THE EU URBAN AGENDA CHALLENGES FOR THE BUCHAREST-Ilfov region

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Abstract:

Few months before the Barroso's mandate completion, the European Commission launched the Communication on an urban dimension of the EU Policies. This one comes to support the achievement of the Europe 2020 Strategy, in the middle of its implementation. The revision of the Strategy is expected in the next spring, and the cities' fundamental role to reach our common policies objectives is recognized. This is expected to be the key for a more inclusive, sustainable and smarter Europe. The meeting of 28 Mayors of the capital cities of EU on October 1st, 2014 in Rome shows the need to urgently adopt an Urban Agenda of the European Union. The administration of Bucharest strongly supports the initiative and considers as priorities in the coming period: the creation of a data base among the capitals comprising the best practices, making permanent the urban dialogue by creating a platform allowing and encouraging citizens' involvement in the decision-making actions, the promotion of the success examples and strengthening the experience exchange in the context of the similarity of the problems the current society is confronted with. Meanwhile the subsidiarity is expected to be respect and a large part of European investments available over the next 7 years will be allocated to strategic targets concerning research, innovation and promotion of the small and medium enterprises.

Key words: urban agenda, regional development, urban regions, Europe 2020, Bucharest-Ilfov Region

JEL classification: O10

INTRODUCTION

WHY CITIES MATTER

Today, approximately 72% of the total EU population is urbanized. In the same time, 59% of the total population of Europe living in metropolitan regions generate 67% of Europe's Gross Domestic Product. According to the comparative studies on economic performance, the capital cities and metropolitan areas managed better the economic crisis than smaller metropolitan and non-metropolitan regions.[1] Nevertheless, the major European cities are relatively small. Thus, according to statistics, the first European settlement, Paris, is placed at 25th in the world with 10.75 million inhabitants. The second one in EU, London ranks at 34th with 8.58 million inhabitants. These represent an exception in Europe, far ahead of other cities. An EU Urban Agenda represents an ambitious approach coming to transpose the ambitious Europe 2020 objectives into urban objectives and actions better adapted to the various realities of Europe cities, involving the national level to agree with their cities on targets, strategies and actions.

The Commission's Communication *The Urban Dimension of the EU Policies – Key Features of an EU Urban Agenda* [2] in the 18th of July 2014 aims to represent the most important and the efficient document responding to the economic, environmental, climate and society issues and challenges, including here a lot of issues of demography, human migration, education or even cultural aspects.

However, this concern is not something new, given that 17 years ago the European Commission launched the paper *Towards an urban agenda in the European Union* [3], a document of 18 pages, longer than the new one. At that moment, the 15 member states of the EU had some 80% of the population in cities, towns and suburbs, thus making the old continent the most urbanised in the world. The document dealt with unemployment, poverty, drug abuse, poor housing and other economic issues. The hopes were that the new efforts should be able to give cities the

important role of social, cultural and economic integration, sustainable development, and the foundation of democracy. Beyond these aspects, there were mentioned two important elements: firstly, new challenges faced to urban development should represent an opportunity to involve citizens and improve their daily lives; secondly, cities have to play a very important role representing the European model of society. This means a strongest relation between local authorities and citizens, and actions taking into account equality on gender, ethnic origin, religion and other special needs. In order to improve their living conditions, citizens have to participate actively. [4]

Demographic statistics shows the growing urbanization trend in Europe, but at a slower rate than in preceding decades. However, the recent years put some major cities in front of a local migration, a lot of people choosing to reside in the neighbouring localities, including rural areas. What was valid in the '90s, it is also real today: larger cites continue to be the primary source of prosperity, to contribute asymmetric to the regional or national development in spite of their population, to reflect a higher productivity and very important, to benefit from improved infrastructures attracting so, in the same places, the major investors. [5]

WHY WE NEED A STRENGTHENED VISION

The agenda in the '90, as well as the one in 2014 argues that an urban agenda for Europe doesn't substitutes common urban policies better understood at local or regional level. However, having in mind that cities in Europe are facing similar problems, this can be transformed in opportunities that a wide European framework are able to share and offer solving perspectives in this respect.

