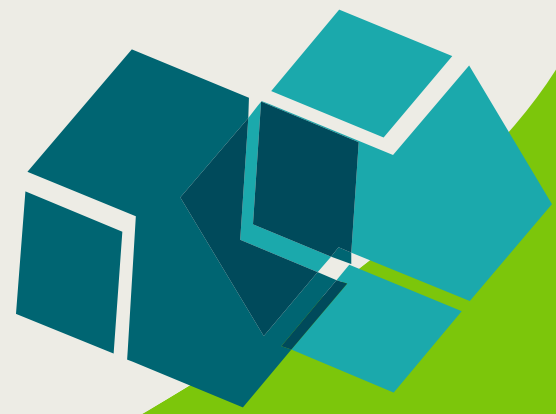




# Working Paper Series GRINCOH

Growth-Innovation-Competitiveness  
Fostering Cohesion in Central and Eastern Europe



**Serie 6**  
**Spaces, Territories and Regions**

**Paper No. 6.06.02**

## **Case Study Report: Bucharest Metropolitan Area and Its Regional Hinterland**

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**2014**

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Please cite as:

Constantin D., (2014), 'Case Study Report: Bucharest Metropolitan Area and Its Regional Hinterland', GRINCOH Working Paper Series, Paper No. 6.06.02

## ***Case Study Report: Bucharest Metropolitan Area and Its Regional Hinterland<sup>1</sup>***

### **Abstract**

This research has examined the relationship between Bucharest metropolitan area (conventionally considered Bucharest-Ilfov region) and its external hinterland (also conventionally considered South-Muntenia region), focusing on a series of issues such as: examples of links between BMA and surrounding region, examples of positive and negative influences of the metropolis on its surrounding region, changes in regional settlement system and its drivers, changes in regional production system and main drivers, labour commuting patterns and drivers, policies with significant impact on metropolis – region relationship, how external interventions address the needs of the metropolitan area and its external hinterland, to what extent the metropolitan area can contribute to the external hinterland regeneration, what actions are taken in order to increase the positive influence of the metropolitan centre on its surrounding region, future prospects. The research has been based on both desk research (collecting, processing and interpretation of statistical data and various analyses, reports) and in-depth interviews (20), carried out in 2013 and 2014 with representatives of local, county and regional authorities, RDAs, higher education institutions, implementing authorities.

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## 1. Metropolitan region and its constituents

**1.1. What is the spatial range of the metropolitan centre's (city's) influence on its surrounding area? Please see the answer incorporated in 1.2.**

**1.2. Is there a commonly accepted delimitation of the city's metropolitan area and what are its criteria?**

The municipality of Bucharest, the capital of Romania, together with the surrounding Ilfov county (NUTS 3 territorial unit) are the two constituents of the Bucharest-Ilfov NUTS 2 region. This region has the smallest surface - 1821 sq km, of which 13.1% represents the surface of Bucharest and 86.9% the surface of the Ilfov county. In terms of population, it ranks second in decreasing order among the eight NUTS 2 Romanian regions, with 2,253,827 people as of July 1<sup>st</sup>, 2011, out of which Bucharest accounted for 85.2%, with 1,919,352 inhabitants. The share of urban population in Bucharest Ilfov region's total population is 91.6%, which is by far the highest in Romania, of an overall urbanisation degree of only 54.9%. This is due to the very large number of inhabitants residing in the Bucharest municipality, i.e. 93% of the urban population of the Bucharest-Ilfov region. The other eight towns counted a total population of 144,883 people as of July 1<sup>st</sup>, 2011 (Table 1).

**Table 1. The population of the towns belonging to Bucharest-Ilfov region on July 1, 2011**

| Town             | Number of inhabitants (persons) |
|------------------|---------------------------------|
| Bragadiru        | 11659                           |
| Buftea           | 21732                           |
| Chitila          | 13394                           |
| Magurele         | 8998                            |
| Otopeni          | 12248                           |
| Pantelimon       | 22296                           |
| Popesti-Leordeni | 18102                           |
| Voluntari        | 36454                           |
| <b>Total</b>     | <b>144883</b>                   |

*Source: Statistical Yearbook of Romania, National Institute of Statistics (NIS), Bucharest, 2012*

Besides Buftea, which is an old town approximately 20 km away from Bucharest<sup>2</sup>, the other seven towns are effectively located in the suburban area of Bucharest. In fact, they used to be suburban communes, acquiring the status of towns in the 2000s.

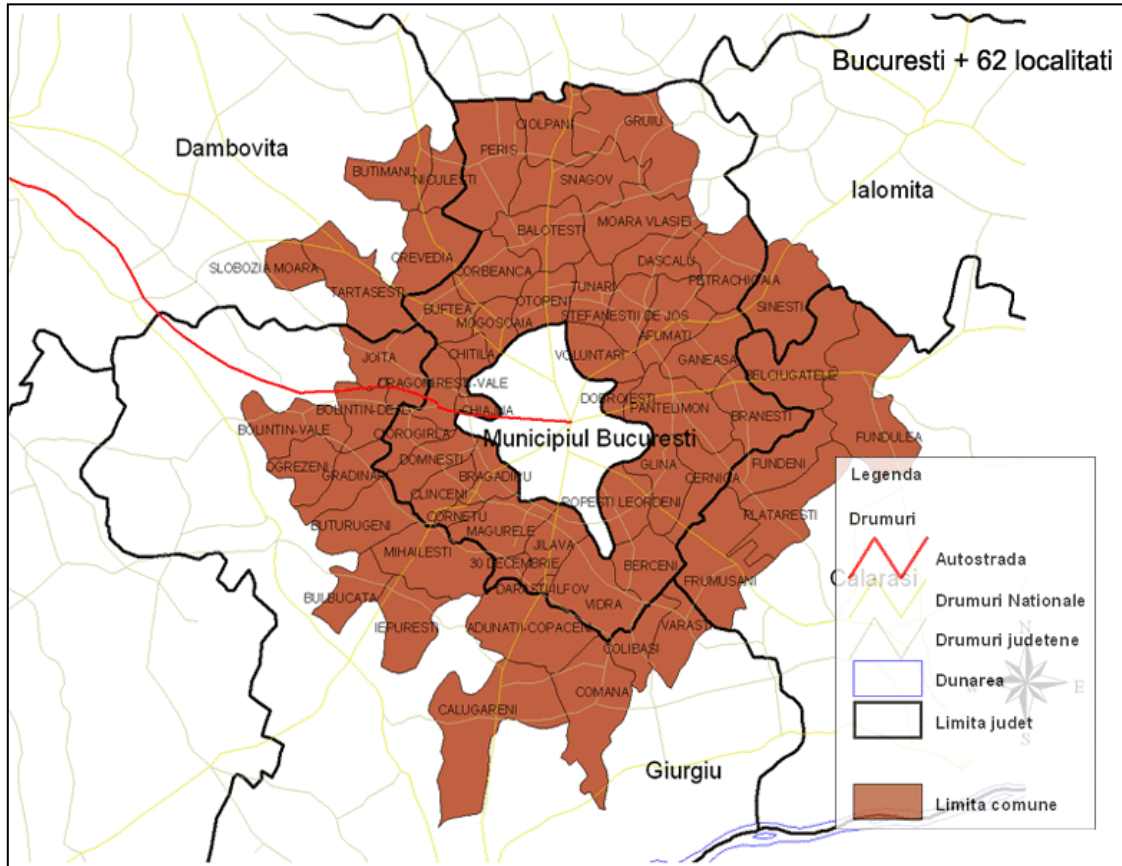
In 2003, the proposal aiming to create the Bucharest metropolitan area (BMA) was launched. It started from a series of needs and opportunities determined by historical, economic, social, territorial evolutions, entailing the development of economic and demographic relationships between Bucharest and surrounding localities. As a result, its purpose is to embed in it the entire Ilfov county, as well as localities from other four counties (1 from Ialomita county, 5 from Dambovitza county, 5 from Calarasi county and 16 from Giurgiu county), which would lead to a total area of approximately 1800 sq km and a stable population of 2.4 million people (i.e. 11% of Romania's total stable population) (ADR Sud-Muntenia, 2013). As regards the Ilfov county, even if the entire county is *conventionally* included in the metropolitan area, it should be mentioned that, besides the eight

<sup>2</sup> Buftea is the official capital city of Ilfov county, but many of the administrative offices are located in Bucharest.

towns and some wealthy communes, there are also several poor localities which are not functionally integrated with Bucharest city.

