

## THE SOCIO-ECONOMIC ANALYSIS OF THE NORTH-EAST REGION

### 1. Presentation of the main regional characteristics

#### - **geographical position**

Geographically, the region borders the Ukraine to the North, counties Galați and Vrancea to the South (The South-East Region), the Republic of Moldova to the East and counties Maramures and Bistrița-Nasaud (The North-West Region) and Mureș, Harghita and Covasna to the West. The region has border points with the Republics of Moldova and Ukraine (both by road and railway) and three civil airports (Bacău, Iași and Suceava).

#### - **relief**

The region is characterised by a harmonious blend between all forms of relief, 30% representing mountains, 30% the sub-Carpathian relief, and 40% is made up of plateaus and plains. This latter form of relief stretches for more than 70% of the surface of Botoșani, Vaslui and Iași counties.

#### - **climate**

In the mountainous area of the region (the Western part of Suceava, Neamț and Bacău counties), the climate is moderate continental, with chilly summers and winters rich in snowfalls.

In the sub-Carpathian area of hills and plains (the Eastern parts of Suceava, Neamț, Bacău counties and the entire territory of Botoșani, Iași and Vaslui counties), the climate is continental, with hot droughty summers and cold and almost snowless winters.

The annual average temperature of the air is 2°C in the mountain region and 9°C in the sub-Carpathian region of hills and plains.

#### - **natural resources**

Over 60% of the entire surface of the region represents agricultural land and 28,1% is made up of forests. The region possesses the following subsoil resources: manganese, sulphides that contain several metals, sparkling mineral water, sulphur water, construction materials (limestone, clay, gritstone), peat, salt, sulphur and natural gases.

#### -**hydrology**

The region is crossed by eight important flows, from North to South, the largest hydrographical basins are around the rivers Siret (42.890 skm) and Prut (10.990 skm). The latter represents also a natural border with the Republic of Moldavia, for about 680km.

#### - **administrative units making up the region**

North-East Region is made up of six counties (Bacău, Botoșani, Iași, Neamț, Suceava, Vaslui), which totals a surface of 36.850 skm and a population of 3.807.455 inhabitants, being, from this point of view, the first region among the eight regions of the country. The region covers 15,46% of the entire surface of the country of 238.391 skm, the vastest counties being Suceava (8.553 skm) and Bacău (6.421 skm). The distance to the capital of the country, București, is 349 km.

### 2.1 General socio-economic development

#### □ **The forming of the gross domestic product**

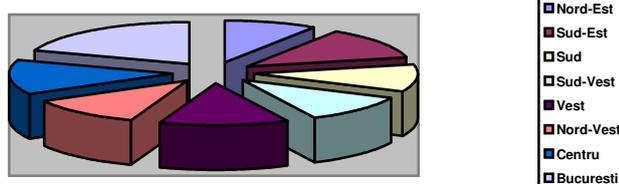
North-East region contributes to the forming of the Gross Domestic Product in 1998 with 12,86%, value which is superior to the national average. One should also take into account the fact that the region is the largest and the most numerous of all the eight regions. In this respect, a more relevant indicator is the regional gross domestic product per capita, which is the lowest of all regions, which shows the fact that the region has the highest level of poverty.

The region joins the group of the poorest development regions together with: South Muntenia, South West and North-West regions, with values for the above mentioned indicator below the national average.

One can also see that between 1995 and 1998, the regional GDP per capita has recorded a positive rate of growth (the calculation of the growth rate has been done by expressing the regional GDP/capita in euro).

INDICATOR	MEASURE UNIT	1995	1996	1997	1998
<b>Regional Gross Domestic Product</b>					
Regional GDP	Mild. Lei current prices	9565.5	14597.7	32858.2	47766.7
Regional GDP	Mild. EURO	3.63	3.77	4.06	4.78
Rate of growth of regional GDP	%		52.61	125.11	45.37
Regional GDP/capita	Mille	2527505	3853511	8679956	12563993
Regional GDP/capita	EURO	961.39	997.8	1072.9	1257.7
Rate of growth of regional GDP/capita	%		3.78	7.52	17.22

NSC: Statistic annuity for 1996/1997/1998/1999



The distribution of regional GDP per regions

For a population representing 16,89% of the total population of the country, the contributions from agriculture (17,96%), silviculture (23,62%) and education (16,72%) to the forming of the GDP are the only ones above average, all the other economic fields being below average.

Under those circumstances, the gross domestic product per capita represents 76,16% of the national average, the region being the last one from this point of view.

