception regarding the size of the personnel performing the responsibilities allocated to the units involved in attracting SF. Primary data from interviews were used as evidence in this section. Additionally, secondary data collected through desk-research were used, specifically evidence about levels of staffing was collected from the Organisational Chart of each administration.

Big municipalities

All large municipalities allocated positions to each of the structures created. The size of the personnel allocated to the specialised structures dedicated to attracting EU funds varied. Cluj-Napoca, Oradea and Timisoara were among the most prominent public administrations. However, regarding the size of their EU structures, they were smaller than those created within the administrations of Bistrita and Zalau (Table 8.3). For instance, Cluj-Napoca had the smallest team allocated to EU funds. The EU departments in Bistrita and Zalau were slightly larger than in Oradea and Cluj-Napoca. Regarding staffing levels concerning

workload, they were perceived as low and human resources as insufficient. When this perception was corroborated with the level of outsourcing of tasks, Oradea, Bistrita, and Zalau were not relying on consultancy services for writing project applications or project management.

Regarding outsourcing, Cluj-Napoca was the only case relying on external consultants for project preparation. This choice aimed to increase the team's capabilities concerning the volume of EU projects envisaged. This choice brought external support but multiplied and increased the number of actors involved in each project and the team's dependence on other actors that escaped accountability (as a temporary contract bound them). In comparison, Timisoara, a city of a similar population to Cluj-Napoca, had yet to outsource the preparation of projects, despite allocating a similar number of people to tasks exclusive to EU funds. Neither did the rest of the municipalities. Consequently, the workload allocated to these teams was much larger, affecting their perception of staffing levels. Bistrita and Zalau had larger teams, and they did not outsource the preparation of projects. Nevertheless, both cities perceived they needed more staffing levels for the high workload they needed to handle. A high workload affected the perception of staffing levels and the team size needed. On the other hand, the level of outsourcing and the number of people in each team affected the perception of workload levels. In reality, the tight deadlines of each stage increased the workload for the time allocated.

“Now we hope to have someone to implement them with, because [...] there are a bit too many [projects] for the staff involved in their implementation.” (L3R2: 14).

Table 8.3. Positions and personnel in the EU dedicated structures – big municipalities

Municipality	EU personnel/ positions ¹⁴⁹	Proportion of staff to the population ¹⁵⁰	Proportion of staff to the allocated EU funds ¹⁵¹ (€)
Cluj-Napoca ¹⁵²	14 people (50 people across the PA)	23,184	3,227,879
Oradea	14-18 people ¹⁵³	10,909	2,008,117
Bistrita ¹⁵⁴	25 positions	3,003	954,824
Zalau ¹⁵⁵	34 people	1,653	640,962
Timisoara	12 people (20 people across the PA)	26,607	4,656,450
Arad ¹⁵⁶	26 positions	6,118	1,495,023
Deva	12 people (or 14 people)	5,867	2,227,367
Resita	18 people	4,071	1,605,200

Workload

All municipalities were investing a lot of work effort and labour in completing the tasks corresponding to preparing projects within a limited time frame, often requiring working late or during weekends. The local administrations were inputting considerable labour into finalising the needed activities. Their work outputs were linked to the level of effort and labour of the team involved, and vice versa, i.e., the level of work affected their performance. All case studies worked intensely and used the human resources they owned and transformed resources into outputs through their labour. For instance, in Timisoara,

¹⁴⁹ The distinction between positions and people is important as the former refers to the positions on the organigram while the latter indicates the actual number of people occupying these positions. Where data was available, the actual number of positions occupied was preferred. The data presented in this table is indicative and should be interpreted taking these limitations into account.

¹⁵⁰ For population value please refer to Annex 5.1.

¹⁵¹ The allocation for Axis 4 of the ROP 2014-2020 was used. Please refer to Annex 8.1

¹⁵² Data from the Organisational Chart of the city of Cluj-Napoca collected through desk-research and available at:

<https://primariaclujnapoca.ro/organograma/directia-generală-comunicare-dezvoltare-locală-si-management-proiecte/serviciul-strategie-si-dezvoltare-locală-management-proiecte/> - accessed on 25.02.2021

¹⁵³ Data from the Organisational Chart of the city of Oradea collected through desk-research and available at:

<http://www.oradea.ro/subpagina/directia-management-proiecte-cu-finantare-internacionala; http://oradea.ro/stiri-oradea/direc-539-ia-management-proiecte-cu-finan-539-are-interna-539-ionala-si-a-prezentat-raportul-de-activitate> - accessed on 28.02.2021

¹⁵⁴ Data from the Organisational Chart of the city of Bistrita collected through desk-research and available at:

<https://www.primariabistrita.ro/wp-content/uploads/2021/01/Organograma-aparat-de-specialitate-1.pdf> - accessed on 02.03.2021

¹⁵⁵ Data from the Organisational Chart of the city of Zalau collected through desk-research and available at:

<https://www.zalausj.ro/portal/zalau/portal.nsf/AllByUNID/directia-tehnica-00002f46?OpenDocument> - 04.03.2021

¹⁵⁶ The Organisational Chart of the city administration of Arad is available at:

https://portal1.primariaarad.ro/download/Organograma_1sep2021.pdf - accessed on 27.09.2021.

people had to deal with a high level of work that often-required staying overtime. The allocation of workload was the consequence of the entire system set up in the administration, from the loose organisational structure to the small number of people and the allocation of roles and responsibilities. Previously, Timisoara scored low on all these issues.

“Many times, we wrote funding applications at 2 am. Often, we leave at 7:00 - 8:00 in the evening [...] We never leave home at 4:00 pm. In the technical department, there is always someone present. [...] Sometimes I go and send them home [...], but we do not have much choice” (L4R1: 42).

Small municipalities

In small municipalities, the activity of attracting EU funds was delegated to civil servants across the administration. Existing staff from other departments was included in management teams to implement them after their funding applications had been approved. All the cases needed more human resources with the required EU funding experience to write project applications. They relied on one or two key people with experience in EU projects to oversee most of the activities allocated (Table 8.4). They were most of the time appointed as project managers. This context explained the frequent choice to outsource the writing of projects, but also their choice to create project-based management teams rather than permanent administrative structures for EU funds. Regarding the teams' size and corresponding work level, all cases agreed that they had insufficient human resources. However, all small cases highlight that it took much work to find people with experience in EU funding for writing projects and increase the body of civil servants who could be involved in attracting EU funds. All cases relied on consultancy services for writing project applications.

"Despite being a few, we are still trying to do things, but we have the full support of the mayor, the deputy mayor, and the public administrator. [...] If a clarification comes now, in the next second, I go to the mayor's office or who is in charge and tell him about it. [...]" (L1R2small: 18).

Table 8.4. Number of personnel - small municipalities

Municipality	EU personnel	Proportion of staff to the population ¹⁵⁷
Negresti Oas ¹⁵⁸	2 people	8,432
Valea lui Mihai	3 people	3,683
Sacueni ¹⁵⁹	unclear	6,339 ¹⁶⁰
Hunedoara	4-8 people	12,357 ¹⁶¹
Santana	2 people	7,800

Small municipalities outsourced most activities related to attracting EU funding, except project management, which weakened their autonomy and control over the process and increased the number of actors on which they depended. Overall, the small municipalities needed higher levels of staffing dedicated to attracting EU funds.

Workload

The small municipalities struggled with a high workload. Small municipalities had to put in high labour efforts to attract EU funds. The structure enhanced the high workload in the case of small municipalities and the level of staffing deployed to take part in the process. The lack of dedicated people led to outsourcing many services and creating loose structures, which took the form of implementation teams for the duration of each project.

¹⁵⁷ For population value please refer to Annex 5.1.

¹⁵⁸ The Internal Functioning Regulation of Negresti Oas. Available at: <https://www.negresti-oas.ro/wp-content/uploads/Regulament-Org-Funct-Negresti-MODIFICAT-august-2018.pdf> - accessed on 10.03.2021

¹⁵⁹ The internal structure of Sacueni. Available at: <https://www.sacueni.ro/wp-content/uploads/2019/02/organograma.pdf> - accessed on 10.03.2021

¹⁶⁰ Interview data was used, and the population value was divided by 2.

¹⁶¹ The population value was divided by 6.

The *lack of a specialized department* dedicated to coordinating the municipality's participation in EU projects led to uneven distribution of roles and tasks and a high workload on the persons involved in the process. It also reduced the accountability mechanisms and the development of procedural patterns of interactions. Attracting EU funds seemed ad-hoc and reactive rather than planned and thoroughly prepared. *High workload levels* reduced their autonomy and discretion and their availability and ability to get involved in other tasks. The high workload also prevented the administration from actively contributing to the programming stage and monitoring the programme's design.

"What makes this possible? Wanting to do it. That is the idea! Not leaving at 4:00 pm, when the programme is over, and staying at work, unfortunately [...]" (L1R2small: 15).

In addition, the management teams relied on and depended on their mayors' involvement and direct support. Forced by necessity, mayors developed close working relationships with the team, getting involved directly in problem-solving, as indicated in Chapter 7. On the other hand, the teams pushed their limits and put more effort into performing the related activities. As workload levels were high, they directly affected the capacity of the team to complete their tasks. Often, implementing teams needed to compromise on their work and sacrifice their activity in non-binding policy stages such as regional planning and programming, as they tried to manage the implementation of the projects with effort and sacrifice. The capacity of the small municipalities to handle the high workload with the available human resources could have been better in the strategic stages and stronger in the delivery stage.

"The people in the administration make up the teams, and often a kind of burnout and exhaustion intervene" (L1.2R1small: 10-11).

8.3.3 Motivation and involvement

The attitude of the staff, either indifferent or favourable to performing work specific to attracting ESIF, emerged as playing a vital role in the implementing EU funds. The motivation of the staff emerged as particularly important in situations that required extra effort or a higher input of working hours, or extra attention to details, coordination and collaboration. An indifferent or demotivated attitude emerged as detrimental to the internal activity of attracting ESIF. It is particularly destructive when motivated people need to take over the workload from other less active members.

Big municipalities

Most big municipalities emerged as having significant motivation levels among the members of the teams. Oradea, Timisoara and Arad emerged as motivated by the results of the projects. Oradea believed that the results of the project held the motivation levels up. Contributing to the improvement of the life of the citizens motivated the staff to carry on during difficult times. The positive civic feedback was a component of the team's reward along with the economic compensation in the form of a salary or allowance. Many civil servants within the EU unit choose to stay in the local administration on lower wages than they could receive in the private sector because they could contribute to the city. Similarly, Timisoara mentioned two sources of motivation for the staff to sustain efforts in demanding periods: financial stimulation and community contribution. The team involved in EU projects received a bonus for their involvement and extra effort in EU projects. However, the payment for working extra hours on EU projects was not always paid to the staff due to limited funds in the local budget. However, the loss of valuable staff, discussed earlier, indicated that more than personal commitment was needed. Key people lost motivation and left the administration, which indicated a low capacity to motivate and retain people.

Resita displayed a highly motivated team, driven by their mission to attract resources to the local community, personal satisfaction and professional development. Resita invested in motivational factors to keep the team committed, perform demanding tasks, and handle heavy workloads under tight deadlines and little resources. The highest incentive for Resita did not refer to financial stimulation but to the working environment and professional satisfaction of leaving a lasting contribution to the local community.

Deva, on the other hand, faced low motivation levels. For Deva, the level of interest, commitment and involvement of the staff was a real challenge. The activities related to EU projects require strong motivation, interest and dedication from the staff and long working hours. Due to the high workload and low staffing, the EU-funded projects required the staff to work overtime. Few people were willing to give this level of involvement and persistently work extra hours. Deva thus needed help mobilising the team to input extra hours to perform a workload exceeding regular paid hours. It became evident the need for a larger team, the lack of sufficient personnel, and the need for motivation and commitment to work. Deva needed a team that was either larger or more involved. While some measures were taken, such as transferring people from other departments to help during project delivery, this solution yielded only short-term commitments. The delegated people were not invested in this type of work. According to Deva, such measures indeed boosted the number of staff. However, without real dedication, such measures had a limited impact on decreasing workloads. In addition, the people working on EU projects had yet to receive the extra payment for the effort put into attracting EU funds. This context further disincentivised people.

Lastly, in Zalau, the motivation levels varied among the staff involved in EU funding. Some staff needed more stimulation to stay interested, involved and committed. On the other hand, there were people whose motivation was nurtured by the results of their hard work.

“Unfortunately, this field requires much inclination, so to speak, and involvement and desire to work and extra time. In case of clarifications, one has to stay until they finish them and not leave home on [time] at 4:00 pm when the programme is over. Very few are willing to get involved like that, unfortunately” (L3R2: 14).

Small municipalities

The small municipalities registered different motivation levels, displaying significant or high ones. These levels were supported by financial and personal satisfaction in doing something for the local community.

“The beauty, that is, the motivation, comes when a project is finished, and we know how much work has been done on that project.” (L2.2R2small: 16).

8.3.4 Assessment of human resources

Firstly, the large municipalities displayed a significant level of knowledge (Table 8.5), while the small administrations emerged as having lower knowledge capacities to attract EU funds for local investments (Table 8.6). The big municipalities had a high level of knowledge capabilities in EU funds and a low level of in-house technical expertise. Similarly, the small municipalities emerged as having medium levels of EU knowledge and low levels of technical knowledge. Regarding technical knowledge, both groups needed more substantial knowledge capabilities.

Secondly, all cases complained about insufficient staffing. The big municipalities mostly needed help balancing workload, staffing, and expected outcomes. The small municipalities

struggled with actual numbers of people dedicated to attracting EU funds. In the big municipalities, there were structures in place and people occupying the positions created within those specialised structures to attract EU funds. In contrast, there were no structures in place in the small municipalities. Often when structures were in place, the positions within were vacant, like in Negresti Oas. In such cases, the existing civil servants received project management responsibilities in addition to their existing responsibilities in the administration. There was a higher degree of variation across the big municipalities at the individual level. Timisoara emerged with a perception of low staffing levels for the allocated workload. In contrast, Bistrita and Zalau emerged with enough personnel to handle the writing of the projects and the management of the projects, followed by the rest of the cases that had fewer people but still quite large teams. The size of the teams in big and small municipalities had implications for the level of outsourcing and then for the level of autonomy of the teams and their level of control of the entire process of attracting ESIF.

Workload

While both big and small municipalities managed to handle the workload assigned, there was a significant difference between them concerning the stages of the policy process in which they took part due to staffing and workload levels. The limited human resources of the small municipalities did not allow them to be actively involved in the early stages of the policy process, specifically in regional planning and programming. By contrast, the big municipalities had a heavy workload despite a higher number of people involved due to the number of policy stages in which they took part and mobilised their human resources. The big municipalities had roles and responsibilities more clearly distributed across their internal structures, which were stable in the organigram since 2007 when the first cycle opened. This structural choice allowed the EU departments to dedicate their activity to pursuing

discussions and EU policies more closely. Thus, the personnel could specialise in EU matters and follow the entire process from its early stages.

Lastly, there was a high variation in motivation levels across the municipalities examined. The small municipalities emerged with high and significantly high motivation levels, while the big municipalities registered more variation in their motivation levels.

Table 8.5. Assessment of human resources¹⁶² - big municipalities

Municipality	Human resources	Knowledge	Staffing	Motivation
BISTRITA	high	very high	medium/ high	medium/ high
ZALAU	high	very high	medium/ high	medium/ high
ORADEA	high	very high	medium/high	very high
CLUJ NAPOCA	high	very high	medium	very high
ARAD	medium/ high	high	medium	medium/ high
DEVA	medium	medium/ high	medium/ low	low
RESITA	medium	medium	medium	very high
TIMISOARA	medium/ low	medium/ low	medium/ low	medium

Table 8.6. Assessment of human resources¹⁶³ - small municipalities

Municipality	Human resources	Knowledge	Staffing	Motivation
HUNEDOARA	medium	medium	medium	high
NEGRESTI OAS	medium	low	low	medium/ high
SANTANA	medium	low	medium	high
SACUENI	medium	low	medium	medium/ high
VALEA LUI MIHAI	medium/ low	low	medium	medium

8.4 Collaboration capacity

The empirical data indicates that the most complex relationship to handle it is with the contractors outsourced to implement EU projects. The first section presents the findings

¹⁶² A rating scale was used to assess each component (Section 3.3.2: 92) together with the assessment criteria developed in Annex 7. The big municipalities are listed in a descending order from “very high” to “absent”, based on their score for human resources.

¹⁶³ A rating scale was used to assess each component (Section 3.3.2: 92) together with the assessment criteria developed in Annex 7. The small municipalities are listed in a descending order from “very high” to “absent”, based on their score for human resources.

related to the interaction between the units involved in EU funds and then discusses their external interactions.

8.4.1 Internal communication and collaboration capacity

This section refers to the inter-departmental exchange, support, and communication on EU funds. Primary data from interviews was used as evidence in this section.

Big municipalities

The big municipalities highlight an intense collaboration of the EU departments with other public administration departments during the process for support with activities related to the different stages of the process. Although all municipalities developed work relationships with other departments than the EU funds department, we found that those municipalities practising less outsourcing had a more intense internal relationship and collaboration. This also applied to Cluj-Napoca, which outsourced more project preparation services but kept internal management. The internal collaboration of the EU structures with other departments was close and highly interactive. Timisoara emerged as an outlier. While departments collaborated, there was more tension between the EU structures and the rest of the departments.

“In addition to the specialized department, there is a collaboration with the technical and the public procurement service. Several people are involved, around 50 people within the City Hall, not necessarily all from the office of project elaboration, submission and implementation.” (L1R1: 15-16).

Small municipalities

Due to a shortage of staff specialised in EU matters, the small municipalities outsourced most of the activities related to attracting EU funds for local investments, performing only

implementation activities through management teams at the project level. The internal collaboration did not emerge as an issue. The internal collaboration of the individual people in the implementation teams was high. This took place among the members of the management teams, and it happened during the project evaluation and assessment period, as well as during the entire process of project delivery.

The internal collaboration of the structures involved in participation with the rest of the structures to which they intersected was non-existent. All small municipalities formally took part in participation during the delivery of the investments when project management teams took action. Civil servants from different departments were organised into management teams. Their interaction with other internal departments was limited as each management team member was a representative of the department they came from. The external interactions were limited to ad hoc problem-solving needs. Usually, project managers took part sporadically during the consultations of the guidelines and interacted with the local leader for updates on the process.

"On each domain, we collaborate with all the departments in the administration. On technical issues, we collaborate with our colleagues from urbanism, and for financial aspects, we collaborate with our colleagues from accounting. All colleagues are very prompt when submitting a project, and they are also aware of the strict deadlines, so they help us very much" (L2.2: 8).

8.4.2 External collaboration

This section discusses the external interaction of the EU units with the outsourced contractors, which were delivering different services or executing constructions. It also discusses the relations with other organizations involved in different moments of the process

(for instance, local Agencies issuing different certificates), and lastly, the national EU funds management system, comprised of the Managing Authority, the Intermediate Body, and, if relevant, the European Commission.

Big municipalities

Regarding external administrative relations and collaborations, the big municipalities developed frequent and constant interactions. Among the external relationships, the inter-organizational relationship was the most problematic of all. Very few municipalities built lasting institutional relationships to facilitate participation in EU programmes in a system not designed for such interactions. The engagement with the EU management system was frequent (high), despite engaging with only some of the actors of the EU management system as often and on the same issues. There was slight variation among the big municipalities regarding collaboration capacity for activities that relied on such relationships to attract EU funds.

The different types of relationships developed varied. Specifically, when it came to the relationship with the outsourced contractors, Zalau, Arad, Deva, and Resita emerged with a mature and developed relationship. Regarding inter-organisational relationships, the relationship with different actors whose engagement in the process would either support or weaken the process was examined. Respondents in the city of Zalau emphasised its struggle to engage local actors in attracting resources and mobilising them when their involvement would support participation. Lastly, all big municipalities engaged with the management system, depending on the issue they needed to clarify or to receive input on. Overall, the cases displayed solid and stable external relationships.

