

Role and position of european regions - economic, political and legal aspect

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9th International Scientific Symposium

**REGION
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ROLE AND POSITION OF EUROPEAN REGIONS - ECONOMIC, POLITICAL AND LEGAL ASPECT

ABSTRACT

Within the thematic whole of the conference entitled "Regions", the aim of the paper is to analyse the role and position of European regions from an economic, political and legal point of view.

Regarding research methodology, in addition to the analysis and synthesis method, the following methods were used: comparative method (comparison of constitutional position of regions in Italy and Spain), historical method (historical review of regions), inductive and deductive method and secondary research.

The scientific contribution of this paper is expressed in an interdisciplinary approach to research (economic, political and legal).

The results of the study show that European regions have a significant impact on the economic, legal and political systems of certain countries. Their positive role is reflected in the economic system in which the regions are the backbone for the economic development of the modern state, as well as in the political system, where the regions are the basis for democracy and autonomy. The role of regions in the legal system is particularly important, given that most EU legislation is implemented at local and regional level.

Key words: *regions, regionalization, regional differences, regional development.*

1. Introduction

The success of economic development and optimization of living conditions of citizens depends on the territorial-political organization of the state. The territory where people live forms the framework for the political, economic and social activities of its citizens. In addition, the territory has a legal function that is expressed in the fact that certain rules apply to it. The diversity of territories in the European Union represents a potential for development, where the characteristic identities of local and regional authorities may be important. The effective use of European territory and resources is a key element of territorial cohesion, which can certainly have a contribution to the development of economies and infrastructure. This paper assumes that the regions represent the most desirable economic development units; they

implement the legislation of the nation state and the European Union, and represent important units in the political context of a particular country.

The paper consists of several interconnected parts. The introductory considerations are followed by a general overview of regions. The analysis of the European Union's focus on regions is addressed in the second part. This is followed by an analysis of the role and position of the regions from an economic point of view. The role and position of the regions from a political point of view is addressed in the third part. As part of the whole referring to the role and position of the regions, the legal and constitutional position of the Italian and Spanish regions will be compared.

2. Regions in General

The Community Charter for Regionalization defines a region as " a territory which constitutes, from a geographical point of view, a clear-cut entity or a similar grouping of territories where there is continuity and whose population possesses certain shared features and wishes to safeguard the resulting specific identity and to develop it with the object of stimulating cultural, social and economic progress " (Community Charter for Regionalization, Article 1). The term region is generally used for areas smaller than nation states, but larger than local units.

On the one hand, a region has a set of characteristics that link it to the whole of the country, and on the other hand, a set of (other) characteristics that make it specific. Different regional organizing practices are present in European countries. The status of regions differs not only from state to state, but within one state, there are regions with different constitutional positions and competencies.

3. European Union's Focus on Regions

The European Union's focus towards regions and regional structures has developed in parallel with the development of European cohesion policy. This was particularly evident with the signing of the Single European Act of 1986, when cohesion policy was also established in primary EU law, with the establishment of the internal market.

The Treaty of Lisbon, comprising of the Treaty on European Union (hereinafter referred to as the TEU) and the Treaty on the Functioning of the European Union (hereinafter referred to as the TFEU), strengthened the position of regional self-government and regions in the EU political system (Consolidated versions of the Treaty on European Union and the Treaty on the Functioning, 2016). In the above-mentioned basic act of the European Union and its appendices, regions and regional self-government are of particular importance and are mentioned in different contexts, in particular:

- the general principle of local and regional self-government in the European context is formally recognized for the first time (Article 4, paragraph 2 of the TEU),
 - extension of the principle of subsidiarity to local and regional level (Article 5, paragraph 3 of the TEU),
- ensuring harmonious development by reducing the differences existing between the various regions and the backwardness of the less favoured regions (TFEU preamble),
- inequalities between the development levels of the various regions, which the Union aims at reducing (Article 174, paragraph 2 of the TFEU),
- different situations in different regions (Article 191, paragraph 2 of the TFEU),
- the economic and social development of the Union as a whole and the balanced development of its regions (Article 191, paragraph 3 of the TFEU), and
- projects for developing less-developed regions (Article 309, paragraph 1 of the TFEU), etc.

