THE DEVELOPMENT OF INDUSTRIAL ACTIVITIES IN THE TOWN OF BOCŞA (CARAŞ-SEVERIN COUNTY)

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Abstract. This study is focussed on the more challenging location of a developing economic area in the west part of Romania, meaning the town of Bocşa. The Metal Construction, The Poultry ("Avicola") and Timber enterprises are the most important economic units. Work was perceived as being relatively inefficient through unacceptable work practices through the high status and relatively good wages enjoyed under communism. After the Romanian Revolution in 1989 training costs have been an element of risk that most entrepreneurs are unwilling to take except where family ties exist and premises are readily available at low cost. It is only now most of the enterprises are restructured and begun to restart their efficient activities. However the FDI are small and the foreign entrepreneurs are skeptical as far as the local industrial development is concerned.

Rezumat. Dezvoltarea activităților industriale în orașul Bocșa (județul Caraș-Severin). Studiul se concentrează pe localizarea unui areal de dezvoltare economică din partea de vest a României, mai precis pe activitățile industriale din orașul Bocșa. Întreprinderile cele mai importante ale acestei localități sunt: CMB (Construcții Metalice Bocșa), "Avicola" Bocșa și unitățile de prelucrare a lemnului. Munca a fost percepută ca fiind ineficientă în perioada comunismului, datorită unor salarii mari în comparație cu valoarea produselor finite. În ultimii ani, costurile de reorientare profesională au constituit pentru antreprenori un element de risc, iar angajații care - în marea majoritate au legături de familie între ei (prieteni, rude, membrii aceluiași familii etc.) - preferă să lucreze pe salarii mici. În stadul actual majoritatea întreprinderilor sunt privatizate, restructurate, activitățile industriale devenind eficiente. Totuși investițiile străine directe sunt reduse, antreprenorii străini având încă o doză de scepticism privind dezvoltarea industrială locală.

Key-words: industrial activities, economic development, Bocșa.

Cuvinte cheie: activități industriale, dezvoltare economică, Bocșa.

1. INTRODUCTION

After the 1989 Revolution most of the big-centralized enterprises as well as the unefficient mines were obliged to decrease their workers’ number or to be closed. This reality gave birth also to the less-favoured area (LFA) of Bocșa where the great majority of the inhabitants are living in poverty. Even if the Romanian Government try to help the people of this area financially and logistically, the things are going very slowly to the right direction, proving that the way to capitalism in Bocșa is still very long. Bocșa can be thought as a profound disadvantaged area (Ianoș 2001). In order to have a better standard of living in the Bocșa area, the young people found the solution of crossborder trade or to work in western countries mainly on seasonal works. The churches of different religions have the main important social advantages to the population through some Caritas help. A big problem remains the social integration of the marginal population of gypsies who are
an important segment of Boșa’s population. The DKMT has begun to be more involved in
transborder cooperation but only in the future Boșa could have stronger influence through
its political and economical leaders on the DKMT decisions. Even on this basis there are
many people considered that Boșa could be part of the Caraș-Severin industrial
archeology (Hilinger, Olaru, Turnock, 2001, p. 607).

2. THE SITUATION OF CMB (METAL CONSTRUCTION ENTERPRISE
OF BOȘA)

The main economic activity in Boșa was done by CMB (fig. 1), built in 1904 in
order to produce metal products for agriculture. CMB means “Constructii Metalice Boșa”
(Metal Construction Boșa).

![Diagram of Boșa Industrial Locations]

Fig. 1. The main industrial units in Boșa Română, in the year 2002
Principalele obiective industriale din Boșa Română, in anul 2002

In order to decongest the big enterprise ICMR of Reșița in 1950 most of the
“Bridge-building” Section from Reșița was moved to Boșa. In this way, CMB had a
double importance: agricultural and bridge-maker. To this it was added in the 70ies an
enlargement of “Agricola” Section as well as “Crane Tower” Section. CMB became in the
period 1970-1990 the biggest producer of crane towers and river bridges in Romania.
Evrywhere crossing main rivers (Olt, Mures etc) one can see on the label CMB. The cranes of CMB could be seen also in all the towns of Romania where blocks of flats have been built or in harbours at the Danube.

