

DYNAMIC SECTORS OF ACTIVITY-A LANDMARK OF ECONOMIC COMPETITIVENESS. CASE STUDY: BOTOSANI COUNTY

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Abstract

Sectors of activity represents an important landmark for the economy and its characterization. The predominant activities in a sector of activity shows the State of the economy and on the other hand the standard of living. Dynamics of economic activities and consolidated are designed to highlight the strength of community development and the creation of a competitive environment from the economic point of view to determine the development of the rural-urban relationship for the purposes of capitalization of economic resources. Labour force represents a significant indicator to observe the diversification of economic activities, basic economic sector developed, integrating the active population for economic development and competitiveness of the sectors. The workforce consists of both active population, employment, or number of employees. The analysis in this study is focused on the number of employees because it highlights a situation relevant to the dynamics of the sectors of activity. Economic competitiveness must be determined in order to fulfill the objective of the European Union and to increase the standard of living of each community in view of reducing enter county.

Key words: sector of activity, competitiveness, economy, labor, rural space

The European Union, through economic and social cohesion policy, a policy of solidarity, the purpose of which is to promote a high level of competitiveness and employment of the workforce, by helping lagging regions and those facing structural problems.

The study is focused on the number of employees because it highlights any conclusive dynamics sectors. Period post-communist economic level, is characterized by a transition period, especially for rural areas. Sectors have a certain dynamic profile in the communist period, while after 1989 began economic reforms that

destabilized for about 20 years and the consistency of economic development activity in other sectors.

The secondary sector has gone through a difficult period because they were dismantled many important factory which had a significant number of employees, which increased the number of unemployed and subsequently of people working in agriculture because some people moved their domicile rural areas, because the labor market was not optimistic one. The workforce has known many oscillations, continually decreasing number of employees due to environmental and dezvoltare confused reforming the economy and sectors.

The aim of this study is to highlight developments in the period post-revolutionary sectors that have undergone considerable changes due to post-revolutionary reforms implemented in all areas.

MATERIAL AND METHOD

In this study we were centralized data from the National Statistics Institute for Botosani county, during 1991-2012, and Census of Population and Housing (1992, 2002 and 2011). The indicators used were: total number of employees (1991-2012), the activity rate of the working age population (2002, 2011), the economic dependency ratio (2002, 2011), the activity rate in the primary sector (1991, 2002, 2011), the activity rate in the secondary sector (1991, 2002, 2011), the activity rate in the tertiary sector (1991, 2002, 2011), the dynamics of these indicators for the period 1991-2002 the number of employees and development sectors (1991-2011).

RESULTS AND DISCUSSIONS

The labor force is an indicator for the economic diversification notice, the underlying economic sector developed, the integration of active development of economy and competitiveness of the economic base. The labor force comprises both active population, employment or number of employees.

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Between 1991-2012 the number of employees in Botosani County is steadily decreasing, from 1991-1998 were lost 40,000 employees, is an increase from 1999 to 2000, after a continuous decline until 2006. While in 1991 there were approximately 104,000 employees in 1998 was 64,000, while 54,000 were in 2006. It observed halving the number of employees over 15 years, which shows a low competitiveness of sectors, the secondary sector or specific branches of industry were a setback continuously factories dismantled, the employees being made redundant, which led this serious situation caused by the decrease in the number of employees.

Post-December period had a negative effect on the industry when textile factories specific Botosani county were abolished, some being to later purchased by foreign investors, or sugar mills Trușești and Bucecea which were abolished by one (until 1996 these two factories had 1200 employees, which shows the dynamics of the secondary sector, but in 1996 the factory in Trușești, Zatrus went bankrupt due to an administration inefficient bought cheap fuel and damaged the technological line, leading to large debts of the factory, while the plant from Bucecea, Siret who was one of the largest sugar factory in Eastern Europe declined in 1996, the company sold Flori Mob Bucharest, which led to the disappearance gradually).

Clothing industry is representative of Botosani County because it has the largest number of employees nationwide, about 10,000 people are employed in about 100 factories, with an average of 10-800 employees. The tradition dates back to the clothing industry since 1948, when he opened the first garment factory, the bases are made of a group of 30 Hebrew established in Botosani behalf of the Republic. During the communist regime held a development of the garment is constructed two large factories where they were employed about 2000 people, representing one in Botosani and one Dorohoi, and a factory of fabrics (Uzinele Textile Moldova) with approximately 1000 employees.

