

2 Sud Est (South-East) Region

Demo-geographic characteristics

South – East region is located in the southeast side of Romania, covering 35,762 sqkm, or 15% of the total surface of the country; the region is the second by size among the 8 regions of Romania.

South – East region has almost all relief forms: Danube water meadow, Baragan plain, Dobrogea plateau with the Macini Mountains, and the northwest side of the region comprises a part of the Curbura Carpathians and Sub-Carpathians. The whole region is crossed by Danube River, which includes the Danube Delta and is bordered in the East side by the all-Romanian littoral of the Black Sea. However, the plain relief is preponderant, with continental specific.

In 2004, the region had 2,850,318 inhabitants, meaning 13.1% out of the country population, the density of 79.7 inhab/km² is below the country average (90.91 inhab/km²). The highest density is registered in Galati County (139.5 inhab/km²), dominated by the industrial and commercial centre with the same name, and the lowest in Tulcea county (29.9 inhab/km²), where the natural and economic conditions are less favourable.

The towns and cities concentrate 55.5% of population, with diminishing trends. The process of forced industrialization after the war determined a concentration of population in Galati, Braila and Constanta.

The localities network of South – East Region include 33 towns (out of which 11 municipalities) and 1455 villages (organized in 339 communes). The biggest town in the region is Constanta (309,965 inhabitants), followed by Galati and Braila (over 200,000 inhabitants), Buzau and Focsani (over 100,000 inhabitants).

Employment and migration

In 2004, the employed population represented 35.8% out of the total, the highest rate in services (36.4%) and agriculture (35.3%) followed by industry (28.3%). It can be noticed a high rate of employed population in the service sector in Constanta and Galati counties, due to the tourist resort alongside the seashore and of Constanta, Mangalia and Galati harbours. Unlikely to these, in Vrancea county, over 50% of the employed population works in agriculture and 62% of the county population lives in the rural area.

The unemployment (6.9% in 2004) exceeds the country average (6.3%). The lay-offs in the metallurgical industry (MITTAL GROUP) are the main reasons for which Galati county registers the highest unemployment rate (9.6%), followed by Braila (8.7%) and Buzau (6.7%).

The lack of adequate jobs, the unattractive salary system as well as the inadequate qualification cause massive leavings of the active population towards areas of economic growth in the country and abroad. The most accentuated migration is registered in Vrancea County, especially because of the unconsolidated structure of the economy, where the young population strongly left the localities for working abroad.

Regional economy

With a GDP that represents 11.2% (2003) out of the country economy, the region ranks the 6th, while this indicator per inhabitant is below the national average. By 2002, the work productivity represents an average position among the country regions, with the highest level in Constanta County.

Specific to South-East Region are the disparities between the concentration areas of industrial and tertiary activities (Brăila - Galați; Constanța - Năvodari), isolated complex industrial centers (Buzău, Focșani), tourism areas (the sea side and Danube Delta) and extended agricultural and winegrowing areas. Illustrative for the region is the discontinuity of the industrial activities and the mixture with tertiary activities (trade, services, tourism) and agriculture.

During the transition process to a market economy, industrial restructuring led to a massive rise in unemployment in the large heavy industry centers (Galați, Brăila, Buzău) and in the small mono-industrial urban centres. The intense activity of private house building around important urban centres, sea side and other tourism areas in the Sub-Carpathian took over part of the laid off labour force and therefore the social shock of the lay offs was reduced.

In spite of massive lay offs in Brăila – Galați; Constanța – Năvodari area, the past few years show a certain recovery in the industrial activities, a process of stabilization of the enterprises that were created on the restructured platforms of the big industrial plants. The textile enterprises from Brăila, the steel plant from Galați and Midia Năvodari oil refinery are to be mentioned. Another example of industrial recovery is the city of Buzău where a number of enterprises were created, such as those for wood processing, glass-art manufactory etc. Unlike the urban centres, that are experiencing a certain economic stability, small towns continue to experience serious imbalances, as jobs are continuously being lost (Babadag, Negru Vodă, Hârșova, Făurei, Tulcea, Măcin etc.). The latter do not benefit from foreign investments, one of the reasons being the underdeveloped infrastructure (roads, water supply, sewerage etc.).