3.1. European Union Cohesion Policy

According to Barić, cohesion, i.e. regional policy of the European Union, is an investment policy aimed at increasing employment and competitiveness, increasing economic growth, improving quality of life and sustainable growth (Barić, 2016, 339).

The fundamental objective of the concept of European cohesion policy, i.e. economic, social and territorial cohesion, is laid down in Article 174 of the Treaty on the Functioning of the European Union, according to which the EU “in order to promote its overall harmonious development, the Union shall develop and pursue its actions leading to the strengthening of its economic, social and territorial cohesion”. In order to achieve this objective, “in particular, the Union shall aim at reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions”. Among the mentioned regions, “particular attention shall be paid to rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps such as the northernmost regions with very low population density and island, cross- border and mountain regions.” Under this treaty provision, cohesion policy is a solidarity policy and a key framework on the basis of which the EU can address the challenges of regional development (TFEU, Article 174, paragraphs 1-3).

European Structural and Investment Funds are one of the EU's fundamental instruments for implementing cohesion policy. In this regard, the results of the Mari Carmen Puigcerver-Peñalver research show that the Structural Funds have positively influenced the growth process of the regions. For example, their impact was much stronger during the first programming period than during the second (Puigcerver-Penalver, 179).

Bachtler and McMaster, in their research emphasized that regions (will) have an important role to play in the development and delivery of Structural Funds programmes. These arguments are situated within the new regionalism debates on the importance of regional and local actors engaging with, and advancing, economic development agendas, and the influence of the EU on regional institutional development. The scope for Structural Funds to develop the role of regions and encourage bottom-up, regional involvement in promoting economic development is based on several factors, linked to legitimacy, institution building, and capacity development (Bachtler, McMaster, 2007, 420). Other authors share a similar opinion and believe that EU regional support through the structural funds has a significant and positive impact on the growth performance on European regions and, hence, contributes to greater equality in productivity and income in Europe (Cappelen, Castellacci, Fagerberg, Verspagen, 2003, 640).

The system of local and regional self-government, in addition to the central state level, in European countries forms an important component of the framework for managing regional development policy and largely determines the solutions regulated by regional development legislation.

Regional self-government is closely linked to cohesion policy. The fact is that cohesion policy contributes to strengthening the role of local and regional authorities at the EU level and in particular by extending cohesion to the territorial component. In this connection, Siniša Rodin points out: “It is obvious that the local and regional authorities of the Member States had a strong desire and need to emphasize the importance of territorial cohesion in the very title of the chapter (Rodin, Goldner Lang, 23). Similar is the view of Anamarija Musa, according to which “One of the most significant factors in the process of Europeanization in relation to subnational units is cohesion policy, which is aimed at reducing social and economic disparities between individual regions” (Musa, 2011, 109).

3.2. European Criteria for Regional Division of EU Member States into NUTS Units

In the European Union, there is an obligation to identify statistical territorial units according to the EU NUTS classification (“Nomenclature of Territorial Units for Statistics”) for the identification and classification of spatial units for official statistics in the EU Member States, with the aim of comparing its regions. This is a part of the *acquis communautaire* that the candidate country must accept before accession. The main objective of the European Union is to identify less developed regions and reduce the gap between rich and poor regions.

The classification of statistical regions shall be determined in accordance with the NUTS methodology laid down in Regulation (EC) No 1059/2003 of the European Parliament and of the Council establishing a common classification of territorial units for statistics - NUTS (Regulation (EC) No 1059/2003) (amended by Commission Regulation (EC) No 1888/2005, Commission Regulation (EC) No 105/2007 and Commission Regulation (EU) No 31/2011 This Regulation is binding in its entirety and directly applicable in all Member States. All Member States of the European Union must accept the classification. NUTS classification divides a country into first-level NUTS regions, which are further subdivided into second-level NUTS regions, which are subdivided into third-level NUTS regions. Two further (local) levels are defined in accordance with NUTS principles, with only the fifth level defined in all Member States and generally corresponds to the term “municipalities.” The fourth level is rarely defined and is adopted only by individual countries, thus making NUTS a five-level hierarchical classification (three regional and two local levels). In accordance with the already mentioned Regulation (EC), No. 1059/2003, the following criteria apply:

