

INDUSTRIALISATION AND “DEINDUSTRIALISATION” IN THE LAND OF BÂRSA

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ABSTRACT – Starting from identifying the appearance, the maintenance, and the increase of industrial imbalance in the Land of Bârsa, in this study we focused on both the industrialisation process, with its four evolutionary stages (*localisation, selective concentration, regional polarisation, and mobility*) and on the existing industrial disparities. Year 1990 was the starting point for increasing these disparities with a significant impact on economy, population, the settlement system, and the environment. Some of the factories were shut down, others underwent bankruptcy, and industry changed its evolutionary trend to a rapid decline.

The “deindustrialisation” syntagm covers the new path followed by industry during the transition period, from a centralised economy to a market-oriented one that was supported by industrial reorganisation and privatisation. Either for the former or for the latter, the main purpose was the same: diminishing and eliminating the present industrial imbalances.

Key words: industrial disparities, industrialisation, industrial reorganisation, the Land of Bârsa.

1. INTRODUCTION

Diminishing the regional disparities that appeared in the first half of the 20th century and continued to exist in second half of the 20th century up to the present was the main objective of the Romanian regional development policy. For Romania the year 1990 marked the transition from a centralised economy to a market-oriented one, a period of increasing industrial imbalances as factories were either closed or underwent bankruptcy, the labour force was redundant and social imbalances also appeared. In a study by the National Agency for Regional Development (*National Development Plan: 2000-2002*, 2000), the following three sub-region categories were identified according to the natural resources of each region, its infrastructure type and its extant economy:

- **Underdeveloped traditional areas**, with significant social imbalances and most of the labour force in the agricultural sector;
- **Industrially declining areas**, which resulted from the imposed industrialisation policy (e.g. monoindustrial area, mining areas, etc.);
- **Structurally fragile areas** with serious social problems.

In the Land of Bârsa, researchers (Popescu Claudia Rodica, 2003, p. 26) identified a declining industrial area as a direct result of the communist hyper-industrialisation, based on an inappropriate capitalisation of local resources.

Analysing the industrialisation phenomenon, with all its attributes (the concept, its appearance, and evolution), from a chronological perspective, we identified, simultaneously the appearance, maintenance, decrease, or increase of the existing industrial disparities. The extreme increase of regional disparities coincided with the “deindustrialisation” process and Romania’s economic transition period. The “deindustrialisation” term we used was a rather “forcible” one, but we chose it especially to emphasize the moment when industrial imbalances increased. In fact, in reality, we witnessed a different industrialisation trend focusing on the appearance of several new processes as well as on industrial reorganisation and privatisation.

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2. INDUSTRIALISATION. THE CONCEPT AND ITS STAGES

While discussing the industry of Romania, Rodica Claudia Popescu, quoting Taylor and Thrift (1983), defined industrialisation as “an uneven growth process that increases spatial imbalances, its functioning based on centre-periphery relationships being intrinsic to industrial evolution” (2003, p. 32). The researcher emphasized the correlation between industry and industrial disparities.

In order to examine the appearance and the development of industry, we highlighted the industrial spatial dimension (figure 1), that had already been indicated by its four stages hierarchy: localisation, concentration, dispersion, and mobility (after Popescu Rodica Claudia, 2000, p. 32). The Romanian researcher used Storper and Walker’s studies (1989).

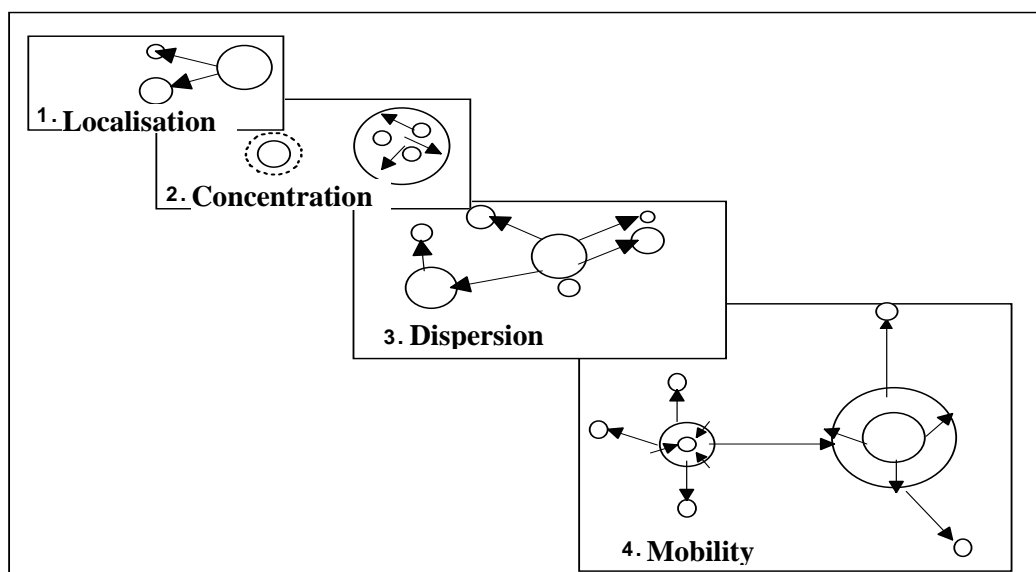


Figure 1. *The spatial dimension of industry*
(adapted by Popescu Rodica Claudia, 1990, after Storper and Walker, 1989)