However, *the implementation of the BMA project has not started yet*: two law projects (233/2009 and 122/2010) were submitted to the Romanian Parliament but no decision has been made so far. The map of the proposed BMA is presented in Figure 1.

**Figure 1. Map of the proposed Bucharest Metropolitan Area**



Source: <http://zmb.ro/main.php?display=harti#>

**1.3. Does the dominant city have an administrative or statistical counterpart reflecting the area of its influences (metropolitan macro-region)?**

In a broader view, it is considered that the Bucharest metropolitan area also influences the seven surrounding counties belonging to the South-Muntenia region (NUTS 2).

This region as a whole (apart from the localities of the Ialomita, Dambovita, Calarasi and Giurgiu that are to be incorporated in the metropolitan area) plus Bucharest metropolitan area are viewed as the Bucharest metropolitan region.



Figure 3. Map of Romania, with NUTS 3, NUTS 2 and NUTS 1 territorial units



Source: authors' drawing

## 2. Strengths and weaknesses of the metropolis and the region

### 2.1. What are the most important strengths and weaknesses of the metropolis (the metropolitan area)?

The main **strengths** of the metropolitan area are related to:

#### **Location**

- its geographical position in the heart of Macroregion 3, at the crossroad of main roadways in southern Romania;
- it is the main rail, air and road hub in Romania; since is situated at a distance of approx. 70 km from the Danube River, a connecting canal could be built, thus becoming a naval hub as well, allowing the economy to further diversify;
- its capital status implies that here are located the main institutions of central public administration (Government, Parliament, Central Bank, headquarters of political parties, NGOs, etc.);
- headquarters of subsidiaries of many transnational companies are located here;
- the spatial distribution of towns in Ilfov County favors mutual interactions due to reduced distances, generating positive spillover effects.

#### **Economy**

- large variety of economic activities: industry, agriculture, construction, trade, services, so that all main economic activities are conducted here; the service sector is more developed than in any other regions of the country (accounting for over 65% of GVA according to NIS); the region attracts over

60% of FDI, has a well developed banking sector and a significant proportion of its GDP is given by the "creative industries";

- facilities provided for the citizens and investors such as relatively small taxes in the settlements around the capital, large availability of utilities such as water, gas, sewerage, etc.

#### ***Culture-Education-Research***

- there is a wide variety of cultural institutions and cultural landmarks (theaters, museums, monuments, etc.) and cultural life is effervescent;

- around the capital there are important historical sites which generate tourism attractiveness: Mogoșoaia Palace, the Ruins of Royal Court, assembly of the former Court of Constantin Cantacuzino, Cernica Monastery (where the tomb of Vlad Tepes is located), the bridge across the Neajlov river at Calugareni, and others; touristic dowry of suburban area of the city includes a series of lakes and forests (the remaining part of Vlăsiei Forests ) with significant landscape value;

- the existence of elite universities and a fairly large number of research institutes.

#### ***Infrastructure of social services***

- Easy access to public and private health services and cutting edge treatments compared to other regions of the country.

The main ***weaknesses*** of the metropolitan area are the following:

- underdeveloped road infrastructure, traffic congestion, overcrowding in the capital city; decreasing employment opportunities, especially for young graduates, poor appearance of some buildings in Bucharest and its surroundings, which are not suitable for an European capital, lack of investments in the image of the city and in the comfort of its citizens;

- lack of water, sewage, gas in some districts of the capital and lack of social housing;

- transport is a big problem, due to outdated infrastructure; some areas are disadvantaged in terms of access to public transport; drawbacks in urban transport favored the emergence of monopoly regime of maxi taxi operators, who charge a high cost for a trip;

- pollution from intensive economic activities, transport system congestions, inadequate waste storage;

- weaknesses in coordination policies in the Bucharest-Ilfov Region (differences between the metropolitan area and city); defective, incomplete vision for the two areas and especially poor cooperation between the city and the metropolitan area on public transport;

- at the regional level: development disparities between localities in Ilfov County (county's development is particularly deficient in the North-East part) and Bucharest Municipality;

- companies do not pay taxes on time, therefore there is lack of money from the local budget and hence failure of local and regional projects.

## **2.2. What factors have been the most important in development of metropolitan area in recent years?**

Among the most important factors that have spurred the development of the metropolitan area there are the following:

- country's accession to NATO military alliance, which has opened new opportunities for technology transfer from developed countries and encouraged foreign investors to come in Romania;
- accession to the EU, which has boosted the modernization of public institutions and economic and reinforced FDI flows;
- its status of European capital, which increased visibility of metropolitan area on the map of Europe, but also increased the demand from population and businesses;
- development of infrastructure, sewage system, water supply network, etc., including through access to European funds;
- attraction of FDI and multinational companies in the region;
- political stability and strengthening of democratic institutions;
- cultural factors: the development of cultural institutions and the education system (especially the upper level, where progress has been made on reducing the gap on number of students per thousand population, compared to the European average); increased collaboration between scientific research institutes of the metropolitan area and the developed EU countries, namely the participation in research projects of the FP-6 and FP-7 programmes;
- development of entrepreneurial culture and leadership.

## **2.3. What are the most important strengths and weaknesses of the regional hinterland?**

The main *strengths* of the regional hinterland are the following:

### ***Location***

- includes the capital of the country, which provides opportunities for education, culture, employment, leisure opportunities, etc.;
- proximity to Bulgaria: a good part of the national border is in the Southern part of South – Muntenia region; the main rail link is between Giurgiu and Ruse; another crossings are at Calarasi and Silistra;
- the region is adjacent the Danube through four of its seven counties (Ialomita, Calarasi, Giurgiu and Teleorman);
- geographical and landscape diversity: sea, mountains, the Danube river;



- easy access to various roadways, national and European; the hinterland has an extensive railway network, access to the sea, highways, five river ports, roads that connect the capital and other areas; there is also pretty good accessibility between the two component regions.

### ***Economy***

- the economic profile is quite varied: industrial engineering, extraction and processing of oil, natural gas exploitation, agriculture, fisheries and tourism, etc.;
- in the North of the South - Muntenia Region (Arges and Prahova Counties) the density of active enterprises is one of the highest in the country (19 active enterprises per 1,000 inhabitants);
- the hinterland has one of the most valuable agricultural potential of the country, being the largest producer of grain, and holding top positions at other agricultural products as well;
- the South Muntenia region provides sufficient food (fruits, vegetables, grains) for the metropolitan area;
- ability to attract high investments and create jobs, both in agriculture and in food processing;
- numerous European projects implemented in the region;
- proximity to the metropolitan area may result in stronger economic development and higher living standards in the rest of the region.

### ***Culture-Education-Research***

- the education infrastructure is fairly developed in the metropolitan region, with universities in the north (Ploiesti, Pitesti and Targoviste). In addition, proximity to metropolis provides increased access to higher education;
- opportunities for more diverse cultural and artistic activities, both in cities of the South - Muntenia and in the metropolis;
- presence of major research institutions (oil and gas, motor vehicles) in the region and the opportunity to cooperate with the network of research institutes in the capital;
- the two regions (Bucharest-Ilfov and South- Muntenia) have cooperation relationships, contributing to creation of sources for balanced development of the South- Muntenia Region compared to Bucharest-Ilfov Region.

The main ***weaknesses*** of the regional hinterland are:

- preponderantly rural population, that correlates with large agricultural areas;
- low level of urbanization, especially in the southern hinterland;
- reduced investments in the South-Muntenia Region, compared to the metropolitan area Bucharest-Ilfov;
- the poverty rate in the South-Muntenia Region is among the highest in the whole country (especially in rural areas) due to lower revenues in the agricultural sector. The gain is significantly reduced compared to the effort of working in the field, only large farms being profitable;

- lack of investment in irrigation system, which could triple agricultural production since regional hinterland is near the Danube River, at a distance of approximately 50 -100 km from the area affected by drought;
- lack of sewerage water in rural households, in percentage of approx. 80%; this should be a priority the policy agenda;
- low capitalization on potential advantages of the Danube area in terms of tourism, economy, river infrastructure and fishing;
- GDP is much lower in South-Muntenia Region compared to Bucharest-Ilfov;
- infrastructure is less developed in South-Muntenia Region;
- the health system in South-Muntenia Region is underdeveloped;
- lower entrepreneurial culture in South-Muntenia Region.

