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## MODELING OF RURAL TOURISM TOWARDS SUSTAINABLE DEVELOPMENT FROM THE PERSPECTIVE OF SPECIFICALLY ORGANIC FOOD

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### Abstract

*At this time, conflicting challenges determinate by the complexity of life lead to increased pressure on natural systems. In this context, this paper presents the relationships between rural tourism and sustainable development in point of ecological food problem. Integrated in rural tourism product, the nourishment is the key component of rural tourism practice which is, because the environment, pronounced oriented to the ecological tempt. The results of the organic farming are the organic products, with significant direct impact on rural tourism and consequently the practice of sustainable development. Studying and modeling of rural tourism towards sustainable development requires the presentation of models, theoretical and practical methods regarding specific ecological food, the highlighted results being appropriate to the applied methodology.*

**Keywords:** modeling, rural tourism, specific environmental food, ecological agriculture, sustainable development

### INTRODUCTION

The concept of sustainability is a matter of balance in the current dynamic of human society which G. Georgescu says: economic growth and development inevitably produces transformations in ecosystems, but economic development policy should be designed so that the exploitation of renewable resources be led and managed rationally, meaning do not impair the natural environment and human factor either now and in the future.

Tourism is a consequence of increased leisure time, whose structure is influenced by socio demographic characteristics (sex, age, marital status), level of education, culture, occupation, income level, living conditions

and transport, cultural conditions (traditions, customs) subjective factors (skills, desires, individual aspirations, the accept that gives each person free time, employment in social and political).

Sustainable development is harmonious combined with tourism development, especially the rural one, between those two existing a relationship of correspondence and reciprocity. This statement is supported by the dual involvement appears as a circuit, in the meaning that rural tourism activities by their complexity and tendency to protect and conserve, contribute to development will lead to increasing of rural touristic traffic.

This expressed global tendency of population growth and diminution of food and water

resources is a highly debated topic in carrying various panel analysis issues.

Therefore, is already assessed that “Malthusianism sustains that population grows in geometrical progression, the means of subsistence grows in arithmetical progression and this lack of balance make necessary the intervention by obstacles with obvious regressive nature and purpose, to regulate the relationships between population and means of subsistence “. [8]

Issues concerning the use, recovery and conservation mentioned resources are studied under various aspects, one of them focusing on environmental aspect as a solution to sustainable development.

Diet-specific ecological is one of the hypostases with powerful impact on sustainable development.

## MATERIAL AND METHOD

The development work was performed based on bibliographical documentation works of Romanian and foreign literature and recommendations of the World Tourism Organization (WTO) and various Internet sources.

## RESULTS AND DISCUSSIONS

### 1. Methodology of modeling of rural tourism in terms of organic food

Debate on sustainable tourism development issues highlights the necessity of modeling rural tourism direction.

Modeling methodology consists in disclosure of the nature, role, context and result of application of a model specification to reflect the impact of eating organic on rural tourism development and therefore sustainable development.

Based on systems theory, there is presented a model that can be integrated in theory and also in planning future practice.

Model essentially consists of combination between constituent element food and other components of rural tourism product, in the context of accelerated evolution of sustainable development.

Modeling includes schematic models, through which highlights either the integration process or the correlation of food with environmental specification with elements that shape the framework of sustainable rural tourism development.

### 2. The model of environmental impact of food on sustainable development of rural tourism

The core practice of rural tourism is the tourism product areas including rural attractions (natural or anthropogenic), equipment areas (general or specific), specific or nonspecific rural services and human resources.

Rural tourism is a result of demand, as a result of points of interest (folk art, religion, customs and traditions of the Christians, the possibility to be in the middle of site-specific events), the ambient environment that includes clean air, eating fresh, wine tasting, rustic cuisine of dishes offered by rural areas.

The novelty of rural tourism product derived from traditional rural food ecological specificity as a result of agricultural activity. Currently, priority is the tendency to transform conventional agriculture in an ecological one. This wording is protected within the EU, which assigned it for Romania to define this agriculture system, similar with “organic agriculture” or “biological agriculture”, used in other Member States.

Peasant cuisine, offered by rural areas, is directly related to organic agriculture that produces cleaner food, more proper to human metabolism, in full correlation with conservation and environmental development. One of the main goals of organic farming is the development of agricultural and food products, fresh and authentic, using processes designed to respect nature and its systems.

The organic food are obtained by organic farming, following the application of culture methods without chemicals, respecting the environments [5] (Nistoreanu, page 145), with positive impact regarding:

- Food production with highest nutritional qualities
- Respect and protect ecosystems and genetic diversity



-Promotion and diversification of biological cycles in agricultural systems, respecting the microorganisms, flora and fauna

-Maintaining and improving soil fertility using natural fertilizers

National logo "ae", specific to organic products with the EU logo are used to supplement labeling for identify by the consumers of products manufactured in accordance with organic production methods. Applying EU logo on prepackaged food is compulsory beginning with the date of July 1<sup>st</sup>, 2010.

The beginning of OA has a significant impact, oriented to increasing demand for organic food, to increase the concentration in the rural areas with special implications on sustainable development process.

In this context has emerged a pattern of eating specific ecological impact on sustainable development of rural tourism.

The strategic objective of sustainable development of organic food sector must be the result of interdependence manifested between agricultural activities, labor, occupational traditions, specific consumption and local management.

Diet with environmental specification in rural tourism is directly involved in measuring the behavior of tourists, in traditional cuisine performance, through cultural index or through specific time touristic parameter, set in relation to services and gastronomic offer.

Also, there is possible to obtain organic food and organic products as a result of direct involvement of rural tourism by tourists.

Regardless of the type of rural tourism practiced in this mentioned context, you can highlight its impact on local economy, as: obtaining by the native inhabitants of extra income from the household products, driving away boredom and monotony, using of surplus space, products and labor [5] (Nistoreanu, page 215).

Education and culture with preferential role for ecology, the type of approaching of personal accomplish and also of the social accomplish during increasing of quality of life, under the specter of eco-sustainable development leading to a higher plane to a

significant impact on the human development value. As a consequence of modeling of a different way of thinking and behavior of individuals reporting them to the environment, we can notice a change in the characterization results of the three elements of human development value: longevity, education level, standard of living.

Regarding ecological and environmental issues, the process of sustainable development consists in the ability of maintaining of a dynamic equilibrium of the environment for rural production and development of the organic food market, emphasizing the prevention of ecological imbalances.

Economic dimension is given by the value of rural organic food marketing, having as objective the production, the processing, administration and distribution of such resources, as they evolve in terms of quality, looking for a sustainable growth for the process improvement.

Socio-human and also educational-cultural approaches gives us the necessity of the existence of a deep relationship between production-marketing of ecological food and the perception of the personal and social accomplish, during the living quality growth process; education and culture with preferential role, raise awareness on a higher plane positive economic impact on the individual and society, as a consequence of modeling of a different way of thinking and behavior of individuals, reporting them to the environment.

Technical-technological approach is seen as a binding material which assure the compatibility between sustainable development coordinates, as a result of rural tourism modeling, regarding ecological specific rural food, the model including the progress of reusing resources, when the system use environmentally friendly methods. The legislative coordinate is limited to ensure the institutional and legal framework, adequate for this progress of the processes which are involved in marketing of ecological food with direct impact on sustainable development.

Schematically structured on the base of shown elements, the system may present a pattern of sustainable development of tourism.

The nature and the role of applying of the model derived from the ability to transmit directly or indirectly useful information applicable in the context of individualization of tourist's behavior, with an accent on sustainable development of all its components, sketching in this way the impact of rural tourism to this type of developing.

## CONCLUSIONS

In conclusion, we must highlight the importance of interaction between components of model, considering that process of slowdown or interrupting of activity of one of these components would lead to imbalance the evolution of the system, reflecting itself through negative effects in running of rural tourism and of course in its sustainable development.