1) “Existing administrative units within the Member States shall constitute the first criterion used for the definition of territorial units. To this end, ‘administrative unit’ shall mean a geographical area with an administrative authority that has the power to take administrative or policy decisions for that area within the legal and institutional framework of the Member State.” (Article 3, paragraph 1). This means that the first criterion for determining regions is the existing legal and administrative division of the territory of a particular Member State.

2) One of the main classification criteria is "population per region". For the purpose of achieving the appropriate NUTS level into which a class of administrative units in a Member State is to be classified, the average size of this class of administrative units in a Member State lies within the following population thresholds:

NUTS 1 – a minimum of 3,000,000 to a maximum of 7,000,000 inhabitants,

NUTS 2 – a minimum of 800,000 to a maximum of 3,000,000 inhabitants,

NUTS 3 – a minimum of 150,000 to a maximum of 800,000 inhabitants (Article 3, paragraph 2).

3) If there is no appropriate range for a given NUTS level in a Member State, in accordance with the population numbers listed above, this NUTS level is created by "adding up the corresponding number of existing smaller adjacent administrative units". This summation takes into account relevant benchmarks such as geographical, socio-economic, historical, cultural or environmental (Article 3, paragraph 5). This means that if a Member State does not have appropriate administrative units according to a certain number of population, statistical regions are formed by adding up several smaller administrative units.

Table 1: Nomenclature of Territorial Units for Statistics

Countries		NUTS 1		NUTS 2		NUTS 3	
Member State	27		92		244		1215
Austria	AT	Groups of states	3	States	9	Groups of districts	35
Belgium	BE	Regions	3	Provinces (+ Brussels)	11	Arrondissements (Verviers split into two)	44
Bulgaria	BG	Regions	2	Planning regions	6	Oblasts	28
Cyprus	CY	—	1	—	1	—	1
Czech Republic	CZ	—	1	Statistical areas	8	Administrative regions	14
Germany	DE	States (<i>Bundesland</i>)	16	Government regions (<i>Regierungbezirk</i>) (or equivalent)	39	Districts (<i>Kreis</i>)	429
Denmark	DK	—	1	Regions (<i>Regioner</i>)	5	Provinces (<i>Landsdele</i>)	11
Estonia	EE	—	1	—	1	Groups of counties	5
Finland	FI	Mainland Finland, Åland	2	Large areas (<i>Suuralueet / Storområden</i>)	5	Regions (<i>Maakunnat / Län</i>)	19
France	FR	Z.E.A.T. + DOM	9	Regions + DOM	27	Departments + DOM	101
Greece	EL	Groups of development regions	4	Regions	13	Prefectures	51
Hungary	HU	Statistical large regions (<i>statisztikai nagyrégiók</i>)	3	Planning and statistical regions (<i>tervezési-statisztikai régió</i>)	8	Counties (<i>megye</i>) + Budapest	20
Croatia	HR	—	1	Regions	2	Counties (<i>županije</i>) + Zagreb	21
Ireland	IE	—	1	Regional Assemblies	3	Regional Authorities	8
Italy	IT	Groups of regions	5	Regions (Trentino-Alto Adige split into two)	21	Provinces	110
Lithuania	LT	—	1	—	1	Counties	10
Luxembourg	LU	—	1	—	1	—	1
Latvia	LV	—	1	—	1	Statistical regions	6
Malta	MT	—	1	—	1	Islands	2
Netherlands	NL	Groups of provinces	4	Provinces	12	COROP regions	40
Poland	PL	<i>Makroregiony</i>	7	<i>Regiony</i>	17	<i>Podregiony</i>	73
Portugal	PT	Continent + Azores + Madeira	3	Coordination and development regions + autonomous regions	7	Groups of municipalities	25
Romania	RO	Macroregions	4	Regions	8	Counties + Bucharest	42

