

## TRANSFORMATIONS OF THE ECONOMIC STRUCTURE IN SMALL AND MEDIUM-SIZED CITIES (ON THE EXAMPLE OF THE CITIES OF ZĂRNEȘTI-ROMANIA AND STRĂȘENI-REP. MOLDOVA): ADAPTATION TO THE MARKET ECONOMY

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**Abstract:** *Small and medium-sized cities, regardless of their demographic size or their area of influence, have different territorial relationships that ensure their existence and that can define their area of urban influence. Any city has its area of influence over adjacent localities, it is characterized by its own structure that gives it certain types of relationships with them. Depending on certain particularities such as the level of development of the countries to which it belongs, the geographical position and location in the terrain, the density of urban centers and the size of the city, the coverage area of the area of influence of the respective city can be established.*

*The geographical location of the two cities, represented by their location in the terrain in adjacent areas of major cities for example (Brașov, in the case of the city of Zărnești) and Chișinău (in the case of the city of Strășeni), has largely influenced the direction of their development, having many common features both in terms of achievements and outlook. Respectively, it follows a series of transformations in the economic structures of small and medium-sized cities (respectively the city of Zărnești in Romania and Strășeni in the Republic of Moldova and the study of these researches to adapt to the market economy. Through classical geographical methods, the qualitative and quantitative assessment of the economy of these cities will be carried out on the one hand, this research).*

**Keywords:** *economic transformations; small and medium-sized cities; market economy; doctoral study.*

**JEL classification:** R.R1, O.O13, Î1.

### **Introduction**

Currently, globally we find ourselves in a world in constant change.

Whether we are referring to a country, a continent, or a global level, we identify large gaps between the performances obtained by small and medium-sized cities compared to the rest of the cities, especially the capital cities.

Both at the European level and at the Global level, cities have a particular importance in the regional development of the countries to which they belong. In the last 30 years, many of these cities have undergone considerable economic transformations, some of their enterprises have been closed down because they were no longer profitable, or have been forced to change their profile through reconversion. [3].

This article refers to the cities of Zărnești in Romania and the municipality of Strășeni in the Republic of Moldova in the context of regional development and local competitiveness through the application of legal instruments, such as local development strategies, programs and projects.

The role that cities play in innovation and in the creation of new economic opportunities, determines them to enter into continuous competition at both national, European and global levels. [4]. A pressing problem that has emerged in recent decades at the global and European levels has been the use of natural resources, land within their perimeter, as well as heritage. These situations have arisen in both Romania and the Republic of Moldova, constituting important topics on the agenda. Currently, the two sister states are facing the same situations, and their urban localities are experiencing major

problems in terms of the modernization of transport systems, the re-engineering of enterprises, as well as the interest in how to capitalize on spatial resources that target these two countries. [4].

After 1991, in both Romanian states, the markets disappeared, and the long road to the market economy left its mark even more on the increasingly difficult development of cities, many of the small and medium-sized cities, including Zărnești and Strășeni, which in certain fields of activity, had to be re-engineered and re-profiled in order to produce finished products that could face the competition in the market. [4]. Thus, in many small and medium-sized cities on both banks of the Prut, sustained efforts are being made to overcome these situations. [2].

The comparative study undertaken here is included in a larger research that targets two cities located west and east of the Prut River and is the subject of a doctoral study.

The city of Zărnești is located in central Romania at the foot of the Piatra Craiului Massif and belongs to the Central Development Region. At the level of Brașov County, the city is located in the central south part, in the Țara Bârsei Region, approx. 30 km southwest of the city of Brașov, occupying an area of 204.75 km<sup>2</sup>, which represents 3.78% of the county's area. The locality of Zărnești has a population of 25,741 inhabitants. (01.01.2024, [13], accessed: 05.05.2025). Zărnești was declared a city in 1951, and since 1968, it has included the village of Tohanul Nou, located 5 km away. *Table 1, Table 2.* Access to Zărnești can be done by road using DN 73 and DN 73 A, as well as the railway, Brașov-Zărnești, which is the terminal point. [6], [ 8], [10].

Geographically, the city of Straseneni is located in Straseneni District, a district that is included in the Central Development Region of the Republic of Moldova. Straseneni is documented in 1545, and in the second half of the 20th century, it becomes an important industrial center. Starting with 2016, Straseneni was proclaimed a municipality, with a population of 19,225 in 2024, *Source: Table 1*, [12]. Located on the banks of the Bâc River, Straseneni municipality is located at a distance of approx. 25 km from Chisinau, in the north-west direction. The administrative territory of the city and totals 60.82 km<sup>2</sup>. The municipality also includes the village of Făgureni, located at a distance of 5 km west of it. *Table 1, Table 2.* [9].

