

## THE IMPACT OF DEINDUSTRIALISATION ON HUMAN RESOURCES IN CÂMPULUNG MUSCEL DEPRESSION

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**Abstract:** Industrial activities are part of the urban environment and often they are considered to be determinants for urbanisation. The process of industrialisation in Câmpulung Depression, started since the beginning of the XX century and reached its climax during the communist period, amplifying the role of Câmpulung city in its territorial relations as a convergence center for human and material flows and at the same time as a diffusion center for information flows. During the totalitarian period car manufacturing became the core of economic development in Câmpulung city. Considered by some researchers the main qualitative leap and an expression of human genius, the industrialisation remains the main modelling element for geographic space. This process imposed important functional changes and being at the same time a main trigger for social instability during the transition towards the market economy. After december 1989 car industry proved to be very important as the social and economic decline or success in this area depended on its evolution. Unfortunately the company ARO S.A. in Câmpulung, manufacturing off-road cars, suffered a continuous decline due to an inappropriate management unadapted to the needs and requirements of the market. In a similar way economic activities in the rural areas had a dynamic evolution imposed by the changes occurred in the political system. The passage at first from a capitalist system to a socialist one and the return to the market economy determined each time an organisatoric restructuration and generated radical changes in economic activities.

**Key words:** Economic restructuring, Deindustrialisation, Migratory movement, Activity rate, Unemployment rate, Labour renewal indicator.

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### **The evolution of industrial activities and their role in the dynamics of geographic space**

The complexity of urban area in Câmpulung Depression comes from its origins and evolution. For centuries Muscel area evolved under the influence of the old urban center of Câmpulung, a town which outstood as a great trade center due to the existence of some craft traditions and old trade relations with neighbouring centers facilitated by old lines of communication. In time, the development of industry in Câmpulung Depression was possible by connecting economic activities

with the valuing of existing raw materials and the judicious use of human resources. Among the available resources there are: forested areas, limestone deposits (Mateiaş Massif), natural aggregates in the river beds of Târgului, Bratia and Argeşel rivers, pastures and hayfields, hydroenergetic resources of Râul Târgului upper course, lignite deposits in the Schitu Goleşti coal basin, agricultural products resulted from the cultivation of plants and animal breeding.

At the end of 19<sup>th</sup> century and the beginning of 20<sup>th</sup> century there were small units belonging to the household industry and workshops that used agricultural products such as: mills, water textile installations used to wash the thick fabrics, small weaving mills

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and clothing workshops, sawmills for timber, lime and brick kilns, small workshops for food products (cheese), etc. Besides the manufacturing workshops the town of Câmpulung had during the 1920 – 1940 period a paper factory (on the present location of ARO factory), a weaving factory, several soap workshops, cereal mills, lime and mosaic kilns („Vălimăreanu Factories”), 2 printing houses, a factory which valued woollen cloths produced by households, 4 factories for lemonade and soda, an electric plant, 3 carders, 4 candle factories, 2 factories for cement pipes, a factory for terracotta tiles and a joiner’s workshop. Between the two World Wars the industry of the town expanded through the appearance of some manufacturing units, factories especially for wool, agricultural products or lime and rock materials, as Câmpulung had also a political and administrative function. Most part of the economically active population was occupied in agriculture, trade or transports and only a small part worked in industry.

After the Second World War Câmpulung met a period of economic development and focussed mostly on industry, phenomenon which characterised the entire Romanian urban network during the communist period. Industrial branches such as: car industry, construction materials industry, wood processing industry and food industry (milling industry, bakery, dairy industry) began to develop. Once with the development, growth and diversification of industrial production, it was noticed a concentration of labourforce in the urban area and migrations from the rural areas. At the same time the commuting phenomenon between the workplace and the place of residence was amplified.

In the 1965-1980 period, a change in the profile of industrial production was remarked as it started to foccus on manufacture of machinery and vehicles, manufacture of metals, chemical industry and mining industry compared to the period before 1965 when most part of industrial production came from food industry, wood processing industry and textile industry.