During the 1990, Botosani county was noted nationally by mono-industry, but in a few years began to appear factories ventures and foreign investment (company SERCONF began operations in premises at Confecția, later Rapsody Conf, Associate with capital investor Josef Aslan Seroussi). Thus begins the period when the clothing industry supports transformations entry close factories in possession investors Italian, French, British, etc. In 1997 appears one of the largest garment factories, Formens, which is owned by Frenchman Gerard Losson (in 2012 the

factory had 617 employees, with turnover of 144.5 million, according to the Ministry of Public Finance). This highlights two aspects: Botosani county had people with economic potential to invest in these factories and to maintain a secondary sector competitive authentic and competitiveness of clothing factories due to foreign investments unprofitable Botosani county, but the country of origin investor.

Transition clothing factories and the dismantling of sugar factories, can be a credible reason that contributed to the sharp drop in the number of employees since 1990.

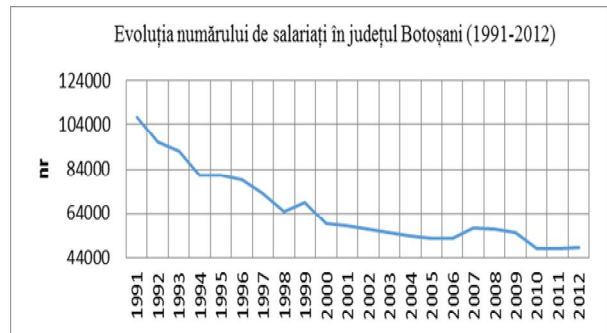


Figure 1 Evolution of the number of employees in the Botoșani County (1991-2012);

Data source: The National Institute of Statistics

Activity rate of working age is to highlight the work of people of basic administrative units, so analysis was performed for 2002 and 2011 were necessary because information on the population between 20-65 years age group, these reviews being carried out at the Population and Housing Census in 2002 and 2011.

Between 2002 and 2011 there was a decrease in the activity rate of the working age population, being from 16.57 to 30.48 from 4.38 to 11.96, which is a reduced activity. High values are in urban areas (Darabani, Dorohoi) which shows that they act as a magnet to attract labor. Urban areas generally are a generator of jobs that provide a decent opportunity, which highlights the rural exodus.

The economic dependency ratio (Figure 3) is the number of inactive or unemployed reported 1,000 active individuals. It increased between 2002-2011, the central area, north and east being the most affected, because I get to dependence 61.93 per 1000 people. In 2002 there was a very low ratio between 0 and 0.61 % in urban areas, which shows the integration of the working age population in the labor market, while in 2011 the dependency ratio in urban areas is positive located between 0 to 2.81 %.

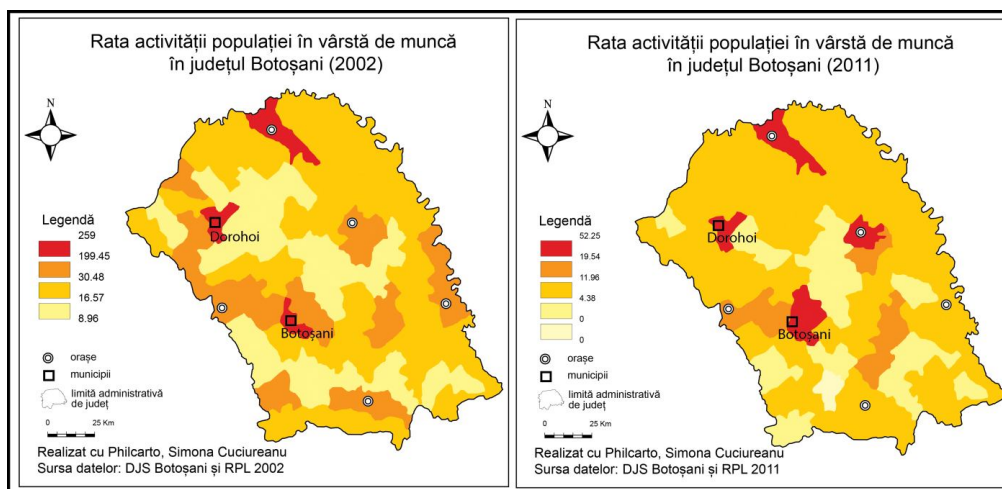


Figure 2 Activity rate of the working age population in Botosani County (2002 □ i 2011); Data source: Census of population and housing 2002, 2011