The areas of maximum poverty are in the North of Galati county, the East and South of Brăila county, the North of Dobrogea, the Danube Delta, and the East of Vrancea county.

Infrastructure

Transport

The region is crossed by significant transport corridors which ensures the links between the urban centers and the capital of the country, among which can be noticed the important European road corridors E60, E85, E87, E70, E581.

Out of the 10,536 km of regional public roads, only 29.5% is modernized, the region registering the lowest rate per country. The main problems related to road infrastructure are: low quality of roads, deficient illumination and street marking systems, and the road situation in rural area is critical, the most rural localities lack stoned and asphalted roads. The floods in 2005 showed not only the insufficiency of the road infrastructure but also the lack of a strategy regarding active protection measures.

It was also proved that there are no real and economic possibilities for reserve routes, existing the danger that some areas are isolated and the links between the big regions of the country are interrupted. In this context the scarce stage of the road bridges can also be noticed.

Public Utilities

South – East region registered in 2004 the highest rate of modernized municipal streets (69% out of the total 2,854 municipal streets). There are yet big differences within the region: Buzau, Constanta and Galati having more than 70% modernized municipal streets, compared with only 44% in Vrancea county. This situation is generated both by the presence of some big and medium cities (Buzau, Constanta, respectively Galati) – in the case of the first 3 cities – in which the majority of streets are modernized, while in Vrancea county, to Focsani can be added only 4 small towns (under 20,000 inhabitants) – in which only a low rate of streets are modernized.

Regarding the basic public utilities, at the end of 2004, South – East region occupied the second place at national level as it concerns the simple length of the supply network of drinkable water (17.1% out of the total per country), and from the total number of localities, 43.9% had drinkable water supply installation, these being concentrated more in Constanta and Braila counties – close to the Danube, and less in Buzau and Vrancea. But, it must be mentioned that many of these installations are obsolete, their rehabilitation and even replacement being necessary.

A frightening situation can be met in the sewerage network sector, only 6.1% of the localities in the region being endowed with this utility. At intra-regional level, there are the same differences, if we take into account the fact that 72% of the localities endowed with sewerage are located within the 3 counties in the East of the region (Constanta, Galati and Tulcea).

Environment

At regional level, the existence and functioning of the waste water treatment plants is a problem, with the exception of the 6 county capitals where are projects for waste water treatment plants construction under development, the majority of the localities either do not have such plants, or have old ones which do not function properly because of the lack of modern equipments.

The environment pollution in the region is determined both by the existence of old fashioned and over used technologies but also by the limited education of the population. Though, the main problems regard:

- Waste water treatment plant (only in the 6 county capitals)
- Pumping stations (only 9 localities in Galati county have 11 pumping stations)
- Collecting systems (in Tulcea county the waste water collecting networks are under dimensioned and very obsolete)
- Sewerage network (in Valcea county, excepting Focsani town, within the other localities, the sewerage networks are old and obsolete)

The waste management has also deficiencies:

- In Galati County there are no treatment, capitalization and final elimination installations. The waste collection is realized through existing sanitation services.
- In Braila and Buzau Counties, the housing waste is collected in a unselective manner.
- At the level of Constanta County there are 42 societies that manage industrial and housing waste and 40 urban/rural or mix waste deposits.
- In rural area, the waste is deposited in specific area especially designed by county halls in this scope. There are no specialized services for waste collecting and the population ensures its transport.

In the hill and mountain areas in Vrancea, Buzau and Galati counties, the massive deforesting process begun since the 19th century, strongly affected the versants stability. The complex pollution affected the natural habitat in the Danube Delta and the Black Sea.

Education

At regional level, in the university year 2004/2005, in public education system there were 929 kinder gardens, which had to face the increasing number of children registered during the last years. For the primary and secondary education, there were 1,364 schools and 176 high schools. To these can be added 10 technical vocational schools and 11 post-high school units, whose well functioning is essential in order to ensure the labor market with skilled persons in fields.