## Industrialisation and labourforce migration

The richness of resources and the social traditions lead the local community to express its productive potential within the subsistence household economy. Industrial activities preserved for a long time their hand made character foccusing on valuing local resources mainly agricultural products, wood or construction materials.

Starting with the 15<sup>th</sup> century the documents mention different craft activities especially at Câmpulung. The workers were grouped in different quarters and also in associations and confraternities known since the 17<sup>th</sup> century. The craftsmen were the real members of the guild. The neighbourhood of Negru Vodă Monastery gathered the workshops of blacksmiths and braziers in the suggestively named area „Țigănia”. The furworkers and coat makers were located in Șubești, the leatherworkers in Tabaci quarter, on the right bank of Târgului River while soap makers, coopers and chandlers were located in Schei quarter, in the northern part of the town. Stoneworkers lived in the area called „Câmpul Crucerilor” situated near the way to the mine in Albești village and potters were settled in a neighborhood known as the potter’s quarter where they rose a cult monument using clay from Grui hill.

Once with the crafts development commerce practiced by trademen developed. In fact the development of crafts and trade continued until the second half of the 19<sup>th</sup> century, other new activities in this area appearing with the new material possibilities and the use on a large scale of mining materials such as: lignite, limestone, etc. The first factories and workers have also made their appearance in this period. The presence of some subsoil resources and of important energetic resources determined also the development of other industrial branches such as mining, energetic, construction materials and wood processing industries. In parallel, non traditional sectors, namely the car industry and the chemical industry were established. Industrial activities together with specific forms of planning and agricultural

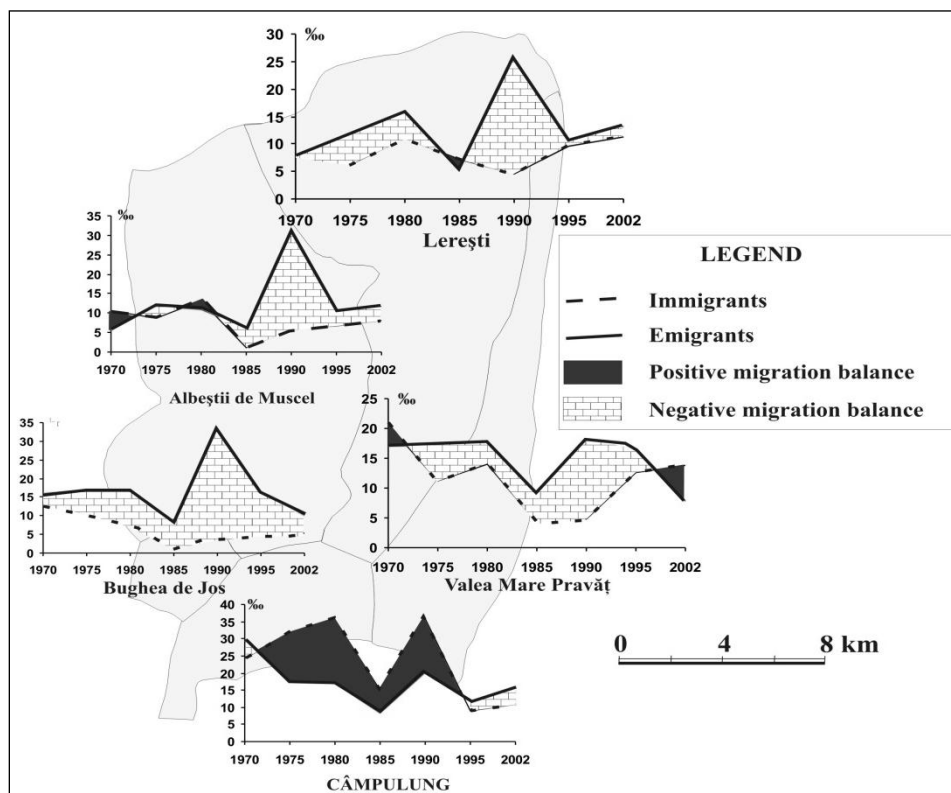


Figure 1. Câmpulung Muscel Depression. Migration movement between 1970-2002

property influenced to a great extent human communities. One may remark though the concentration of industries in the urban area and the transfer of rural population towards Câmpulung city which finally increased the territorial mobility of labour force and altered the demographic structures (Figure 1).

