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# Required conditionalities in applying public choice theory in the field of public utility services

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## Abstract

*Adapting public policies on public utilities to collective expectations of the population has always been a challenge for both central and local public authorities in Romania. The present article aims to highlight issues of applicability limits of the theory of public choice. The general objective of this research is to prove that the practicability of public choice requires conditionality of financial affordability. In this regard we use a theoretical analysis on the possibility and conditions of use of the theory of public choice in practice and an empirical analysis based on statistical data which illustrates an up to date comparison of the payment capacity of the sanitation services, adapted to European standards, of the population of the four counties of the Western Region of Romania, Timis, Arad, Caras-Severin and Hunedoara. We considered relevant to our study official statistics on the age structure of the population, employment, unemployment, social assisted individuals, students and pensioners and the average income of all these categories. The analysis results indicate that there are major discrepancies of the payment capacity and financial endurance between the population of the four counties and that the substantiation of charging public services using the principles of public choice would be unsustainable financially for a large part of the population. After clarifying these issues, the main conclusion of the study is that public choice theory application using the majority's autonomy is possible only through an association of financial affordability barriers. The relevance of the study is to address and propose solutions to the difficult context crossed by Romanian public authorities to find integrated solutions, so as to develop community services at European level, but at the same time to remain in the sphere of needs and payment possibilities of citizens.*

**Keywords:** Public choice theory, development associations, Western region, public policy, policymakers.

**JEL Classification:** H72, H76.

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