

## INDUSTRIAL RESTRUCTURING IN SMALL AND MEDIUM SIZED TOWNS FROM ROMANIA – EVOLUTION BACKGROUND AND POSITIVE PERSPECTIVES WITH CHALLENGES

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**Abstract:** Small and medium sized industrial towns of Romania faced numerous challenges and difficulties together with the postsocialist transformation processes under the transition to the market economy. The paper analyses small and medium sized industrial towns from Romania through their socioeconomic evolution under the impact of the industrial restructuring process that started in the 1990s. Employing several sets of statistic data, the analysis evidences also several directions for the development of these towns through urban regeneration actions and different economic alternatives.

**Key words:** industrial restructuring, urban regeneration, cultural heritage, small and medium sized industrial towns

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### INTRODUCTION

Industrial restructuring in Romania - development conditions under the market economy transition and the globalization process. Urban restructuring was detailed as a concept starting with

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the 20<sup>th</sup> century, but it represents a part of cities' history. Urban landscapes constitute the product of a long urban evolution marked by different development stages. Urban mutations are influenced by the political, administrative, economic, social and cultural changes. Under this framework, urban planning involves more than imagining, drawing and building, but it also means to correct the urban environment for increasing its sustainability. The concepts of restructuring, revitalization, remodelling or renewal include the "re" prefix referring (as the latin meaning) to a return or repetition. The ambiguity of restructuring includes both the maintenance of certain urban features and radical changes. Generally, some of the transformations generated by urban restructuring processes may be socially – through the ruptures within the vicinity relations in the cases of population relocations in other urban areas, economically – given the benefits that some investors get when compared to other investors losses, or morphologically criticized – due to the new differentiation introduced within the urban fabric.

Industrial restructuring marked both the dynamics of large cities, of small and medium sized towns and the evolution of the surrounding areas. The structural factors of industrial restructuring are multiple: the transition from a centralized economic system to one based on efficiency and competitiveness, finally leading to the resizing or even the elimination of urban industrial production; the national and international complex and dynamic economic framework which tends to accentuate the selective development of industries; the urban tendency of cities to partially or totally exclude traditional industrial activities from the urban economy, especially given the recent environment policies (Cepoiu, 2009, p. 69).

The negative effects of industrial restructuring were felt stronger in the case of Central and Eastern Europe due to the difficult process of transition from the centralized to the market economy (Jucu, 2011; Popescu, 2014; Milošević and Đorđević, 2015; Šerý et al., 2018). The transition period generated a difficult adaptation process to the new economic context due to demand changes and the temporary or permanent destruction of former commercial relations. The decrease of investments also adds to the context, together with the reduction of specialized production, in correlation with the decrease of the labour force and the financial capital depreciation in the absence of replacing investments (Popescu, 2014).

In Eastern Europe, the evolution of industrial restructuring needs to be analyzed in relation to the deindustrialization policy, as a consequence of the economic restructuring that started after 1990. Industrial restructuring produces through a process of deindustrialization which does not involve the total dissolution of industry or its elimination from the urban economic structure. In Romania, the decrease of the industrial production represented the consequence of, among others, losing the markets, of the impossibility to ensure raw materials and of the realization of internationally noncompetitive products (Ianoș, 2004, pp. 48-49). Mountain monoindustrial towns faced strong deindustrialization effects as these urban areas could not employ supplementary resources in comparison to the small agricultural towns where the population returned to the traditional economic activities (Ianoș and Heller, 2006, p. 320).

At national level, industrial restructuring started in the '90s and it registered several stages, among which the privatization of industrial enterprises and the implementation of reducing the mining sector policy (Braghină, 2004; Cădea and Bogan, 2009; Popescu, 2014). Although the national economy opened to the tertiary sector, the following economic increase was gradually realized and it did not absorb the entire workforce formerly employed in the industrial sector as the low industrialized economy lacked the endogenous potential to replace the industrial loss (Popescu, 2014).

Tertiarization developed in most of small and medium sized towns, mostly through simple services, predominantly oriented to covering the deficit of commercial services in addition to financial and bank services. For some of the small and medium sized towns, tourism represents an alternative economic activity to the industrial activity, especially in the situation of national or local tourist resorts towns (Merciu, 2011; Bănică and Istrate, 2012; Matei et al., 2013).