Modern agriculture has to be a combination of the traditional, organic conventional, where the last component should be focused mainly on modern equipment used, the resulting products being mainly bio.

In rural tourism food offered, environmental specificity, represents an advantage regarding attracting potential tourists, the changing quality of life, economic growth, as much as sustainable development.

Touristic incompetence issue of agriculture workers, planning and local control, partnership and public participation, environmental pressures and reluctance of farmers are only few of the difficulties that must be tracked, resolved and overcome in a national manner.

In the context of sustainable development, the production and consumption of rural tourism product process needs: upgrading access roads in rural areas, the tourist traffic signals corresponding international standards, intensified conservation of natural resources and integration.

## ACKNOWLEDGMENTS

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Attachments

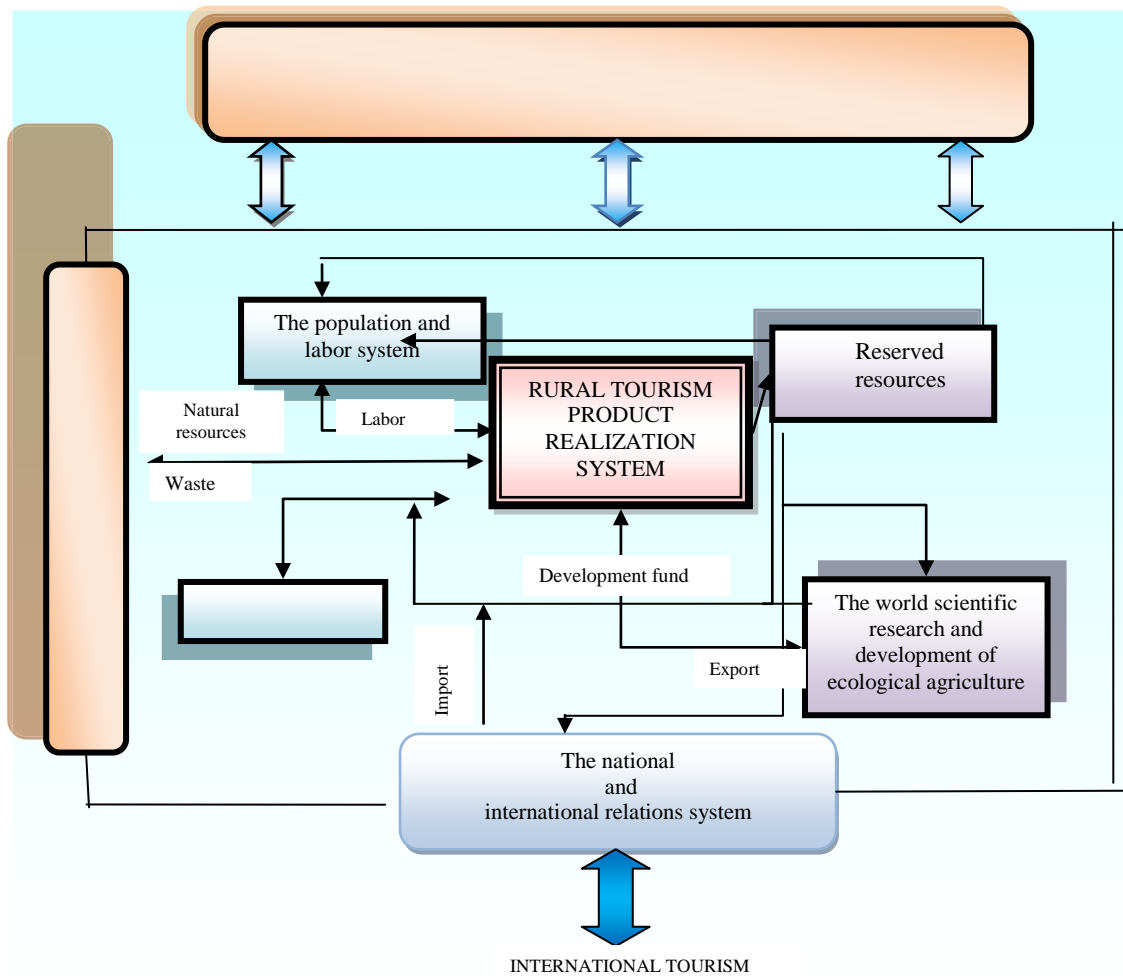


Fig 1 – The impact of specific environmental food on sustainable development of rural tourism model

