

# COMPARATIVE ANALYSIS OF THE GORJ COUNTY OF SOCIO-ECONOMIC WITH NEIGHBORING COUNTIES IN CRISIS

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## Abstract

*Purpose of the paper is to highlight how the economy evolved in the Florida county comparison with neighboring counties in economic crisis that society through the difficult years. also study and make a comparison in terms of demographic characteristics, respectively, compared between young and old, labor migration, etc. form., indices that are decisive for evaluating the economic situation of the county above mentioned.*

*Economically, the county is in the connection between the economy and sub-mountainous and mountainous plains. The specificity of its resources, Gorj is a leading energy suppliers of the country, both as primary energy (coal, oil) and processed (heat and electricity)<sup>1</sup>. Results and statistical sources that Gorj currently produces more than 20% of the thermoelectric power of<sup>2</sup>. In terms of population below national averages Gorj is the fourth in the region after Olt and Valcea. Is medium in size, being the third after Dolj and Valcea. In terms of urbanization, Gorj is below the national average and third in the region after Dolj and Mehedinti. After the general level of development, the county is in a less favorable position, because the permanent part is characterized by a lower level of development.*

**Keywords:** socio-economic status, crisis, sectoral developments, opportunities, weaknesses

## Introduction

Regional studies and analyzes of recent years puts the South-west, of which the county among the four least developed regions, with North-West, South and North-East. The last report of human development region in sixth place<sup>3</sup>.

After studying the evolution of human development indicators has been a very interesting development. Thus, development in the Region 4 South-West Oltenia, the county took positions quite low, being placed in positions 24, 25 or 33, positions indicated in the previous years' studies on regional disparities.

But, according to the United Nations Development Programme, takes places close Gorj regional or national average in terms of life expectancy and education. As regards gender equality, indicated a lower share of the female population, ranging in tertiary and higher unemployment rates compared to regional and national averages. Following the socio-economic analyzes, the county was included in the Southwest Development Region, considered one of the most homogeneous regions, the cultural aspect and in terms of statistics. The county has a total of 70 basic administrative units,

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<sup>1</sup> According to NIS, in 2004, coal was extracted in Florida over 70% of total national coal extracted and extracted natural gas production was about. 20% of the national total

<sup>2</sup> Southwest PDR 2007 – 2013.

<sup>3</sup> Human Development Index, calculated and published in the 2007 annual report of the United Nations Development Programme..

according to Law No. 2 of 1968, as supplemented and amended. Gorj counties is considered one of the most stable in terms of territorial administrative organization, post-December changes are limited.

Changes were more than administrative status, the declaration of new cities. Urban network is young and includes small towns such as Țicleni, Tg-Cărbunești, Novaci Rovinari Tismana Turceni with population of approx. 8000 inhabitants. In 2011, Motru was elevated to the city being the second city of Targu-Jiu Gorj and only after the county with over 20,000 inhabitants.

In conclusion, the county includes 2 cities, 7 towns and 61 communes. The villages are in number 411, of which 35 belong to cities and towns. They added the 15 localities of the city Tg-Jiu, Motru Rovinari and Turceni<sup>4</sup>.

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The county has two cities tier II (Tg-Jiu and Motru) and 7 tier III cities. According to traditional classifications, the capital city of the county is considered a medium, which is the upper limit of 100,000 inhabitants and is Motru low as 20,000 inhabitants, while all other cities (the 7) is in the category of small cities with less than 20,000 inhabitants. The following table already observed significant difference between Tg-Jiu and other cities (the first being the 4.1 ratio). But we can say that from this point of view the situation the county is not very different from the other counties of the region under discussion.

### REPORT RECEIVED IN SOUTH WEST

FIRST REPORT	SOUTH WEST OLTENIA	County				
		DOLJ	GORJ	MEHEDIŢI	OLT	VĂLCEA
	2,7	14,5	4,1	8,1	2,2	5,3

In the South West can be seen that this ratio is generally high, especially in Dolj and Mehedinți, suggesting massive concentration of urban life in a small number of settlements.

Tg-Jiu county, is placed in a favorable position in the regional settlement system, the intersection of two major axes of communication, almost perpendicular: the North-South direction Craiova – Petrosani - Deva - Cluj - Napoca (supported by a double track: Road - E79 and the railway - branch 202 of bus 200), which will provide connection to the Pan-European Corridor IV and axis southwest - northeast direction Drobeta -Turnu Severin – Ramnicu - Valcea which will provide river corridor connecting the Pan-European (VII), on the one hand and E81 with Bucharest and other pan-European corridors, on the other.