In the second half of 20 century, the migratory movement represented the most important and dynamic element of demographic evolution in Câmpulung Depression. The territorial mobility of population manifested through definitive or temporary movements especially from rural towards urban areas, representing a characteristic phenomenon for societies which passed through an industrialisation phase. The emigration rate had high values (oftenly above 10 ‰) registering two peak periods: one at the end of '70s corresponding to the after war period of maximum economic prosperity and a second one (even more intense) which manifested in the first few years after the Revolution in December 1989 once with the removal of restrictions regarding the establishment of residence in the urban area and the liberalisation of population movement.

The evolution of migration balance clearly differentiate the urban from rural environment. The first one had a positive migration balance for a long time benefiting from an important volume of arrivals whereas the second one registered a predominantly negative migration balance as it represented for a long time an area of emission for young labourforce, a process which had as main results the village "emptying" and a dynamic of demographic ageing without precedent.

The explosive development of workshops and trade during 20 century was a supplementary reason for population to immigrate in the area. Later on the communist regime determined the forced industrialisation process. The appearance of new production units constituted a major factor which attracted especially rural population to establish in the neighbouring areas of Câmpulung. Elements that attracted people making them to quit definitively their originary places were the labourforce market (the wages in urban area were higher than in the rural one), technical endowments (unsufficiently developed in the villages) and a higher socio-cultural level, in one word a

better quality of life which could be translated in the „mirage of the town”.

After 1989, when the majority of production units entered the restructuration process, a new defavorised population category, namely the unemployed people appeared. Lacking the perspective of a new job (despite the programmes for professional reconversion) they generated a definitive movement (return migration) towards their places of origins. On the other hand definitive emigrations of young people, especially of those between 20 and 40 years (with a higher power of social readjustment) towards the county capital or other more developed urban centres outside the county was noticed.

At the same time in the last years external temporary work migration especially of dismissed people intensified. Migrations for working abroad imply a huge number of people and beside men, women are more and more numerous. If immediately after Revolution this type of migration registered isolated cases it became a mass phenomenon as generally approximately 30 – 40% of the active population (especially youth) works abroad for various periods of time (between 3 and 18 months).

Regarding the commuting phenomenon, the main industrial center to which the labourforce oriented was Câmpulung. The rapid socio-economic development of the town determined the increase in the number of employees from 1766 persons in 1950 to 23 500 in 1977. The first area that provided labourforce for Câmpulung was formed by the settlements in the depression to which the villages of Schitu Golești commune could be added. Although they assimilated or inherited different economic functions (coal mining and sorting in Schitu Golești, materials of construction in Valea Mare, limestone mining and processing in Albești, mineral springs exploitation in Bughea de Sus, tourism activities in Lerești, etc.) these localities also fulfilled complementary activities with the urban center of Câmpulung as they were dormitory suburbs for the employed labourforce in its industrial units. Statistics estimate that in 1976 there were approximately 5658 daily commuters for Câmpulung city coming from the nearby rural

area. The highest flows were generated by the communes in the northern part of the depression: Valea Mare Pravăț (1030 workers), Albești de Muscel (1330 workers) and Lerești (1990 workers). The towns' necessities were satisfied also by supplementary sources constituted by the localities outside of the depression.

Nowadays the commuting phenomenon is favored by factors such as: the small distance between the town and the close rural centers, the development of transport infrastructure and services (public transport practiced both by state and private companies). The intense development of tertiary and quaternary sector determined lately the concentration of employment in the service domain, constituting a major attractive element for labourforce, even for the one outside the town and making it to commute daily. The facilities granted to small autochthonous investors and foreign investors led to the appearance of new units of production (especially for light industry) in the neighbouring rural areas which concentrate a great part of the dismissed labourforce from Câmpulung (especially feminine labourforce concentrated by textile and plastic industry). An example would be S.C. AMPLAST S.A. in Lerești. Situated in the continuity of Câmpulung city the commune of Lerești is tightly linked to it (the passage from town to village is not perceived and the delimitation is marked in the local language as "the I.M.M. bridge") determining an important labourforce flow between the two localities segmented on the base of different economic sectors (car industry in the town, light industry in Lerești). Otherwise the gradual extension of the town towards north, till its joining to Lerești confers to the latter the periurban character with all its implications: intense trade exchanges, complementary labourforce, concentration of private capital, etc. Another example is given by the existence of the cement factory HOLCIM S.A in Valea Mare Pravăț commune which determined a concentration of the daily flow of commuters from Câmpulung but also from other neighbouring localities towards this industrial unit.