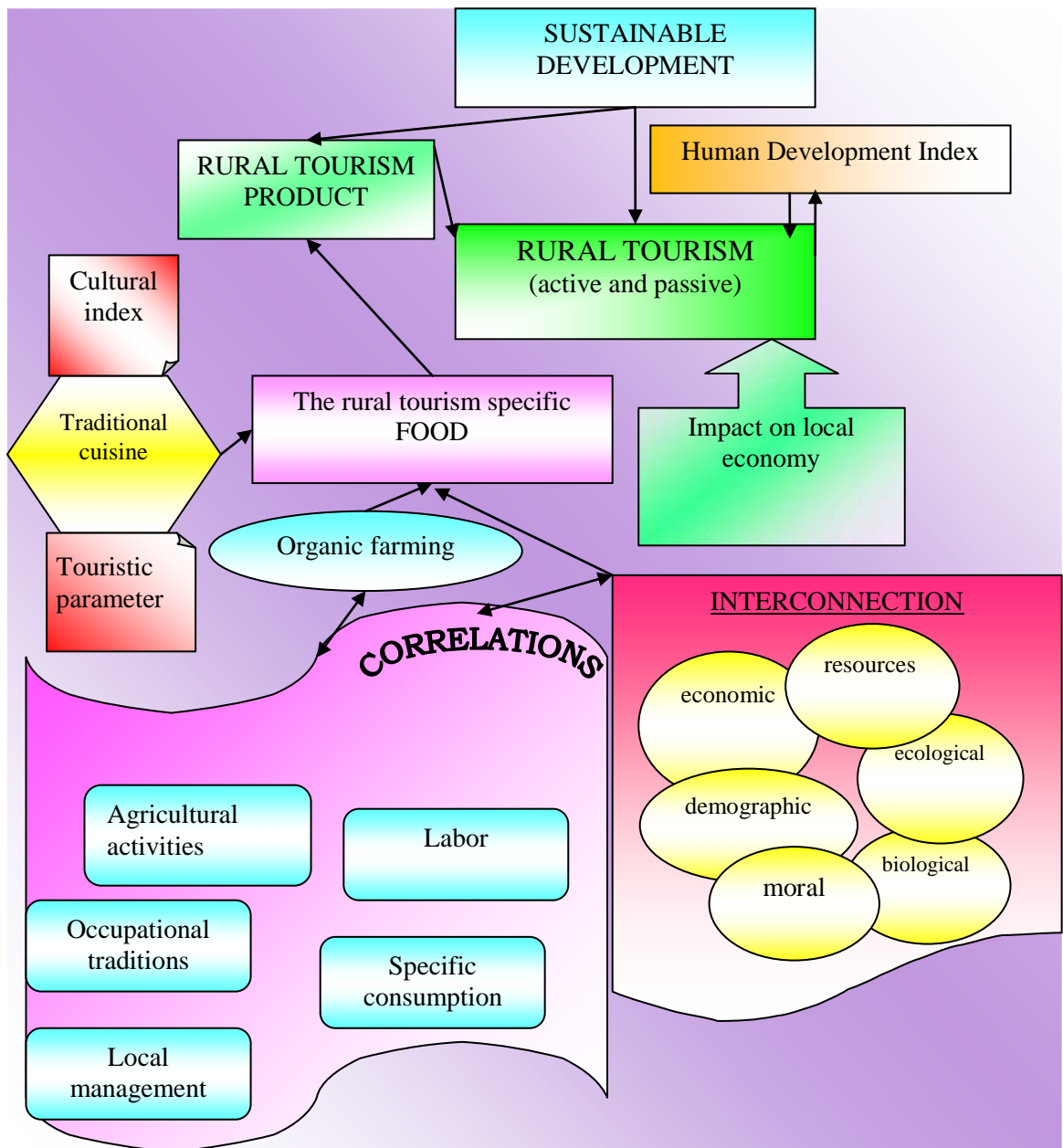


Fig. 2 – The sustainable development of rural tourism system model

## **PERSPECTIVE OF CHANGES IN THE COMMON AGRICULTURAL POLICY WITHIN DIRECT PAYMENTS FOR THE PERIOD 2014-2020**

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### **Abstract**

*The aim of the paper is to determine consequences of changes in direct payments proposed by the European Commission for the period 2014-2020 for the Polish beneficiaries. The author analyzed proposals of Regulations of the European Parliament and the Council as well as opinions of experts showing influence of the proposed solutions on the Polish agriculture. Presented results have a preliminary character because there have been not published the final regulations so far, so we can determine influence on a range, kind and level of payments directed for the Polish beneficiaries only on the base of proposals. The analysis conducted by the author displays that decrease in direct payments for large farms in Poland will not contribute to a fundamental change in a level of their income whereas implementation of obligatory greening in farms with more than 3 ha will contribute to excluding for ecological purposes about 700 thousand hectares.*

**Key words :** Common Agricultural Policy, Poland, direct payments, European Commission

### **INTRODUCTION**

Direct payments contribute contemporary to the largest proportion of expenditures realized by the Common Agricultural Policy of the European Union. Implemented in 90ties in Member States of the European Union within the MacSharry's reform, they have been still used till nowadays. They were implemented as a compensation of decrease in income caused by decrease in guaranteed prices of the basic agricultural products [1]. A level of payments implemented at the beginning was calculated on the base of a crop, farming area, and number of animals in a reference period. This direction of changes was maintained within the Agenda 2000, when guaranteed prices was lowered again and direct payments partly not connected with production was raised (decoupling) [2].

A new approach to direct payments was accepted in Luxemburg in 2003. Although it did not change a level of support, it caused changes in a structure of support. A conclusion was that a new system of direct payments should support income of farmers and there was stressed a necessity of complete separation of payments from a production type [3]. However, Member States could

choose a model of direct payments as well as a partial connection of payments with production. There was an assumption that this rule can be used only in strictly defined cases and in a limited range [4].

In October 2011, the European Commission published new proposals of changes in direct payments for the period 2014-2020. It was stressed that a possibility of direct payments depends on fulfillment of ecological requirements. The attention was also focused on a necessity of further changes in order to make the system simpler and use of lower payments for large farms [5].

### **MATERIAL AND METHOD**

The aim of the paper is to present and assess changes in direct payments proposed by the European Commission. In order to do it, the Author analyzed documents published by the European Commission, especially proposal of Regulations concerning changes in direct payments as well as their influences on a situation of the Polish beneficiaries. Changes proposed by the Commission will concern the next budget perspective for the period 2014-2020.

## RESULTS AND DISCUSSIONS

In the period 2014-2020, the CAP will be still based on two pillars: the first one with direct payments and the second one concerning rural areas development. Financial resources within the first pillar are a base of farmers' support and on the other hand they stressed a necessity of sustainable farming for example through a connection of payments with ecological requirements. Actions in the first pillar have been still, with few exceptions, financed totally from the budget of the European Union.

The second pillar including a policy of rural areas development concerns increase in competitiveness of agriculture and also stresses providing of ecological public goods. Improvement of life quality as well as differentiation of agricultural activities is also important aspects. Financial resources in this pillar are spent within particular programmes prepared according to guidelines of the European Commission and co-financed on a national level.

The Commission proposed also that if there is a situation that direct payments in any country are lower than 90% of the European average level, this difference should decrease by one third.

In its proposal concerning direct payments, The Commission presented a definition of an active farmer who is entitled for payments. Direct payments will not be accessible for persons, whose the annual amount of direct payments is less than 5% of the total receipts they obtained from non-agricultural activities in the most recent fiscal year. When the total amount of direct payments is less than 100 euro or the eligible area of the holding is less than one hectare, a beneficiary has no rights for direct payments. In the new programming period there are also proposals of decrease in support for large farms according to the following rule [5]:

-by 20% for the tranche of more than 150 thousand euro and up to 200 thousand euro;

-by 40% for the tranche of more than 200 thousand euro and up to 250 thousand euro;

-70% for the tranche of more than 250 thousand euro and up to 300 thousand euro;

-by 100% for the tranche of more than 300 thousand euro.

In Poland in 2010, only 802 entities out of 1 362 thousand of beneficiaries were granted with direct payments in the tranche more than 150 thousand euro [6]. They owned 980 thousand of hectares, which constituted 7% of an area under payments. Taking into account the proposal of the Commission concerning a way of lowering direct payments for large farms, so implementation of limits of payments with a possibility of deduction of labour costs, it can be concluded that a necessity of payments' reduction will take place only in a group of farms which were granted more than 300 thousand euro in 2010 [7]. In Poland there were 241 of such farms in 2010. An estimated amount of decrease in payments is about 30 million zlotys, so 2.2% of the amount which these farms were granted with in 2010. This situation will not cause a fundamental change in a level of income of this group of beneficiaries. The reform proposed by the Commission implements a new approach within the first pillar, so called greening, so an obligation of producers to fulfilling additional requirements apart from rules of cross-compliance. Within total direct payments, 30% of payment will depend on fulfilling requirements positively influencing on the environment and the climate. These activities include diversification of crops, maintaining of permanent grasslands and ecological focus areas. Ecological focus area should be maintained at least on 7% of their eligible area, besides areas under permanent grassland, is land left fallow, terraces, buffer strips and afforested areas. Farms will be obliged to deliver environmental and climate benefits through the retention of soil carbon and grassland habitats associated with permanent pasture, the delivery of water and habitat protection and improvement of the resilience of soil and ecosystems through crop diversification. Farmers shall maintain as permanent grassland the areas of their holdings declared for the claim year 2014 and they will be allowed to convert a maximum of

5% of their reference areas under permanent grassland [5]. Organic farming will automatically benefit from these payments, but what is important farmers in Natura 2000 areas will have to comply with the relevant requirements in the Natura 2000 legislation. The requirement of agricultural practices beneficial for the climate and the environment will be an obligation on farms covering more than 3 hectares. In Poland in 2010, direct payments were granted for the areas of 13 162 thousand of hectares (farms exceeding 3 hectares). After excluding permanent grasslands, so about 2 800 thousand hectares, about 700 thousand hectares should be used as ecological focus areas. However, it should be stressed that many areas in Poland (about 280 thousand) are left fallow in good agricultural conditions, so maintained on a level qualifying for payments. As a result, these areas will be firstly declared as ecological focus areas [6]. It means that finally 3-4% of area under payments will be excluded for ecological purposes [8].

A next solution proposed by the Commission is a possibility of use a voluntary payment in Member States, up to 5% of an annual national ceiling, for farmers operating under certain difficulties determined by Member States. The aim of this action is to support income and simultaneous maintenance of agriculture on areas of disadvantageous conditions for farming.

The European Commission determined also a possibility of additional support for young farmers entitled for direct payments. According to the Commission young farmers means natural persons who are setting up for the first time an agricultural holding as head of the holding, or who have already set up such a holding during the five years preceding the first submission of an application to the basic payment scheme. Age, lower than 40 years, is an additional requirement. The additional payments can be granted for a period of five years. Percentage of the annual national ceiling for this support cannot be higher than 2% in Member States [5]. However, the Commission proposes that in Member States where the average size of

agricultural holdings is lower than 25 hectares, a payment should be maximum multiplied by 25. In Member States where the average size of agricultural holdings is higher than 25 hectares, a maximum multiplication should be no less than 25. It means that there will be a very wide range of differentiation of support granted for young farmers in particular Member States.

