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DEVELOPMENT COALITIONS¹. THE ROLE OF PUBLIC-PRIVATE PARTNERSHIP IN THEIR OPERATION AND EFFICIENCY

Dumitrică Cătălin Daniel²

Abstract:

Building development coalitions, that has as main objective to stimulate and support regional development process involves the development of a highly complex process, involving in particular the use of local resources and a local management able to mobilize all stakeholders to achieve goals.

Using the concept of "development coalitions" when referring to the local development process is preferable from the perspective of the size of this term because he represents "a much broader concept than government, but less vague and pluralistic than the concept of governance"³

Establishing development coalitions is closely related with the development of an effective local management⁴.

¹ Term used by Michael Keating in the paper "New Regionalism in Western Europe" Published by the European Institute in 2008. The term is taken from the literature of urban policies aimed at American, where the conflict between competition imposed from the external and internal political forces represents for a long time a major concern.

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³ See Keating Michael, 2008: 157; The New Regionalism in Western Europe "Published by the European Institute

⁴ The local management terminology includes regional, metropolitan and territorial level as the ultimate level of decentralization of decision-making power.

The aim of this paper is to present examples of development coalitions that are functioning in Romania and to analyze the impact of public private partnership on these structures.

Keywords: local management, development coalitions, business development zone, regional development agencies, public private partnership

Local management is a part of public management, which examines the impact of various actions and structures created by the government at local, regional, national and even transnational exercise it in an attempt to reduce regional disparities, aiming at the achievement of social cohesion, capable support measures that are undertaken primarily for local development.

The role of local management is particularly important in terms of consistency, feasibility and effects of actions in view of public policy promoted by the state, and that would be the role you should assume it and local authorities when they must opt for one of the existing formulas of public-private partnerships⁵.

Local management involves the application of the principles and tools through which they are developed and implemented public policies. The concept of local management is been identify with the local development process with the actions and tools used by local authorities in the operation procedures to help shape a functioning local development.

The concept of local management can be analyzed from the perspective of the following criteria: effectiveness territorial, territorial equity, sustainability territorial, territorial creativity”⁶

⁵ The concept of public-private partnership will be analyzed in the paper from the perspective of a management tool, essential for development coalitions and local development process.

⁶ Profiroiu Marius , Managementul strategic al colectivităților locale; Ed Economică, p.35 (Profiroiu Marius 2008: 35 Strategic management of local authorities; Ed Economic)

Territorial effectiveness is linked to the ability of a territory and economic existing locally to generate employment and social welfare default. The term territorial equity is closely related to the local and regional development to reduce regional disparities and inequalities generated by the method of access to strategic resources. Physical space, while creativity requires the creation of territorial devices that organizations tend to conduct projects in collaboration with citizens, projects that will contribute to the consistency of measures taken in the local development process.

Effectiveness, sustainability, equity and creativity are territorial criteria that allow the development and implementation of management tools from the perspective of local management. This coupled with "the institutions, leadership, social composition, cultural and external relations, as well as local particularities"⁷, forms a complex picture of the elements and processes that contribute to the functioning of development coalitions.

Local management is reflected in the development coalitions activities, which has as its main aim to achieve the two aspects which aims a better coordination at the level of interest in the projects, their application in practice, and a greater approximation of civil society projects.

Therefore is been identify with finding the best "governance" in the broadest sense of the word, being occupied by the establishment of direct relations between existing civil society and political and administrative structures. Development coalitions by their new component, assumes a better relations between the political and administrative agencies and private sector.

A careful analysis should be given to developing coalition's elements perceived by the prospect processes in close interdependence with regional variables.

⁷ Article refers to the particular cultural - historical, cultural - artistic and scientific, demographic, sociological, psychological, economic, urban, ethnic and political;

Implementation of a genuine management of development coalitions cannot be a reasonable ambition if we fail to take into account the forces of economic, social and political activity in this process.

Establishing development coalitions can take different forms; this is the reason why it is very important to analyze the structure of such an association. Under the rules that establishes constitutional right of association of persons within the limits and conditions established by law, the local government, deliberative and executive-level administrative units can be organized in various forms associations in order to pursue activities of general interest or in the interests of local authorities.