The big municipalities developed patterns of interactions with actors that were relevant to attracting resources. All eight case studies developed relationships with the regional EU

management system differently, actively seeking engagement and meeting or passively responding to the regional initiatives. Several cases developed external relationships outside the EU management system with local actors, like Bistrita, Zalau, and Resita. The degree of maturity of these relationships varied from mature and sustained relationships in the cities of Bistrita and Resita to incipient forms in Zalau. The more complex relationship to handle was that with the external private contractors. Zalau, Arad, Deva and Resita developed a strong and mature relationship of accountability and control with their contractors, taking charge of their activity. Cluj-Napoca, Oradea, Bistrita and Timisoara struggled to overcome the dependency on contractors and be in charge of the external contracts. These cases were less able to have sustained control over the deliverables and activity of external contractors—the big municipalities invested in developing and maintaining relationships with external actors relevant to attracting EU funds. Zalau, Arad, Deva and Resita had stable and active mature relationships, and Cluj-Napoca, Oradea, Bistrita and Timisoara developed external relationships with other regional or local actors.

(1) Outsourced contractors

The big municipalities emerged as having medium to high capacities to handle the relationship with the contractors. The big municipalities placed a high value on the ability of the team to engage with the contractors and supervise their work. There was some variation in the capacity to handle external contractors. On the one hand, several cities successfully handled this relationship and steered contractors, for instance, Zalau, Arad, Deva and Resita. On the other hand, several cities like Cluj-Napoca, Oradea, Bistrita and Timisoara struggled to control the external contractors' activity, often needing help to verify the deliverables.

While all municipalities aimed to develop mechanisms to control contractors and hold them accountable for their work, some of them also verified the documents they produced before

they accepted them. The cases that managed to handle the work of the contractors had higher control over their projects and implementation calendars. In contrast, those with weaker control levels over their contractors had an increased dependency and took more risks. Four big municipalities emerged as having higher abilities to hold contractors accountable and supervise the activity of the contractors in charge of the delivery of investments. These municipalities frequently supervised the delivery of investments on the ground with their staff. They verified all deliverables, constraining consultants to send work ahead of time to be able to check it. The other four municipalities emerged as needing help to verify deliverables and put pressure on contractors. They justified this limitation by the quality of companies contracted.

(2) Inter-organizational cooperation

Some large municipalities developed relationships with other external institutions to support acquiring funds. Oradea, Bistrita and Resita developed mature and extensive relationships. Oradea and Resita developed relations with other municipalities and exchanged and shared practices. Bistrita and Resita also engaged with other local actors relevant to attracting EU funds, for instance, public institutions in charge of issuing different documents for EU funds. Bistrita displayed a high capacity to mobilize and involve other local organizations to support its efforts to participate in different funding schemes and attract funds. In contrast, Resita displayed a medium to low capacity to mobilize and involve other local organizations to support them in acquiring EU funds.

"Oradea City Hall is an example, a model and, starting from this, from discussions with them, we found out about the funds on retrospective projects" (L4R2: 9).

(3) EU funds management system

The big municipalities developed a close relationship with the regional level. The national or EU level was less present in their regular engagements. For example, Cluj-Napoca and Oradea developed close and active relationships at the regional level, with constant and frequent meetings. Bistrita and Zalau were opened to the initiatives of the Intermediate Body concerning training and knowledge building to increase the knowledge capacities of the internal team, developing a more passive relationship.

“We keep in touch constantly with those who decide the fate of each project. We collaborate very well with the North-West RDA, who do what they should do, in the sense that they often encourage us, they come here, and we establish in meetings that last several hours the activities and deadlines for each project.” (L2R1: 13).

The big municipalities engaged with the national level to clarify different aspects related to participation, seek solutions to problems, provide implementation feedback, and push forward some initiatives for the aspects that were not working well during implementation. The national engagement, however, was most often top-down, initiated by the Managing Authority. The international level, however, needed to be more accessible. Overall, the big municipalities developed a close and sustained dialogue and relationship with the EU funds management system, mainly with the Intermediate Body at the regional level, which was the closest and the most relevant actor for them.

“I wrote to the Managing Authority about these four or five times and, seeing that we kept insisting, they turned off the tap” (L3R1: 15).

Small municipalities

The small municipalities had varied external collaborations. Negresti Oas and Valea lui Mihai developed more intense relations, while Hunedoara, Santana, and Sacueni had fewer such collaborations. When analysing the different relationships and actors, some variation was identified. In terms of outsourced contracts, this was the most mature relationship developed and intensely exercised by most of our cases, for example, Negresti Oas, Valealui Mihai, Sacueni and Hunedoara. In terms of inter-organisational relationships, only three cases were invested in this relationship, although all municipalities engaged with the same external actors. Sacueni struggled to engage with the local and national public bodies without institutional cooperation or partnership established at the local or system levels for the EU funds. Hunedoara and Santana managed to develop and sustain significant relationships with different actors. As for the EU management system, all of our cases engaged with all the management system levels. The engagement depended on the issue that needed clarification or support. The national level emerged as needing to be more present locally, while small municipalities engaged with the regional level more intensively to deliver projects. Overall, the small municipalities established medium external relationships, for example, Negresti Oas, Valea lui Mihai, and Sacueni, to more intense external relationships like Hunedoara and Santana.

(1) Outsourced contractors

The small municipalities emerged as having developed significantly close relationships with external contractors. All small municipalities have had negative experiences with external consultants or constructors. Therefore, all five cases were aware of the critical role external contractors could play in attracting EU funds. All small municipalities were aware of the importance of external contractors in attracting resources, as they were actively involved in

the process from start to finish, handling activities from the preparation to the delivery stage. However, they were not always fully equipped with the appropriate expertise and a sufficient number of people to thoroughly verify and detail the external contractors' activity, for instance, in Valea lui Mihai and Santana. Negresti Oas and Sacueni tried creative ways to handle this relationship in their favour to avoid the loss of funds. Sacueni tried to avoid working with the same company for multiple projects. Unfortunately, Sacueni could not directly influence the selection of contractors made through public procurement. Negresti Oas tried to closely supervise the contractors' activity that threatened to jeopardise the delivery of the investment.

"[...] our relations with the exterior are of all kinds." (L1.1R1small: 6)

(2) Inter-organizational cooperation

When examining the inter-organisational relationships developed by small municipalities with other actors and organisations in acquiring EU funds, respondents in Valea lui Mihai discussed and elaborated on this relationship in detail, introducing the entire constellation of actors with which municipalities needed to interact for the preparation of projects. Their inter-organisational relationships were of all kinds. Due to the system-level barriers, in Valea lui Mihai, inter-organizational cooperation was not formalised nor regulated. Therefore, to advance the preparation of projects, the institutional interactions relied on informal person-to-person interactions in Valea lui Mihai. Overall, this relationship emerged as fragile. The small municipalities were weak in building institutional relationships, despite developing good person-to-person relationships like in the case of Valea lui Mihai. Negresti Oas and Valea lui Mihai managed to develop relationships supported by personal interactions.

(3) EU funds management system

The small municipalities did not fully develop a relationship with the EU management system. All small municipalities had positive but weak and infrequent interactions with the regional management system, displaying somewhat distant relationships, like in the cases of Negresti Oas, Valea lui Mihai and Sacueni. Small municipalities mainly responded to regional initiatives rather than initiating them, with few exceptions, like in the cases of Hunedoara and Santana. When it came to the national level, all the small municipalities highlighted that the national level needed to be present in direct engagements with the local level. Overall, the dialogue of the small municipalities was reactive to the initiatives from the regional and national levels. Most of the time, this engagement resumed to attending seminars, asking clarification questions or cooperating during project implementation, for instance, Hunedoara and Santana.

8.4.3 Assessment of collaboration

Municipalities emerged with a high level of internal collaboration in matters related to attracting EU funds. In big municipalities, the collaboration developed between the EU-funded structures and other departments from the administration involved in specific tasks that needed specialised and temporary support during the preparation of projects or their implementation (Table 8.7). In the small municipalities, internal collaboration refers to the collaboration between the members of management teams and relies on individual responsibility and agency (Table 8.8). Such relationships were short-term for the duration of the projects and ended at the end of each project. It was a substantial difference between the two types of administrations. The big administrations developed patterns of interaction with other structures, relying more on these patterns to establish relationships. In contrast, the small municipalities mainly relied on individuals and the manager of each project, making

it more challenging to develop long-lasting interaction patterns and a culture of interaction for EU funds.

Additionally, the internal collaboration was more formalised in the big municipalities and required more institutional effort to establish long-term and stable relationships. The small municipalities had a less formal internal interaction due to the loose model adopted for participating in EU programmes. However, it put more pressure and responsibility on the internal team rather than on the interaction pattern between departments, which required clearly defined interaction procedures.

All municipalities developed various degrees of external relationships with actors that were meaningful to the process. The relationship with the outsourced contractors ranged from medium to high, the inter-organizational relationships were medium to high, and the relationships with the EU management system were highly developed across the big municipalities and at various degrees of proximity across the small municipalities. Overall, the big municipalities emerged as engaging more actively with external actors. In contrast, the smaller municipalities emerged as engaging less frequently and less consistently with other actors, even when such engagements would have supported their activities. Within each group, there was variation among the types of relationships explored. In the case of big municipalities, there was a sustained and active engagement with the EU management system. In the case of small municipalities, the most significant relationship was with external contractors.

(1) Outsourced contractors

The capacity to handle the relationship with the contractors varied among the big cities. For example, the administrations of Cluj-Napoca, Oradea, Bistrita and Timisoara emerged with

a medium capacity, while Zalau, Arad, Deva and Resita with a high capacity to handle the relationship with the contractors. The big municipalities placed a high value on the ability of the team to engage with the contractors and supervise their work. In contrast, most small municipalities like Negresti Oas, Valea lui Mihai, Sacueni, and Hunedoara managed to handle this relationship to a significant degree through informal mechanisms due to their limited staffing and limited knowledge ability to control the deliverables. While the big municipalities aimed to control this relationship as much as possible, the small municipalities did not aim to achieve this goal due to the very small size of their respective administrations. The small municipalities had a higher degree of dependency on external contractors and thus focused on overseeing the activity of the contractors. Among some small municipalities, Negresti Oas, Sacueni and Hunedoara managed them better than Valea lui Mihai and Santana.

(2) EU funds management system

Overall, municipalities emerged with a medium to a high level of engagement with the *EU funds management system*. Whereas some big municipalities engaged more intensively at all levels, for instance, Bistrita, Arad, Deva and Resita, the small municipalities displayed a lower level of interaction with the EU management system. The big municipalities actively interacted with the regional level at all the policy process stages, from planning and programming to project preparation and delivery. The small municipalities had a more passive interaction with the regional level, defined by a responsive attitude towards the initiatives and activities initiated by the Intermediate Body, like Hunedoara and Santana. Usually, the level of engagement increased during implementation when the Intermediate Body was present in the project delivery lifecycle, from signing the contract to post-implementation reports.

Regarding other levels of government, the big municipalities engaged with the national level more actively than the small ones. This interaction emerged as a response to the actions of the Managing Authority, but it also followed local-level initiatives. The small municipalities were passive respondents in their relationship with the Managing Authority, reducing their interactions to specific issues. As for the interaction with the European Commission, this relationship was absent in the small municipalities, while emerging on specific cases and issues in the big municipalities like Oradea. Overall, the impact of attracting EU funds was visible primarily at the project preparation stage, when pro-activeness could mean more information at the local level if the structures actively sought to engage with the regional or national level. The lack of structures in the small municipalities to take care of this relationship from the early stages made it more difficult for the small municipalities to have an early dialogue with the EU management system.

Table 8.7. Assessment of collaboration¹⁶⁴ - big municipalities

Municipalities	Collaboration capacity	Internal collaboration	External collaboration
ARAD	high/ very high	very high	high
RESITA	high/ very high	very high	high
BISTRITA	high/ very high	very high	high
CLUJ NAPOCA	high	very high	medium
ORADEA	high	very high	medium
ZALAU	high	very high	medium/ high
DEVA	medium/ high	medium	high
TIMISOARA	medium	medium/ high	medium

¹⁶⁴ A rating scale was used to assess each component (Section 3.3.2: 92) together with the assessment criteria developed in Annex 7. The big municipalities are listed in a descending order from “very high” to “absent”, based on their score for collaboration capacity.

Table 8.8. Assessment of collaboration¹⁶⁵ - small municipalities

Municipalities	Collaboration capacity	Internal collaboration	External collaboration
NEGRESTI OAS	medium/ high	high	medium
VALEA LUI MIHAI	medium/ high	high	medium
SACUENI	medium/ high	high	medium
HUNEDOARA	medium	medium	medium
SANTANA	medium	high	medium/ low

8.5 Assessment of administrative capacity

The sections discuss administrative capacity in each case based on the components analysed and presented in the previous sections.

Big municipalities emerged with a high or significant administrative capacity (Table 8.9), while small ones emerged with a medium administrative capacity for attracting EU funds (Table 8.10). Most big municipalities had enough administrative capacity to participate in most stages of the policy process, i.e., in the strategic stages of regional planning, in programming, or discussions regarding the start of the following programming cycle. The small municipalities had a lower administrative capacity to take part in the strategic stages of the process (regional planning, programming), and their limited human resources only allowed them to participate fully in implementing the EU-funded investments.

The small municipalities were almost absent or sparingly involved in the strategic stages of the policy process. Their administrative capacity did not allow them to engage with these strategic processes. Even after the closure of these processes, the small municipalities needed more personnel to take part in preparing projects for investments. This essential activity was outsourced to external service providers who started preparing funding

¹⁶⁵ A rating scale was used to assess each component (Section 3.3.2: 92) together with the assessment criteria developed in Annex 7. The small municipalities are listed in a descending order from “very high” to “absent”, based on their score for collaboration capacity.

applications after the approval of the ROP, after the publication of the specific guidelines and after opening the calls for projects. In contrast, the big municipalities started preparing before the approval of the ROP, before the publication of the final guidelines and before the opening of calls for projects.

Big municipalities

The big municipalities emerged with a medium to high administrative capacity. The only two dimensions where variation among our cases was identified referred to human resources and collaboration capacities. The cities of Oradea, Arad, Bistrita, and Zalau displayed a higher human resource capacity than Cluj-Napoca, Deva, and Resita, which displayed medium levels of human resources, and Timisoara with medium to low levels.

Oradea's administration has shown exceptional capability in fulfilling its political aspirations and was deemed highly capable of accomplishing its tasks. The EU structure in Zalau was well defined, and the team was well suited for the task, complementing the political efforts mobilised for the EU funds. Finally, the administrative capacity in Resita has gradually evolved, and the team is now highly motivated and well-trained, passionately involved in EU projects.

Arad's administration exhibited several strengths and adapted well to its responsibilities, compensating for the weaker political leadership concerning EU funds. Similarly, Deva's existing EU structures and teams displayed a robust administrative capacity, threatened by un-sustained political support. The EU funds structures in Deva needed additional measures to expand its team and adjust its capacities to the political ambitions of attracting many EU funds. As the political objectives exceeded the abilities of the existing otherwise well-built structure, team and internal cooperation, the administrative capacity faced the risk of being exceeded by workload.

In Cluj-Napoca, the administrative capacity was relatively high, which explains why there were fewer interactions between leaders and administrators. In Timisoara, the administrative capacity was better than the political leadership, which was only considered medium. Even though the city of Timisoara had many resources, the leadership did not make the most of them. There were low levels of leadership interactions internally, which suggests that there was more potential to be tapped into. Unfortunately, the dedicated EU structures in the administration of Timisoara were not fully adapted or optimised, and there was no overarching guidance to help them achieve their goals. As a result, the administrators could only perform some of the tasks necessary to attract EU funds faster, similar to the pace of Cluj-Napoca.

In addition, the big cities took part in all the policy processes and were active participants whenever the system allowed them to intervene. The administrations of Cluj-Napoca and Oradea were proactive, forging and creating engagement opportunities where these were missing, trying to make their voices heard whenever possible. The big municipalities took part directly in the application process. When calls for projects were opened, most administrations prepared the applications for funds and handled the entire project preparation with their internal resources. Outsourcing was chosen for specific services usually performed by specialised companies, regardless of the investment and source of funding (national, local, external).

The big municipalities started the activity of project preparation as early as possible and aimed to verify all the deliverables submitted by the external companies. In addition, they had in-house technical experts, engineers or project designers, some belonging to the structures dedicated to the EU funds. Therefore, the big municipalities exercised higher control over the entire process of attracting EU funds. Moreover, they had a higher ability to

hold the contractors accountable for services and constructions for which the administration and the elected leader would be held accountable. As for the delivery of the contracted projects, the big municipalities also built internal management teams. However, the responsibility over the entire project relied on the structures created for EU projects. They dealt with the administrative aspects of each project, kept an overview of the delivery of the investments, and handled the relationship with the contractors, the EU management system or any other type of actor that played a role in the delivery of the investments.

Small municipalities

The small municipalities had a medium level of administrative capacity, with no significant variation among the cases compared. However, Hunedoara was found to be an exception, displaying political and administrative behaviour similar to that of larger municipalities. Its administrative capacity and leadership were rated as moderate to high, which is unsurprising given its larger size than the other cases in its group. Despite their limited resources, the small municipalities need to improve their overall administrative capacity to implement their projects effectively while outsourcing non-operational tasks.

The weakness of the small towns related to the structures in place and the level of competencies of their human resources. Most aspects of human resources, such as knowledge and staffing, were medium to low, and high motivational levels complimented this. The structures in place were loose and primarily informal, which increased their dependency on external consultants. The capacity to hire people was low among most small municipalities, while their retention levels were relatively high. In addition, the collaboration capabilities of the small municipalities were also limited. The internal inter-departmental collaboration was an aspect that was less evident in small municipalities due to the structural model in place that did not rely on internal structures but on individuals as members of

management teams. The external capacity to collaborate was even more limited. The most relevant engagement was with the external contractors and the EU funds management system, specifically with the regional institutions handling the EU funds.

The most critical administrative capacity resource was the human resource, precisely the size of the civil servants mobilised to participate in EU funds. The personnel size shapes the structures in place and the ability to distribute the roles and responsibilities for EU funds-related tasks well. The workload capacity was closely related to the size of the team, the level of outsourcing and the workload on each individual mobilised to participate in EU funds. The team's motivation was another essential component in the small municipalities due to the small size of the team involved in EU funds, which was reunited with management teams. The lack of motivation of an individual to perform their tasks brought an extra workload for those civil servants that got involved and were passionate about their work. The probability of free rides in loose structures was higher than in those municipalities with formal structures in place, and the accountability of the individual was higher. Free riding happened in all case studies. This attitude increased the administrative burden on the rest of the team and destabilised the distribution of workload and the process of acquiring funds. To readjust, those that were committed increased their effort and work time, which implied working overtime or during weekends and developing friendships that exceeded the realm of work to keep themselves motivated. This pattern was identified in all small cases. The team involved in attracting EU funds was often close to burnout. In the case of small municipalities, the central internal accountability pressure emerged from the position occupied within the administration, i.e., the permanent position of each team member. Therefore, their commitment was first to that role and second to the role assigned for attracting EU funds.