Domain	North-East region	Romania	%
Agriculture	9380,4	52212,3	17,96
Sylviculture, forestry and pisciculture	366,2	1551,5	23,62
Industry	12054	103053,7	11,69
Construction	2157,7	18731,4	11,51
Trade	5680,4	49494,3	11,47
Transport and storage	2708,6	22890,9	11,82
Post and telecommunication	1083,2	11580,6	9,35
Financial, banking and insurance activities	634,6	6529,1	9,71
Real estate and other services	4632,6	42971,0	10,77
General Government	2217,3	13222,1	16,76
Education	1668,7	9975,1	16,72
Health and social assistance	1232,2	7916,6	15,56
<b>Total gross domestic product</b>	<b>47766,7</b>	<b>371193,8</b>	<b>12,86</b>
Gross domestic product per capita (lei)	12563993	16495445	76,16

NSC: Statistic annuity for 2000

## □ Productivity of labour

In 1999, a high productivity was recorded in the following domains: transport (0,099), agriculture (0,432), real estate transactions (0,289) and general government (0,131), these values being above the national average. According to the productivity figures calculated, North-East Region is the last one with 0,064 billion per employee.

### 2.2 Presentation of firms and SME in the region

The distribution of firms within the North-East Region, as well as their contribution to the turnover and gross investments, are shown in the table below.

Indicator		0 - 9		10 - 49		50 - 249		Peste 249		Total	
		1998	1999	1998	1999	1998	1999	1998	1999	1998	1999
Number of units	Number of units	34433	33417	3342	3511	899	1038	373	344	39047	38310
Turnover	Billion lei current prices	10176	18566	7994	15011	7882	11676	29433	38216	55485	83469
Turnover	Mil. EURO	1018.72	1139.36	800.28	921.21	789.06	716.53	2946.54	2345.11	5554.6	5122.21
Employees	Number of persons	103774	94214	59702	63935	95206	81173	324409	278631	583091	517953
Gross investments	Billion lei current prices	509	141	835	896	1196	1755	11951	21186	14491	23978
Gross investments	Mil. EURO	50.95	8.65	83.59	54.98	119.73	107.71	1196.41	1300.15	1450.68	1471.49
% Units in total region	%	88.18	87.23	8.56	9.16	2.30	2.71	0.96	0.90	100	100
% turnover in total region	%	18.34	22.24	14.41	17.98	14.21	13.99	53.05	45.78	100	100
% employees in total region	%	17.80	22.24	10.24	12.34	16.33	15.67	55.64	53.79	100	100
% gross investments in total region	%	3.51	18.19	5.76	3.74	8.25	15.67	82.47	88.36	100	100

NSC: Statistic annuary for 1999/2000

It comes out that micro-entreprises hold the biggest share of 88,18%. Although large entreprises hold a share of 0,9%, they contribute with 45,78% of the turnover and have 53,79% of the employees. As for the gross investments, the greatest part is achieved by large entreprises.

Comparing 1998 with 1999, a transfer of turnover and employees from large enterprises towards SME comes out.

Small and medium entreprises are an important part of the economy of the region, comprising a big part of the number of employees (39,83%).

County	Number of employees	Turnover (%)	Profit
Total region		39,68	
Bacău		43,20	
Botoşani		75,50	
Iaşi		53,90	
Neamţ		16,00	
Suceava		22,61	
Vaslui		13,75	

Within the region, SMEs hold, 39,68% of the turnover and 39,25% of the total gross profit, with an employed population of 39,83%. SME' s are facing an underdeveloped capital market, which is not focused on real demands of the economy, the lack of public and private funds which could stimulate the development of services, and a big investment risk under the conditions of tax legislation instability. In addition to all these, one can notice a concentration of SME' s in the developed urban centres (Iasi, Bacau, Piatra Neamt) and a low level of development in the other parts of the region.

The distribution of SME' s in the region shows the fact that during the period 1997-1999, the region holds a share close to the national average. If we take into account that North-East region is the largest one, in surface and number of inhabitants, we can see a lower density of SME' s compared to other regions.

### **2.3 The sectorial structure of the economy**

#### **□ Agriculture**

Although North-East Region holds a large surface of agricultural land, this resource can not be rendered profitable and the productivity is low for all sorts of cultures, because of the influence of factors such as: the variety of the relief in the region, its quality, the low level of mechanization, the aged labour force, the high level of poverty of the landowners, the lack of efficient management, the lack of the capital necessary for the restructuring and modernizing of agriculture.

