Economic Evaluation of a Public Service Potential of a Municipality - Urban Development in Romania

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**Abstract.** In Romania there are 13 cities urban growth poles, including the city of Galati. Our research presents the structure of public services as well as a recital of the trade becoming more sectors / public areas and is developing a major commercial component. It is therefore necessary to evaluate both the overall public services, public or private and commercial of the NACE codes. Were identified 15 key activities that provide 90% of all available services for them and presenting the turnover and number of employees. Malfunctions roots in key areas identified were evaluated on the structure and layout in the area of public services. In this way you can calculate specific indicators of public services of such a city, being able to compare their levels with corresponding levels of the same indicators of urban growth pole unite and can also take the best decisions for development near the levels of both types of municipalities in Romania.

**Keywords:** pole of urban development, public services, commercial services, public services and commercial structure, public services and commercial potential

**JEL Code:** R11

**Introduction**

Economic and social development of Romania imposed its territorial division in 8 regions.

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**Development regions of Romania**

- **Bucuresti Ilfov**
  - Center
- **Centru**
  - North East
- **Nord - est**
  - North west
- **Sud Muntenia**
  - South Muntenia
  - South east
  - South west Oltenia
- **Vest**
  - West

**Figure no. 1 - The development regions of Romania**

In Romania were appointed seven growth poles:
Figure no. 2 - Romania, urban growth poles

By RGD*/17.09.2008 were established 13 urban development poles that join the seven already designated growth poles.

* RGD=Romanian Government Decision

Figure no. 3 - Romania, urban development poles

In Region 2 SE there is a growth pole, Constanta, and an urban development poles, the municipalities Galati and Braila.
Criteria for determining poles stood an urban development were:

- The potential for economic development
- Ability to research and development and innovation
- Adequate business infrastructure
- Accessibility (road, rail, air, sea)
- Offered Public services
- Administrative capacity association


Financing an urban development poles will be done by the Regional Operational Programme (ROP) from 2007 to 2013 at a rate of up to 20% of financial sources for Priority Axis 1: "Supporting urban sustainability - development poles.

The purpose of this paper is highlighting the strategic importance of the role of public services in a city - an urban development pole in Romania.

Its objectives are the identification of specific structures of a European city services that enable its sustainable development along with higher standards of living of its population.

The study used methods such as online research and comparison with similar activities in other European cities based on specific indicators. Appropriate case study analysis was conducted in public services in the city of Galati as an urban development pole.

Chapter 1: Community Public Services

Community public service is set up as an integrated structure that ensures complete satisfaction of claims as citizens and organizations residing or working in the locality. Their functioning makes the normal course of business which the whole city (IUDP Galati 2010).

Community public services may be provided by state or private companies and some services may be offered through a partnership between a private firm and primarily by the implementation of public-private partnership law (Strategy of Municipality for accelerating development Galati public utilities services, Hall site Galati 2010).
The main community public services identified by us are:
- Maintain the road infrastructure and urban passenger transport
- Heat Distribution
- Providing water, sewer
- Public lighting

Some of them, as the public lighting can be provided and by a public private partnership, private company resulted in the granting of a credit provider by the municipality, credit will be reimbursed monthly by the agreement of the two entities.

For quantification and economic evaluation of the quality of these services are specific indicators, such as:
- Total length of roads (km), including upgraded (km);
- Thousands of passengers transported per month, by type of transport (buses, trams, trolley buses);
- Heat distribution network length (km), including upgraded (km);
- Sewerage network length / water (km), including upgraded (km);
- The existence of wastewater treatment plants.

They can also be identified and other specific indicators of city effect, which will establish the reference value, calculated value and specific comments and observations (Popescu I. (2004), *The City and overcrowding urban indicators program in regional and urban policy*, Journal of Public Administration and Management, no. 2.)
Chapter 2: Commercial Public Services

These may be provided by state or private companies.

2.1. State public service:
   a) health (hospital, clinic, laboratory, dental, rehabilitation - rehabilitation, private health care)
   b) social assistance
   c) education and Learning
   d) other services:
      ▪ Public parking
      ▪ Parks and green areas

   From our studies so far have been able to represent the division of specialized units that provide public services such areas / districts of the city, creating the prerequisites for further specific indicators can be calculated according to the people who benefit from them (County Department Galati Statistics, Quarterly Bulletin 2008-2009).

2.2. Private public services

   In parallel with the state works were developed and private ones such as health and education and training (global presented specific annexes to the previous point).

   Interesting dynamics evaluation of public services like public or private, such as those of health, in order to satisfy the basic needs of the whole population but also offer specific payment services.

   The vast majority of commercial public services are offered by private firms, according to the activities classified by NACE codes (Trade Register Galati 2010). The main such services are:
   - passenger transport and cargo
   - tourism
   - food
   - insurance
   - real estate
   - legal, accounting and auditing
   - design, research - development
   - advertising - media
   - child care.

   Evaluation of each activity was done on the legal structure of economic agents: LLC, SC, CNC, PAP, IE. Each type such undertaking was attached turnover, and average number of employees. This information was summarized in a table form below:

   The year: NACE code:

<table>
<thead>
<tr>
<th>No. crt.</th>
<th>Organization Form</th>
<th>Total number</th>
<th>Turnover</th>
<th>Number of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>LLC*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>SC*</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>3.</td>
<td>CNC*</td>
<td></td>
<td></td>
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<tr>
<td>4.</td>
<td>PAP*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>IE*</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

   * LLC=Limited Liability Company
   * SC=Stock Company
   * CNC=Collective Name Company
   * PAP=Physical Authorized Person
   * IE=Individual Enterprise

   Gathering information structured as in Table 1 for study activities can highlight, for different periods of time, the level of development reached by each activity, the NACE code. The conclusion is that the Galati, probably as the Galati County, the economic downturn began in 2008 continued in the next two years. This was manifested by the entrance of insolvency (bankruptcy) of many economic agents, by increasing the number of unemployed, reduce nevelului living and quality of life.
Conclusions and proposals

The results of our research have resulted in the identification and structuring of the main types of community public services, state and private, in a city an urban development pole, Galati in our case.

We believe that calculating interest is the size gap between the level of each indicator for the public service in a city an urban development and the pole like a city urban growth pole.

The specific calculation of each indicator, a growth pole and one urban development decisions can be made to stimulate the development of urban services, including by comparing these levels with those of similar cities in Europe.

Stimulate urban development can be done by developing community services that the diversity and quality, must ensure that residents needs localities, and generally to improve the quality of life

Bibliography