#### **2.4. What factors have been the most important in development of regional hinterland in recent years?**

- investments in agriculture, the region having the highest agricultural potential of the eight regions of Romania, in the engineering industry - the company Dacia-Renault in Arges County, the oil industry in Prahova County, wood industry in the North of the region, food industry - the region ranked first in the country in the production of meat, eggs, fruit (apples, melons), etc.;
- developing of organic farming and traditional products;
- mountain tourism (in the region there are three parks and several mountain resorts in Prahova and Arges Counties), spas and agro - tourism.;
- investments in urban regeneration - investments to rehabilitate degraded urban space being made mostly from European structural funds;
- investments in intra- and extra-county communication networks, particularly road infrastructure such as Ploiesti Bucharest highway A3, Pitesti ring connected to Bucharest-Pitesti highway A1;
- development of association forms, such as Intercommunity Development Associations (IDA) with 59 new associations established in the year 2012, Local Action Groups (LAGs) - 18 new groups in 2012, forms of association and partnerships between cities, twinning arrangements, partnerships, collaboration, cooperation, etc..
- functional specialization - the Northern part of the region is characterized by a high degree of industrialization (Prahova holds first position in industrial production) while the South has agricultural specialization, with large agricultural areas;
- spillover effects arising from proximity to the metropolis, as Bucharest-Ilfov region has great potential for regional influence, namely good cooperation between the two regions in the hinterland;

- the global economic crisis has slowed down to some extent the economic development process in hinterland, especially in the Southern part of the South – Muntenia Region.

## 2.5. Whether the example of successful local development in regional hinterland may be indicated?

In the regional hinterland most of successful cases of local development can be identified in the North part of South-Muntenia region, more developed than the South part. Ploiesti and Pitesti, the capitals of Prahova and, respectively, Arges counties (NUTS 3) are the most relevant examples, as growth / urban development poles with prosperous economies. In 2008 the inter-community development association established around Ploiesti city was declared metropolitan area. Ploiesti-Prahova is the only functional metropolitan area in South-Muntenia region. Pitesti-Arges has also started the preparations for being declared metropolitan area. The North part also has very attractive tourist areas, such as Prahova Valley, Bran-Moeciu, Valenii de Munte – Cheia, where various forms of tourism (mountainous, winter, rural, eco-food, etc.) are developing with remarkable results.

## 2.6. Are there large differences between the metropolitan area and regional hinterland regarding the following aspects: a. economic, b. social? Does the metropolis and its surrounding region become homogenous in respect of: a) economic structure b) social structure?

Statistical data indicate significant and persistent differences between the metropolitan area and regional hinterland from both economic and social perspective (Tables 2, 3 and 4 and Figures 4 and 5).

**Table 2. Social and economic indicators in South– Muntenia Region against Bucharest-Ilfov Region**

|   | Year | South–<br>Muntenia<br>Region | Bucharest-<br>Ilfov region | Absolute difference<br>(col. 3-col.2) | Ratio<br>(col. 3/ col.2) |
|---|------|------------------------------|----------------------------|---------------------------------------|--------------------------|
| 0   | 1    | 2                            | 3                          | 4                                     | 5                        |
| Emigrants per 10,000 inhabitants                  | 2006 | 2.002                        | 1.099                      | -0.902                                | 0.549                    |
|   | 2011 | 3.413                        | 27.092                     | 23.678                                | 7.937                    |
| Natural population increase per 1,000 inhabitants | 2006 | -3.6                         | -1.3                       | 2.300                                 | 0.361                    |
|   | 2011 | -4.5                         | -0.9                       | 3.600                                 | 0.200                    |
| The rate of poverty risk or social exclusion (%)  | 2007 | 50.3                         | 35.1                       | -15.200                               | 0.698                    |
|   | 2011 | 43.1                         | 28.4                       | -14.700                               | 0.659                    |
| The relative poverty rate (%)                     | 2007 | 26.6                         | 7.3                        | -19.300                               | 0.274                    |
|   | 2001 | 21.6                         | 3.4                        | -18.200                               | 0.157                    |
| Unemployment rate (%)                             | 2007 | 6.4                          | 2.2                        | -4.200                                | 0.344                    |
|   | 2001 | 6.5                          | 2                          | -4.500                                | 0.308                    |
| GDP/capita (RON/inhabitant)                       | 2008 | 13,374                       | 35,012                     | 21,638                                | 2.618                    |
|   | 2011 | 21,551                       | 65,757                     | 44,207                                | 3.051                    |

Source: own processing based on NIS data

## 2.7. Is it possible to show a relationship between strengths and weaknesses of the metropolitan area and the metropolitan region?

The strengths of the metropolitan area (high level of economic development, the location of central public institutions and many offices of transnational corporations, the main hub of transportation, etc.) create a number of competitive advantages in relation to the metropolitan region. Thus one can

identify a number of correlations between the strengths and weaknesses of the metropolitan area and metropolitan region in the following areas:

### ***Advantages of concentration-location***

The metropolitan area has the advantage of location in the heart of Macroregion 3, being at the junction of the main roads crossing southern Romania and connecting it to other regions, i.e. pan-European transport corridors. Additionally, Bucharest municipality is the main railway and air transport hub of the country. Thus, the strength of location of the metropolitan area is related to the weakness of metropolitan region who is disadvantaged in terms of rail and air connections, namely in that it has no airport.

The strength of the metropolis is also given by the opportunities for access to higher education, which represents a pole attraction for the young and maintains youth labour shortages, as well as high qualification shortages in the metropolitan region. In addition, the high level of performance of universities in Bucharest weakens the attraction of universities in the metropolitan region (Ploiesti, Pitesti and Targoviste).

Another strength of the metropolitan area is the very good coverage of food needs (fruits, vegetables, grains, etc.). The gain is especially for the capital, as the food producers are poorly paid, their work is under-valued, and the route of products from producer to distributor is uncertain, due to a lot of intermediaries. Therefore, the strength of the metropolis is largely correlated with lower income in the metropolitan region and hence lower living standards.

### ***Gravitational effects***

The high intensity of "regional gravitational field" in the metropolitan area creates a driving effect manifested by superior economic development; bigger employment; location of more subsidiaries of large foreign corporations, etc. Basically the strengths of metropolis weaken the metropolitan region. There is little competition between the two, as Bucharest Municipality is more powerful and this inhibits competition.

The metropolis attracts commuters within a radius of about 100 km and there is permanent migration from all Muntenia, therefore the strength of abundant and good quality labour resources correlates with the weak point of diminishing labour resources and accelerated aging of the population in the metropolitan region.

Another negative gravitational effect is the migration of revenues from metropolitan region to metropolitan area due to higher fructification advantages and population migration.

### ***Disparities of development***

The strengths of the metropolis (infrastructure, education level, young population, etc.) are important factors that support the development and implicitly the disparities. Furthermore, these strengths allow the metropolitan area to excessively polarize settlements in the South – Muntenia Region, i.e. spatial segregation and the emergence of disadvantaged groups. Thus, these strengths support increased development disparities, being directly related to weaknesses that generate

deficits for the development of the metropolitan region (the majority of responses to questionnaires from both regions support the view of increasing development disparities between the metropolis and the metropolitan region in the future, due to the acceleration of economic concentration in the metropolitan area).

Increase of economic disparities was also determined by the negative impact of the financial crisis that was felt more powerful the metropolitan region (impact of the recent financial crisis has put the emphasis on the metropolitan region because, compared to the metropolitan area, it also includes poor areas).