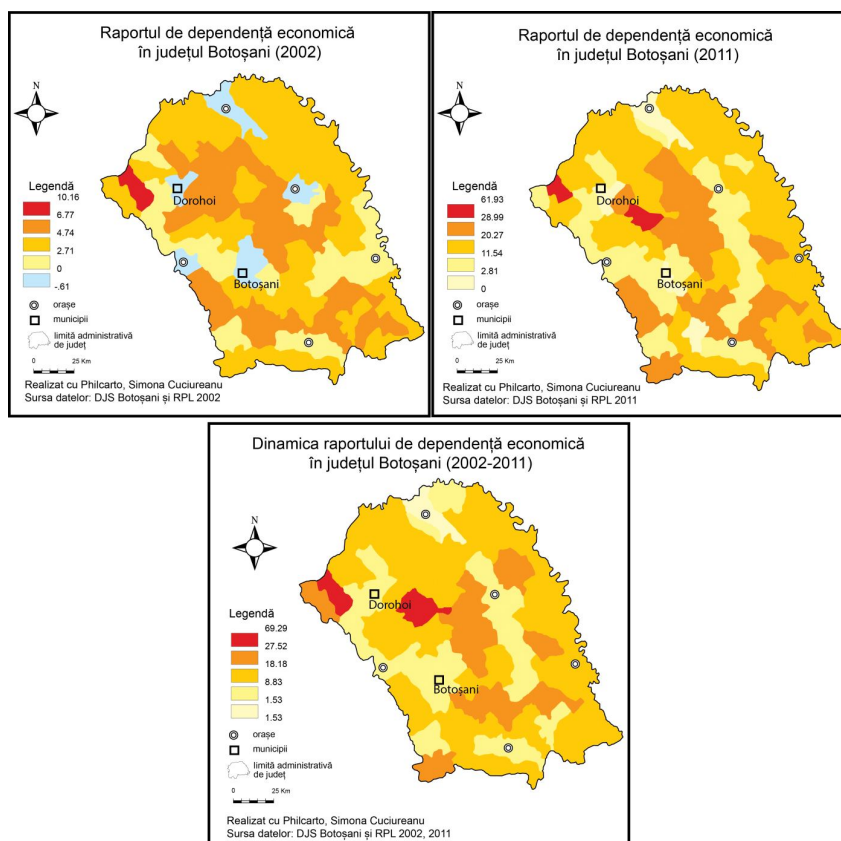


Figure 3 The economic dependency of Botosani County in 2002, 2011 and dynamics of economic dependency 2002-2011; Data source: Census of population and housing 2002, 2011

Increasing economic dependency ratio in the range 2002-2011 and determination of a high dynamics of this report highlights a worrying situation for human welfare and economic competitiveness. One element that could increase economic dependency is the number of departures labor abroad (commune Dersca is recognized for labor migration abroad, but it brought benefits to the community by developing housing fund newly built, dynamics the positive growth rate of

housing) or the predominance of elderly population (the central part of the county).

Basic sectors, considered individually, are intended to highlight the situation and dynamics at the county level for each basic administrative unit. Regarding employment, it is mainly in the primary sector, which suggests practicing subsistence agriculture. Analysis of the number of employees shows an overview of the dynamics of activities

that contribute to economic development and society Botosani county.

The number of employees in the primary sector has been growing between 1990-1991, after which it decreased gradually until 2010 when making a constant line, from about 110,000 employees in 1991, reached 30,000 in 2010. This was due to the abolition of collective farms and entry into decline of agriculture, which led to a low dynamic of the primary sector as people though practice agriculture was not employed, but they provide goods for their own household, indicating

practicing subsistence agriculture.

The activity rate in primary agriculture or fell to the maximum 83.33 in 1991 to 21.67 in 2011, which supplements the previously specified argument that led to the abolition of entry APCs labor force unemployed and conversion saddle. The dynamic activity rate is negative, which indicates that not identified other solutions to transform the primary sector into a competitive, either through the establishment of agricultural associations or by the opportunity offered by the European Union since 2007, with minor farmers.

