

CURRENT SITUATION AND PROSPECTS OF THE LABOUR ORGANIZATION IN WINE AND GRAPE INDUSTRY IN THE REPUBLIC OF MOLDOVA

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Abstract

The labour organization development in Wine and Grape Industry in the Republic of Moldova is analyzed in the paper. The paper highlights the main problems of the manpower in the Wine and Grape Industry in the country using the statistical data provided by the National Bureau of Statistics and the specific system of indicators and methodology. The main directions and prospects of labour organization development in this domain are outlined. Investment in human capital will contribute to strengthen the skills, knowledge in general to facilitate insertion in the viticulture production and wine industry.

Key words: employment in agriculture, labour force, Wine and Grape Industry, vineyards, winemaking.

INTRODUCTION

In developing countries, agriculture is the main employer in rural areas and even in regions where the share of employment in agriculture is lower.

Agriculture continues to influence the rural economy by providing public and semi-public goods, by the aspects linked with environmental protection.

The Republic of Moldova is an agrarian-industrial country. The contribution of agriculture to GDP was about 10.2 % in 2012. Agriculture plays an important role for rural households as agricultural land occupies 75% of the total land area of the country, about 28% of total employment in the country operate in agriculture; the export of agricultural products of local origin in total export makes 49% [4].

The total area of agricultural land at 01.01.2013 amounted to 2,497.8 thousand ha or 73.8% of Moldova's total land area, including \pm 1.8127 thousand ha arable land and perennial plantings \pm 295.3 thousand ha (of which 133.3 thousand ha of orchards, vineyards 149.6 thousand ha, 350.4 thousand ha of pastures, meadows and fallow 2.2 thousand ha 34.2 thousand ha).

MATERIALS AND METHODS

The paper is based on the following system of indicators: surface covered with vineyards in the period 2003-2013 in the Republic of Moldova, the employment in agriculture and food and drinks industry staff occupied in viticulture and wine producing, economic, social and environment aspects of viticulture development.

The data were collected from the National bureau of Statistics regarding employment for the reference period 2006-2013 and the dynamics was interpreted using the usual methods.

RESULTS AND DISCUSSIONS

In recent years, viticulture and winemaking in the Republic of Moldova were said as strategic industries of major importance, which bring more significant contribution to the national economy. For the Republic of Moldova wine is a real country's visiting card. Moldova has a rich winemaking history that has deep roots in human history. According to the data from (2007) of the UN Fund for Agriculture, the Republic of Moldova had the ranks 19 in the world by annual production

volume of grapes. For many years, viticulture and winemaking in Moldova industry is the main aspect of the population's activity.

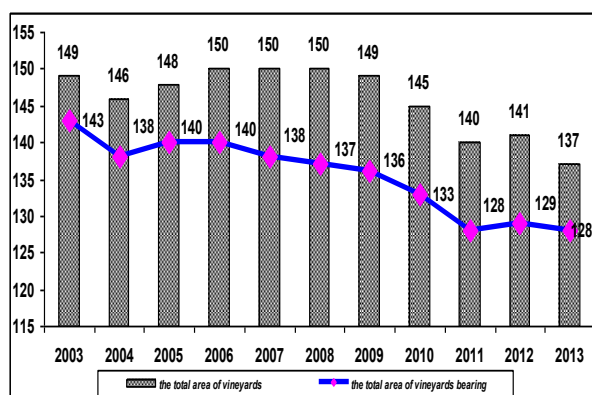


Fig. 1. The dynamics of total surface bearing and vineyards of the Republic of Moldova, during the period 2003-2013, thousand ha

Source: elaborated by the authors based on data from the National Bureau of Statistics, 2013.

In 2010, Moldova had 145 thousand hectares vineyards, of which 133 thousand ha are bearing, vineyard surface in 2003 was 149 thousand ha, of which 143 thousand ha are bearing (Fig.1).

The Wine and Grape Sector provides employment for a large part of the rural population, particularly important in the current alarming increase in unemployment. Compared to other crops, vines require more labor (about 100 days labor / ha). In addition and nursery sector, grapes and bottling grapes also require significant labor. In the Republic of Moldova, about 59% of the population lives in rural areas where about 27.5% of the population is engaged in agriculture. Most people who work in agriculture are self-employed, so even if the share of those employed in agriculture is only 7.2% of the total number of employees (see Figure 2) [5]. In agriculture, labor is used in three ways: the use of family labor; exchange of labor between relatives, friends or neighbors; hiring seasonal or permanent workers.

The number of employed in agriculture fell from 422 thousand persons in 2006 to 338 thousand persons in 2013 - a decrease of 81% (see Figure 2), while in other economy sectors the number of employees is increased (by the cause of migration) [5].

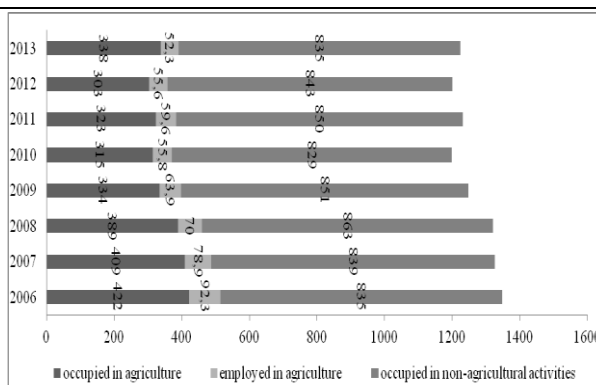


Fig. 2. Distribution of employed in agriculture and non-agricultural activities, during the period 2006-2013, thousand persons

Source: elaborated by the authors based on data from the National Bureau of Statistics, 2013.

