

Industrial Parks in Romanian Industrial Towns. Present-day Trends

Bianca DUMITRESCU

Abstract: *The “Industrial Parks” Programme elaborated by the Romanian Government and implemented in 2002 was aimed at improving the business milieu by developing and updating the physical infrastructure, and stimulate Romanian and foreign investment of capital. The foundation of industrial parks relied on the use of the material resources of former mammoth industrial estates, or of units belonging to the defense/military industry (infrastructure, workshops, utilities) state property at the time. In this way, huge estates with a poor infrastructure, of no interest to private investors, could be put to account. The parks were set up in strategic industrial zones adjoining economic growth towns with good links to the transport infrastructure. The aim of the article is to emphasize the dynamics of industrial parks in Romania and the role of industrial parks in industrial towns revitalisation.*

Key words: *industrial parks, towns, industry, Romania.*

Introduction

The main aim of the article is to emphasize the dynamics of industrial parks in Romania and the role of industrial parks in industrial towns revitalisation. In this way the distribution of industrial parks by development regions, employment and unemployment rates are elements which offer a general view of present-day trends of Romanian industrial towns with industrial parks on their territory.

The political decision to set up industrial parks in Romania is of relatively recent date. The first legal industrial park status was granted in 2002. In 2006 there were already 37 such units, but twice as many trading companies have been requesting the management of an industrial park. As a matter of fact, only some 50 % of these parks are operational, usually the so-called *brownfields*¹ which have taken over parts of the old industrial estates, *greenfields*² parks being little developed so far, many of them are still under construction.

The “Industrial Parks” Programme elaborated by the Romanian Government (Decision 1116/2001) and implemented in 2002 was aimed at improving the business milieu by developing and updating the physical infrastructure, and stimulate Romanian and foreign investment of capital.

The projects (2002 – 2006) were funded by the Romanian Government from the state budget through the intermediacy of the Ministry of Development and Prognosis (MDP), implementation devolving on the Regional Development Agencies (RDA), the whole scheme benefiting by irredeemable financial and technical assistance for implementing and monitoring. The Government Ordinance No. 65 on the construction and functioning of industrial parks, published in the Official Monitor, reads as follows: the industrial park is a limited space in which economic, scientific research and/or technological activities are carried out. The area has access to European or national highways, covers a minimum of 10 hectares, is owned or used by the trading company which lodges a request for an industrial park title valid for at least a 30-year period.

Industrial parks may be established by government decisions on the site of industrial estates and may benefit from several facilities, such as exemption from taxation or change of destination, or for diverting the terrain afferent to the park, and originally used for agriculture, to the managing company; a 20% deduction of taxation on profit from the value of investments made in the industrial park by economic agents who invest in construction for the

¹ *Brownfields* are abandoned, idled, or under-used industrial and commercial facilities where expansion or redevelopment is complicated by real or perceived environmental contaminations.

² *Greenfield land* is a term used to describe a piece of undeveloped land, either currently used for agriculture or just left to nature.

transfer and distribution of electric energy, thermal energy, natural gas and water; the prolongation of the added value payment term for materials and equipments needed to put in place the park's utilities system and connect it to existing utilities networks or avenues, until the industrial park is commissioned and becomes operational.

There are 14 industrial towns hosting industrial parks on their territory (*Fig. 1*). The Government has already singled out several industrial towns which possess lands fit to be turned into industrial parks. It is the case of Baia Mare, Cehu Silvaniei, Câmpia Turzii, Zlatna, Orăștie, Călan, Aninoasa, Petrila, Uricani, Moldova Nouă, Bocșa, Reșița, Lugoj, Avrig, Topoloveni, Sighișoara, Odorheiu Secuiesc, Gheorgheni, Săcele, Baraolt, Buhuși, Roman, Vaslui, and Bârlad, all of which may benefit from the previously mentioned facilities.