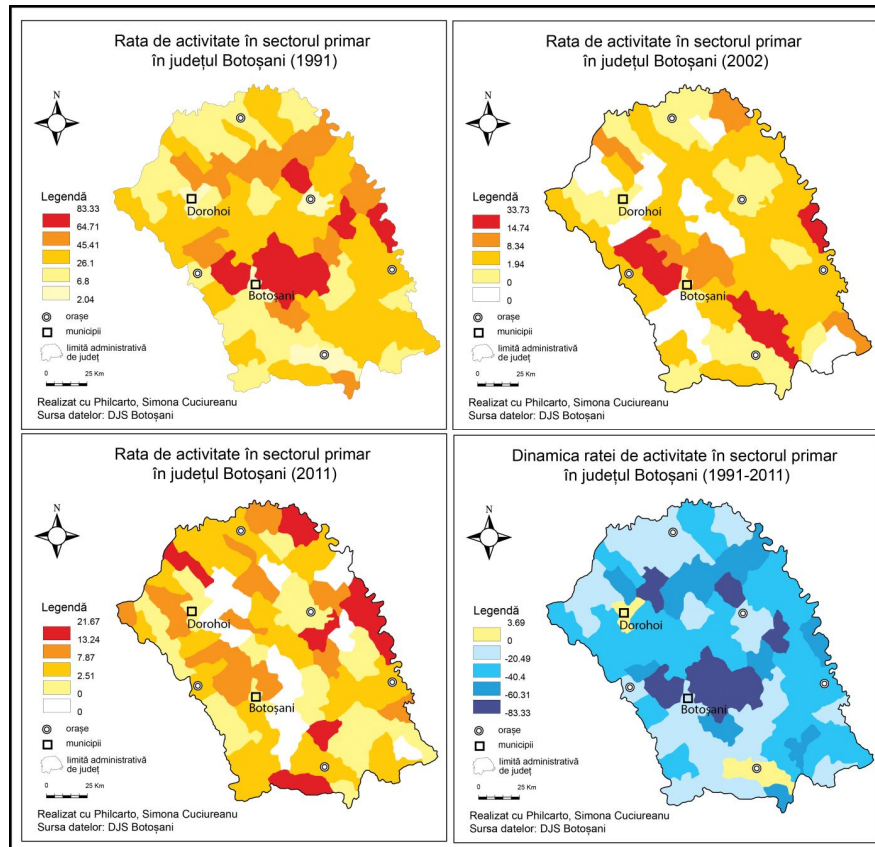


Figure 3 The activity rate in the primary sector in Botosani County, 1991, 2002, 2011 and dynamics of the activity rate in the primary sector 1991-2011; Data source: Census of population and housing 1991, 2002, 2011

Evolution of the number of employees in the secondary sector is steadily declining since 1991, which confirms the arguments set out in the beginning section, the dismantling industry is in decline or shift their factories in privatization. Bankruptcy sugar factories which had a major number of employees decreased in the range observed in 1996-1997, while the clothing industry went through a reorganization process immediately after 1990, therefore, and the continued decline of employees in secondary. This county has suffered adverse consequences for the economy and for employment by stagnation or closing factories which nationally noticed Botosani county, confections and sugar factories. The decrease in

the number of employees since 2007 is due to the integration of Romania into the European Union, when the labor force working mainly in apparel emigrated abroad. Salaries in clothing, after passing factories in foreign capital, does not rise to the level of work performed and the schedule of employees, which caused reorientation of labor immigration and ensuring a high standard of living, the area outside the home.

At the local level we can see a negative trend in the rate of activity of the secondary sector in the period 1991-2011, including municipal areas, Botosani and Dorohoi, holding the garment or textile factories were affected by the changes incurred by the secondary sector. Industrial

activities are not specific to Botosani county, over time standing out in a sugar factory, now disbanded and garment factories, currently under foreign capital. Two emerging industries are industria manufacturing and building industries. Thus agricultural potential through numerous livestock and increasing average yields, developed manufacturing dairy or meat (slaughterhouse). Slaughterhouses meat (DOLY-COM – commune Roma, FLOREA CARN – Draceni, commune Suliș, TRICON ABATOR – Botoșani, SAMCOM – Roșiori, commune Răchiș) exports

both domestically and abroad, which ensures economic competitiveness and profit or milk processing companies (SC LACTO SOLOMONESCU - commune Vlăsinești) exporting internationally, creating a reputation, which already drives them to develop business. Regarding the dynamics of the secondary sector activity rate can be observed municipalities listed with the processing industry, among the areas with positive dynamics (Vlăsinești Rome, Răchiș, Suliș).