In accordance with Law no. 215/2001⁸, the local government, are distinctly recognizes the right to work and to link in order to promote common interests. Regulatory framework is in OG nr.26/2000⁹ in which the rights are regulated individuals and businesses to form associations or foundations as legal persons of private law without real purpose.

According to the laws, the association is the subject of law consisting of three or more persons on the basis of an understanding, put in common and no right to restitution, the material, or the knowledge in their work to solve some general community or as appropriate, in their interest, non-personal.¹⁰

Under the same legislation, the foundation is the subject of law, established by one or more persons under a legal act between livings or dying for the cause, is a heritage affected on a permanent and irrevocable, of a general purpose or after the case of local authorities¹¹.

⁸ See Article 11, paragraph. (1) Of the Act nr.215/2001 on local government

⁹ See Government Ordinance nr.26/2000 on associations and foundations, published in the Official Gazette nr.39/2000 Law nr.21/1924 for legal persons, Mo nr.27/1924 published with the amendments and additions later. OG No 26/2000 was approved by Law nr.246/2005 published Mo.nr.656/25.07.2005

¹⁰ Art.4 of Government Order nr.26/2000

¹¹ Article 15 of Government Ordinance nr.26/2000, amended by Law nr.246/2005

The strongest and largest legal association of local communities in Romania, in accordance with the laws in force, is represented by inter-associations, public institutions of inter-cooperation, status of public utility, and assumes the exercise, in interest and on behalf of local government-related, all the powers and duties, rights and obligation of the limited scope for a public service which have been transferred.

The purpose of such forms of association, institutionalized, cooperation is the administrative-territorial units, represented by local public administration authorities in the establishment, funding and implementation of municipal utility services, including technical infrastructure adequate utilities and for management and operation in the common interest of these services.

Therefore in accordance with the laws of the GO 26/2000 on associations and foundations, the Law on local public administration No 215/2001, with subsequent amendments, having regard to other specific rules and can be inter-association as forms of cooperation of the territorial-administrative units at local, county or regional level.

In this case of communal services and public utilities are subject to an inter-association, the applicable provisions of law on property.

Inter associations have the power to decide how management utilities public utility, may be to manage directly or by a form of delegated management.

Where the inter-association set a management service, the delegated management, inter-association may decide on setting up a business of inter, whose capital is owned in whole or in part by the local territorial-administrative units that form associations, as can hire and organize legal procedure for delegating the management service in accordance with the law. In terms of procedural formalities for the establishment, it is necessary to mention that the legal acts establishing inter associations and their status shall be signed by the mayors of territorial-administrative units interested in forming the association, in the case expressly mandates approved by the local by county councils or the General Council of Bucharest.

Legal acts for the formation of inter-association will have to provide the goods and financial resources allocated, representing the contribution of each administrative-territorial units involved in the formation of the association.

All these regional and national structures for regional development, along with non-governmental organizations of local government authorities, are designed to support and encourage the formation of inter-associations, ensuring the tasks or objectives, support their specialized associative institutional structures, whose role will contribute to strengthening the autonomy of local collectivities in Romania, especially as regards ensuring the efficient functioning of public services of local interest.

We cannot discuss the existence and functioning of development coalitions without analyzing the bodies and structures that have as main objective the development of regional and local default. If these structures are well organized, they can provide goods and services; can contribute to the development of social communication, providing a series of signals that are necessary for cooperative behavior, otherwise it could prove malfunctions. Such a structure, which has as its main objective functioning development coalitions, it is represented by the Agency for Regional Development¹²

At the territorial level, each development region has Regional Development Council and a Regional Development Agency.

Regional Development Agencies¹³ is the executive organ of the Regional Development Councils¹⁴. Regional Development Councils shall

¹² First Regional Development Agency of Romania was created in Craiova in 1997, Regional Development Agency South West Oltenia, which was followed shortly by the Regional Development Agency Muntenia Sud, which is based in Alexandria. Both the agency created in Craiova and one created in Muntenia were based on models proposed by the Green Paper and operated even in the absence of legislation with this profile.