From geographically, Gorj capital is placed in a key position to limit the Carpathian area, close access to the Jiu Valley and crossing the main link between Oltenia and south-western Romania, on the one hand and Transylvania northwest, on the other. In view of achieving double road and rail bridge at Calafat - Vidin, the strategic role of Tg-Jiu city may increase by a further opening axis to Sofia and southern Balkans.

In conclusion, quantitatively the county is well balanced system of settlements with a ratio of 1 to 7 common town and 7 villages / common environments report higher national / regional 1/5, but specific Carpathian areas.

Economically, the county is one of the counties rich in natural resources, both in terms of both quantity and diversity. These resources can be identified in the agricultural and forest lands and mineral resources of surface and depth.

Thus, the county is characterized by significant weight ratio of forest areas and areas with pastures and meadows, as well as those with orchards. As the structure of the land, Gorj is similar

<sup>4</sup> INSSE Gorj, 2004

Valcea and forests is of central importance especially in the north of the county. Due to these characteristics, forestry and livestock industries are important economic activities.

### LAND FUND - MAIN USE

(%) 2010

Nr. crt.	County	Total Area		Agricol areal (total in)	Arable land	Area pastures and hayfields	Area living.	Area orchards.	Woodland (in total)
		kmp	%						
1	Dolj	7414	25	79	83	12	4	1	11
2	Gorj	5602	19	44	41	54	2	4	49
3	Olt	5498	19	79	89	7	2	2	11
4	Mehedinți	4933	17	60	64	31	2	3	30
5	Vâlcea	5765	20	43	36	57	1	6	51
6	Regiunea 4	29212	100	61	70	25	2	3	29

Source: ISSE, Preliminary report, territorial statistics, 2010

Fund water and fauna and flora is also important landscape values, water resources are very important county is located in a basin with high internal resources national average. Water resources are an important potential hydro energy capture and the valleys and Tismana earnings. In terms of mineral resources, surface and depth, they are diverse and widespread throughout the county. Apart from mineral resources in very large quantities, and exploitable lignite surface ponds Motru-Rovinari, Gorj has major oil and gas resources (in Central and Eastern County) but less frequent and mineral resources and anthracite (Staging) graphite (Baia de Fier) or building stone and dolomite, granite, limestone (in the North-west and north-east), plus and mineral water springs (Săcelu), unfortunately with little or no added value.

These resources with potential economic recovery have mentioned and of cultural and tourist resources and natural landscapes, cultural - protected areas, located mainly in the north of the county, and depression in the mountain area, the so-called Subcarpathian Oltenia or Oltenia under the mountain.

Competitiveness of a country can be evaluated in terms of opening that country's economy, its trade structure and performance of the internal market. The indicators proposed in the Lisbon Agenda, monitoring economic competitiveness can be listed: GDP / capita, labor productivity (expressed in GDP / employee), employment rate, unemployment and even research and development expenses<sup>5</sup>.

So, in terms of GDP / capita of the evidence available, Gorj region ranks first in 2878 EUR / capita, higher regional average of 40% and about 20% national<sup>6</sup>. This high value is attributed to the large coal and energy production and is about eight times lower than EU average. Between 2002 and 2010, the county decreased by approx. 13,700 inhabitants, 3.42% respectively. Although the decrease is significant, it should be noted that it is the lowest in the region, other counties recorded decreases between 3.66% (Dolj) and 7.79% (Mehedinti)<sup>7</sup>.

South-West Oltenia is among the regions with a high negative score of the population between two censuses, falling by 3.2% on last position, with three developing regions (South Wallachia), 5 (west) and 8 (Bucharest-IIfov). So Gorj is in a region with a pronounced decline, but the decline is the geographical area the lowest. Population dynamics at regional and county.

Decline in the last 10-15 years has been and continues to be more pronounced in rural than in urban areas, pointing out significant differences in regional and county level. Thus, in 2011, the

<sup>5</sup> under the National Spatial Plan

<sup>6</sup> Data taken from Regional Operational Programme 2007 - 2013

<sup>7</sup> According to Human Development Report

regional urban experiences a natural increase of 0.8%, while rural areas registered a negative of -9.2%. Gorj the values are 1.7% and 5.1%. These demographic characteristics are supported by the age structure and demographic dependency ratio. And these indicators, Gorj proves more critical and less old than neighboring counties and regional and national averages.