When it came to attracting funds, the administrative capacity influenced the choices the municipality made regarding the policy stages in which it chose to participate. The small size of the administrations and the small number of people with experience and knowledge in EU funding determined the team's membership nominated to participate in EU funds. The management teams were loose structures composed of civil servants already occupying positions within public administrations. The management teams were created to deliver projects. They were built around the core positions for project management, which included a project manager, a project assistant, a financial officer, a technical expert and a public procurement expert. This loose structure emerged for managing projects only. Therefore, there needed to be more scope and availability of people to participate in earlier policy stages such as programming or regional planning or even project preparation. The small municipalities responded to requests and invitations from the regional body or the managing authority during the strategic stages of the policy process. However, their attitude was most of the time reactive and ad-hoc. There needed to be scope for continuation or further initiatives from local actors. Although very interested in these initial stages, small municipalities needed more capacity to take part and were mostly absent. This non-consistent engagement with the initial stages of the policy process did not allow the small municipalities to gain sufficient confidence and knowledge to prepare projects for the municipality in advance or discuss and develop conversations around this issue. Therefore, the preparation of the projects was outsourced in all our cases.

The process started once the ROP was approved, then launched and the calls for projects opened. This approach came late into the process that required maturity of knowledge and projects, as the deadlines for project submission were short. Often small municipalities submitted projects at the last minute. Similarly, small municipalities often needed more time

to check the deliverables of external consultants. As a result, they submitted documents without having done a thorough verification. This situation could have consequences on the project evaluation and assessment process or the delivery of the investments. The activity of the internal team started most of the time after the projects had been contracted, for their delivery, therefore quite late into the policy process.

Table 8.9. Assessment of administrative capacity - big municipalities

Municipalities	Administrative capacity	Dedicated structures	Human resources	Collaboration capacity
CLUJ NAPOCA	high	high	high	high
ORADEA	high	high	high	high
BISTRITA	high	high	high	high/ very high
ZALAU	high	medium/ high	high	high
ARAD	high	high	medium/ high	high/ very high
RESITA	medium/ high	medium/ high	medium	high/ very high
DEVA	medium	medium/ high	medium	medium/ high
TIMISOARA	medium	medium/ low	medium/ low	medium

Table 8.10. Assessment of administrative capacity - small municipalities

Municipalities	Administrative capacity	Dedicated structures	Human resources	Collaboration
HUNEDOARA	medium	medium	medium	high
NEGRESTI OAS	medium	medium	medium	high
SANTANA	medium	high	medium	medium
VALEA LUI MIHAI	medium	medium/ low	medium/ low	medium
SACUENI	medium	medium/ low	medium	medium

8.6 Summary

This chapter analysed the internal workings of the administrative structures nominated and created to attract structural resources. The chapter aimed to determine the role of administrative resources and capacities in explaining different outcomes in resources attracted among similar municipalities. For this, the resources involved in the process were discussed, focusing on allocating human resources to accomplish tasks. It then analysed the

human capacity for realising the specific activities related to attracting EU resources and their collaboration ability.

The analysis assessed capacity factors in the two types of municipalities selected as case studies, differentiating between big and small administrations. As mentioned in Chapter 4, the structural resources allocated differ between the big and small administrations, as they did not have access to the same resources. At the same time, both were subjected to the same rules for attracting Structural Funds. The concept of administrative capacity was analysed for big and small municipalities separately, distinguishing between the two due to their different levels of internal resources, different local contexts, infrastructure needs, and different population sizes served.

In conclusion, it emerged that administrative capacity shaped the experience of each administration in the process. The stronger the administrative capacity, the greater and broader the presence of the local administration in all the stages of the process. The level of administrative capacity varied between the small and the big administrations. It also emerged from the analysis that there was a big variation in the presence of the big and small administrations in the process stages. While the big municipalities were able to be present in different arenas, with a degree of variation among them as well, the small municipalities were very sparingly present in the different phases of the process. For instance, Cluj-Napoca, Oradea, Bistrita and Resita actively sought information during the programme preparation, providing and collecting information from the early stages of the process. By contrast, the small municipalities were mostly playing a significant role in the delivery stage of their investments, being predominantly passive during consultations due to a lack of human resources. This chapter indicates that the two groups followed different patterns of interaction in the process of attracting funds based on their level of administrative capacity,

similar to the findings related to the involvement of the political leaders in the process of attracting EU funds and the political will of the elected leaders to take part in attracting EU funds.

The previous chapter indicated that municipalities differed in their measures to prepare for attracting resources. Through specific measures and management choices, municipalities were able to create the internal conditions to overcome the system's limitations and design internal capacities adapted to cope with the imperfect system set up to implement the funds. Each municipality devised its measures and used its existing internal resources to overcome the challenges and access structural resources. This chapter illustrated that municipalities vary in capacity to handle complex external funding sources, such as the EU's structural resources. While it is difficult to provide a universal model of administrative capacity, different practices were identified that could become models to adapt to support political action and attract resources. These findings support the arguments introduced in the conceptual framework (Chapter 2).

This investigation illustrates that municipalities can increase their limited financial resources and overcome significant challenges and barriers to accessing external resources by creating internal administrative conditions adapted to the challenges ahead.

Chapter 9. Discussion

9.1 Introduction

The research has focused on a significant issue of academic interest and policy concern. Despite having a high concentration of Europe's most underdeveloped regions (Zaman & Georgescu, 2009; Berica, 2010; Tătulescu & Pătruti, 2014; Marinas & Prioteasa, 2016), Romania has consistently ranked at the bottom of the implementation performance¹⁶⁶ chart for EU funding since 2007 (Susanu, 2008; Zaman & Cristea, 2009; Lucaci, 2013: 11; Hapenciu, Moroşan & Arionesei, 2013: 262; Lucian, 2014; Batusaru, Otetea & Ungureanu, 2015; Marinas & Prioteasa, 2016; Surubaru, 2017). This trend significantly threatens Romania's overall development prospects and the Cohesion policy's effectiveness. If the country continues to struggle with absorbing the EU funding, along with other Central and Eastern European countries, it could have profound long-term implications on the intended impact of the EU's Cohesion policy, and its core purpose. Past experiences with Structural Funds have also revealed disparities in spending rates across Romanian regions¹⁶⁷ (Benedek, 2015). Despite the national low-performance history, some local authorities have undergone significant transformations due to Cohesion policy investments (Banila, 2018; Neagu, 2018; Lazaroi, 2020), despite a national context found to provide unfavourable conditions for using the EU funds (Section 1.2.5).

Several factors and conditions were identified to explain the country's low spending rate. The lack of absorption capacity is the first culprit identified behind this problem, which refers to the ability to spend the allocated resources (Oprescu, Constantin, Ilie & Pîslaru 2005; Cace,

¹⁶⁶ Implementation performance as defined in this study (Chapters 2 and 3).

¹⁶⁷ The Cohesion policy allocations for the 2007-2013 and 2014-2020 implementing periods in Romania were made at the level of the statistical regions.

Cace, Iova & Nicolaescu, 2009; Ion, 2012). Several 'capacity' factors have been identified to explain poor performance. According to Rodríguez-Pose & Di Cataldo (2015: 685), the quality of regional government in Romania improved during 1996-2009 but declined after EU accession. This finding is particularly significant because studies on economic growth have shown that good institutions and governance are crucial for economic development (Knack & Keefer, 1995; Rivera-Batiz, 2002; Knack, 2003; Kaufmann, Kraay & Mastruzzi, 2007, 2008; Rodríguez-Pose, 2013). The quality of institutions has long been linked to economic growth. Feng (2003) argues that political institutions and conditions such as political freedom, stability, and policy certainty are critical to economic growth. Building on the influential work of North (1990), Acemoglu & Robinson (2012) also suggest that economic development and growth are closely tied to sound economic ('inclusive') and political institutions. We must recognize the importance of good governance and institutions for economic growth and development.

Moreover, based on research on Cohesion policy, it has been found that there is a strong relationship between the quality of government and the funding allocated to regions (Charron, 2016). During the implementation stage, studies have shown that administrative capacity plays a crucial role in the ability of Member States and regions to carry out complex tasks (Milio, 2007a; Bachtler, Mendez & Oraže, 2014; Terracciano & Graziano, 2016; Mendez & Bachtler, 2022). Administrative capacity has been identified as a critical factor in implementation performance, but some authors indicate that it is not sufficient to fully explain implementation differences in some Central and Eastern European Member States (Hageman, 2019: 189). Political factors have been considered to have a more decisive role (Milio, 2008; Hageman, 2019). For example, previous research in Italian regions has shown that administrative capacity depends on political factors, and both affect implementation

(Milio, 2007a; 2008). Furthermore, it has been noted that administrative capacities "may lie dormant" without a political will to mobilize them (Piattoni & Smyrl, 2003: 134). Therefore, the interest of regional political classes in developing their region is paramount in utilizing the EU funds. A clear political ambition to develop a region may mobilize existing capacities (Smyrl, 1997) or build them entirely if needed (Piattoni, 1996). Political stability (Surubaru, 2017a, 2017b) and interference have been identified as critical political factors disrupting the implementation process in Romania (Badea, 2012; Dimulescu, Pop & Doroftei, 2013; Doroftei & Dimulescu, 2015a, 2015b; Hunya, 2017; Batory, 2021).

Given these complex factors, it is indeed puzzling how some cities did manage to attract cohesion policy funds and finalise complex public investments, despite a consistent national low level of spending levels. The question remains: How was this possible locally within a national context of persistent low spending and unfavourable conditions?

Despite intense scholarly attention given to the impact of Cohesion policy on economic development and regional convergence (Leonardi 1995, 2005; Becker, Egger & Von Ehrlich, 2010; Rodríguez-Pose & Di Cataldo, 2015; Monfort & Salotti, 2021), research on local implementation has been limited to a few studies (Tatar, 2010; Toth, Dărăsteanu, Tarnovschi, 2010; Dąbrowski, 2012; Lorvi, 2013; Dąbrowski, 2014b; Caldas, Dollery, & Marques, 2018). Angelova (2020) for instance identified that Bulgarian municipalities were critical in spending EU funds, while Estonian local governments' access to EU Structural Funds has been restricted due to administrative and financial capabilities (Tatar, 2010; Lorvi, 2013). Dellmuth & Stoffel (2012) found that politics, such as sub-state governments' electoral concerns, distort the local allocation of Structural Funds. By contrast, this study examined local-level implementation, highlighting disparities in implementation across local authorities and contributing to this field of study.

Cities and town are the primary recipients of EU funds in Romania, while regions are mere statistical units lacking administrative and political authority, performing delegated roles to manage and distribute the EU funds to beneficiaries. As key beneficiaries of EU funds, and an administrative and political mandate to represent local communities, cities and towns play a critical role in EU cohesion policy implementation in Romania, justifying the focus of this research.

The thesis comprises ten chapters aimed at developing an analytical framework to explain variations in implementing Cohesion policy in cities in an unfavourable national context for using the EU funds. Chapter 1 set out the puzzle, research gap, and research questions, while Chapter 2 developed the concepts of local political leadership and administrative capacity and presented the analytical framework. Critical realism was discussed in Chapter 3, introducing the meta-paradigm underpinning the study, which focuses on agency and structure as core concepts alongside methodology and the case study research design. Chapter 4 developed the broader framework for analysing local implementation by introducing the institutions, and context of local authorities and Cohesion policy in Romania. This includes the implications of the urbanisation process taken place during socialism, the development of the Romanian urban system, and the local system of government and national EU funds management system.

Chapter 5 was the first empirical chapter that explored the available data to identify the system-level factors that affected the access of local governments to EU funds. The following three empirical Chapters, 6, 7, and 8 presented the findings emerging from comparing the selected cases through the proposed concepts of local political leadership and administrative capacity.

This chapter aims to consolidate these findings, revisiting the research questions, highlighting the main findings and how they relate to the conceptual framework. The concluding Chapter 10 summarises the thesis, articulates the study's contributions and provides policy recommendations and avenues for future research.

9.2 Research questions

This study investigated the slow implementation of Structural Funds, a component of the European Union's Cohesion policy, by cities and towns across the country as a whole, and the varied implementation patterns at the local level in selected cases.

The first aim of the study was to identify the factors that contributed to the sluggish utilization of EU funds by local authorities, particularly cities and towns, which are the primary beneficiaries of these funds in Romania, through an examination of the various systemic and local factors that affected access to EU funds. Chapter 5 identified systemic factors that contributed to the slow utilization of resources by local authorities. Secondly, the research aimed to bring clarity to the disparities in implementing Structural Funds at the local level and comprehend why some local authorities in Romania were able to mobilize earlier and more effectively than others to access EU Funds (Simic, 2018; Nagy & Benedek, 2021; Popa, 2021; UrbanizeHub, 2021), in a national context that struggled to attract EU resources and where challenges persisted (consistent low performance).

Two research questions were formulated—the first question endeavoured to identify the factors that impacted the local access to Structural Funds. There may be a range of systemic issues that could either facilitate or hinder the access to these resources. The second question sought to gain insight into the underlying reasons for discrepancies in local implementation in urban areas. The hypothesised explanation was that local political

leadership and administrative capacity differences significantly contributed to such implementation disparities. The thesis firmly asserts that local political leadership and administrative capacity are crucial for enhancing municipalities' ability to attract EU funds and leverage them for development, even in unfavourable conditions. By using this framework, the research analysed local authorities' response to the financial and investment opportunities presented by Cohesion policy. Several specific questions were formulated to guide the research on the above hypotheses and organize the argument:

- 1) What levels of funding have urban authorities received in the 2014-20 programming period? How do these levels vary between regions and urban authorities?
- 2) What are the systems through which urban authorities access EU funding and to what extent do these systems facilitate or inhibit urban authorities to access EU funding?
- 3) What is the role of local political leaders in CP implementation? How do local leaders respond to EU funding? Are there specific actions and decisions that enable political leaders to seize the EU opportunities and attract resources?
- 4) Do political leaders interact with the administration during the process of accessing EU funds? If yes, when and in what consists this interaction? Are there specific interactions that enable/ inhibit performance?
- 5) Do local authorities have the necessary administrative capacity to perform the tasks required to access the allocated resources?

The study proposed a research design and a methodology that included comparative case-study research in a critical realism paradigm for examining European policies and address the research questions above. The research design and methodological approach allowed to use multiple sources for collecting and examining empirical evidence and look at structural

and agency variables in the same study. According to critical realism, both agency and structure shape social reality, which is multi-layered, and unseen and often unperceived factors at one level produce unseen and unperceived effects at the other. This paradigm enabled a multi-level analysis of various structural factors situated at different governance levels that interact and shape agents while allowing individuals to react and modify the social reality through their actions, thus altering the existing structures. Indeed, the core argument of the thesis is that capacity (structure) and leadership (agency) and their interaction shape the implementation process and its outcomes.

By using a leadership approach to study implementation in the Romanian context, the study advanced the theoretical and empirical evidence on the role of political leaders in implementation. The study contributes to the rich universe of empirical studies on political leadership by using critical realism and qualitative methods. As for administrative capacity, previous studies explained implementation in different contexts and typically focused on the state or regional level. However, it had yet to be used in the Romanian urban context. To address this gap, the study examined administrative capacity and differentiated urban responses in the Romanian urban system with a focus on the role of political leadership and administrative capacity within a critical realist paradigm.

The analytical framework covered the various stages of the policy cycle from programming, when local leaders emerged as central figures, through the bureaucratic mobilisation and implementation, when political and administrative interactions are prominent, to full-on implementation when administrative capacities are central. The framework allowed the examination of key political and administrative factors associated with implementation – local political leadership and administrative capacity. Additionally, the study initiated an exploratory multilevel analysis to identify multilevel factors and analyse how factors from

one governance level affect what happens on subsequent levels with consequences on the access to resources of local governments.

An essential aspect of this research is that the case study design was based on carefully selecting cases to allow a high control of the variables of interest. This careful selection of cases based on similarities provided analytical leverage in applying the theory to explain implementation patterns. Eight cities were selected based on similarities in terms of the same access to EU resources and their individual characteristics. Four pairs of most-similar cases emerged, allowing a careful and systematic comparison of the factors of interest. In order to provide a broader perspective on the different experiences that cities of different sizes and allocations of EU funds have, five small municipalities were added to the study.

A diverse range of sources was utilized to address the research questions. Desk research¹⁶⁸ was conducted on policy documents such as national annual reports, regional implementation reports, and European Commission annual implementation reports. Additionally, European and national legislative acts were examined. Statistical data were extensively collected from official databases and UN open data, including population censuses, demographic projections, EU funds spending in Romania and other Member States, and the Regional Operational Programme 2014-2020 (ROP 2014-2020) allocations in Romania. Retrospective data on implementing the ROP 2007-2013 were also gathered. Moreover, interviews with the actors involved in implementation at the local, regional, national, and European levels were conducted. These interviews included mayors, deputy mayors, civil servants in local authorities, regional EU funds representatives, civil servants in the national government, European Commission representatives, and Members of the EU Parliament. The following sections present the findings of the study for both questions.

¹⁶⁸ See Annex 12 for a comprehensive list of sources.

9.3 Key findings on what determines the local access to Structural Funds

Existing studies indicated that political and administrative factors, path dependence, administrative traditions, and institutional and governance factors might explain national performance in Cohesion policy implementation.

The literature on local government access to EU funds in Romania is scarce, and an exploratory investigative approach was adopted to answer the first research question. The main EU Cohesion policy programme in Romania was selected for study, the Regional Operational Programme 2014-2020, where cities and towns benefit from the largest cohesion policy allocations of all EU funded programmes in Romania. Empirical fieldwork research was conducted at the local level, in 13 cities and towns, localised across two statistical regions (North West and West region), at the national level (Managing Authority) and the EU level (in the European Commission). Additionally, documentary sources were used to verify and complement the primary data.

The examination of the Structural Funds in the period 2014-2020 in Romania aimed to identify the institutional and structural features of the system underpinning the implementation process and equally affecting the access to the funds of all local authorities. Moreover, this empirical investigation intended to exclude some political and administrative factors proposed by the literature as possible explanations for differences in local implementation.

The administrative and policy framework of the research

The first influence identified is the **national administrative and policy context**. The current institutional arrangement for EU funding needs to be set against the background of the development of the Romanian urban system and the features of its territorial organization

and local bureaucracy. Urbanization has evolved through three main historical periods, (i) before the installation of the socialist regime, (ii) during the socialist regime, and (iii) after the fall of socialism in 1989. The legacies left by each period shaped the features of the subsequent emergent system.

Managing and distributing Cohesion policy funds in Romania requires careful consideration of various contextual factors. The organization of local governments, the distribution of authority, the leading role of the mayor, and the decentralization reforms all play significant roles. The subnational-national relations for managing and distributing Cohesion policy funds in Romania developed from the state's centralized tradition and historical local-national patterns of interaction. Consequently, when Romania joined the EU, it adopted a regional formula that prioritized creating statistical development regions over political regions, avoiding regional decentralisation. This was followed by the creation of a centralized institutional and administrative system to manage and implement the Structural Funds.

This retrospective presentation of the Romanian administrative system and Cohesion policy development highlighted the centralised state tradition the features of this system informed the subsequent decisions for EU interventions. The entire urban system was shaped by a common set of centralised measures to stimulate urbanisation, industrial development, and population distribution. In its more recent history, it shaped the EU accession process. All local and urban authorities shared a past and present centralised political, administrative, and economic system and shared a foreign occupation history. This broad framework helped to understand the development of local-central relations into their current form, the specific urban infrastructure needs, what informed the preferences for statistical rather than political regions during the EU accession negotiations, the non-political role of regions, the

decentralisation reforms and the context for creating the current centralised management system for distributing the Structural Funds.

Key conclusions

The analysis found that within the centralised system in Romania, local authorities were all affected by a series of shared political and administrative structural factors embedded in multiple levels such as (i) territorial and administrative arrangements, (ii) governance, (iii) regulatory framework and (iv) local conditions. These multi-level systemic factors were found to interact, one level affecting the one below, creating a cumulative effect on the conditions emerging for implementing the funds. Four key conclusions emerge from the documentary and fieldwork research.