Countries		NUTS 1		NUTS 2		NUTS 3	
Member State	27		92		244		1215
Spain	ES	Groups of autonomous communities	7	17 Autonomous communities and 2 autonomous cities	19	Provinces + Islands + Ceuta and Melilla	59
Sweden	SE	Regions (<i>Grupper av riksområden</i>)	3	National Areas (<i>Riksområde</i>)	8	Counties (<i>Län</i>)	21
Slovenia	SI	—	1	Macroregions	2	Statistical regions	12
Slovakia	SK	—	1	Oblasts	4	Regions (<i>Kraje</i>)	8

Source: Nomenclature of Territorial Units for Statistics, URL

Table 1 shows how the NUTS classification in the European Union covers different types of regions:

- 1) Political (self-governing) regions (Italy, Spain, France, Denmark, Poland etc.) in which the right to regional self-government is realized through the direct choice of their representative and executive bodies and other elements (finance, jobs, legal personality, etc.);
- 2) Statistical regions (Slovenia, Croatia, Hungary etc.) that aim to facilitate and harmonize the collection of statistical data on the basis of which different public policies can be conducted. They do not have their own bodies or institutions, but serve to gather information about the elements and the stage of development. The statistical regions agree with Eurostat, the statistical agency of the European Union.
- 3) Administrative regions (Federal Republic of Germany) have no self-governing elements and serve to better carry out the affairs of the central government in the entire state territory, and
- 4) Planning (development) regions (Greece, Romania, Bulgaria) – a type of administrative regions that are established mainly to stimulate and coordinate development activities. These regions usually have certain institutions, but without original political legitimacy. This implies that their members were not elected in special regional elections.

3.3. European Division of Regions by Level of Development

The categorization of regions is done according to their level of development. The classification of regions according to one of the three categories of regions is determined on the basis of the ratio of GDP per capita of each region, measured by purchasing power parity and calculated on the basis of Union data for a given period.

Regulation (EU) No 1095/2010 Regulation (EC) 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 the Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund, and repealing Council Regulation (EC) No 1782/2003; Regulation (EC) No 1083/2006 subdivides the regions by development level into: (a) less developed regions whose GDP per capita is less than 75% of the average GDP of EU-27 countries; (b) transition regions, with GDP per capita between 75% and 90% of average GDP of EU-27 countries; 27 and (c) more developed regions, where GDP per capita is more than 90% of the average GDP of EU-27 countries. The allocation and concentration of European cohesion policy funds depends on the specific needs of individual regions. Thus, different interventions and different amounts of EU assistance are foreseen for different types of regions (Regulation (EU) No 1303/2013, Article 90, paragraphs 2-6). It is

important to emphasize that this Regulation entitles all previously mentioned regions corresponding to the NUTS 2 level to assistance from the ESI funds.

Main findings are that personal income matters more in poor regions than in rich regions, a pattern that still holds for regions within the same country. Being unemployed is negatively associated with life satisfaction even after controlled for income variation. Living in high unemployment regions does not alleviate the unhappiness of being out of work. After controlling for individual characteristics and modelling interactions, regional differences in life satisfaction still remain, confirming that regional dimension is relevant for life satisfaction (Grazia Pittau, Zelli, Gelman, 2010, 339).

4. Role and Position of Regions from an Economic Point of View

The term "region" is often associated with the term "development area", which represents a region or an area subject to the implementation of a specific national policy (regional policy). There are different forms of government intervention, from public and private sector investment subsidies to various forms of selective policies and discretionary assistance (Čavrak, URL). Defining the development areas was originally motivated by the reaction to the problem of uneven development of each country.

In the economic system, regions are the backbone for the economic development of the modern state. This statement is confirmed by the Declaration on Regionalism in Europe, which emphasizes that "Regions are an essential and irreplaceable element of European development and integration" (Declaration on Regionalism in Europe, 1996, Article 3). This means that the region is a suitable development and measurement area for the European Union.