### **3. Relationship between the metropolis and the region**

#### **3.1. What are the most important examples of links between the metropolis and its surrounding region? What are the most important examples of the positive influence of the metropolis on its surrounding region? What are the most important examples of the negative impact of the metropolis on its surrounding region?**

The most important links between the metropolis and the surrounding region consist of the dense road and rail network, facilitating good connections not only within the region but also between the region and many important destinations from Romania and from abroad as well. There are good perspectives for water transportation too, the navigable canal Bucharest – Danube along the Arges river being envisaged as a potential future axis.

The most important positive influence of Bucharest on the surrounding region can be identified in education and health care services provided by the capital, whereas the negative impact comes, in an important degree, from the strong attraction exerted by the capital and the whole metropolitan area over the human resources and investments, which leaves especially the South part of the metropolitan region in a stage of underdevelopment, preserving its rural/agricultural profile.

#### **3.2. What are the changes in regional settlement system and its drivers?**

In the last 10-15 years a series of big communes have got the status of town – both in Bucharest-Ilfov region (7) and South-Muntenia region (5). In addition, one town from South-Muntenia has got the status of municipality. Nevertheless, the urbanization degree decreased: from 92.43% in 2006 to 91.6% in 2011 in Bucharest-Ilfov and from 41.8% to 41.4% in South-Muntenia. The reasons are, however, different in the case of the two regions. In the former case there is a tendency for wealthy or middle class people from Bucharest city to build individual houses and live in rural localities at the outskirts of Bucharest or even in the towns surrounding it. Thus, whereas the population of Bucharest decreased from 1,931,236 in 2006 to 1,919,352 in 2011, the population of the eight towns of the Ilfov county increased from 120,902 in 2006 to 144,883 in 2011. As a result, the share of Bucharest population in Bucharest-Ilfov county population decreased from 87% to 85.2% in the same period. In the South-Muntenia region the decrease in the urbanization degree can be rather explained by the economic decline which determined a migration to Bucharest or external labour migration on the one hand and an urban-rural migration of the other hand. At the same time a

significant number of rural localities are confronted with the population ageing and there are also more and more abandoned villages.

In the whole South-Muntenia region there are only two urban poles which can effectively counter-balance the major attraction exerted by Bucharest. Thus South-Muntenia counts 16 municipalities and other 32 small towns for all its seven counties (NUTS 3), but only two municipalities – Ploiesti, the capital of Prahova county, and Pitesti, the capital of Arges county, have been envisaged by the Priority Axis of the Regional Operational Programme which concentrates on urban growth poles. Two categories of urban poles have been agreed, namely ‘national growth poles’ (*poli nationali de crestere*) and ‘urban development poles’ (*poli de dezvoltare urbana*). The former are awarded 50 percent of the Priority’s allocation, mainly channelled into investment projects resulting from the integrated development plans of the national growth poles (*planuri integrate de dezvoltare ale polilor nationali de crestere*). The latter, subsequently established, are awarded 20 percent of the Priority’s funding allocation. The urban development poles are conceived as ‘binders’ between the national growth poles and the small and medium-sized towns, in order to alleviate and prevent imbalanced development tendencies within their regions. They are also intended to contribute to a reduction of the concentration of population and labour force in the large cities and to create spatial structures able to support territorially balanced economic development. The criteria focused on economic development potential, R&D and innovation capacity, adequate business infrastructure, accessibility, public services offered, and administrative association capacity. Ploiesti is included in the ‘national growth poles’ category and has already got a status of metropolitan area while Pitesti belongs to ‘urban development poles’ category. They are located in the Northern part of the South Muntenia region and exert both spread and backwash effects, the latter especially in relation to poor, agricultural areas.

### **3.3. What are the changes in regional production system and its drivers?**

The productive specialisation of the metropolitan area emphasizes the dominant share and the leading position of Bucharest-Ilfov in services sector. As a matter of fact, the structure of the Gross Value Added by the main activity shows more similarities with the EU profile rather than with other Romanian NUTS 2 regions or national economy. Hence, the share of services is almost 70%, followed by industry (19.87%), constructions (9.95%), and agriculture (less than 1%). The comparison with the national structure reveals a specialisation in services and constructions (Table 3). Within the services sector, telecommunications, financial agency, education, R&D, transportation and storage, tourism and cultural services, real estate transactions, renting and service activities provided to business firms, and trade have major shares. Although the share of industry (manufacturing) is lower, mention should be made of the fact that it specialises in industries of an increasing demand both at national and international scale (e.g. ICT components, software, computer components assembly, electronics, mecatronics, mould design and production, etc.), which are knowledge-intensive, creative activities.

**Table 3. The productive specialisation of Bucharest-Ilfov region in 2011**

|               | Gross Value Added in Bucharest-Ilfov (%)<br>$va_{bi}$ | Gross Value Added in Romania (%)<br>$va_R$ | Specialisation quotient for Bucharest-Ilfov<br>( $va_{bi}/ va_R$ ) |
|---------------|---|--|--|
| Agriculture   | 0.34  | 6.52                                       | 0.05   |
| Constructions | 9.95  | 8.07                                       | 1.23   |
| Industry      | 19.87   | 28.82                                      | 0.69   |
| Services      | 69.84   | 56.59                                      | 1.23   |

Source: own calculations based on National Institute of Statistics data

Important signs of transformation of the urban structure from sectoral specialisation to functional specialisation can also be perceived. These signs can be justified by the changes occurring in the organisation of firms concerning the decrease of remote management costs, combined with the need for a new urban balance and with the requirements for reducing traffic jams, pollution (Duranton and Puga, 2005). Bucharest has begun its shift from specialising by sector - with integrated headquarters and plants - to specialising by function - with headquarters and business services concentrated within the city, and plants located in the surrounding towns or even in smaller cities in the neighbouring counties, belonging to South-Muntenia region (Constantin, 2012).

The attractive business environment of Bucharest-Ilfov has determined a significant orientation of FDI towards this region. Thus, the share of Bucharest-Ilfov in Romania's FDI stock in 2012, which amounted to a total of EUR 59.13 billion, was of 60.6%. The South-Muntenia region has a share of only 7.2% (National Bank of Romania and National Institute of Statistics, 2013). However, it ranks fourth among the eight Romanian regions, showing the huge polarisation between Bucharest-Ilfov and the rest of the country on the one hand and the influence of Bucharest proximity on the attraction of foreign investors by its hinterland, the South-Muntenia region, on the other hand. Thus, South-Muntenia region holds the third position in terms of FDI even if it ranks only the fifth in terms of GDP per capita, with 39% of the EU average.

### 3.4. What are the labour commuting pattern at regional level and its drivers?

Because it is the capital of the country, it concentrates most of the investments and has an adequate physical infrastructure required for business development, the metropolitan area, and especially the Bucharest Municipality attract skilled labour from all over the country, both thru migration and commuting. The more expensive life in the capital, high rents and other disadvantages of urban agglomeration determine a part of the workforce to prefer commuting instead of moving permanently.

The drivers of this labour migration and commuting patterns is a combination of push and pull factors. The high concentration of economic activities and public institutions make the metropolitan area a labour polarizer center because the business environment is best developed in the capital, which will attract, according to the principle of Lösch, localization of other economic activities and hence new entries for labour at the expense of the metropolitan region. Other strengths of the metropolitan area that become attractive for the workforce in the metropolitan region are the following: the unemployment rate is lower than in other regions of the country; there is a well-developed network of social services, therefore access to such services is on average higher than in other regions of the country; the educational system allows specialization in a wide variety of fields, which can respond to the establishment of new economic structures. On the opposite, there exist pull factors such as the underdeveloped health care system in South-Muntenia Region and the

inferior entrepreneurship culture, compared to Bucharest-Ilfov Region. The consequence is the migration/commuting of highly skilled personnel to the capital due to higher opportunities for career development and an efficient education system that supports a more powerful entrepreneurial culture.

### **3.5. Are there examples of cooperation / competition of public administration actors within the metropolitan region? Which one dominates?**

In general, competition prevails. However, there are examples of good cooperation between public administration actors, especially within the inter-community development associations. There are 59 inter-community development associations in South-Muntenia region, which are established as cooperation structures by the participant territorial-administrative units (cities, towns, communes). Usually they act within the same county and aim to implement development projects of zonal/regional interest or to jointly provide various public services. In some cases a locality may belong to two associations, depending on the cooperation projects it is interested in.