¹³ Component in every county of the region for development, except the county of residence of the Agency operates an office of the Agency for Regional Development

¹⁴ If the region of Bucharest-Ilfov Development, Regional Development Council is composed of Ilfov County Council presidents, general mayor of Bucharest, of

be composed of presidents of county councils and one representative of each category of local municipal councils, town and community in every county of the region.¹⁵ Also at the national level we can identify the existence of National Council for Regional Development¹⁶

As a form of organization for the Regional Development Agencies is non-governmental, non-profit public utility, legally operating in the specific field of regional development.

These agencies have the following characteristics:

- Developing strategies and plans of regional development programs and plans for managing funds in accordance with decisions adopted by the Regional Development;
- Achievement of financial and technical management of the Fund for Regional Development to achieve the objectives set out in regional development programs;
- Development of cooperation with similar organizations and institutions of the European Union and participation in international projects of regional and local levels;¹⁷

The existence of such agencies is preferred, because they can achieve a concentration of efforts in the collective spirit of regional development. Isolation from political pressure would allow them to win the local trust and cooperation partners from the private sector and to adopt a vision on the development problems of medium and long term.

Another associative structure, acting this time inside the town it is represented by the "Business development areas"¹⁸ (BDA) Business

one representative from each Local Council area and representatives of local councils in Ilfov county, on par with the sectors of Bucharest

¹⁵If the region of Bucharest-Ilfov Development, Regional Development Council is composed of Ilfov County Council presidents, general mayor of Bucharest, of one representative from each Local Council area and representatives of local councils in Ilfov county, on par with the sectors of Bucharest.

¹⁶ National Council for Regional Development has its vice presidents and eight Regional Development Councils and parity, the state secretaries of ministries involved in regional development

¹⁷ Article 9 of Law No. 315 of 2004 on Regional Development in Romania;

¹⁸ Business development areas were established in North America and are used successfully in over 400 U.S. and Canadian cities and in the United

development area is a new and innovative concept for the Romanian cities. City should consider several principles when establishing boundaries in terms of features.

The area will be for commercial or light industrial activities. It should include housing and shops. There is the possibility of some recreation areas.

It is recommended that BDA are not been established around the residential areas more than commercial areas. The size of this area must be one to include a considerable number of private owners and dealers, but to be quite small so as to allow each member to see the results of working together, and from the outside to be seen as a unique commercial destination. BDA's role is to implement the activities the city hall and the business sector considers to be important for improving the business environment and quality living standards in the area.

Urban design, capital investment, management of parking and transport, regulation of public areas are just some of the activities to be undertaken in these areas.

Two factors, public funding and private management leadership can distinguish BDA. Operators and private owners are responsible for financing activities, the organization and maintenance of the promotion and marketing. The result it is generated by a continuous partnership between merchants and the mayor its private owners. In accordance with the concept of "Business development areas" owners and private dealers must support and contribute to establishing a system of financing its own.¹⁹

Regardless of the formula that will be the basis for designing the system of financing, private sector business, with continued support of public administration should be the main responsible for the quality of the physical and commercial operation was effective, and for marketing activities and maintenance. The success of many activities of this kind,

Kingdom in South Africa and New Zealand. This concept is still fairly new in Eastern Europe and Central.

¹⁹ The funding can be built on the basis of membership dues

depends on how much you want private sector leaders to work with public officials; the cooperation can be described through a public-private partnership.

The importance of this partnership is evident in the emergence of such areas whose operation depends largely on mutual trust and on the level of cooperation. In Romania, local authorities are responsible for the initiation and promotion of these areas. Promoting the owners of buildings and businesses, providing funds for improvements and the existence of proper legislation that can establish the boundaries of such area falls to local authorities. Meanwhile, the owners must contribute to the costs of operating the association BDA's. It is detaching one of the basic principles of BDA's those sites that regardless of where you work, you should have a system of self-financing continues.