### Population dynamics at regional and county

	Population 2010	Growth rate annual		Birth rate 2010	Mortality rate 2010	Natural growth 2010
	Inhabitants	1980 - 1990	1990 - 2010	% <sub>0</sub>	% <sub>0</sub>	% <sub>0</sub>
ROMANIA	21623,8	0,5	-0,5	10,2	12,1	-1,9
Southwest	2306,5	0,3	-0,4	8,9	13,4	-4,5
Dolj	718,9	0,3	-0,5	9,1	14,2	-5,1
Gorj	384,9	0,9	-0,1	9,4	11,1	-1,7
Mehedinți	303,9	-0,1	-0,5	8,8	14,3	-5,5
Olt	483,7	-0,1	-0,6	8,5	14,2	-5,7
Vâlcea	415,2	0,3	-0,3	9,0	12,5	-3,5

Source, 2011, UNDP

The intra-county area but significant differences appear between urban and rural and geographically. Thus, according to the census of 2011, the elderly in rural areas is a percentage of 17.3% to 6.9% in urban areas<sup>8</sup>.

Aging geographical areas are in northern and southeastern county. Geographical dependency ratio, expressed as the ratio of elderly to young and active population (15-64 years), indicating favorable conditions in most urban centers and less favorable in the south, especially in south-eastern county. At intra-county, age structure and population dynamics are influenced both by natural growth and not migration. Growth on migration, the county has a better situation at the regional level, with positive and negative incentives, but lower than the national average or other counties.

Unlike other counties, rural-urban migration was not reversed and is more attractive urban than rural. In 2011, the increase in migration at the county level was 2.18%, 1.54% in urban and -2.75% respectively in rural areas. Active population of the county is 40.1% of the total population, which places the county at the forefront in the region than the national average, but below the national average of 40.6%. In terms of economic profile, Gorj can still be characterized as an industrial district, share in the industry as superior regional and national media and from other counties in the Southwest region. Economic and industrial decline is felt in the county at a slower pace than in other counties and areas of the country. Also, between 2000 and 2010, decreases were 4% nationally, 8% at regional level, but only 6% in Punjab. On average, the number of employees in the area is 10.5%, while in rural Ruban is about three times higher, respectively of 31.8%<sup>9</sup>.

Territorial distribution is profoundly unbalanced focus areas of employees as cities (less Novaci and Tismana) and communities of the mining basin Motru-Rovinari<sup>10</sup>. The joint 44, are more than 10 residents and 27 salariați/100 less than 5 salariați/100 inhabitants. This uneven distribution and concentration of jobs paid by the urban and mining area, probably causes a high population mobility, a phenomenon that would require specific research.

In terms of occupational profile, the county can be identified rural areas where agriculture is still the dominant sector and areas of concentration of industrial type activities.

Thus, eastern and northeastern areas of the county is characterized by a significant presence of agricultural work force - over 35%, the net worth profile of urban agriculture and Tismana Novaci

<sup>8</sup> under the National Spatial Plan

<sup>9</sup> Data taken from Regional Operational Programme 2007 - 2013

<sup>10</sup> DSJ Gorj

that, from this point of view, characteristics specific areas. Areas of concentration of the active population in the secondary sector correlates quite well with the focus of employees, respectively Motru Rovinari basin, south in the vicinity of the city Bumbesti Turceni and Jiu.

In the development of the tertiary sector, one can notice that the cities get their share of 15% with an average of about 50%, except Tismana. The situation presents a very good-Cărbunești Tg, Tg-Jiu and villages and Săcelu Lelești.

In rural areas, the service sector is less developed, being generally below 30%. A favorable situation with levels below 20% in the municipalities meet Negomir, Oaks, Rosia for Amaradia, Prigoria, Borăscu and Godinești.

Regarding unemployment, the county stood in 2009 at a level 8.0% above the average for South-West of 7.5% and above the national average of 6.3%. Regionally, only Mehedinti present a more serious and 10.2%. In 2010 - 2011, unemployment in the county dropped to below 6% in urban areas, even at 4.4% and in rural areas around 7.4%<sup>11</sup>. Among women and youth unemployment higher values known regional and national averages. It may be noted that the evolution of unemployment between 1990 - 2011, in the county, compared to the national level, has experienced two distinct periods: the first until 1997, when unemployment rates remained low and below the national average, and second, after 1997 when, with the start mining sector restructuring, unemployment rose and rose above the national average, a level that keeps it today<sup>12</sup>.