The migratory movement had an essential role in determining the population dynamic. The urban area for instance, represented by the town of Câmpulung, had a dynamic of average intensity, characterised by a relative equilibrium between the natural and the migratory movement during the whole analysed period (1970-2002). This type of dynamic was definitory for the town of Câmpulung which registered for the whole period an average value of the total balance of 12,6 ‰. The most significant values of the total balance registered in 1980 (29,9 ‰) were contrabanced by smaller ones registered by this indicator in 1970 (6,1 ‰) and 2002 (- 5,2 ‰). For rural areas the migratory movement had a high dynamic, represented, in the first part of the analysed period, by a growth sustained by positive values both of natural and migration balance. However at present moment the growth seems to show an obvious tendency of equilibrium. This type of dynamics is obvious in the case of Valea Mare Pravăț, commune which benefited by an early economic development due to an important unit of production (the cement factory) which attracted labourforce inclusively from Câmpulung city. The locality had in 1970 a natural balance of 15,5 ‰ which was cumulated to the migratory one 3,6 ‰ so as to insure the accentuated ritm of dynamics.

### **Changes registered in the structure of active population and in the evolution of unemployment**

The dynamics of Câmpulung neighbouring area had various ways of expression in the light of the political and social changing background. The human activities introduced new elements in the natural environment modifying the existing ones and sometimes determining new relations which conferred to the geographic space a greater socio-economic efficiency. Beside the influence on population, economic activities constituted an extremely relevant pressing factor for the structural dynamics of the entire studied territory. The changes occurred in the last decade manifested through continuous restructurations of

economic activities (especially of industrial ones) leading to different influences on the whole range of socio-demographic components. At the level of socio-economic structures, the active population had important fluctuations registered on the background of a general increasing tendency of employment in industry till 1989 and of accentuated decreasing after this reference year as a consequence of the socialist regime and of the economic restructuration. In the last decade, the difference between the economically active population and the inactive one increased considerably. Among the causes of the explosive growth registered by the inactive population after revolution the lowering of the official retreat age for some economic activities (mining, military domain, etc.) or the retreat before the age limit (disability pension) were added to the natural ones (population ageing). Otherwise the last decade deepened the gap between the demographic offer and the demand of labourforce generating unemployment.

The cartodiagram regarding the repartition of economically active and inactive population in 1992 made obvious that generally at the local level the inactive population was more numerous than the active population. Great differences between the two segments were registered however in localities with a significant process of demographic ageing as for example the villages of Valea Mare Pravăț which had a percentage of 66,3 % inactive population. A relative equilibrium was registered by Câmpulung (50,1 % inactive population). In 2008 the difference between the two categories of population was even greater in favour of inactive population. The greatest figures of inactive population (over 70% in the total) were registered in Bughea de Jos (Figure 2a).

During the period of transition the territorial evolution of unemployment has constantly risen due to the incapacity of adapting production (especially of the industrial one) to the demands of the market economy. The frequent actions of dismissing led to a significant growth of unemployment in the localities which provided labourforce for Câmpulung city before 1989 (the first people that had been dismissed were the

