

8 Bucuresti Ilfov (Bucharest-Ilfov) Region

Demo-geographic characteristics

The Bucharest-Ilfov Region, formed by Bucharest, the capital of Romania, and Ilfov County, is located within the south of the country, in the central part of the Romanian Plane. Bucharest Ilfov has a surface of 1,821 km², out of which 12.5% represents the administrative territory of Bucharest and 87.5% of Ilfov County. The both entities that compose the region are in the same time the smallest territorial administrative units of Romania from the point of view of the surface.

The region population of 2,207,596 inhabitants in year 2004 is distributed inverse proportionally with the dimension of the two administrative entities. Bucharest is the biggest urban agglomeration of Romania, its population being of 1,927,559 inhabitants, representing almost 87% from the total region population, over 16% from the total urban population of the country, respectively 9% from the total Romanian population and having a density of 8,100 inhab/km². The Ilfov County population of 280,037 inhabitants represents only 13% from the total of the region, this being located in the category of small counties with a density of 175 inhab/km².

The region has a relatively unrelieved relief due to the fact that is overlapping with the Romanian Plane, having valleys formed by the rivers that cross the region, numerous natural and antropoc lakes.

In 2004 the localities network of Bucharest – Ilfov Region had 5 towns, 35 communes and 100 villages. From the three towns only one is municipality (Bucharest). As number of inhabitants, Bucharest, the country capital, detaches with 1,927,559 inhabitants, followed by Buftea (around 20,000) and Otopeni (around 10,000). The offered opportunities make that the real number of population which live within region to be higher than the official one.

Employment and migration

Within Bucharest-Ilfov region, in 2004, the employment rate was 50.0% (the national average was 50.4%). By gender, the feminine employment rate was 44.0% (the national average – 44.5%). For the period 1999-2004 the evolution of the employment rate in Bucharest Ilfov region, recorded a diminishing from 52.8% in 1999 at 50.0% in 2004.

The demand of qualified labour force was bigger for the Bucharest Ilfov Region, so that, correlated with the opportunities offered by the capital – urban life level, as well as the prestige- the employed population has a higher level of education and specialization.

In 2004 the unemployment rate was low (2.8%, national average was 6.3%¹) and the possibility to find a job was real. The long-term unemployment is very intense; the

¹ National Agency for Employment

young one (under 25 years) has a high level – 21.2%, close to the national average of 21.0% and the illegal jobs (especially the tertiary sector) are extended.

The majority of the registered unemployed have low levels of education attainment. This confirms that the Bucharest labour market is characterized by a demand of qualified labour force. In the two component administrative units the unemployment rate is 4.1% in Ilfov county and 2.6% in Bucharest.

As regards internal migration, beginning with 2001 the balance became positive in the capital city, with an annual average of new residents of approximately 5,000 units.

Regional economy

The regional economy is dominated by the capital due to the active population working within the economic units that function here. Bucharest – Ilfov Region is also the biggest industrial agglomeration of the country, and all the industrial sectors are represented in the area. The gradual industrial decline begun after the '90s led to high unemployment, and the fast shutting down of inefficient enterprises will accelerate the decrease of the labour force in the industrial sector and its migration to the tertiary sector – services. The percentage of the population employed in services sector raised from 53.1% in 1995 at 63.4% in 2004. The trade, the storage activities, the distribution, the municipal services, the constructions had an intensive development, contributing to the evolution of the region that has an outstanding economic development level compared to other regions in spite of the unfavourable geographic position.

In the last year one of the most important characteristic of the Romanian economic growth was the Region increasing importance, especially Bucharest Municipality. This phenomenon is characteristic to all transition economies, but in Romania is more obvious due to the big dimension of the country.

The region has an economic force and dynamics superior to other regions, a big level of GDP and a social and professional structure with a higher standard.

Having an sustainable economic growth in the last six year (1998-2003) the GDP of Bucharest Ilfov Region (4,696.7 euro/inhab in 2003) was almost two times bigger than the national average (2,420.5 euro/inhab). Consequently the labour productivity, estimated as a report between the regional gross values added and employed population, shows that the Bucharest Ilfov Region has the highest level among the other regions (9002.6 euro/employed person unlike national average of 4663 euro/employed person)*.