The enlargement of these sections lead to a 4,720 workers, most of them from Bocşə but about a quarter from the villages situated in the perimeter of 10-20 km around Bocşə. The communist policy made an attraction of workers from Oltenia and Moldova regions, fact included in the general policy of “levelling the masses” through which the working class must be very strong and mixed professionally and ethnically. So, about 1000 young people (18-30 years old) were absorbed in Bocşə from different other regions, living in Bocşə in the so-called “Caminele Tineretului” (The Youth Camims), two four-levelled block of flats with very poor conditions of accomodation, situated nearby the enterprise. Certainly, this process lead to a mixture marriages between Bocşə native inhabitants and other Romanians outside Banat, reality which also influenced the culture and social activity in time. Bocşə passed from an 30% German-Hungarian minority to only 5% Hungarians and 3% Germans in 2002. Because CMB had high wages due to good contracts with foreign companies from China, USSR and other communist countries or even with developed countries as Austria, Canada, Japan etc, having a reduced working hand, it could be seen a welfare of many families represented byu communist leaders of the factory, directors, cheafs of sections etc, welfare seen in the villas and new type of Dacia (local Romanian car). A very good contract of CMB was done in the 80ies with Cernavoda Power Plant to which Bocşə made rotative sieves and which brought a lot of money coming from Canada(knowing that the Canadians lead Cernavoda’s works). At the end of the 80ies CMB was one of the five big Romanian enterprises for agricultural tools, most of the products being produced for export.

The 1989 social events brought CMB in the situation of passing from the communist system to a transition period towards capitalism. Loosing the traditional communist market and the tendency to a more mechanized labour it was necessary to begin the operation of sending the workers to unemployment and pension. The main point of “sending people out” was through some repeating wages negociations which lead in the end always with small wages in the comparison to the increase of food and other type of prices. So, from about 5,000 workers in 1990 there were only 1,408 workers in January 2001, giving rise to a high unemployment.

The largest number of persons sent to unemployment or pension were registered in the period 1990-1994 when 1,500 workers were obliged to make this step. Other smaller waves of unemployment were done in each year of the period 1995-1998. In 1998 it was named politically(taking into account that CDR was leading Romania) a PNL director, the only one right-winged party leader of CMB for the whole period 1990-2002.

Under this leadership the unlucreative sections 200, 250 and 240 were closed, aproximately 200 workers passing to unemployment. This sections comprises Toolary Section and the Foundry Section as well as half of the birocratic section called TESSA (accountants, engineers, secretaries etc).

In this way, the situation of the evolution of the employees in CMB for the last years is decreasing (table no 1).
Table no. 1 The number of employees in CMB in 2001-2003

<table>
<thead>
<tr>
<th>Date</th>
<th>Number of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st of January 2001</td>
<td>1,408</td>
</tr>
<tr>
<td>1st of September 2001</td>
<td>1,083</td>
</tr>
<tr>
<td>1st of September 2002</td>
<td>710</td>
</tr>
<tr>
<td>1st of January 2003</td>
<td>325</td>
</tr>
<tr>
<td>1st of September 2003</td>
<td>310</td>
</tr>
</tbody>
</table>

If we make a distribution on pension/unemployment solutions it could be revealed that 38% of the former workers chose the pension even if they were only 50 years old, basing on the CMB inner policy (respecting Romania’s law) of being pensioned with first category at 50 for male and without any pension categories also at 50 for female. The years 2002-2004 were “mild” ones, only 173 persons passing out of CMB because of some economic stability on the balance of input-output costs.

The period 1998-2000 had to be bitter for the leadership of CMB because the Section 200 was sold as “old iron” till the last piece of it. For instance, the last turning machine was sold at a low price. It is a pity for a section which produced big amounts of money in the past; here it was the mechanical activities of CMB (Mechanic Subsection), painting activities, soldering or welding etc. High quantities of iron was melted or sold from section 240 and 250, specialized in harbour cranes, excavators and preparing materials. Most of the iron or sold materials were taken by some countries from south-east Asia (Bangladesh, Malaysia etc). In 2002 it was closed as well the Thermical Power Plant and the Oxygene Section.

There were some small investments in 1998 when a Messer machine of electronically cutting sheet iron was bought. Some money also came from the rebeginning of the contract with Cernavoda Power Plant. In the period 1990-2002 there were lucrative activities with the building of some industrial halls for Mitsubishi Trust in Japan, the participation to the building of one hotel in Amara (in Baragan Plain, at Amara Spa), industrial halls for juice production at Rieni (nearby Beius, Bihor county), an industrial hall and a joinery on the road Bocşa-Binis etc.

