

THE LARGE HOUSING ESTATES REHABILITATION POLICY IN ROMANIA. EVALUATION FROM AN INSTITUTIONAL PERSPECTIVE¹

Daniela Luminita CONSTANTIN²

PhD, University Professor
Academy of Economic Studies, Bucharest, Romania

E-mail: danielaconstantin_2005@yahoo.com



Abstract: *This paper represents a part of the author's contribution to the project "The Rehabilitation of Large Housing Estates in Romania" developed under the auspices of the National Council for Higher Education Scientific Research. It addresses the relationship between housing policy and local development policy mainly from an institutional and legislative perspective, focusing on the actors involved in supporting housing and urban renewal actions in Romania. The role of local public administration is particularly envisaged, considering the authority of city councils with regard to rehabilitation of apartment block areas and, in a wider context, to urban regeneration. Case studies on two Romanian cities will be presented in order to reveal not only current opportunities but also a series of drawbacks in this process.*

Key words: *rehabilitation, large housing estates, urban renewal, local administration*

1. Introduction

At present Central and East European Countries (CEECs) display a large proportion of the housing stock as large housing estates. They were built mainly in the second half of the twentieth century in order to cover the extensive destruction provoked by the World War II on the one hand and as a response to the fast increase in the population number, industrialization, social integration and equity objectives of regional policy on the other hand. Thus the emphasis was put on building new dwellings, well equipped, offering better living conditions compared to traditional housing whereas the historic inner city areas lost a lot of their attraction (Knorr-Siedow, 1996). The good standard of social and cultural infrastructure (schools, cultural centres and clubs, medical centres, etc.) as well as the good connections created by public transportation networks with workplaces and city centres represented other strengths of these large housing estates.

Statistics shows that in 1990 approx. 170 million people from CEECs (former Soviet Union countries apart) were living in 53 million new flats located in large housing estates (LHE) As Table 1 indicates, the proportion of dwellings built between 1960 and 1990 in total

dwellings located in large housing estates varied in 1990 from 48% in former GDR to 64% in former Czechoslovakia, respectively from 18% to 56% in total existing dwellings in the same two countries.

After 1990, in the new context created by the radical political changes, economic decline, industrial restructuring, privatization, large social disparities, etc. the situation of the LHE has worsened to a great extent, displaying negative aspects in many respects such as: dwellings decay in neglected urban areas accompanied by significant cases of economic, social and ethnic segregation, the absence of energy-efficient technologies, wasteful water management systems, etc.

These problems have been addressed in a larger framework created by the new housing policies of the CEECs. They focus on the allocation of land for private housing construction, the provision of urban infrastructure, the establishment of adequate financial instruments.

Table 1. The proportion of dwellings in CEECs located in large housing estates

Country	Built between 1960-1990 (%)	% of all existing dwellings in 1990
Bulgaria	55	27
GDR	48	18
Poland	61	35
Romania	49	26
CSSR	64	56
Hungary	52	29

Source: Knorr-Siedow, 1996

In general governments aim to reduce their participation in housing financing at the same time with maintaining their influence on the market through appropriate regulations. They also support the development of housing market by ensuring the availability of construction materials, technology and credit and encouraging household savings for mortgages, etc. (Hegedus et al., 1996).

Some countries support the involvement of private sector in urban infrastructure rehabilitation whereas others consider the provision of infrastructure and basic services as a responsibility of local authorities. In both cases the improvement of urban infrastructure envisages the maintenance and improvement of water supply and water treatment, the use of sustainable energy and modern energy-saving technologies, the increase in the efficiency of heat supply systems, the setting up or improvement of the legal framework for disaster mitigation, etc.

As regards the housing stock, both its increase through new construction and the rehabilitation of the old stock (including the restoration of historical buildings) are taken into consideration.