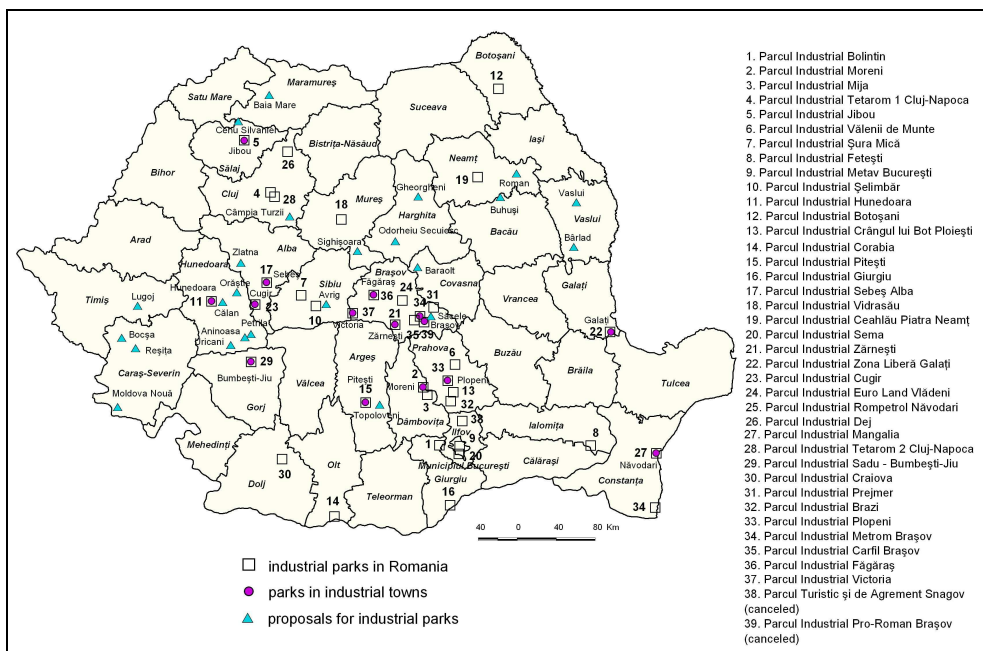


Fig. 1. Industrial parks in Romania

The parks were set up in strategic industrial zones adjoining economic growth towns with good links to the transport infrastructure. The aim was to shift industry from centre to periphery. These parks, some situated on greenfield land, were established by local or county authorities, by the private sector or by joint ventures. In terms of type of title, industrial parks in Romania fall into two categories: title granted by Order of the Minister and title granted by Government Decision.

Regional distribution of industrial parks

Most industrial parks located in the eight development regions are found in the Centre and South-Muntenia (*Fig. 2*) which are highly urbanised and industrialised regions. As a matter of fact, here industrial parks cover the largest areas. At the other end of the spectrum stand the West, Bucharest and North-East regions which have no more than 1 – 2 parks. That the West Region has only one park is due to the absence (with the exception of Hunedoara and Caraș-Severin counties) of very big industrial estates that could be turned into industrial parks.

The characteristic park type is greenfield-based (North-West (Photo 2), South-West and West regions), brownfield (Bucharest, North-East and South-East regions) and mixed (Centre and South-Muntenia regions).

Employment rate in industrial towns with industrial parks

Employment rate, calculated in terms of the employed population/age-able active population ratio reveals an area's job-supplying economic capacity. Simultaneously with the general trend of unemployment growth and the constant decrease of the working population, labour employment levels also dropped. The general dynamics and territorial distribution of labour employment in industrial towns was largely affected by delayed restructuring of some industrial branches.

Thus, over the 1992 – 2002 period, the situation of industrial towns with industrial parks on their territory looked as follows: from 98.1 % (Braşov) and 90.7 % (Năvodari) in 1992 to a maximum of 97.5 % (in Braşov) and a minimum of only 78.4 % (at Ploeni) in 2002.

At the beginning of the transition period, the processing industry experienced greater fluctuations than the extractive branch which benefited from state subventions so that it could maintain its workforce at fairly constant numbers. However, by mid-1990s state assistance being cut, there was a sudden rise in lay-offs, massive job losses increasing the ranks of unemployment.