In conclusion, unemployment, even reaches fever pitch, is higher than the national average being able to see an accelerated decline in the number of employees.

At the regional level, a comparative analysis of county position, the main socio-economic indicators, allowing an assessment of the degree of development of its components relative to other counties.

The county has a place in a number of 9 indicators and 2nd in the other 14 of the 33 indicators examined. It can be seen easily that Gorj has a number of socio-demographic characteristics superior to other counties in the region, but have less favorable unemployment indicators and entrepreneurial activities.

A highly sensitive indicator of socio-economic level is the population itself and its territorial distribution. Concentration or depletion phenomena, even a small county, are symptomatic of the development, population moving naturally or spontaneously to areas more attractive in terms of quality of life, namely jobs, services and equipment Social, clean environment, good accessibility etc.

An analysis of territorial distribution of population of the county indicating its concentration around the capital and north-south traffic axis. In villages and towns adjacent national road E79 and in the neighboring city, but also in the capital, living about 160 to 165,000 inhabitants, 40% of the total population is below 20% of the total area of the county and in less than one quarter the number of basic local government units. The ends of the north-east and north-west about 30,000 inhabitants live predominantly mountain, the densities of 30-40 inhabitants / km. In areas southwest and south-east, are average densities of 60-70 inhabitants / km and live between 75 to 85,000 inhabitants.<sup>13</sup> In early 2010, employment in the county was the number of 142,400 people of which 42,300 people work in agriculture, which is 29.7%, in industry employment was 44,700 people or 31.4% of total population occupied.

In other sectors, the share of employment was in 2010: 6.2% in construction, 8.7% in trade, transport 4.3%, 1.9% in public administration, 5.1% in education; 4.1% in health and social care. Large share of employment in agriculture is because, following restructuring that took place largely in the mining industry, much of the labor force turned to agriculture. In the county in late December 2010, the unemployment rate was 5.5%, corresponding to a 8205 number unemployed was registered

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<sup>11</sup> Data taken from Regional Operational Programme 2007 - 2013

<sup>12</sup> Data AJOFM, Gorj 2011.

<sup>13</sup> Date AJOFM, Gorj 2011.

a downward trend unemployment rate compared to December of 2009, when the unemployment rate was 7.8 %. On the age structure of registered unemployed on 30/11/2011, age groups where unemployment is found most group 30-39 years accounting for 30%, followed by group 40-49 years accounting for 29% of the total registered unemployed and will age group 50-55 years in 13% of the total unemployed.

This structure is maintained approximately linear trend throughout the analysis period 2005 - 30.11.2011. Nationally representative in terms of unemployment structure by age, as in previous months, are weights for age groups 30-39 years (25.0% of total unemployed) and 40-49 years (25.1% of total unemployed). In territorial, the number of unemployed is located in rural areas - 4850 people, 60% of 3236 people or 40% in urban areas and in terms of percentage of unemployed in the total population in the 18-62 in the county, it is 3.3%. This structure is maintained approximately linear trend throughout the analysis period 2005 - 30.11.2011.

Given the basic function of employment agencies, work to fit in people seeking work, the analysis of becoming unemployed as a result of collective redundancies and staff current in 2005 - 30/11/2011 (15,895 persons) and exits from unemployment through employment (28,913 people), we can see that there are more unemployed than employed are redundant, the significant contribution flattening growth markers in unemployment due to staff layoffs.

Of the total number of 15,895 people entered the period 2005 - 30/11/2011 from unemployment and layoffs occurring as a consequence of restructuring and privatization of various sectors, only 8943 people from collective redundancies, remaining 6952 individuals from the current staff redundancies. Staff redundant, it was only partially absorbed in sectors that have managed to establish new activities, restructuring processes producing major changes, both in terms of total county employment and county economic branches.