An important element of the Commission's proposal was also connected with support coupled to production. Since many years there have been discussions on simplifications of payments and attention has been focused on decoupling of payments from production. On the other hand, in some particular conditions such coupled support has been still present and has been still proposing by the Commission. The European Commissions pointed out sectors where such coupled support can take place; they groups both plant production as well as animal production. There were proposed for example the following sectors: cereals, oilseeds, protein crops, milk and milk products, beef and veal, and sugar beet. In such situation there occurs a question – under what circumstances such support can be granted? According to the Commission such support can be used where specific agricultural sectors undergo certain difficulties and are particularly important for economic, social, and environmental reasons in particular Member State. Coupled support is in a form of an annual payment and is granted to the extent guarantying maintenance of present production levels on fixed areas [5]. Any coupled support granted in that form shall be consistent with other Union measures and policies. In this case, a Member State can use 5% of an annual national ceiling, in special cases up to 10% of the annual national ceiling. The Commission determines also a procedure of its notification on probable support taking into account regions, agricultural types or sectors as well as the level of support to be granted. The Commission adopts also a possibility of support by means of implementing acts when in the region there is demonstrated the necessity to sustain a certain level of specific production due to prevent social or environmental problems or

there exists a necessity to provide stable supply to the local processing industry.

A small farmers scheme is a possibility proposed by the Commission in order to simplify the system of direct payments. Farmers wishing to participate in the small farmers scheme shall submit an application by 15 October 2014. Member States will be able to set the amount of the annual payment for the small farmers on a level not exceeding 15% of the national average payment per beneficiary or an amount corresponding to the national average payment per hectare multiplied by a number of hectares (maximum of three) [5]. This amount shall not be lower than 500 euro and not be higher than 1 000 euro – in other cases it is rounded up or down, respectively, to the minimum or maximum amount. By way of derogation this amount in Cyprus and Malta may be set at a value lower than 500 euro, but not less than 200 euro. The small farmers scheme will contribute to administrative simplification in the situation of granting support for selected farms. What is also important for these producers – they will not have to fulfill requirements connected with ecological focus area. In Poland, there are about 570 thousand such farms with an area lower than 3 hectares. A list of support schemes proposed by the Commission was presented in the table 1.

Table 1. List of support schemes

Sector	Notes
Basic payments	Decoupled payment
Payment for farmers following agricultural practices beneficial for the climate and the environment	Decoupled payment
Payment for farmers in areas with specific natural constraints	Decoupled payment
Payment for young farmers	Decoupled payment
Voluntary coupled support	
Payment for small farmers	Decoupled payment

Source: [5]

## CONCLUSIONS

An assessment of proposals of changes in a scheme of direct payments leads to the conclusion that differentiation of support levels in Member States has been still the most important problem. Nowadays, payments are very different, from lower than 100 euro per hectare in Lithuania to more than 400 euro in the Netherlands. The Commission's proposal assumes gradual decrease in these differences. Farmers who now are granted less than 90% of the European average (now 271 euro) will be granted by one third more of the difference between contemporary support and 90% of the European average. Such approach concerns mainly the Baltic States, Romania, Portugal, and Slovakia. These, who are granted by the highest level, will be affected by decrease in the level of payment – but not more than 10% comparing with the present level. Decrease in differences in the level of payments will take place gradually to 2018, but the final equalization is planned only in the next budget perspective after 2020. The Polish beneficiaries also receive less than 90% of the European average so they can expect gradual increase in the level of payments. According to some estimation, farmers should receive about 230 euro per hectare. The proposed decrease in payments for large farms will not result in a significant change in a level of their income. Implementation of obligatory greening in farms with more than 3 hectares will contribute to excluding about 700 thousand hectares for ecological purposes.

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## CURRENT CHALLENGES OF EUROPEAN COUNTRIES ON FOOD SAFETY AND SECURITY

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### Abstract

*This paper aims to study the scientific endeavor further two very current concepts - safety and food security - and the challenges facing European countries in this regard. Every day, the world's population grows by about 220,000 people and the world population every year we add 80 million people. All these people must have access to sufficient food and safe food. Globalization of the food chain causes constant new challenges and risks to health and interests of European consumers. The main objective of EU policy on food safety is to achieve the highest possible degree of protection of human health and consumer interests in the food. The basic principle of EU policy on food safety and security is to apply an integrated approach, such as "farm to fork", covering all sectors of the food chain - including feed production, animal and plant health, animal welfare, primary production, food processing, storage, transport, retail and import and export. This comprehensive and integrated approach, in which the responsibility of the food and feed, and the competent authorities are clearly defined, is a food policy more coherent, effective and dynamic. With population growth and overall living standards, food demand is becoming increasingly important and diversified. Consumer demands are changing. For example: one of the most striking changes is now growing demand for organic products, obtained with or without small quantities of chemical substances.*

**Keywords:** food safety, food security, the European Union.

### INTRODUCTION

Global agricultural production should increase by at least 3% per year to provide live feed of the rising population, according to a study by the Economist Intelligence Unit (EIU). At present, current agricultural productivity growth is only 2%. The only solution to address the increased demand for food is streamlining existing agricultural areas. Because of excessive urbanization and industrialization, and land degradation are not available other agricultural land that can be used, as shown EIU study. We could cite as potential solutions using modern technologies and genetically modified plants (GMOs). As we know, many countries are opposed to

genetically modified organisms and biotechnology. [Protv]

**Consumer demands are changing.** For example: one of the most striking changes is now growing demand for organic products (organic or biological), obtained with or without small quantities of chemical substances. Sales of these products have soared, representing 3% of EU food trade. As a result, organic farmland has increased steadily. Required products are of great diversity. Funds to support farmers who grow crops in support of organic farms is 8% of the total agri-environment, and farmers can get payments of up to 900 euros / ha only to compensate for short-term reduction in production tract culture obtained or livestock. On the other hand, consumer demand for

*quality compliance*, use of processing technologies that protect health and the environment. Consumer demand market requires a clear orientation towards satisfying consumer desires. The plant is subject to special programs to fight against diseases and pests on crops. Regulation 3600 / 1992 concerns 80 active substances entering the plant control system of the Committee. The measures provided cover a wide range of actions, including the impact of pesticide residues on cereals and animal products, other vegetable products.

**Food safety**, often called as phrases such as "*From farm to fork*", involves a series of measures to ensure consumers that the food they obtain is appropriate phytosanitary standards, are healthy and come from sources safe. European Union food safety strategy covering food safety, animal health and welfare and plant health, traceability allows food from farm to consumer, regardless of national borders (thus free trade can take place, and consumers to provides a wide range of offers) and provides high safety standards that apply to both EU produced food and imported (whether imported or domestically produced, food must comply with EU standards).

## MATERIAL AND METHOD

The material presented was developed mainly based on the study of numerous Romanian and international specialty papers (see references at the end of the paper), the number of Internet sources (newspaper articles, profile sites, etc.), and field observation of concrete cases, the documentary visits - information made nationally and internationally.

The databases used were those provided by official national and European institutions in the field, such as the European Union, Food and Agriculture Organization, Ministry of Agriculture and Rural Development, World Bank, Economist Intelligence Unit and others. In that work will be presented the concepts of security and safety in the context of current challenges that have to deal with European Union countries. These challenges are

technical, organizational, economic, social, political and legal and the importance of the two components in the common agricultural and food policy is vital.

## RESULTS AND DISCUSSIONS

**EU strategy on food safety and security** is based on three essential elements: [UE]

- (1) comprehensive legislation on food hygiene and safety of food and feed;
- (2) scientifically based data for decisions on food;
- (3) implementing measures and control decisions.

To ensure the application of EU rules on food and feed, the Commission shall correct transposition of EU legislation into national law and application by all Member States.