(i) State territorial and administrative configuration

Firstly, the system used to manage and distribute funds in Romania was designed to mirror the **territorial and administrative configuration** of the State. Specifically, the features of the Romanian territorial-administrative system and its history of local-central territorial relations were relevant. This meant that the centralised administrative system was reflected in the centralised system for managing the funds, defined by partial decentralisation reforms. For instance, the annual adoption of local budgets depended on the adoption of the national budget, as was the allocation of funds to local authorities. Unfortunately, this configuration affected the implementation calendar at local level. In addition, financial centralization allowed the national government considerable discretion to allocate public funds based on its own criteria, including political preferences, rather than economic, social, or development needs.

In addition, the limited autonomy of local authorities in financial matters was replicated in the case of the EU funds, giving the central government exclusive decision-making powers to allocate funds, select types of interventions, and establish the type of beneficiaries to receive funds. Overall, the long history of strenuous central-local relations and the lack of sustained initiatives to govern collectively were reflected in the EU policy domain as well, exacerbating the situation. Local actors were given little scope to formally intervene in EU policy decision-making and contribute to crafting the EU programme and its rules, despite EU regulatory provisions encouraging this¹⁶⁹.

(ii) Governance

Secondly, the national EU funds **governance system** affected local authorities' access to EU funds. A centralised management system was implemented with a national unique programme, the Regional Development Programme 2014-2020, to allocate resources to all eligible organisations. This resulted in the concentration of decision-making powers at the national level (the Managing Authority¹⁷⁰), leaving little room for local input or control. This top-down management and control system needed bottom-up accountability and local ownership over the programme's content and investment areas.

(iii) Regulatory framework

Thirdly, the EU and national **regulatory framework** governing the use of funding contributed to shaping local access to funds. On the one hand, the EU rules and regulations influenced the national regulatory framework. These EU rules proved particularly constraining in choosing the investment priorities that would receive funding through the ROP. They

¹⁶⁹ Article 7 of the Regulation (EU) 1301/2013 allowed Managing Authorities to delegate some operational and decision-making tasks to cities, such as project selection.

¹⁷⁰ The governmental body created to manage and oversee the creation and implementation of the funds.

required the funds to be channelled towards specific EU thematic objectives, thus limiting the options available to the national government to allocate resources freely to the national or local priorities identified through consultations. A large amount of the funds was concentrated on the EU's first four thematic objectives, which meant that little budget remained to allocate to other local needs.

Moreover, the volume of EU funds allocated to municipalities was much higher than their usual local investment budgets. Therefore, cities and towns were exposed to several novel challenges like a sudden influx of significant EU funds, a complex set of rules to access and use them, large and multiple investment projects in development, and no previous similar experience to rely on and reproduce. This situation created an unknown and unprecedented environment for many local authorities that became aware of the substantial risk of making unintended administrative errors at high financial and political costs. They could contribute to implementation delays or receive substantial financial corrections (cuts) for non-compliance. Lastly, the national legislation not only integrated the EU regulation but also included additional rules to access the funds, creating a complex bundle of rules in the national legislation, national policy documents, the programme itself, the applicants' general and specific guidelines, and other specific legislative acts such as the public procurement or the construction works legislation. All these legal and policy requirements created a rich and demanding institutional environment for cities to access the EU funds.

(iv) Local conditions

Lastly, the centralized and common historical administrative and political traditions created parallel realities at the local level, specifically in local authorities of similar sizes and geographic proximity. As a result, a set of **common local factors** were found to be present in most municipalities. Several social and economic realities could be noted across all

municipalities, such as international outward migration and a high exodus of educated and skilled people, particularly in former mono-industrial cities. This was problematic in implementation when the construction works were delayed due to a lack of labour on the local market to finalise the EU investments. A striking area for improvement was the employment and retention of people in the public sector and the civil service employment legislation. A decreasing offer of services on the local and national markets of relevance to the public investments funded by Cohesion policy was also noted.

Additionally, the externalization of implementation services to consultants was identified as a critical factor affecting the local governments' ability to access and implement the EU funds. Consultants often provided a low quality of services, and submitted deliverables extremely late, causing local administrations problems with meeting key deadlines. This finding resonates with other research supporting the claim that public sector outsourcing, i.e. the externalization of key government services and functions, may undermine and weaken government's capacity to handle problems (see for instance the recent work of Mazzucato & Collington, 2023).

Moreover, two significant political and administrative factors have emerged at the local level when it comes to attracting funds. On the political side, the duration of the incumbents' term in office, the local political consensus, and the position of the local decision-maker, the mayor, towards the EU funds have a significant impact on accessing resources. All the local factors, except the local leader, are common to all local authorities and are relevant in explaining access to EU funds. On the other hand, the factor of local leaders changing from one local authority to the other has emerged as relevant in explaining the different approaches taken by local governments towards the EU funds.

On the administrative side, local resources available in each local authority and how they are used and optimised have a significant impact on the ability of each local authority to manage the task of attracting funds and participating in all the stages of the implementation process.

This second factor is present in all municipalities, but the resources available and how they are used vary in each municipality. Therefore, these two organisational factors are considered to hold power in explaining implementation differences among local authorities.

Overall, it is evident that numerous factors influence the ability of grassroots actors to implement policies. This study reaffirms previous findings and emphasizes the indispensable role of multi-level structural and institutional factors in determining resource accessibility (Farole et al., 2011). The more intricate and interconnected these factors become, the more challenging it is to access and utilize the funds effectively. When addressing policy implementation at the local or regional level, it is crucial to assess the accessibility of funds and the extent to which actors can surpass systemic obstacles. Ultimately, the triumph of EU policies relies on a governance framework that acknowledges the diversity of the local institutional contexts (Rodriguez-Pose, 2013: 1043) and tackles power asymmetries so that all actors can contribute meaningfully to the multi-level system. These essential elements are necessary for the system to function efficiently and achieve its objectives within the limited timeframe of each programming cycle.

9.4 Key findings on what explains territorial differences in access to EU funds

The second research question concerns the differences between cities in accessing EU funds, discussed conceptually in Chapters 1 and 2 and empirically in Chapters 6-8. The empirical evidence presented in Chapters 1 and 5 indicates that despite a national slow and lower-than-average EU spending of Structural Funds, subnational actors registered more than average spending levels. The empirical research was conducted at the local level, examining

local authorities in urban areas as the main beneficiaries of EU funds. Chapter 1 noted that most research has focused on regional implementation, overlooking local implementation patterns and determinants. This study aimed to contribute to this area.

9.4.1 Developing the research framework

Previous research on implementation differences at the subnational level emphasized the role of political leaders (Smyrl, 1997: 305; Milio, 2007a: 248; Dabrowski, 2012: 735-736; Dabrowski, 2014: 375, 378). However, most studies have not focused on this factor, but on other political explanations. Political stability (Milio, 2008), politicization (Surubaru, 2017; Hagemann, 2019a, 2019b), and clientelist practices (Piattoni, 2020) have received more attention than political leadership in the mainstream research on Cohesion policy. This gap in the literature led to the proposal of a new explanation for differences in local implementation: local political leadership. Additionally, administrative capacity was identified as being closely related to Cohesion policy performance in Italy and Central and Eastern Europe (Getimis & Grigoriadou, 2004; Nanetti et al., 2004; Milio, 2007a; Farole et al., 2011; Bachtler, Mendez & Oraže, 2014; Terracciano & Graziano, 2016; Tiganasu, Incaltarau & Pascariu, 2018; Hagemann, 2019; Mendez & Bachtler, 2022). This study suggested that administrative capacity be considered as an additional explanatory factor. The definitions and approaches proposed by previous scholars were used to suggest an approach and definition of both concepts.

The study adopted the interactionist approach to leadership, which views political leadership as a process of interaction between the political leader, characterised by personal characteristics and political ambitions, and the leadership environment made of institutional structures and societal needs. Based on political leadership, public policy and Cohesion policy implementation literatures, different leadership demands, and functions were

identified: formulation, mobilisation, and implementation. Local political leadership was defined as a process of interaction between the political leader and the leadership environment exercised through its leadership functions. Administrative capacity was also defined in relation to the functions and tasks specific to the administrative demands. The emerging conceptual framework proposed two factors, local political leadership, and administrative capacity, which interact during the policy process in its different phases.

9.4.2 Analytical framework and analysis

In Chapter 3, an assessment model was proposed to analyse local political leadership and administrative capacity in implementation, and was then applied to the selected cases, which included eight cities identified as big¹⁷¹ municipalities, and five towns, referred to as small municipalities. The big¹⁷² cities were county capitals that could attract competitive and non-competitive EU funds through ROP 2014-2020 (Cluj-Napoca, Timisoara, Oradea, Arad, Bistrita, Deva, Zalau, Resita), while the small towns could only access EU funds through competitive calls for projects (Hunedoara, Negresti Oas, Santana, Valea lui Mihai, Sacueni). To ensure fair comparisons, municipalities with similar characteristics¹⁷³ could be matched up, such as Cluj-Napoca with Timisoara, Oradea with Arad, Bistrita with Deva, and Zalau with Resita. Among the small towns, the case of Hunedoara stood out as it had access to the same opportunities as the other four small towns but had a larger population, administration, and resources, like those of a larger municipality. Data collection involved desk research of primary and secondary documentary data¹⁷⁴ and semi-structured interviewing¹⁷⁵ on the case of a Cohesion policy funded programme, the Regional Operational Programme 2014-

¹⁷¹ See previous explanation of big and small municipalities in the footnotes of Chapter 1.

¹⁷² The county capitals are the largest urban areas in a county, based on population, and host the seats of the county councils. They are also important economic centres, and most often university centres.

¹⁷³ Annex 5.1 lists the characteristics of the selected cases.

¹⁷⁴ See Annex 12 for the list of resources used, as well as Chapter 3.

¹⁷⁵ See Annex 6 for the full list of participants.

20 (ROP 2014-2020), funded by the European Regional Development Fund (ERDF), where municipalities had access to large EU funding. Through the examination of the ROP 2014-2020¹⁷⁶, the study aimed to uncover whether the differences in implementation rates across municipalities were related to local political leadership and administrative capacity.

The analytical framework developed several indicators and specific criteria to assess and compare its components, using a six-level rating scale ranging from 'absent' to 'very high'. The assessment of each element helped analyse local political leadership and administrative capacity in each case. The findings provided crucial insights into the evaluation of local political leadership and administrative capacity across the various dimensions.

To systematically analyse local political leadership, the research examined and discussed seven key components of **local political leadership**, (1) public accountability, (2) context utilization, (3) multi-level interaction, (4) vision, (5) strategy building, (6) structural building, and (7) internal relations. Using the assessment criteria developed, these components were thoroughly analysed and explored, providing a comprehensive understanding of the aspects contributing to a leadership that supported local implementation. Four critical components of leadership were explored, highlighting how local leaders engage with their community, the local context and the national and European institutional structures. These components include public accountability, context utilization, multi-level interactions, and vision.

Three additional components of local political leadership were investigated, focusing on the leader's interactions with the local bureaucracy responsible for implementation. These components are strategy building, structural building, and internal relations. Examining

¹⁷⁶ The eight country capital cities were examined in the case of the ROP 2014-2020's Priority Axis 4 - Supporting Sustainable Urban Development. The five small towns were examined in relation to the main ROP's Axis dedicated to their development, Priority Axis 13: Supporting the regeneration of small and medium-sized cities.

these interactions illustrated how local leaders navigate complex political landscapes and enact change for their communities.

Furthermore, to analyse and assess administrative capacity, three main administrative capacity components were considered, (1) structural, (2) human, and (3) collaboration capacity. Firstly, the dedicated structure or structural capacity refers to the physical and organizational resources essential to support effective administration. Human capacity encompasses the skills, knowledge, and expertise of the individuals responsible for the operational tasks. Finally, collaboration capacity describes the ability of different units and individuals to work together in a coordinated and complimentary manner. Focusing on these three components is crucial to building an administrative system supporting various political and policy initiatives.

9.4.3 Local political leadership

The main findings derived from the analysis of local political leadership highlights seven key components that influence the success of municipalities procuring EU funds.

1) *Public accountability*. It is critical that politicians are held responsible for their actions, inactions, and decisions, particularly in a democratic polity. This research has shown that when mayors develop relationships with citizens through various engagement channels, the number of EU projects tends to be higher than in cases where these relations are less developed. This confirms previous research finding that mayors who fail to prioritise accountability are less likely to be active and involved in complex actions, such as EU-funded investments and complicated procedures (Getimis, Grigoriadou & Kyrou, 2006b: 288). The development of this civic relationship was found to be particularly vital during the stage

when the local needs and priorities were identified and selected, investments were agreed upon, and budgets were allocated.

The big cities displayed varying levels of public accountability. Cluj-Napoca was found to have an important level of public accountability due to its use of public engagement tools and established processes for participatory budgeting. Similarly, Oradea strongly emphasised public accountability, prioritising dialogue between political leaders and citizens through regular public consultations and continuous organisation of participatory budgeting for the past three years. Timisoara exhibited low public accountability, treating citizen relationships as a mandatory step to access EU funds. Regrettably, Arad was found to have a low level of public accountability, as civic relations were deemed unimportant by the local leader.

For example, in Bistrita, public accountability emerged as medium, while in the city of Deva it was medium to high. It seems that Bistrita had a strong focus on addressing public concerns and engaging in public consultations using available resources. On the other hand, Deva developed a close relationship with the community through different mechanisms, involving them in designing local development plans and strategies. Zalau had frequent public interactions and a medium public accountability, while Resita was beginning to develop civic engagement mechanisms and traditions. Public accountability varied among small municipalities and was less prominent. Hunedoara had high public accountability, while Negresti Oas was assessed as medium to low. Public accountability emerged as low in Santana, Valea lui Mihai, and Sacueni.

2) *Context utilization.* The local context posed problems to all mayors facing similar demographic and economic challenges. The differences in context interaction are more evident and pertinent to observe when performing most-similar-case comparisons. How this interaction was connected to public accountability and political commitment was also worth

noting. The mayors committed to attracting public funds, especially those from the EU, were more engaged with the local problems and needs. They put in a lot of effort and devised creative ideas to match these needs with the available EU opportunities to take advantage of them (Hermann, 2003; Lowndes & Leach, 2004). Deva, Timisoara and Arad were low in all accountability components, particularly Arad and Timisoara, and their efforts remained consistently low in context utilization.

3) *Multi-level interaction.* Multi-level interactions emerged in the municipalities that made the EU funds a top political ambition and priority (Cluj-Napoca, Oradea, Resita). These interactions were another arena and type of action that facilitated access to resources, given the complex set of unfavourable systemic problems related to the EU funds approval and opening for 2014-2020. These mayors developed vertical and horizontal relations. On the vertical side, they sought to extract and clarify information related to the EU funds from the critical actors in the governance system. They also put pressure on the central system to speed up the opening of calls for projects giving access to funds. On the horizontal side, these mayors built political partnerships intending to enhance access to EU funds in the future and build a more vigorous opposition against the national government's way of managing the funds and a united front to discuss with the European Commission. Multi-level interaction among the small municipalities differed to a lesser extent than among the big cities, and their assessment indicated lower interaction levels. In Hunedoara, Negresti Oas, Santana, and Valea lui Mihai, multi-level interaction emerged as medium to low, while in Sacueni, it was low.

4) *Vision.* Having a vision, a clear direction and a long-term projection to achieve goals helped local authorities articulate their needs and prioritise them better in relation to the available opportunities, confirming previous studies' emphasis on the importance of vision and

strategy for development (Rodríguez-Pose, 2013: 1042; Medeiros, 2017: 1264, 1266). A vision emerged as being well-articulated and defined in Cluj-Napoca, Oradea and Resita. It created a long-term roadmap for municipalities where the local strategy for EU funds was embedded. It emerged as essential to attracting EU funds specifically for integrating different funds into individual investments that were part of broader investment projects.

Vision among the small municipalities differed to a lesser extent than among the big municipalities, and their assessment indicated weaker or non-existent visionary plans. In Hunedoara, vision emerged as medium to low, while in Negresti Oas, Santana, Valea lui Mihai, and Sacueni it was low. In most small municipalities, the investments proposed for EU funds were selected by matching the offer of EU funds with the local investments included in the local strategy to ensure eligibility. Local strategies played a supportive role in SF implementation, but they did not emerge to drive it.

5) *Strategic approach*. The strategic approach was found to be well articulated in those cases where the political ambition (commitment) to attract EU funds was high and a coherent long-term development plan was built (vision). Those municipalities that understood the complexity of attracting EU funds and their potential to have a multiplying effect (Cluj-Napoca, Oradea, Resita, Hunedoara) built a set of coherent and strategic steps to access the funds. They aimed to maximize the allocations, attract diverse funds and integrate them into broader and inter-connected projects. This approach allowed these cities to pursue complex investments, otherwise difficult to achieve. Without a well-articulated strategic plan, cities risk attracting resources to fund only individual and disconnected projects. Among the small municipalities, the strategic approach differed to a lesser extent than among the big municipalities, and their assessment indicated weaker strategic planning. In Hunedoara and

Santana, the strategic approach emerged as medium. In Negresti Oas, it emerged as medium to low, while in Valea lui Mihai and Sacueni, it was low.

6) *Bureaucratic structure* building. Variations existed among the big municipalities in the operational structures established to administer EU funding. With a few exceptions, most mayors understood the importance of having a dedicated structure, such as an EU funds department, and made efforts to build structures in line with the implementation tasks (Piattoni, 1996; Smyrl, 1997; Piattoni & Smyrl, 2003; Milio, 2007b). Except for Deva and Timisoara, which displayed lower efforts on this issue, the other leaders took measures to create such units. Bureaucratic structure building among the small municipalities differed, and their assessment indicated weaker efforts to build a dedicated EU structure than the big municipalities. In Hunedoara, Santana and Sacueni, the bureaucratic structure building emerged as medium, while in Negresti Oas and Valea lui Mihai, it emerged as medium to low.

7) *Internal leadership relations*. Interestingly, the internal mayor-administrator interactions were noted among the big municipalities where their leaders displayed neither weak nor strong leadership, indicating that mayors were needed to complement other missing interactions. By contrast, when leadership interactions were persistently high, the internal interactions with the bureaucracy were less intense and potentially less needed. By exception, Oradea continued to have close internal interactions, particularly during implementation, for overseeing and problem-solving, and to ensure coordination. This situation might be due to the high number of projects targeted (political ambition) and the difficulty of expanding the EU team and hiring the needed profiles. This situation might have demanded continued leadership involvement to align the project and funding ambitions with the available resources. Resita also displayed a close and intense relationship,

particularly for overseeing and problem solving, and this could be explained by the gradual institutional building that started when the incumbent took office. The internal leadership relations among the small municipalities differed to a lesser extent than the big municipalities, and their assessment indicated that efforts to build internal relations with the EU team existed but needed to be stronger. Hunedoara and Negresti Oas showed frequent exchanges and notable and continuous leadership interactions for problem-solving. Overall, in all five cases, internal leadership relations emerged as medium.

It is commendable that the leadership in Cluj-Napoca and Oradea actively engaged with the local society, taking their needs into account. Similarly, Bistrita and Deva displayed meaningful leadership interactions with the public and considered the local context. However, the mayors in Resita and Arad demonstrated weak relations with the local society. Despite this, the mayor of Resita actively and persistently sought to match the needs of the local context with opportunities and worked hard to overcome constraints. Unfortunately, the leadership interactions with Arad's local needs, opportunities, and constraints revealed loose relations. On the other hand, the mayors of Cluj-Napoca, Oradea and Resita took a more proactive approach to developing vertical and horizontal active interactions with relevant actors, including regional and national structures and pulling resources, knowledge, know-how, and insights from their expanding partners. In Bistrita, moderate leadership efforts were noted in relation to society and multi-level actors, while Arad's mayor displayed no notable multi-level connections. Politicians in Cluj-Napoca, Oradea, and Resita were guided by a visionary plan to achieve their goals. Similarly, moderate leadership efforts were noted in Bistrita concerning developing a long-term vision and coherent strategy for attracting EU funds. Unfortunately, Arad demonstrated no well-defined strategy towards the EU funds, such as a vision or a long-term plan for acquiring the funds. This research showed

the importance of mayors taking a more proactive approach towards developing a coherent strategy to obtain EU funds for their respective cities.