Small towns in Romania have difficulties in adapting to the new social and economic context under the impact of multiple socioeconomic factors: the change of the urban functional

profile, predominantly agricultural after the closure of industrial units; the high rates of unemployment; the lack of utilities and of urban infrastructure, some towns having a previous poorly developed infrastructure while others faced the deterioration of the urban infrastructure due to the lack of investments (Ianoş, 2000; Bănică et al., 2013; Sirodoev et al., 2015).

During the industrial restructuring process of small and medium sized towns of Romania, industry was confronted with the reduction of industrial activities to keeping only what that industrial domain had specific and performant or with the delocalization of certain industrial activities, especially of those which negatively impact the living conditions and deteriorate the quality of urban life. These cases are rare, as most of towns faced the gradual closure of production units due to the market economy competition.

In parallel with the process of industry destructuring, another process of a new industry development took place. But, it can be observed that this new process is not always based on the current and future necessities of towns. Unfortunately, the developing of industry through replacing the traditional industrial activities with new ones characterizes mostly the larger cities or the towns located close to some important economic urban centres. The strategies to continue the development of new industries or to reintroduce industrial activities in the case of urban areas which had recognition for their former production activities but stopped their industrial activity after 1990, have as general objectives: the recovery of the local economy; the employment of the former industrial workforce; the attraction of new labour force from the surrounding areas; and the increase of the local standard of living. The specific objectives of the urban restructuring process include: the increase of the cultural and social offer; the improvement of public spaces; the support of developing the local entrepreneurship; the renewal of architectural landscape; and the consolidation of the local identity feeling within the local communities in connection to the town. In the same time, urban restructuring strategies need to exclude the risk of negative consequences such as the development of unviable business which fail in bringing socioeconomic development within those urban areas. In order to avoid the potential negative impacts, the restructuring process needs to be conducted together with employing reindustrialization policies aiming at building a viable industrial environment, based on competitiveness and a stable, simple and coherent legislative environment to ensure the conditions of sustainable economic growth.

New production activities within industrial towns mean their functional and economic reconversion produced through the reorganization of functional areas. The restructuring process involves changes, simultaneously or successively, at financial, organizational, technological and spatial level (Cercleux, 2016, p. 74).

Urban restructuring stimulated by the competitiveness between cities includes the optimal use of the spaces with limited and unprofitable functionality, being often unfunctional or abandoned, targeting especially industrial brownfields. Industrial restructuring may also involve, as secondary negative effect, the creation of brownfields due to the closure of former industrial units, situation raising both ecologization and functional conversion issues (Haller, 2005; Cepoiu, 2009; Paraschiv and Nazarie, 2010; Gavrilidis et al., 2011; Paraschiv, 2012; Pavolova et al., 2012; Cercleux et al., 2012; Fernández Águeda, 2014; Filip and Cocean, 2012; Herman et al., 2016; Jigoria-Oprea and Popa, 2017), which bring management difficulties especially for the local public administration of small and medium sized towns.

Generally, the urban spaces that remained after the closing of former production units were facing two situations of functional restructuring. On the one hand, it is the case of factories becoming functional only through eliminating the equipments specific to the former industrial profile and through the readaptation of former spaces to the new coming activities. These restructurings include mostly new tertiary functionings: IT, bank, insurance, food services, media, commerce activities, etc., oftenly developed inside former industrial platforms of which some were transformed into industrial parks. The closure of factories was many times followed by their demolition, while especially the industrial buildings were considered to be unfunctional for the new activities (Cercleux, 2016, pp. 80-81).

But, there are also cities that develop new industrial activities, even following an industrial profile close to the former activity, which are considered to be necessary to the area or which facilitate economic profit as they may not be present within other surrounding areas, they are profitable industries on the market economy or they present the advantage of being located in a border area. The occurrence of new industries in urban areas is very different, based on complex location principles. They include both green and grey developments, using the former industrial infrastructure (buildings and public utilities).