The region economic environment is highly attractive due to the existing institutional structure, the specialized labour force and the more developed communication system than in the other country' regions. Having 8426million euro foreign direct investments in 2004, representing 56.0% from the foreign direct investments total, the Bucharest Ilfov region detaches from the other regions, the South East Region being situated on the

* The data for productivity are for the year 2002

second place with 11.6% from the foreign direct investments. Moreover, SME's density records in Bucharest-Ilfov the highest value of the country, having, in 2004, 22.3% from the total SME's, with 31.9% more than in 1998.

The potential and the economic structures are differentiated between county and municipality: agriculture dominates the Ilfov county economy (32.2% of employment in 2003) and the capital economy is characterized by the development of the services (66.4%) and industry (32.5%) sectors.

The service sector is a national best performer in respect of telecommunications, financial intermediation, education & research, transport and storage, tourism and cultural services, services to enterprises (including software), and trade. As the region performs the functions associated to the capital city, the public administration is also an important employer.

In 2004 within the Bucharest Ilfov Region were active 2 industrial parks from the total of 36 recorded at the national level. Both industrial parks are private and have a surface of 33.07 ha.

Enterprises access to the information society is still low. Only 12.2% of Bucharest-Ilfov enterprises are connected to the Internet, with 13.6 PCs for 100 employed. 60.1% of enterprises PCs are connected to the Internet.

The difficult access at financing, the lacks of infrastructure endowments (utilities, constructions, ICT) are major problems which most of all business infrastructure support are confronted with.

Infrastructure

Transport

The Bucharest Ilfov region, through Bucharest municipality, the capital of the country, which is the most important cross point for the road – railway – air, national and international transport is characterized by a high level of accessibility, being located on the 2 multi-modal – road, air and railway transport European corridors: corridor IV (Nadlac - Constanta) and corridor IX (Giurgiu-Albița), planned to be constructed in the forthcoming period, and also close to the Danube (corridor VII).

The public roads density per 100 km² within Bucharest Ilfov region recorded in 2004 the value of 47.9km/km². The public roads density is higher in Ilfov County (49.4km/km²) compared with Bucharest (37.8km/km²), existing also a high number of un-modernized public roads in the region (52.8% in Ilfov and 2.2% in Bucharest). For Bucharest, the percent of the un-modernized municipal streets (53.9% in 2003) is very high for a European capital and affects the necessary conditions for optimal road traffic.

The Bucharest Ilfov region presents the highest railway density at 1.000 km² of land (188.4 km/1000 km²), meaning 4 times the national average (46.5 km/1000 km²). This

figure reaches the value of 676.5 km/1000 km² for Bucharest, meaning 14 times the national average, Bucharest being the starting point for the 8 main routes railway which ensure the connection with the other region of the country.

Two international airports ensure air and multi-modal accessibility: "Henri Coandă" (Otopeni), the biggest international airport in Romania (almost 83% of the total air passenger transport in Romania) and "Aurel Vlaicu" (Baneasa).

The drinkable water supply network in Bucharest – Ilfov Region represented at the end of 2000, 2179 km (98 km in Ilfov county to which were connected also Buftea and Otopeni cities and another 19 localities). These localities are also connected to the sewerage network (at 31 december 2000, the sewerage network in the region had a length of 1873 km, out of which 122 km were in the Ilfov county).

Environment

From the environment protection point of view, the sewerage system in Bucharest municipality presents the following deficiencies:

- The sewerage was projected as a unitary system, all water being evacuated through a single network
- The treatment is lacking and some channels have a small pant which lead to deposits and blockages
- The level within the channels is always increased and sometimes, in cases of abundant rains, the system capacity is exceeded;
- The sewerage network is very old and in consequence, it presents overused parts
- There are areas were the sewerage is lacking (20% out of streets surface and 9% out of the living area)

Because of the un-treatment of the wastewater, their only emissary, respective Dambovita River is compromised almost on all its length from Bucharest to its confluence with Danube. This situation will not change before becoming operational the treatment plant located in Glina.

The forests in Bucharest-Ilfov Region occupy an area of 25,583. ha, meaning 14% compared to the total area of the region, of 182,017 ha. In Bucharest there are only 3712 ha with forestier vegetation, representing 15% from the total of the forested area in the region.

In Ilfov County, the forest problems are similar with the ones of the forests in Bucharest, but there can be added another type of aggression, meaning the illegal cut-off of trees by citizens. Following the analysis of the green spaces, elaborated in 1989 – 2001period resulted that the green spaces reduced with 49% and the also the vegetation reduced with 51%.

