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DECENTRALIZATION OF MUNICIPAL SERVICES – LEARNING BY DOING

Case
Study

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Abstract

Public services decentralization is a major concern for policy makers when it comes to identifying the optimum model for reorganizing these services, in light of the 3Es of the organizational performance. The field experiences show that this process is different both from one state to another, and depending on the targeted activity sector, out of which the local transport service is distinguished as an 'institutional orphan'. Taking into account one of the smart-cities' recognition criteria, the urban mobility, the paper aims at substantiating that, despite the specific incrementalism of the public services decentralization, having a negative impact upon the services' efficiency, in the case of local transport service, recognizing the right to mobility and the need to ensuring the environment for exercising this right, impels the 'bureaucratic apparatus' to accelerate and consolidate the decentralization of this service. Therefore, the paper puts forward a case study on the impact of decentralization upon the local public transport service of Bucharest municipality.

INTRODUCTION

The local public administration and the state, as a whole, need *their own normative schema for the definition of the own mission of responsibility when solving the collective issues*, given the fact that *between citizens and the state there is a relationship defined by responsibility and, equally, by efficiency* (Perez Sanchez, 2005).

Therefore, the local government finds the reason for its existence, not only through the mere provision of a diverse range of services for the promotion and satisfaction of the specific interests of the local communities which they represent, but at a qualitative level and *based on equity and social solidarity* (Herrera, 2003).

Diagnosis of the Romanian administrative reality reveals at the level of the local communities, a very tight competition for entering the public agenda of the local administration authorities, of the social problems manifested in the various important economic sectors (from the point of view of the local security) such as education, health, transport, supply of utilities.

Often, local initiatives do not present the expected impact of the public decision makers and society, as *an optimal model of decentralization of public services* has not yet been *identified*, unanimously accepted by the specialists (scholars and practitioners), as demonstrated by the results of the experiments in terms of the different states, illustrated by *the models that fall in the optimal parameters* (the states of Western Europe), *or representing classic examples of semi-failure* (Argentina, Brazil) (Nicolescu & Radulescu, 2015).

From the perspective of the type of the organic dependence of public service to the local community, decentralized departments involve the granting of legal personality, *taking out of public services under the hierarchical control and placing them under the rules of the administrative guardianship* (Vida, 1994).

However, not all the public services support such a regime, those that are of national interest or solely or mostly national are not decentralized, local authorities can create and organize their own local public services in any field of activity in the sphere of their competence established by law, provided the existence of the necessary financial, material and human resources, being numerous situations in which local governments cannot provide these services due to lack of financial funds.

The transfer of tasks and competences in the framework of decentralization must be accompanied by a transfer of appropriate financial resources from the central government, through appropriate funding mechanisms to ensure the necessary revenues for the efficient operation of the decentralized units, such as: self-financing, co-

financing, redistribution, tax collection, municipal bonds etc.

However, this last mechanism through which the local governments can access the capital market is rarely used due to the difficult financial statements of the municipalities (sources of income, expenses and solvency) (World Bank, 2000).

The model of decentralization thus depends on the option policy, sensitive to the costs and social efficiency of decentralization and increasingly focused on the strong affirmation of different citizens' rights that requires the need for the creation of the framework for the exercise of these rights, such as *the right to urban mobility*.

URBAN MOBILITY

Classic urban planning, centered for over 50 years on the movement of motor vehicles, have to be radically modified with the launch of the concept of urban mobility, a concept that introduced a new hierarchy in the priority given to the use of the public space, pedestrians and cyclists enjoying preference over the means of motorized transport.

Urban mobility is fundamentally distinguished by the concept of "transportation" or "traffic", by reporting on a number of factors that influence the activity of movement of citizens and not just strictly at the means of transport used by citizens, such as: *the causes that push them to move, the facilities or the difficulties which they encounter in their journeys, the differences between the patterns of mobility that exist between different social collectives, the correlation of the activity of movement–personal income, or personal autonomy* etc. (Avellaneda Garcia, 2007).

Urban mobility is a *collective right*, derived from art. 13 of the "Universal Declaration of Human Rights" of 1948, which states that "all persons have the right to move freely and to choose residence within the territory of a state"; in other words, have the "right to mobility" (Raicu & Costescu, 2003).

Therefore, the authorities must ensure that all persons, equally, without discrimination based on age, sex, social or physical condition etc., the necessary conditions for the urban space to be accessible and equitable in terms of mobility.