Urban regeneration constitutes a fundamental process for urban development and it builds the economic restructuring with the industrial restructuring of urban areas as essential pillar. Urban regeneration transforms an urban area or parts of a city through the demolition or reorganization of some constructions and older facilities of residential spaces or of different urban economic activities (Cercleux, 2016, p. 113). Technical innovations represent one of the main factors of urban regeneration actions, accompanying the deindustrialization process, the delocalization of economic activities and the demolition of industrial buildings (Cercleux, 2016, p. 115). In the situation of areas with former production activities, urban regeneration actions depend on the property conditions, on the fiscal context or on the protection actions specific to heritage buildings (Cercleux, 2016, p. 116).

The issue of revitalizing industrial cities, especially referring to small and medium sized towns, became stringent in the context of the industrial production reduction or even of closing certain unprofitable industrial activities. Small and medium sized towns face a slowly implementation process of urban restructuring (Jucu, 2016), being characterized by a poor innovation capacity and a lower attraction and retention of creative workers (Selada et al., 2012).

The anticipation of restructuring actions represents more than an economic necessity and it needs to consider a complex of factors related to the socioeconomic context at macro level. The current challenge is represented by the implementation of alternative development policies that are compatible with the economic, social and cultural particularities of small and medium sized towns as their preconditions and resources are considerably particular when compared to large cities (Selada et al., 2012). Moreover, small and medium size towns face diverse opportunities and challenges: the creation of value added products and services – creative experiences, creative spaces and innovative products, especially for the niche markets (van Heur, 2010 quoted by Selada et al., 2012), and the possibility of planning the city's future in terms of urban quality, with the aim to “revitalize the abandoned and deteriorated areas and reconnect the social, productive and spatial ties” (Fernández Águeda, 2014, p. 5), or for strengthening their urban identity.

As small and medium sized towns have particular development characteristics, they require specific solutions of urban regeneration with macroscale implementation (Selada et al., 2012; Chizzoniti et al., 2014; Jucu, 2016) and adapted to the local socioeconomic context and to the endogenous factors of urban development. Some authors consider that each small and medium sized industrial town has its personal role and character and they also feature rich historical townscapes which can play an active part in the urban regeneration process (Chizzoniti et al., 2014).

Morfologically, industrial towns include certain specific elements: the industrial-logistic area, the transportation area, and the historic (residential) fabric – a particular feature especially for the industrial towns of the 19th century (Matlovič et al., 2014). Industrially specific urban physical structures are complemented with different socio-cultural infrastructures: the workers' casino, the technical museum, for example.

At the same time, industrial towns own indicative relicts (sites), buildings (historic industrial plants, the workers' boroughs, office buildings) and other infrastructure elements initially created for the industrial activity that are currently valorized as tourist attractions, as it is the case of the narrow railway lines mainly used in the mining industry. Some of these resources that are specific to industrial towns represent heritage elements included in several conservation and recovery processes through their cultural valorization as local identity elements in the post-industrial period: “Industrial heritage is a specific type of human societies heritage that has emerged as a product of

industrialization, i.e. as a side effect of deindustrialization, when certain facilities were abandoned” (Beudet and Lungren, 1996 quoted by Ćopić and Tumarić, 2015, p. 44).

The inclusion of industrial elements into the local heritage constitutes a frequently used instrument for the current competitive development strategies of traditional industrial areas as it actively promotes the local development and the redefining of urban economic and social identity (Dansero and Scarpocchi, 2008 quoted by Merciu et al., 2014).

The choice of the type of conservation for former industrial sites and buildings is demanding as some of these spaces occupy large surfaces within the urban areas while they also involve technical management difficulties. Reuses of industrial heritage usually include tourism, cultural and recreational regeneration projects with the aim of recuperating the industrial heritage for the urban population by creating new community services (Cercleux et al., 2012; Pavolova et al., 2012; Fernández Águeda, 2014; Chizzoniti et al., 2014; Ćopić and Tumarić, 2015; Merciu et al., 2014; Milošević and Đorđević, 2015; Merciu et al., 2017; Van Der Merwe and Rogerson, 2018).

In many cases, former industrial complexes are chosen as location of different cultural activities organized by specific clusters (Mommaas, 2004). Culture received significant attention in the recent decades, as more and more urban centers have turned to the arts economy as a substitute for the declining industrial activities (Stern and Seifert, 2010 quoted by Merciu et al., 2014). Cultural-led urban regeneration is associated with multiple positive effects at different territorial dimensions: intensified economic activities, enhanced value on cultural heritage and improved quality of the urban environment.