Education

Bucharest-Ilfov region is the most important educational centre of Romania. In 2004 it accounted 256 kindergarten, 381 school units in pre-university education and 41 institution of tertiary education). However, a significant number of schools and pre-

schools units from the around Bucharest and Ilfov county do not have proper conditions to function, because of the lack of water supply and sewerage.

Through the 41 university education institutes the Bucharest Ilfov region has the most developed university environment from Romania and concentrates the bigger number of students registered within the high education system among Romania regions: 190,550 from a total of 620,785, representing 30.7% of the total number of students.

The low access of the rural population and of the disadvantaged groups to education, in general, and to superior studies in particular, the scarce endowment of the universities and TVET schools represent yet weak points for the education system in the Bucharest Ilfov region.

Health

In the last years, the decreasing of the sanitary activities was obvious, registering declines both concerning the allocated expenses and the quality of the supplied services. The sanitary infrastructure of the Bucharest Ilfov region is, in high degree, in an advanced depreciation stage and with an acute lack of modern equipment generated by the insufficient financial resources, allocated to the health system. According to the information provided by the Public Health Directorate of the Bucharest municipality, from the 29 analyzed hospitals, 29% had more than 100 years and 65% more than 50 years.

The number and the satisfaction level of the population with sanitary personnel were decreasing in the last years. In 2003, the medical assistance was ensured by 8,225 doctors (1 doctor for 268 persons), 637 dentists (1 dentist for 3463 persons) and 17193 medium sanitary personnel.

Social services

One of the most important issues concerns the facilities for childcare when parents are at work. The number of newborn children is significant, but day centres or crèches are limited while the private ones are very costly. 5583 children are protected in family type institutions (49.61%) and residential services (50.39%). At the end of 2004, there were 5,650 children with disabilities, out of which only 846 were benefiting from reintegration services.

Urban

The concentration of the population in the peripheral neighbourhoods and the growth of the residential areas through one family villas tend to lead to an intensification of insufficiencies in the transport, water supply, sewerage, heat network, and, in general, in all types of municipal services.

In 2003 the length of urban roads, at the level of the three cities of Bucharest Ilfov Region was 1953 km, only 925 km being modernized and representing 47.3% from the total, percentage that situate the region on the last place in the country.

Concerning the town endowments with public utilities, in 2003 all the three towns were connected at the thermal energy, natural gas and drinkable water networks, but many of the installations are obsolete and precarious stage.

The problems of urban roads rehabilitation, of public utilities replacement and modernization are extremely serious and the lack of a unitary conception makes that the perspective of the metropolitan area transformation in a functional and efficient entity to be jeopardized.

The big number of unmodernised urban streets (in Bucharest 53.9%) and the unfinished ring road as well as the increasing number of cars recorded (387 cars/1,000 inhabitants in 2003) in Bucharest determine the traffic congestion in urban areas having unpleasant consequences on the urban life quality. The considerable decrease of the green space in Bucharest (reported to be halved in the last five years, as a consequence of intense uncontrolled construction) has also worsened the quality of life in the city. Green space presently accounts for a mere 2.5 square meters per inhabitant, against an EU recommended figure of 12 square meters per inhabitant.

The public passenger transport that has a wide and complex network includes buses (44.8% from the total number of transport means), trams (21%), trolleys (11.4%) and metro (22.8%). This type of transport ensures a high mobility of the labor force partially within the metropolitan area, the buses and trams transporting the biggest passenger number. The passenger transport problem is represented by the low quality of the transport means and the difficulty in ensuring the peri-urban transport in the whole necessary area.

The population migration to Bucharest for searching a job generates an over dimensioned growth of unpaid services and community facilities.

The increase of municipal solid waste quantity of 3,4 times in the last four years represents another severe problem of the region, above all in Bucharest Municipality. The un-solving, or the solving without a long-term perspective of these problems can create huge dysfunctions to the metropolitan area in the future.

Development potential

The capital presence in the center of the Region is important due to population number, economic force and human activities, physical and institutional endowments concentration. The capital polarizing power is bigger than its administrative borders.

The high density of population and the high concentration of services and economic activities make Bucharest Municipality the largest market of Romania and one of South-Eastern Europe largest markets.

The economic structure of the region also reflects the functions connected to the service-based economy of the capital city, whilst construction, transport, education, research and ITC sectors lead the regional economy and boost its competitiveness and development

potential. Education and research should have a central role in the future development of the regional economy. Key opportunities are offered by the possibility of integrating education, research, innovation and business activities in order to improve the innovation and information contents of economic activities, using the large pool of human resources specialized through the higher education and professional training system. The economic and social development of the last years increased the spaces necessity for new residential districts, commercial activities so that the city geographic and administrative borders became inadequate.