The new framework for urban planning emphasizes the increasing responsibility of local authorities with regard to land use, finance, investment planning, urban management and housing. The improvement of tax collection in order to enhance financial resources, staff training and capacity-building programmes are considered as ways to improve the cost-efficiency of administration of human settlements (Habitat II Conference, 1996).

These overall considerations are confirmed by Romania's experience after 1989 with regard to local development policy, urban planning and housing policy.

According to the official statistics, at the end of 2004 the total number of dwellings in Romania was 8,176 thousands, of which 199 thousands of state majority ownership and 7977 of private majority ownership³ (Statistical Yearbook of Romania, 2006). The total number of rooms was 21,054 thousands and the living floor 309,939 thousand m², for a population of approx. 21.7 million inhabitants.

In 2004 30,127 new dwellings were completed, of which 25,160 were financed from private funds and 4,967 from budgetary funds. The latter category had as the main beneficiary the young and low income families.

The rehabilitation of the LHE (of which almost 50% were built in the socialist period, counting for approx. one third of the existing dwellings) represents an issue of a major concern for the Romanian Government, which has included the complex, integrated urban rehabilitation of the LHE among the basic objectives of its strategy for 2005-2008, within the physical planning chapter, having the central and local public administration nominated as responsible institutions. The rehabilitation of the LHE requires a systemic approach, considering that more than half of the total Romania's housing stock has exceeded the estimated span life and the whole housing stock built before 1990 will have the life cycle completed in the next 20 years. Moreover, many drawbacks can be noticed in terms of population's comfort and functionality expectations.

This paper proposes an insight into Romania's policy regarding the rehabilitation of LHE from an institutional perspective, stressing the role of local authorities in this process. Two examples are provided in order to illustrate the problems that the rehabilitation actions have to face as well as the responses provided by local authorities as a part of their local development policy. The selected cities are Bucharest, Romania's capital city and Galati, a traditionally industrial city in the South-East region that recorded a high population growth in the '60s – '70s and beyond as a result of setting up and development of a huge metallurgic works.

2. Actors involved in the rehabilitation of LHE. The role of central and local administration

In general, the actors involved in the rehabilitation of LHE in Romania fall under the following categories:

- Central public administration ;
- Municipal and sector local public administration;
- NGOs;
- Project management teams and the multi-disciplinary work teams providing technical expertise;
- investors;
- commercial companies and public utilities providers;
- representatives of the local community:
 - owners/owners' associations;
 - tenants/tenants' associations;
 - owners of buildings and construction sites in the area;
 - users, natural and legal entities, carrying out activities in the area.

Central public administration (a major component being the Ministry of Transports, Constructions and Tourism) has the following accountabilities:

- devises the national strategy for urban rehabilitation as part of the housing strategy;
- draws up the specific legislation to facilitate restoration/rehabilitation actions;
- promotes best practice programmes in the field;
- develops fiscal policies and programmes;
- provides assistance-subsidies, fiscal deductions.

Local public administration – authorisation for the rehabilitation of LHE lies with city and town councils and in the City of Bucharest it is divided between the local sector Councils and the General Council of the City of Bucharest (CGMB).

CGMB and the Mayor of Bucharest formulate the rehabilitation of LHE policy for housing ensembles and promote specific programmes.

Local councils – according to art 95 section (2) letter c) of the Law on local public administration no. 215/2001 - approve studies, forecasts, programmes of social-economic development, land organisation and development, including regional development programmes, under the law, which are subsequently submitted for the approval of CGMB. Further on, letter i) specifies: check and approve, according to the law, zone and detail urban physical plans for the sectors and submit them to CGMB; approve, within the limits of their authorization, technical economic documentations for local investment works and ensure the conditions required to carry them out in accordance with the general urban physical plan of the city of Bucharest and related regulations.

According to the legislation in force, CGMB is authorized to check and approve city planning documentations of strategic importance. So far, the legal framework has undergone numerous modifications in terms of competence of authorization and approval of city planning documentations at zone level. Currently, local sector Councils play the leading role in the process of housing ensembles restoration.