In the context of development and economic cohesion, the previous statement is also confirmed by the European Parliament in its Resolution on Regional Policy and the Role of the Regions of 1988, which states that "the most appropriate geographical and institutional level for the implementation of regional policy – NUTS 2 is the regional level (European Parliament Resolution on Community regional policy and role of the regions, 1998, point 18). The NUTS 2 level is the most appropriate level for implementing a balanced regional development. For example, NUTS 2 regions include the following: Italian regions, Spanish autonomous communities, French regions, Danish regions, Polish regions "Województwa", Dutch provinces, German administrative regions "Regierungsbezirke", Austrian federal units "Länder", Belgian provinces, Croatian statistical regions etc. From a development perspective, it should be recalled that NUTS Level 2 regions are the largest project generators in the European Union. The importance of NUTS 2 regions as the most appropriate level has been proven for the following reason:

- the population (from 800,000 to 3,000,000) in the area is sufficiently large to allow adequate economic policy in the setting up and management of major infrastructure and services,
- this is the level closest to existing regional structures in many Member States,
- at this level, the quality of available statistics required is the best.

The EU's objectives defined in the Europe 2020 Strategy for smart, sustainable and inclusive growth can only be achieved if the territorial dimension of the strategy is taken into account, as the opportunities for development of different regions are different (Territorial Agenda of the European Union 2020, 4).

From an economic point of view, regions are increasingly interdependent, especially when addressing common problems (for example migrations, climate change, COVID 19 and various crisis situations). In doing so, territorial cooperation between European regions provides a framework for finding solutions to common problems.

4.1. Regional Development and its Indicators

In parallel with the development of European systems of local and regional self-government, important questions are raised for the successful management of regional development policy. Regional development as part of overall development, according to Zvonimir Lauc, is a broad term and can be seen as "a general effort to reduce regional inequalities through the support (employment and prosperity) of economic activity in the regions" (Lauc, 2011, 420). It is a process of sustainable economic and social development of a particular region, which is achieved through recognizing, stimulating and managing the development potential of the area. It aims at making the best use of the territorial potential of European regions. In doing so, it should be borne in mind that the opportunities for the development of individual regions are different. Regional development is one of the essential segments of overall national development, so it must be balanced.

There are several indicators of regional development: regional competitiveness index, development index and economic strength index. The model of the regional competitiveness index is based on statistical and perceptual pillars of competitiveness, which are divided into environment and business sector. It is used to compare the competitiveness between two or more regions. This means that a region has an absolute advantage in producing something good if it consumes less labour than other regions. The Regional Competitiveness Index is based on the definitions used by the European Union, according to which regional competitiveness implies the ability to create an attractive and sustainable business and living environment (EU Regional Competitiveness Index RCI 2013, 4). This includes the ability of a particular region to provide an attractive and sustainable environment for the business of the enterprise and the work and life of its residents. The Development Index is a composite indicator of measuring the level of development of regions over a given period, and usually contains the following information: average per capita income, average original per capita income, average unemployment rate, general population movement, population level of education (tertiary education) and an aging index (Decree on the Index Development, 2017, Article 2). Economic Strength Index is a composite indicator of the positioning of regions. It is calculated as the sum of weighted basic economic indicators in three-year averages and demographic projections to measure the degree of economic strength and economic potential of regions.

4.2. Impact of Regional Disparities on Economic Development

Regions are emerging as a generator of solutions to development disparities at European and national level. Regional disparities, in addition to increasing opportunity costs in less developed parts of the country, and in developed centres excess demand for development resources increases, which increases the overall costs of such a development model and reduces the national competitiveness of a country. Less developed regions impede the overall economic development of a particular country and determine significantly different living conditions and opportunities on the basis of belonging to a particular part of the national territory. It is a fact that regional inequalities are an economic problem. The underdeveloped areas are characterized by the following: a decline in economic development and growth, a decrease in market activities, a decrease in competitiveness, an increase in the model of development and a decrease in financial capacity.