Most affected were the towns specialised in machine-building, with over 15 % of the workforce being made redundant (Ploeni, Cugir and Bumbeşti-Jiu); a similar situation had the heavy industry towns Săcele, Victoria and Hunedoara, 10 – 15 % of their employees were laid off, and the local economies having few possibilities to offer them jobs. The situation was somewhat better in some large cities, county-capitals (Piteşti, Braşov and Galaţi) where only 0.2 – 1.8% of the employed population was laid off. Besides, here were more opportunities in the tertiary sector.

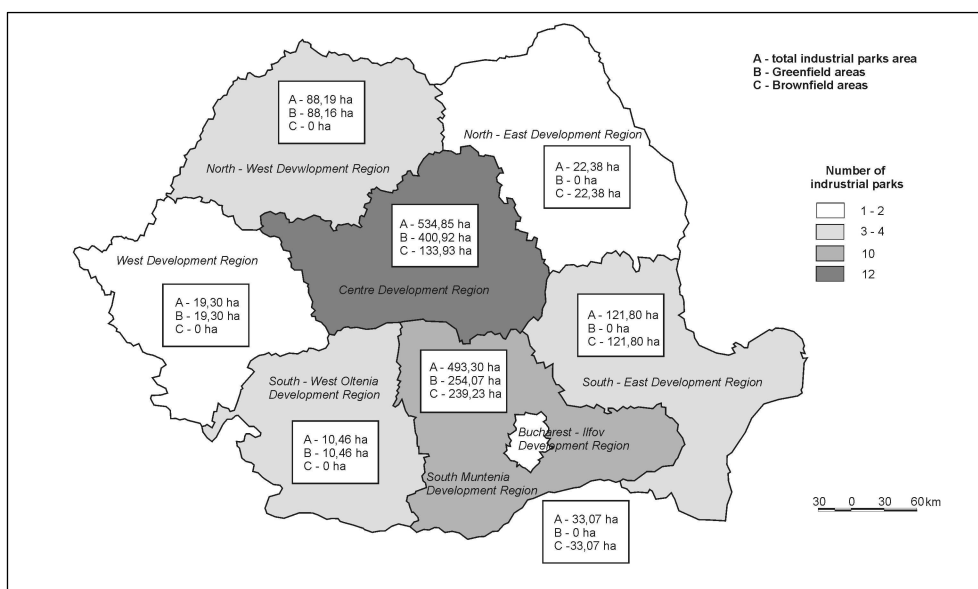


Fig. 2. Regional distribution of industrial parks. Source: Ministry of Administration and the Interior

Unemployment rate in industrial towns with industrial parks

Unemployment is a stressing factor of transition. In 1992, the unemployment rate of industrial towns with industrial parks stood at 4.3 % on average (compared to 7.4 % per urban total), with fluctuations between 3.1 % at Moreni and 9.3 % at Năvodari. High values (over 5 %) registered Săcele, Hunedoara and Victoria, while in machine-building towns under 5% (Bumbeşti-Jiu, Ploeni and Cugir) were jobless.

These values are important for the future evolution of unemployment they representing reference points for assessing the beginning of growth. Evolutions would reveal a slight decrease of country level, but a disquieting increase at town level. In mid-1990s, well-outlined unemployment areas existed primarily in the Moldavian counties, next in Hunedoara and Vâlcea which, having received state subventions, had been spared difficult problems.

Between 1993 and 1996, the industrial decline was stopped and the privatisation of big industrial units was slowed down, the government's intention being to proceed to their modernisation and afterwards to privatisation.

After 1997, the new government's policy was to enhance privatisation and close down the greater debtor units. Subventions to the mining sector were cut, each employee who agreed to leave his workplace was to receive 15 – 20 wages per branch average, was helped to find another job, or even start a business; numerous miners were laid off, the activity was reduced fact that had negative consequences for the agents engaged in connex economic sectors, e.g. supplying materials, equipments and services, discharging commercial and other activities.