The region has a great agricultural and forest potential. The counties with the widest agricultural areas are Botosani (77,8%) and Vaslui (72,8%), more than 50% of the population being employed in agriculture. The largest afforested surfaces are in Suceava (53,4%) and Neamt (44,1%), counties that have together over 10.000 employees in forestry and hunting. (according to the Statistic Annual for 2000)

The excessive plotting of lands and the reduction by a third of the stock of agricultural machines and tractors made it impossible to render profitable the agricultural potential of North-East Region, a fact which has a direct influence upon the yield and the income of population.

There is a significant disparity between the arable surface held by private landowners (89%) and the precarious technical endowment, on one hand, and the surface held by state agricultural firms, which have an adequate stock of machines, on the other hand, note should be made that there is no precise information about its degree of wear and tear.

The total agricultural production of the region in 1999, in million lei (13.178.694) represents 16,78% of the total production of the country, with a share of the agricultural surface of 14,26%, the lowest contribution being that of Vaslui and Botosani counties.

Forestry operations have an important contribution through their volume of wood extracted from the North-East Region and through their large afforested surfaces (Suceava 456.579 ha, Bacau 279.535 ha, Neamt 260314 ha), supplying 22,03% of the total quantity of wood of Romania.

#### **□ Industry**

Industry has recorded a dramatic fall during the period 1990-2000. Although the region has the biggest share of employed population (60,2% of the total employed population), the turnover is only 51,68% of the total turnover achieved by the regional economy in 1999.

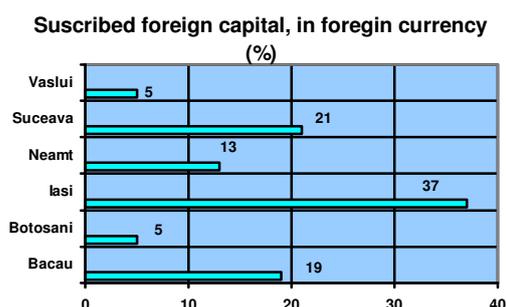
The industrial production has fallen by over 50%, which is due to: the low capacity of adapting to the changes in the structure of the internal and external commodity markets; the poor quality of management; the intense decapitalization due to growing inflation, aggravated depreciation of the national currency and small volume of investment; the slow rhythm of privatization and restructuring; the unstable and incoherent legislative framework, which did not stimulate foreign and local investments.

Even with an industrial decline in the region, the largest turnover and the number of employees is to be found in the state-owned enterprises with more than 250 employees. These enterprises carry on their activities almost exclusively in the cities (Iasi, Bacau, Piatra Neamt, Suceava, Botosani).

Key enterprises in the region activate in the following domains: the machine and installation building industry, the oil processing industry, the chemical industry, the industry of processing wood, cellulose and paper, the food industry, the textile industry.

Among the firms which have benefited from important foreign capital infusion, we can mention: Aerostar Bacau – Romanian-Israeli joint company – aeronautics; Antibiotice Iasi – joint company established with an international consortium – medicine; Agricola International Bacau – Romanian-German joint company, holding, established in 1992 – food and drinks; Masini unelte Bacau – Romanian-American joint venture – mechanical engineering; Dorna Apemin Suceava – Italian private company – bottling mineral waters; Rifil Neamt and Fibrex Nailon – Romanian-Italian companies – knitwear.

At the end of 1999, the total value of foreign capital investments was 133.622,7 million USD, with a non-homogeneous distribution within the region, the largest part being in Iasi (37%) while Vaslui and Botosani held 10% together.



#### □ Services

Although services hold 42,98% of the total turnover in the region, at an employed population of 32,7%, they can not be considered satisfactory because:

- there is a great concentration in developed centres of the region (Iasi and Bacau), while in the rest of the territory they have a very small share;
- they are focused on trade and food catering, direct services for the population being insufficient and of poor quality;
- touristy services are not rendered profitable to the extent of the existing potential;
- consulting services are insufficiently promoted;
- health and social assistance services are much below the European standards.

Compared to industry and agriculture, services have known a positive evolution between 1995 and 2000, adapting more easily to the demands of market economy.