In order to have a well qualified labour force, absolutely necessary for the region development is essential the well functioning of the 9 universities in the region, from which the most important are the ones in Constanta and Galati.

Health

There are 47 hospitals in the region, out of which 24 are located in Constanta and Galati. Also, within the region are functioning 14 polyclinics and 47 medical clinics, to which can be added other types of sanitary units.

The health infrastructure in the region, regarding both constructions and endowments is scarce, buildings rehabilitation and also their adequate endowments being necessary.

Social services

Three out of six counties (Buzau, Vrancea and Tulcea) do not have day care centres. Children are now protected in family type institutions (65.7%) or residential services (34.3%). At the end of 2004, there were 8818 children with disabilities, out of which only 462 were benefiting from reintegration services. Braila, Buzau and Galati counties do not have any residential care institution.

Areas in difficulty

Within the region two areas were identified in NDP 2000-2002 as being areas in difficulties, and benefited of support under Socio-Economic Cohesion PHARE Programme for 2001 – 2002:

- The industrial area of the Curbura Sub-Carpathians, which includes the towns: Buzau, Ramnicu Sarat, Focsani, Marasesti, Adjud, Odobesti and Tecuci, characterized by the following aspects: massive social unbalances, insufficient and mono-directed qualifications of the work force. The natural environment is strongly affected by uncontrolled deforesting in the last decade, which were doubled by the lack of works for limiting the land slips;
- The industrial and services area of Dunarea de Jos, including the towns Braila, Galati, Tulcea, Macin and Isaccea must tackle problems concerning: high unemployment, diminishing the ports role in the area as maritime ports of the Central Europe countries without sea border following the Danube – Black Sea channel, losing the ocean fishing fleet. To these 2 industrial restructuring areas can be added other areas with serious development problems: the mining area Altân-Tepe and Hârşova (Tulcea), the towns Nehoiu (Buzau), Marasesti (Vrancea).

These areas are still in difficulty excepting the slight recovery of Galati shipyard and Mittal Steel Industry Galați (Sidex).

Development potential

The South East region disposes of some natural resources which capitalized adequately can play an important role in the socio-economic development. Out of these, the most important are the oil and natural gas reserves (Buzau Sub Carpathians, the West of Braila County and the South of Galati county), the stone carriers (Muntii Macinului), salt, etc.

Another advantage that might be capitalized within the region is represented by Constanta port, followed by the Danube ports Galati, Braila and Tulcea. Their links with the great ports of the world, can be used both for ensuring the raw material necessary for the economic development of the region and for exporting goods produced in region and in the rest of the country.

Touristic resources represent the most important potential for regional development:

- The Black Sea shore comprises 13 resorts, with accommodation units, treatment and entertainment (hotels, motels, villas, camping) alongside the 70 km of coast between Navodari and Mangalia;
- The Danube Delta, which represents a scientific attraction and a high touristic potential, especially after its including in 1990, together with other adjacent areas, in the Danube Delta Biosphere Reservation;
- The region benefits from a special spa heritage, with an old tradition: Techirghiol Lake (Eforie Nord) (healing mud with similar properties to the one in the Dead Sea);
- Also, there are promising conditions for the agro-tourism development (Braila, Galati and Tulcea) with important resources for the entertainment tourism development (hunting and fishing) in Insula Mica of Braila, Insula Mare of Braila, etc.;
- The mountain area in Vrancea and Buzau presents tourist interest through Soveja and Lepsa resorts, and unique tourist areas in the country, such as: Vulcanii Noroiosi (Berca), the caves from Bozioru, Focurile Vii;
- The cultural – historic patrimony of the region: getic, Roman, Greek, Byzantine fortress and monastery places, most of the them being located in Tulcea and Constanta Counties