In the small municipalities, the local political leadership varied to some extent, but not as much as in the larger municipalities. Interestingly, in the smaller cases, the leadership tended to be more consistently active, with one exception being Hunedoara, where the leadership was particularly well-developed and present throughout the entire process.

9.4.4 Administrative capacity

Administrative capacity was higher in large municipalities than in small municipalities. The ability of big municipalities to attract EU funds (except for Timisoara) is based on having dedicated structures, more human resources, and more collaboration capacity compared to the small municipalities. The large municipalities possessed the administrative capacity to participate in most stages of the policy process - from the strategic stages of regional planning and programming to the discussions for the subsequent programming cycle. In addition, the big municipalities were more present in the distinct stages before SF implementation.

For example, Cluj-Napoca and Oradea were notable for their proactive approaches; they forged and created engagement opportunities to ensure their voices were prominent whenever possible. Large municipalities took part directly in preparing the project applications and managed the entire process using internal resources. Outsourcing only occurred for specific services which needed specialised expertise. Most large municipalities had technical experts or project designers within their administration that verified some of the deliverables submitted by consultants before accepting them. Some large municipalities started working on projects as early as 2012 (Oradea) and sought to have mature projects at

the time of the calls for projects. Most large municipalities aimed to develop a higher level of control over the implementation process and increase their ability to hold the contractors accountable for the quality of their services. Moreover, for implementation, the large municipalities built internal management teams. The structures created for EU funds dealt with the administrative aspects of projects, overviewed the project implementation, and handled the relationship with external actors (contractors, funders, media, and citizens).

The study also assessed whether administrative capacity differences could explain variations in implementation, exploring three key aspects: the capacity of dedicated structures, human resources, and collaboration across big and small municipalities.

1) *Capacity of dedicated structures.* Large municipalities consistently exhibited superior internal structures for attracting EU funds compared to small municipalities. Across all municipalities, the hiring capacity was the component with the lowest score, and only three cases emerged with a better hiring capacity (Oradea, Bistrita and Timisoara). Scholars have suggested that the capacity to attract and hire expertise within the public sector is a key indicator of the importance it is given within public administrations (Mazzucato, 2018: 25).

Among the big cities, the quality of the structure relied on a reasonable allocation of all the roles and responsibilities related to EU funds and stable personnel. The small municipalities displayed a low capacity to hire people, but they displayed a good retention capacity, thus ensuring stability and knowledge acquisition. The capacity of the dedicated structures among the small municipalities differed and overall, it emerged as medium or low.

2) *Human resource capacity.* The biggest issue for most big municipalities was staffing levels in relation to workload. Except for Deva and Timisoara, all leaders have ensured the appropriate staffing for attracting EU funds. However, the administrators felt understaffed

for the tasks assigned – a finding that is consistent with previous findings of low hiring capacities despite higher hiring measures. Zalau is an interesting case, which displayed high efforts to hire people but medium to low hiring capacity, and medium to high staffing levels. This indicates that despite having a weak hiring capacity, the level of EU funds sought was within the available resources and capacities, which ensured an alignment between ambitions (targets) and capacities. Among small municipalities human resource capacity differed but to lesser extent than in the big municipalities with five cases showing a medium human resource capacity level.

3) *Collaboration capacity.* All municipalities displayed a good internal collaboration of the EU departments with the other administration departments whose involvement in EU funds was necessary. Deva and Timisoara are the only two exceptions. Both municipalities had struggled to build lasting collaboration practices within the administration. Their leaders' internal interactions with the team were low for internal coordination. By contrast, the external collaboration registered more variations. Cluj-Napoca, Oradea, Zalau and Timisoara displayed a concern related to the external contractors implementing the projects on the ground. The collaboration capacity among the small municipalities differed. In Hunedoara, Negresti Oas and Sacueni, it emerged as high, while in Santana and Valea lui Mihai, it emerged as medium.

9.5 Discussion

The analytical framework developed in the thesis to account for local success in accessing EU funding distinguishes several factors and dimensions. For political leadership, these encompass accountability, context utilisation, multi-level interaction, vision, strategic approach, structure building, and internal relations. Administrative capacity is categorised into dedicated structures, human resources, and collaboration. This section will

systematically discuss which aspects are most important in explaining variation in local implementation and in which contexts (small or big municipalities).

The findings of this study indicate that the most important leadership aspects in the context of big cities are multi-level interaction, vision, strategic action, and bureaucratic structure building. In the case of the small towns, the bureaucratic structure and the internal relations of the leader with the administrative structure played a defining role in implementation.

Vision was found to be an essential leadership component. Conceiving a long-term development plan for a city relies on an extensive reflection process that must be developed before implementation and even the EU policy processes. It also entails making predictions, anticipating possible risks, reflecting on possible solutions, and seeking information about the future. The leaders that relied on a conceptual map around which to create their project list were also found to have a more proactive attitude towards the implementation process that having a vision would entail.

Indeed, visionary mayors were also found to develop multi-level interactions and to actively engage with the civil society and other relevant actors at all management levels. These multi-actor and multi-level interactions were found to be intense in the cases that developed a vision, adopted a strategic approach to attracting EU funds, and had the best implementation outcomes.

Political commitment to attracting EU funds was found to be relevant for implementation in cases where a vision was not clearly articulated. In these cases, mayors aimed to attract EU resources for relevant projects and displayed a reactive approach to EU resources, lacking the foresight and initiative that having a well-articulated vision would typically entail.

Another essential leadership aspect was building the bureaucratic structure tailored to the tasks and responsibilities required by the implementation process. In all cases, this leadership aspect is related to the administrative capacity dimension of “dedicated structures”. However, where dedicated structures pre-existed and were well functioning, like in the case of the cities of Cluj-Napoca and Deva, the relationship between leadership and the quality of the dedicated structures was found to be less significant. This suggests that where a stable and well-functioning dedicated structure has already been instituted in previous programming periods, leaders can afford to invest less effort in this area. In the case of the small municipalities, creating an EU-dedicated structure was critical to attract EU resources. Additionally, internal leader-administration relations played a more crucial role in the case of small municipalities, as the administration needed more intervention, assistance and support from the political leader.

In terms of administrative capacity, the research emphasises that dedicated structures and human resources were the most important aspects. The existence of a department with positions covering all the activities required by implementation and fully dedicated to this task defined the case of the cities managing to mobilise early (relative to the opening of the calls for projects) but also to achieve the goals set by the political leader. Related to this issue is the human resources dimension. Indeed, the staffing levels relative to the workload and timeframe of executing the tasks, as well as the knowledge capacities of the people involved, were specific to the municipalities managing to have many projects. In comparison, all the administrative capacity dimensions were essential for implementation for the small municipalities. Human resources, EU specific knowledge and the relations developed with the outsourced contractors were salient.

By comparing similar municipalities during 2014-2020, the research showed a consistent relationship between the proposed explanatory factors (local political leadership and administrative capacity) and local implementation performance as defined in this study. While administrative capacity is indeed crucial, this research has shown that the commitment of local leaders to their community and their political obligations and preferences (ambitions) are just as important, if not more significant in implementing EU policies effectively. Solely relying on administrative capacity is insufficient to govern effectively, and it certainly cannot replace the essential component of political will (Milio, 2007a, 2008). Nonetheless, engaged political leaders can utilize administrative resources to build capacity and implement policies efficiently, even with financial limitations, as suggested by previous scholars (Piattoni, 1996; Smyrl, 1997; Piattoni & Smyrl, 2003). By taking into account the political preferences of subnational governments, a system for implementing EU funds can be created that encourages more political actors to participate in policy implementation while still fulfilling their political responsibilities.

9.6 Summary

Based on the conceptual framework of the thesis, it was observed that local political leadership and administrative capacity had a combined impact on implementation. A link was established between leadership and variations in implementation. However, administrative capacity, in isolation, was insufficient to account for performance differences. Administrative capacity is necessary, but leadership is essential since it sets the political agenda and ambitions and influences the administration's capacity to perform its duties effectively.

Chapter 10. Conclusions

10.1 Introduction

This chapter concludes by synthesises the primary theoretical, methodological and policy insights drawn from this research. After discussing these contributions, the study's limitations are presented followed by suggestions for future research.

10.2 Theoretical contributions

The research has made several theoretical contributions to the implementation literature; conceptualization of political leadership in Cohesion policy; interactionist approach to leadership; and literature on multi-level governance and partnership.

(1) Implementation literature

The study analysed the interactions of local governments at the operational level on the particular issue of attracting EU Structural Funds in the tradition of bottom-up research to implementation (Sabatier, 1985). It engaged in bottom-up research focused on the action plans followed by local governments to achieve their objectives. The study found that the local governments have enough agency and discretion to diverge in nationally administrated programmes to address their unique needs and goals. This aligns with previous studies adopting a bottom-up approach to policy implementation (Lipsky, 1980/2010; Barnes & Henly, 2018; Thomann, van Engen & Tummers, 2018). Bottom-up theories claim that discretion is at the centre of policy implementation (Lipsky, 1980/2010; Sabatier, 1986) and it permits the adaptation of the policy to specific circumstances “based on the interaction of a policy with the local institutional setting” (Elmore, 1979; Imperial, 2021: 1).

The central contribution of this thesis is to challenge conventional wisdom about the implementation of Cohesion policy in Romania. Traditionally, Romania is presented as a case of deficient performance determined by a low level of development, weak administrative capacity, high politicization and corruption, and a centralized state tradition. This study confirmed that some of the above factors affected local authorities' access to EU funds. Nevertheless, despite this challenging national context, some cities – termed "champion cities of EU funds" – have succeeded in attracting substantial levels of EU resources resulting in significant investments and transformations.

This thesis sheds new light on the performance puzzle within a weak institutional context by highlighting the crucial role of local political leadership in explaining unexpected local achievements regarding EU resources. This factor has been overlooked in much of the literature on Cohesion policy in CEE.

The conceptual framework can potentially bring added value to the existing Cohesion policy implementation literature by providing an integrated framework for a systematic analysis of Cohesion policy spending. This framework includes a multi-dimensional conceptualisation of local political leadership. Specifically, it brings political factors, political-administrative interactions, and administrative capacity, identified in previous research, into a holistic framework.

Political factors

This study extends previous research on political factors by placing mayors, as the top local politicians and prominent figures in local governments, at the forefront of explanations of EU funding implementation. Various political factors have been identified in studies to explain the different responses of national and subnational governments to EU funds such

as clientelism, political patronage and political bargaining (Piattoni, 1998; Bouvet & Dall'Erba, 2010; Surubaru, 2017), pork-barrel politics (Bloom & Petrova, 2013; Medve-Bálint, 2017), political influence or corruption (Brand, 2010; Vuceva, 2008). In the case of Romania, political stability (Surubaru, 2017a, 2017b), and corrupt practices were among the most critical factors (Badea, 2012; Dimulescu, Pop & Doroftei, 2013; Doroftei & Dimulescu, 2015a, 2015b; Hunya, 2017; Batory, 2021). Although many studies identified political behaviours, preferences, and specific political actors as key pieces (for instance, Dabrowski, 2012), the role of politicians such as mayors remain underexamined in the landscape of political factors. Mayors are not conceptualised as agents of change, despite being the top local politicians and the most prominent figures in local governments with extensive access to resources and decision-making (Bazurli, Caponio & de Graauw, 2022). This limited attention is puzzling as the citizens and the media point to mayors as the key agents concerning the level of EU funds attracted.

Other scholars have examined how the process of attracting EU funds relates to political and administrative interactions (Piattoni, 1996; Smyrl, 1997; Piattoni & Smyrl, 2003; Milio, 2008). This interplay is often discussed in the literature on politicization, which posits that different political interests (parties, politicians) interfere in the activities of civil servants through appointments in order to divert resources to their benefit (Meyer-Sahling, 2008; Kopecký & Mair, 2012) with severe consequences on the quality of the civil service and its suitability to handle implementation (Milio, 2007a, 2007b). This strand of literature highlights the vital role of politicians in office seats and the importance of their political and policy preferences, which might differ from or align with the goal of ensuring absorption (Hagemann, 2019a: 3).

Administrative capacity

The research reiterates the importance of focusing on local, rather than solely national and regional implementation as in much of the implementation literature, to explain identified differences. The literature on EU funds absorption identified administrative capacity as a critical explanation of performance in Italian regions (Milio, 2007; Terracciano & Graziano, 2016) and in several Central and Eastern European countries (Bachtler, Mendez & Oraže, 2014; Surubaru, 2017a; Tiganasu et al., 2018; Hagemann, 2019a, 2019b). These studies focus on the national level, with a few exceptions, such as the regional focus of Baun & Marek (2017) or the local focus of several case studies indicating the vital role of municipalities (local authorities) and their administrative capacity in attracting EU funds (Tatar, 2010; Dabrowski, 2012; Lorvi, 2013; Angelova, 2020; Marin, 2020). In the case of Romania, the local remains under-researched, and most cross-country studies or single case studies commonly identified administrative capacity as the critical factor (Georgescu, 2008; Noutcheva & Bechev, 2008; Florina, 2010; Marinas & Prioteasa, 2016; Surubaru, 2017a; Alexandru & Guziejewska, 2020), as well as the fiscal capacity of beneficiaries (Toth, Dărăsteanu & Tarnovschi, 2010: 57; Marin, 2014).

Conceptual framework

The conceptual framework of this thesis explains Cohesion policy implementation from the perspective of the beneficiary focusing on the concepts of local political leadership and administrative capacity. Local political leadership has received little attention in Cohesion policy implementation research, despite some previous research identifying local leaders such as mayors as principal factors in shaping implementation (Dabrowski, 2012; Dąbrowski, 2014a; Medve-Bálint, 2017). The spending of EU funds in Eastern European countries was most often associated with political influence (Bloom & Petrova, 2013; Medve-Bálint, 2017),

the political alignment of sub-state leaders with central government parties (Bouvet & Dall'Erba, 2010), the party politicization of state bureaucracy (Meyer-Sahling, 2008; Milio, 2008) or political stability (Surubaru, 2017a).

This research makes three key contributions. First, it highlights the essential role of mayors as influential political leaders who are integral in navigating crucial decisions, actions and measures related to accessing EU funds. Second, the conceptual framework highlighted the interaction of politicians/politics with the civil service, a salient object of research in political science, public administration, and implementation research in EU policies. Contrary to the widespread focus on politicisation, this research indicated that this interaction is unavoidable and necessary in implementation and identified non-partisan practices conducive to effective implementation. The study also offers a novel lens by examining this relationship at the local level (Alba & Navarro, 2006).

Drawing from previous Cohesion policy research, this study examined this interaction at the local level, integrating this dynamic relationship into the local political leadership conceptualisation, i.e. the interaction process of leaders with the structural, institutional, and societal environment. It thus examined this complex issue as part of the interactive leadership process exercised with one fundamental local structure, namely the local bureaucracy.

Third, the framework ties together administrative capacity and political factors (Mendez & Bachtler, 2022). Specifically, it connects the political ambitions of politicians, the scope of change they aim to bring (Van Meter & Van Horn, 1975), and the efforts they make to invest in the administration to adapt it to the political ambitions to fulfil goals (Domorenok & Prontera, 2021). This study underlined that a gap between ambitions and resources can strain administrative capacity especially in small cities.

(2) A new perspective on political leadership in Cohesion policy

This study provides insights on the role of local political leadership in Cohesion policy, providing a new conceptual approach. Applying the concept of local political leadership to the EU policy context contributes to a growing strand in EU leadership studies as an interactive process. It enlarges the field of leadership studies within the EU, traditionally focussed on EU-level institutions such as the Council or Commission, with an analysis of local leaders navigating horizontal and vertical governance processes (Elgie, 1995; Sabchev, 2022; Bazurli, Caponio, & de Graauw, 2022). This framework draws inspiration from research in urban and regional development studies that mobilized the concept of placed-based leadership (Ayres, 2014; Beer & Clower, 2014; Sotarauta, 2016a, 2016b; Sotarauta & Beer, 2017; Sotarauta, Beer & Gibney, 2017; Beer, Ayres, Clower, Faller, Sancino & Sotarauta, 2019), which is broader than that of political leadership, as it includes a more comprehensive range of local actors from within the local community (Collinge, Gibney, & Mabey, 2010a, 2010b) that have the potential to affect change, such as the business sector (MacNeill & Steiner, 2011), or different business associations like chambers of commerce (Beer et al. 2019: 174).

The definition of local political leadership provided can be used in more local contexts to analyse their level of local political leadership. As previous scholars acknowledged, there is still a need for a concise definition and model of leadership (Rost, 1991; Endo, 1999). The thesis contributes to this research agenda.

(3) Interactionist approach to leadership

The research also contributes to the interactionist approach to leadership as proposed by Elgie (1995), as it conceptualises and applies the concept of political leadership as an

interactive process in the local rather than state level context extending the approach proposed by Elgie to local polities and politics within a multilevel system. The study provides empirical validation for Sorensen's (2020) multi-level leadership concept through analysis of the complex governance system of Cohesion policy. The study showed that those cases that managed to attract EU funds were led by mayors who developed vertical relations with multiple types of actors, which allowed them to gain access to information, and communicate policy preferences and input. Accessing the multilevel network of actors supported the local implementation process.

(4) Multi-level governance and partnership

The study employed a multi-level structural analysis to probe how system-level attributes that create the framework for policy formulation or implementation affect policy responses and shape the access and impetus to engage with policy implementation. This analysis successfully identified external and internal factors relating to the absorption of Structural Funds in Romania, confirming previous research (Berica, 2010; Marinas & Prioteasa, 2016). The functioning of the multi-level governance, the configuration of the State, and the State administrative traditions were found to have affected the access of municipalities to the funds.

Moreover, the findings contribute to wider discussions relating to multi-level governance in EU policy (Benz & Eberlein, 1999; O'Toole, 2000: 268; Thomann & Sager, 2017; Trein et al. 2019; Casula, 2022). In particular, the study further delves into EU Cohesion policy partnership literature, examining the vertical and horizontal interactions of local politicians with other actors during implementation, which, as the study shows, can amplify resources and enhance implementation strategies. Despite a centralised State tradition and a lack of cooperation culture in Romania, horizontal interactions were found among local authorities

with varied degrees of maturity. Where present, the horizontal relations were mobilised primarily on the strategic phases of the process (formulation stage) to facilitate information gathering and networking, confirming previous research on the horizontal partnership at the local level (Dabrowski, 2014). In line with the findings of Dabrowski (2012), this study showed that the mayors who were actively present and interacting with other pertinent actors enhanced their resources, particularly knowledge resources, and diversified their implementation practices. Mayors and local administrations that managed to develop horizontal collaborative practices (for instance, Resita), despite challenging local and national conditions, managed to gain access to implementation practices from other municipalities (in their case from Oradea) through horizontal collaboration and then were able to import and apply them within their structures.

In conclusion, this study not only advances the understanding of political leadership in the context of Cohesion Policy but also furnishes a robust conceptual framework that underscores the multifaceted interactions between politicians, administrative capacities, and the broader institutional environment, all of which are fundamental in shaping the effective implementation of policy.

10.3 Policy contributions

The research proposes a fresh perspective on the EU's regional development policy in Romania. It recommends a comprehensive review of Romania's management system and advocates for decentralization processes. This would empower local authorities to function as 'equal partners', while the central government continues to be actively involved in the policy process, providing coordination, technical, administrative, and legal support. This approach would limit the central government's absolute control over decisions, and exclusive state ownership of eligible investments, timeliness and stakeholder selection and

inclusion, instead allowing real, local input on programme design and investing ownership. Such an approach would increase the scope for local input and autonomy in crafting a programme suited to local contexts and needs while also receiving support from the government and the Romanian national EU funding system when needed. Recent developments in Romania after this research was finalised indicate that a new, decentralised approach to CP implementation in 2021-27 was adopted. This highlights the relevance of this study's findings to the decentralised approach.