Data for these three domains above can be summarized in the table below:

Domain	Romania	North-East Region	NE Region/Romania	Percent in RGDP (%)	Employed population in the region (%)
Agriculture	52212,3	9380,4	17,96	19,63	20,58
Industry	103053,7	12054	11,69	25,23	50,38
Construction	18731,4	2157,7	11,51	4,51	3,09
Services	164579,7	19857,6	12,06	41,57	25,95
Total GDP	371193,8	47766,7	12,86	100	-

NSC: Statistic annuity for 2000

## 2.4 Physical infrastructure

### □ Transport infrastructure

The railway system occupies a middle place towards the national level from the point of view of the technical endowment and the length of the sections, while the geographical conditions and the emplacement impose restrictions.

An overview of the railway system in the North-East region at 31.12.1999 is presented in the table below.

There are two counties which do not have electrified sections: Botosani and Vaslui, and two counties with low intensity of railway sections: Neamt and Botosani.

Area	Railway length	Of which electrified	Density of railway at 1000 skm	Percent of railway in total region
Romania	10981	3942	46.1	
Region	1507	573	40.9	100
BACAU	226	191	34.1	14.99
BOTOSANI	160	0	32.1	10.61
IASI	290	135	53	19.24
NEAMT	136	46	23.1	9.02
SUCEAVA	444	201	51.9	29.46
VASLUI	251	0	47.2	16.65

NSC: Statistic annuity for 2000

The region is crossed by two of the eight main lines: Bucuresti-Suceava (from South to North) along the river Siret, and Bucuresti Iasi.

As for the road system, its situation at 31.12.1999 is presented in the following table:

	Total public roads	Modernized roads	Soft road covering	National roads	Total county and communal roads	Density of roads at 100 km territory
Bacău	2302	494	558	444	1858	34,8
Botoșani	1919	318	401	410	1509	39,2
Iași	2338	417	406	348	1990	42,7
Neamț	1809	457	448	408	1401	30,6
Suceava	2330	658	628	483	1847	27,2
Vaslui	2098	333	403	382	1716	39,5
N-E Region	12833	2719	2827	2475	10358	34,8
Romania	73435	17813	20787	14683	58478	30,8
%	17,47	15,0	13,68	16,86	17,64	--

NSC: Statistic annuity for 2000

From the information above, it comes out that Suceava has the lowest density of roads (27,2%), while Iasi has the highest one(42,7%), the other counties having a homogeneous distribution. As for the length of modernized roads, Suceava and Bacau hold the first two places in the region (658 km and 495 km).

The access to the main centres of the region is ensured by:

- European Road E85 Bucharest – Suceava – Siret, connected to International Road E576 to Budapest;
- European Road E577 Bacau – Brasov – Pitesti;
- European Road E581 Bucuresti – Birlad – Albita – Chisinau – which crosses the county of Vaslui.

There are three airports in the region: Iasi (national and international), Bacau (national and international) and Suceava (national).

#### □ Utilities infrastructure

The small scale utility infrastructure in the region is below the standards of a civilized living, the existing endowments being below the requirements, situation which is revealed by information on: water supply and the volume of drinking water consumption, sewerage, natural gas supply and the volume of natural gas consumption in the region. This fact is determined by the low level of investment and the insufficient endowment of these structures, the existing one being worn out. Thus, the region holds a share of 11% of the country total for: the number of localities connected to the water supply, the length of existing water supply and the volume of drinking water supplied; and 9% of the country total for: the length of natural gas pipes and volume of natural gas supplied. Also, only 17% against the total number of localities in the region are connected to the sewerage public system.

At the regional level, the counties which are facing more serious problems from the small scale infrastructure point of view, are Vaslui and Botosani, where the volume of drinking water and natural gas supplied are way below the national average (almost 50% lower).

Indicator	România	Region	%
Localities connected to the water supply	2997	324	11
Simple length of network of drinking water (km)	37417	4154	11
Volume of drinking water supplied (thousand m3)	1848833	217065	12
Localities connected to sewerage installations	654	110	17
Length of distribution pipes (km)	20331	1651	8
Volume of natural gas distributed (thousand m3)	11870811	1085777	9

NSC: Statistic annuity for 2000

#### □ Educational infrastructure

North-East Region has an educational system that can ensure professional training and instruction at any level, comprising all types of education properly developed. According to the latest census, the degree of population literacy in the region is 96,3%.

North-East Region has the biggest number of pupils, in all forms of education, that is almost 18% of the total school-age population of the country. The number of pupils enrolled in all forms of education, in school year 1999/2000, in North-East Region (811.118) is 42% higher than the national average (572.298 pupils/region). As for the school units, in 1999-2000 there were 5457 units in the North-East Region (both pre-school and school education), that is almost 60% more than the national average (3439 school units/region). At county level, Iasi, Suceava and Bacau hold the first three positions both for the number of school units and for the number of pupils enrolled in any form of education.