The role of local public administration involves:

- initiation of urban restoration/rehabilitation programmes;
- adapting own strategy based on the national strategy;
- commissioning the city planning plans underpinning any restoration interventions;
- sustaining through local taxes the restoration/rehabilitation of certain zones;
- regulating the use of construction sites ;
- correlating district level with city level restoration;
- mediating dialogue between the actors involved in the restoration process;
- facilitating dialogue between the actors involved in the restoration process;
- facilitating and guaranteeing access to public funds.

Project management and the multi-disciplinary work teams design the restoration programme, coordinate, monitor implementation activities and provide technical support. Depending on the importance of the housing estate they may establish the project management team. For instance, in the case of Bucharest, the design for the restoration/rehabilitation of central city areas may be entrusted to institutions expressly set up for this particular purpose – e.g. Bucharest 2000 area.

Professional / non-governmental organisations ensure dialogue between the public administration and civil society representatives, exercise pressure, support opinion

trends or community needs in an organised form; manage community development programmes complementary to restoration programmes.

Individual apartment owners – express their needs; report dysfunctions; negotiate with programme designers; take part in restoration programmes by various legal forms of financing, have the rights and obligations stipulated by Law 114/1996 (Housing Law, amended and completed by Law 145/1999).

Owners' associations – express the joint opinions of certain groups of citizens, such as the residents of a block of flats; report dysfunctional services in the area; may exercise control over services and restoration works in the area, have the rights and responsibilities stipulated by Law 114/1996.

Tenants/tenants' associations - express individual and group requirements; negotiate programme solutions, have the rights and responsibilities stipulated by Law 114/1996.

Owners of buildings in the area – express their requirements, report dysfunctions, negotiate solutions, and have rights and obligations according to the law.

Users in the area – express their point of view on restoration programmes through representatives or associations.

Commercial companies and public utilities providers – develop rehabilitation programmes and set the parameters to be reached; provide the link between the LHE and the city; provide the financial support for the infrastructure rehabilitation in own exploitation, have rights and obligations under the law.

The extent of participation of local actors depends on the strategic importance of the area. Obviously, a central or semi-central residential area requires a greater involvement of municipal or even central administration. For example, marking the limits of central intervention areas in view of restoration in Bucharest was effected by Government Decision – the Historical Centre, Bucharest 2000.

According to the methodology for the restoration of housing ensembles, the Guide for drawing up frame programmes for complex urban rehabilitation developed by INCD-URBANPROIECT in cooperation with UAUIM and UTCB, mentioned above, proposes *four groups of actors* (URBANPROIECT, 2002):

- **community** – representatives mentioned above under the last six items ;
- **restoration forum** – a body created especially for expressing the opinions of those involved in choosing the most adequate and widely accepted solutions, made up of representatives of all the entities that are part of the local community, including representatives of the local public administration;
- **administration and multi-disciplinary team** – programme management – third item;
- **local council** – representatives elected by vote.

The same study developed by URBANPROIECT included *pilot studies* of complex city planning according to the methodology of the Guide for Drumul Taberei and Colentina-Lacul Tei districts in the City of Bucharest. The studies have been submitted for approval.

The studies reported the main dysfunctions at the level of LHE and individual housing units – block of flats, apartments. The criteria used in diagnosis analysis were:

- physical and spatial: safety, comfort, efficiency;
- management-related

The multi-criteria analysis was completed with the findings of sociological surveys by categories of subjects: block of flats administrators, resident population, business companies, non-governmental organisations, representatives of public utilities companies.

Particularities of the City of Bucharest

The restoration/rehabilitation operations are the outcome of the restoration/rehabilitation strategies developed at national or local level. In the case of the City of Bucharest, its position as the capital of the country and its aspiration to become a member of the European capitals network led to particularities in urban restoration/rehabilitation actions. The priorities of rehabilitation in the case of inhabited areas depend on their strategic importance within the urban ensemble, as well as on the requirements expressed by residents, especially in their relationship with sector administrations.