The main management tool that contributes to sustaining coalitions for development, in whatever form is adopted, it is as you could see the public-private partnership²⁰.

Public private partnership has been defined in many ways depending on the characteristic of the author regarded as the most important. In some definitions is the notion of enhanced cooperation between public sector actors (organizations, persons) and private sector actors, mutual benefit²¹, and focus more attention on the mobilization of a coalition of interests that is preparing and working on a strategy²² or concept of network integration of complementary interests and joint efforts of public and private sector in order to solve the social problems of a community.

²⁰ Partnership: Partners, word that comes from English. Partner, a person with whom you dance ", then" person associated with that are against others, in a game "and finally" person or group that you associate to a project solving.

In Romania the first public-private partnership structures (PPP) were formed ad hoc nationally since the mid-'90 at the development of national or sartorial strategies (National Strategy for Sustainable Development - 1999 Strategy for Economic Development Medium Term - 2000), as well as institutional structures, such as the Tripartite Commission and the Economic and Social Council.

²¹ Holland, Robert C. 1984: 45 – The New Era in Public-Private Partnerships. In Paul R. Porter and David C. Sweet , Rebuilding America's Cities: Roads to Recovery. New Brunswick, NJ: Center for Urban Policy Research,

²² Bailey, N 1994 – Towards a research agenda for public-private partnerships in the 1990s, Local Economy, Vol. 8, No. 4, February

In any case, all the definitions resulting from an aggregate of public power, on the one hand, and private resources on the other hand, against the background of a degree of accepted risk.²³

Viewed from the perspective of how decision-making, public private partnership may be the result of "association and decisions of public and private means in the same system of action, with the objective to simultaneously satisfy the expectations of consumers and citizens²⁴ representing:

1. "Agreement between the public and private sectors in the development of a project or providing a service, which is traditionally provided by public sector,²⁵

2. "Understanding / agreement between a public authority and a person to design, build a good operation with services related to the good or only for some of these operations relating to the operation of that asset, or to transfer an interest or party interest on a good to a private person "²⁶

3. "Relationship medium and long term between the public and private (including community and voluntary sector) which involves sharing risks and gains and the use of multi-sartorial functions, finances and expertise to provide a service"²⁷

4. "Getting the private sector to public sector activities by any form (partnership or taking action), use" Private Finance Initiatives "or other" arrangements ", such as concession of public services, maintenance, construction of necessary infrastructure 'including sale public services and other forms of partnership "²⁸

23 Kloppenburg, Paul 1991 – The Quest for Utilization Value: Economics as the Good Ordering of Interests, Amsterdam.

24 Patrice Noisette, 1994: .261 PPP et marketing urbain, in Ruegg J., Decoutere S. Et Mettan N „ Le partenariat public-privé:, Presses Polytechniques et Universitaires Romandes, Lausanne,

²⁵ Guidelines for successful public-private partnerships, European Commission, Directorate General regional Policy, Brielle's, 2003, page. 16);

²⁶ Irish Law of 2002 on the relationship of public-private partnerships: Public Private Partnership Arrangements Act 2002, Paragraph 3. (1));

²⁷ Review of Opportunities for Public Private Partnerships in Northern Ireland, Northern Ireland – UK: The Office of the First Minister and Deputy First Minister);

²⁸ UK – „Public Private Partnership – the Government Approach”, 2000;

All definitions presented emphasizes the complementarily nature of the interests of both parties. There are many combinations of public-private partnership that can go from working without a formal connection to a joint venture with shared risks and benefits.

Contracts for public-private partnership are a new form, modern economic efficiency of the public domain, in line with market economy principles.²⁹

Therefore, the concept of public-private partnership expresses a way of cooperation between public and private sector and NGOs, associations of business people, or companies for a project that produces positive effects on employment and in local development. Partnership should not be considered in the deficit, excluding work carried out by nature, its character, (profitable, unprofitable), or depending on the contract that takes place, whereas partnership is on a political level, not strictly legal or financial. In the results, the partnership is the premise of ensuring consistency of application programs and transparency to achieve them. At the same time the partnership contributes to strengthening the system implicitly governance and local development.