Also, field inspections, inside and outside the EU. The Food and Veterinary inspect food production facilities, but its main task is to ensure that governments inside and outside the infrastructure have to check food producers meet high standards of EU food safety. [UE]

Currently, special measures are provided in areas where justified particularly consumer protection, namely: [UE]

- use of pesticides, food supplements, dyes, antibiotics and hormones;
- add to the food of vitamins, minerals and similar substances;
- products in contact with food, such as plastic packaging;
- labeling, particularly in the ingredients that cause allergies and nutritional specifications, such as "low fat" or "high fiber".

EU uses a system of early warning, with which consumers avoid exposure to the risk of food poisoning. The system also determines whether certain foods contain excessive amounts of prohibited substances or substances with high risk, such as veterinary drug residues in meat or carcinogenic dyes. Once such a risk is identified, an alert is sent across the EU. Sometimes it is sufficient to stop a single lot, but if necessary, can be blocked all shipments with a product from a farm, factory or port of entry. Products

already in warehouses or stores can be withdrawn. [UE]

In addition to social issues raised by aiming to protect consumers, **ensuring that safety and food security**, the importance of agriculture for EU countries and the resulting economic aspects, which will have important weight in GDP (from 0.5 to over 6%) in all European countries.

**Food safety policy in the EU** consider the whole chain of food consumption by animals or humans. It provides extensive regulations and stresses the responsibility of manufacturers and suppliers regarding their participation in providing quality food supply. *EU regulations* are among the strictest in the world. To make it more transparent and scientifically based food regulation, there was a review of food safety in the EU since the late 1990s. In 1997 it set a new EU Scientific advisory system. Was created 8 scientific committees, in addition to a central scientific committee. **European Food Safety Authority** was established in 2002. EFSA is an independent organization that works closely with various scientific institutions in EU countries, providing independent scientific advice on all matters with direct or indirect impact on food safety. It covers all stages of production and supply of food, from food production to delivery to customers. EFSA carried out also risk assessments in the food chain and scientific assessment on any matter that has a direct or indirect impact on food supply safety, including health and good treatment of animal and plant health. [ESFA]

**Food safety rules** relating to:

-*nutritional qualities of food* - which are chemical components data, biochemical, plastics and energy to satisfy physiological requirements through food consumption, nutrition, human body

-*qualities hygiene or safety of the food* - represented by the content of toxic substances or pathogens which, through consumption do not affect consumer health;

-*organoleptic qualities of food*-food represented by the different characteristics that can be perceived sensory consumers:

form, color, appearance, smell, taste, consistency;

-*the use of food qualities* - referring to satisfy customer needs for food use in the processes of nutrition - nutrition.

Implementation public consumption, storage, transport or processing of food that do not meet the conditions set by the above rules entail material, disciplinary, or criminal, as determined by law.

**Food safety standards** and applies to all stages of production, processing, distribution and marketing of food and feed, except for primary production for private domestic use or preparation, handling or storage of food for domestic consumption. Risk in the context of food safety is the likelihood of an effect on health and the severity of this effect, following exposure to a hazard.

According to FAO (Food and Agriculture Organization - United Nations Food and Agriculture), **food security** is "guaranteeing each individual at all times, in any place or time of access to sufficient and healthy food to allow him to have a system sufficient food for healthy living and active ". [FAO]

In recent years indicates that there are problems of food insecurity in 86 countries, 43 from Africa, 24 from Asia, 9 from Latin America and Caribbean, 7 in Oceania and 3 in Europe. In 2004, 35 countries have received emergency aid because of food crisis. The main causes were: military and civil conflicts, post-conflict situations, refugees, economic disadvantaged areas and climate issues. FAO *Multidimensional nature of food security*, just as the fight against poverty, requires a good correlation between the various sectors - agriculture, trade, infrastructure, health - and the variety of intervention levels - local, national, regional and international levels. Actions and objectives applicable to food security are contained in the "Millennium Development Goals" (MDGs), which is the main component of the Millennium Declaration, adopted in September. 2000 Millennium Summit, 191 countries, including Romania. Millennium Declaration is the only global development agenda on which there is

agreement at the highest level between most countries. [OMD]

Globalization of the food chain causes constant new challenges and risks to health and interests of European consumers. The main objective of EU policy on food safety and security is to achieve the highest possible degree of protection of human health and consumer interests in the food. In this respect, EU efforts to ensure food safety and labeling appropriate, given the diversity of products, including traditional and while ensuring proper functioning of the internal market.

50 years ago, *EU agriculture policy* emphasis on providing enough food for a Europe that crossed a decade of shortages caused by war. To do this, call the production subsidies and support prices by buying surplus from farmers. All these methods are history.

Today, EU policy aims to provide all food producers (the farmers and breeders to dairy producers, fruit, vegetables or wine) can:

- to produce sufficient quantities of safe and quality food for European consumers;
- to make a substantial contribution to the diversification of economic activities;
- to meet high standards in environmental protection and animal welfare.

Today more than ever consumers are concerned about food quality and voluntary EU quality marks to help them make informed choices. These labels indicating geographical origin, using traditional methods and ingredients, including organic, also contributes to European agricultural products more competitive on international markets.

Various reforms went through EU agricultural policy have promoted *innovation in agriculture and food processing*. Add to this the research projects that have resulted in increased productivity and reduced environmental effects, for example using plant products and waste for energy production.

With population growth and overall living standards, food demand is becoming increasingly important. Consumption increased, especially for meat.

For example, the French consume a lifetime 6 cattle, 33 pigs and 1,200 chickens. In 1950, a

French consume 44 kg of meat, while currently consumes 85 kg. In 1970, a Chinese content to 25 kg of meat, while consuming 38 kg now. Animals that we eat must be fed and quantities they themselves ever more food. To produce one kilogram of chicken needed 4 kg of vegetable protein and to obtain one kilogram of beef we need 12 kg. 40% of world production of grain is used to manufacture animal feed. A solution would be to change our eating habits. Currently, it is considered that food production can meet the needs of people worldwide. Indeed, agriculture productivity gain, whether in 1945, in France a farmer can feed 5 people, today the number that can be fed by a single farmer is 100. In a very short time horizon manufacturer has expanded, moving from local to a regional, then national to a global one. In the past 50 years, food production capacity has increased more than 1,000 years! Of course, these developments are unevenly distributed and many regions of the world still suffer from hunger or endemic, or randomly. It is estimated that one sixth of the world population suffering from hunger, of which 90% are in the southern countries of the world. In this geographical area population supports the adverse effects of agricultural commodity prices increase. Thus, the price of corn, barley and wheat increased from 100 to 300 euros per tone is the risk of riots. Worldwide, the number of poor is estimated at 1.2 billion people, and in 2020 is projected figure of 2 billion people. Therefore, not only to produce more, but to produce better, not to exhaust the soil and water resources. (Pascal Codron, director of the Higher Institute of Agriculture (ISA) - Lille, France)

The three **major challenges** of the moment in terms of ensuring safety and food security: **land, water and energy**.

Lack of arable land is crucial. Currently, there are only 12% of cultivated land. 45% of current reserves are found in tropical forests (Amazon, Congo, Indonesia, Malaysia).

Urbanization plays an important role in reducing the cultivable area. In France, every 10 years arable land decreased by the equivalent of a county, in China every year, 1

million ha of arable land are turned into construction zones. If carefully managed ground potential, the area available is sufficient. We know that by 2030, one of five developing countries will have problems of water scarcity. Water is used in agriculture 70%, industry 20% and 10% in domestic consumption. To produce 1 kg of wheat requires a ton of water!

