

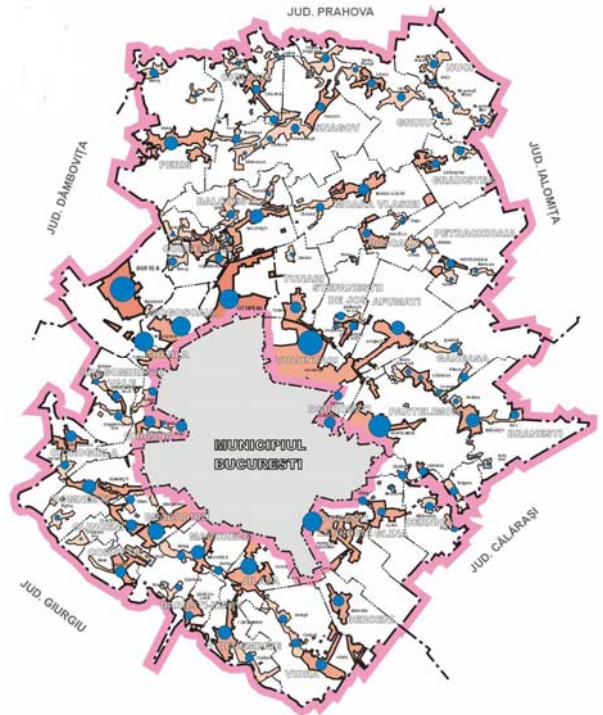
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Neglect and corruption has made the Romanian county with the highest level of per capita revenues – a doughnut encircling Bucharest – look not much different from other, poorer regions, says **Sorin Ioniță**

ILFOV COUNTY

The worst governed part of Romania

Take a ride outside Bucharest, not on one of the national roads starting from the capital city, but on one of the secondary roads managed by the Ilfov County Council. You'll be amazed at the sight of decrepit villages you pass by, where the only spot of color are the huge billboards of real estate agencies. An air of doom lingers, both over the rotting paint of the old houses and the wet blocks of new ones, only 20-25 km away from Bucharest. Postindustrial ruins puncture the landscape here and there, where a former communist cooperative or cannery used to be.



I am sure this happened to you at some point, as it did to me more than once recently. You were probably shocked to see the decrepit rural apartment buildings, inhabited by Kusturica-like characters, not at the end of the world, but in Balotești, three minutes' walk from DN1, the busiest transportation corridor in the country; these buildings are probably worth less today than the land they are built on. And, last but not least, you were probably shocked by the quality of these secondary roads in Ilfov, below the national average, which is after all a fairly low standard to judge by.

None of this should be so surprising had Ilfov not been the richest county in Romania – by far, as the chart overleaf shows. In 2004, the per capita revenues of the local governments in this county¹ were 50% higher than those of the next in line, Constanța, and 6 times higher than the last county on the list, Vaslui. It is easy to understand why if we remember that the two main sources of own revenues for Romanian local governments are property taxes (land / buildings / vehicles); and a share of the personal income tax paid by the employees residing in the area. With the real-estate frenzy of the past years pushing the price of land and houses through the roof, there's no wonder that Ilfov County is winning and winning, especially in the areas around Bucharest, along the DN1 road

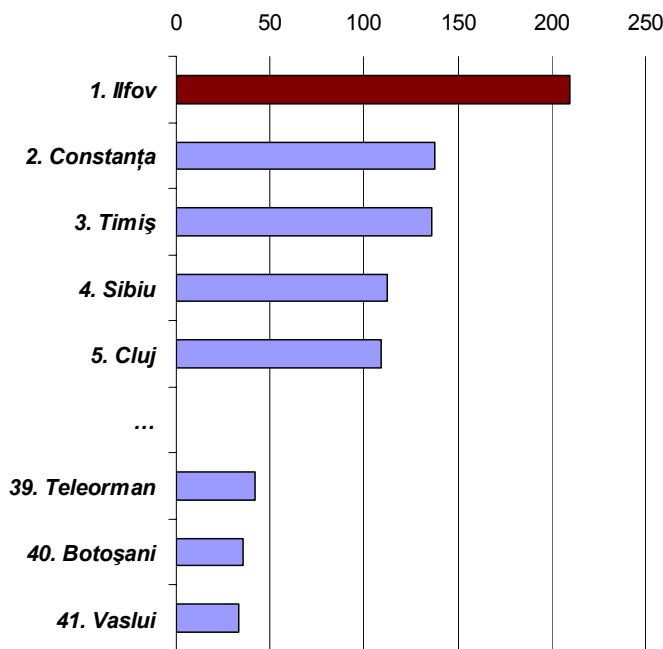
¹ County Council and Local Councils combined, and excluding of course Bucharest, which does not belong to Ilfov.

and in the Snagov area, i.e. most of the county. Moreover, the economic development started in Bucharest is influencing job creation outside of the big city, creating direct tax revenues communes and small towns elsewhere can only dream about: huge supermarkets with hundreds of employees (therefore, official salaries for which taxes are paid), the Otopeni airport or the industrial and warehouse area across the ring-road.

