

Are the Investments from Structural Funds Meeting the Citizens' Expectations? – Evidence from Sofia and Bucharest

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Abstract

In 2007, the Cohesion policy promised to improve the attractiveness of cities across the European Union, addressing issues such as their accessibility, adequate services and environment preservation. Now that the programming period is concluding, achievements made in this direction must be scrutinized in order to assess if indeed the expectations of citizens living in these cities were met or not. In this context, the paper focuses on the capital cities of 2 countries for which 2007-2013 was the first programming exercise of structural and cohesion funds, namely Sofia and Bucharest. The paper presents an analysis of the projects implemented in these cities by the local authorities, comparing the results to the expectations of their citizens as reflected by the main conclusions of the surveys regarding the quality of life published by the European Commission in 2007. The analysis aims to contribute to the further improvement of the future Cohesion policy.

Key words: structural funds, regional development, quality of life, cohesion policy, partnership

J.E.L. classification: O18, R50

1. Introduction

Both Bulgaria and Romania joined the European Union (EU) in 2007, becoming at the same time beneficiaries of the Cohesion policy, a policy that addresses the development gaps between the different regions of the EU. Before the beginning of the implementation period, the European Commission presented the main priorities of the policy, which included, among other, the improvement of the attractiveness of cities, focusing on accessibility, level and quality of services provided and environment preservation (European Commission, 2006, p.14).

In Romania, under the objective of Convergence, 7 operational programmes were designed and implemented. These programmes had an initial allocation of EU funds of 19.213 million euros and targeted investments in areas such as transport, environment, human resources, administrative capacity, development of the regions, competitiveness and technical assistance for the authorities involved in the implementation of the programmes (Government of Romania, 2007, p. 154).

In Bulgaria, a similar list of 7 operational programmes was created for 2007-2013, covering the development areas mentioned above and having a total initial EU allocation of 6.674 million euros (Republic of Bulgaria, 2007, p. 103).

The capital cities of both Bulgaria and Romania, namely Sofia and Bucharest, benefitted from the EU assistance within the 2007-2013 operational programmes. The purpose of this paper is to analyze whether this financial assistance focused on the areas of development considered important by their citizens or not and if any improvement in the citizens' perception has been achieved between 2006 and 2015.

2. Methodology

The analysis presented in this paper was performed in 3 stages. First, the expectations of the citizens of Sofia and Bucharest were identified from the main conclusions of the survey regarding the quality of life published by the European Commission in 2007. The survey was performed on

500 individuals, randomly selected from each city (in this case Bucharest and Sofia), who answered 23 questions regarding life's quality in the city (European Commission, 2007, p. 3). The expectations were built on the areas where the perception of the citizens was negative (over 50% degree of dissatisfaction).

In the second stage, the response of the local authorities was established, in terms of projects implemented by the municipality and administrative subdivisions of the municipality in both Bucharest and Sofia. The projects implemented in Sofia were identified using the national database of projects, fed with data from the Bulgarian monitoring system of structural instruments, publicly available at <http://umispublic.government.bg/prProcedureProjectsInfo.aspx?op=-1&proc=-2&clear=1>. Three cumulative criteria were used in the selection of projects: projects implemented by the Municipality of Sofia, projects that focus on the city of Sofia and not on the other districts of Sofia metropolitan area and projects finished or in implementation.

The projects implemented in Bucharest were identified using also the national database of contracted projects, made available at <http://old.fonduri-ue.ro/baza-de-date-proiecte-contractate>, by the Romanian Ministry of European Funds. This searchable database is fed with information from the Romanian monitoring system of structural and cohesion funds SMIS. The projects were filtered by location (Bucharest city) and then by beneficiary (Municipality of Bucharest and the city halls and councils for the 6 administrative subunits of Bucharest).

The projects identified were grouped into categories according to their scope, the amounts actually spent being transformed from the national currency (lei and leva) into euro using the Inforeuro exchange rate for May 2016.

Finally, in the third stage, the projects were mapped on the main causes of dissatisfaction of the citizens of Sofia and Bucharest, as expressed in 2006. In order to observe any improvement in their perception, following the implementation of the projects, the results of a similar survey published in 2016 by the European Commission was used.