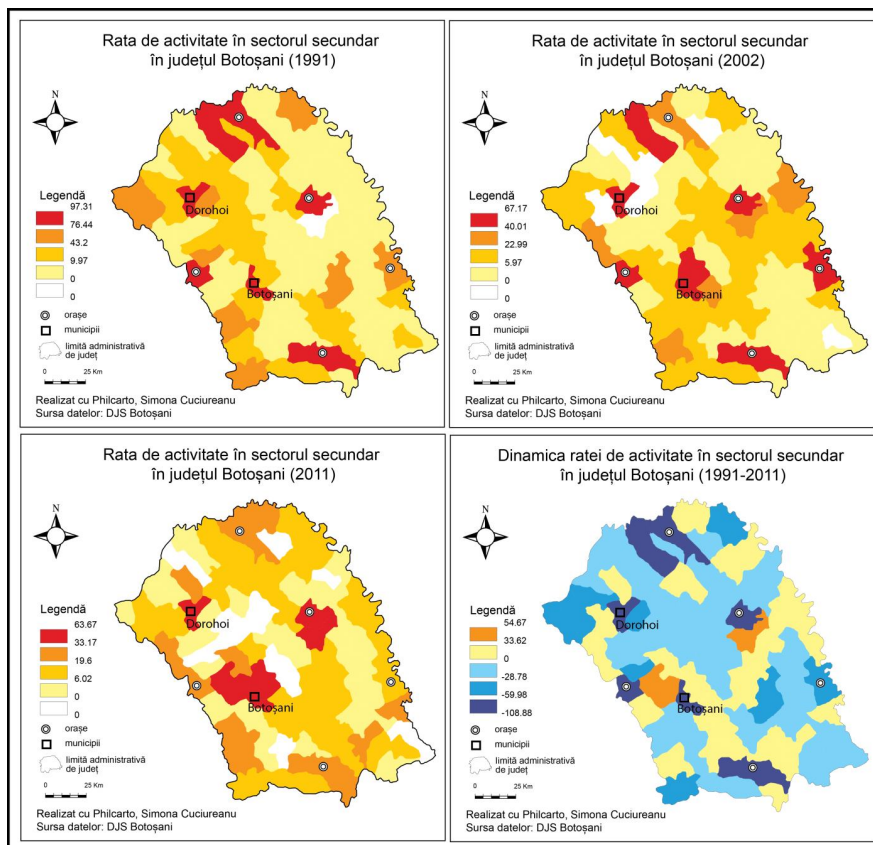


Figure 4 The activity rate in the secondary sector in Botosani County 1991, 2002, 2011 and dynamics of the activity rate in the secondary sector 1991-2011 (Census of population and housing 1991, 2002, 2011)

Manufacturing industry shows that it is effective for the rural population to deal with livestock by establishing farms because they can sell products worldwide county and benefit from grants provided by the European Union for livestock. And this can be considered a reason for the development of the processing industry.

Thus, while the secondary sector experienced a decline in the level of employees, it could develop and become competitive by developing appropriate Botosani county industries (manufacturing industry, clothing, construction). The number of employees in the tertiary sector has experienced major decrease between 1999-2005, after which the following increase in employees in

2005, following a decline in 2008 oscillating period characterizing the overall situation of the tertiary sector for Botosani County is due to: leaving to work abroad, diversify services with EU integration and economic crisis (2008).

The activity rate of the tertiary sector highlights a trend towards 100% between 1991-2011, which apparently shows a diversification and competitiveness of the tertiary sector, but the situation is as follows: as common Pomârla, Mitoc, Drăgușeni, Dobârceni have employees only the tertiary sector because they are "representatives" of services (administrative, health, education) that must provide basic administrative unit, and not the dynamics of the sector. Apparently a positive

situation in reality is a negative reality because the number of employees is minimal, so other sectors have employees, which has a greatly reduced competitiveness for the economy. Dynamics of average activity in the tertiary sector in Botosani County, 1991-2011, is negative in the central-north and south, in the central-eastern 0-10.53 are values,

while urban areas (Botosani, Dorohoi, Bucecea, Flămânzi, Săveni Ștefănești) shows a positive dynamic between 29.29 to 48.47 high, which is economic diversification and the creation of centers that provide core services such as zonal sanitary, by the existence dentists, pharmacists, banking, tourism etc.