The politics of the managers was not to reduce suddenly the number of workers from approximate 5,000 to 700 but making a slowly and progressive way of making workers to decide themselves through the help of giving them small new amounts of money each time at wages indexations. It was a compromise in order not to produce social movements. In this respect only three main meetings of protest against the managers for better payment appeared. The workers were always upset of the difference between their wages and the managers wages with which they were not used in the communist system; for instance, directors had a wages of 70 million lei (2,000 USD) while the workers only about 2 million lei (60 USD). At meeting the managers of CMB defended themselves saying that the mean wages is 5 million lei. This certainly appeared because of the managers wages. If we compare the wages in 1990 with 2002 we see that people prefered pension which is the same in money as the money got after working hard for one month. Another phenomenon was that a segment of the young workers who were thrown to unemployment were recalled to work but not on the criteria of performance but of nephewism or family relations.

Being a public enterprise it was lead politically. Looking on the political management, it is seen that wing-left parties (FSN and PDSR) in 1990-1998 and 2001-
2002 PSD as well as right winged-parties (PNL) in 1998-2001 had the same rather bad management. So, it doesn’t matter the political leadership of the enterprise. The process of privatization could have been made in fewer years if it would have been a better management.

As far as commuting workers are concerned it could be revealed that in the communist system about 1,000 workers came from Ocna de Fier, Ramna, Biniş, Doclin, Berzovia, Vermes, Gherteniş, Fizeş, having a very good bus transport for all three shifts. Most of them worked in CMB and had no time for agriculture (see that in communism the period of work/week was 6 days not 5 days as nowadays), working in industry being better payed.

In the last 12 years their number lowered, most of them being again farmers. It is still only 84 commuters from Ocna de Fier, Ramna, Berzovia and Biniş but they are grouped on families (2-3 members still working: they had to be either very efficient in work or had high relations at the chiefs or managers). It is a performance for them to still work in a factory in comparison to others who had no benefits being unemployed or bad farmers. Many of CMB unemployers especially the young ones preferred to go to Hungary and Yugoslavia to be occupied with so-called “small crossborder market”, selling then their products they buy abroad at much higher prices in Bocșa or Reșița (for instance, it was a preference for leather bought from Hungary at low price or to sell nuts at higher prices in Yugoslavia).

In the 1st of September 2002, on the redistribution of working sections, from the 710 employers we can note an interesting situation (table no. 2).

<table>
<thead>
<tr>
<th>Number of working section</th>
<th>Name of type of production</th>
<th>Number of workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>210</td>
<td>Preparing materials</td>
<td>140</td>
</tr>
<tr>
<td>230</td>
<td>Bridge Building</td>
<td>260</td>
</tr>
<tr>
<td>260</td>
<td>Foundry</td>
<td>6</td>
</tr>
<tr>
<td>280</td>
<td>Sablage and metal painting</td>
<td>43</td>
</tr>
<tr>
<td>300</td>
<td>Rolling sieves, scaffoldings</td>
<td>57</td>
</tr>
<tr>
<td>340</td>
<td>Toolary</td>
<td>23</td>
</tr>
<tr>
<td>360</td>
<td>Transportation</td>
<td>16</td>
</tr>
<tr>
<td>TESSA</td>
<td>Accounting, management etc.</td>
<td>125</td>
</tr>
<tr>
<td>Gates of CMB</td>
<td>Watching activities</td>
<td>40</td>
</tr>
</tbody>
</table>

In the summer of 2002 CMB was set for being privatized. At the auction four competitors participated: three Romanians and an Italian. In the 14th of September the CMB was bought by a former manager of this enterprise. The winner hopes to rejuvenate the enterprise but only with fewer workers. Bocșa is still a disadvantaged area as part of the West Economic Region of Romania (Ianoș 2000a, Ianoș 2000b), mainly because of CMB.
3. THE TIMBER FACTORIES

“Firiz” as it is called by all the ordinary people in Bocșa means “jigsaw”, being built in the 60ies in order to put into practice the rich forests (oak-trees, birch trees etc) from the Hills of Bocșa.

In the communist system there were about 1,200 workers, most of them from the nearby quarter of Bocșa, called Vasiova. This quarter together with Montana quarter have traditionally joined most of the service activities of the town of Bocșa (fig. 2). The commuters came especially from Oca de Fier (which has a very good bus connection directly at the railway Vasiova which is opposite the factory) as well as from Moniom, Berzovia, Ramna and Vermeș.