Local, county, and regional development cannot be supported only by the structure of public administration. It needs a modern and flexible administration able to manage development planning and default investments in which an implementation is the public - private.³⁰ At the local level are encountered four elements that influence the success of intermediate a partnership at local level. These four items concern:

- Major changes in life or future entrepreneur encountered major economic disruption to the local community;
- Preparing to participate as part of new entrepreneurs;

²⁹ Avram Iulian, Revista "Dreptul", Nr. 12/2004, pag. 111 (Magazine "Right", Nr. 12/2004, p. 111)

³⁰ Regional development studies Cohesion and the development challenge facing the lagging regions European Union – Regional Policy and Cohesion / European Commission p.50

- Examples of other entrepreneurial behaviors that inspire trust, with a strong cultural or psychological influence,³¹
- Ability to obtain resources from the market able to entrepreneurial activity;

All these issues depend on the degree of decentralization of public administration, and prior to the identification of local development agenda. Given the diversity of forms of collaboration between public and private sector should not be made a standard definition of public-private partnership. Undoubtedly, there are different perceptions about the nature of experiences that exist in different countries, especially in Europe, as there are various administrative and public services (centralized-decentralized-deconcentration) and a diversity of political cultures and religious community.

For this reason, the definition of the concept of partnership can be run from a "centralizing" or "decentralized" or "mixed" or "integrated" view of the organizational model of public administration (centralized-decentralized) and the nature a program / project to be carried out.

It also notes that European countries do not exist or can not impose a standard system of partnership, even if this model in recent years increasingly under the influence of Anglo-Saxon in terms of two major objectives:

- a. Employment
- b. Local development to ensure economic and social cohesion.

A distinction must be made between a horizontal partnerships performed locally between the local government at the level of the civil society and / or the business community, and the vertical type which ends between several levels of government (the basic and higher levels) and private sector.

³¹ Local development; Prof.N Konsolas, Editor Regional Science Studies in Southern Europe; Regional Development Institute; Hellenic Agency for Local development and Local Government. Pag 73

The structure of a partnership can be formal or informal. Partnership with an informal structure will be based on trust and non-contractual agreement between the partners. Formal partnership is based on a form of association or other legal structure that makes official partnership activities. Decision level partnership involves local consultation collective challenge and individual contribution in its application.³²

To find us in a good situation as regards public-private partnership the degree of cooperation should include two dimensions: the political dimension and the operational size”

The political dimension seeks a consensus on community goals, while when we talk about the size of operational cooperation may take at least two forms:

- private initiatives for public benefit, situations where private agents can act for public needs, benefiting from government support or work directly in the administration
- government initiative to facilitate and encourage private business in the public interest. Thus, the administration may facilitate action by removing obstacles from its path, offering incentives, information and support services. Government has a key role in developing these partnerships, because his policy includes fiscal policy, monetary, trade.

The subject of public-private partnership is to analyze the possibilities to provide quality public services bringing together resources and expertise of each party and determining them to work for a common purpose. The essential purpose of public power and private enterprise are somehow antagonistic.

Public power seeks to achieve long-term activities, whether generated by the infrastructure and to minimize the call for public funds. Private

³² Matei, Lucica, Dezvoltare economică locală, Editura Economică, București, 2005, pp. 124 – 125 (Local economic development, Economic Publishing House, Bucharest, 2005, pp 124 – 125)

operator to achieve a "short and medium term, resulted in the workload generated by the projects and to maximize financial gains;³³

In this context, the objective of working for a common purpose can be achieved only if the rules of the game with precise, understandable, relevant and applicable are applied throughout the existence of the partnership, which allows truly to limit centrifugal forces caused by differences between own goals each of the parties.

The partnership initiated for a project is characterized by the commitments of the parties, some of which are quantifiable and others within the scope of quality. Measurable in the field rules, which allow assessment of conformity with the achievements, are easily identifiable and easy to enforce.

Achieving long-term power goes public in compliance with essential quality commitments and this throughout the existence of the partnership: the selection of partner / partners, design and implementation of the project, and then, finally, operation.