**Table 1. Area and population of the localities of Zărnești and Strășeni in 2024**

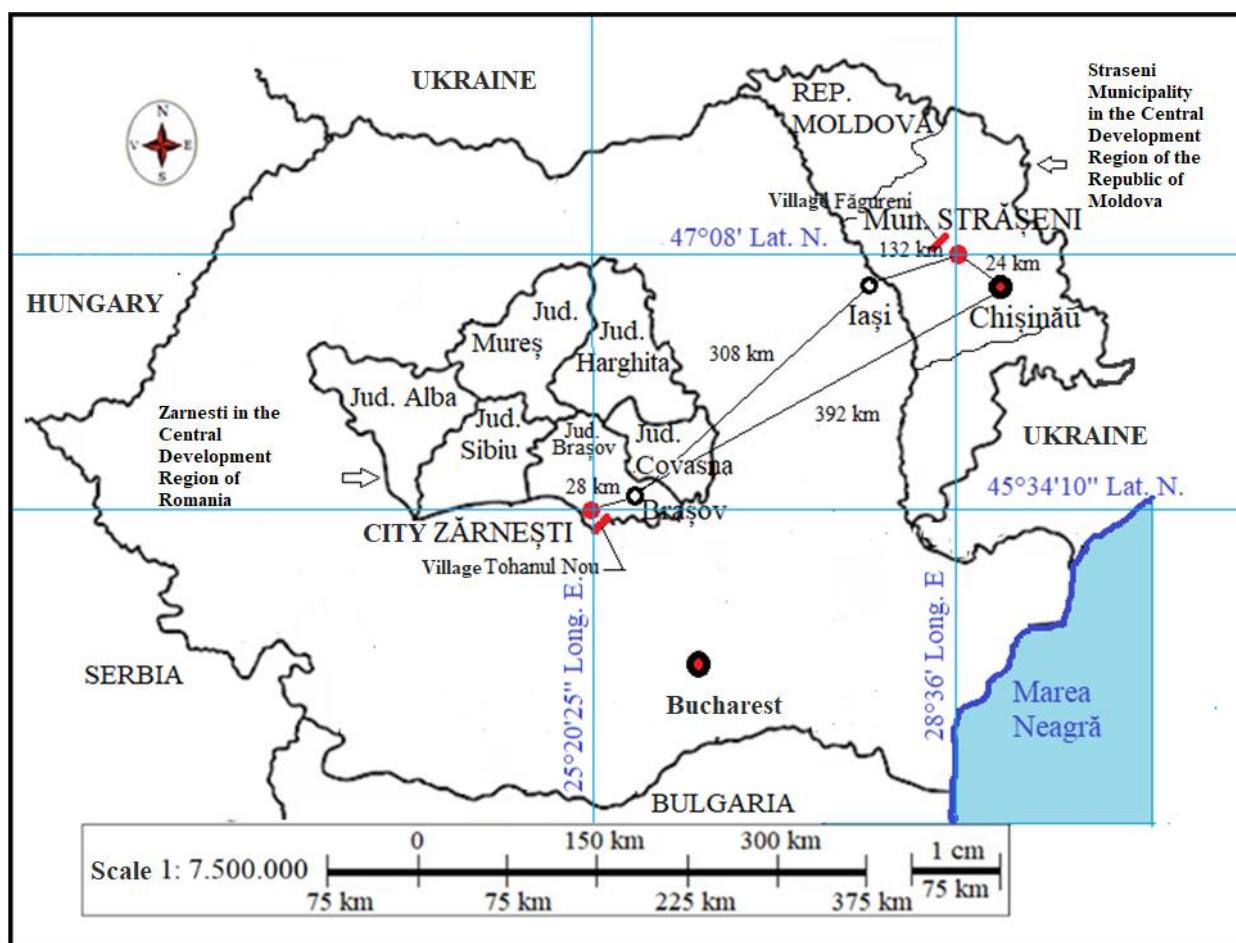
No. crt.	City name	Area	Population
1	Zărnești	204,75 km <sup>2</sup>	25 741 people at 01.01.2024
2	Strășeni	60,82 km <sup>2</sup>	19 225 people at 01.01.2024

*Source: I.N.S. Tempo Online, Romania and <https://worldpopulationreview.com/countries/cities/moldova>*