The setting up of the metropolitan area by law – metropolitan area that already existed – responds to needs and opportunities determinate by historic, economic, social and territorial evolutions that lead at the development of economic and demographic relations between Bucharest and surrounding areas. The identification of commune development and cooperation projects within area, as well as the setting-up of new institutional and administrative bodies will strengthen their capacity of facing the competition.

The development of metropolitan area will facilitate an integrate spatial planning of the regional territory in order to diminish the disparities between Bucharest and the periphery area (most of it rural area) from the point of view of the demographic, social and economic structure, regarding public transport, infrastructure endowments. The elimination or the diminution of these disparities will contribute at the improvement of the population life quality. The most important actions might concern public transport, water supply, waste management and investment projects.

Bucharest Ilfov Region has a specific tourism potential, represented by the attraction capacity of the Bucharest urban centre and also by cultural and environment values of the surrounding areas. In 2004 the accommodation capacity of Bucharest Ilfov Region was 11,467 accommodation places, representing 4% of the total. It increased since 1993 with 25.55%, being one of the few regions that recorded an increase in this period. Regarding the overnight staying and arrivals, in the same period, those were decreased dramatically with values of 47.6%, respectively 34.6%.

BUCHAREST-ILFOV REGION
Indicators to characterize the development level and the economic potential
- 2004-

INDICATORS	Region	Counties ²		Romania
		IF	B	
I. Population, employment, unemployment				
I.1 Total population (absolute figures)	2,207,596	280,037	1,927,559	21,673,328
Urban population (%)	90.6	26.1	100.0	54.9
Rural population (%)	9.4	73.9	-	45.1
Migration sold	6,329	4,766	1,563	-10,095
I. 2 Employment				
Active population in total population (%)	45.7	42.1	46.2	40.6
Employed population in total population (%)	44.4	40.4	45.0	38.0
Employed population by economic sectors:				
Agriculture (%)	4.7	32.2	1.1	32.0
Industry (%)	31.9	27.5	32.5	30.0
Services (%)	63.4	40.3	66.4	38.0
I.3 Unemployment				
Unemployment rate by December 31 st 2004 (%)	2.8	4.1	2.6	6.3
Feminine unemployment rate by December 31 st 2004 (%)	3.2	3.9	3.1	5.6
Percentage of unemployed not benefiting from indemnities by 31 December 2004 (%)	47.0	54.1	45.6	59.3
II. Economic development				
II. 1. GDP / inhabitant (2003) – euro	4,696.7	2,991.0	4,941.5	2,420.5
II. 2. Labour productivity (2003) - euro	9226.1			4,625.3
II. 3. FDI (mil. Euro)	8,426			15,040
II. 4. Business infrastructure (industrial, scientific and technological parks)	2		2	36
II. 5. SMEs				
SMEs / 1000 inhabitants (No.)	42,2	21,8	45,2	19,3
Total SMEs (absolute figures)	93,246	6,176	87,070	418,499
Out of which: Manufacturing (%)	10.4	16.2	10.0	13.6

² IF (Ilfov), B (Bucharest)

Constructions (%)	7.0	6.2	7.0	6.2
Services (%)	82.1	74.6	82.6	77.5
SMEs structure by size:				
Micro (%)	89.0	84.4	89.3	88.0
Small (%)	8.9	12.0	8.7	9.6
Medium (%)	2.1	3.5	2.0	2.4
Attractivity rate	87.2			
III. Infrastructure				
III. 1 Transport				
Public roads density /100 sqkm (%)	47.9	49.4	37.8	33.3
Modernised public roads in total public roads (%)	52.4	47.2	97.8	26.3
III. 2 Public utilities				
Localities with water supply network in total number of localities (%)	20.0	19.2	100.0	-
Localities with sewerage network in total localities (%)	17.1	16.3	100.0	-
III. 3 Education				
Number of school units	681	125	556	14,396
III. 4 Health				
Number of hospitals	56	5	51	425
III. Social services				
Number of institutions providing social services	405	6	399	13747
III. 6 Tourism				
Accommodation units (no.)	113	30	83	3,900
Existing accommodation capacity (places)	11,467	1,564	9,903	275,941
Functioning accommodation capacity (places-days)	3,850,324	427,681	3,422,643	53,988,640