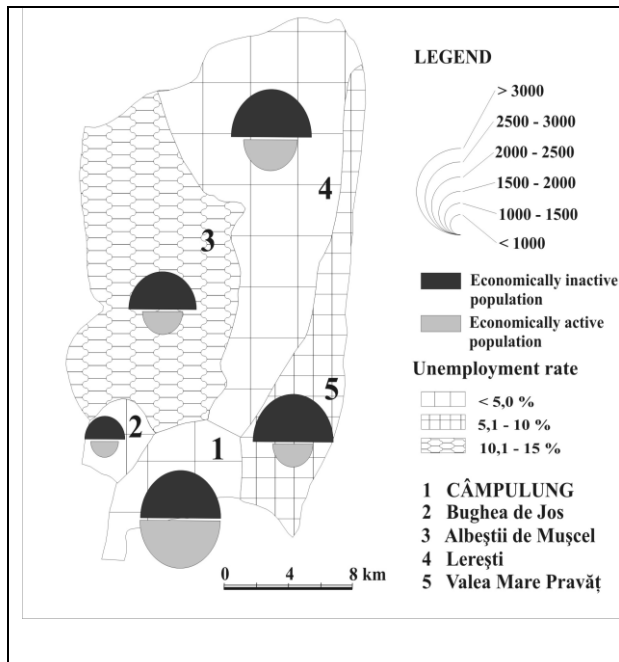


Figure 2a. Câmpulung Muscel Depression.  
Economically active and inactive population (1992)

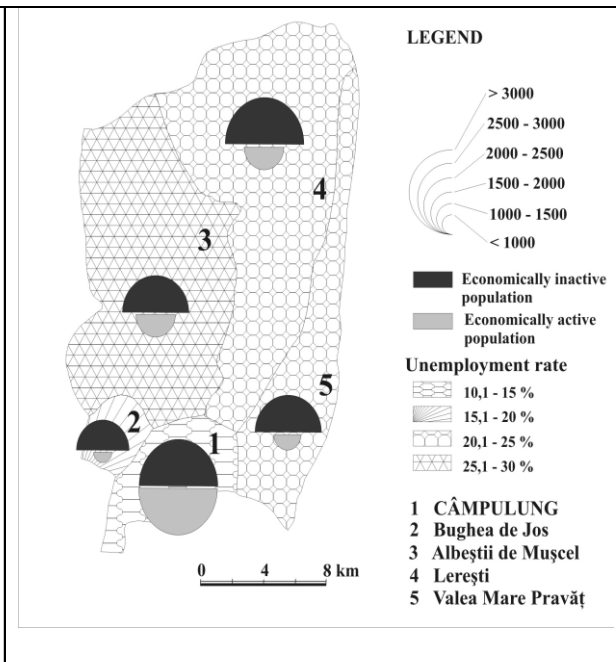


Figure 2b. Câmpulung Muscel Depression.  
Economically active and inactive population (2008)

commuters). The socio-economic situation of Câmpulung Depression was dramatic during the '90 as the economic decline of the town and especially of the car industry determined an unprecedented value of unemployment rate. On its turn the restructuration of mining sector which culminated with the closing of all the mines in the Bughea – Bratia area accentuated even more the socio-economic decline of the region (Figure 2b).

The unemployment rate in Câmpulung was according to the statistics registered at the beginning of the new millenium of 14,7 %, value which resulted after the dismissings occured after the govermennt emergency ordinances emitted between 1997 and 1999. As labourforce resources for Câmpulung area one can consider the persons who were receiving unemployment indemnity during that period (4696 persons) to which the persons that do not benefit anymore of social protection (3786 persons) could also be added. In the climax period of dismissings at ARO compagny in Câmpulung and nearby areas there were 1146 unemployed persons who received an indemnity and another 6000 who didn't receive it, totalizing 7146 unemployed persons.

The fact that the work offer didn't overlap the labourforce demand is evidentiaded by the distribution of

unemployed people on age group and professional qualification. If considering the age group unemployment statistics revealed: 415 persons under the age of 25 years, 206 persons between 26 and 30 years, 301 persons between 31 and 40 years, 144 persons between 41 and 50 years and 80 persons over 51 years. This situation determined massive migrations of people in search for a job, especially of those under 30 years old which represented younger categories of age with a higher degree of adaptability. By gender group in 2001 the value of female unemployment (54,4 % - 623 persons) overpassed the male unemployment (45,6 %, 523 persons). If professional qualifications are considered 12,2% unemployed people had no qualification, 78,5% had various qualifications, 4,1 % had secondary education and 5 % superior education. Generally labourforce in the area had a qualification for minig sector, manufacturing industry (welder, locksmith, tool and die maker) and for constructions sector (cement mason, concrete finisher, faience worker, plumber, mason, wall painter, civil engineer, etc.). All these categories of unemployed people tried, unfortunately in most cases without success, to reconvert professionally for jobs such as: electric welder,

locksmith, carpenter, sales agent, vendor, barman, chef, tailor, etc.).

by investments and the development of small and medium enterprise sector.