There is a little precise information about the number of employees in the Wine and Grape Sector. The only official information about employment in the sector relate to staff at wineries. Overall, it was estimated about 50 thousand persons are involved viticulture, including about 2 thousand - 3 thousand employees in nurseries. This figure is five times higher if we include seasonal workers and small vineyards owners. Industry estimates also indicate that about 4.5 thousand persons are employed in support services such as trade in wine marketing services, manufacturing bottles and cans, transportation, wine tourism and other wine value chain services [2].

Number of employees in food and drinks industry recorded continuous declines. Thus, compared with 2005, the number of employees in this sector fell from 43.8 thousand persons to 26.7 thousand persons in 2011. The biggest fall in staff in the period 2005-2011 occurred in *winemaking industry* – in sugar manufacturing industry from 1.6 thousand persons in 2005 to 1.0 thousand persons in 2011; in the processing and preserving of fruit and vegetables – from 5.1 thousand persons in 2005 to 2.6 thousand persons in 2011, i.e. about 2 times; wine production – from 13.4 thousand persons in 2005 to 5.4 thousand persons in 2011, i.e. about 2.5 times.

An increase in occupied staff in the period 2005-2011, has been documented only in industry production, processing and

preserving of meat and meat products. In some sub-branches, as Manufacturing of dairy products and Manufacturing of cocoa, chocolate and confectionery the average annual number of staff was constant (Table 1) [4].

In the recent years, Wine and Grape Sector has become a major industry that has a significant effect on the national economy as a whole through the following channels:

Economic aspect:

- vineyards provide 10-12 percent of the total annual agricultural production;
- wine has great potential, up to 30% of total exports of goods and services is the wine sector;
- weight in wine production is around one quarter of gross domestic product.

Table 1. Average annual number of staff occupied in industrial activities, thousand persons

	2005	2006	2007	2008	2009	2010	2011
Industry - total	125.9	122.2	120.1	115.1	105.4	106.5	89.8
of which:							
Food and drinks industry	43.8	40.4	36.5	35.0	31.7	32.5	26.7
Production, processing and preserving of meat and meat products	2.4	2.5	2.9	3.0	3.0	3.3	2.8
Processing and preserving of fruit and vegetables	5.1	5.0	4.5	4.3	3.1	3.2	2.6
Manufacturing of dairy products	2.9	2.9	2.9	2.7	2.4	2.6	2.9
Manufacturing of grain mill products, starches and starch products	1.6	1.6	1.4	1.3	1.2	1.2	0.4
Manufacturing of bread and patisserie products	6.8	6.8	6.9	7.1	6.9	7.0	5.4
Manufacture of sugar	1.6	1.8	1.5	1.2	0.8	1.0	1.0
Manufacturing of cocoa, chocolate and confectionery	1.3	1.4	1.4	1.4	1.3	1.4	1.3
Distilled alcoholic beverages	2.7	2.3	2.2	2.1	2.0	2.0	1.5
Wine production	13.4	10.5	7.8	7.4	6.2	6.1	5.4
Manufacturing of mineral water and soft drinks	0.9	0.8	0.9	0.7	0.8	0.8	0.7
Manufacturing of tobacco products	1.6	1.3	1.3	1.3	1.1	1.2	1.1

Source: elaborated by the authors based on data from the National Bureau of Statistics, 2013

Social aspect:

- all three directions of Wine and Grape Industry are nursery wine vineyard, viticulture and winemaking provides people with permanent jobs for maintenance and higher standards of

living.

Environmental aspect:

- growing viticulture enables efficient exploitation of land with a slope grade steeper than 5%, and poor and eroded soils. Vineyards with favorable ecological conditions for growing grapes in the Republic of Moldova is about 350 thousand ha.

In Wine and Grape Industry, as in other branches, there is shortage of qualified staff training for specific skills, with high degree of attractiveness due to migration specialists most attractive branches of economy (from the point of view of career and salary). For example, technical directors, responsible for viticulture of wine producers usually hold degrees in agriculture or viticulture. These graduates were trained in the old style of viticulture, based on Soviet principles of growing grapes and do not have adequate knowledge of international modern technology. The link between vineyards and winemakers administrators is very weak, except the few cases where vineyards owned wine producers. Vineyard workers are employed in permanent and temporary (especially during harvest). They usually live in villages, have low level of education, but with the good experience of working in the field. Workers perform the tasks set but they require careful control and supervision from the directors of vineyards or consultants firm wine producers [6].

CONCLUSIONS

The economic growth is linked to the educational growth of the labor force. Investment in human capital through education and health is one of the ways to increase the productivity of the agricultural sector, while improving physical infrastructure is another way. Fox and Porca (2001) suggested that, especially in remote rural areas "management resources in modernizing education and skill level of the local labor force seem to offer much greater benefits than investing in new infrastructure". The development of human resource includes usually a variety of activities from informing

employees about policies and procedures, enterprises (education), going to learn trades and professions for the positions they will occupy immediately (training) and finally, ensuring continuous prospects and challenges for employees, so that they increase their knowledge and skills (development).

Like companies, the enterprises have training functions and are engaged in the act of school education. This system is practiced in the developed countries and is available both for students and specialists' training and its effects are observed by the insertion of graduates of various forms of education.

Investment in human capital will contribute to strengthen the skills, knowledge in general to facilitate insertion in the production environment equipped human resources education and training. Necessary increase the quality of primary and secondary education, and supporting rural girls to continue their studies. Adult education programs (including training, development of technological knowledge, spirit antreprenorial, social competence, language skills, IT skills) must ensure the qualification of rural labor force to increase employment opportunities. People who remain in agriculture must obtain adequate knowledge of management, marketing, production technology, finance and economics, for practicing agriculture becomes a job and a lifestyle.

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