In the towns of Iasi, Bacau and Suceava there are 10 universities, having teaching practice and continuous concern for training future generations at the highest standards.

Indicator	Romania	Region	%
School aged population	4578383	811118	18
Number of school units	27633	5457	20

NSC: Statistic annuity for 2000

#### □ Health infrastructure

The system of health care in the region is characterized by the transition from state oriented economy to local autonomy, privatization and competition.

In North-East Region, the population per physician or nurse is bigger in all counties of the region against the national average, this is because the population in the region is more numerous. The number of medical units is the biggest in the region, that is 16% of the total number in the country, 28% higher than the national average (319 medical units/region). The region also holds the first position for the number of beds in hospitals, with almost 16% of the total number in the country, and the second position, after Bucuresti, for the number of physicians, with almost 14% of the total number in the country. In both cases, these indicators are 30% and 10% higher than the national average. At county level, Iasi stands out due to the fact that it is a famous academic centre in this field; many hospitals and research units function in this domain.

Indicator	Romania	Region	%
Number of medical units	425	63	15
Number of beds in hospitals	164156	26441	16
Number of physicians	42975	5897	14

NSC: Statistic annuity for 2000

#### □ Social services

Social services in North-East Region are strongly affected by the dominant trends of the transition. The demand for social services has risen much during the latest period of time because of the massive lay off in the economy, but also because of the high level of poverty of population, especially in the case of the disadvantaged categories (aged, chronic patients, disabled, orphans or abandoned children).

The information on the expenditures for social protection of the unemployed makes North-East Region get the first place in the country, with almost 16% of the total of these expenditures in the country. This is due both to the numerous population in the region and to the fact that this region has the highest unemployment rate, in Botosani and Vaslui counties.

For the purpose of poverty alleviation, social assistance canteens have been set up. The North-East region has 21% against the total number of social assistance canteens in Romania. As far as capacity and number of beneficiaries of these canteens are concerned: the region holds the leading position in Romania: 28% against total cantina and 23% against total number of beneficiaries. At county level, the first two places are held by Suceava and Iasi counties.

<i>Indicator</i>	<i>Romania</i>	<i>NE Region</i>	<i>%</i>
Expenses on social protection of unemployed	8290324	1311868	16
No. of social assistance canteens	141	29	21

Source: Romanian Statistic Yearbook, 2000

#### ▪ Research, technological transfer and informational society

In North-East Region, there is a number of Research-Development Institutes as well as some companies developing similar activities: Research-Development National Institute for Technical Physics and National Institute for Inventors, in Iasi; SC Aerostar Bacau, SC Caom Pascani, SC Impex Romcatel Iasi, TehnoUtil Suceava, Tehnoton Iasi.

Technology transfer has been accomplished mainly by company privatisation – purchase of Romanian state firms by foreign private firms. These foreign companies have enriched the production process with new technology, creating the grounds for producing higher quality outputs, at lower prices and with increased productivity.

As far as informational society is concerned, there has been a significant growth in NE Region, due to communication network development and to the increased number of companies offering informational services. In addition, there are hardware and software suppliers, informatics consultancy firms, companies that process data and data bases (over 30 in the region). Generally, all these firms are Internet and e-mail providers. In the field of cable television, there are more than 10 providers in the region.

### **3. Population, Human resources and labour market**

#### **Evolution of population and of human resources**

By July 1st 1999, total population of the North-East region would be 3,813,123 inhabitants, making, in that respect, the North-East Region holder of the first position in Romania. The dynamics of the population between 1992 and 1999 consists in an increase from 3,756,602 inhabitants, in 1992, to 3,813,123 inhabitants, in 1999, with a slight decrease in the urban areas and a corresponding increase in the rural areas. Due to the positive natural increase (the North-East region is the only region in Romania with this characteristic) and to higher life expectancy, in the last 2 years, we can estimate a population growth.

The population of the region concentrates in 32 urban centres and 463 communes comprising 2,421 villages. Territorial density is 6.6 villages/1000sqkm and 0.9 towns and municipalities/1000sqkm at regional level against 5.5 villages/1000sqkm and 1.1 towns and municipalities/1000sqkm at national level. The average population density in the region is 103.5 inhabitants/1000sqkm, population being concentrated in the counties which have well-developed urban centres (Iasi 152.2 inhabitants/1000sqkm and Bacau 113.4 inhabitants/1000sqkm).