Rajko Odoabaša believes that regional development disparities and the further lag of certain regions and local self-government units are among the problems that most seriously burden the present and overall future development of the economy and society of a country. Although regional development disparities are undoubtedly the hardest hit regions with lower levels of development, they also suffer from more developed areas because of their backwardness, as

they are exposed to numerous economic, infrastructural, social, political, educational, health and other expenditures that burden them with income and weak development potentials (Odoša, 2007, 163). Regional differences can lead to negative trends that, in the long run, could reduce the growth of those areas that are currently recording positive development indicators. The fact is that the economic development of successful ones is being challenged because the less developed environment is hampering them from taking advantage of all the potential gains from the growing economies of scale, but also in transforming heterogeneous comparative advantages. The price of this situation is also paid by those regions that achieve above average rates of economic growth and development. It is not uncommon that developed regions pay for the underdeveloped (Bavaria, Catalonia, and Flanders, as well as the former Yugoslav republics: Slovenia and Croatia).

5. Role and Position of the Regions from Political Point of View

By territorial division into local and regional self-government units, a large number of smaller "constitutional" (statutory) and political systems based on them are created in the country (Smerdel, Sokol, 2009, 404). Thus, one can speak of territorial - political systems (Brunčić, 2010, 43).

Local and regional units are part of a broader social and state system and are holders of public authority at local and regional level. Therefore, in the political constitution, the regions are the basis for democracy and autonomy. This is confirmed by the Declaration on Regionalism in Europe, emphasizing: "Regions, states and autonomous communities are above all pillars of democracy. They strongly support cultural diversity in Europe and are major partners in socio-economic development" (Declaration on Regionalism in Europe, 1996).

The policy of each country's territorial organization, which includes the distribution of political power to regional and local communities for the sake of equitable economic development and protection of individual and collective rights, is a key value of any democratic society (Sadiković, 2012, 176).

Political regions are regions in terms of elected regional authorities and have emerged as an expression of political will. They are the place where certain levels of government exercise their powers, especially with regard to regional policy. According to Vedran Đulabić, political regions are territorial units of the middle order that encompass an area between the local and state levels where there are a large number of local communities connected by regional identity and a special institutional structure with a greater or lesser degree of political autonomy. Among the main and most important elements of the existence of a political region are autonomous political processes, manifested in the existence of democratic, secret and multilateral elections for representative and / or executive bodies of the region, legal personality, own taxes and other autonomous sources of funding, a wide range of affairs within the scope of self-government, limitation of state control to the control of constitutionality and legality, possibilities for cooperation with other self-governing units at home and abroad (cross-border and interregional cooperation), etc. A special feature of the political region is the possibility of normative action, which is manifested in regionalized countries through the powers of enacting regional laws, and in decentralized countries in passing other general acts. When regions have the ability to legislate, there are usually several categories of so-called regional laws. These may be law enforcement laws passed by the central government, but without the possibility of elaborating them. Then, the laws that elaborate the laws passed by the central level and the laws which regulate, in the framework of the general principle of constitutionality and legality, completely different issues from the self-governing scope of the region (Đulabić, 2009, 912). The ideal requirement of a territorial division of a country is the correspondence of political regions with the statistical division, but very often this is not the case, as some political regions do not meet

the numerical criteria of Eurostat (for example some Polish regions). Thus, some countries, such as the Republic of Croatia, have parallel territorial units (political and statistical). Examples of coincidence of NUTS Level 2 political regions with democratically elected authorities exist in the following countries: Italy (NUTS Level 2 regions), Spain (NUTS Level 2 regions), France (NUTS Level 2 regions), Denmark (NUTS Level 2 regions), Poland (Województwa NUTS Level 2), the Netherlands (NUTS Level 2 Provinces), Belgium (NUTS Level 2 Provinces), Portugal (2 NUTS Level 2 Self-governing Regions) and Finland (1 Self-Governing Region).

6. Role and Position of the Regions from Legal Point of View

According to Arsen Bačić, in terms of constitutional law as well as international public law, the necessary elements of each state are political power or sovereignty, population, population or people and territory (Bačić, 2012, 97). The constitutional and legal framework of the regions guarantees an important role in the provision of public services to citizens, which is the essence of the self-governing scope of local and regional units. Establishment of regions can be performed via:

- the constitution (for example Italy, Spain, Belgium), the constitution guarantees in principle the right to regional self-government, the right to regional organization and establishes a special procedure by which regions are established, and
- law (for example France, Poland, Denmark).