The wave of redundancies affected not only traditional economic sectors like mining and the steel industry, but also the chemical, machine-building and textile sectors. The export-related trading companies experienced the most dramatic situation owing to the depreciation of the national currency – the *leu* as against the USD and the Euro.

In 2002, unemployment highs hit also the industrial towns (*Fig. 3*), with only a few of them scoring below the urban record of 12.8 % (Braşov – 2.5 %, Piteşti – 3.3 %, Jibou – 5.0 %, Sebeş – 5.0 % and Galaţi – 5.6 %), maximum values (21.6 %) at Plopeni, as against the all-county average of 13.6 %. The highest values (over 20 %) had the Jiu Valley coal basin (which had not benefited from state subventions), the towns specialised in the steel industry (Năvodari and Victoria) and in machine-building (Plopeni, Cugir, Săcele and Bumbeşti-Jiu).

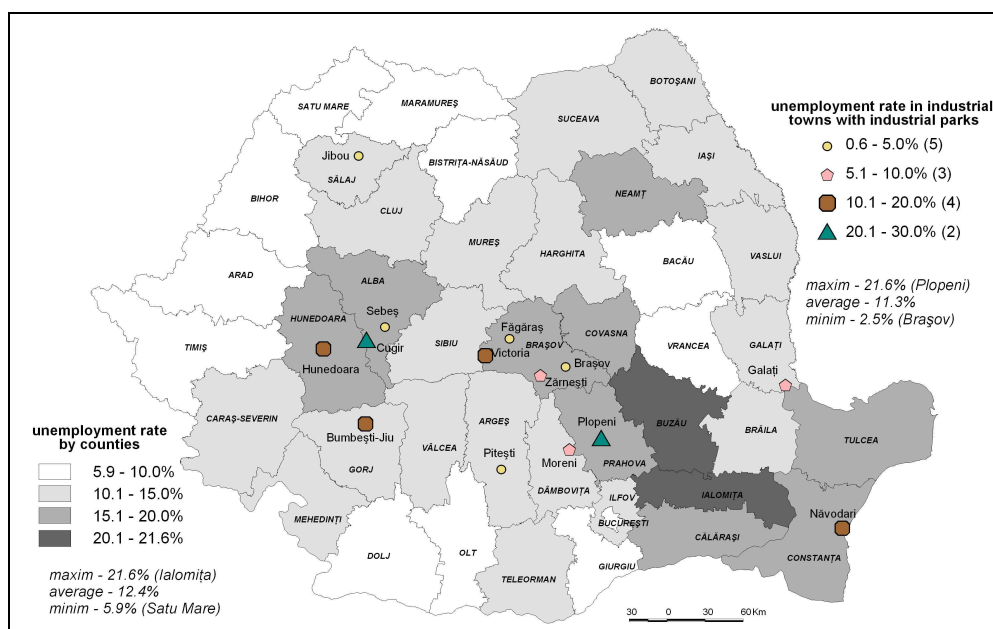


Fig. 3. Unemployment rate in industrial towns with industrial parks on their territory, 2005

The foundation of industrial parks relied on the use of the material resources of former mammoth industrial estates, or of units belonging to the defense/military industry (infrastructure, workshops, utilities) state property at the time. In this way, huge estates with a poor infrastructure, of no interest to private investors, could be put to account. As a result, existing rooms were not degraded, investments came in and new jobs were created.

However, industrial parks are not a salvage solution for all declining economic areas forcibly industrialised in the past, because whatever budgetary funds are earmarked, it is crucial that these parks become attractive to investors.