The decentralization of public services has led to improving the management of local policies, amplifying the sphere of the actors of these policies. In the case of the sustainable implementation of the urban mobility policy, as it results from the experiences of numerous cities in Europe, the result will be a more compact city, in which the pedestrian is the protagonist of public space, collective non-motorized transport prevails over the use of private cars, with a better accessibility of the residents to the goods and

services that they need, and with increased investment in proximity.

A recent approach, "the good mobility in the good place" allows the shift of emphasis from infrastructure investments and unconditional and undifferentiated of the demand for motorized traffic to the contextualized remodeling of accessibility, in agreement with the functional and morphological characteristics and the characteristics of historical and cultural value of various urban areas and in line with the planning of their urban development, through integrated mobility strategies and policies (SMUD 2016-2030 Bucharest – Ilfov Region, 2017).

The policy of sustainable urban mobility is a policy that synergistically integrates the tools and actions of the traditional policies of urban transport: *infrastructure policy* (focused on solving the congested traffic), *offer policy* (focused on maximizing the use of transport infrastructure), *demand management policy* (oriented on the reduction of the cars' number and the users' orientation to other forms of transport, such as collective one, or on foot etc.), *the policy of ordering the territory* (oriented for the conversion of *the diffuse and extensive cities* in the *compact cities*) (Nicolescu & Rădulescu, 2015).

A basic approach of the sustainable mobility policy is to optimize the management of intermodal transport services, for which the decision makers should consider three dimensions of sustainability: technology, planning processes and development of public policy and ethics (Szyliowicz, 2003), which allows not only streamlining transport mode but also a convergence of the interests of a large number of stakeholders: local authorities, private environment, civil society etc.

Sustainable mobility requires the adoption by local authorities of a *Sustainable urban mobility plan (SUMP)*, strategic document designed to meet the need of mobility to people and companies in cities and their surroundings, in order to have a better quality of life (European Commission, 2014).

SUMP is in fact a municipal strategy that subordinates urban planning rules, that allows the integration of the resource allocation on all types of local public transport (underground or overground) and which eliminates the classic competition between the different modal interest groups (own structure, culture, tradition, vision, etc.) specific to each type of transport.

The advantages of the adoption by the local authorities of the SUMP derive from its main features: it allows its application at the level of an urban agglomeration, contains integrating rules covering all public and private means of transport, is integrated into the categorical system of strategic plans (local, regional or national), is oriented towards "clean" transport modes, accessibility and proximity and involves a participatory approach.

The transition from the classical transport plan focused on infrastructure and solving the traffic problems and developed without the involvement of the civil society, allows the correlation of the various local initiatives implemented separately for these objectives and that have in view, in general, *the use of mobility models and technologies for reducing the impact of cars, reducing the use of vehicles, promoting public and non-motorized transport etc.* (González, 2007).

A political and administrative unitary coordination of the SUMP will lead to the correction of the dysfunctions of current urban mobility model encountered at the level of the large urban territorial collectivities: physical dispersion, the use of private vehicles at the expense of public transport, residential dispersion and relocation of activities and affairs, increasing the mobility due to professional and daily activities, intense radial and transverse mobility.

The new model will ensure the sustainable development of the locality because it facilitates the growth of the „green mobility” rate in the urban transport, by increasing the number of journeys by foot, by bike or by mass public transport means (Tovey, Woodcock & Osmond, J., 2017).

THE DECENTRALISATION OF THE TRANSPORT SERVICE IN BUCHAREST: CHALLENGES AND LESSONS LEARNED

In Romania, the principles, rules and institutional framework regulating the process of administrative and financial decentralization are legitimized by the framework law of decentralization no. 195/2006.

In accordance with the principles laid down by this law and on the basis of which it carries out the process of decentralization ⁽¹⁾, as well as on the basis of the principle of local autonomy stated by the Law no. 215/2001 of local public administration, with subsequent amendments and completions, Law no. 92/2007 of local public transport services lays down in art. 22 that in the case of *direct management* ⁽²⁾, the local public administration authorities directly assume the provision of the local public transport service and all the duties and responsibilities according to the law, on organization, coordination, operation, financing and control of the functioning of the local public transport service, as well as the administration of the system of public utilities.

As a case study for the presentation and analysis of the local administration initiatives for identifying the best model for the reorganization of the local transport service, the paper further presents the challenges, the adopted measures and lessons learned by the Municipality of Bucharest, which ensure the interests administration of the largest urban local authorities in Romania.