When it comes to the territorial effect of a regulation, that regulation regulates certain social relations and produces legal effects within the specific territory for which it was enacted. The importance of the role of the regions is reflected in the legal system. According to Dowling, “The sub-national level is becoming an increasingly important level of governance in nation-states, and its impact has been significantly strengthened given the European context. It should be emphasized here that approximately three quarters of all European legislation is implemented at the local and regional level of the Member States” (Dowling, 2003, 3).

The position of the regions is essential in the overall system of organization of government in European countries. Constitutional and legal provisions give the regions powers of jurisdiction in certain public affairs. In this respect, European regions play an important role in providing and safeguarding public services at regional level. Such services are crucial for maintaining and developing territorial cohesion and for the advancement of the regional economy. As a typical competence of the region, the Declaration on Regionalism in Europe, Article 3 states the following: regional economic policy, regional planning, construction and housing policy, telecommunications and transport infrastructure, energy and ecology, agriculture and fisheries, education at all levels, faculties and research, culture and media, public health, tourism, leisure and sports, police and public order (Declaration on Regionalism in Europe, 1996, Article 3).

6.1. Constitutional Position of Italian Regions

The idea of regionalization in Italy came to prominence in 1947, when the Italian Constitution established twenty regions, as separate autonomous organizations with a considerable degree of autonomy. Accordingly, the Constitution establishes a vertical division of powers in the form of regionalism. Italy thus became the first European country to promote regionalization at the constitutional level.

Chapter V of the Constitution of the Republic of Italy refers to regions, provinces and municipalities as constituent parts of the state structure and consists of 19 articles (114-133). The territorial organization of Italy under Article 114 (1) and (2) of the Italian Constitution is

organized into four levels of government, which are municipalities and cities, provinces, regions and states. Regions are self-governing units with their own statutes, powers and functions in accordance with the principles defined in the Constitution. The position of the Italian regions is determined by the Constitution, as follows:

- are recognized at the constitutional level as a constitutional category (Article 114, paragraph 1 of the Constitution),
- independently determine their own revenues and taxes (Article 119, paragraph 2),
- they have been accorded a special status of autonomy with respect to the central government, with broader competences than other regions within a given state (Article 116, paragraph 1),
- have the legislative power to undertake all activities not expressly stated to fall within the legislative scope of the State (Article 117 (4)),
- participate in the central government through representation in the upper house (Article 57),
- have their own bodies: regional council as regional legislative body, regional government and the president of the region (Article 121),
- represent political communities, within the meaning of elected subnational authorities (Article 122),
- represent territorial-political communities with legislative powers (Article 117, paragraph 1),
- have their basic acts -statutes (Article 123, paragraph 1), and
- have the right to self-government (Article 114, paragraph 2),
- their inhabitants have the status of national minorities, that is, they represent a people different in language, culture and other characteristics from the majority people in their respective country (Costituzione della Repubblica Italiana, 1948) Italian regions are not symmetrical. The Constitution distinguishes between 15 regular and 5 special status regions. Fifteen regular regions were formed, taking into account historical and geographical-economic criteria. Article 116 (1) of the Constitution constitutes the constitutional basis for the special status of autonomy of minority regions in Italy. The aforementioned constitutional provision stipulates that the special status of autonomy on the basis of special statutes adopted by constitutional law is granted to the following regions: Friuli-Venezia Giulia, Trentino-South Tyrol, Valle d'Aosta, Sardinia and Sicily.

6.2. Constitutional Position of Spanish Regions

Chapter VIII of the 1978 Constitution of Spain, which consists of 22 articles (137-158), applies to regions. The constitutional basis of the territorial division of Spain is set out in Article 137 (1) of the Constitution, according to which the Spanish State Territory consists of: autonomous communities (regions), provinces and municipalities. The said Chapter of the Constitution is divided into three sections:

- the first part (Articles 137-139) contains general principles,
- the second part, which also contains three articles (140-142), deals with local self-government and sets out principles relating to municipalities and provinces, and
- the third section, which contains 16 articles (143-158), is entitled "Autonomous Communities" and, among other things, addresses the specific status of these communities. All of these units enjoy the autonomy to manage their personal interests.