Arable land issues, which continue to decline, and expected lack of irrigation water is added and energy. Predictable decrease fossil fuels forces us to find new production techniques that require less energy consumption. We can not afford to stay on a production model that requires the equivalent of 100 liters of oil to produce one tone of wheat. In France, within 150 years, fertilizers, insecticides, herbicides and fungicides allowed the shift from production of 10 quintals per hectare production of 70 quintals / ha. Continued use of chemicals is not the only solution to produce food, but have rediscovered the true meaning of agriculture: agriculture in the most economical fertilizer, water and energy, to protect the soil and will produce higher production and better quality. [MA]

It is also important to protect *biodiversity*. People only use 150 plant species, of which 15% covering 80% of our needs (corn, wheat, soy). The same situation is encountered in the animal. Therefore, to feed our need to be reused other species of plants and animals. Another challenge is global warming. Climate in different geographical areas will change and so will be done and a radical change in production systems. [MA]

The biggest challenge is to double production. Will be implemented production systems compatible with environmental protection and the fight against global warming. In this respect, must use production techniques that aim at environmental protection, replanting using techniques that ensure biodiversity. The implementation of new technical and social methods will be developed intensive agriculture, but to protect the surroundings. Family farms should be aimed at increasing productivity. [MA]

In 2011 hosted *the first G20 summit dedicated to agriculture*, and discussions centered central points poverty and rising food prices.

**Food prices** increased by 37% last year, worldwide and 44 million people live in poverty. In these conditions, agriculture ministers from the G20 met in Paris to discuss the prohibitions limiting the export of food, emergency storage in a crisis in the field, and ways to curb rises. Activists who demonstrated in Paris during the aforementioned summit criticized the role of biofuels in food price increases. In fact, not the first time he cautions that more and more farmers have abandoned crops of wheat or corn in favor of technical plant which is extracted from biomass. As a result, cereal prices have increased the fed animals, which triggered a chain reaction and food prices on the shelves practically exploded. [VR]

## CONCLUSIONS

Science is the foundation of EU decisions related to food. European Food Safety Authority (EFSA) to provide advice at the stage of drafting legislative or if policy makers are faced with a threat to food safety. The Commission bases its decisions on the precautionary principle: act without delay if scientists say that there is a potential danger.

With EU enlargement were required certain transitional period to allow new countries that joined the single market to adapt to high standards of EU food safety. Meanwhile, they could not export food products not complying with these standards. Regarding the so-called novel foods produced with genetically modified organisms, cloning and nanotechnology, the European Commission promotes innovation charge, intended to provide safety and security of citizens to boost stronger economic growth. [UE]

*The risk* that food is contaminated with chemicals or microorganisms throughout the food chain there. Upon entry into the European Union and align to European norms in force, the priority for any organization in the food chain is to ensure that its product safety was not compromised in the food

chain, and this can be achieved through the implementation and certification a Food Safety Management System.

Each organization must demonstrate the ability to control the food safety risks in the provision of safe end products that meet food safety requirements agreed by consumers and industry regulators. More pronounced tendency of the market specializing in the food industry to maintain a more strict control on producers in order to provide consumers with high quality products, but also safe microbiologically and bacteriologically, led to the birth of the system called HACCP (Hazard Analysis Critical Control Point).

The basic principle of EU food safety policy is to apply an integrated approach, such as "*farm to fork*", covering all sectors of the food chain - including feed production, animal and plant health, animal welfare, primary production, processing food storage, transportation, retail and import and export. This comprehensive and integrated approach, in which the responsibility of the food and feed, and the competent authorities are clearly defined, is a food policy more coherent, effective and dynamic.

***Human rights are universal, interdependent and indivisible.*** Right to be free from hunger and discrimination is a fundamental right to life and personal security. While violent conflicts surely result from a combination of several factors, poverty creates conditions for the emergence or continuation of a conflict. Investing in development is of particular importance in reduced likelihood of war, and development strategies should take into account possible effects on reducing the risk of conflict (or extent of incidental). When a country's capital stock (including its physical capital, natural and human) is reliable, the economy remains unproductive, households are poor and degraded environment.

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## POLICY OF QUALITY WITHIN THE AGRI-FOOD SECTOR

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### Abstract

*The paper wants to draw attention to the need of knowing the quality of the agricultural/agri-food products, within the sector, problems which have been construed sequentially. The policy and the components regarding the quality are approached differently, according to the vision of different economic agents and has had as result the typology of the quality policies within the structure of the agri-food sector. The CE policy in the field of the quality of the agri-food products represents a component of the community agrarian policy (PAC). It simultaneously addresses the enterprises, the public authorities and the consumers and refers to the establishment of the reference frame necessary for the improvement of the quality of the agri-food products, of the competitiveness of the European enterprises and the citizens' life.*

**Keywords:** agricultural/agri-food product, agri-food sector, field policy, pre/post harvesting stages, TQM, ISO

### INTRODUCTION

The present paperwork draws attention to the flux for achievement of the quality level along the agri-food sector. To this respect a set of assumptions of economic, psycho-sociological, informational, technical or legal nature is taking into consideration, which reflect both its strong multidisciplinary character and the strong endogenous and exogenous conditioning of quality. It has been watched the level of the quality which is created, intended and is improvable in any stage of the route idea (information) – raw material – end product and in any step of the decisional process. It clearly results the impact the quality has in the economy and, in general, in the social life, on the products produced by enterprises and also to individual level. This because in the present stage people have become aware of the advantages of quality, demand products and services which should satisfy them, their pretensions aiming forward to accomplishing the quality of life. Synthetically it may be said that the aggregate paperwork has been centered on the knowledge/identification of the level of the quality within the flux of the product within the agri-food sector but for which it is

necessary the identification, the understanding and the guidance of the system of interrelated processes of the economic agents for the achievement of the established objects which contribute to the ensuring of its effectiveness and efficiency.

### MATERIAL AND METHOD

Expressed in an interpretative form in restricted meaning along the agri-food sector, regarded only as material goods, or the problem of the quality of the foods in a wide way, starting from the product to the process up to the organizational level, in the present stage it appears in a perspective favorable for the improvement of the foods quality. It must be mention that this evolution of the quality will depend on the existence of a real economic growth which allows the promotion of the concept of quality to all the levels, for the satisfaction of the end consumers. The paperwork aims forms of interpretations which start from the agricultural producer up to the consumer.

### RESULTS AND DISCUSSIONS

**1. The agri-food sectors and the components of the quality policy.** The sectors are

economic systems formed of the ensemble of supply and distribution circuits used by all the producers and consumers. The sector begins from the programming of the production and ends to the consumers, by observing the agri-food products under consumption (Fig. 1). The sector contains both the operations and the operators present on the “way” of the agri-food product and the instruments and the adjusting mechanisms of these operations.

*The quality of the agri-food products involves the entire sector, being considered a resultant of the activity of all the operators which act in the sector in the meaning of the quality improvement.* Each operator makes different efforts for ensuring the chain of quality, so in the sector of agri-food products, the criteria regarding the quality are different.

In such a variety there apparently exists a valid certain universal principle for developing the activities based on the *costs’ minimizing*.

The agri-food products which meet the acceptable quality rules are non-marketable and produce great losses to producers and processors. Thus to the level of the first stage of the sector – **the agricultural production** – the weak quality of the seeds and of the planting material may determine low levels of productivity or a qualitative non-conforming product. In the **post-harvesting** stage, the lack of experience for the respective agricultural product, especially a lack of experience on harvesting, may lead to great products quality losses. In the next stage, the **marketing one**, the damages produced during the harvesting, the transportation or packaging, physiological damages during the storage as well as any delays of the products in different points, could lead again to losses. It must permanently be remembered the fact that the agricultural products and foods are characterized by spoilage. The quality losses are greater by time passing by.

**The policy in the field of quality.** It is differently approached along the sector, by different operators. At the level of economic unit *the policy regarding the quality of the agri-food products* is centered on the elements of the general policy of the company. On this

ground the *sectorial* policies are elaborated, pursuant to the specific activity domains. Some of these are considered *functional* policies – the financial policy, the commercial one, for the research-development, etc., and others are considered *trans-functional* – the marketing policies, the policy in the field of costs, the policy in the field of quality.