In 2008 an inter-community development association was established for the whole Bucharest-Ilfov region, aiming to promote cooperation projects mainly financed by the EU.

There are cases when projects promoted by an inter-community association generate effects linked with the BMA. For example, the Inter-community Development Association Ploiesti-Prahova Growth Pole has elaborated an integrated development plan which contains multisectorial projects for strategic development scheduled for 2009-2025 period (Ploiesti-Prahova, 2010). Some of them envisage BMA as well. Thus, there are transportation infrastructure projects aiming to increase accessibility, reduce traffic congestion, travel time, pollution, gas consumption for the heavy traffic between Ploiesti and Bucharest. There are also projects focusing on cooperation in higher education, for example a post-doctoral programme for advanced research in nanomaterials field established between the University of Petroleum and Gas of Ploiesti and Politechnic University of Bucharest.

In rural areas, local action groups (LAG) have been set up via the National Programme for Rural Development, LEADER axis, in order to support local development initiatives (e.g. water supply networks, waste management, sewage system networks, tourism development, etc.).

## **4. Governance and local/regional development policies**

### **4.1. Whether local/regional policies have significant impact on metropolis-region relationship? If, yes which one? Please indicate the most effective and efficient policies.**

Each Romanian NUTS 2 region has its own regional development plan, the most important funding sources coming from the EU funds (see also answer to 5.1.). In 1998 the eight development regions (NUTS 2) were established in order to serve as the framework for conceiving, implementing and evaluating regional development policy as well as for collecting statistical data corresponding to the NUTS 2 level. However, they do not have judicial personality and are not administrative units (Law 315/2004 of regional development in Romania, updating Law 151/1998). As a result, the regional bodies have only limited competencies. Among the consequences one can notice the weak cooperation between NUTS 2 regions and their counties and also the weak correlation between their



regional development policies. At the same time the regional policy measures at national level do not encourage enough intra- and inter-regional cooperation. And so is the situation between BMA and South-Muntenia region as its external hinterland. Even less numerous, identified cooperation examples have been mentioned in 3.5 section.

#### **4.2. What actions are taken in order to increase the positive influence of the metropolitan centre on its surrounding region?**

Specific, well articulated policies have not been adopted in this respect. There are some ideas, proposals, projects aiming to improve the metropolitan transport network in general. They refer to the expanding of the metro lines, the better use of the rail ring, the development of inter-modal nodes, etc.

As major projects with potential positive impact of the BMA on the external hinterland are envisaged: the Bucharest – Danube canal, the capital’s outer highway ring, a new airport in the South of the BMA, the development of a system of regional parks.

#### **4.3. What actions are taken in order to limit the negative impact of the metropolitan area on its surrounding region?**

Such measures can be mentioned especially when it comes to environmental protection: the completion of the water treatment station in Glina, a commune adjacent to Bucharest city; the establishment of an integrated waste management system; the setting up of a green-yellow belt around Bucharest city.

#### **4.4. Are the actions of various actors coordinated within: a) the metropolitan area b) the metropolitan macroregion?**

a. Yes. According to the partnership principle, when regional development policy and corresponding regional development plan are prepared all interested actors are involved: as operational, executive body, the regional development agency cooperates not only with local authorities but also with representatives of private sector, various social services, universities, research institutes, NGOs, etc.

b. little coordination at macroregion level.

#### **4.5. What is the role of authorities at regional level in co-ordination of development process in metropolitan region? Whether existing public authorities at this level are effective?**

According to Law 315/2004 regarding regional development, there are not regional authorities in Romania (see 4.1.). Public authorities at metropolitan region level do not exist either (in fact, as mentioned in the beginning, BMA is not legally established yet, whereas less discussions exist with regard to the metropolitan region ).

## 5. External interventions: national and EU policies

### 5.1. Which type of external interventions have had the most significant impact on metropolis-region relationship?

The most important regional policy measures are those supported via the EU Cohesion Policy funds, considering that from the very preparation phase of accession to the EU a 'Lisabonisation' of the national policies could be noticed in Romania.

As the distribution of the EU funds by region for 2007-2013 was made in inverse proportion to the regional GDP/capita and adjusted by population density, the allocations for Bucharest-Ilfov have been lower than for the other Romanian NUTS 2 regions while the South-Muntenia ranks second in the top of allocations (Table 4). This allocation was supposed to support a faster development of the less developed regions, South-Muntenia included. In particular, its South part (counties along the Danube river) suffers from a chronic underdevelopment. However, so far, Bucharest-Ilfov has recorded a higher growth rate but the full results will be seen only at the end of 2016, when the implementation of ROP 2007-2013 will be completed. In addition, it should be mentioned that the allocations are consistent with the regional strategies agreed by local authorities.

**Table 4. Basic indicators for the Romanian NUTS 2 regions and the Regional Operational Programme funding by region**

| NUTS 2 Region      | GDP per capita in 2004, PPS | Population in 2004              | ERDF for ROP |       |
|--------------------|-----------------------------|---------------------------------|--------------|-------|
|                    | % of EU-27 average          | % of Romania's total population | Mil. Euro    | %     |
| North-East         | 24                          | 17.2                            | 724.09       | 16.32 |
| South-East         | 31                          | 13.2                            | 587.88       | 13.25 |
| South Muntenia     | 28                          | 15.4                            | 631.36       | 14.23 |
| South-West Oltenia | 28                          | 10.7                            | 621.60       | 14.01 |
| West               | 39                          | 8.9                             | 458.77       | 10.34 |
| North- West        | 33                          | 12.7                            | 536.41       | 12.09 |
| Center             | 34                          | 11.7                            | 483.62       | 10.90 |
| Bucharest- Ilfov   | 68                          | 10.2                            | 393.10       | 8.86  |

Source: Author's calculations based on Eurostat and [www.inforegio.ro](http://www.inforegio.ro).

Note: 2004 is the year when the shares of ERDF-ROP by region were established.

Another significant external intervention refers to the regional aid scheme, established in accordance with the 2007-2013 regional aid map approved by the EC for Romania.

All Romanian development regions have been approved a 50% ceiling, except for Bucharest-Ilfov with a 40% ceiling. The difference reflects the development gap between Bucharest-Ilfov and the other Romanian NUTS 2 regions. This financial support is approved only for firms which do not belong to the SME category, as defined in the regulations regarding the state aid. In the case of small and medium firms the above ceilings are added 10% whereas in the case of micro-firms the same ceilings are raised by 20%. Besides SMEs the transport sector is another destination. A series state aid schemes have been available for the ROP, such as: the state aid scheme for regional development through the creation and development of business support structures, the state aid scheme for regional development through the support to tourism investments and the 'de minimis' aid scheme for micro-enterprises support.

### **5.2. Does the structure of external intervention addresses needs of a) metropolitan area b) regional hinterland?**

Yes. Both the needs of the BMA and South-Muntenia region are addressed. Their development plans reflect these clearly differentiated needs. For example, in the case of South-Muntenia region the main objective is the decrease of the gap between region's GDP per capita and the national average, accompanied by the reduction of intra-regional disparities, between the relatively rich Northern counties and the poor Southern ones. In the case of Bucharest-Ilfov the main concern is with the preserving and even increasing its competitive position in the context of regional competition at national and European level.

In physical terms, the external interventions are in line with the three major principles of the European Spatial Development Perspective, referring to polycentric development and new urban-rural relationship, accessibility and the protection of the natural and cultural heritage.

### **5.3. Does the outcome of Cohesion Policy implementation affect more economic competitiveness or social well-being? Is the outcome similar in metropolitan area and regional hinterland?**

See 5.1 and 5.2.

### **5.4. Does external intervention properly coordinated in metropolitan region?**

As mentioned, one cannot speak about a direct coordination of external intervention in the metropolitan region. This role is played rather indirectly by the ROP. The Territorial Development Plans (addressing the physical aspects) may also act in this direction.