Local sector councils, through their legal competencies are closer to the interests expressed by citizens and can more easily become involved in various restoration activities. On the other hand, financial resources make them depend on national and municipal policies.

For these reasons and due to the fact that restoration/rehabilitation activities are highly complex, it was deemed necessary to set up restoration/rehabilitation forums, bringing together all the actors involved. Their purpose is to represent the interests of the local community, organise debates on the programme proposed and improve it by involving the population in all the stages of the programme, providing advisory services and mediating conflicts of interests.

The forums, as proposed in the *Guide for developing frame programmes for the complex restoration of the great ensembles of blocks of flats* mentioned above, are set up by programmes and include all the entities engaged in the restoration process.

As we have already stressed, the strategic importance of the area is decisive in determining the percentage of local actors involved. It goes without saying that a central or semi central residential area requires a greater involvement of the municipal and even central administration. For example, marking the limits of central intervention areas in view of restoration in Bucharest was effected by Government Decision – the Historic Centre, Bucharest 2000.

The housing ensembles in city districts are currently under the authority of **sector administrations**. Democratically speaking, this is extremely correct but observing technical standards requires support from higher authorities. Thus, restoration/rehabilitation interventions may be selective or questionable in terms of city planning, both technically and aesthetically. The more dynamic sector administrations, as is the case currently of sector 5, may carry out questionable actions aimed at restoring housing ensembles – whitewashing the facades of blocks of flats, without any prior repairs or analyses of sub-assemblies.

Other actions partially included in restoration measures are those related to restoration of *the central heating systems of buildings* Although this action is currently receiving national and local support, technical coordination is a must as chaotic interventions could have negative effects on the exterior of buildings. In this sense, aspects related to the proximity of residents and divergence of interests should be given careful consideration. It is a well-known fact that the introduction of individual central heating systems has generated numerous and strong disagreements between the residents of blocks of flats.

Depending on the *importance of the areas* planned for restoration a legal framework for coordination of restoration actions can be put in place. For instance, in the case of the restructured *central area Bucharest 2000*, the general opinion is to set up a specific *institutional structure*.

District residential areas require a legal and normative framework to regulate and facilitate the development of programmes area by area. In this sense, the Guide designed for this particular purpose, stresses the importance of the *technical component* of the project team as well as the significance of the forum *harmonising the interests* of the actors involved.

To get a clear picture of the requirements of the population, various methods of consultation have been proposed, depending on the level of interventions – apartment, block of flats, housing estate. *Population can be consulted* by means of:

- Questionnaire-based surveys ;
- Discussions on topics of general interest within the respective programme;
- Organising discussion-groups to include community leaders (delegates of associations) and public administration authorities, investors;
- Setting up NGOs based on community-public administration-investors partnerships to manage certain projects.

So far, actions meant to contribute to the restoration of housing estates have been carried out by involving central and local public administration with the occasional involvement of investors. *The role of civil society remains minimal for the time being*, citizens being insufficiently consulted and involved in actions related to the restoration of housing ensembles or individual collective living quarters.

Local administration plays a major role in initiating programmes and providing technical expertise. Mention should be made of the fact that any intervention at housing estate level requires the drawing up of city planning documentations which are checked and approved by local councils according to the law. These documentations provide the mainstay for restoration/rehabilitation programmes and represent a mandatory stage. They also ensure a legal framework for regional development programmes with external financing.

Within the Bucharest City Hall (PMB) city planning documentations are subject to the approval of:

- The Technical Commission for city planning, comprising specialists in the field and PMB civil servants – Directorate for city planning and land development, Chief architect;
- Technical Commission of the city local council - CULPAT- Commission for city planning, public works, land development.

