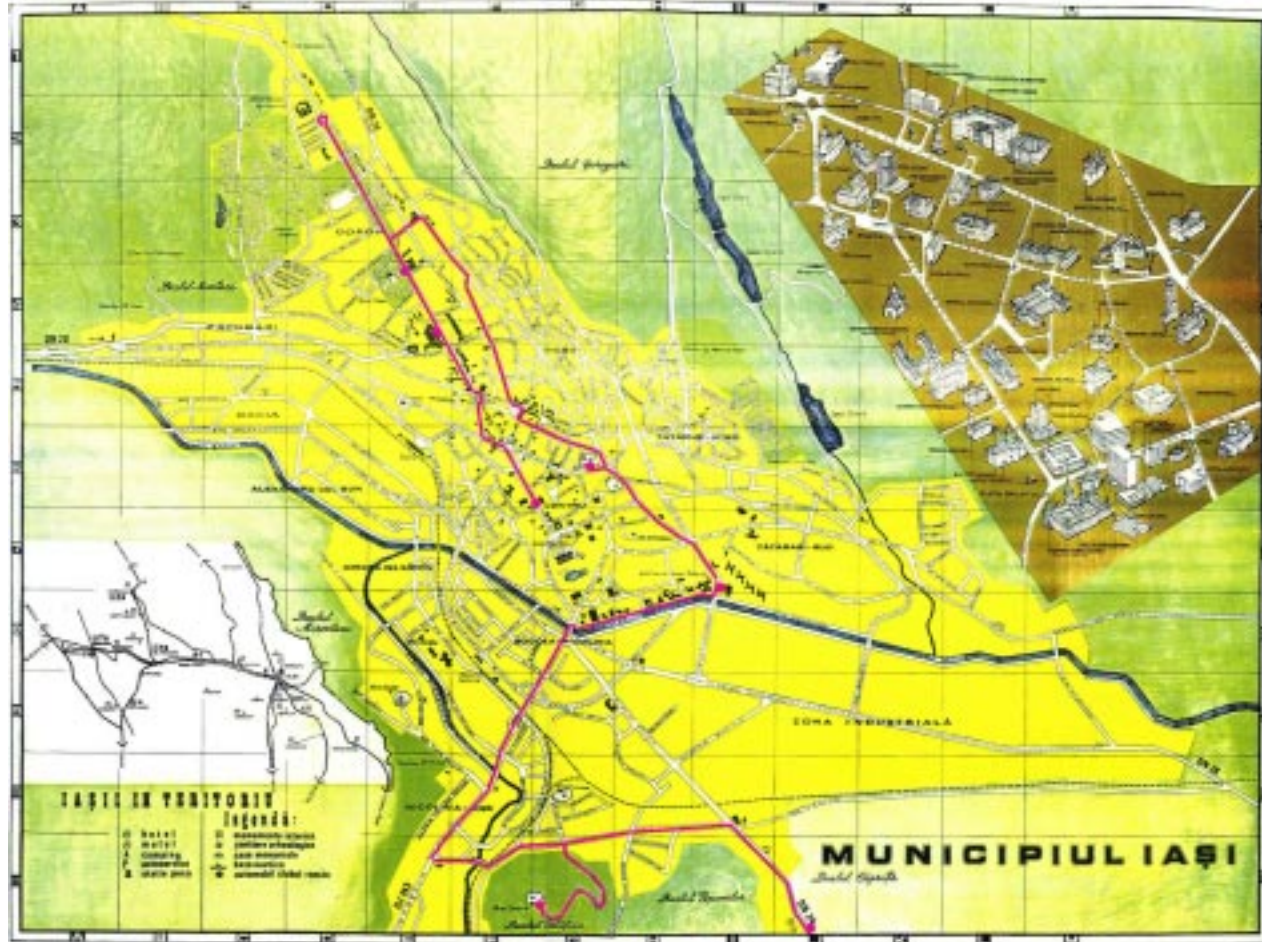


THE DEVELOPMENT STRATEGY FOR THE CITY OF IASI



Map of Iasi

The Context

1. Location

Located in the Northeast of Romania, between the Moldavian Plateau and the Jijia Plain, on the River Bahlui, Iasi is the second largest city in Romania. Iasi is an important border city on Romania's Eastern border with the CIS, a location that will grow in importance with Romanian membership in the EU.