The factory was built with the following parts: Jigsaw Hall, Jigsaw Machine area, Deposit of Logs, Furniture Section and Parket Section, Deposit of Timber, Thermic Power Plant, Tessa Building, Mechanical Workshop, Joinery Workshop, 4 rooms of steam for drying and one room for Wood Drier. Till 1990 it was a problem in the north area of Vasiova quarter with air and soil pollution coming from the Sawdust Machine.

In 1990 “Mobila” (Furniture) Section was separated by the “Firiz”. In the period 1990-2000 the factory was called SETTPPL (meaning “Company of wood”), belonging to...
Caransebeș big wood enterprise having the same name, processing both at Bocșa and Caransebeș fir-tree, oak-trees for timber and parket. 75% of the production was of steamed beech timbers only for export in African countries. A big contract was made with Romanel (politician Petre Roman’s family company).

In the period 2000-2001 was called West Forest Bocșa, parting aside from Caransebes. In January 2002 the enterprise was bought by Sand H Trust Construction Co., an Egyptian company organized on the producing of steamed beech timbers and small boxes for citric fruits in Greece.

In order to survive in the 90ies the managers had to sell six special machines and one buldozer. A lot of workers had to go either to unemployment or to pension till 1996. In the last six years there were also some small waves of workers who received many wages (for 12 months) in order to not make social protests. This belonged to a general Romanian policy to change bigger factures to smaller ones. So, in September 2002 there were only 96 workers left, of which 10 Tessa workers and six watchers.

4. THE POULTRY (“AVICOLA”) FACTORY

Avicola was built in the 50ies in order to cover the flesh hen and eggs for Bocșa people and for those living in the north – west part of Caraș-Severin county. It was part of the agricultural policy of the communist system in the period 1950-1960. The factory developed very much on the basis of workers coming from the villages Dulău, Valeapai, Biniș, as farmers who left the collective farms for a better living in a new town, Bocșa.

From the 800 workers in 1990 there are only about 200 workers in 2002, time in which several waves of unemployment have been done. The enterprise privatized in 2000 by the former manager of COMTIM in the communist period. Now, the enterprise has a new Poultry Slaughter House, being reknown for its good quality products in the whole Banat area, mainly in big towns (Timișoara, Arad, Lugoj).

At the beginning (1960-1990) most of the workers came from the countryside. In this way, first of all they were commuters and only after several years they moved to Bocșa. This is why we can meet people with roots from the neighbourhood of Bocșa especially in north area of Bocșa Montană where it was place for houses to be built or the houses were cheap in the 80ies. Even now there are commuters from Biniș, Berzovia and Ramna, which are the nearest settlements to the factory which lies outside of Bocșa in the west, towards Berzovia. A big problem of Avicola is that it has a high rate of air pollution, problem unsolved even now.

5. OTHER SMALL FIRMS

All small private shops and firms were built only after 1990. Among other firms we can mention many joineries: Pohanca (on the road Bocșa-Biniș), Holz (nearby Ramna), Bogdan (towards Ezeriș), many furniture small factories (after the name of the owners are called: Meniuc SRL, Druga SRL, Tomioaga SRL), some bakeries, a bread factory, a firm for iron products (Buciu SRL), some family associations (examples are thermic apartment power plants on gas). All these firms do not have more than 50 workers but are very lucrative. The joineries are in competition with “Firiz”, many unemployed from Firiz being taken as specialists at these small wood firms, the workers having bigger or even double
wages as at Firiz but had to work not normal 8 hours but 10-12 hours/day. Small shops and bakeries are very lucrative even if Bocșa was considered a less-favoured area.

CONCLUSIONS

This study has deliberately concentrated on the more challenging location of a developing economic area in the west part of Romania, meaning the Bocșa area. The Metal Construction, The Poultry (AVICOLA) and Timber enterprises are the most important economic places which attracts active people to work. Workforces are perceived as being relatively unproductive though unacceptable work practices through the high status and relatively good wages enjoyed under communism. At the very least this makes higher training costs and an element of risk that most entrepreneurs are unwilling to take except where family ties exist and premises are readily available at low cost. Thus FDI cannot be expected to take an enlightened attitude in Bocșa. LFA programme has provided a rescue for areas suddenly hit by extremely high unemployment. But it will always be down to communities themselves to frame their own solutions by expanding development to intensify promotion of economic potential and competence levels. There exists also for Bocșa a perspective of social risk (Nica-Guran, Turnock, 2000, p. 139). The NGOs seem to have no practical solutions till now, while the Townhall and the Cultural Camin are being involved in some professional conversion courses.

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