According to the legislation in force, CGMB is responsible for approving only PUZ-type documentations, for buildings situated in areas of municipal interest, the remaining areas falling under the authority of sector local councils.

In recent years, the absence of coordination between the municipal and sector levels has generated uncoordinated land developments on city territory. In this sense, PMB technical departments and commissions need to increase technical control of local development as this is the optimum level of coordinating city development overall. This type of control which ensures the coordination of interventions can be applied in the stage of checking city planning documentations.

PMB can provide support for restoration actions through its own institutional structure as well as subordinated departments. One of the public services responsible for substantiating the technical-city planning decision is ensured by the **Bucharest Urban and Metropolitan Planning Centre**, which operates as public institution of public interest, being a legal entity subordinated to CGMB. The activity of the centre focuses on:

- Substantiating and devising the territorial strategy for balanced development of the city and metropolitan space on short, medium and long term;
- Developing, through specific studies and projects, the regulations and norms of city planning and land development in order to substantiate the decision of local municipal administration on development management;
- Protecting public interest and ensuring consistency in reaching public utility objectives.

The object of activity consists in drawing up/coordinating specific studies, research projects and documentation applied in the Bucharest zone, in the areas of strategic city project and planning, of structuring and managing the urban data base.

The activity of the Centre is subordinated to CGMB and is carried out in cooperation with PMB specialised directorates, with the Directorate for city planning and land development and with the Bucharest Chief Architect institution.

3. Examples of the involvement of local public administration in supporting city planning and rehabilitation of LHE

3.1. The building restoration/rehabilitation in the City of Bucharest

The development programme for 2000-2008 developed by the Bucharest City Hall includes a series of objectives such as « Urban Rehabilitation, reconstruction and regeneration in Bucharest » refers to the rehabilitation of LHE.

Actions of **urban rehabilitation** in the City of Bucharest are currently focused on three types of areas:

- Historical areas;
- Deconstructed urban areas;
- Collective housing areas.

The areas of crucial importance for the city-capital are considered to be including patrimony and local identity values and the poles of strategic development. In this sense restoration programmes with international financing for the Historic Centre area have already been initiated.

The Historic Centre Area – extending over approx. 50 ha - currently includes housing, services and culture facilities. Its main characteristic is the identity value conferred by the high density of historical monuments and environmental buildings.

Restoration programmes are maintained in accordance with European trends in the field, which promote: conservation of the buildings patrimony, traditional activities, cultural and trade activities, utilization for tourism purposes, efficient management of specific resources.

In the period 2000-2002, PMB developed in cooperation with UNDP the project *Beautiful Bucharest* with the following objectives:

- revitalisation of the historic centre – restoring facades, pavements;

- training young adults coming from children's homes to facilitate their finding jobs.

Studies carried out by PMB on this occasion revealed the complexity of issues related to urban restoration in this particular area. As a result there are now several actions focused on the historic centre of the capital city.

It should be noted that any intervention at urban area level may be carried out according to the law, only after city planning documentations have been drawn up and then approved by the local administration. In this sense, the PUZ-type city planning documentation for the historic centre has already been drawn up and approved and the intervention strategy for the revitalisation of the area is due to be completed soon.

The complex character of the intervention requires coordination of the following sector-based development policies:

- utilities and services policy;
- investment policy ;
- traffic policy;
- rent policy;
- environment protection policy;
- institutional development policy.

The possible variants of the institutional frameworks from which GMB will have to choose in the future include:

- the City Hall ensures the management of operations and the private sector operates on the basis of trade contracts in the area;
- the City Hall establishes partnerships with the private sector for the management of operations;
- a City Hall directorate becomes a commercial company with CGMB as sole shareholder for the management of operations.

There is currently an on-going project for the restoration of the historic centre with a BERD contribution totalling 9.5 million EURO. The major component of the project is the rehabilitation and extension of water, sewage, gas, electricity, telephony, pedestrian passages, and street lights systems. The completion date is set for 2006.