Public power should therefore be based on methods and tools to identify define and prioritize issues of quality assessment and their compliance with commitments.

When we want to measure performance in terms of efficiency of a public-private partnership several solutions have been developed that can be applied during the process of selecting private partners and throughout the life of the partnership³⁴. Qualitative aspects of the public sought must be identified and defined in the specifications. This requires remarkable efforts in order:

³³ Development and planning; Ignancy Sachs; Traslated by Peter Rowett; Cambridge University Press pag 64

³⁴ André Binder, Considering the quality: Development of performance indicators, the French Minister of Equipment, Transport, Housing, Tourism and Sea, Department of Economics and International Business, finance and infrastructure services household community - appeal to the public - and private French experience in the world. Ed the Ministry of Administration and Interior, Bucharest 2004, page 60

- identify qualitative factors that are considered important for future customers (users) infrastructure;
- ranked these factors according to the qualitative expectations of prospective customers
- define each of the qualitative factors in clear terms and likely to be used in the conformity assessment performance.

Means of achieving performance in the areas of quality and especially the conformity of what comes from contractual commitments must be established between the parties so that each of them to recognize the fair and representative.

To meet its objectives in the long term, the public must be ensured throughout the life of the partnership, the benefits of compliance or achievements with contractual commitments.

Relevancy of mutual understanding and assessment of such compliance are very important. Therefore assessment processes must be established at the beginning of the representative and recognized as such will be the support that will establish concentration and from which to allocate the responsibilities and obligations for each party.

Under the partnership, the private operator bears the risks inherent in any partnership with a participating public have traditionally grouped under the name of political risk:

- expropriation, nationalization, confiscation, embargoes;
- change of government priorities, legislation retroactive, changing international context
- non-transferable, of gains from the project

This classic political risk is added to a new political risk (political risk enlarged) covering the failure of public power to private commitments known as "specific commitments" (contractual obligations of the authority versus private concession, to make possible the achievement and concession operation, financing, insurance-reinsurance).

Investors and insurers are especially careful to respect thorough contractual obligations to the public partner, the breach of them taking

political risk. These commitments may relate to: "Free implementation of tariffs on appropriate allocation of all premises and administrative authorizations necessary commitments of non-competition, input subsidies, the issue of land, non-interference in the implementation, financing and exploitation, compensation case of unilateral termination or redemption is not due to fault private operator."³⁵

There is, finally, the risk of social and cultural acceptability. Depending on the projects, the attitudes of populations (and especially those who have the lowest incomes), trade unions, pressure groups and non-governmental organizations may, under certain circumstances, lead to a risk difficult to accept or borne by the private sector.

There are also a number of specific risks to the public. Public authority, an operator entrusts private management and operation of a public service, likely to encourage the creation of a "private monopoly" which could not ensure compliance with principles of public service: continuity, adaptability, transparency and equal access for all. The public would find it in a situation of blockage and should bear the risks that are present in various forms:

- Risks of additional costs;
- Political risks to citizens and users;
- Risks to repurchase the project;
- Risks of non - performance;
- Risks of inability to replace the concession;
- Risk of freezing of options for future planning or development.

These risks are quite likely to occur when we are in the presence of a specification of an incomplete action.

Any project involves risks and recourse to the scheme of public - private, in essence, put in evidence these risks and their consequences, as we have found. However, these risks can be limited and residual risks may be subject to an optional allocation. Limiting risks should take into account each of the phases of the project existence, to design, build and operate.

³⁵ Jean - Marie Aoust, T. Craig Bennett, Roger Fiszelson, analysis and sharing of risks, key success of a public - private, p.63

It is, at the outset, to define good design and objectives both financial and social and economic. You must set the fundamental rules of the game and not change during execution.

First, it is necessary to respect a certain number of principles that will allow limiting the overall risk of a draft concession or delegation of management. Any country, which intends to use public-private partnership, must first be to equip itself with an "arsenal" legal right. Must endeavor to harmonize certain contracts - type (purchase contract of sale, concession contract) and to tend towards improvement of the legal forms in common.