Ilfov. The main county road, the West-East strategic artery from Buftea to Moara Vlăsiei which crosses DN1, is sieved by potholes. Rare patches of new asphalt exist only in front of the bigshot villas outside of Balotești, although public transportation runs here everyday and the price of land is more than 20-30 Euro/ sqm. Maybe the local authorities are waiting for prices to go up even more, before they start expropriations to improve the geometry of the road.

Own revenues of sub-national governments

€/cap, 2004



Where's the money?

Still, years after the substantial decentralization process was has began in 1998-99, with the adoption of the new local finance legislation, it is hard to understand where are all these money going, since very little of them can be seen around in the form of public investment and services. This is a county with no monoindustrial areas or particular social problems, where unemployment is virtually non-existent (3.2%, below the natural rate in a transition society), while other important expenditures like the teachers' salaries are funded separately from the state budget.

Actually, many a local or county councilor are busy buying land precisely in these parts, which will either be expropriated for nice sums, or neighbor the future Bucharest-Ploiești motorway and thus may become useful for services. Also delayed is the construction of the new roads Tunari-Balotești and Moara Vlăsiei-Snagov, which have been planned for a long time now but never realized, although they may divert part of the light traffic off the busy DN1 and create a secondary access between Bucharest and the summer resort Snagov. The county government is probably waiting for the motorway works to start, because it will pass right between Moara Vlăsiei and Căciulați, to solve all local problems with central government money.

And yet the secondary roads managed by Ilfov County are worse than those in neighboring Ialomița, a far poorer unit, so that one actually breathes deeply once out of the pothole hell in

In fact this attitude is well entrenched in the Ilfov County: local government people are so busy complaining about funds that they don't have time to manage them once when the money come. All visible investments were financed with money from the state budget, and carried out by the corresponding national companies for roads or railways; or, in a few cases, included in the SAPARD program for rural infrastructure. When the suburban transport crisis broke out a couple of months ago, and the Bucharest Transportation

Company suspended service on the money-wasting routes outside the capital, the relatively prosperous authorities in Ilfov did not move a finger to help their citizens. Instead, they waited for the government to pass a special law, although they lacked neither the competences, nor the money to take the matter into their own hands. They had both the funds and authority to initiate a partnership with the current private bus operators, to regulate and rationalize suburban routes, and set up a system of subsidies for commuters.



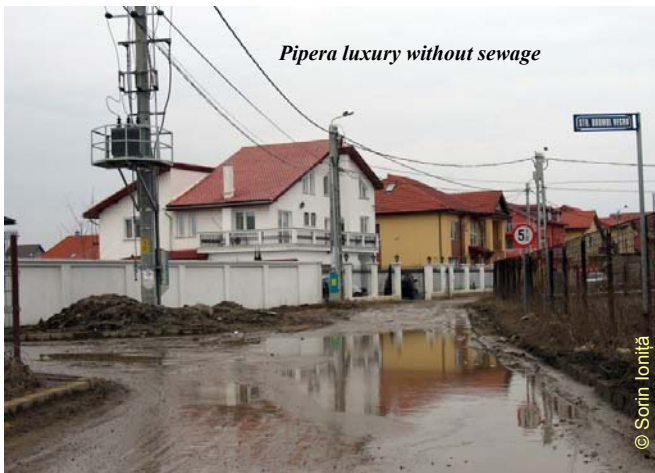
Strategic road of Ilfov: Buftea-Moara Vlăsiei

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Corbeanca blues: better old than new

© Sorin Ioniță



Pipera luxury without sewage

© Sorin Ioniță



Suburban idyll in Pipera

© Sorin Ioniță



How it all starts: deforestation, narrow access, no sewage

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Authority crisis: street abusively closed

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But, of course it is easier to have others solve your problems. The only investment on roads worth mentioning is the 1 km strip in Pipera, in front of the American School, where people of means needed it to shuttle their kids safely to school and back. The road was presented as an important contribution to regional development when it was inaugurated by Adrian Năstase and Bebe Ivanovici, the ex-premier and ex-president of the county council, respectively, a few of years ago.