Restoration of destructured zones. Destructured zones are the consequence of urban interventions dating from socialist years left unfinished. The main dysfunctions are related to the deficient street network and insufficiently connected to the urban system, unused land with an uncertain legal status which impedes investments, unclear spatial and functional structure from the point of view of the Urban Planning Regulations. Interventions in areas of this kind can only be carried out following approval of zone and detail Urban Plans by CGMB and local councils, from case to case and according to the law.

Such destructured zones are to be found on the outskirts of the city, which have only recently been included in the built environment area, and in the central areas previously affected by demolition. Typical for the capital is the zone of the new civic centre known as such after the launch of the Bucharest 2000 Zone city planning competition.

The zone covers approx. 485 ha, of which 2,000 ha are free of buildings.

The basic functions are: higher standard housing conditions, services for the population and economic agents, the national-level administrative function.

City planning objectives include:

- setting up an urban pole with services of cross-municipal, national and international importance;
- reshaping the existing political-administrative centre;
- rehabilitation of destructured zones.

The rehabilitation strategy consists of:

- utilising the land potential by erecting representative housing estates;
- promoting development of profitable mixed functions (offices, trade, hotel, entertainment, culture, housing);
- increasing the attractiveness and technical-urban endowment;
- promoting competitive urban management and marketing in order to utilize the extremely high potential of the area.

Rehabilitation of LHE districts Collective, LHE areas which take the form of large ensembles of blocks of flats are to be found on the outskirts of the city or in semi central zones. They were built in the course of 3 decades, especially between 1960 and 1985, housing around 1,300,000 residents. The height of blocks of flats ranges from ground floor + 4 stories and ground floor + 10 stories. The structure is brick in the case of low buildings and reinforced concrete for high buildings.

The main dysfunctions are noticeable in the case of housing facilities, construction equipment, and city planning. They emerged as a result of the wear and tear of constructions and installations, the degradation of spaces used in common, the changing needs of the resident population:

- absence of adequate social equipment at local level;
- arid micro-climate caused by the destruction of vegetation;
- shortage of parking lots and garages;
- technical and spatial solutions which no longer meet current requirements, monotonous, unattractive aspect, disorganised facades.

City planning objectives include:

- improving the technical, functional and aesthetic quality of individual or ensemble housing units;
- improving the living, health and safety conditions of residents.

The *rehabilitation strategy* is focused on:

- renovation, restoration and re-configuration of the public utilities infrastructure, public transport system, personalization and differentiation of individual or ensemble housing units, creating community contact venues;
- completing the system of social-cultural facilities and equipment, correcting and adapting architectural and urban planning solutions;
- involving residents in managing collective issues – promoting modern forms of partnership between the local administration, inhabitants and residents of the housing areas.

The anticipated *effects* of restoration measures include: improved comfort for residents, adapting living quarters to meet the requirements of residents, increasing community cohesion.

The *City Administration* is currently focusing on *strategic interventions*, so the *rehabilitation component* has specific features. Consequently, the main priorities are directed towards providing quality public services and public utilities equipment with positive impact

on housing facilities, as part of the general city planning system and as part of the structure of housing ensembles.

The programmes currently supported by PMB with own funds and co-financing include:

- improvement of the roads and motorways system;
- improvement of the water supply and sewage system;
- upgrading the heating distribution system;
- fitting blocks of flats with water and gas consumption meters.

The projects refer to:

- projects included in the Programme for the rehabilitation and modernization of the heating system in Bucharest - Programme START 1998-1999 – under implementation.
- Project for the modernization and rehabilitation of the thermal energy production and distribution system -1999 - finalized.
- Project for the modernization of the water-supply system 2000-finalized.