Percentage of urban population against total population is 43.9%, while rural population is 56.1% (10% higher than in other regions). According to Romanian Statistic Yearbook, 2000, counties with the most numerous population in the region are Iasi (833,388 inhabitants) and Bacau (750,777 inhabitants), at the opposite pole being counties Botosani (462,976 inhabitants) and Vaslui (465,008 inhabitants).

As regards the structure of population by age groups, the situation in 1999 was as follows: the population aged 0 to 14 was 21.8% of total population of the region, 15-34 was the group with the highest percentage 32.1%, the 35-49 age group had 18.7%, the 50-64 age group had 14.9% and the group aged over 65, 12.5%. We can conclude that the region has a rather young population.

In order to give a complete image of the situation in the field, we analyse the pressure against population and labour market. The pressure of non-working population on the working population is rather high (52.2%), 4% over the national average (within the region, counties Botosani, Vaslui and Suceava record the highest percentage). The substitution ratio, 15% over the national average, indicates that the region has a young population, but also that, in the following years, the pressure against labour market will go up.

#### **▪ Structural analysis on labour market**

At the end of 1999, active employed population of North-East region was 1,383,400 inhabitants, representing 36.3% out of total region population and 16.4% out of total active population of the country. In the last decade, a tendency of continuous decrease of active employed population percentage has been noticed in the region. The cause for that is the economic decline (crash): many state-owned enterprises – with large production capacity and a large number of employees – have restructured giving up a number of activities and firing a big part of their personnel.

The largest part of employed population in the region works in agriculture (50.38%), 20.6% in industry, 3% in constructions and 26% in private and public services. The counties with the highest percentage of employed population per sector are: for industry – Bacau and Iasi, for agriculture – Suceava and Iasi, for constructions – Bacau and Iasi, for services – Iasi. The employed women are 46.8% of region's active and employed population, percentage over the national average. A phenomenon that it is estimated to be growing in the following years is the re-distribution of employed population from secondary sector to primary and tertiary sectors, as these sectors are expected to evolve.

The employed population by age groups is as follows: 31.8% (the highest percentage) is the "middle" age group, that is 35-49, followed by 25-34 age group with a percentage of 25.4%. It is noticeable that among the employed population, a rather small percentage are 25-34 years old people, even though, generally, they are at least high-school graduates (and a significant part have a university degree).

In the last four years, after a period of decrease, unemployment ratio grew continuously, overcoming the national average, every year. At the end of 1999, in NE Region, unemployment ratio was 14.9% (14.2% women unemployment) against 11.8% at national level (11.6%, respectively).

#### 4. Environment

The atmosphere contamination of NE region is caused by over-sized production capacities, physically and morally used technologies, lack or insufficiency of financial resources for procurement of environment protection equipment, company management orientation towards getting immediate and direct profit.

The NE Region is not facing serious pollution issues, being still a “clean” region.

The main environment matters, however, are:

- Poor industrial and house waste management (unselective collection, small degree of restoring and/or treatment of waste, inappropriate storage, sawdust deposits on the water courses banks, alongside road ways);
- Deforestations, causing land sliding;
- Soil erosion, affecting mainly the eastern side of the region;
- Drinkable water (quantity, quality, distribution system);
- Local or area pollution caused by: industrial activities, with impact on air, water, soil; mine exploitations (coal, radioactive ore, sulphur, copper, manganese) with impact on air, water, soil, vegetation; wood-processing in forest areas (numerous sawdust deposits with impact on soil and water); traffic (lack or insufficiency of detoured road ways) with impact on air and noise level; urban throngs, with impact on air (thermal centrals on liquid fuel), water (insufficient number of purging stations and with insufficient capacity and low-level quality endowments) and soil (waste deposits, most of them unarranged and with no ecological endowments); animal farms, with impact on water and soil.

#### 5. Rural areas and their activities

Rural domain within NE Region is represented by 463 communes and 2,445 villages. Total population in rural area, by mid-1999, was 2,140,704 inhabitants, representing 56.1% of total population of the region.

The main economic activities in rural areas are: agriculture (cereal, potato and white beet being cultivated in all counties, winegrowing – counties Vaslui, Bacau and Iasi, fruit growing – counties Iasi, Suceava and Neamt) and wood exploitation and processing – counties Suceava, Neamt and Bacau, agro-tourisme – counties Suceava and Neamt.

Over 60% of total area of the region is agricultural land, 28.1% represents forests.