**Table 2. Additional details about the localities of Zărnești and Strășeni**

No. crt.	City name	Year of documentary attestation	Year of declaration as a city	Year of declaration as a municipality	The village belonging to
1	Zărnești	1373	1951	-	Tohanul Nou
2	Strășeni	1545	1965	2016	Făgureni

*Source: Zărnești City Hall (Registration Service); Strășeni City Hall (Registration Department)*



**Figure 1. Location of Zărnești city on the map of Romania and of Strașeni Municipality on the map of the Republic of Moldova (map processed and adapted by the author).**

Source of map outline: <https://www.twinkl.ro/resource/ro2-g-3-vecinii-romaniei-fia-de-lucru>

Among the common features of these cities, it can be mentioned that in the past both cities had a centralized system, the economic structures were rigid, presented a low adaptability to the current system of transition to a market economy and had a poor use of economic and human potential.

The strategic development plans of these cities do not fully reflect the requirements of sustainable development. The European legislation applied over 17 years as a member of the European Union, had major repercussions in the development of small and medium-sized cities in good conditions in the context of territorial decentralization, this experience can be taken over and adapted among the cities of the Republic of Moldova.

The land fund is insufficiently exploited in both localities, and today the imprint of their socialist past is still preserved. In Zărnești, the emphasis is on the development of small and medium-sized enterprises (SMEs). Both in Romania and in the Republic of Moldova there is the right of ownership of agricultural land.

Regarding the use and exploitation of land, in both countries there are a series of laws and normative acts that regulate their proper use, such as: LAW no. 3 of December 28, 1962 on the FORESTRY CODE, from Romania; Land Fund Law no. 18/1991 - amendments (Law no. 231/2018); Environmental Protection Law no. 137/1995 from Romania and others, and Laws from the Republic of Moldova such as: Law no. 121-XVI/04.05.2007 on the administration and nationalization of public property; Law on the cadastre of real estate no. 1543-XIII/25.02.1998; Law No. 91-XVI/5.04.2007, on public property lands and their delimitation, etc.

Currently, both localities are developing quite dynamically, with the intention of adapting and coping with the regional competition of cities, in the current context of decentralization applied through regional development policy, their transition being marked by both achievements and failures. Source: [7]. Both cities are tourist localities, especially Zărnești, and Strășeni is a tourist city in the making.

Among the problems with economic specificity, the following can be mentioned: inadequate capitalization of economic potential, poor adaptability to the requirements of the internal and external market, the presence of poorly competitive economic entities, the lack of well-paid jobs, the large number of people unemployed of various types, and others. [4].

The emphasis is on the study, knowledge and evaluation of the economic and human potential existing in these two localities, located in different countries, which, although they are at a considerable distance, are linked by certain common features regarding the geodemographic and geoeconomic evolution. [1]. Regarding human potential, it can be stated that in recent decades the population of Zărnești has had an average of approx. 26,000 inhabitants/year, and that of Strășeni has remained around 20,000, both populations having a slight fluctuation towards linear.

### **Materials and methods**

The author set as an important goal the realization of a comparative study of the two cities, of the way of their integration, in the urban system of Romania and the Republic of Moldova, respectively. Moldova, in the context of economic decentralization achieved through regional development policy and to highlight both the similarities and differences of the problems faced by these medium-sized cities, their origin, as well as the ways to solve them. Thus, the author conducted a comparative analysis of the two Romanian cities, located in different countries on the left and right of the Prut, and at the same time followed and evaluated the stages of their sustainable development and how they can adapt to the market economy.

In the approach of this article, the comparison method was used, emphasizing the similarities, but also the differences from a geographical point of view between the two cities, as well as the potential they have. This method is frequently used in human geography and offers the possibility of highlighting which of the two cities, through the instruments and actions taken, were more effective in what we call socio-economic development..

When studying the two cities, various research methods specific to Human Geography were used (analytical, historical, comparative, observation and geographical description). Many of the reference data were obtained from the services of the city halls of the two cities. Through the comparative analysis, it was found that the two cities under study do not have the same degree of economic development, because the branches of the economy of the two localities differ, and the strategic development plans of these cities do not fully reflect the requirements of sustainable development.