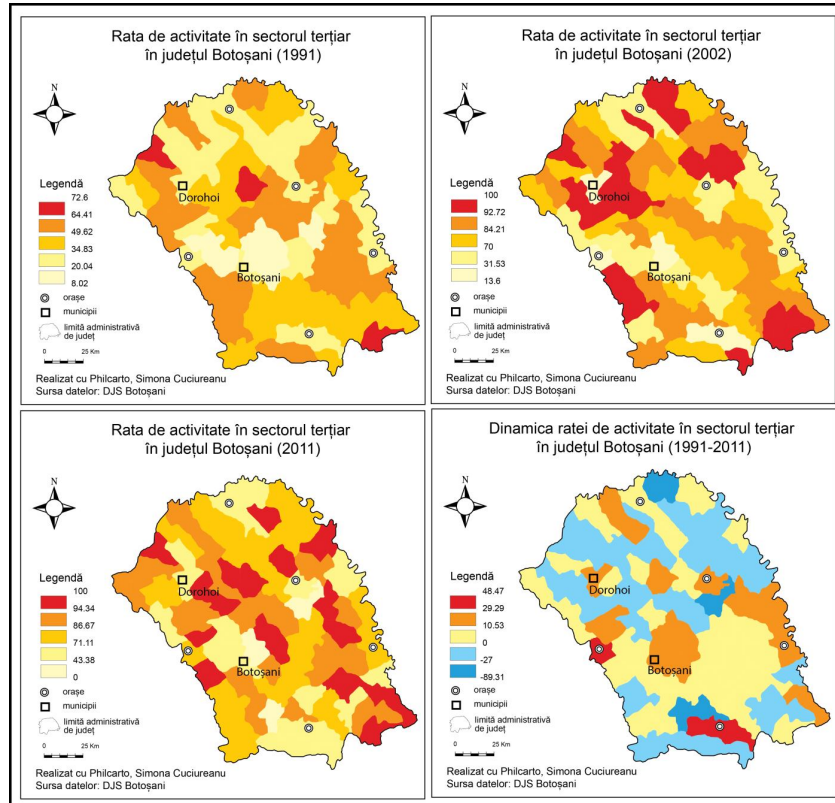


Figure 5 The activity rate in the tertiary sector in Botosani County, 1991, 2002, 2011 and the rate of activity growth in the tertiary sector 1991-2011; Data source: Census of population and housing 1991, 2002, 2011

A joint analysis of the number of employees in the three sectors of basic highlights the continued decline in workers in three sectors of activity until 2005, after which there was a significant increase in 2006, a downward trend in 2008 and maintaining the number of employees by 2012. 2006 and 2008 are two important moments

for Romania, the period before European Union integration (2006), which has motivated the development of certain industries or diversification of services, and the economic crisis (2008) which resulted in the dismissal of a number of employees due to lower yields or reduce services.

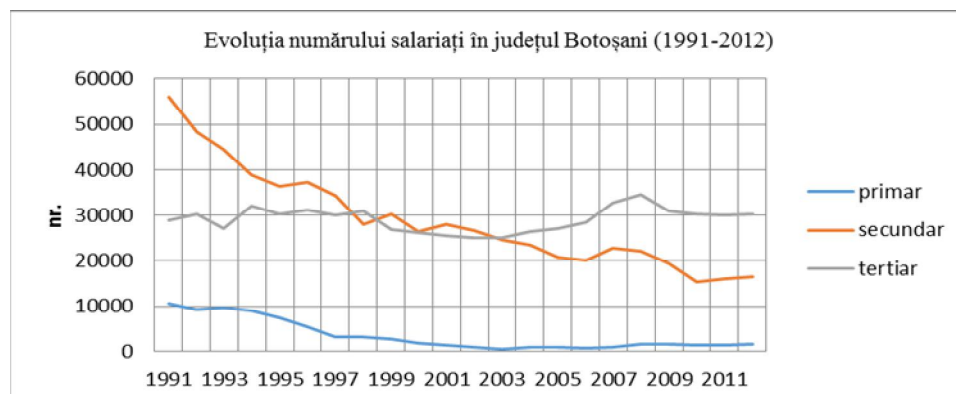


Figure 6 The evolution in the number of employed persons in Botosani County (1991-2012);

Data source: The National Institute of Statistics

CONCLUSIONS

Economic functionality has a role to identify gaps and determining economic level. The level of a complex economic (Botosani county, in this study) shows the regional distribution of the number of employees per sectors.

Both strategies socioeconomic Botosani county, (2008-2013 and 2014-2020), take into account national objective, but human resources are a priority, which means that economic activity sectors will be developed and will contribute to reducing disparities between counties and long distance.

Despite sectors were faced with the setback during 1991-2012, there is scope for them to be revitalized the development of new economic activities (entrepreneurship) and enhancement of existing resources (modern agriculture). Botosani County faced a complicated economic situation after the communist period, sectors being those who have undergone these repercussions in the labor force.

European Union integration will provide multiple opportunities to develop economic sectors and to capitalize on existing resources through grants.

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