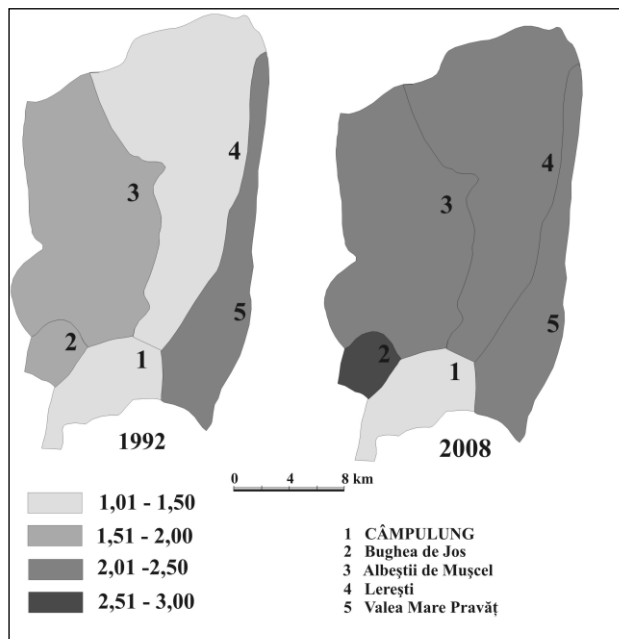


Figure 3a. Câmpulung Muscel Depression. Economic dependency ratio

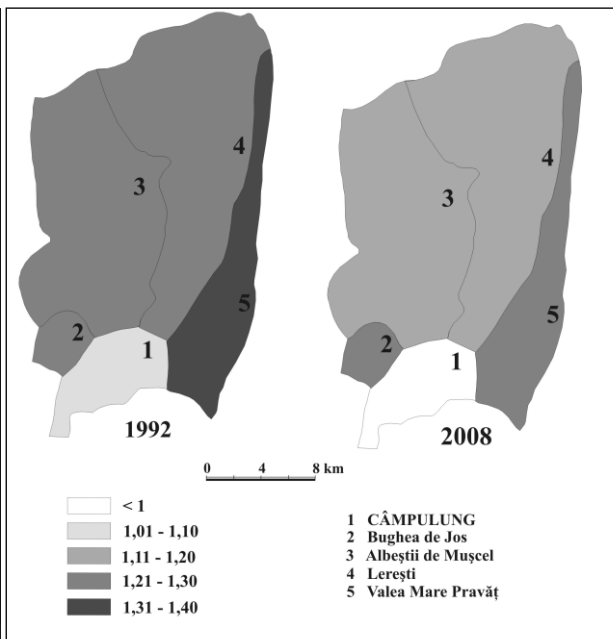


Figure 3b. Câmpulung Muscel Depression. Labour renewal indicator

Another relevant indicator for the present study is the activity rate, calculated as the ratio between the active population and the total population which shows the degree to which the population participates to economic activities. Generally the evolution of activity rate registered a continuous decrease, proportional to the diminution of active population due to massive lay-offs (as shown above), to the increase of studies period and the lowering of the pension age for some socio-professional categories.

At the beginning of transition period (1992) the activity rate registered values around 50 % for Câmpulung city and between 35 % and 45% for rural areas, the minimum value under 35% being registered by Valea Mare Pravăț commune. The constant diminishing of the activity rate is demonstrated by its very low level reached in 2008 for the majority of administrative units in the region. Except for Câmpulung city for which the activity rate maintained a higher value (41,2%), the majority of rural areas registered small values (< 35 %). Among the rural localities the greatest value for the activity rate was noticed for Lerești commune (37,0 %) due to the economic revival caused

**Economic dependency ratio and labour renewal indicator**

The indicator of economic dependency calculated for 1992 and 2008 as the ratio between the sum of inactive population and unemployed population on the one hand and the active employed population on the other showed an increase for all the localities in the region as an effect of changes occurred in the number of population and especially in the structure of group ages, of disappearance of some economic activities, of the official registering of unemployment or the retreat before the age limit (Figure 3a).