The county with the largest agricultural area out of total area is Botosanu (77.78%), followed by Vaslui (74.56%); 50% of total employed population in these counties works in agriculture.

Even though NE Region has a large agricultural area, this resource cannot be turned to good use, productivity being low at all types of crops, due to the following factors:

- Region’s relief, its variety;
- Quality of the land, with significant diversification, alternation of soil categories, their fragmentation compared to other land units: Romanian Plain, West Plain or Transylvanian Plateau;
- The agricultural land is exploited in small lots (1-3 ha), as it was turned to small pieces, due to application of Law no. 18/1991;
- Low level of mechanisation (from the stand point of agricultural works’ mechanisation, Botosani county holds the last position in the country, with an indicator of 104.2 ha of arable land per tractor); there is a significant disparity between arable land private-owned (89%) and poor technical endowment;
- Old-aged labour force (over 28% of rural population is over 60 years old and youth is migrating towards urban centres).

## 6. Tourism

North-East Region has a high touristic potential due to good climate, beauty of places, air and water purity, mountain areas in counties Bacau, Neamt and Suceava, as well as Iasi city surroundings.

According to statistics at the end of 1999, we notice that:

- The accommodation capacity in NE Region was 18,832 beds, out of which 4,806 were functional; the capacity use index of 30% indicates a low use of existent touristy capacity;
- The development of agro-tourist cal pensions in the region lags behind the other regions, so, efforts must be made to encourage private initiative in this sector.

Statistics show that, within NE Region, Vaslui and Botosani counties have the lowest touristic potential.

On the other hand, Suceava, Neamt and Bacau counties have a high, yet insufficiently exploited, touristic potential in comparison with other counties in the country which have many geographical similarities with our counties but have managed to use local resources more efficiently.

The development of agro-touristical pensions indicates a quick adjustment of investors towards activities that involve low-level investments, low level of risk and a large demand on touristical market.

Touristic activity is broken down on the following domains:

- **Religious tourism** – in NE Region, these edifices are the most numerous and beautiful in the country, many of them having entered the international touristic circuit (over 50 churches and monasteries are declared historical monuments);
- **Cultural-historical tourism** – based on the network of museums, memorial houses, mansions and royal castles, palaces and Dacian fortresses supplying the visitors a real cultural and spiritual treasure of the community in the region
- **Hunting tourism** – favoured by a wealthy hunting base, due to large forest areas.
- **Leisure and watering treatment tourism** – in internationally-known watering places of Slanic-Moldova, Durau, Vatra-Dornei and Campulung Moldovenesc.
- **Winter sports** – services offered by Slanic-Moldova, Durau, Vatra-Dornei and Campulung Moldovenesc resorts
- **Fishing** – the main lakes appropriate for fishing are Balatau (Bacau), Stanca-Costesti (Botosani), Ciric (Iasi), Izvorul Muntelui (Neamt); also several mountain springs are accessible for fishing.

## 7.infraregional disparities

Relevant factors that can determine the three levels of human development (human development index) are synthesized in the following chart:

Counties, region, country	Population in 2000 (thousands)	Urban population in 2000 %	Labour productivity (million ROL per employed person)				GDP/capita in euro 1998	Gross investments (billion euro)	Employment ratio %	Employment sector (thousands)
			Industry 1999	Agriculture 1999	Constructions 1999	Services 1999				
Bacău	753533	50							13,2	67,1
Botoșani	464354	39							17,7	27,8
Iasi	840929	50							12,3	64,3
Neamt	587140	40							17,8	44,1
Suceava	718113	35							13,5	47,1
Vaslui	467147	43							17,5	34,3
NE Region	3831216	43	42757	432557	55105	289248	1257,7	2,02	14,9	284,7
Romania	22430457	55	70287				1651,2	19,61	11,8	8419

Source: Romanian Statistical Yearbook 2000

Analysing the chart above, one can notice infraregional disparities as well as disparities between NE region figures and the national average:

- Counties with the most numerous population in the region are Iasi and Bacau; the opposite counties from this viewpoint being Botosani and Vaslui;
- A solid ground for disparity is unemployment. At present, in the NE Region, unemployment ratio is 14.9% compared to 11.8% at national level. The most affected counties in the region are Neamt (17.8%), Botosani (17.7%) and Vaslui (17.5%).
- Disparity can also be measured by percentage of employed population on economic sectors. Analysing this indicator, it is noticeable that the biggest part of employed population of the region works in: agriculture (50.38%), industry (20.6%) and public and private services (26%). Counties with the highest percentage of employed population on sectors are: Bacau and Iasi for industry, Suceava and Iasi for agriculture, Bacau and Iasi for constructions, Iasi for services.
- Analysing labour productivity among different sectors in the NE Region and comparing it with the national average, we notice increased productivity in agriculture (432,557 mill. ROL/ employed person) and services (289,248 mill. ROL/ employed person), against a national average (70,287 mill. ROL/ employed person); at the other end being the industrial sector (42,757 mill. ROL/ employed person) and constructions (55,105 mill. ROL/ employed person). The labour productivity level in industry and constructions is even below the regional average (64,351 mill. ROL/ employed person).