Other projects specific to the capital are related to the *reinforcement of housing constructions*. According to GEO 20/1994, the central administration, local city administration and residents' administration are responsible for the commissioning of expert evaluations, design and reinforcement of blocks of flats exposed to seismic risk. So far, 122 housing constructions are in different stages of intervention, and PMB foresees around 10-15 buildings per year will undergo expert evaluations. All these measures although selective interventions, are part of a programme developed at government level and are components of each and every restoration action and intervention priority respectively.

3.2. Aspects of the rehabilitation of LHE in the City of Galați

Issues related to the construction of blocks of flats in Galați. LHE in Galați can be grouped under three generations, each with its specific issues: constructions built before 1950, constructions in the period 1950-1977 and constructions built after the earthquake of 1977. All constructions are affected by the type of soil on which the city is built, clay on top with ground-water layer underneath, which has led to the flooding of basements in buildings situated in the city valley and centre – Bădălan, Port, Centru districts. The unproven explanation given by constructors is that the new blocks of flats built after 1997 have created an additional pressure in the uppermost area of the city leading to a rise in the water level in the lower part of the city, based on the principle of communication vessels.

Restoration works required for buildings erected before 1950. The main works required for these buildings include:

- Reinforcement of the resistance structure
- Changing the interior of flats to meet the current requirements of residents;
- Upgrading and supplementing interior installations based on the new land development structure;
- Restoring the vertical systematization.

The main problem with these buildings, however, is the resistance structure which is of a mixed type, as a rule, with full-brick walls and frames of reinforced concrete pillars and beams, reinforced concrete floors covered with wooden framework. Most of these buildings

will have to be demolished as they have long exceeded the life expectancy of this type of constructions. 15,000 buildings are currently in this situation.

Restoration works required for buildings erected in the period 1950-1977. Blocks of flats built especially in the first decade of the period, followed the Russian model: blocks of reinforced concrete with brick walls and large, high rooms. These blocks now require a reinforcement of the resistance structure and especially the upgrading of electric and water supply installations, and replacement of wooden window frames.

Blocks of flats built in the period 1960-1977, mainly of reinforced concrete frames with cell concrete filling, require complicated works to modify the resistance structure and upgrade water supply installations and electric systems. All of these buildings have an exterior design problem, namely ugly, scaly facades with balconies of all kinds, open, glassed-in, of various colours giving the impression of post-war debris.

Restoration works required for buildings after the earthquake of 1977. In general, these blocks of flats require only upgrading of installations in the flats, block basements and exterior renovation.

A major issue in LHE is the rehabilitation of green spaces, access lanes and main access roads.

Institutional framework for house repairs. The main institution responsible for repairs of blocks of flats (cleaning basements, insulation fitting) is the Local Council within Galați City Hall in cooperation with the administrators of residents' associations and apartment owners.

Difficulties encountered in programme development. The main difficulty in carrying out LHE rehabilitation is the chronic shortage of financial resources of the Local Council and city citizens who have been severely affected by mass restructuring in major local companies: Galati Shipyard and SIDEX Galați Steel Works.

Owing to the lack of financial resources, around 85% of citizens in Galati are struggling to earn money for food and the bare necessities for their children. Of the 85% inhabitants with limited resources, 33% are residents barely above the poverty line, failing to cover the maintenance expense in blocks of flats where they live, so APATERM Galați, the main cold and hot water supplier is due to receive from the citizens an outstanding amount of 150 billion lei of which 100 billion have been outstanding for over a year.

Since 90% of flats are private property, the owners are responsible for rehabilitation works. Lacking financial resources, the owners cannot afford to pay the expenses for such works. If the owner had been a company profiled on building administration, then it would have been responsible for all rehabilitation and maintenance works.