References

- BASTIÉ, J., DEZERT, B., 1980: „L'espace urbain, Edit. Masson, Paris, 384 p.
- BENKO, G., 1991: La géographie des technopoles, Masson, Paris.
- DOMAŃSKI, R., 2001: The innovative city, Publishing House of Poznań University of Economics, 207 p.
- ERDELI, G., CUCU, V., 2005: România. Populație. Așezări. Economie, Editura Transversal București.
- GROZA, O., 2003: Les territoires de l'industrie, Editura Didactică și Pedagogică, București, 418 p.
- HATEM, F., 2004: Délocalisation: déclin ou nouveau modèle de spécialisation, Géoeconomie, 31, 119–149.
- POPESCU CLAUDIA RODICA 2001: Industria mondială în era globalizării, Edit. Oscar Print, București, 283 p.
- *** Recensământul populației și locuințelor din 1992, CNS, București.
- *** Recensământul populației și locuințelor din 2002, INS, București.
- www.gov.ro, accesing date 11.03.2006.
- www.primariahd.ro, accesing date 27.02.2006.
- www.parcuлиндustrialzarnesti.ro, accesing date 15.04.2006.

Priemyselné parky v rumunských priemyselných mestách. Súčasný trendy

Bianca DUMITRESCU

Zhrnutie: Program „Priemyselné parky“ vypracovaný rumunskou vládou implementovaný v roku 2002 bol zameraný na podporu hospodárskeho rastu Rumunska pomocou rozvoja a obnovy materiálnej infraštruktúry a stimulácie investovania rumunského a zahraničného kapitálu. Základom myšlienky priemyselných parkov bolo použitie materiálnych zdrojov bývalých mamutích priemyselných podnikov alebo jednotiek patriacich obranno-vojenskému priemyslu (infraštruktúra, továrne, prevádzky), ktoré boli v tom čase štátnym majetkom. Takýmto spôsobom mali byť využité obrovské fabriky so zastaralou infraštruktúrou, ktoré boli nezaujímavé pre súkromný sektor. Parky boli založené v strategických priemyselných zónach susediacich s hospodársky rastúcimi mestami, ktoré mali dobré napojenie na dopravnú infraštruktúru. Cieľom bolo posunúť priemysel z centra do periférie. Avšak priemyselné parky nie sú spásnosným riešením pre všetky upadajúce hospodárske územia násilne industrializované v minulosti, pretože akékoľvek rozpočtové zdroje sú vyčlenené, je dôležité, aby tieto parky priťahovali investorov. Myšlienka priemyselných parkov je v Rumunsku relatívne nová, pričom prvý legálny park získal oficiálny status v roku 2002. V roku 2006 už existovalo 37 takýchto jednotiek, avšak dvakrát toľko obchodných spoločností sa o to uchádzalo. Faktom je, že čosi vyše 50 % parkov je funkčných, z čoho väčšina vznikla ako hneď parky prevzali niektorú infraštruktúru a priestory predošlých fabrík. Plne fungujúcich zelených parkov je iba niekoľko, pretože je väčšina z nich ešte vo výstavbe. Hlavným cieľom budovania priemyselných parkov v Rumunsku je: reštrukturalizácia aktivít niektorých veľkých priemyselných prevádzok, tvorba nových pracovných miest, zníženie nezamestnanosti, priťahovanie investorov z centra mesta do jeho periférie, rozvoj aktivít využívajúcich vysokokvalifikovanú pracovnú silu, využitie existujúcich lokalít a eliminácia degradácie nových lokalít a eliminácia degradácie nových, využitie materiálnych zdrojov existujúcich mamutích priemyselných podnikov alebo jednotiek bývalej vojenskej výroby predtým v štátnom vlastníctve, využiť prevádzky so slabou rozvinutou infraštruktúrou nezaujímavé pre súkromný sektor, posilniť hospodárske prostredie v Rumunsku, zvýšenie kapacity uspokojujúce domáci dopyt, stimulovať export a redukcia import priemyselného tovaru, výroba konkurencieschopných komodít a služieb pre domáci a zahraničný trh, uvoľniť aktivity v súlade s cieľmi regionálneho rozvoja.

Adresa autora:

Dr. Bianca Dumitrescu
Institute of Geography, Romanian Academy
Dimitrie Racoviță Str., No. 12
Bucharest 20, Romania
biancadumitrescu78@yahoo.com