SOUTH-EAST REGION

Indicators to characterize the development level and the economic potential

- 2004-

INDICATORS	Region	Counties ¹						Romania
		BR	BZ	CT	GL	TL	VN	
I. Population, employment, unemployment²								
I.1 Total population (absolute figures)	2850318	371749	495878	713825	621161	253419	394286	21673328
Urban population (%)	55.5	65.3	41.4	71.1	56.9	49.0	37.8	54.9
Rural population (%)	44.5	34.7	58.6	29.9	43.1	51	62.2	45.1
Migration sold	-1623	-457	-402	962	-1625	-287	186	-10095
I. 2 Employment								
Active population in total population (%)	38.5	35.9	39.3	42.4	36.4	36.3	37.5	40.6
Employed population in total population (%)	35.8	32.8	36.7	39.9	33.0	34.2	35.9	38.0
Employed population by economic sectors:								
Agriculture (%)	35.3	34.7	44.2	24.3	32.1	40.4	47.9	32.0
Industry (%)	28.3	35.3	26.9	26.9	30.9	28.3	23.1	30.0
Services (%)	36.4	30.0	28.9	48.8	37.0	31.3	29.0	38.0

¹ BR (Brăila), BZ (Buzău), CT (Constanța), GL (Galați), TL (Tulcea), VN (Vrancea)

² The data value is recorded at 1st of July 2004

I.3 Unemployment								
Unemployment rate by December 31 st 2004 (%)	6.9	8.7	6.7	5.9	9.6	5.6	4.2	6.3
Feminine unemployment rate by December 31 st 2004 (%)	6.3	6.3	5.9	7.3	8.4	4.9	3.1	5.6
Percentage of unemployed not benefiting from indemnities by 31 December 2004 (%)	63.1	62.6	49.1	56.0	74.2	62.1	75	59.3
II. Economic development								
II.1 GDP / inhabitant (2003) – euro	2073.7	1884.9	1791.2	2833.7	1880.0	1971.7	1607.5	2420.5
II.2. Labour productivity (2003) - euro	4078.6							4625.3
II.3 FDI (mil. euro)	1752							15,040
II.4 Business structure (industrial, scientific and technological parks)	4	1		2	1			36
II. 5. SMEs								
SMEs / 1000 inhabitants (No.)	18.19	16.55	16.90	24.29	16.80	16.519	13.52	19.35
Total SMEs (absolute figures)	51785	6133	8351	17377	10427	4171	5326	418499
Out of which:								
Manufacturing (%)	11.3	12.2	12.6	10.3	9.6	10.3	15.6	13.6
Constructions (%)	5.1	5.2	4.7	6.3	4.1	3.9	4.3	6.2
Services (%)	79.7	77.1	79.1	80	84.2	77.3	75.5	77.5
SMEs structure by size:								
Micro (%)	88.4	88.2	90.5	87.2	88.9	89.0	88	88.0
Small (%)	9.2	8.8	7.2	10.4	8.8	8.7	9.8	9.6
Medium (%)	2.2	2.8	2.2	2.3	2.1	2.1	2	2.4
Atractivity rate	22.5							
III. Infrastructure								
III. 1 Transport								
Public roads density (km/100 sqkm)	29.5	24.9	43.2	32.9	32.7	15	34.1	33.3
Modernised public roads in total public roads (%)	20.1	23	12.7	22.5	19	26.6	22.5	26.3
III. 2 Public utilities								
Localities with water supply network in total number of localities (%)	43.9	51.4	31.3	70.5	34.8	55.1	43.5	-
Localities with sewerage network in total localities (%)	6.1	4.2	2.1	17	10.3	9.4	2.7	-
III. 3 Education								
Number of school units	2223	199	749	386	278	159	228	14396

III. 4 Health								
Number of hospitals **)	47	5	6	13	11	4	8	425
III. 5 Social services								
Number of institutions providing social services	841	21	15	212	14	215	364	13,747
III. 6 Tourism								
Accommodation units (no.)	1152	24	30	897	20	133	48	3900
Existing accommodation capacity (places)	130854	1752	1788	120226	1375	3551	2162	275941
Functioning accommodation capacity (places – days)	13773608	546681	625707	11263669	306278	491243	540030	53988640