## **6. Future prospects**

### **6.1. Will the differences between the metropolis and the region increase or diminish? What is going to be the main driver of this process?**

The analysis of current trends point to the increase in the differences between the BMA and most of surrounding areas. The main drivers of this process consist of foreign direct investments, domestic investment in public and, especially, private sector, the dynamic real estate market, the big number and quality of higher education and research institutions, the quality of human resources, the pull factors acting on the area's labour market, the important representation of knowledge-intensive and, in general, high value-added activities, high share of service sector, the cultural assets and other tourist attractions and tourism infrastructure (promoting cultural and business tourism), etc.

### **6.2. What are recommended future objectives (spheres) of national development policy regarding metropolis-region relationship?**

The national policy goes hand in hand with EU Cohesion Policy (see 6.3.). Many hints in this respect can be found in the Partnership Agreement, officially submitted to the EC on March 31, 2014.

### **6.3. What are recommended future objectives (spheres) of the EU Cohesion policy regarding metropolis-region relationships?**

The relationship between BMA and its regional hinterland could be supported by the objectives derived from the Europe 2020 Strategy and Territorial Agenda 2020, reflected in the national documents responding the EU Cohesion policy orientations (the National Strategy for Regional Development underlying the ROP 2014-2020 objectives, the strategic concept for territorial (spatial) development underlying the Territorial Cohesion objectives, all of them synthesised by the Partnership Agreement). These objectives mainly refer to promoting polycentric and balanced territorial development, encouraging integrated development in cities, rural and specific regions, improving territorial connectivity for individuals, communities and enterprises, managing and connecting ecological, landscape and cultural assets of regions, improving the multi-level governance, etc. A very important instrument promoted by the Partnership Agreement for 2014-2020 programme period is the 'integrated territorial investments', which will stimulate integrated development and cooperation at trans-sectorial and inter- and sub-regional levels, creating synergies between ESI funds and other financing sources (e.g. national or local budgets) and preventing the financing of disparate or even divergent projects as well.

## **7. Concluding questions**

### **7.1. How does the metropolis perform at the international scale? What are the main drivers of its success/failure? Are their nature exogenous or endogenous?**

In the ESPON project on "Potential for polycentric development in Europe" completed in 2005 the issue of functional specialization of urban nodes has been raised as an important dimension of polycentricity. The functions of urban areas were identified and, taken together, provided an initial indication on the role of various functional urban areas (FUAs) in Europe. These functions "make cities different from each other and produce the flows necessary for economic and political integration" (ESPON 111, 2005, p.8). They refer to population, transport, tourism, manufacturing, knowledge, decision-making in private and public sector. The 76 FUAs of the highest average score according to this pattern have been included in the Metropolitan European Growth Areas (MEGAs) category. Further on, the MEGAs have been divided into four groups, based on indicators regarding mass, competitiveness, connectivity and knowledge basis. Bucharest was included in the fourth category, as a weak MEGA.

Since then, Bucharest recorded a series of large transformations, at present displaying a totally different picture. Thus *The European Cities Monitor 2011* on the best city to locate a business ranks Bucharest on the 27<sup>th</sup> place among the 36 most attractive cities for doing business: "This year the most impressive rise up the ranking was by Bucharest, which climbed eight places to the 27<sup>th</sup> position" (Cushman and Wakefield, 2011, p. 6), being the third in East Europe after Warsaw and Prague. Table 5 shows the rank of Bucharest for various criteria, allowing for comparisons to other European cities and, in particular, to other East European capital cities. Thus, Bucharest ranks first in

Europe in terms of cost of staff, second in terms of availability office space (after Berlin), fourth in terms of value for money of office space (second after Warsaw in Eastern Europe) and climate governments create (also second in Eastern Europe after Bratislava). It ranks second in Eastern Europe in terms of easy access to markets, customers and clients (after Warsaw), and third in terms of recruiting qualified staff (after Bratislava and Warsaw) and languages spoken (after Warsaw and Prague). Its weaknesses still relate to internal transport, quality of life for employees and freedom of pollution, for these criteria being placed on the last position.

**Table 5. Bucharest ranking according to *The European Cities Monitor 2011* criteria**

| Criterion                                     | Bucharest's rank - 2011 | Better than...  | Lower than...              |
|---|-------------------------|---|----------------------------|
| Easy access to markets, customers and clients | 25                      | Glasgow, Copenhagen, Dublin, Bratislava, Lisbon, Rome, Budapest, Prague, etc.     | Warsaw, etc.               |
| Recruiting qualified staff                    | 22                      | Prague, Budapest, Vienna, Lisbon, Rome, Athens, etc.                              | Bratislava, Warsaw, etc.   |
| Cost of staff                                 | 1                       | ... all other 35 cities   | -                          |
| Value for money of office space               | 4                       | ... all other cities except for... (see next column)                              | Warsaw, Berlin, Leeds      |
| Availability of office space                  | 2                       | ... all other cities except for... (see next column)                              | Berlin                     |
| Climate governments create                    | 4                       | ... all other cities except for... (see next column)                              | Dublin, Bratislava, London |
| Languages spoken                              | 22                      | Milan, Moscow, Vienna, Bratislava, Lisbon, Budapest, Istanbul, Athens, Rome, etc. | Warsaw, Prague, etc.       |
| Internal transport                            | 36                      | -   | all other 35 cities        |
| Quality of life for employees                 | 35                      | equal to Athens (35)  | all other 34 cities        |
| Freedom from pollution                        | 35                      | equal to Moscow (35)  | all other 34 cities        |

Source: Constantin (2013) processing based on Cushman and Wakefield (2011)

Note: In the last column the cities written in bold are the capital cities in Central and Eastern Europe with a position better than Bucharest.

To put in a nutshell, the success recorded by Bucharest has the roots in its competitive economic structures (economic structure, functional specialization), in education and training system, innovativeness, entrepreneurship, etc. – as endogenous factors. Thus, proper conditions for FDI attraction have been created, FDI acting in turn as an exogenous development factor.

## **7.2. How does the regional hinterland perform in comparison to the metropolis? What is the role of natural resources in the development process? Does the success in regional hinterland rely on exogenous or endogenous factors?**

Like in the metropolis, the development of regional hinterland was based on both exogenous and endogenous factors such as: increased foreign investments and multinational companies in the region following country's accession to NATO and to EU, development of infrastructure, sewage system, water supply network, etc., including through access to European funds; political stability and strengthening of democratic institutions; the development of cultural institutions and the education system; increased collaboration between scientific research institutes of the metropolitan area and the developed EU; development of entrepreneurial culture and leadership, etc.

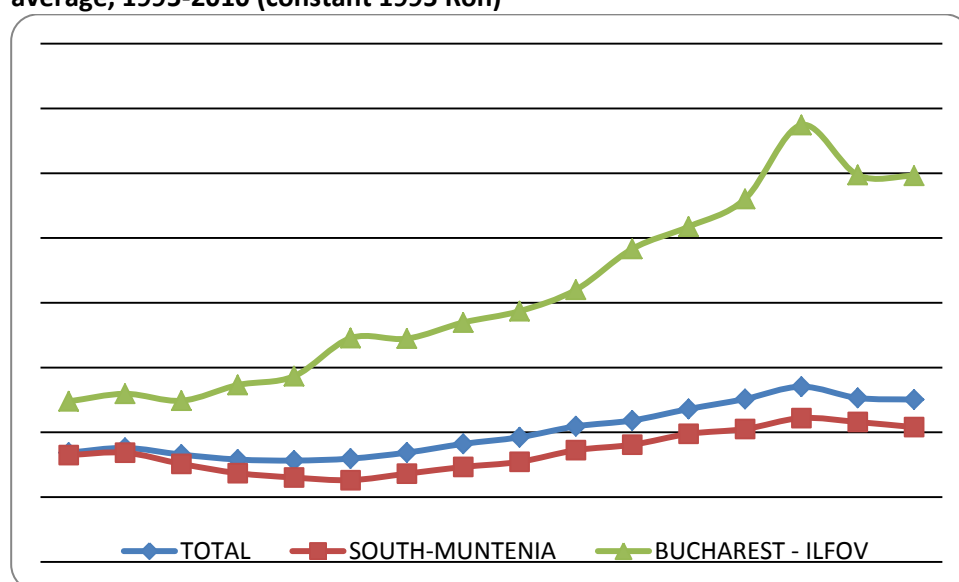
Nevertheless, statistical data indicate high and persistent disparities between the metropolitan area and regional hinterland from the perspective of economic performance (Table 6 and Figure 4).