Moreover, this study underlines the value of involving local political leaders in broader EU policy discussions from the early stages of decision-making. This can enhance implementation by providing access to information that the central government might not make available. Local actors are either convinced by the importance of the EU funds and need more support for timely access to resources or are reluctant to engage with the funds. For the latter cases, building a transparent environment and an open communication system might motivate local actors to access the funds.

Lastly, this study emphasises the importance of examining the administrative capacity of beneficiaries in the 2014-2020 and 2021-2027 periods which established novel capacity-building measures for beneficiaries (European Commission, 2020) to prepare and deliver high-quality investments (Domorenok & Prontera, 2021). Administrative capacity is an essential but insufficient condition for implementation outcomes. The study showed that the degree of administrative capacity is intricately linked to the resources, measures taken by politicians to build capacity and political interest (see also Milio, 2007a). Therefore, it is essential to examine administrative capacity in itself and in relation to the political objectives and ambitions of the leaders regarding the funds. Should the scope of these ambitions exceed the measures taken to build capacity and the administrative capacity of the

bureaucracy, the implementation process might be negatively impacted, and the administration could become overwhelmed.

10.4 Limitations and recommendations

This concluding section presents the research limitations, and suggests possible avenues for future research, encompassing theoretical, methodological and policy perspectives.

Theoretical perspectives

The conceptual framework employed drew on leadership, public administration, and (EU) public policy perspectives. It focused on the concepts of political leadership and administrative capacity to explain differences in local implementation. This approach did not incorporate other potential explanatory theories and conceptual frameworks such as regime theory, common pool resources, collective action, Europeanization, or compliance. For instance, the study did not investigate issues of politicization in the allocation of resources, nor did it examine factors emerging from investigations into problematic practices of public procurement processes. Future research could explore these perspectives to explain the observed variations.

Performance measurement

The research primarily considered timely spending as an indicator of implementation. The research attempted to consider other performance measurements, such as the types and number of investments pursued. However, in light of newly available implementation data, this conception of implementation performance could be further extended to include other pertinent measurements that would allow a more granular analysis.

Methodological challenges

As highlighted in Chapter 3, this research faced several methodological challenges. The research design included multiple cases within a single system. While this study showed how Romanian municipalities were able to create conditions to overcome systemic barriers and use political and administrative resources to attract and access resources, the Romanian case might indeed be considered extreme in the sense that it displayed weak structural mechanisms to support local implementation and enable local authorities to access the allocated resources without which the system has nothing to implement. Therefore, it would be interesting to expand the research by proposing a different research design and methods, for instance through a cross country comparative analysis. In addition, other methods could be considered as well, such as action research or process tracing.

Extension to other contexts

Lastly, with these limitations acknowledged, this study aims to inspire more EU scholars to apply a leadership approach to policy implementation and further the empirical evidence using other methodologies and arenas of implementation. This study has provided an alternative perspective to understand the implementation of Cohesion policy through the actions and decisions of local political actors navigating a novel and complex multi-level policy setting. In addition, future research could expand on the finding related to the role of externalization on the capacity of governments to deliver policies.

10.5 Summary

This last chapter of the thesis highlighted the theoretical, methodological and policy contributions of the study, articulated limitations and proposed recommendations and avenues for future research.

This thesis examined local political leadership's role in accessing EU funding for urban development. An interactive approach to leadership was applied to uncover the leadership dimensions that could enable urban governments to overcome barriers to essential resources and sustain local efforts to attract and use shared resources in an underdeveloped and resource deprived urban system such as that in Romania.

Theoretically, it aimed to fill several gaps in Cohesion policy research on implementation using a conceptual framework based on political leadership, administrative and political interactions and administrative capacity. Adopting a multiple case design within a critical realist paradigm, this thesis proposed a model of structural variables. This approach permits an in-depth examination of different local conditions and practices, offering nuanced insights that could be generalized to similar contexts or used to inform future research designs.

Regarding policy contributions, the research proposed an alternative view of the EU's regional development policy in Romania. It recommended that the Romanian Cohesion policy management system review their management system and consider decentralizing the regional programme and its management to allow urban authorities to function as 'equal partners'.

Lastly, future studies could explore the factors that can influence different urban responses to supranational policies, and thus apply this conceptual framework centred on local political leadership on other municipalities. Moreover, future research could explore a broadened conceptual understanding of subnational implementation of Cohesion policy. Methodologically, future studies could expand the research with cross country comparative analysis, or by using other research methods. As for policy, future research could investigate local involvement in other supranational policies and their place and goals in the local polity.

Are they opportunities to seize or do they serve broader political and development objectives for local political communities?

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Annexes

Annex 1. Participant Information Sheet

EUROPEAN POLICIES RESEARCH CENTRE



SAMPLE PARTICIPANT INFORMATION SHEET

Research Project: Challenges and opportunities for local authorities to participate in EU policies: the case of Cohesion Policy implementation in Romania

conducted by Alina Dragos,
European Policies Research Centre, University of Strathclyde (UK)

Introduction

You have been invited to take part in a PhD research study financed by the University of Strathclyde (UK) and an EIB University Research Scholarship. This information sheet provides information about the project and the role of participants. Please ask any questions if you are unsure about what is written here.

What is the purpose of this investigation?
The aim of the study is to analyse the participation of local public authorities in the implementation of the EU's cohesion policy at the local level, and identify the factors that influence the participation of local administrations in the different stages of the implementation process, from planning and to budget allocation, project design and implementation. The study aims to identify the structures, the mechanisms and the formal and informal institutions (rules-in-use), that influence the participation of local administrations in each stage of the policy process (strategic, operational, learning). The study aims to understand the experience of participation in the implementation of cohesion policy from the perspective of the people directly involved in its delivery.

What will happen in the project and what will be your role?

The interviews will take place in the West region in Romania, and will collect data from 3 municipalities in the West region. The overall period considered for conducting the interviews is September-October 2018, depending on the availability of the subjects. Efforts will be made to conduct the interviews in

September, however, if respondents are not available subsequent fieldtrips to the site are considered.

The interviews within each local authority will be conducted with civil servants with responsibilities related to participation in the implementation of the Regional Operational Programme 2014-2020: participating in meetings and working groups in the planning stage, preparing projects, covering assessment stage, implementation, financing and monitoring stages.

Moreover, three separate elite interviews are considered with the mayors of each municipality, as well as interviews with council members.

During the fieldwork trip the researcher will ask for access to documents related to ROP implementation from the Intermediate Body and the local authorities. The form and the scope of the documents will be agreed according to legal and procedural rules.

Why have you been invited to take part?

The aim of the project is to get to know the process of ROP implementation from the perspective of local administrations participating in the process. Invitation to participate in this study means that you have responsibilities and play an important role in implementation related activities, and that your work, knowledge and opinions are crucial for the success of the study.

Do you have to take part?

You are being invited to participate voluntarily in the project. You can refuse to participate or withdraw at any time without any consequences. The researcher hopes to solve any doubts before you decide to do it.

The place of useful learning

The University of Strathclyde is a charitable body, registered in Scotland, number SC015263



What are the potential risks to you in taking part?
There are no foreseen risks, burdens or specific preparatory requirements for you.

What are the benefits to you taking part?
It is likely that you will not receive any personal benefit for your participation in this study besides possible knowledge and experience exchange on public policies and cooperation. With your participation, you will make a substantial contribution to our understanding and disseminating the perspective of local administrations regarding the implementation of cohesion policy funded programmes.

What happens to the information in the project?
Responses you give in the interviews will be kept confidential. Recorded data will not include any personal identification so it will not be possible to identify you afterwards. The data will go into an archive stored securely at the University of Strathclyde so that people in the future will be able to understand people's attitudes to the European Union. Your identity will be protected at all times. The University of Strathclyde is registered with the Information Commissioner's Office who implements the Data Protection Act 1998. All personal data on participants will be processed in accordance with the provisions of the Data Protection Act 1998.

What happens next?

You will be able to obtain the main results of the study after the investigation is complete, which is planned for April 2019. The researcher will be happy to send her dissertation and/or related publications by e-mail.

Who do I ask if I have any questions or concerns?

In case of any issue involving you in your role of participant of this research study, you are invited to

contact me or my supervisor Professor John Bachtler from the Strathclyde University.

Alina Dragos
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University of Strathclyde
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Professor John Bachtler
Director & Head of Department
European Policies Research Centre
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40 George Street, Glasgow G1 1QE
tel: +44 141 548 3920
e-mail: cjohn.bachtler@strath.ac.uk

This investigation was granted ethical approval by the European Policies research Centre's Ethics Committee. More information can be found here: <http://www.eprc-strath.eu/supportPages/Ethics-and-sustainability.html>. If you have any questions/concerns, during or after the investigation, or wish to contact an independent person to whom any questions may be directed or further information may be sought from, please contact:

Secretary to the University Ethics Committee
Research & Knowledge Exchange Services
University of Strathclyde
Graham Hills Building
50 George Street
Glasgow, G1 1QE
Telephone: 0141 548 3707
Email: ethics@strath.ac.uk

THANK YOU FOR YOUR TIME TO READ THIS INFORMATION

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of the Year 2013/14
UK University of the Year
2012/13

EUROPEAN POLICIES RESEARCH CENTRE



SAMPLE CONSENT FORM

Research Project: Challenges and opportunities for local authorities to participate in EU policies: the case of Cohesion Policy implementation in Romania

conducted by Alina Dragos,
European Policies Research Centre, University of Strathclyde (UK)

- I confirm that I have read and understood the information sheet for the above project and the researcher has answered any queries to my satisfaction.
- I understand that my participation is voluntary and that I am free to withdraw from the project at any time, up to the point of completion, without having to give a reason and without any consequences. If I exercise my right to withdraw and I don't want my data to be used, any data which have been collected from me will be destroyed.
- I understand that I can withdraw from the study any personal data (i.e. data which identify me personally) at any time.
- I understand that anonymised data (i.e. data which do not identify me personally) cannot be withdrawn once they have been included in the study.
- I understand that any information recorded in the investigation will remain confidential and no information that identifies me will be made publicly available.
- I consent to being a participant in the project
- I consent to being audio recorded as part of the project
- I consent to being photographed during the project and to using these photographs for publications related to the project.

(PRINT NAME)	
Institution	
Signature of Participant:	
Date:	/ /2018

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Annex 3. Interview invitations

EUROPEAN POLICIES RESEARCH CENTRE



Glasgow, Month 2018

Letter of Introduction

Ref: "Challenges and opportunities for local authorities to participate in EU policies: the case of Cohesion Policy implementation in Romania."

To whom it may concern

I am writing to ask for your assistance in my PhD research project on the participation of public local authorities in the implementation of the EU's Cohesion Policy in Romania, conducted at the European Policies Research Centre (EPRC), University of Strathclyde, Glasgow, under the supervision of Professor John Bachiller, and Dr. Carlos Mendez, Senior Research Fellow.

The purpose of the research is to provide a deeper understanding of how local authorities participate in the implementation of the EU's Cohesion Policy in the 2014-2020 period, the challenges and opportunities encountered and what builds and sustains local participation in policy implementation.

The research follows a comparative case study, which involves interviews with relevant regional and public authorities involved in the implementation of Cohesion Policy, while also exploring their contribution to policy development, and policy learning. The outcome of these different stages shall result in conclusions regarding the factors that affect policy participation and the implication for the overall policy resulting into a PhD study and policy-relevant recommendations for policy-makers.

Therefore, given your strategic role in policy implementation at the local level, I would be grateful if you could help me conduct my research by providing me with the assistance, and information that I need during my visit. The analysis is of major importance to provide an accurate and deep understanding of how local authorities contribute to policy design and implementation, and how their participation can be enhanced in 2014-2020 and beyond.

Depending on your availability, I would like to organise my visit in the month of September 2018. The meetings will take approximately 40 minutes.

The research is bound to confidentiality rules and follows the regulation that ensures data protection, and the anonymity of sources.

Thank you in advance for your kind support and collaboration.

Yours sincerely,

Alina DRAGOS

PhD Candidate
40 George Street, G1 1QE, Glasgow, United Kingdom
alina.dragos@strath.ac.uk

Annex 4. Interview guide

Local participation in cohesion policy Interview Guide

Background

1. How important are the structural funds for the municipality?
2. What do you need in your institution to be able to access structural funds?
3. What measures did you take to be able to access structural funds?
4. What is the difference between the investments done through structural funds and those from other sources (local, national, international)?

Level of participation

5. What is your assessment of the extent to which the municipality takes part in activities related to creating and accessing structural funding (Probe: drafting the regional strategy, drafting the ROP, create projects, implement projects)?
 - Is the municipality actively involved? If not, why? If yes, why?

Role of mayor

6. How far do you get involved in matters related to structural funding? (Probe: regional strategy, creation of ROP, project generation, project implementation)

Administrative capacity

7. How would you assess the overall ability of the municipality and that of the consultants/ personnel to take part in structural policies? (Probe: staffing, expertise, experience, resources, knowledge building, etc for: drafting the regional strategy, drafting the ROP, create projects, implement projects)
 - If weak, why? If good, why?

Role of mayor for ACB

8. Did you need to take any measures to be able to take part in the activities related to participating in consultations and accessing structural funding? (Probe: drafting the regional strategy, drafting the ROP, create projects, implement projects)?
 - On what aspects, what were these measures, and how did they work? (Probe: staffing, expertise, experience, resources, knowledge building, etc)

Leadership style of mayor

9. Are there any other actions you undertook to facilitate contributing and accessing these funds? (Probe: regional strategy, creation of ROP, project generation, project implementation)
 - Engaging - Citizens, local politicians, national bodies, consultants/ experts, researchers...
 - Taking part in events/ networks, building partnerships, putting pressures to unlock situations if needed.

Change

10. What would you change to improve the contribution of municipalities to decisions related to structural strategies and programmes? (Probe: inside and outside the FS management system for drafting the regional strategy, drafting the ROP)
11. What would you change to improve the accessibility of the structural resources to municipalities? (Probe: inside and outside the FS management system to create projects, implement projects).

Annex 5. Characteristics¹⁷⁷ of cities

Big municipalities

Municipality	Population	Active ¹⁷⁸ population	Employed population	Employed population (%)	Historical occupation	Border city ¹⁷⁹
CLUJ NAPOCA	324,576	152,727	143,576	44%	The Habsburgs (1699-1867) Austro-Hungarian (1867-1918)	NO
TIMISOARA	319,279	153,477	142,628	45%	The Habsburgs (1716-1860) Austro-Hungarian (1860-1918)	YES
ORADEA	196,367	95,841	90,259	46%	The Habsburgs (1691-1867) Austro-Hungarian 1867-1918	YES
ARAD	159,074	76,731	71,252	45%	The Habsburgs (1687- Austro-Hungarian - 1918)	YES
BISTRITA	75,076	39,263	36,692	49%	Austro-Hungarian	NO
DEVA	70,407	29,911	27,606	39%	Austro-Hungarian	NO
ZALAU	56,202	29,372	26,911	48%	Austro-Hungarian	NO
RESITA	73,282	32,567	29,216	40%	Austro-Hungarian	NO

Small municipalities

Municipality	Population	Active population	Employed population	Employed population (%)	Historical occupation	Border city ¹⁸⁰
NEGRESTI OAS	16,864	4,919	4,410	26%	Austro-Hungarian	YES
SACUENI	12,678	4,729	4,279	34%	Austro-Hungarian	YES
VALEA LUI MIHAI	11,049	4,963	4,601	42%	Austro-Hungarian	YES
HUNEDOARA	74,142	26,136	24,029	32%	Austro-Hungarian	NO
SANTANA	15,601	4,795	4,429	28%	Austro-Hungarian	YES

¹⁷⁷ Data generated by the national population census in 2011.

¹⁷⁸ Available at https://www.recensamntromania.ro/wp-content/uploads/2021/11/vol3_t11.xls, retrieved on 11 October 2022.

¹⁷⁹ Eligible to 2014-2020 EU Cross-Border programmes (Interreg V-A – Romania-Hungary). Retrieved from <https://interreg-rohu.eu/en/eligible-area/> on 11 November 2022.

¹⁸⁰ Eligible to 2014-2020 EU Cross-Border programmes (Interreg V-A – Romania-Hungary). Retrieved from <https://interreg-rohu.eu/en/eligible-area/> on 11 November 2022.

Annex 6. List of participants

Organization type	Role	Identifier code	No. ctr.
Local authority, big municipalities, region 1	Civil servant, Head of service	L1R1	1
	Elected official	L2R1	2
	Civil servant, Director	L3.1R1	3
	Civil servant, Head of service	L3.2R1	4
	Elected official	L3.3R1	5
	Civil servant, Head of service	L4.1R1	6
	Civil servant, Head of service	L4.2R1	7
	Civil servant, Director	L4.3R1	8
Local authority, small municipalities, region 1	Elected official	L1.1R1small	9
	Civil servant, EU Project responsable	L1.2R1small	10
	Civil servant, Head of service	L1.3R1small	11
	Civil servant, Head of service	L2.1R1small	12
	Civil servant, Inspector	L2.2R1small	13
	Civil servant, Inspector	L2.3R1small	14
	Elected official	L3R1small	15
Local authority, big municipalities, region 2	Civil servant, Inspector	L01R2	16
	Civil servant, Head of service	L02R2	17
	Civil servant, Head of service	L03R2	18
	Civil servant, Elected official adviser	L04R2	19
Local authority, small municipalities, region 2	Civil servant,	L1R2small	20
	Elected official	L2.1R2small	21
	Civil servant, 1	L2.2R2small	22
	Civil servant, 2	L2.3R2small	23
	Elected official	L0R2	24
Regional ROP 2014-2020 Implementation Body, Region 1	Director General	R1.1	25
	Civil servant, Head of service	R1.2	26
	Civil servant, Head of service	R1.3	27
	Civil servant, Head of service	R1.4	28
	Civil servant, Head of service	R1.5	29
	Civil servant, Head of service	R1.6	30
	Civil servant, Head of service	R1.7	31
	Civil servant, Head of service	R1.8	32
	Civil servant, Head of service	R1.9	33
Regional ROP 2014-2020 Implementation Body, Region 2	Director General	R2.1	34
	Civil servant, Head of service	R2.2	35
	Civil servant, Head of service	R2.3	36
	Civil servant, Head of service	R2.4	37
	Civil servant, Head of service	R2.5	38
	Civil servant, Head of service	R2.6	39

Organization type	Role	Identifier code	No. ctr.
	Civil servant, Head of service	R2.7	40
	Civil servant, Head of service	R2.8	41
	Civil servant, Head of service	R2.9	42
Managing Authority for the ROP 2014-2020	Civil servant, Former Director General	N1a; N1b ¹⁸¹	43; 43bis
	Civil servant, Head of Service	N2.1; N2.2 ¹⁸²	44
	Civil servant		
	Civil servant, Adviser	N3	45
	Civil servant, Adviser	N4	46
	Civil servant, Head of Service	N5	47
	Civil servant, Head of Service	N6	48
	Civil servant, Head of Service	N7	49
	Civil servant, Adviser	N8	50
	Civil servant, Adviser	N9	51
European institutions	European Commission, Head of unit	E1.1	52
	European Commission, Civil servant	E1.2	53
	European Commission, Civil servant	E1.3	54
	European Commission, Civil servant	E1.4	55
	European Commission, Former staff, National Unit	E02	56
	European Commission, Civil servant	E03	57
	European Commission, Former staff	E04	58
	Elected Member of European Parliament	E05	59
	Romanian Presidency in the Council of the EU	E06	60

¹⁸¹ I conducted another interview with the participant in December 2016 as a country expert in an EIB funded research on administrative capacity of the management and control system of the Structural Funds across four countries among which Romania. Parts of the interview discuss the administrative capacity of municipalities relevant to this study.