### **Dynamics of small and medium sized industrial towns in Romania after 1990**

Economic restructuring has severely impacted the socioeconomic dynamics of small and medium sized towns leading to their decline especially in the case of industrial towns. Small and medium sized industrial towns registered both an economic and demographic decline due to the reduction or closure of industrial or agroindustrial activities and the decrease of the industrial workforce in correlation with the increase of unemployment leading to the general decrease of the local and regional population as consequence of external and internal migration. Generally, following the process of deindustrialization, on the one hand, large cities and their metropolitan areas started to receive massive fluxes of migration from former industrial areas, and, on the other hand, the urban-rural migration intensified especially in the middle of the ‘90s transition period.

Small and medium sized towns are important for their role to equilibrate the national and regional urban systems. Small and medium sized towns maintain the connection between the urban and the rural space, strongly influencing the development of the adjacent rural space. In this sense, many rural settlements were being declared as urban spaces during the communist period as part of an urban policy destined to ensure uniform urbanization at national level through the process of forced industrialization (Ianoş, 2004; Popescu, 2014). So that, rural areas with significant natural resources became towns with a preponderantly monofunctional industrial development – mainly mining, textile, food or chemical industry (Stasac et al., 2016).

The socioeconomic decline of small industrial towns during the postsocialist period influenced the maintenance of their rural features while they were being recognized as rural towns after the deindustrialization process (Ianoş, 2000; Bănică and Istrate, 2012; Sîrodov et al., 2015).

### **METHODOLOGY**

The analysis includes the assessment of small and medium sized industrial towns at national level, considering in this category only those urban areas with a share of the active population of over 50% and a population of up to 100 000 inhabitants in 1992. The data of the census year 1992 represents the reference as, until then, industry constituted the key economic activity for the local urban development in Romania, providing the respective towns with a significantly higher prosperity than the towns concentrating on other types of economic activities.

In order to analyze the impact of the industrial restructuring process on the selected small and medium sized industrial towns, several indicators were employed, using statistical data provided by the National Institute of Statistics: the share of employees in industry, the population growth rate and the migration rate. The analysis of the statistical data considered several factors for the discussion of the results: the successive phases of urbanization in Romania, the regional context of development, the location and size of towns, and the structural and local socio-economic and cultural factors.

The selected case studies used in the analysis represent towns with different industrial profiles in order to assess the complex network of small and medium sized industrial towns in Romania. So that, the first category of included towns refers to the mining urban centres. They constitute the category of small and medium sized industrial towns that registered the strongest negative impact of the industrial restructuring process, both economically and socially. Zlatna of Alba county is the selected town which developed based on metals exploitation, while Aninoasa and Petrila, both of Hunedoara county, were analysed under their coal mining development. The third case study of the analysis is represented by Azuga (Prahova county), specialized in the light industry, which was assessed in comparison with the socioeconomic dynamics of heavy industry towns.

## **RESULTS AND DISCUSSIONS**

### **The impact of industrial restructuring on local development**

This study focuses on the analysis of case studies from the category of small and medium-sized industrial towns in Romania, which first explored industrialization and further on different urbanization concerns. The urbanists and architects of the 1960-1970s in the small and medium-sized industrial towns in Romania had as inputs free land that offered multiple advantages but which, unfortunately, many times had not been capitalized and valued accordingly. The consequences of industrial restructuring are visible both economically, as well as socially, in local cultural life, in many small and medium-sized industrial towns in Romania.

The deep crisis in the small and medium industrial towns registered since the mid-1990s, as a consequence of deindustrialisation and the post-socialist transition: “The post-communist transition brought with it an increase in urban unemployment, an increase in general poverty, a land restitution process and the need for new adaptive strategies from the part of the transition losers” (Sandu et al., 2004, p. 1).

Generally, since 1990, these towns have concentrated their activities on small perimeters and the development of specialized services, which has led to the liberation of large land plots, which have sometimes been capitalized, but sometimes have not.

### **Zlatna**

Zlatna is located in the depression with the same name located between the Metaliferi Mountains and the Trascau Mountains, being a small industrial mountain town. The presence of significant underground and soil resources has led to the development and socio-economic development of Zlatna, whose main focus related to mine extraction, non-ferrous metallurgy, wood exploitation and agriculture. The new economic requirements after 1990 assumed a reorientation of economic activities in terms of increasing economic efficiency, preserving the stability and viability of the town.