The County of Iasi, a land area of 5,476 km², includes the cities of Iasi and Pascani; the towns of Targu Frumos and Harlau; and 85 communes and 429 villages. There are an estimated 380,000 residents in the Iasi City. The administrative land area of Iasi is 76 km² and the municipal area is 38 km².

2. The History of Iasi

The Carpathians Mountains, the Danube River and the Black Sea are the three elements whose mixture leads to the unity and originality of the Romanian territory called the Carpathian - Danubian - Pontic space. The history of the Iasi is closely linked to its geographical location at

the crossing of old commercial highways. The City was once the crossing of the most important commercial roads passing through Moldavia from Poland, Hungary, Russia and Constantinople.

Starting in the 17th century, Iasi was recognized as an important cultural center with the educational institutions such as the Mihaileana Academy and the high school of Slavonic and Greek language studies. Additionally the first printing press in Romania was located in Iasi. In 1859, the Union of Moldova and Wallachia was achieved by the election of Alexandru Ioan Cuza as Prince of both states. Between 1859 and 1862, Iasi was Romania's first capital, and during World War I, it was the center for resistance during the World War I.

The City's rich cultural heritage reflects its important historical role as a leading intellectual, cultural and religious center in Romania. The Church of the Three Hierarchs, with its exterior of patterned stone carving, was completed in the 1630s. The Metropolitan Cathedral, built in the 1830s as the seat of the Orthodox clergy in Moldavia, hosts the relics of St. Paraschiva, the patron saint of Moldavia.

The "Alexandru Ion Cuza" University of Iasi was founded in 1860 and was Romania's first modern university. The university is situated on Copou, one of the most prominent of Iasi's several hills. The old downtown, the business district, and the industrial area are below, on the terrace of the Bahlui River. The neo-Gothic Palace of Culture, which sits on a promontory above the river, was completed in the 1920s as a government administration building, and is now home to four museums and a public library.

Iasi, "the city of great loves", represents a symbol of Romanian history about which Nicolae Loga rightly said, "There should be no Romanian who does not know it".

3. Public Administration

The activities developed by the City Hall of Iasi are in accordance with the Law 69/1991 for local public administration modified in 1996. The local public administration, represented by the Mayor and two Vice-Mayors recommends and implements the decisions of the Local Council. The main activities of the City Hall include: Public Works, Social Assistance, Real Estate Administration, Urban Planning and Tax Collection. The public administration in Iasi is represented by:

- Mayor – Conf. Dr. **Constantin Simirad**
- Vice-Mayor – Ec. **Vasile Dumitriu**
- Vice Mayor – Prof. Dr. **Vasile Munteanu**
- Secretary – jurist **Lacramioara Vernica**
- Local Council with 31 elected members grouped in 9 commissions

4. Economy

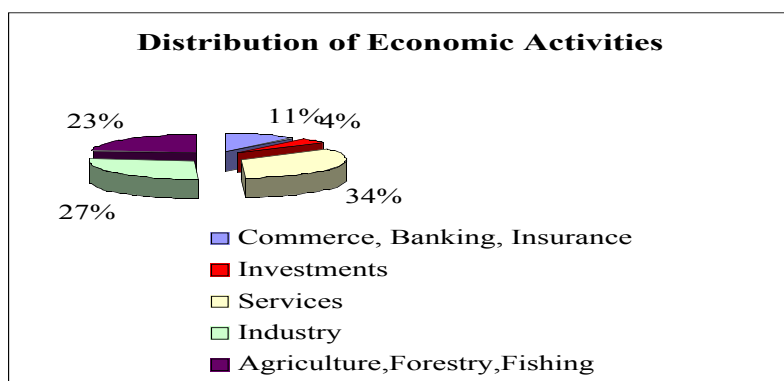
Economic Clusters

Iasi has the second largest industrial capacity in Romania that benefits from ready access to utilities such as electricity, water, gas, heat, and sewerage, at competitive rates. Additionally, Iasi is within a region rich with natural resources and raw materials making it a center for agricultural

production and processing, trade, commerce and industry. The numerous centers of higher education, major cultural and religious institutions, and tourism sites are another important cluster of the local and regional economy. Economic activities in Iasi can be grouped into four major clusters:

- Manufacturing: food processing, machine building, electrical power, textiles, metallurgy, forestry and furniture, construction, electronics, transportation and others.
- Agriculture: maize culture, cereals, wheat, barley, oats and rye, vegetables, fruit, viticulture, fish and livestock breeding.
- Services: tourism, commerce, banking and insurance, other services
- Research and Higher Education: Universities, Medical Institutions and Research Centers

Exports from the region have been growing and as well as commerce and services. In Iasi County, over 90% of the registered companies are private companies. Based on information available, twenty-four of the larger companies in Iasi employ approximately 40,270 people. Within Iasi City, there are eight registered autonomous companies and nine of the most important Romanian banks.



Higher Education and Research

Iasi has a long tradition of being a center for higher education and research. There are seven public universities with over 50,000 students and 4,000 faculty members as well as a number of private universities. (See Annex 2 for a list of institutions.)

Iasi is the second largest and most important scientific center in Romania, after Bucharest, with networks of scientific research and technological development centers, and over thirty institutions, laboratories and branches. The National Center for Inventions and Research is a leader in Europe in the field of inventions; and with thirteen institutions of technology transfer, Iasi City is the second most important center for technology transfer in the country.

The presence of higher education and research, in combination with a large and diversified industrial manufacturing base creates a unique synergy for bringing together research and product development and manufacturing. This creates unique opportunities for businesses to expand and locate in Iasi.

The development of the Iasi International Trade Center reflects the City's strategic location in a region with commercial, industrial, agricultural and tourist potential. A business located in Iasi can easily access markets and various natural resources within a radius of 700 miles, reaching Romanian, EU and CSI markets through traditional commercial routes.

5. Transportation

A well-developed transportation network facilitates Iasi position as a regional center. Within the County there are:

- 284 km of rail lines, of which 80 km are electrified
- 2370 km of highways and roads, of which 344 km are of national importance
- 40 routes of buses, trams and trolley buses
- Direct connections with Bucharest, Constanta and Arad through Iasi's airport

To strengthen access to markets, authorities in Iasi have lobbied for two major development projects to be included in the National Overall Territory Plan (PATN):

- Modernizing and opening the Iasi Airport for international traffic. Completed in 1999, the upgrading of the airport doubled the runway, modernized control systems, and increased the capacity for both passengers and cargo.
- Constructing the Highway Ungheni-Iasi-Roman - 60 km of highway linking Iasi to Chisinau and Kiev, and joining up with the North-South State Highway.

The City is also interested in opening up a more direct east-west link from Oradea to Iasi.

The Economic and Social Development Program for Iasi

Introduction

Iasi's vision for the future is a city of culture and science with a competitive, dynamic and innovative economy and an environment that promotes sustainability, equity and the quality of life for the City's residents. Iasi will also build upon its privileged location in Moldavia and improve its economic linkages within Romania, the Republic of Moldavia and the European Union. In support, the following strategic objectives have been chosen:

1. Strengthen and highlight the identity of Iasi;
2. Improve the quality of life of Iasi citizens;
3. Anticipate and favor restructuring sectors and foster the functioning of market economy;
4. Promote long term development in the spirit and principles of sustainable development;
5. Favor Iasi's integration into the European region and encourage relationships with the Republic of Moldavia;
6. Improve Iasi's position vis-à-vis the county, the region, and the nation.

Strategic Directions

The Economic and Social Development Program for Iasi, approved by the City Council in March 2001, includes four strategic directions:

- Development of Iasi as a Competitive Regional and Economic Center;
- Improvement of the Business Environment;
- Development of a Stable Social and Cultural Environment; and
- Environmental Protection and Preservation

Strengthening the capacity of the local public administration in urban management and planning is an important condition to guiding urban development according to the priorities identified by the residents and civic leadership in Iasi. The implementation of the Economic and Social Plan is based on creating local partnerships, more effective use of local resources, and a coherent and continuous process of planning and implementing strategic programs and sustainable policies to improve quality of life in the community. Key activities in developing and implementing the program include:

- Defining the Economic and Social Development of Iasi
 - Strategic Development Directions
 - Defining objectives
- Operational Strategies
 - Establish sub-objectives
 - Action plans to implement objectives
- Supportive Framework for Implementation
 - Establish investment objectives to include in local administration's investment plan
 - Determine costs necessary for realization of investment objectives
 - Define organizational and institutional objectives to support implementation.