3. Results

According to a survey performed in 2006, most citizens of Bucharest (79%) and of Sofia (87%) were satisfied, in general terms, with living in their city (European Commission, 2006, p.5). Nevertheless, the survey also highlighted some areas causing large dissatisfaction among citizens, as reflected in Table 1.

Table no. 1 Main causes of dissatisfaction of citizens in 2006

| Sofia | Bucharest |
|--|--|
| 1. Air pollution in the city (92% dissatisfied) | 1. Air pollution in the city (91% dissatisfied) |
| 2. Cleanness of the city (90% dissatisfied) | 2. Good and reasonably priced housing (87% dissatisfied) |
| 3. Noise (80% dissatisfied) | 3. Noise (81% dissatisfied) |
| 4. Public green spaces (74% dissatisfied) | 4. Cleanness of the city (81% dissatisfied) |
| 5. Good and reasonably priced housing (70% dissatisfied) | 5. Healthcare services in hospitals (63% dissatisfied) |
| 6. Public transport (67% dissatisfied) | 6. Administrative services (61% dissatisfied) |
| 7. Administrative services (60% dissatisfied) | 7. Finding a good job (59% dissatisfied) |
| 8. Sport facilities (55% dissatisfied) | 8. Public transport (53% dissatisfied) |
| 9. Healthcare services in hospitals (53% dissatisfied) | 9. Healthcare services offered by doctors (52% dissatisfied) |

Source: http://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/urban/survey_annex.xls

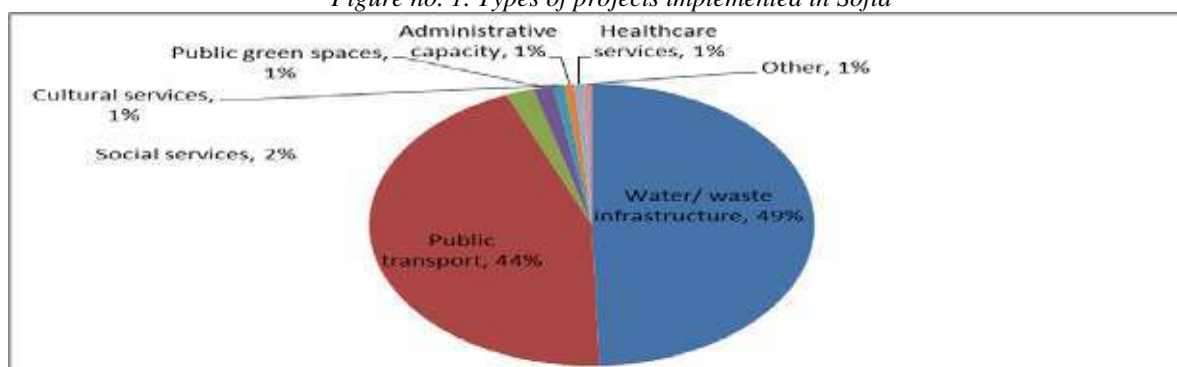
In both cities, the first cause of dissatisfaction was the pollution of the air, over 90% of respondents declaring themselves dissatisfied in this respect. Although, the causes of dissatisfaction were similar in both Bucharest and Sofia, some differences can be observed. As such, citizens were highly dissatisfied with the public green spaces and sport facilities in Sofia, which was not the case for Bucharest. Healthcare services both in hospitals and offered by doctors were an important cause of dissatisfaction for people in Bucharest and to a much lesser extent for people in Sofia.

Dissatisfaction with the services provided by the public administration was high for both cities (over 60%).

The perception of the citizens described above reflects the living conditions in Sofia and Bulgaria before the start of the implementation of the 2007-2013 programmes, financed within the EU Cohesion policy. A wide range of investment opportunities was offered by these programmes, opportunities also available to the local authorities responsible for the administration of these cities.

As such, in Sofia, for the 2007-2013 programming period, 34 investment projects were identified that were implemented by the Municipality of Sofia and which were focused on the city of Sofia. The total value of the payments made for these projects was 323 million euros. As can be seen in Figure 1, most of the investments made regarded the water/waste infrastructure of the city and the public transport infrastructure and services (about 93% of the total amount).