Ilfov mayors are no better than county-level politicians, unfortunately. Voluntari, Mogoșoaia or Snagov have become almost exclusively springboards for real estate deals, while the public space in these communities remains completely neglected. Romanian millionaires seem to enjoy being drowned in mud and dirt, as long as their fences are high enough to hide the view. We won't discuss here how most of their houses look; a lot on this topic was said already: one can count on the fingers of one hand those complying with the zoning plans and building rules (in terms of withdrawal from the road, height, volume, roof, materials and colors, etc). Which is small wonder: after the cacophonous and maniacal agglomeration we could see inside Adrian Năstase's apartment, what else one could expect from his less educated colleagues.

There is not one example of the prefect or the mayor to go in and ask these people to abide by the law – or tear down a building erected in obvious disregard of any norm. On the contrary, the authorities were among the first to shove away the law they were supposed to defend when they saw fit. One example is that of the interest groups linked with the former Social-Democrat cabinet, who abused forestry protection rules in Snagov area; another, the group of county councilors who abused land use regulations in the natural protected area in Cernica.

The headlong rush for deals, avarice and total disregard for the public space of the new rich in Ilfov County may even produce perverse outcomes. As they instinctively ignore all the rules, including those created for their own protection, they built all over northern Bucharest, even in flood plains, and found themselves in water up to their knees during the rainy summer of 2005. Buftea, a town where the price of land is now above 50 Euros/sqm, has not yet managed to dig ditches along the roads and in front of the houses, an operation that does not require substantial funds or advanced technology.

The trendy Iancu Nicolae Street, lined up with the pompous eyesores of Pipera, is too narrow and almost destroyed by the chaotic works and heavy traffic. But the overpaid athletes, singers and wheeler-dealers who populate it would rather buy cell phones encrusted with diamonds or throw their money away at black jack than chip in two or three thousand Euros each to still have a functional car when they get home. I hear that the famous football player Gică Popescu, a dignified representative of the "golden generation" of tax evaders, is one of those who refused to move his fence back a bit in order to allow the road enlargement.

Virtual communities

Like citizens, like city halls. As it happened at the county level, they too failed to use their legitimate regulatory power and to impose some order on the chaotic, cheap-style development around Bucharest. Thus, entire urban neighborhoods have popped up without sewage systems, equipped only with septic tanks, which violates the EU environment standards, because irresponsible developers like the Becali family wanted the land put on the market quickly and cheaply, without investing in the utilities grid. The local governments, controlled by the same developers, allowed them to build two-storey houses and get in-house water supply, without wastewater evacuation and collector. The alleys left between properties are much narrower than the standard of 7 meters, and so the taxpayer will pay twice to bring these neighborhoods in line with the regulations: first to expropriate land from courtyards to widen the road, because the firefighters cannot even pass through there, and second to lay the sewage pipes beneath the road.

In these circumstances, there is little point to continue having separate local governments in such places situated within the Bucharest ring-road, where the traditional rural communities have ceased to exist. These are now bedroom neighborhoods with increasingly urban character and high densification, adjacent to completely dependent on the capital city for all their social and economic functions. Their administrative absorption – either into Bucharest proper or a newly-created metropolitan area – is the next logical step to eliminate the significant externalities and free-riding that appear in this interaction. This is the case with Pipera (now part o Voluntari town), but also of Dobroești and Chiajna "villages". While Bucharest itself is not a model of wise urban planning, there would be however a chance to limit the abuses and

uncontrolled development taking place when powerful interest groups capture the decision-making process in small and weak local governments.

A clear sign of this happening is when river banks or lake shores are completely occupied with buildings – like in Mogoșoaia, where the only reason why ski-jets do not yet cross the lake up and down, launched from the private piers right in the backyard of the 18th century Brancovan Palace, is that the same lake is filthy with domestic waste coming from the same waterfront properties. Another example is when access on streets is illegally blocked with barriers and guards, which actually means that the public domain is illegally but de facto privatized.

The paradox is that reasonable strategies, action plans and zoning regulations do exist, which demonstrates that it is not technicians who are missing. Resources also exist, as we

have shown. What is missing however, and in Ilfov more than elsewhere, is strong leadership, with the vision and determination to employ the full range of local attributions and resources in order to deliver good public governance. This is why Ilfov is currently one of the poorest run Romanian counties, although it possesses favorable conditions and loads of money. Its bad luck has been that a clique of stingers, soccer players and third-rate carpetbaggers from national politics descended here with the mission to live out of pillage and camouflage the dodgy deals of their bosses.

Even when they are well-intended (rarely, that is), these people have a kitsch vision of local development, easy to read on the houses they live in or the churches they erect. A vision well captured in the picture which adorns the webpage of the Ilfov County Council: a jolly cheap bazaar along the main road, as you can see today when entering Bucharest from Otopeni or Afumați.



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