It is significant that massive restructuring plan under which they operated since 1997 in sectors prevailing county, namely mining, energy, oil extraction plants and gas, mono-industrial character of the county was not changed and employment level in Punjab , although lower than that recorded in the country and in the counties of South-West Oltenia has a higher share of employment in industry and especially in the mining industry, which justifies the county contribution to GDP, placing 15th place Gorj between counties and between counties in the 2nd South-West Oltenia. At territorial level, the number of unemployed increased in 27 counties recorded increases in Dolj (2170 people), Iasi (732 people), Gorj (696 people), River (640 individuals) and Maramures (498 people) and in other counties and in Bucharest, there were decreases in the number of registered unemployed. The most significant declines are reported in the following counties: Vaslui (562 people), Caras Severin (359 people), Cluj (352 people) and Bihar (294 people). The counties with the largest share of total unemployed not unemployed are: Manchester (87.41%), Mehedinti (86.38%), Science (86.01%), Virginia (85.11%), and Dolj (85.17%).

In the next period, given the issues highlighted the fact that some growth is anticipated the total number of registered unemployed in the country, mainly due to seasonal effects, and promotion of graduates of 2008 entries, it is necessary, careful monitoring the most vulnerable in the labor market because they have actively supported in their quest to find a job quickly, to prevent their becoming long term unemployed.

### Conclusions

Economic and statistical data and analysis indicates that the county has a series of regional competitive advantages and that its socio-economic levels superior to other counties.

- Gorj has important natural resources, which is an important economic base development district.
- Also has human potential with favorable socio-demographic characteristics, people with high vitality regional averages and high educational level.
- Infrastructure major means of communication and energy networks is also well developed.

- In the county, there are numerous works and hydro networks exploiting a rich water resource.

- Macroeconomic type GDP / capita indicates a higher level regional and national averages.

- County recipient of valuable natural and cultural heritage sites.

This favorable situation is overshadowed by:

- Gorj still belongs to the category of least developed four regions;

- The natural environment is affected to a significant extent, even if it is not serious pollution events, large areas and large ecosystems are disturbed by mining activities;

- Mining activities are not a basis for long-term economic development and private sector experiences a small slow growth, not strong enough to be considered a solid alternative to a massive restructuring of the mining sector;

- Technical and social infrastructure in underdeveloped rural areas;

- The phenomenon of migration of young population to more developed areas is monitored and known;

- Secondary urban centers are small and either mono-industrial in nature or have a half-urban character.

At intra-county disparities can be analyzed in terms of urban-rural relationship and geographic area, in terms of identifying certain territorial groups with distinct characteristics.

In terms of criteria and indicators for assessing disparities, these belong to the demographic - social, economic, in terms of distribution activities, the equipment infrastructure of utilities and social or terms of natural and anthropogenic.

Opportunities:

- Administrative stability

- Important natural resources of coal and natural gas;

- Significant production of electricity;

- The leading producer of cement in the region;

- Favorable position of the city at the crossroads of major axes of movement;

- Favorable geographical position at the contact zone between the mountain - hill and plain;

- Single center urban system, polycentric development potential;

- Human potential good, young population and high level of education;

- Favorable demographics;

- Development of higher education;

- Natural and cultural heritage sites of outstanding value;

- Good access to major road and rail;

- Integration into the EU;

- Start of work on mixed mode (road and rail) of the Calafat-Vidin;

- Connecting the future pan-European corridors

Weaknesses

- Resource spa tourism in decline (the Săcelu);

- Towns with predominantly rural characteristics (Tismana) or mono-industrial type (Turceni);

- South-East less developed in terms of access to urban services;

- Landscape degradation and damage to natural ecosystems in the coal mines and oil;

- Increasing unemployment;

- Increasing unemployment among young and among women;

- Poor access to drinking water, running for over 30% of the population;

- Low investment in research;

- Low to attract foreign investment;

- High modernized roads;

- Low level of entrepreneurial development (especially in South County);

- Rural areas with low and low associativity equipment;
- Decline of traditional activities (livestock);
- Agriculture, lack of technology in general and modern equipment;
- Industrial restructuring;
- High dependence on extractive industries;
- Application of new environmental regulations;
- External labor migration;
- Competition nearby tourist areas;
- Orientation of foreign investment by major regional centers and capital.

Even if Gorj is better off in a regional context, in terms of population dynamics, there is significant intra-county disparities in some areas knowing a sharp decline or very stressed. If, according to excerpts of the Landscaping Plan at national, central and central-western area known moderate increases or decreases, mountainous and piedmont southeast known acute depopulation processes.

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