Table 1. Economic dependency ratio\*

No	Locality	1992	2008
		Gde	Gde
1	Câmpulung Muscel	1,10	1,49
2	Albeștii de Muscel	1,70	2,10
3	Bughea de Jos	1,91	2,72
4	Lerești	1,38	2,16
5	Valea Mare Pravăț	2,19	2,37

source: computed data

\*  $Gde = \frac{P_i + P_n}{P_o}$  where: Gde = economic dependency ratio;  $P_i$  = inactive population;

$P_n$  = unemployed population;  
 $P_o$  = employed population.

The evolution of this indicator at local level shows a significant increase for all the rural localities and only a small variation for Câmpulung (Table 1). The most spectacular increases were registered by: Lerești (from 1,38 to 2,16), Albeștii de Muscel (from 1,70 to 2,10) and Bughea de Jos (from 1,91 to 2,72). In order to assure data comparison, labour renewal indicator was calculated for the same reference years (1992 and 2008) as a ratio between population between 15 – 29 years and population between 30 – 44 years (Table 2).

Table 2. Labour renewal indicator\*\*

No	Locality	1992	2008
		Îfm	Îfm
1	Câmpulung Muscel	1,03	0,86
2	Albeștii de Muscel	1,21	1,12
3	Bughea de Jos	1,30	1,26
4	Lerești	1,26	1,15
5	Valea Mare Pravăț	1,57	1,30

source: computed data

\*\*  $\hat{I}fm = \text{Pop}_{15-29} / \text{Pop}_{30-44}$  where:  $\hat{I}fm$  = labour renewal indicator;

$\text{Pop}_{15-29}$  = age group 15 – 29 years;

$\text{Pop}_{30-44}$  = age group 30 – 44 years.

At the beginning of transition period the majority of the administrative units in the studied region had values for this indicator comprised between 1 and 1.5, except for Valea Mare Pravăț which had a value of 1.57 due to a smaller proportion of the age groups between 33 – 40 years. However in 2008 there were major differences compared to the level in 1992. Except for Bughea de Jos which registered a small decrease (from 1.3 to 1.2) all the other administrative units registered a decrease of at least one value step: Valea Mare Pravăț (from 1.57 to 1.30), Lerești (from 1.26 to 1.15) and Albeștii de Muscel (from 1.21 to 1.12). For Câmpulung the value of this indicator

decreased under the value of 1 registering in 2008 a figure of 0,86 (Figure 3b).

## Conclusions

Economic development, sustainable development, regional development were concepts that dominated the perspectives of planning and functional „valuing” of space in different periods of the last centuries, emphasising different models of evolution for geographic territories. Industrialisation phenomenon played a key role in the transformation of rural environments dominated by primary economic functions into urban or urbanised environments dominated by secondary and later on by tertiary domains. Câmpulung Muscel Depression made no exception as the development of industrial activities in several phases had a major influence on the dynamics of geographic space imposing the town of Câmpulung as an attractive urban pole for the neighbouring rural areas on the one hand and expanding industries (after 1965) in the rural areas on the other. The demographic indicators sensitively responded to economic transformations showing a tight connection between population and industrial activities in the area.

Successful industrial units obviously determined migration flows either of definitive migrations or of commuters in different periods of time, influencing also indirectly other demographic indicators. The deindustrialisation process which inevitably occurred after 1989 in this area on the background of the important socio-economic transformations on the whole Romanian territory reflected on its turn through a gradual decline of the values of all important socio-economic indicators at the local level having a great impact on human resources in Câmpulung Muscel Depression (an increase of the percentage of inactive population, higher economic dependency rates, lower values of the labour renewal indicators). The passage at first from a capitalist system to a socialist one and the return to the market economy determined each time an organisatoric



restructuring and generated radical changes in economic and industrial activities reflected by demographic structures.

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