Analysing the causes of disparity within NE Region, a very important one is connected to the physical characteristics of the region. Therefore, we have defined the following geographical areas:

- The areas affected by earth glide and erosion phenomena: in Botosani county these areas are located in the central and south-south eastern area, within an area bordered by the Ungureni, Trusesti, Flamanzi, Lunca, Albesti and Stefanesti communes; in Neamt county: in the northern part of the county, near the Ppirig commune, on both sides of the Bicaz artificial lake, in the northern part of the Piatra Neamt municipality, over the Garcina commune; over the Faurei commune; in Iasi county, over the Pircovaci and Strunga communes; in Vaslui county, in the basin covering the tributaries of Barlad river and in the Elan river basin, in south-eastern zone of the county; in central and north side of Bacau county were identified 13 zones exposed to potential earth glides; in Suceava county over localities: Ulma, Brodina, Straja, Vicovu de Sus, Vadu Moldovei, Forasti, Draguseni, Boroaia.
- The areas affected by floods, in the Bistrita river basin – over the Borca, Costisa, Podoleni localities, in the Jijia and Siret river meadows, in the Prut river meadows – downstream of the Stanca-Costesti dam, in Bacau county in the basins of Trotus, Siret, Tazlau, Bistrita, Zeletin.

On the other hand, we have also prioritised other areas, which can represent attraction poles due to their resources, opportunities and premises for development and the ones worth being supported in this respect. The following areas are part of this category:

- The area having an industrial infrastructure that is not utilised or is insufficiently utilised, with premises for direct investment, which includes the county capitals, and the Roman, Targu Neamt, Pascani, Targu Frumos, Husi, Dorohoi and Buhusi localities.
- The area of tradition in small industry practice, locating in the perimeter delimited by the localities of Targu Neamt, Falticeni and Pascani, and also in south and west side of Bacau county in which are developed activities in the garments, knitwear, pottery, artisan craftsmanship sectors

- The area with tradition in wood exploitation and processing, locating in the forestry basins in the Vatra Dornei, Campulung Moldovenesc, Biczaz – Bistrita valley, Trotus valley and Tazlau valley area.
- The area of tradition in hydrocarbon reservoirs exploitation (Comanesti basin)
- The area having mineral water resources, treatment and/or leisure facilities, over the localities of Slanic Moldova, Targu Ocna, Vatra Dornei, Baltatesti, Oglinzi, Negulesti, Tosorog, Strunga, Iasi.
- The area with animal breeding potential (due to the natural conditions, experience, abilities and tradition of the inhabitants for this kind of activity), which includes the northern half of the Botosani county, the north-eastern and central-western part of the Suceava county, and also the west side of Bacau and Neamt counties.

## **8. Equality of chances**

Analysing the disparity between sexes as far as human development is concerned, within NE Region, we notice a life expectancy lower for men than for women. This is a general issue in Romania, according to National Commission for Statistics and UNDP's release "Men and Women in Romania", edited in 2000.

As regards school enrolment ratio, it is significantly higher for men. According to the studies conducted, grouped in the above-mentioned work, the percentage of women university graduates out of total number of women has increased in between 1992-1999 from 70.2% to 75.9%; the similar indicator for men university education shows an increase, in the same period, from 80.9% to 85%, still 10 points above the women indicator.

The distribution of university graduates on domains is in favour of women for: university domain, medicine and pharmaceuticals, economics, juridical and artistic fields, whereas in agricultural and technical fields, a higher percentage of men is involved.

The percentages of female personnel involved in didactical activities are, as follows: in pre-school activity 99.6%, in primary and secondary school 74.6%, in high-school 60.9%, in vocational school 51.9%, in university 35.1%.

Involvement of women has grown in the last few years in entrepreneurship, many successful businesses are being run by women. Also, in the NGO sector, at the executional (operational) level, women's involvement has proven to be higher than men's.