Extended political risk cover failure of the power of public commitments specific partnership (contractual obligations of the local authorities to a private concessionaire).

This notion finds its importance in the fact that certain creditors or investors believe that compliance with the contractual obligations by the public partner is the political risk. These obligations may be, especially "free application for tariffs, the deadline to obtain all appropriate permits and authorizations necessary administrative, input subsidies, the issue of land, non-interference in the implementation, financing or operation, compensation in case of redemption or termination, whether the reason is the unilateral decision of local authorities.

To cover the risk of lower grade³⁶, it would be helpful if the credit agencies - Export to install scoring mechanisms that allow assessing the risks posed by local administrative authorities. To do this, they could rely on specialized banks in the financing of local and collective equipment. You should also, as the conventions for the protection of investment to take into account the phenomenon of grade lower risk.

This prediction could decrease the initial constraints of funding and subsidy, by international financial institutions on a sound understanding of sources of repayment of their aid.

³⁶ Degree of political risk is lower when the partner is a public community

A contract of public-private partnership resulting from a balanced negotiation structures risks. Balanced sharing of risk is central to the concept of public-private partnerships, which cannot conceive than in best "win - win"situation. Indeed, although the interests of each different, each partner has interest in the success of the project.

Pragmatism, rigor and willingness to succeed are essential. A number of measures can be taken in agreement by the public authority and private operator to limit the risks of a global project. However, once you have limited these "projects", he made the allocation of residual risks. In this case, the interests are antagonistic to each partner and establish a public-private partnership is the result of sustainable balanced negotiations and led to a long-term perspective.

The contract life is without doubt the first feature of a public-private partnership. Built on a long-term partnership should be able to live. Can distinguish three parts in this life. First, upstream, is to prepare the public-private partnership. Introducing this type of contract requires, in general, an adaptation of the legal and institutional. Public bodies have a responsibility to develop appropriate institutional framework and to define the objectives to be achieved. The second part is the contract itself, which should establish the main elements of the partnership, to provide the evolution of this contract and procedures for a possible adjustment of the contract to change the exterior. Finally, the third party must allow the possibility of taking into account the context of external developments and to adapt the business throughout the existence of the partnership.

Life contract involves also a management and supervision of clients by the two partners. Assessing the satisfaction of users, the continued improvement of the quality of service provided, the proper relationship between provider and client are fundamental to successful project for the private operator, and for the public.³⁷

³⁷ Michel Barnier, *Les partenariats public-privés et la politique régionale de l'Union Européenne*, p 37

If risk is the core structure mounting a public - private, duration is the main feature. Indeed, what distinguishes a public-private partnership - where the government delegates some of its powers to a private operator - another contract public market is that for a long period, the organizer of this partner entrusts a public service.

Stakes are quite other than simple public transactions. It is here to prepare for a new approach to the role of public power upstream, then, once the contract ended, it can give life to a long term partnership which will have to be adapted to developments socio-economic context of internal and external.

In an attempt to conclude we can say that the purpose of a public-private partnership is to improve the quality of public utilities and services and contribute to local economic development through the operation of coalitions for development.

The existing legal regulations put emphasis on this aspect. At the same time, coordination and monitoring of how to implement partnerships throughout the government. From this perspective the success of the partnership depends on how the public administration institutions set goals; organize their decision-making, project management and training of human resources.

Thus, before the public to engage in partnerships of public-private partnership is essential:

- to have a local development strategy, which should include plans for development of services and public utilities;
- to identify the responsible person or the public administration responsible for monitoring compliance with the stages of project decisions and performance;
- to identify experts in the administration of the project needs to contract or expertise where appropriate;
- to establish a system of project management

Local councils in Romania are still at an early stage with regard to access public-private partnership as an instrument of local development, so some of the difficulties existing in this moment are only temporary.

Training, identifying opportunities, assessing and then taking a business risk are the first conditions for the administration to engage in projects of public-private partnership. The fact remains that of how the administration intends to organize in terms of efficiency depends on local management and ultimately the success of public-private partnership.

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