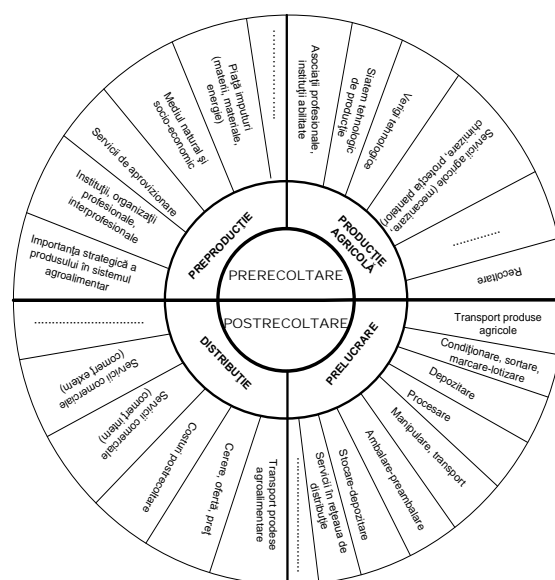


Fig.1. Dimensional structure of the agri-food sector [3].

In the international standards the quality is considered as being “the ensemble of the general orientations and scopes of an organization with respect to the quality, as they are officially expressed by the management of the organization on the highest level”. It may be represented in the TQM context (in which the quality function becomes the emergent function of the enterprise) fundament for the global attitude of approaching the problems the company confronts with.

*In this way, the concept of quality policy determines the organization to adopt such a policy, by which it defines its position which it wishes to hold on the market by quality.*

**The components of the quality policy.** *This policy (in the vision of the Professor Oakland) has as components the following [6]:*

- the establishment of an “organization” which deals with the problems of quality;
- the identification of the consumers’ needs and the perception of such needs;

-the evaluation of the ability of the organization to satisfy, economically, these needs;

-the ensuring of the compatibility of the agri-food products, obtained based on the standards of performance and efficiency;

-the focusing of the effort more on the prevention than on the detection of the defects of the agri-food products;

-the education and training for the improvement of quality;

-the reviewing of the quality management system for the purpose of supporting the progress.

**2. Typology of the quality policies in the structure of the agri-food sector.** In understanding and elaborating of a certain type of policy with respect to the quality it is necessary to be started from the Standard ISO 9000 which recommends that the enterprise should consider the following *basic principles*: [2]

-the continuing improvement of the quality of the products taking into account the requirements with respect to the quality;

-the continuing improvement of the quality of the processes, so that the needs expressed or implied of the customers and of the other partners be permanently satisfied;

-to give confidence to the own management and the other employees that the requirements regarding the quality are constantly satisfied and that the improvement of the quality is watched;

-to give confidence that *the requirements of the quality system are satisfied, the following forms of policies*:

**Policy A**, by which it reflects the importance of the business, the management methods and the application of the requirements of the quality program.

**Policy B**, which considers the improvement of the quality, the focusing of the attention on the behaviour of the consumer, the knowing of the performance of the competitors, the involvement of all the economic agents within the sector in the policy regarding the quality.

**Policy C**, by which it is aimed the satisfaction of the demands of the consumer, of defining the quality by the consumer, the prevention of

the quality defects, the influencing by all the economic agents within the sector of products quality, the improvement tendency of the quality based on the processes of continuing improvement, the request for quality goods resultant of a work consumption.

**Policy D**, which can be reproduced by sides which can be delimited by specific aspects which concern the marketing, the buyers, the control of standards and the quality verifications, the quality defects, the distribution, the education with respect to the quality, the advertising.

**Policy E**, detailed by the demands of the consumers, scopes and principles, which are focused on: *the total quality which implies the satisfaction of the demands of the consumers; the scopes* which concern the ensuring of the concordance between the products of the organization and the demands of the consumers; *the principles*, based on which the maintenance of the quality is needed.

Actual, for the agri-food products, the quality policy is considered within the sector as sense and orientation and it can be differently interpreted both for the marketing, processing and agricultural unit and by the consumer.

**The agricultural units** adopt the concept of total quality in a policy regarding the quality, by which they are interested:

-to obtain inputs of the best quality: seeds of elite category, chemical fertilizers which bring a significant growth of production, reliable machines and equipment with reduced fuel consumption, reproduction animals with ascendants with good performance, animal fodder which provide a complete daily ratio, etc.;

-to regard the development of the production process within the accepted technical terms, each operation being developed to the proper time. Any mistake which interferes in the production process has repercussions on the quality of the agricultural products, making their marketing impossible;

-to deliver the agricultural products to various destinations under the conditions set by the technical rules, with special attention paid to the products with special regime; the fresh and ultra fresh products which can suffer

major quality depreciations due to chemical, mechanical, thermal factors, etc.’

-to regard the products under consumption in order to regard the conformity grade of their quality with the demands of the consumers.

***The units which process the agricultural products*** and which adopt the concept of total quality in a policy regarding the quality and which are interested: [1]

-to obtain inputs of the best quality; fresh agricultural products, with no quality depreciations, reliable machines and equipment, etc.;

-to regard the development of the fabrication process within the accepted technical terms;

-to distribute the foodstuffs on various channels of distribution under maximum conditions of hygiene and a period of time as short as possible;

-to regard the products under consumption in order to regard the conformity grade of their quality with the demands of the consumers.

One of the most important responsibilities of the managers is to *focus the personnel toward quality and to create the proper frame for the implementation of the quality system* [6]. All these because the occurrence of a failure is associated, in the most of the cases, with the quality defects of the agricultural products. If these occur when the products hasn't yet left the premises of the enterprise, they are called internal defects. If the defects occur after the products have left the premises of the company and are on the market, they are called external defects.

***Units which market agricultural products*** and which adopt the concept of total quality in a market policy with respect to the quality are interested:

-first of all by the exchange value, namely the sale for the best price. A quality product is the one which provides the performance of the quality of the product for a reasonable and accessible price. Therefore, the customer will generally buy the product he can afford;

-the winning over the consumer, knowing that this one researches and looks for to define the quality. From this point of view, the frequency of usage, the real market price, the

confidence of the consumer in the product, the reliability of the product, etc., constitute consequences of the market phenomena generated and frequently taken into consideration by the consumer;

-to adopt any forms of balance which for the commercial economic agent is accomplished through the occurrence of a favorable interaction between the price and the quality of the agricultural products.

But the policy regarding the quality does not always allow the agricultural producer or the processing sector to raise the selling prices of its products, based on the price policy, reason for which the selling defects and a weaker fluctuation of the selling price may be provided.

***The consumer of the agricultural product*** who researches and looks for to define the quality, by the content in nutritive compound, the absence of the toxic compounds, the quality and nature of the microorganisms present in the considered products, etc. All these refer, on the one hand, to the way by which the quality fulfills its functions and on the other hand, it is examined the report between the buying price and the quality bought which is considered to be a main factor for the consumer. The minimizing of the costs is the fundamental criterion for developing business. But what is the role of the quality in the appreciation of the products by the consumer? A quality foodstuff is generally sold to the buyer to a higher level of price since it requests superior transformation and production costs.

***3. CE policy in the field of agri-food products.***

The European policy for promotion of the quality of the agri-food products represents a component of the community agricultural policy (PAC). It addresses simultaneously to the enterprises, the public authorities and the consumers and aims the establishment of a reference frame necessary for the improvement of the quality of the agri-food products, of the competitiveness of the European enterprises and of the citizens' life.

The policy of the foodstuffs safety within CE takes into consideration the whole chain of the

foodstuffs intended for the consumption by animals or humans. Based on this system there are provided all the stages of the foodstuffs production and supply, from the producing of the foodstuffs and up to their delivery to the consumers [4]. *The compulsory elements of the standards for marketing of the agricultural/foodstuffs within CE*, according to the products categories, are linked, by the identification of the respective products, to their requirements, after which it follows the classification in the categories of quality and dimensions.