The triple status held by Bucharest, the largest *Urban Agglomeration* of the country (it has structural relationships with the neighborhoods; hold the first rank in the national network of localities; encompasses 10 per cent of the total population of Romania in the centre of the Agglomeration), *the European Metropolis*, *the European Capital* (the prime urban centre in Romania; important role in the of Central and South-Eastern European Region) entails increasing demand for transport in line with the material and social development trends of the inhabitants.

From the perspective of the urban mobility of Bucharest, city expansion, increasing urban density, have led to a number of negative consequences, currently totally unresolved, the proof being the declaration in 2014 of the capital as the most crowded city in Europe in terms of road traffic, being the most affected city in Europe by the traffic jams (GPS TomTom, 2015).

Public transport system of Bucharest serves the capital and the adjacent area, in total a number of approximately 4 million inhabitants, the alignment of its organization and its operation to the standards recommended by the European rules and good practices triggering the major concern of the local authorities.

The efforts of the Municipality of Bucharest for the development and modernization of the public service, in compliance with the guiding principles of sustainable urban mobility, contribute to increasing the share of public transport and, implicitly, to reduce congestion and pollution with a positive impact on raising the quality of life in the entire area served.

Bucharest local authorities are responsible for their surface public transport in Bucharest, assured by the Autonomous Transport Company Bucharest (RATB) and in the subordination of the General Council of Bucharest Municipality (CGMB). RATB provides surface local transport both on the territory of the Bucharest Municipality and Ilfov county bordering. The regulation, monitoring and control of this public service are shared between the local and central authorities and with the competent regulatory authorities.

Contrary to the best European practices through which local, underground and surface transport are managed in an integrated manner by a municipal or metropolitan authority, in Bucharest, the service of public passenger rail transport in domestic and international traffic is provided by the National Society of Railway Passenger Transport "C. F. R. Călători"-S.A., and the metro transport service is provided by METROREX, both entities being subordinated to the central administration (Ministry of Transport).

Sectoralisation of transport in Bucharest has led to parallels in the allocation of resources and in the development of transport networks, each operator

acting independently for the substantiation of the development programs, for the establishment and implementation of expansion and modernization projects of the infrastructure and the establishment of tariff policy.

The consistent non-implementation of the strategic documents of the Bucharest urban development (*General Master Plan for Urban Transport in Bucharest* (HCGMB no. 140/2008), *The Strategic Concept Bucharest 2035*, *The Integrated Urban Development Plan* (HCGMB no.103/2012))) and in the absence of a SMUD, have allowed Bucharest in 2012 to be *the result of a incoherent and unequal development process* (Report to the General Mayor of Bucharest, 2012).

The lack of a unitary coordination and of a strategy for the integration of public services of public transport in the whole area (Bucharest and adjacent area) were determined as from 2012, the concerns of the City Hall of Bucharest (PMB) and of Ilfov County Council to be directed to jointly develop a sustainable, integrated strategy, in key areas of local development. With the support of the BERD, the efforts have been materialized by the inclusion of the Bucharest Municipality and Ilfov county between the regions of Romania as potential beneficiaries of the real planning of the Sustainable Mobility for the period 2016-2030 by developing sustainable Urban Mobility Plan 2016-2030 Bucharest – Ilfov Region, adopted in April 2017 by the CGMB.

As it appears from the Reasons Statement of the General Mayor of Bucharest that was the basis of the CGMB decision to adopt the SMUD 2016-2030 Bucharest– Ilfov Region, this document represents a modern tool for mobility planning what opens up the prospects of territorial development integrated in this region, for all areas of development covered by the policies and plans of development so far, being linked to the national plan of transport, the general urban plan (PUG), local strategies of urban development, as sectoral strategies of social services, health, education, creating jobs and economic development.

With its approval also by the Ilfov County Council, SMUD becomes an effective tool for the coordinated and unitary development of the objectives, policies and strategies of development in Bucharest and Ilfov county (increasing mobility, reducing congestion, improving the environmental factors, reducing pollution).