Proposals for the LHE rehabilitation. The measures required for the rehabilitation of LHE fall under the following categories:

- a) to ensure financial resources:
 - Development of financing projects by specialised companies;
 - Modification of local taxes by setting taxes on the real value of the buildings (the value to be determined by ANEVAR expert evaluators), not on the historic value.
- b) to harmonize the LHE:
 - Setting up an authority financed by the Local Council, to draw up the plans for building façade restoration;

- Accrediting construction companies to repair LHE - accreditation includes verification of the capacity and financial reliability of such construction companies;
- c) for the education of the population:
 - Television programmes explaining the responsibilities of citizens living in blocks of flats (programmes for cleaning, garbage depositing, maintenance of plumbing systems, restrictions to throwing parties, etc.)
 - Fines for citizens who do not observe the rules set by the community ;
 - Freeing prisoners with sentences of less than three years and involving them in community service – city restoration works.

4. Concluding remarks

The rehabilitation of the LHE in Romania requires the correlated action of a large range of actors, of which central and local administration play a major role. The involvement of local communities, NGOs as representatives of civil society as well as business companies, representatives of public utilities companies, etc. is also of a great importance.

Up to present, the actions meant to contribute to the restoration of housing estates have been carried out by involving central and local public administration with the occasional involvement of investors. The role of civil society remains minimal so far, citizens being insufficiently consulted and involved in actions related to the restoration of housing ensembles or individual collective living quarters.

Therefore it is highly necessary to set up rehabilitation forums, bringing together all the actors involved. Their purpose is to represent the interests of the local community, organise debates on the programme proposed and improve it by involving the population in all the stages of the programme, providing advisory services and mediating conflicts of interests.

An effective rehabilitation should be based on integrated actions, able to take into consideration the needs of residents as well as the social and economic conditions of the surrounding community (Knorr-Siedow, 1996). Thus will be possible to restore a positive image, to support social and cultural integration and to ensure a permanent and sustainable improvement in the housing provision situation.

References

1. City Hall of Bucharest, **Development Programme for Bucharest Municipality. 2000-2008**, <http://www1.pmb.ro/22-33.pdf>
2. Government of Romania, **The Governing Programme. 2004-2008**, (Chapter 16: Transportation – Construction – Tourism”, www.mct.ro
3. Habitat II Conference **Central and Eastern Europe – Summary**, 1996, <http://www.unhabitat.org/HD/hd/europe.htm>
4. Hegedus, J., Tosics, I., Mayo, S., **Transition of Housing Sector in East-Central European Countries**, 1996, <http://www.urban.org/url.cfm?ID=406806>
5. *** **Law on local public administration no. 215/2001** (in Romanian), in Monitorul Oficial 802/14.12.2001

6. *** **Law 114/1996 - Housing Law, amended and completed by Law 145/1999**, in Monitorul Oficial 439/09.09.1999
7. Knorr-Siedow, T., **Present and future outlook for large housing estates**, European Academy of the Urban Environment and Institute for Regional Development and Structural Planning, 1996, <http://www.eaue.de/Housing/housfut/htm>
8. URBANPROIECT, **Guide for drawing up frame programmes for complex urban rehabilitation**, (in Romanian), Bucharest, 2002

¹ **Acknowledgements:** The documentation support provided by Mrs. Alexandrina Retegan, architect at the Urbanproiect Institute in Bucharest, Mrs. Valeria Padina, economist and Prof. Dr. Gheorghe Negoescu from the University of Galati is highly acknowledged.

² Daniela-Luminita Constantin is Professor of Regional Economics at the Academy of Economic Studies of Bucharest. She is also the President of the Romanian Regional Science Association and member of the Council European Regional Science Association. She carried out numerous research stages abroad as Fulbright, DAAD and Phare-Tempus scholar. Daniela Constantin has authored or co-authored a large number of books and articles published in Romania and abroad and has participated in various national and international research project teams. Her main scientific interest concentrates on regional policies, regional convergence and competitiveness, EU structural assistance, migration, SMEs and entrepreneurship, environmental issues and human security.

³ Romania's housing policy has aimed to diversify the housing market, state's withdrawal from ownership of housing and reduction of housing subsidies.