The constitutional position of the Spanish Autonomous Communities (including minority regions) is characterized by:

- are recognized at the constitutional level as a constitutional category (Article 137 of the Constitution),
- have a constitutional right to autonomy (Article 2), particularly financial autonomy (Article 156) and tax autonomy (Article 157),

- on the basis of the constitution, they have been accorded a special status of autonomy with respect to the central government, with broader competences than other regions within a given state (Article 151, paragraph 1),
- have constitutionally defined powers (Article 148),
- in accordance with the principle of subsidiarity, competences not listed in the Constitution belong to autonomous communities on the basis of their statutes (Article 149, paragraph 3),
- participate in the central government through representation in the upper house (Article 69),
- have their own bodies (legislative assembly, government council with executive and administrative functions, the president and the High Court of Justice (Articles 152 and 154),
- represent political communities, within the meaning of elected subnational authorities (Article 152),
- represent territorial-political communities with legislative powers (Article 152),
- have their basic acts - statutes (Article 146, 147),
- have the right to self-government (Article 148),
- some regions have a special status, since most of their population have the status of national minorities, that is, they represent a people different in language, culture and other characteristics from the majority people in their respective country (Constitución Española, 1978).

7. Conclusion

The European Union's focus on the regions has been current since the entry into force of the Single European Act of 1986, when European cohesion policy was first instituted in the EU's primary system. This policy is aimed at the territory (all regions and EU countries) in order to stimulate economic growth and improve the quality of life of the people there. Cohesion policy is based on a set of principles aimed at harmonious, balanced, effective and sustainable territorial development. It provides equal opportunities for citizens and businesses, regardless of their place of residence, for the best possible exploitation of their territorial potential. This policy reinforces the principle of solidarity in order to promote convergence between the economies of the better-developed territories and those whose development is lagging behind, emphasizing that development opportunities are best shaped in accordance with the specificities of the area. In this context, the regions represent the key institutions of European cohesion policy. In addition, regions have the opportunity to participate in EU policy-making. Therefore, the EU has become a framework for the balanced development of all its regions. The Treaty of Lisbon has further strengthened the position of regional self-government and regions in the EU political system.

European regions have an economic, legal and political impact on the system within nation states. Regarding the economic system, the regions are the backbone for the economic development of the modern state. The diversity of territories and identities of European regions represents a significant potential for regional development that contributes to the mobilization of their different potentials. In this context, regional interdependencies are becoming increasingly important, which requires cooperation, networking, and integration between different European regions. In doing so, territories with shared potentials or challenges can work together to find common solutions and use their territorial potentials through the exchange of experiences. Territories with different potentials can join forces, explore their comparative advantages, and jointly create additional development potential. In the political system, the regions are the basis for democracy and autonomy. The role of regions in the legal system is particularly evidenced by the fact that most EU legislation is implemented at local and regional level.

Comparison of the concept of constitutional position of regions in regional states (Spain and Italy) characterized by strong territorial autonomy of regions and broad legislative powers. Their emergence was a democratic response to the separatist aspirations of particular parts of these states whose proportions threatened their territorial integrity (in both cases after the collapse of authoritarian / totalitarian systems – in the case of Italy after the Second World War and in Spain after Franco). On this basis, they were accorded a special status of autonomy in relation to the central government, with broader competences than other regions.

The authors believe that organized regions with elected subnational governments are better solutions compared to statistical regions. They are better suited to use European funds effectively and to address development problems. Therefore, the authors propose the introduction of four or five such regions in Croatia. A smaller number of larger, personally and financially stronger regional units (rather than counties) are required in Croatia in order to conduct quality public affairs and promote socio-economic development. Such regional units would form the backbone of the regional development policy system in the future.

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