Between these European frameworks aiming to understand the role and the opportunities of the urban areas for the entire Union, DG Regio has emphasised the importance to be given to the cities. It launched the comprehensive report *Cities of tomorrow*. *Challenges, visions, ways forward*. The commissioner in charge for Regional Policy, Johannes Hahn, claimed that this document represent a reflection process providing inspiration for practitioners, policymakers and other stakeholders in any level of urban development. [6]

According to this report, representing the results of the joint effort of representatives of European cities and urban, we need to take into account some specific factors of the cities, towns or suburbs.

First of all, cities have some specific features making them the key to the sustainable development in the European Union:

- The high degree of urbanization of Europe.
- The crucial role played in social, cultural creation and innovation matters. The density, the concentration of population has implication for energy savings, for example.
- The new challenges on social, economic, environmental or physical aspects exceed the administrative boundaries of cities, meaning so the need of new forms of flexible governance and local actions.
- A quite common vision for cites as platform of democracy, social cohesion, better education and health systems, cultural diversity and environmental regeneration.
- The determinant role played in Europe's territorial development. [7]

In the same time, the report present the threats faced by cities:

- Demographic change, in terms of ageing population, suburbanisation or depopulation of former mono-industrial towns.
- Europe pass through a different stage of its development, facing seriously threat of economic stagnation or decline, especially in other cities than capital.
- The mismatch between the education systems to market needs.
- Accentuate disparities between rich and poor, poor becoming poorer. This occurs especially in the former socialist economies.

- The pressure on urban ecosystems, because of chaotic expansion or soil sealing.[8]

Having these aspects, which are the opportunities and what is expected to do in order to assure a better life for the citizens and to respond to the accelerating changes and worlds' challenges? EU relies on the competitiveness at the local level, focusing also on social participation and innovation. Economy should be resilient and inclusive in terms of employment and improvement of living conditions. Innovation is the concept gaining more importance, at least in the public speech. In order to make the urban agglomeration more eco-friendly and competitive, the cities should pursue more suitable housing policies. The environmental and energy issues need to be addressed in a holistic approach meaning more than simply reducing CO₂ emissions.

What is exactly applied to the Bucharest-Ilfov region (*Bucureşti-Ilfov*, in Romanian), the medium-sized and small cities can play an important role for themselves but also for surrounding villages; having a grassroots approach, they contribute to the existence of life in rural areas. A sustainably city or urban agglomeration is defined by attractive public services in terms of mobility, networking, social, cultural and political matters.

All these aspects require new forms of governance. This means to integrate actions taken by different policymakers and actors, a bottom-up approach, to alternate formal and informal governance methods, and to use resources in a correct way. Cities have to adopt "multi-sectoral" visions for their development, with both horizontal and vertical coordination.[9]

Considering the number of population living in cities, the policies focused on cities represent the stake to achieve the *Europe 2020* objectives. It should be clear for the policymakers this role.

The population with higher education lives mainly in cities. This can be the most important pylon for the smart growth. The urban agglomerations host usually most innovation projects and activities in some cities can be asymmetric comparing the country as a whole.[10]

Other urban challenges consist in the use of full potential of the dynamic Information and Communication Technology. A correct use of this instrument can contribute to good results on education, youth supporting, business and many other domains.

The concept of green growth try to understand the urban agglomeration as problem but also part of the solution. In this respect, the Commission launched in 2011 A resource-efficient Europe – Flagship initiative under the Europe 2020 Strategy [11] and An integrated industrial policy for globalisation era. [12] These specific policies are based on strategic and integrated approaches, involving local authorities, stakeholders and citizens.