Figure no. 1. Types of projects implemented in Sofia

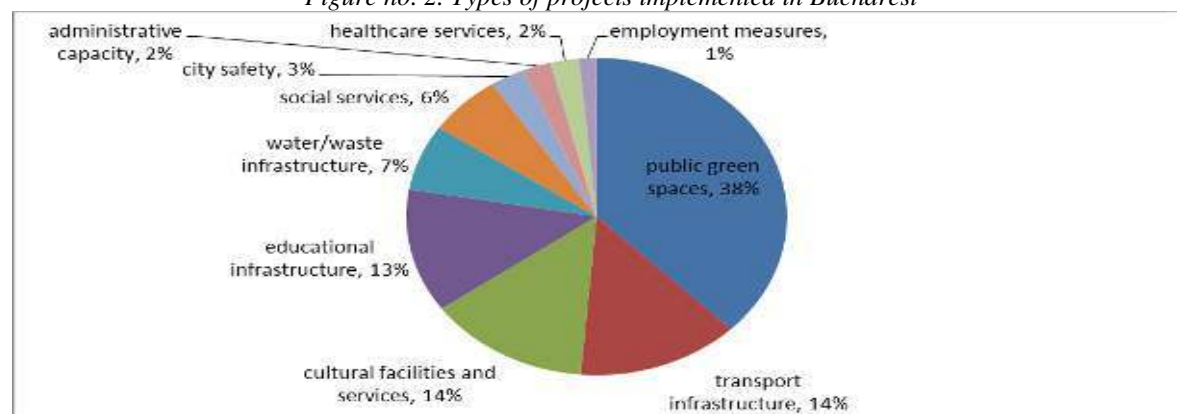


Source: Author's adaptation of data from the Administration of the Council of Ministers (<http://umispublic.government.bg/prProcedureProjectsInfo.aspx?op=-1&proc=-2&clear=1>)

In the water/waste category, 2 projects were implemented, one concerning the water supply network and the other an integrated system of domestic waste treatment. In the public transport category, measures aiming to improve the quality of the air in the city were taken by purchasing trams, buses and trolleybuses. Also, the extension of the metro line in Sofia was undertaken and a traffic safety school training program was prepared and implemented. Financial assistance was also provided in support to cultural services for the organization of an art festival and the rehabilitation of a museum, to the development of the administrative capacity, aiming to improve the quality of the public services provided and also to social services.

In Bucharest, for the 2007-2013 programming period, 44 investment projects were identified that were implemented by the Municipality of Bucharest and by the city halls of the 6 administrative subunits of the city. The total value of the payments made for these projects (amounts actually reimbursed) was 48 million euros and their typology can be observed in Figure 2.

Figure no. 2. Types of projects implemented in Bucharest



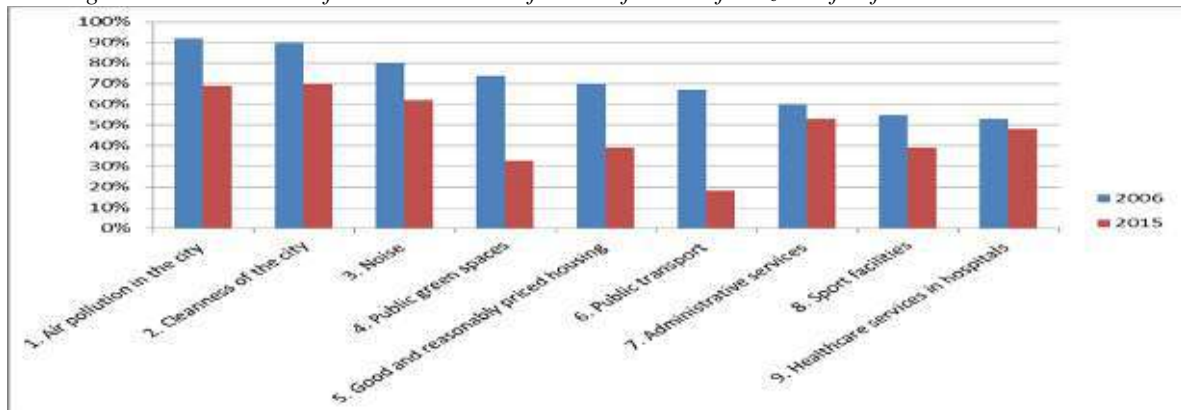
Source: Author's adaptation of data from Ministry of European Funds (<http://old.fonduri-ue.ro/baza-de-date->

proiecte-contractate)

As presented in Figure 2, the largest part of investments focused on the public green spaces in Bucharest, namely 7 projects of parks modernization. An important amount was also invested in transport infrastructure, within 5 projects focusing on city roads, parking places and sidewalks, cultural facilities and services, within 9 projects addressing the rehabilitation of monuments, museums and important city landmarks and to the educational infrastructure, within 2 projects regarding high schools rehabilitation.