Through the adoption of the SMUD 2016-2030 Bucharest – Ilfov Region, Bucharest and Ilfov county local authorities not only have fulfilled the *condition of eligibility for accessing European funds, but they managed to launch a tool that allows reconversion of the city-dispersed into the compact and sustainable city.*

The next step envisaged by the authorities in Bucharest and those of the competent central

government, has a view to strengthening the capacity for strategic planning of urban transport by transferring to SC METROREX SA under the authority of Bucharest, concurrently with the transfer of the duties of the *Metropolitan Authority of Transport Bucharest* (subordinated to the ministry of resort) to the *Bucharest-Ilfov Association of Transport Community Development (ATMB)*, following the conclusion of a public service contract between METROREX and ATMB. Equally, it is envisaged the passage of some railway routes to the local authorities for improving local transport.

Decentralization measures aim both to ensure safe, efficient and high quality passenger transport services by regulated competition (imposed by the provisions of the *Regulation (EC) no. 1370/2007 of the European Parliament and of the Council on public passenger transport services - by rail and by road*), and the optimization of allocated resources and resolving the integration problem of the rates levels and structures (to increase the number of metropolitan trips).

The CGMB decision project which requests the Romanian government to issue a ruling for the transfer of the package of shares of the SC METROREX SA from the state private property in the private property of the Bucharest Municipality, stated that the act of decentralization issued in this respect will set and *the method of allocation and the amount the amounts needed from the state budget and the local budget to cover differences between revenues on the activity of passenger transport and total expenditure, maintenance and repair of civil protection objectives, as well as to support projects and investments for the modernization and development of infrastructure and rolling stock.*

CONCLUSIONS

Raised to the rank of *fundamental right* of the citizens and introduced into the criterial system of identifying cities such as *smart cities*, *the urban mobility* has generated a number of measures from the supranational, national and local authorities, which are aimed at the rapid solution of the negative externalities caused by the transport systems with unsustainable configurations: contamination, traffic jams, accidents etc.

At the European level the measures envisaged by the European institutions are concentrated on the regulation, monitoring and control of urban public transport in the EU, the national and local level to identify and apply strategic, tactical and operational measures to achieve the status of *sustainable mobility*.

Strengthened by the decentralization process of public services at the level of territorial

collectivities and through the application of the subsidiarity principle, the initiatives of local authorities need to generate responsible and consistent public policies, but based on the *Community empowerment* ⁽³⁾, which represents a condition *sine qua non* for the exercise of citizens' rights, as well as for legitimating and accepting the interventions.

The implementation of the European planning and management concepts for sustainable urban mobility, taking into account the local specificity is facilitated by the adoption and implementation by the local authorities of *Plans of Sustainable Urban Mobility (SUMP)*. One of the solutions proposed by the SUMP for the correction of the current dispersion model, specific to large urban agglomerations, is *multimodality*, which provides a public utility service appropriate for all stakeholders (citizens, modal interest groups, authorities, NGOs, etc.)

It is also the case of Bucharest Municipality, which has shown that despite the socio-political and economic challenges that they are facing, the incrementalism specific to decentralization of public services, with negative impact on the efficiency of these services, through the continuous and sustained efforts of the authorities in Bucharest for improving the quality of life and through a wide public participation, for the legitimization and acceptance of the interventions, manages to make giant steps in the direction of the growth and consolidation of urban mobility.

The recent adoption of the SUMP 2016-2030 Region Bucharest – Ilfov empowers public decision-makers in the direction of identifying the necessary measures to achieve the five objectives of this strategic document: accessibility, safety and security, environment, economic efficiency and the quality of the urban environment.

From this perspective, SC METROREX SA passes into the authority of Bucharest Municipality, the reorganization of the operator of the surface local transport - RATB, in agreement with the provisions of *Regulation (EC) no. 1370/2007*, which will flex the joint management of the two operators of local transport, RATB and METROREX and will allow a better adaptation of the surface transport service to market principles, so as to secure efficient, integrated, sustainable and safe transport services, supporting the inclusive economic and territorial development from a social point of view.

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Notes

(1) The principle of subsidiarity, the principle of ensuring resources, the principle of the responsibility of the local public administration authorities, the principle of ensuring a stable and predictable process of decentralization, based on the objective criteria and rules, the principle of equity, the principle of budgetary constraint.

(2) The direct management is carried out by road transport operators, which are own structures of the local public administration authorities, the county, the General Council of Bucharest Municipality or of the associations of community development and who are holders of licenses or authorizations of transport.

(3) *Community empowerment* refers to the social action by means of which individuals play an active role in the decisions affecting their communities (international, national, local). *Community empowerment* stimulates involvement, participation, commitment and increases the community's control in the process of elaborating and executing these decisions.