These stages took into account the evolutionary features of industry and their localisation. Thus, we identified the first localisation stage that was based on raw materials and market area localisation which was followed by industrial sector specialisation during the concentration stage and by an extension of its influence over the neighbouring areas during the dispersion stage. Industrial functions would be transferred to the neighbouring industrial centres (the mobility stage) during the specialising and diversification of the industrial products.

In the second part of our paper we discuss each stage of the industrialisation process in order to identify the present industrial imbalances and to point out their evolution (amplification, decrease, and increase).

2.1. The Localisation/Spatial Diffusion Stage (the Middle Ages - 1918)

On the basis of rudimentary and extensive agriculture, together with the capitalisation of the geographical position of the region and mainly of Braşov, manufacturing as well as many handicraft centres appeared already during the Middle Ages (feudalism). It was an incipient production that appeared then, not a real industry, and this transformed Braşov into the main economic centre of the region. The “first factories” appeared in the 18th century and a transition from “home industry” to “manufacturing industry” took place. The former was characteristic of the 18th century, the latter was characteristic of the second half of the 19th century.

In Transylvania, the capitalisation and conservation of a strong handicraft tradition ensured the whole province an early industrial development (the best example was the textile industry in the Land of Bârsa).

The localisation of industry was influenced by the political environment. Thus, once the Romanian Independence War was over, the *economic liberalism* trend appeared. This was a result of industrial

stagnation as a direct consequence of a series of coercive factors such as foreign competition and the Customs Convention with Austria (1875). During the next decade, this trend was replaced by the *protectionist trend* enforced by the Law for encouraging industry (1887), which stipulated no customs taxes for the imported industrial machinery and raw materials. This led to an encouragement and, implicitly, an increase in industrial activities.

The localisation or spatial diffusion stage overlapped the first industrial disparities as differences between the mining and processing (e.g. textile, metallurgical, etc.) industry because the localisation of these industrial centres depended on the raw materials location and on the market. During this stage, the București – Ploiești – the Prahova Valley – Brașov industrial ring developed.

2.2. The Selective Concentration Stage (1918 – 1945)

The Union of the Romanian Principalities (1918) was the beginning of a sectorial concentration process in industry. The “totalitarian industrialisation” formulated by Arcadian, in 1938 (Popescu Rodica Claudia, 2000, p. 94) began. Its specificity consisted of the consolidation of the industrial tradition (by attracting significant labour force, especially the qualified one), on the one hand, and of the diversification of industrial activities (by creating new branches), on the other hand.

In order to support the industrial tradition consolidation, the Romanian Government voted the Law for employing Romanians in factories (1934). This law stipulated the industrial work tradition consolidation by offering the same opportunities both for the Romanian and the foreign labour force.

In other words, this stage consisted of *a quantitative industrial development*, as a result of the industrial centres multiplication, and *of a qualitative industrial development*, as a result of industrial production diversification. Because of industrial concentration, the disparities between the industrial and agricultural areas increased as well as the differences between various industrial centres because their development was directly dependent on their geographical location.

2.3. The Regional Polarisation / Dispersion Stage (1945 - 1968)

After World War II, once the communist regime had the power, a centralised economy appeared. Its main feature was rapid industrialisation. It was mostly the metallurgic and the machine construction industries which developed. The following big factories appeared: Tractorul Brașov, Rulmentul Brașov, Autocamioane Brașov, Carfil Brașov, The Sfântu Gheorghe factory for aggregate machines and car subcomponents, the power stations and the thermic stations in Brașov and Sf. Gheorghe, etc.

The other industrial types were ignored. During this stage, the localisation principles were ignored because of the focus on high industrial production and on industrial sectors diversification. Therefore, inter- and intraregional disparities appeared as there were industrial activities only in certain urban centres.

2.4. Mobility (1968 - 1989) / the “Industrial Gigantism” Stage

After the appearance of the 39 counties as administrative organisation forms, industrial centres multiplied, which led to the development of the production and, simultaneously, to the decrease of consumption goods production.

Continuing an intensive industrialisation, large industrial concentrations were created and developed. The main disadvantage was the lack of interest in the demographical and natural potential, the peculiarities of the respective urban centres, in their level of accessibility, etc. Consequently, the mobility stage overlapped the “industrial gigantism” period.