Among other methods specific to Human Geography, the following methods were used in the evaluation process: historical, mathematical and geographical description, and the data used were extracted from the yearbooks and statistical publications of the National Bureau of Statistics of the Republic of Moldova, from those of the National Institute of Statistics of Romania - through the Brașov County Directorate of Statistics, as well as from the City Halls of the two localities. At the same time, the author tried to identify to what extent these two cities, somewhat close in economic potential, having average dimensions in terms of demographic component, can adapt to the new conditions of socio-economic development, as well as to what extent the regional and local development policy allows them to develop their own identity and to value the local potential they have, in order to face urban competition.

### **Results and discussions**

For several decades now, the world economy has been in recession, affecting both developed and developing countries. In both Romania and the Republic of Moldova, the long road of transition to a market economy has worsened the economic situation of the two countries. The consequences of these economic transformations have been similar to those of developed countries, and economic



problems are in an alarming decline. [3]. Among the most acute economic problems that are the subject of discussion are: the economic degradation that has occurred in the last 3 decades, the loss of markets in both countries, the poor adaptation of the economic structure to market requirements, structures not adapted to the existing potential.

Even if the situation in these cities is apparently relatively good compared to other cities in the regions they are part of, they are faced with a number of common, but also specific, problems in the current context of the socio-economic transitions they are experiencing. [3].

Through a brief analysis of the two cities, the author intends to highlight both the similarities and differences in the problems faced by these medium-sized cities, their origin, and the ways to solve them. The town of Zărnești has experienced several stages of economic development: a stage of development during the communist period from the 1960s to the 1990s, then a period of decline from 1990 to 2000, and again a stage of "economic recovery" from the 2000s to the present. Between the 1960s and 1990s, forced industrialization took place throughout Romania, including Zărnești. The city experienced industrial development until the 1990s, then a period of regression occurred that lasted until around the 2000s. During this period, a number of economic units were closed down, many reduced their activity, and others were re-profiled. Since there is an Industrial Park on the city's territory, established around the 2000s, a number of new units were established here. The Industrial Park offers cheap labor and qualified personnel in various fields, with several companies with different profiles operating here. [10]. In recent years, part of the industry in Zărnești has reoriented itself towards the processing of resources, but also of locally existing products. Currently, the workforce is qualified for the industrial field, but this requires re-specialization for the tertiary sector (services field), which currently has future prospects (natural tourist potential). [11].

On the territory of the Straseni locality, there are approximately 2,780 registered and active economic agents. [9]. [12]. A prominent place is occupied by the food industry, especially the wine industry. Straseni municipality is distinguished by its chemical industry, machine building industry and construction materials industry. [9].

## Conclusions

The cities of Straseni and Zarnesti have a number of common, but also distinct features in their geodemographic and geoeconomic evolution, in the current period of transition that both states are going through. [4].

Both localities are part of the Central Development Zone of the countries they belong to;

The geographical location of the Zarnesti and Straseni localities near important cities, such as the city of Brasov, and the capital Chisinau, respectively, is a great advantage; [11], [12].

The lack of well-paid jobs can be noted in both cities, which accentuates the seriousness of the problem regarding both employment and economic growth, which has gained momentum recently; [4].

Economic recovery is possible in both cases through major capital investments from within, but especially from outside, and attracting investments by accessing national and international funds; [4].

The land fund is valued differently in both cities, preserving the imprint of the socialist past that these localities had. [5]. The strategic development plans of the two cities do not fully reflect the requirements of sustainable development. Today, both cities (Strășeni and Zărnești) are making efforts to create new jobs - some of the inhabitants of these localities, even migrating to other countries, in search of jobs. [4].

Currently, both cities are making efforts for continuous modernization on all levels.

The city of Strășeni has socio-demographic and socio-economic structures with a higher degree of instability, given the longer-term transition that the Republic of Moldova is going through. However, it has the conditions and infrastructure to become an important tourist city in the Central Development Region of the Republic of Moldova. [12].

Currently, the town of Straseneni is making great efforts to overcome the transition stage and move towards economic development. [4], [9].

The town of Straseneni is a budding tourist town with a developed infrastructure in this regard.

In recent decades, Zarnesti has experienced many qualitative transformations. For the foreseeable future, the increase in the number of Small and Medium Enterprises has been taken into account. [10]. The town offers high agricultural potential, and the climate and soils in the area allow the growth and development of plants in good conditions. [10].

In the field of tourism in Zarnesti, the existence of the Piatra Craiului Natural Park with a Mountain Rescue Service and high tourist potential usable throughout the year is noteworthy. The development of the tourist infrastructure by the end of 2025 aims to implement projects aimed at protecting the environment and ensuring the increase in the attractiveness of the area. [11].

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