1. Development of Iasi as a Competitive Regional and Economic Center

Iasi's strategic location between Eastern and Western Europe, its well educated and skilled work force, its metropolitan character and its educational and research resources, offer an important base for the growth of a new economy. In defining strategic directions for the future, it will be important to balance the region's economic base and potential within a more competitive environment linked to both producers and consumers in the European Union and the CIS.

The following are necessary for Iasi to compete on this scale:

- 1.1 Develop viable industries that focus on local resources (pharmaceuticals, furniture, agro-business, construction material, and textiles); and stimulate these industries with new technology, organization, management and marketing.
- 1.2 Support the research and development sector to promote technology transfer and the application of innovations within existing industrial and manufacturing base.
- 1.3 Shift focus toward the tertiary sector, now the most active sector in Iasi, in order to
 - Create employment and attract capital;
 - Create new service centers and functions to be integrated into regional and international networks;
 - Modernize and develop public utility services to meet citizens' needs
 - Strengthen the network of efficient financial, banking, insurance, postal and telecommunications services.
- 1.4 Rehabilitate infrastructure and modernize means of transport to:

- Improve traffic management and use of road networks;
- Promote equity in access to urban public transport within Iasi;
- Rehabilitate streets
- Link parking requirements with the General Urban Plan;
- Facilitate more direct east-west transportation access from Iasi-Cluj-Oradea.

1.5 Develop and strengthen the regional agricultural economy and promote intensive agricultural in the peri-urban zone in Iasi, with the goal of:

- Increased economic performance of agricultural production;
- Increased production of food processing;
- Environmental protection by increasing the value of the land through intensive urban agriculture to preserve open space and promote environmental quality

1.6 Valorize Iasi's links to international neighbors (including the Republic of Moldavia) and increase the City's access to financing from the European Union.

1.7 Valorize the city's tourism by

- Diversifying services;
- Supporting projects that emphasize cultural heritage;
- Initiating and supporting development and modernization of entertainment and leisure facilities.

2. Improvement of Iasi's Business Environment

Creating a favorable business environment to attract domestic and foreign investors is a key goal for the City. The municipality can play a leading role in developing a supportive legal and institutional environment for businesses to ensure a competitive climate for domestic and foreign markets. The following are necessary for an improved business environment:

2.1 Develop cooperative frameworks, methods of sharing costs and benefits and leveraging investments among key institutions at the county, regional, national and international levels.

2.2 Eliminate unfavorable conditions regarding the business environment by:

- Simplifying, improving, and stabilizing the legal and administrative framework;
- Supporting the investment process by creating a equitable and tax system;
- Accelerating the privatization process to eliminate local monopolies;
- Increasing efficiency and quality of urban management.

2.3 Target local public administration investments and actions to create competitive economic partnerships (public-private partnerships; corporations and associations; and partnership-initiative production facilities such as incubators and technology parks).

2.4 Stimulate small and medium companies through:

- Market competition and promotion;
- Encouraging capital investments by Romanian and foreign investors;
- Supporting professional retraining;
- Insuring access to information;

- Increasing access to public tenders for material goods, civil works and services.
- 2.5 Develop and improve labor market through:
- Offering possibilities for re-qualification and professional training;
 - Supporting professional reorientation;
 - Insuring access to information;
 - Creating permanent training centers.
- 2.6 Identify key locations for local economic development and social activities under the provisions of the general urban plan.