¹⁸² I conducted another interview with the participant in December 2016 as a country expert in an EIB funded research on administrative capacity of the management and control system of the Structural Funds across four countries among which Romania. Parts of the interview discuss the administrative capacity of municipalities relevant to this study.

Annex 7. Criteria to assess local political leadership and administrative capacity

Dimensions & indicators	Analysis criteria	Very high = 5	High = 4	Medium = 3	Low = 2	Very low = 1	Absence = 0
	Local political leadership						
	1) Accountability						
Public commitment	It refers to the political objective of mayors. The degree of political prioritization of the EU funds to address local needs.	EU funds are a core political objective. The public is kept informed and involved about the EU investments.	EU funds are important on the political agenda	EU funds are a marginal political objective	EU funds are not a political objective.	EU funds are not a political objective.	EU funds are not a political objective
Public engagement	Mechanisms used for civic involvement in designing long-term directions and plans for development. Participatory tools are channels used to develop a civic dialogue. Participatory budgeting refers to civic involvement in decisions over how to use the local budget.	Building and exercising a civic dialogue is of key importance, the consultation process is transparent, extensive, frequent, consistent and continuous over time. Multiple engagement tools used. Calendars accessible to the public.	Building and exercising a civic dialogue is a key priority, the consultation process is transparent, extensive, frequent, consistent and continuous. Several engagement tools are used.	Building and exercising a civic dialogue happens, but the consultation process is not fully developed, is infrequent, unpredictable, and inconsistent over time. Limited engagement tools are used.	The civic consultation process was ad hoc and loose.	The civic consultation process was mentioned in documents but lacks other evidence.	No civic consultation processes.
Public responsiveness	Response to the public feedback regarding decisions and actions of public concern during implementation.	Proactive, extensive and consistent measures to prevent implementation errors that might generate problems and civic discontent.	Visible and consistent measures to prevent problems that occur during implementation.	Some evidence that civic input is considered in decisions regarding implementation.	Civic feedback has a weak relevance in implementation decisions and actions.	Civic feedback has a very weak relevance in implementation decisions and actions	Civic feedback has no consideration in implementation decisions and actions.
	2) Context utilization						
Needs mapping							

Dimensions & indicators	Analysis criteria	Very high = 5	High = 4	Medium = 3	Low = 2	Very low = 1	Absence = 0
Opportunity spotting	How leaders interact with the context, what they do and how they deal with and overcome constraints to seize opportunities.	Careful attention to local conditions and analysis of constraints. Measures envisaged to match all needs and integrate all funds.	Consideration for local conditions and analysis of constraints. Measures envisaged to maximise the funds with the needs.	Limited ability to overcome constraints and match needs with opportunities and maximise the level of funds attracted.	Reactive context use, quick match between funds-needs, low efforts to overcome limitations, random seizing of opportunities.	Passive context use, weak match between funds-needs, very low efforts to overcome limitations, random seizing of opportunities.	Lack of evidence of any contextual interaction.
Constraints apprehension							
3) Multi-level interactions							
Horizontal relations	Interactions with local actors and authorities to access funds	Active, creative, and consistent, and constant interactions throughout the entire process with local level authorities. Active development of relationships.	Constant, continuous, frequent interactions throughout the entire process with local level authorities. Actively participating and building relations.	Inconsistent interaction with other actors and passive intake of existing networks.	Weak and ad-hoc local interactions regarding EU funds.	Very weak local interactions regarding EU funds.	No local relations to access EU funds.
Vertical relations	Exchanges with multiple actors in the governance system at regional, government and EU level to access to funds	Active, consistent, constant and continuous interactions with regional, governmental and EU authorities throughout the entire process. Active search for new engagements.	Frequent interactions throughout the entire process with regional, governmental and EU authorities. Actively developing and building relations.	Inconsistent interaction with regional, governmental and EU authorities throughout the entire process.	Weak and ad-hoc interactions with regional, governmental and EU authorities throughout the entire process.	Very weak and ad-hoc interactions with regional, governmental and EU authorities throughout the entire process.	No interactions with regional, governmental and EU authorities.
4) Vision							
Future projections	Long-term projections for developing the city, integrating EU directions. Determines the level of integration of EU funds to	EU investments are part of a clear, well-defined and coherent long-term development plan,	EU investments are part of a clearly and well-defined long-term development	A long-term plan is mentioned and defined but it has	Loose and general long-term plan.	Very general long-term plan.	No long-term vision or plan is articulated.

Dimensions & indicators	Analysis criteria	Very high = 5	High = 4	Medium = 3	Low = 2	Very low = 1	Absence = 0
	the long-term future development.	independent, but aware of EU policy directions.	plan, sensitive to EU policy directions.	loose ties with the local EU investments.			
5) Strategic approach							
Strategic action plan	It refers to whether, when and how each administration strategically planned their actions to access funds, i.e. the measures envisaged, their sequence, timeline and pertinence.	Existence of a clear and mature plan, with well-defined priorities, pre-defined sequence of steps, and clear course of actions; existence of measures to create the conditions adapted for accomplishing the plan; consistent and systematic planning of multiple intermediate steps to attract funds.	Clear course of action, consistent and systematic planning of multiple intermediate steps to attract funds.	Some flexible lines of actions are in place, but they are loose and at times inconsistent with the plan.	The actions are designed reactively, spontaneously, as the process develops.	The actions are quick reactions to calls as the process develops.	No strategic plan is in place.
Timeliness of strategic planning	Refers to the timeliness of establishing the strategic directions and lines of action in view of guiding and preparing the process to secure EU funds.	Early and continuous preparatory measures (allocation of resources, staff, tasks, calendar), planning of activities to attract funds with sufficient time ahead of the launch of EU programmes.	The preparatory process starts during the national programming process, but earlier than the approval of the ROP.	The process starts as the programme launches.	The process starts after the opening of individual calls for projects.	The process starts long after the opening of individual calls for projects.	No timeline.
6) Building bureaucratic structures							
Structural adaptation/arrangements	The creation of special structures dedicated to attracting EU funding,	EU units created and the distribution of roles and responsibilities is clear with a sustained pattern of interaction	EU units created and the distribution of roles and responsibilities is clear with a good pattern of interaction	EU units exist and the distribution of roles and responsibilities is good, but with a disruptive pattern of	Low accountability lines, loose and informal structures in place.	Very low accountability lines, loose structures in place.	No adaptation measures.

Dimensions & indicators	Analysis criteria	Very high = 5	High = 4	Medium = 3	Low = 2	Very low = 1	Absence = 0
		for workflow, and accountability.	for workflow, and accountability.	interaction for workflow, and loose accountability.			
Staffing	Measures and efforts to secure the personnel necessary to cover all the positions, roles and responsibilities associated with attracting EU funds.	Noticeable, repeated and sustained measures are made to fill in the positions with sufficient staff to cover all the roles and responsibilities in the EU structures.	Staffing for EU funds is a key priority. Noticeable, and repeated measures are made to find the competences and expertise for all the positions available.	Measures to ensure the filling of the positions exist but they are not a key priority.	Few and unrepeatable measures to fill the positions. Staffing for EU fund is not a priority.	Very few and unrepeatable measures to fill the positions. Staffing for EU fund is not a priority.	No staffing actions.
Knowledge building [training and learning]	Measures to build knowledge and capacity of the EU team through training and learning and providing the relevant information to enable the team to perform the specific activities related to EU funds.	Sustained, detailed, and relevant training and learning opportunities are offered to staff, adapted to their EU funds knowledge needs.	Proactive search for training opportunities. Training the staff is a priority. Diverse, frequent and adapted trainings are offered.	Some basic training and learning opportunities are offered to staff in relation to EU funds.	Ad-hoc training and learning opportunities are offered to staff in relation to EU funds.	Ad-hoc training and little learning opportunities are offered to staff in relation to EU funds.	No training is offered.
7) Internal relations							
Overseeing and driving	Interactions and measures to mobilize the staff, drive and support their efforts for a sustained and long-term activity, in line with the programme's timeline.	Noticeable interactions and measures to mobilize, supervise, and guide the staff for a sustained, timely and long-term activity.	Frequent interactions with the team, mobilize, support and guide the staff for a sustained, and timely execution of work.	Infrequent interactions with the team and inconsistent measures to guide and supervise, the staff to sustain their efforts.	Ad-hoc interactions with the staff, specific-issue support, no specific guidance provided.	Little interaction with the staff, specific-issue support, no specific guidance provided.	No support is offered.
Problem solving	Measures to harmonize and integrate between EU-funding activities and other actions of the administration to follow the agreed calendar.	Coordination is a priority. Noticeable measures to synchronize and integrate the activities of the team in relation to attracting EU funds.	Measures are in place to synchronize and integrate the activities of the team in relation to attracting EU funds.	Activities overlap, or gaps exist between the sequence of team action.	There is little and informal guidance to ensure coordination.	There is very little and informal guidance to ensure coordination.	No coordination measures.
Coordination							

Dimensions & indicators	Analysis criteria	Very high = 5	High = 4	Medium = 3	Low = 2	Very low = 1	Absence = 0
Internal Control	Checking and comparing the execution of the plan with the initial plan, evaluate the quality of the work in order to detect potential deviations from the plan, and institute preventive or corrective measures.	Milestones are used regularly, with constant checks to detect possible plan deviations and ensure its timely and correct execution. Corrective or preventive measures are envisaged.	Milestones are used, and checks were ensured for a timely execution of the action plan. Corrective or preventive measures are created.	Infrequent checks of the execution of the tasks, few preventive and corrective measures in place.	The administration is left to perform the tasks, with little execution checks and loose preventive measures.	The administration is left to perform the tasks, with no execution checks and very loose preventive measures.	No milestones, checks or preventive measures.
Administrative capacity							
1) Dedicated structures							
Allocation of roles and tasks	Defining the remit of the structures, the scope of each position, delineating responsibilities, and allocating responsibilities and tasks to roles and positions within the EU dedicated structures.	Clearly defined boundaries between structures, positions, and responsibilities. Clear distribution of tasks to positions . Clear accountability lines. Perfect alignment of roles, tasks and competencies.	Clear roles but unclear responsibilities. Clear distribution of tasks to positions with infrequent allocation of other tasks. Clear accountability lines with infrequent changes. Adequate alignment of roles, tasks and competencies.	Formal and informal units, broadly defined roles and responsibilities. Good distribution of tasks to positions with frequent overlapping of multiple tasks. Blurred accountability lines. Some ill-fitting tasks and competencies.	Informal structures are created with loosely defined boundaries, roles and responsibilities. Ad-hoc and informal distribution of tasks . Cumulative, multiple responsibilities. Unclear accountability lines. Mismatch between responsibilities and competencies.	Informal structures are created with very loosely defined boundaries, roles and responsibilities. Ad-hoc distribution of tasks . Cumulative, blurry responsibilities. Mismatch between responsibilities and competencies.	Overlapping roles and responsibilities, no and blurring accountability lines.
Hiring capacity	The ability to attract and hire people to be part of the EU dedicated structures, to fill in the expertise and knowledge gaps of the	There is a complete occupation of all EU positions sought, with relevant expertise, desired competence	There are some difficulties to secure the filling of all designated positions, but eventually the	There are difficulties in occupying the positions, and finding the relevant expertise,	There are considerable and sustained difficulties in filling all the positions. Repeated	There are considerable and sustained difficulties in filling all the	The administration does not succeed in occupying its roles and

Dimensions & indicators	Analysis criteria	Very high = 5	High = 4	Medium = 3	Low = 2	Very low = 1	Absence = 0
	existing team and increase the number of people mobilized to accomplish the assigned workload.	and profile of people attracted.	relevant expertise, desired competence and profile of people are attracted.	competence and profile of people. Employment calls do not attract many or any candidates.	employment calls are organised, low levels of candidates, and often the calls close without retaining people.	positions; several employment calls are organised; very few candidates; no hiring	positions and successive calls for employment generate no applications.
Retention and stability	Whether staff is stable and motivated to be operational when EU funding opportunities arise. It also enables the staff to go through the lengthy and demanding process of knowledge acquisition and cover the complexity of tasks involved.	There is continuity, stability and retention of the personnel, with very low staff turnover.	There is continuity and stability of personnel, and low turnover levels	The personnel are stable with some resignations of key EU personnel.	There is some continuity but instability of personnel, and high turnout levels of key EU personnel.	There is little continuity and high instability of key EU personnel.	People leave after a short time.
2) Human resources							
Knowledge [levels]	Understanding and knowing the EU rules and procedures. Specialised expertise (legal, procurement, technical) to perform verifications of procedures and contracts.	Comprehensive understanding of EU funds rules and procedures. Sufficient specialised expertise (procurement, legal, technical) to organise and verify with ease complex procedures and contracts.	Good understanding of EU rules and procedures. Good specialised expertise (legal procurement, technical) to perform verifications of procedures and contracts.	Good but limited understanding and ease of using the EU rules and procedures. Limited specialised expertise (legal, procurement, technical) to perform verifications of procedures and contracts.	Insufficient understanding of EU rules and procedures. Insufficient specialised expertise (legal, procurement, technical) to perform verifications of procedures and contracts.	Little understanding of EU rules and procedures. Very low specialised expertise (legal, procurement, technical) to perform verifications of procedures and contracts.	Large knowledge gaps exist regarding EU funds, and specialised expertise does not exist.
Staffing and workload	Whether staff can handle and finish the workload within the allocated timeframe, with no delays, within the working hours.	Workload is well adjusted to the size of the team and staff can perform duties within working hours, meet	Workload is adjusted to the size of the team and staff can perform their duties within working hours,	Staff struggles to deliver work on time, within working hours, and sustained overtime work is	The staff is overwhelmed with workload and it is frequently unable to accomplish it on	The staff is extremely overwhelmed with workload and it is unable	The staff is overwhelmed with work and key deadlines are

Dimensions & indicators	Analysis criteria	Very high = 5	High = 4	Medium = 3	Low = 2	Very low = 1	Absence = 0
		deadlines without delays. The staff can handle and finish work early, within the allocated time.	meet deadlines without major delays, extra hours are occasionally but unfrequently needed.	needed. Deadlines are sometimes not met.	time, and regularly miss key deadlines. Finishing work demands and relies on frequent overtime work.	to accomplish it on time, and regularly miss key deadlines. Finishing work demands and relies on continuous overtime work.	very frequently missed.
Motivation [level]	Involvement of the team to do all that is necessary and required to attract EU resources.	All staff prioritises EU funds, being fully involved, interested and favourable to work to attract EU funds.	Almost all people are dedicated to the tasks and satisfied with their work.	Some people do not sustain the efforts needed and show low commitment and EU funds are not a priority.	Staff is indifferent to performing work specific to attracting EU funds.	Staff is very indifferent to performing work specific to attracting EU funds.	No one is prioritising EU work.
3) Collaboration							
Internal collaboration	Inter-departmental exchange, support, and communication on EU funds.	Tight collaboration, reciprocal support, frequent meetings and synchronicity.	Constant meetings, good information flow, good complementarity.	Some communication problems, some disconnected actions, disruptions in information flows.	Weak communication, and task synchronization, no meetings or mutual help.	Very weak communication, and task synchronization, no meetings or mutual help.	No communication, mutual support or exchange practices.
External collaboration	Handling of outsourced contracts, other public institutions and administrative interactions with the EU management system	Close and sustained exchange with outsourced contractors, other relevant actors, the Intermediate Body and the Managing Authority	Good and frequent exchange with outsourced contractors, and other relevant actors, the Intermediate Body and the Managing Authority.	Limited exchange with outsourced contractors, some exchanges with other relevant actors, the Intermediate Body and the Managing Authority.	Difficult relations with outsourced contractors, and other relevant actors, the Intermediate Body and the Managing Authority.	Very difficult relations with outsourced contractors, and other relevant actors, the Intermediate Body and the Managing Authority.	No external relations.

Source: own elaboration

Annex 8. Criteria to assess local implementation

Indicator	Measurement	Definition	Assessment criteria			
			High = 3	Medium = 2	Low = 1	Absent = 0
Projects submission	Number of projects	The number of projects submitted for EU funds	Number of projects higher than the average number of projects submitted.	Number of projects close to the average number of projects submitted.	Number of projects lower than the average number of projects submitted.	No projects
	Value of projects (€)	The funds needed by each investment.	When the value exceeds the average value of submitted projects.	When the value equals the average value of submitted projects.	When the value is below the average value of submitted projects.	No value
	Project values vs allocation (%) * (if applicable)	The extent to which the total value of the projects exceeds the allocation* (if applicable)	The ratio exceeds 100%	The ratio covers 100%	The ratio is below 100%	No ratio
Timeliness	Submission year of 50% of the projects	How early most of the projects were submitted	The majority of projects were submitted in the earliest year after the calls for projects.	The majority of projects were not submitted in the earliest year after the calls for projects.	The majority of projects were submitted at the last calls for projects.	No submission.

Source: own elaboration

*for Axis 4, ROP 2014-2020

Annex 8.1 Local implementation data

Local implementation¹⁸³ big municipalities

Year	Indicators	CLUJ NAPOCA	TIMISOARA	ORADEA	ARAD	BISTRITA	DEVA	ZALAU	RESITA
	Allocation ¹⁸⁴ (ERDF+ State Budget) €	45,190,300.00	55,877,400	36,146,100	38,870,600	23,870,600	26,728,400	21,792,700	28,893,600
2017 ¹⁸⁵	No projects submitted	0	0	0	0	1	0	0	0
	Submission level of no of projects	0%	0%	0%	0%	6%	0%	0%	0%
	Project value ¹⁸⁶ (ERDF + State Budget) (€)	0	0	0	0	1,069,907.41	0	0	0
	Project value vs allocation (%)	0%	0%	0%	0%	4%	0%	0%	0%
2018 ¹⁸⁷	No projects submitted	23	5	18	3	15	6	9	10
	Submission level of no of projects	100%	42%	90%	30%	83%	55%	90%	100%
	Project value ¹⁸⁸ (ERDF + State Budget) (€)	245,248,419.41	11,319,246	146,625,274.72	43,979,085	54,716,788.10	9,309,149	52,863,684	58,095,975.23
	Project value vs allocation (%)	543%	20%	406%	113%	229%	35%	243%	201%
March 2019	No projects submitted	0	7	3	7	2	5	1	0
	Submission level of no of projects	0%	58%	10%	70%	11%	45%	10%	0%
	Project value ¹⁸⁹ (ERDF + State Budget) (€)	0	88,335,530	67,712,898.90	45,000,326	4,823,085.92	25,574,484	3,000,819.60	0
	Project value vs allocation (%)	0%	158%	187%	116%	20%	96%	14%	0%
Total	No of projects	23	12	21	10	18	11	10	10
	Project value (ERDF + State Budget) (€)	245,248,419	99,654,776	214,338,174	88,979,411	60,609,781	34,883,632	55,864,504	58,095,975
	Project value vs allocation (%)	543%	178%	593%	229%	254%	131%	256%	201%

Local implementation¹⁹⁰ - small municipalities

¹⁸³ The local implementation data for the big municipality refers to the case of Axis 4- Supporting Sustainable Urban Development, of the ROP 2014-2020 in Romania.

¹⁸⁴ Source: The Framework Document for the Implementation of Sustainable Urban Development, Priority Axis 4 - Supporting Sustainable Urban Development, Annex. Version August 2018.

¹⁸⁵ Situation at the end of 2017.

¹⁸⁶ The European Commission's official monthly exchange rate was used (InforEuro) from December 2017, corresponding to 1 EUR = 4.644 RON. Available at https://commission.europa.eu/funding-tenders/procedures-guidelines-tenders/information-contractors-and-beneficiaries/exchange-rate-inforeuro_en.

¹⁸⁷ Situation at the end of 2018.

¹⁸⁸ The European Commission's official monthly exchange rate was used (InforEuro) from December 2018, corresponding to 1 EUR = 4.6531 RON. Available at https://commission.europa.eu/funding-tenders/procedures-guidelines-tenders/information-contractors-and-beneficiaries/exchange-rate-inforeuro_en.