The industrial restructuring in the late 1990s and the closure of the two largest mining companies (Zlatmin SA) and the processing of non-ferrous metals (SC Ampelum SA, figure 1) in 2004 generated an economic and social decline, with disastrous consequences: massive layoffs, a real unemployment rate of about 80% of the active population at the beginning of 2005, a drastic drop in living standards and a steady decrease in the population from nearly 10 000 in the early 1990s to around 8 000 in 2017. In 2004, there was a maximum unemployment rate of 25.8%, due to the acceleration of the restructuring in the mining and metallurgical sectors, as well as the legislation on the compensatory payments in case of dismissal. Between 2004 and 2013, the

unemployment rate oscillated, being years in which it has reached worrying levels proving the economic instability in the area. Since 2014, the unemployment rate has registered a downward trend, currently below 5.3%. The number of employees in the town of Zlatna had a strong downward trend between 1991 and 2016, down by around 65% during this period.

As far as the industrial activity is concerned, only a few workshops and production units were saved, which, following privatization, continued to operate. These units produce atomised aluminum products and pastes for autoclaved cellular concrete and aluminum powder and paints for paints and varnishes, with 40% of this production destined for foreign markets.



**Figure 1.** Decommissioning of the former S.C. Ampelum S.A. (2009)  
Source: Elena Bogan



**Figure 2.** The Robyday footwear factory, located on the site of the former S.C. Ampelum S.A. (2017)  
Source: Elena Bogan

Forest exploitation has also experienced a regression. Until the last decades of the 20th century, beech, oak, spruce, poplar and other species of forests for the production of sleepers, staves, rural constructions, pillars, fibreboards, cellulose, saw logs and rolling were exploited in the area to obtain other categories of products, as charcoal. Today, wood in the Zlatna forests and generally in the Apuseni Mountains is used in the few furniture factories opened in the locality.

At present, the main productive activities, the mining and the processing of non-ferrous ores have almost disappeared, which has caused radical changes in the potential of the locality. Industrial production is supported by several private companies in the field of chemistry, methane gas bottling, wood processing, food industry and textile production.

Many small and medium-sized companies (SMEs) with domestic and mixed or foreign capital were set up in Zlatna, including a lucrative Italian investment in footwear (figure 2), with various business objects. An important objective of the local authorities was in 2005 the setting up of an industrial park on the site of the former S.C. Ampelum S.A., but the project could not be materialized because it could not benefit from a Phare project worth 5.3 million euros, which they have won for the establishment of this industrial park. The cause was determined by insufficient financial resources for feasibility studies (Zlatna City Hall, 2005).

Out of a total of 145 active companies, 51% are micro-entrants, with a maximum of 9 employees and an annual turnover and / or annual total assets of up to EUR 2 million (the Trade Register Office in Alba, 2017).

Intervention of foreign capital, which is in its infancy, is almost insignificant. The economic activity is quite low, one of the reasons being the proximity to the city of Alba Iulia, which absorbs part of the available labor force, while the local entrepreneurs are more oriented towards commerce. The most important areas in which the registered companies operate are: the logging; processing and marketing of wood; furniture, carpentry, construction joinery; building construction; building materials; livestock farms; bakery; clothing; freight transport; hotels, motels and other means of accommodation; retail of various products (food and non-food); restaurants, bars. Of the total number of the existing companies in Zlatna, only a small part is related to industrial units, most of them operating in the sphere of trade and services. Moreover, almost all

companies in this area, according to the registration office, carry out multiple activities of production, trade and services, often also with construction activities.

The declining population (Table 1), but with a working and technical potential, is available to start other activities, with young people being most affected by this situation. The decline in population incomes has led to a gradual decline in service activities. The gradually emerging private industrial activities could introduce new changes in the structure of active population and employees in the period ahead. The real chance for socio-economic revitalization in the depression is the organization of small private enterprises, craft centers based on the use of local resources, repair workshops and the development of tourism considering the tourist resources offered by the natural environment of the area.