The new territorial administrative reforms had an impact upon the spatial distribution of industry. The multiplication of the industrial concentration axes determined the appearance of the industrial administrative centres. The creation of new industrial concentrations maintained and increased the extant industrial disparities which had a significant social and economic impact.

3. “DEINDUSTRIALISATION”: REORGANISATION AND/OR PRIVATISATION?

As we mentioned at the beginning of our paper, we used the term of “deindustrialisation” in order to underline the new evolution of industrialisation: shutting down certain factories while others went bankrupt, shutting down several industrial sectors or transforming the existing ones into other industrial units.

The purpose of “deindustrialisation” was to elaborate certain industrial reorganisation and privatising policies with a direct impact on the economy and the population of the region under investigation. Once this process started, we witnessed the involution of industrial activities. In 1977, professor A.N. Rugiñă considered that when passing to the new type of economy “shutting down the factories is a serious error equivalent to an economic suicidal of Romania” (Adumitrăcesei I.D., Niculescu N.G., 1999, p. 139).

We also focused on industrial reorganisation and privatisation under the conditions of a modern market economy in order to identify the development strategies for the industrial sector.

After the 1990s, in Romania, *industrial reorganisation* – modifying one structure in order to have a better result (Brunet R., 1992) – was implemented. It depended on capital, labour force, and the Romanian state. Reorganisation did not involve only changing the ownership type, but also financial, technological, spatial, and sectorial reorganisation. In the Land of Bârsa the beginning of this process was determined by the industrial workers’ redundancies.

The main causes of the industrial decline were: the outsized production capacity, an industry that consumed too much a quantity of energy and raw materials, loss of the traditional markets, reduced productivity, and poor modernisation.

Reorganisation benefited from legislative support, such as Law no. 15/1991 that stipulated the juridical reorganisation forms for industrial factories as well as autonomous administrations or profit oriented societies. The autonomous administrations were supported both by the state and the local authorities, while the profit oriented societies had public money as financial support. The national policy focused on giving subsidies to the big power plants and factories in the mining industry, while the processing industry was not supported and this led to its decline. Thus, the old industrial units had to be divided into smaller ones (production, commercialisation, provisioning, transport, import-export, research-projection, etc. units).

The most serious effects of industrial reorganisation were visible in the cities, in the big factories (e.g. Tractorul Braşov), but also in the monoindustrial towns (e.g. Zărneşti – where over 50% of the employees worked in the same factory).

Although initially the industrial reorganisation process relied on *privatisation*, the two notions were used as distinct ideas, and not all industrial units had the same transition from state to private ownership. Privatisation benefited from a series of legislative reforms. First, it was voted through the Law for the privatisation of commercial societies no. 58/1991. Then it continued with the Law for “mass” privatisation (no. 55/1995). These laws had a limited impact and other laws were voted in the last decades (Popescu Rodica Claudia, 2003, p. 133).

Consequently, the number of small and medium-sized industrial units increased as well as the investors’ number (groups, trusts, holdings). Privatisation was proclaimed while reorganisation was proposed and discussed without any legislative support of its own.

By transferring the industrial function to other settlements, new “reorganisation nuclei” were created and the employees of the industrial sector were differently spatially distributed (the loss was especially in the rural space and in certain industrial branches, too).

Either with a view to industrial reorganisation or privatisation, the contemporary trend is to implement development strategies that are able to ensure the industrial revival by industrial specialising, by increasing productive flexibility (dependent on the size of the industrial units) and by increasing environmental attractiveness.

4. CONCLUSIONS

First, one needs to take into account the appropriate industrial development at the regional and local level in order to improve the exploitation and the capitalisation of the natural and the anthropic potential. That is why one should insist on the involvement of the local, the regional, and the national factors and they should be made responsible for the initiation of a development project for that particular region. As far as local actors are concerned, we enumerate the following: public authorities (local authorities, research institutes, and universities), private authorities (trade unions, banks, small and medium-sized industrial units, chambers for commerce, professional associations, etc.) and community authorities (leaders of the community and NGOs).

Among the main development directions of industry, here are some solutions:

- the industrial specialising in fields of activity;

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- increased productive flexibility;
- attracting the foreign investors that also benefited from the Law for the promotion of investment (July, 2001);
- creating industrial parks (CARFIL–BRAȘOV, METROM–BRAȘOV, TOHAN–ZĂRNEȘTI, ROMAN–BRAȘOV);
- exports, etc.

Although the Land of Bârsa has benefited from an excellent natural and anthropic potential, Brașov being the economic centre of the region since feudalism, the region has undergone the same changes as Romania has, the same social and economic imbalances caused by inefficient and irrational exploitation and capitalisation of the extant resources. It is important that the national, the regional, and the local authorities are aware of this situation and that they ensure the regional industrial revival by proposing and implementing development strategies.

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