3. Development of a Stable Social and Cultural Environment

The perspective of sustainable development of Iasi implies recognition of the interdependence of economic, social and cultural activities. The quality of life for the residents is linked to economic opportunities combined with other social, cultural and spiritual aspects. The following are necessary for an improved social and cultural environment:

- 3.1 Ensure high quality standards for health and social security services through
- Providing medical assistance to all citizens of the City;
 - Improving social security to institutionalized children, young families, and people with low incomes.
- 3.2 Achieve a high level of education, which is necessary to future economic and social development, and respecting the right of basic education to all citizens.
- 3.3 Build upon Iasi's renown as the cultural capital of Romania and recognize Iasi as a traditional, multicultural and spiritual center by:
- Attracting artistic and cultural activities of high quality;
 - Creating a market for cultural services;
 - Protecting, renovating and valorizing the City's heritage, and increasing its degree of use and functionality;
 - Promoting a favorable framework to exercise faith, religious pluralism, and liberty of conscience;
 - Fostering Iasi's position in the international ecumenical circuit as a pilgrimage center.
- 3.4 Improve public communication and the relationship between local administration and the citizen while ensuring permanent monitoring of social effects, and forging a real and efficient partnership between the public sector and NGOs.
- 3.5 Adopt measures to improve community security, reducing crime and guaranteeing a safe living environment.
- 3.6 Develop programs and policies that foster Iasi's cultural and historical image on the global scale.

4. Environmental Protection and Preservation

The rapid pace of development in the industrial society has increased concerns regarding the environment. Improvement and valorization of the qualities of living conditions and the

environment are components of sustainable development, and represent well-justified priorities in the context of the present program. The following are necessary for protecting the natural resources and the environment:

- 4.1 Improve living conditions of Iasi citizens, particularly to those needing decent but affordable dwellings, and facilitate the private investment process for housing construction.
- 4.2 Develop a modern utilities network: electricity, heating, gas, and water.
- 4.3 Conform to European Union environmental standards through:
 - Promoting local legislation to prevent natural risks;
 - Eliminating pollution and degradation of the environment;
 - Integral waste management;
 - Developing open spaces and a network of local protected areas.

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ANNEX 1 NUMBER OF EMPLOYEES IN MAJOR COMPANIES

Company	Basic Products	Employees
Fortus	Raw steel, equipment for metallurgy, equipment for constructions, centrifugal pumps	6365
Terom	Products of chemical industry	5049
Tepro	Superior alloy steel, steel finite filled goods, steel pipes soldered and laminated at high temperatures, Iron sheets and laminated bands at low temperature	3080
Moldomobila	Wood furniture	3027
Antibiotice	Antibiotics, drugs	2533
Nicolina	Raw steel, equipment for metallurgy, equipment for constructions, railway carriage axles	2324
Iasitex	Cotton and cotton-type textures, textiles	2292
Iasiconf	Textiles	2095
Moldova Tricotaje	Cotton and cotton-type textures, wool and wool-type textures	1769
Tomiris	Silk and silk-type textures	1430
Asam	Raw steel	1320
Moldoplast	Products of chemical industry	1256
Pangran	Sugar and wheat products	1194
Unirea	Sunflower and vegetable oil, sugar products	1037
Integrata	Flax and hemp textures	871
Tehnoton	Radio and TV sets, professional electronic equipment, products of fine mechanics	812
Moldoforest	Furniture	777
Suprem	Equipment for constructions	590
Comtom	Meat products, processed meat	585
Somaco	Ceramics	519
Zimbrul	Beer	421
Vinia	Wines	386
Coca-Cola	Soft drinks	300
Lactis	Dairy, milk, butter, cheese	237

ANNEX 2 MAJOR EDUCATIONAL AND RESEARCH INSTITUTIONS

Public Universities:

The University "Al. I. Cuza"
Technical University "Gh. Asachi"
The University of Medicine and Pharmacy
Agronomic University "Ion Ionescu de la Brad"
The Academy of Fine Arts "George Enescu"
Orthodox Theological Institute
Catholic Theological Institute

Private Universities:

"Petre Andrei" University
"Dimitrie Cantemir" University
"Mihail Kogalniceanu" University
"Apollonia" University

Scientific Research and Technological Development Centers and Institutes

Academy of Romania
The "Petru Poni" Macromolecular Chemical Institute
The Institute for History and Archaeology "AD Xenopol"
The Institute of Linguistics, Literary History and Folklore
The Institute for Hygiene and Public Health
The Center of Biological Research
The Centers of Research in Physics, Technology, Economy, Electronics and Electro-technology,
Computing Techniques, Chemistry, Antibiotics, Machinery Constructions, Roads and Bridges
Constructions
The Agricultural Experimental Stations
The Station for Horti-viticulture Researches
The Station of Fruit Trees Research etc.