### Aninoasa

Aninoasa is one of the first settlements in the Petrosani mining basin in which mining perimeters were opened in 1885 (Munteanu and Ioniță, 1971 quoted by Merciu, 2011). Although with a long evolution of the coal mining activity, Aninoasa registered a strong industrial decline as a result of the restructuring economic process, being the first urban center in the Petrosani basin in which the mining activity was closed, namely in 2006. Being a small town (4 665 inhabitants in 2017) and with mono-industrial specialization, the negative effects on the demographic level were reflected in the decrease of the population, more pronounced in the 1990s, when the massive layoffs of the miners became more attenuated, especially in the last years (population growth rate between 2004-2014: -9.48). The decrease of the population in the last years is determined, on one hand, by the low birth rate and, on the other hand, by the migration (-16.71 ‰).

**Table 1.** Socioeconomic characteristics of small and medium sized industrial towns selected as case studies  
Source: National Institute of Statistics, 2018

SMITs	Population growth rate (%) (2004-2014)	Migration rate (‰) (2014)	Share of employees in industry (%) (2014)
Aninoasa	-9.48	-16.71	34.65
Azuga	-7.27	-11.26	21.59
Petrila	-7.33	-9.43	36.25
Zlatna	-7.93	-1.27	34.08

It can be noticed that the town of Aninoasa retains a relatively large proportion of the employed population in industry (34.65%). This is due to the development in recent years of new industrial branches: the manufacture of road transport vehicles, trailers and semi-trailers.

From the point of view of alternative development prospects, Aninoasa does not present various opportunities. However, the mining site is a valuable cultural resource whose importance is conferred by technological, architectural, historical and cultural valences, for which it was proposed to transform it into a mining museum. The plan to transform the mining site into a museum resulted from the collaboration of representatives of the local public administration and a team of American mine engineers with experience in setting up an industrial site for museum purposes. The museum will consist of the following buildings: the extraction tower, the extraction machine house (figure 3), the electromechanical workshop (it will be used for receiving the visitors and as an exhibition space, figure 4), the rescue station, the explosive storage to be used as underground exhibition space), the mine access tunnel and the visit of a subterranean gallery on a length of 800 m.

Some mine buildings in an advanced state of decay due to age will be strengthened and refurbished. For the mining site to be redeveloped from the tourist point of view, work will be required for the internal redeployment of some of the buildings. For example, the electromechanical workshop will undergo an internal partitioning of the space, to create more of the different endings (visitor reception area, exhibition spaces). The extraction tower has already been reinforced (figure 5).





**Figure 3.** Extraction machine house (2014)  
Source: Cristina Merciu



**Figure 4.** Electromechanical workshop (2014)  
Source: Cristina Merciu



**Figure 5.** Aninoasa mine extraction tower (2018)  
Source: Cristina Merciu

Although the project to convert the mining site as a museum space has been initiated, in recent years the lack of funds has not allowed the continuation of this action. However, there is a prospect of resuming this project by attracting non-reimbursable funds. Because the mining site has an extensive surface, it can be used to host various cultural and tourist activities: concerts, outdoor theater performances (these artistic performances can be supported by theater actors in the neighboring city or by independent theater groups). Urban regeneration actions that can be implemented through cultural activities have the role of transforming the abandoned Aninoasa mining site into a dynamic cultural space.

### **Petrila**

The Petrila town with a population of 24 795 inhabitants is among the traditional mining urban centers in Hunedoara County, the first mining operations being opened in 1859 (Jujan and Svoboda, 2009, quoted by Merciu, 2011). The mining activity was closed in October 2015.

Unlike the town of Aninoasa, the mining activity has also taken place in recent years as a result of the fact that the Petrila mine was one of the large-scale exploitation areas due to the coal-rich resources. From a technological point of view, this was also exploited by building a coal sorting and preparation station (figure 6). In recent years, the coal sorting and preparation station has not worked.