The inclusive growth refers to the correction of social exclusion and segregation. The unemployment is higher in urban areas or can be more dangerous than in rural settlements. Cities face to social polarization and poverty, gender inequality, ethnic or religious segregation or self-segregation, migration and ageing. The poor population and at social exclusion risk should be reduced by 20 million citizens before 2020, according to the EU target.[13]

What brings the new document, *The Urban Dimension of the EU Policies – Key Features of an EU Urban Agenda*, in 2014? We find again the themes of poverty, social and territorial segregation, environmental degradation, and considering the previous results and state of facts in cities, is required an agenda, with an input from local, regional, national and supranational level. There are several sections composing this document: the current urban situation in EU and in the rest of Europe, the calls for a comprehensive document on urban issues – the present Agenda, the global dimension of urban development, and the potential ways forward with questions for consultation.

There are at least two general cleavages: one between capital cities and the other cities in a country on the one hand, and that between the non-capital cities of Western-Eastern countries of the EU, on the other hand.

Cities have a lot of similarities, but in the same time cities are unique, as well as their problems and solutions. The *Agenda* claims that "urban policy is often the implicit result of urban and spatial planning laws and the combined intervention of sectoral policies, rather than a domain that is given political and strategic direction." [14] In this regard the European Union is counting on

the ERDF, around 80-90 billion Euro, that means 50% of this financial instrument. Moreover, at least 5% of national allocations of ERDF have been reserved for integrated sustainable urban development for 2014-2020 programming period. There are some network-programs bringing together cities of Europe: URBACT, Eurocities, CiTIEs – Cities of Tomorrow - Investing in Europe, CEMR – Council of European Municipalities and Regions, ESPON, adding HABITAT III – the United Nations Conference taking place in October 2016.

The Commission had collected and taken into account different visions on what the EU urban agenda should be: ones have argued that such an agenda might rather imply a new working method to ensure coherence, while others have suggested that it should be seen as a strategy with a clear direction for long term but also seen as a set of operational guidelines.[15]

WHY BUCHAREST-ILFOV SHOULD BE INVOLVED

According to 2011 Romanian Census, the total resident population of Bucharest-Ilfov Development Region was 2,272,163 inhabitants, distributed 1,883,425 inhabitants in Bucharest and 338,738 inhabitants in Ilfov County. This represents 10.5% of the population at the national level, with 91.8% living in urban area, making it the most urbanised region of the country. This population is concentrated on 1821 km² (0.76% of the total surface of Romania) having the highest density in the country, respectively 1247 inhabitants/km², within 8100 inhabitants/km² in the capital city. Thus, Bucharest is ranked the 5th most densely populated at NUTS 3 level, after Paris (21,000 inhabitants per km²), Inner London West (10,000), Inner London East (9,000), Hauts-de-Seine (9,000).[16]

Bucharest-Ilfov Region is atypical compared to other regions of Romania, being composed by Bucharest (capital city) surrounded by Ilfov County, the ex-agricultural sector for decades; these two component parts present very different characteristics. Geographically, Bucharest-Ilfov Region itself is an enclave in the South-Muntenia (*Sud-Muntenia*, in Romanian) Region – with a surface 18.91 times larger (14.54% of the total surface of Romania) and having 3,258,775 inhabitants.

According to Eurostat 2010 data, published 2013, Bucharst-Ilfov is ranked 76th out of 271 European regions (NUTS 2) in terms of GDP per capita in PPS with 27.100 Euro, representing 111% of the European average (EU27=100). This data show that Buchrest-Ilfov Development Region is richer than three quarters of the European regions, meaning richer than any regions of the countries like Bulgaria, Hungary, Poland, Portugal, Slovenia and the regions-Baltic states. In Romania, the next development region is West Region which recorded a GDP per capita in PPS of 12.900 Euro, representing 53% of the EU average in 2010.[17]