**Table 6. Regional GDP relative to country average (%) in South– Muntenia Region and Bucharest-Ilfov Region**

|      | South– Muntenia Region | Bucharest-Ilfov Region |
|------|------------------------|------------------------|
| 1995 | 97.80792               | 146.9649               |
| 1996 | 95.80948               | 147.4938               |
| 1997 | 91.31827               | 150.2155               |
| 1998 | 86.70943               | 172.7891               |
| 1999 | 83.22767               | 183.2352               |
| 2000 | 79.16007               | 216.6741               |
| 2001 | 80.71932               | 204.2615               |
| 2002 | 80.47867               | 202.857                |
| 2003 | 80.30549               | 201.1949               |
| 2004 | 82.42146               | 200.716                |
| 2005 | 82.8307                | 221.3056               |
| 2006 | 83.76113               | 219.2697               |
| 2007 | 81.58172               | 222.8135               |
| 2008 | 82.09174               | 249.347                |
| 2009 | 85.3148                | 235.9723               |
| 2010 | 83.02632               | 237.9162               |

Source: own processing based on NIS data

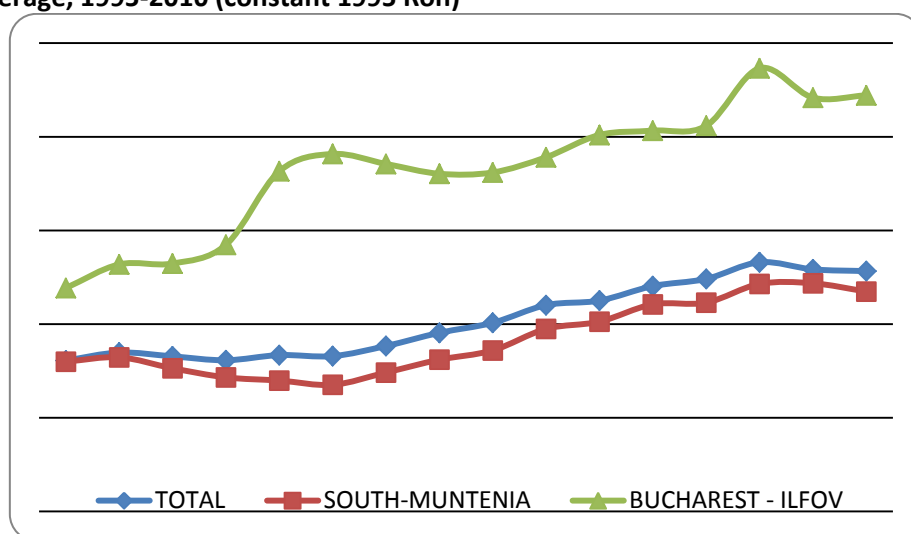
**Figure 4. GDP per capita in South–Muntenia Region and Bucharest-Ilfov Region against the national average, 1995-2010 (constant 1995 Ron)**



Source: own processing based on NIS data

GDP and GDP per capita are much lower in South-Muntenia Region compared to Bucharest-Ilfov (Table 5 and Figure 4) due to reduced investments, low level of urbanization, especially in the southern hinterland, and small labour productivity (lower than national average – Figure 5).

**Figure 5. Labour productivity in South–Muntenia Region and Bucharest-Ilfov Region against the national average, 1995-2010 (constant 1995 Ron)**



Source: own processing based on NIS data

**Table 7. Turnover, Net Investments and Personnel in South– Muntenia Region against Bucharest-Ilfov Region, 2009**

|  | South– Muntenia Region                 |   |                        | Bucharest-Ilfov Region                 |   |                        |
|--|--|---|------------------------|--|---|------------------------|
|  | Turnover (million RON, current prices) | Net Investments (million RON, current prices) | Personnel (no persons) | Turnover (million RON, current prices) | Net Investments (million RON, current prices) | Personnel (no persons) |
| Total                                    | 97848                                  | 7536  | 472796                 | 316201                                 | 36680   | 971683                 |
| Mining and quarrying                     | 854                                    | 1466  | 18606                  | 584                                    | 183   | 2461                   |
| Manufacturing                            | 43655                                  | 3125  | 172158                 | 31555                                  | 3913  | 135783                 |
| Electricity, gas and water               | 2204                                   | 330   | 6663                   | 23616                                  | 2129  | 17333                  |
| Water supply; sewerage, waste management | 1312                                   | 120   | 8405                   | 2707                                   | 350   | 16707                  |
| Constructions                            | 8541                                   | 447   | 56114                  | 29056                                  | 9011  | 108067                 |
| Trade                                    | 30311                                  | 919   | 105075                 | 152757                                 | 5639  | 249608                 |
| Transport, storage and postal services   | 4495                                   | 656   | 35819                  | 13149                                  | 5293  | 76222                  |
| Hotels and restaurants                   | 925                                    | 98  | 14014                  | 3182                                   | 644   | 31684                  |
| Information and communication            | 1588                                   | 41  | 6467                   | 23330                                  | 2920  | 78776                  |
| Real estate services                     | 3102                                   | 277   | 39004                  | 31421                                  | 6036  | 208640                 |
| Education                                | 39                                     | 4   | 1197                   | 248                                    | 21  | 3614                   |
| Health and social care                   | 169                                    | 32  | 3266                   | 1290                                   | 210   | 14424                  |
| Other services                           | 653                                    | 21  | 6008                   | 3306                                   | 331   | 28364                  |

Source: NIS data

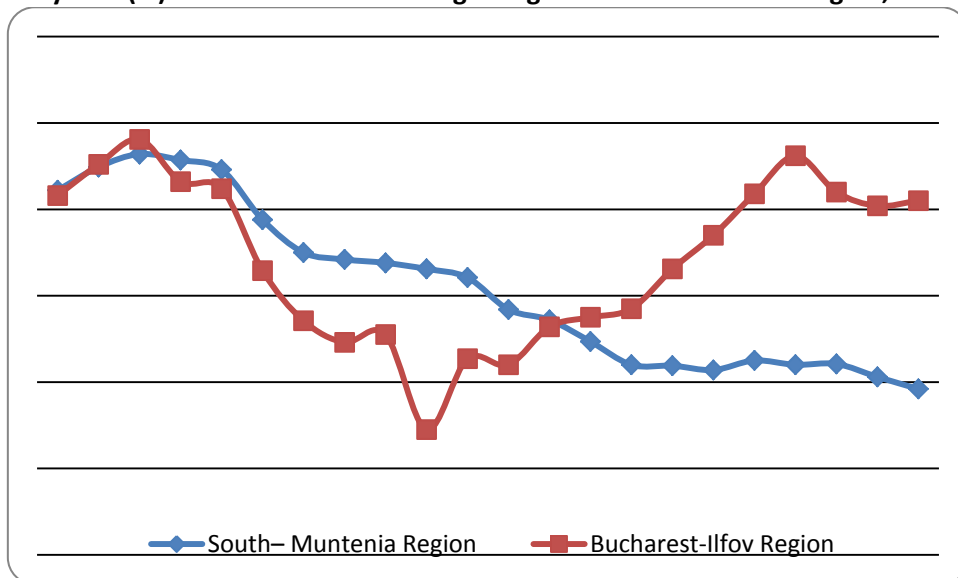
The South-Muntenia Region has large agricultural areas, the population is preponderantly rural and the poverty rate is among the highest in the whole country (especially in rural areas) due to lower revenues in the agricultural sector. As regards non agricultural activities, net investments and turnover are considerably lower in South– Muntenia Region, compared to Bucharest-Ilfov Region (Table 7).

**7.3. What is the role of migration processes in relation between metropolis and their region? Could we observe segmentation of migration (eg. young to the core, elderly to hinterland)? How the quality of life in regional hinterland does affect this process?**

The survey shows that the metropolis attracts commuters within a radius of about 100 km, permanent migration from all Muntenia, as well as candidates for higher education from all regional hinterland and even from the nearby the Southeast region. Better opportunities for access to higher education, create a strong attraction for the young and maintains youth labour shortages, as well as high qualification shortages in the the metropolitan region. A large part of the students coming from hinterland end up working in the metropolis and establish their permanent residence here.