**Figure 6.** Petrița coal mining and preparation station (2012)

Source: Cristina Merciu

Although the effects of industrial restructuring have, among other aspects, led to significant staff reductions in industrial activity, the town of Petrița has easily adapted to the current conditions rather than Aninoasa. This is due to the greater diversity of the local economy, since after 1990 the town of Petrița opened up to the tertiary sector. It is noteworthy that Petrița retains a relatively large share of the employed population in industry (36.25%) thanks to the extractive industry that operated until 2015. It is noticeable that although the town of Petrița records negative values of the population growth rate (-7.33%), or the migration rate (-9.43 %), these values are moderate. Referring to Petrița's development opportunities, it is important to highlight the prospect of granting value to the industrial heritage due to the complexity of the Petrița mining site (figure 7), on one hand because of the technological value conferred by the exploitation and processing methods (the sorting and preparation station of coal), but also from the point of view of the additional components they engage: eg. transport: The mine was also equipped with railway infrastructure elements to ensure the transport of coal to the production units (e.g. coke ovens, thermal power stations).



**Figure 7.** Petrița Mining Site (2014)

Source: Cristina Merciu

After the closure of the Petrița mine, the local public administration had the intention of demolishing the buildings forming the mining site. At the initiative of young architects, this future action was stopped and, moreover, they have developed the emergency file of the Petrița mine as a valuable industrial site.

### **Azuga**

Azuga, a small town (4 794 inhabitants in 2017), is one of the urban centers located in the Prahova Valley mountain sector that did not have an early development of tourism. Azuga has been an industrial town, registered in the area of light industry since the nineteenth century (textile

factory, glass production, food: the beer factory – figure 8, the Rhein-Azuga wine cellar), plus the factory of chamotte. Since the 1990s, the industrial restructuring process has affected Azuga's economy: the baize factory has been demolished, with the construction of a tourist, commercial and recreational base on that land; the glass factory, "SC STIAZ SA", was also demolished, and a residential complex will be built on that location.

The beer factory is no longer operational, the Azuga beer brand being purchased and licensed by a German company.



**Figure 8.** The beer factory Azuga (2004)

Source: Cristina Merciu

Azuga Wine Cellar (founded by the German Rhein in 1892) remains the only current industrial unit functioning in Azuga (Rădoi and Crângu, 1959). Before it became a champagne factory in 1903, the cellar functioned as a deposit for the bottling and the storage of wine at maturing. The Azuga champagne factory was the sparkling wine provider of the Royal Court, while also the Royal House domains were one of the shareholders. In 1998, the factory was bought by the British company Halewood International, owning the Romanian subsidiary Halewood România Vinuri SRL.

Azuga Wine Cellar is currently famous for the red wines it produces, as part of Dealul Mare-Valea Călugărească vineyard with a surface of over 140 hectares of vine. The sparkling wine produced here was also internationally rewarded (receiving a golden medal at Bruxelles, in 1999).

The massive reduction of the industrial activity contribution for the local economy gradually resulted in demographic negative consequences, especially related to the population decrease and the increase of outmigration. So that, the current demographic situation of Azuga is marked by the moderate negative values of the population growth rate (-7.27%) and of the migration rate (-11.26%).

The recent economic dynamics of Azuga indicates tourism as a viable alternative for its development. The first tourist facilities of the '90s in Azuga were related to the creation of the ski domain on Sorica and Cazacu slopes. Together with the following tourist developments included in the "Superski in the Carpathians" program significantly contributed to declaring Azuga as a mountain resort of national interest in 2003.

Azuga Wine Cellar, which also benefits of a historical building, was included within the tourist attractions of the town as a space of promoting the traditional method („champenoise”) of producing the sparkling wine. The tourist program of the wine cellar includes: the visit of the cellars, the presentation of the wine technologies and the wine tasting of 5-6 sortiments, with lunch or dinner being included.

## CONCLUSIONS

Industry is currently developed through the flexibility of localization, supply and sale points, partners and competition. Social and economic difficulties of small and medium sized industrial towns require the need to rethink their future industrial and tertiary development.

The findings of the study emphasize that, regardless their industrial profile that brought them national or even international recognition, small and medium sized towns of Romania require the improvement of their economic performance and new investments in order to consolidate a new economic identity resulting in increasing the local quality of urban life. The available development alternatives for small and medium sized towns are very different, depending on the regional context, but the exploitation of new local resources and the active involvement of all territorial actors, with a focus on the local community, represent the general action directions.

Industrial restructuring plays a key role within the dynamics of urban areas in Romania and the achievement of the process' objectives asks for solid institutional, juridical and financial instruments for the implementation of development strategies that are capable to create optimal economic and social structures for maintaining small and medium sized towns on the national economic map.

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