Labour resources of the region in 2011 were 1.541.000 persons, which represented 79.5% of the employed population; the average net salary is approximately 35% higher than the national average. Unemployment rate in 2013 was 2.0%, the lowest nationwide. It is worth talking into consideration that the density of SMEs in Bucharest-Ilfov regions is 48 SMEs per 1.000 inhabitants, being above both the EU average (42 SMEs/1.000 inhabitants) and the national average (21 SMEs/1.000 inhabitants). Thus, the region generates approximately 25% of the national economy.[18]

The major Forum "CITIES – Cities of Tomorrow: Investing in Europe" organised by the EC, hosted by the Commissioner Johannes Hahn and the Director General of DG Regio, Walter Deffa, on February 17-18, 2014 brought at the same table mayors of almost all the capital cities in EU.

Mayor Sorin Oprescu of Bucharest emphasized in his speech that adoption of the EU Urban Agenda will represent a first step towards the improvement of the quality of life of the European citizens. He urged the immediately adoption as a pragmatic document, that should be not only a vision but a mission of the policymakers for a better life in Europe.[19] Also, the Mayor referred at the importance of improving the citizens' quality of life, a first step in this regard being the finalization of the Urban Agenda of European Union. He argued that Agenda should obtain an optimal degree of flexibility, "so as to be prevented the fragmentation of development policies, but

the local elements based on their own needs of a limited territory and the development strategic objectives of a country or the whole Europe to be harmonized. [20] The EU Commissioner Johannes Hahn reiterated that an urban agenda represents an important pillar of achieving the goals of Europe 2020 Strategy.

In the next round table bringing together the 28 mayors of the European capital cities, held in Rome, on October 1st, 2014, the Romanian Capital General Mayor Sorin Oprescu supported again the need to urgently adopt an Urban Agenda of the Union.

Thus, Oprescu presented some proposal which the administration of Bucharest considers as priorities in the coming period:

- the creation of a data base among the capitals of the member states comprising the best practices;
- the permanent urban dialogue by creating a platform allowing and encouraging citizens' involvement in the decision-making process;
- the promotion of the success examples and strengthening the experience exchange in the context of the similarity of the problems the current society is confronted with.

In his intervention Oprescu referred to the unique role of the European capitals to be the true drivers of a sustainable and multidimensional development: "In the absence of some global and unitary strategies, efficiently coordinated and in agreement with the needs and requirements of the communities we cannot talk about the increase in the quality of life of our townsmen whose interests we represent. These desiderata can be reached only in the context of adopting an Urban Agenda of the European Union and this cannot exist without the direct and immediate participation of the 28 capitals."[21]

In the same time, Athens Mayor Yiorgos Kaminis, said that "urban agenda put into question today is no more about the capitals future, but also to that of Europe, part of a globalized world really." Anne Hidalgo, the mayor of Paris stressed that "today the European capitals are nothing more than miniature world".[22]

At the end of the meeting, representatives of the 28 capitals agreed to form a group action among participants to present the conclusions of this meeting to President of the European Commission, Jean-Claude Juncker, thus triggering the permanent political dialogue between the mayors of European capitals and the Commission.

Regarding the Regional Operation Programme that is expected to be approved by the European Commission this summer, Bucharest-Ilfov Region has allocated for 2014-2020 period approximately 350 million Euro, the funds for the region being completed up to 900 million Euro through other available programmes. "We are more developed region and, therefore, the allocation is limited by the European Commission's decision but the amount is comparable to the 2007-2013 contracting period", said Dan Nicula, Director of the Bucharest-Ilfov Regional Development Agency.[23]

CONCLUSIONS

The urbanization of third quarters of European Union show without doubts the importance of this dimension and the importance that decision-makers and other stakeholders need to understand. The accelerate dynamic of the cities and their inhabitants should be well observed and used in order to respond to the changing needs of the population and to better assure the improving of life conditions. Bucharest-Ilfov region remains the most dynamic and developed in Romania, but according to the regional development law of the country, it is important to prevent the appearance of other disparities between regions.

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