The perception of the citizens of Sofia and Bucharest on their living conditions remained strongly positive also in 2015. According to a survey published by the European Commission in 2016, 86% of the citizens of Sofia and 83% of those of Bucharest were satisfied, in general terms, with living in their city (European Commission, 2016, p.20). The evolution of the main causes of dissatisfaction of the citizens of Sofia is presented in Figure 3.

Figure no. 3 Evolution of the main causes of dissatisfaction of citizens of Sofia between 2006 and 2015

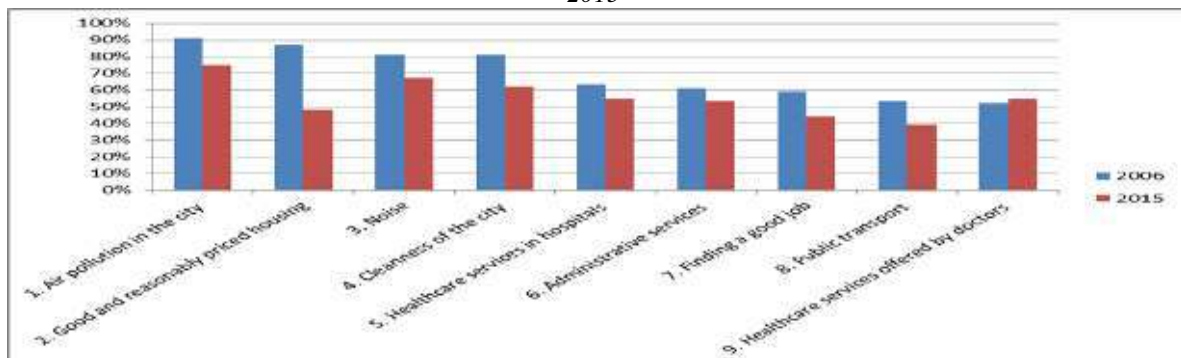


Source: (European Commission, 2007) and (European Commission, 2016)

A direct link between the implementation of the projects and the improvement of the citizens' perception cannot be made, due to the other factors that might intervene, such as other projects implemented from local resources. Nevertheless, the most important improvement was registered with regard to public transport (49%), the second largest investment area in Sofia (see Figure 1).

In the case of Bucharest, the evolution of the main causes of dissatisfaction of its citizens is presented in Figure 4.

Figure no. 4 Evolution of the main causes of dissatisfaction of citizens of Bucharest between 2006 and 2015



Source: Source: (European Commission, 2007) and (European Commission, 2016)

An improvement is registered in almost all cases. As the survey published in 2016 no longer differentiated between healthcare services in hospitals and those offered by doctors, the same value was used in both cases. Also, it should be mentioned that the main investment area – public green spaces, which did not cause dissatisfaction in 2006, 51% of the citizens of Bucharest being satisfied with what the city was offering and which is not shown in Figure 4, remained positive, in 2015, the

percentage of satisfied citizens increasing to 62%.

4. Conclusions

The results of the analysis performed show that there is room for improvement regarding the alignment of investments made within the Cohesion policy with the citizens' expectations, especially in the case of Bucharest. As such, in Sofia an important part of the granted financial assistance tackled 2 of the main causes of dissatisfaction for citizens, air pollution and public transport, but little was done for other areas, also important for citizens, such as the public green spaces and facilities for sport activities. In Bucharest, priority was given to areas such the green public spaces and city safety measures (surveillance systems), areas already considered satisfactory by the citizens, instead of the hospital facilities that were ranking very high in the citizens' expectations of improvement.

In order to improve the attractiveness of the cities to their citizens, as the Cohesion policy tries to achieve, a closer partnership between the responsible authorities and the citizens should be enforced, both when designing the programmes and when the prioritization of the investment projects is made. For the 2014-2020 programming period, still in an early stage of implementation, the results of the survey recently published by the European Commission could also be a useful instrument for channeling the investments from the EU funds to the areas that are the most important to the citizens.

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