The attraction of the metropolis on labour metropolitan region (higher activity rate, lower unemployment – Figures 6 and 7) has negative effects on less developed areas. The trend is amplified in the Southern part of metropolitan region (predominantly rural) which registers a trend of people exodus from rural to urban areas. This not only creates a higher density in cities and villages, but most villages have preponderantly aging population, or even worst, remain deserted.

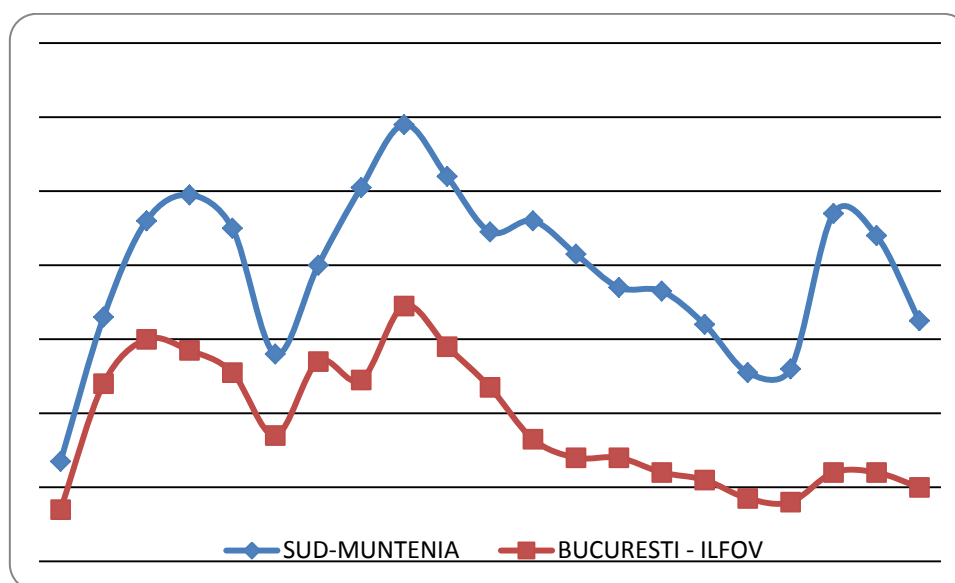
**Figure 6. Activity rate (%) in South– Muntenia Region against Bucharest-Ilfov Region, 1990-2011**



Source: own processing based on NIS data



**Figure 7. Unemployment rate (%) in South– Muntenia Region against Bucharest-Ilfov Region, 1991-2011**



Source: own processing based on NIS data

As a consequence, South - Muntenia Region's population is decreasing, being on the 7th place at national level, while Bucharest-Ilfov metropolitan area is the only one that recorded a positive balance in terms of internal migration. Therefore the strength of abundant and good quality labour resources correlates with the weak point of diminishing labour resources and accelerated aging of the population in the metropolitan region.

**Table 7. Balance of residence changes (persons) in South– Muntenia Region against Bucharest-Ilfov Region, 1990-2012**

| Year | South– Muntenia Region | Bucharest-Ilfov Region |
|------|------------------------|------------------------|
| 1990 | -65077                 | 78197                  |
| 1991 | -24613                 | 33903                  |
| 1992 | -19792                 | 32560                  |
| 1993 | -18253                 | 32635                  |
| 1994 | -15723                 | 31498                  |
| 1995 | -15232                 | 33582                  |
| 1996 | -13066                 | 29829                  |
| 1997 | -14647                 | 31342                  |
| 1998 | -10383                 | 28732                  |
| 1999 | -9147                  | 30925                  |
| 2000 | -6524                  | 32862                  |
| 2001 | -6708                  | 24047                  |
| 2002 | -5466                  | 15978                  |
| 2003 | -5979                  | 13039                  |
| 2004 | -6720                  | 12291                  |
| 2005 | -4692                  | 11825                  |
| 2006 | -5446                  | 16655                  |
| 2007 | -6086                  | 23087                  |
| 2008 | -5363                  | 26453                  |
| 2009 | -5739                  | 27719                  |
| 2010 | -6715                  | 26490                  |
| 2011 | -6688                  | 20279                  |
| 2012 | -5537                  | 14110                  |

Source: NIS data

Balance of residence changes (persons) in South– Muntenia Region (Table 7) indicate persistent, but decreasing loss of population over 1990-2012.

#### **7.4. How does the accessibility affect development processes in regional hinterland?**

Accessibility has a positive influence on the development processes in regional hinterland. The road transportation infrastructure is particularly very good. It not only supports the domestic development in South-Muntenia but also ensures a good connectivity and opportunities for cooperation with BMA (see comments at 3.3 with regard to functional specialization) and Bulgarian neighbour regions too. It also ensures the Bulgarian connection to Bucharest, especially in terms of the access of Bulgarian citizens and foreign travelers to Bucharest-Otopeni international airport, which is closer for quite many of them than Sofia airport.

As concerns social services the regional hinterland benefits from the easy access to Bucharest for higher education and health care services. At the same time higher education and research institutions in the regional hinterland (e.g. Ploiesti, Pitesti, Targoviste) benefit from the cooperation with those located in Bucharest. The benefits are much more important for the Northern counties of the South-Muntenia region than for the Southern ones, less developed, with much lower representation in this respect. In fact, the latter have not their own universities but rather branches of the universities located in Bucharest. For the cooperation with Bulgaria a special place is held by the Bulgarian-Romanian Interuniversity Europe Centre (BRIE), with the headquarters in Russe, Bulgaria, which is based on the cross-border collaboration (master's programmes, research) between Angel Kanchev University of Russe and Bucharest University of Economic Studies, with German support. Some activities of this centre take also place in Giurgiu, Romania, located in South, close to the border with Bulgaria, where Bucharest University of Economic Studies has a small extension (unit). The Bulgarian-Romanian Interuniversity Europe Centre is a project in the framework of the Stability Pact for South Eastern Europe which was initiated by the German Rectors' Conference (HRK) at the end of 2000.

#### **7.5. What are the most important policies for development of regional hinterland?**

##### **What is the interplay between policies supporting exogenous factors (eg. transport policy) vs. endogenous factors (eg. education policy) of development?**

Policies envisaging entrepreneurship, tourism, agriculture, transportation infrastructure development as well as various social services are applied for the regional hinterland development. An interplay example has been provided in section 7.4.

#### **7.6. Are the authorities at regional level necessary from perspective of metropolis-region relationships?**

The metropolis-region relationships would benefit from a more important support for interregional cooperation within Macroregion 3, to which both Bucharest-Ilfov and South-Muntenia belong, provided regionalization-decentralisation process be implemented. Its preparation started in 2013 but was stopped mainly because of tough, divergent political interests. However, it is planned to be resumed in the second half of 2014. So far, the NUTS 2 regions do not have legal personality and are not administrative units.

### **7.7. Do the metropolis and its surrounding region mutually need each other? Does the metropolis need the region? Does the region need metropolis?**

There are complex and strong economic and social links between regional hinterland and metropolis. Complementarity exists in terms of the process of economic development, but the relationship between regional hinterland and metropolis is very unbalanced, as the metropolis is more powerful and attracts population, labour resources, products and revenues. So far, the strong "regional gravitational field" of the metropolitan area supports higher economic development of metropolis to the expense of regional hinterland, which is weakened by this relationship.

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## **Annex 1. Institutions covered by in-depth interviews**

- Regional Development Agency – Bucharest-Ilfov
- Bucharest City Hall
- Bucharest – District City Hall 1, 2, 3 and 5
- Ilfov County Council
- Town Hall of Domnesti – Ilfov County
- Town Hall of Afumati – Ilfov County
- Regional Development Agency – South-Muntenia
- Prahova County Council
- Teleorman County Council
- Giurgiu County Council
- Turnu Magurele City Hall
- Giurgiu City Hall
- “Ion Mincu” University of Architecture and Urban Planning Bucharest
- Ministry of Regional Development and Public Administration
- National Institute of Statistics