¹⁸⁹ The European Commission's official monthly exchange rate was used (InforEuro) from March 2019, corresponding to 1 EUR = 4.7388 RON. Available at https://commission.europa.eu/funding-tenders/procedures-guidelines-tenders/information-contractors-and-beneficiaries/exchange-rate-inforeuro_en.

¹⁹⁰ Calculation based on regional data from the Managing Authority of the ROP 2014-2020. Situation at 28.03.2019, projects prepared and submitted for EU funding through the ROP 2014-2020.

	Town name	Number of projects ¹⁹¹
1	HUNEDOARA	19
2	NEGRESTI OAS	10
3	VALEA LUI MIHAI	7
4	SACUENI	6
5	SANTANA	4

	Town name	Value of projects (€) ¹⁹²
1	HUNEDOARA	60,349,390.29
2	SACUENI	21,578,257.78
3	VALEA LUI MIHAI	17,770,686.38
4	NEGRESTI OAS	10,956,083.9
5	SANTANA	6,636,784.02

Source: own calculation based on regional data from the Managing Authority of the ROP 2014-2020

¹⁹¹ The number of projects included in the table excludes those projects that were rejected after submission.

¹⁹² The European Commission's official monthly exchange rate was used (InforEuro) from March 2019, corresponding to 1 EUR = 4.7388 RON. Available at https://commission.europa.eu/funding-tenders/procedures-guidelines-tenders/information-contractors-and-beneficiaries/exchange-rate-inforeuro_en. This value e

Annex 8.2 Local implementation assessment

Big municipalities

Municipality	2018				Score
	No projects submitted	Submission value (FEDER + State Budget) (€)	Project values vs allocation (%)	Timeliness (Submission year > 50% projects)	
CLUJ NAPOCA	3	3	3	3	3.00
TIMISOARA	1	1	1	1.5	1.13
ORADEA	3	3	3	3	3.00
ARAD	1	1.5	2	1	1.38
BISTRITA	3	1.5	3	3	2.63
DEVA	1	1	1	2	1.25
ZALAU	1.5	1.5	3	3	2.25
RESITA	2	2	3	3	2.50

Source: own elaboration

Municipality	Mar-19			Score
	No of projects submitted	Project value (FEDER + State Budget) (€)	Project values vs allocation (%)	
CLUJ NAPOCA	3	3	3	3.00
TIMISOARA	2	2	2.5	2.17
ORADEA	3	3	3	3.00
ARAD	1	1	3	1.67
BISTRITA	3	1	3	2.33
DEVA	1	1	2	1.33

Municipality	Mar-19			Score
	No of projects submitted	Project value (FEDER + State Budget) (€)	Project values vs allocation (%)	
ZALAU	1	1	3	1.67
RESITA	1	1	3	1.67

Source: own elaboration

Local implementation		
Municipality	Score	Rate
CLUJ NAPOCA	3.00	high
TIMISOARA	1.65	medium/ low
ORADEA	3.00	high
ARAD	1.52	medium/ low
BISTRITA	2.48	medium/ high
DEVA	1.29	low
ZALAU	1.96	medium
RESITA	2.08	medium

Source: own elaboration

Small municipalities

Municipality	No of projects submitted	Project value (FEDER + State Budget) (€)	Score	Rate
HUNEDOARA	3	3	3	high
NEGRESTI OAS	2.5	1	1.75	medium
SACUENI	1	2.5	1.75	medium
VALEA LUI MIHAI	1	1.5	1.25	low
SANTANA	1	1	1	low

Source: own elaboration

Annex 9. Changes to the ROP's 2014-2020 general guideline¹⁹³

Year	Date	Modifications General Guideline	No. of changes
2015	04.11.2015	Ministerial Order no 1021/4 November 2015 for approving "The General Guideline. General conditions for accessing funds through the Regional Operational Programme 2014-2020"	-
2016	13.10.2016 07.12.2016	Ministerial Order no. 3170/7.12.2016 Ministerial Order no. 2735/13.10. 2016	2
2017	04.10.2017	Ministerial Order no. 286/15.02.2017 – published on 23.02.2017 (in force at publication date)	5
	12.07.2017	Ministerial Order no. 2717/13.04.2017 – in force at 13.04.2017	
	31.05.2017	Ministerial Order no. 3175/31.05.2017 – in force at 31.05.2017	
	13.04.2017	Ministerial Order no. 3623/12.07.2017 – in force at 12.07.2017	
	23.02.2017	Ministerial Order no. 6302/03.10.2017 – in force at 04.10.2017	
2018	19.03.2018	Ministerial Order no. 2476/19.03.2018 – in force at 19.03.2018	6
	19.04.2018	Ministerial Order no. 4511/12.04.2018	
	28.08.2018	Ministerial Order no. 6008 din 24.10.2018.	
	05.11.2018	Ministerial Order no. 5526/28.08.2018	
	26.11.2018	Ministerial Order no. 6132/05.11.2018, published on 05.11.2018	
	29.11.2018	Ministerial Order no. 6288/ 26.11.2018	
2019	16.07.2019	Ministerial Order no. 2151/ 16.07.2019	2
	16.11.2019	Ministerial Order no. 2151/ 16.07.2019	
2020	05.10.2020	Ministerial Order no. 3907/05.10.2020	1
6 years			16 changes

Source: own elaboration

¹⁹³ Ministerial orders, the Ministry of Regional Development and Public Administration, Managing Authority for ROP 2014-2020. Retrieved from <https://www.inforegio.ro/ro/consultare-apeluri?start=0>. Accessed on 15.01.2022

Annex 10. Profile of mayors¹⁹⁴

Big municipalities

Municipality	Start local political career	In office since	Number of mandates ¹⁹⁵	Party	Corruption scandals ¹⁹⁶
CLUJ-NAPOCA	2004	2004-2008 2012-present	3	PNL	-
TIMISOARA	2012	2012-present	2	PNL	-
ORADEA	1996	2008-present	3	PNL	-
ARAD	2000	2004-2019	4	PNL	-
	-	2019--present	1	PNL	-
BISTRITA	-	2008-2020	3	PSD	-
DEVA	2000	2017-present	1	PNL	-
ZALAU	2003	2016-present	1	PSD	-
RESITA	2016	2016-present	1	PNL	-

Small municipalities

Municipality	Start local political career	In office since	Number of mandates	Party	Corruption scandals ¹⁹⁷
HUNEDOARA	2012	2016-present	1	PSD	-
NEGRESTI OAS	-	2012-present	2	PSD	-
SANTANA	-	2012-present	2	PNL	-
VALEA LUI MIHAI	-	2012-present	2	UDMR	-
SACUENI	-	2008-present	3	UDMR	-

¹⁹⁴ This data reflects the situation at the time of the data collection (June 2019).

¹⁹⁵ The number of mandates does not include the last local elections taken place in 2020.

¹⁹⁶ The data for this category comes from the press and refers to accusations of misusing the EU funds for other purposes than those stated in the European regulations and national regulation. Of all EU funded programmes, the ROP 2014-2020 is the programme with the lowest number of corruption cases since the accession in 2007.

¹⁹⁷ The data for this category comes from the press and refers to accusations of misusing the EU funds for other purposes than those stated in the European regulations and national regulation. Of all EU funded programmes, the ROP 2014-2020 is the programme with the lowest number of corruption cases since the accession in 2007.

Annex 11. Units of analysis for administrative capacity

Identifier	Case	Unit of analysis
L1R1	Big municipality 1, region 1	Strategy and local development project management service
L2R1	Big municipality 2, region 1	Department for Managing Projects with International Funding
L3R1	Big municipality 3, region 1	European Integration Department
L4R1	Big municipality 4, region 1	Technical Directorate, Project Management Service
L1R2	Big municipality 5, region 2	Development Directorate; International Funding Project Implementation Service; Technical Directorate.
L2R2	Big municipality 6, region 2	The European Programme Service; Investment Service.
L3R2	Big municipality 7, region 2	Financial Records of Projects Department; Project Development Office
L4R2	Big municipality 8, region 2	Local Development Direction.
L1sR1	Small town 1, region 1	Compartment for the Implementation of European projects
L2sR1	Small town 2, region 1	Compartment for the Implementation of European Projects
L3sR1	Small town 3, region 1	No structure
L1sR2	Small town 4, region 2	Project elaboration and implementation Service
L2sR2	Small town 5, region 2	European Programmes Department

Annex 12. Documentary sources¹⁹⁸

EU legislation

Regulation (EU) 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006.

Regulation (EU) no. 1303/2013 of the European Parliament and of the Council of 17 December 2013 establishing common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Fisheries and Maritime Fund, as and establishing general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Fund for Fisheries and Maritime Affairs and repealing Regulation (EC) no. 1083/2006 of the Council.

Delegated Regulation (EU) no. 240/2014 of the Commission of January 7, 2014 regarding the European Code of Conduct regarding partnership, within the European structural and investment funds.

Delegated Regulation (EU) no. 480/2014 of the Commission of March 3, 2014 supplementing Regulation (EU) no. 1303/2013 of the European Parliament and of the Council establishing common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Fisheries and Maritime Fund, as well as establishing of general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Fisheries and Maritime Fund.

¹⁹⁸ The subsequent changes and additions will need to be considered for all documents.

National legislation:

The Constitution of Romania republished in M.Of. no. 237 of March 19, 2018national legislation relevant to EU funds.

Law no. 290/2018 for the amendment and completion of Law no. 2/1968 regarding the administrative organization of the territory of Romania.

Law no. 315 of June 28, 2004 regarding regional development in Romania.

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Government Decision no. 1183/2014, regarding the nomination of the authorities involved in the management and control system of the European structural and investment funds 2014 – 2020.

Government Decision no. 398/2015, for establishing the institutional framework for coordination and management of European structural and investment funds and for ensuring the continuity of the institutional framework for coordination and management of structural instruments 2007-2013.

Decentralization Framework Law no. 195/2006.

Government Emergency Ordinance no. 57/2019 regarding the Administrative Code.

Emergency Ordinance No. 28/2013 of April 10, 2013 for the approval of the National Local Development Program.

Law no. 500/2002 on public finances, with subsequent amendments and additions, source: Official Gazette no. 597/13 Aug. 2002 with subsequent amendments.

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Government emergency ordinance 34/2006 regarding the awarding of public procurement contracts, public works concession contracts and service concession contracts, Official Gazette no. 418/15 May. 2006 with subsequent amendments and additions.

The National Programme for Local Development.

Strategic Documents:

The Partnership Agreement with Romania 2014-2020.

National Strategy for Regional Development 2014-2020, Ministry of Regional Development and Public Administration from Romania (2013), Bucharest.

The development plan of the development region 1 Northeast.

The development plan of the development region 2 Southeast.

The development plan of the development region 3 Sud Muntenia.

The development plan of the development region 4 Southwest Oltenia.

The development plan of the development region 5 West 2014-2020.

The development plan of the development region 6 North-West.

The development plan of the development region 7 Center.

The development plan of the development region 8 Bucharest-Ilfov.

Integrated urban development strategies:

The Integrated Urban Development Strategy for the Cluj-Napoca Metropolitan Area 2014-2020.

The Integrated Urban Development Strategy of the Municipality of ORADEA 2017-2023

The local development strategy of the municipality of Bistrița 2010-2030.

The Integrated Urban Development Strategy (SIDU) of the municipality of Zalău for the period 2016 – 2023.

The Integrated Development Strategy of the Timișoara Growth Pole 2015-2020 - Final Version - published on 21.04.2016.

The Integrated Urban Development Strategy of the Municipality of Arad for the period 2014 – 2030.

Integrated Strategy for Urban Development of Deva Municipality 2014 – 2023 - 2017 version - approved by HCL 275 / 2017.

The Development Strategy of Reșița Municipality for the period 2015-2025.

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Cluj-Napoca Sustainable Urban Mobility Plan. Source: <https://www.clujmet.ro/resurse/>.

Oradea Sustainable Urban Mobility Plan. Source:

https://www.oradea.ro/fisiere/module_fisiere/24538/plan-de-mobilitate.PDF.

Bistrița Sustainable Urban Mobility Plan: <https://www.primariabistrita.ro/wp-content/uploads/2021/02/PMUD-Bistrița.pdf>.

The Urban Mobility Plan of Zalau for the Period 2016-2030. Source:

<https://www.administratie.ro/dezbatera-publica-privind-planul-de-mobilitate-urbana-al-zalaului-pentru-perioada-2016-2030/>.

Sustainable Urban Mobility Plan for the Timișoara growth pole. Source:

https://www.primariatm.ro/wp-content/uploads/2020/08/SUMP_august_2020-1.pdf.

Arad Sustainable Urban Mobility Plan 2014-2020. Source:

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Deva Sustainable Urban Mobility Plan 2016-2030. Source:

https://www.primariadeva.ro/fisiere/module_fisiere/9301/PMUD%20Deva-sea%20mediu%20varianta%20pentru%20site.pdf.

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[https://www.primariaresita.ro/portal/cs/resita/portal.nsf/allbyunid/FC7183867049380EC225820B004CB2D2/\\$FILE/Plan%20de%20mobilitate%20urbana%20durabila%20varianta%20finala.pdf](https://www.primariaresita.ro/portal/cs/resita/portal.nsf/allbyunid/FC7183867049380EC225820B004CB2D2/$FILE/Plan%20de%20mobilitate%20urbana%20durabila%20varianta%20finala.pdf).

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Source: <http://www.negresti-oas.ro/wp-content/uploads/Hotarari2016/StrategiededezvoltareNegresti-OasActualizare2016.pdf>.

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The Regional Operational Programme 2014-2020, Applicant Guide - General conditions for accessing funds under the ROP 2014-2020.

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Regional Operational Programme 2014-2020, Framework Document for The Implementation of Sustainable Urban Development, Priority Axis 4 - Supporting Sustainable Urban Development, Amendment no. 3, effective from: 18.06.2018.

Regional Operational Programme (POR) 2014-2020, Priority Axis 4: Supporting sustainable urban development, Investment Priority 4e: Promoting strategies with low carbon dioxide emissions for all types of territories, especially for urban areas, including the promotion of urban mobility sustainable multimodal and adaptation measures relevant for mitigation, Specific Objective 4.1: Reduction of carbon emissions in the county seat municipalities through investments based on sustainable urban mobility plans, Applicant Guide – Specific conditions for accessing funds within the call for projects with the number POR/2018/4/4.1/3/in partnership.

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Regional Operational Programme 2014-2020, Priority Axis 4: Supporting Sustainable Urban Development, Specific Objective: Reconversion and re-functionalization of degraded, vacant or unused lands and surfaces in the county seat municipalities, Applicant's Guide - Specific conditions for accessing the funds within the Investment priority 4.2. Carrying out actions aimed at improving the urban environment, revitalizing cities, regenerating and decontamination of abandoned industrial land (including reconversion areas), reducing air pollution and promoting noise reduction measures.

Regional Operational Programme 2014-2020, Priority Axis 4: Supporting Sustainable Urban Development, Investment priority 4.3 Providing support for the physical, economic and social regeneration of disadvantaged communities in urban and rural regions, Specific Objective: Improving the physical, economic and social regeneration of marginalized communities in the county seat municipalities in Romania, Applicant's Guide - Specific Conditions for Accessing Funds within the Call for Projects POR/2017/4/4.3/1.

Regional Operational Programme 2014-2020, Priority Axis 4 - Supporting sustainable urban development, Investment Priority 4.4 Investments in education, training, including vocational training for the acquisition of skills and lifelong learning through development education and training infrastructures, Specific Objective 4.4 Increasing the quality of the

infrastructure in order to ensure increased access to early education and support parents' participation in the labour market, Applicant's Guide – Specific Conditions for Accessing Funds within the Call for Projects No. POR/4/2017/4.4/4.4/1, Corrigendum no. 2.

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Annex 13. Assessments local political leadership, administrative capacity and local implementation

Big municipalities

Municipality	Local implementation	Local political leadership	Administrative capacity
CLUJ NAPOCA	high	high	high
TIMISOARA	medium/ low	low	medium
ORADEA	high	very high	high
ARAD	medium/ low	medium/ low	high
BISTRITA	medium/ high	medium/ high	high
DEVA	low	medium/ low	medium
ZALAU	medium	medium/ high	high
RESITA	medium	high	medium/ high

Small municipalities

Municipality	Local implementation	Local political leadership	Administrative capacity
HUNEDOARA	high	medium	medium
NEGRESTI OAS	medium	medium	medium
SACUENI	medium	medium/ low	medium
SANTANA	low	medium	medium
VALEA LUI MIHAI	low	low	medium

Annex 14. Coding framework

Themes/ Concepts from the conceptual framework	Categories	Conceptual categories informed by CR ¹⁹⁹	Example of descriptive codes – theoretically driven and <i>invivo</i>
Public accountability	Public commitment	agency	priority of civic concerns, priority of EU funds, EU investments and civic concerns, electoral promises and EU funds, discussing civic concerns, EU goals of mayors, interest in civic concerns
	Public engagement	agency	EU events for civic input, grassroots contact, direct civic contact, civic engagement events, civic input for EU funds, civic meetings for EU investments
	Public responsiveness	agency	reaction civic feedback, response civic return, perception civic pressures, interest in civic feedback, measures to prevent civic discontent, measures to address civic concerns
Context utilization	Needs mapping	agency	local problems and EU funds
	Opportunity spotting	agency	measures to match EU funds with local context
	Constraints apprehension	agency	local constraints and EU funds
Multi-level interaction	Horizontal relations	agency	interactions with local level authorities, building relationships with other cities, sharing experiences with other cities, actions done with other cities for EU funds, value of interactions (giving and receiving)
	Vertical relations	agency	IB meetings/ events/ discussions, MA meetings/ events/ discussions, EC discussions
Vision		agency	long-term development, investment plan, city development and EU funds
Strategic approach	Strategic action plan	agency, agency & structure	action plan EU funds, planned investments, planned interactions, planned learning, strategic investment plan, strategic funds mix
	Timeliness of strategic planning	agency, agency & structure	early EU funds plan, planned HR measures, planned staffing calculations, predictions ROP timeline, early information gathering
Bureaucratic structure	Structural adaptation	agency & structure	dedicated EU units, adapted EU units, EU funds roles/ positions, EU task allocation
	Staffing	agency & structure	employing people, covering EU roles, efforts to employ people, talent seeking

¹⁹⁹ Agency refers to “mayor related content”, structure refers to “organizational related text”, agency & structure refers to “mayor and administration related text”.

Themes/ Concepts from the conceptual framework	Categories	Conceptual categories informed by CR ¹⁹⁹	Example of descriptive codes – theoretically driven and <i>invivo</i>
	Training and learning	agency & structure	training staff, EU funds learning, staff information provision, specialized EU funds learning
Internal relations	Overseeing	agency & structure	staff mobilised; staff supported
	Problem solving	agency & structure	mayor drives team action
	Coordination	agency, agency & structure	harmonized actions, coordinated action, calendar monitoring
	Internal control	agency, agency & structure	checking the plan execution, evaluation of work, plan deviations detection, corrective measures
Dedicated structures	Allocation of roles and tasks	structure	Delineation responsibilities, task allocation, role and task fit
	Hiring capacity	structure	PA attracting people, hiring experts, hiring EU dedicated staff, staff increased
	Stability and retention	structure	stability of staff
Human resources	Knowledge capacities	structure	staff EU knowledge, staffing legal expertise, staffing and procurement expertise, staffing and technical knowledge
	Staffing and workload	structure	workload handling, workload and timeline, workload and delays, workload extra hours.
	Motivation	structure	team involvement in work
Collaboration	Internal collaboration	structure	inter-departmental exchange, inter-service support, inter-service communication.
	External collaboration	structure	outsourced contracts, admin external interactions, admin and IB, admin and MA, admin and EC