***In Romania the quality of the agricultural/agri-food foodstuffs*** may be maintained by delimiting of any specific forms as: ethical means of creating of a favorable frame for ideas about quality, by education and propaganda; the amplification of the creation of any national and zonal organizations (foundations) for promotion of quality; the creation of a national quality system, coordinated from up downwards, etc. [5].

The orientations and scopes of the national policy with respect to the quality of the agri-food agricultural products have been focused on at least two directions: of increase of the competitiveness of the economic agents by the growth of the quality level of their products; the effectiveness of the legislative and institutional frame related to the protection of the consumers' rights and interests [6].

The alimentary policies in Romania regarded a series of scopes with respect to the foodstuffs market and the competitive policy, the ensuring of the alimentary safety including of the quality of the foodstuffs (starting from the control of plants health and the sanitary-veterinary controls).

The introduction of all the rules imposed by CE leads, normally, to the increase of the production costs but, at the same time, also to the maintenance of the quality to a superior constant level, the safety of the foodstuffs being therefore ensured and guaranteed.

Romania must continue to accomplish the compatibility between the policy of protection of the consumers and the community

standards. Even a part of the legislation has been harmonized with the one of the European Community, there are still necessary a series of rules which cover aspects as the credit for consumers, the distribution, the associated guaranties and the sanctions. Furthermore, Romania must improve the administrative structures which deal with the protection of the consumers.

## CONCLUSIONS

From the aspects presented it results that this scope, the quality of the products, with special reference to the agri-food products, is not only a problem of the enterprises for production and marketing but also a preoccupation of each human being, of the society and even of the humanity, becoming therefore a global (international) problem.

The products may be freely sold on the market only if exists safeness that they are of high quality. To this respect there have appeared international standards regarding the quality, issued by the International Standardization Organization (ISO). There are even more rules in this domain, which form the standards family called "ISO 9000" standards which define the domain of the quality management.

The agri-food quality has been delimited by: the policies of the quality within the agri-food sectors (as result of the involvement of all the operators acting in the sector in the meaning of improving the quality); the typology of the quality policies in the structure of the agri-food sector (regarded within the sector as sense and orientation but which can be differently interpreted for the marketing, processing, agricultural unit and by the consumer).

The orientations and the policies regarding the quality management have to be regarded under double role: technical and economic.

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## AGRICULTURAL SUBSIDIZING SYSTEM AND ITS EFFICIENCY: EVIDENCE FROM MOLDOVA

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### *Abstract*

*The paper is aimed to present the evolution of the allocated subsidies in the Republic of Moldova towards different subsidizing directions and an analysis of its efficiency. The data used in the analysis were provided by the Agency of Interventions and Payments in Agriculture, National Bureau of Statistics, as well as own carried research concerning the activity of agricultural enterprises. The data have been processed towards the subsidized directions in the last years, and had been analyzed the allocation of subsidies per hectare to different groups of agricultural enterprises by the following indicators: gross agricultural product per ha, profit per ha, level of profitability, as well as by regions. During the analyzed period, the amount of allocated subsidies had increased. The allocated amount of subsidies to the agricultural enterprises demonstrates that in 2008-2010 only 214 of them received a subsidy higher than 650 lei per ha allowing them to obtain a profit of 1845 lei per ha and a level of profitability of 35%. As well, in 2012 have decreased the number of subsidized directions comparing to the previous year, being excluded some of the directions, as the subsidizing the purchasing of fertilizers and plant protection materials which are needed in the adverse weather conditions (as the drought from the fall of 2011 and winter frosts in 2012). As a conclusion, the subsidizing policy is needed for the development of the agricultural sector and therefore it should make incentives for the efficient enterprises activities, and as a result for the whole efficiency of the agricultural sector.*

**Keywords:** *subsidies, subsidizing directions, agricultural sector, agricultural policy, Republic of Moldova*

### INTRODUCTION

The state support for the agriculture is a widely spread practice. It is believed that the market can cause harm to agriculture and food supply when it relies to its forces only. Thus, a state support is important for the agricultural sector, otherwise may be overused natural resources, causing harm to environment, becoming unable to meet quality standards and leaving many people at the edge of hunger. The government supports the agricultural sector directly or indirectly, using various tools, depending on its agricultural policy and the different mechanisms of subsidies allocation.

### MATERIAL AND METHOD

In order to characterize the evolution of subsidies allocation, the following indicators were used: the amount of allocated subsidies to each direction, of the amount of subsidies

per hectare, and the obtained profit and level of profitability. The period analyzed in this study is 2008-2010. The analyzed data were provided by the Agency for Interventions and Payments in Agriculture, National Bureau of Statistics as well as own carried research concerning the activity of agricultural enterprises. All data have been processed and interpreted, grouped by the amount of subsidies per ha and analyzed for the given period.

### RESULTS AND DISCUSSIONS

For Moldova, the transition to a market economy led to various changes in the ownership relations, the development of the market infrastructure, investments process and others. Thus, during the last years were carried out a number of reforms and policies following some objectives common for transitions economies. Their aim was to prevent the further degradation of the country's agricultural sector.

Thus, the allocated resources by the government for subsidizing the agricultural sector were aimed to support agricultural producers including various directions as: supporting grape production and the wine making sector, subsidizing risks in the agricultural sector etc.

The agricultural sector in Moldova is regulated by the National Strategy for Sustainable Development of the agro-industrial complex until 2015 [1], aimed at insuring the sustainable growth of the sector, improvement of living conditions in rural areas through the increase of competitiveness and productivity of the given sector. The legislative framework of the government to support the agricultural sector is reflected into the Conception of subsidizing agricultural producers until 2015, [2] which is oriented to the modernization of the agricultural sector and the performing activities inside the crop production and livestock sector. By the approval of this conception, the government admitted that the existing subsidizing system in agriculture were variable, inefficient, not transparent and bureaucratic, which implies a complete lack in use of the financial budget resources allocated for subsidizing the agricultural producers.

The state support to agriculture is one of the key elements, its goal being to increase the benefits from state support and bringing the other negative effects to minimum. This is particular for countries which face low competitiveness of agricultural production and scarce accumulated capital that could be used for the reconstruction of the agricultural sector.

The subsidizing fund of agricultural producers until 2010 was administrated by four state institutions, mainly by the Ministry of Agriculture and Food Industry of Moldova. Nowadays the agricultural subsidizing fund is being administrated by the Agency of Interventions and Payments in Agriculture, established by the Government's decision nr. 60 from February 4<sup>th</sup> 2010. The establishment of the Agency was 2 years delayed, being planned in the same time with the approval of

the Conception of subsidizing agricultural producers in 2007[4].

The aim of establishing the Agency of Interventions and Payments in Agriculture were the administration of all the subsidizing fund's financial resources (and not by various institutions as before), monitoring its distribution, and the evaluation of allocated subsidies quantitative and qualitative impact, the support of a more large number of agricultural producers, increase of transparency and decrease in the bureaucracy level in state support.

Table 1. Evolution of subsidies allocation during the period 2008-2011 (millions lei)

	2008	2009	2010	2011
Stimulating crediting for agricultural producers and by banks non financial institutions			2,8	23,5
Stimulating risks insurance in agriculture	27,2	25,49	18,82	11,2
Subsidizing investments for the establishment of multiannual plantations	53	50	80	38
Subsidizing the production of vegetables on protected ground	20	12,5	6,9	2,9
Subsidizing investments for purchasing agricultural machinery and equipment, including irrigation equipment	163,5	216,15	91,8	45,9
Stimulating the promotion and development of ecological agriculture	0,7	2	4,1	5,3
Stimulating investments in the use and technological renovation of livestock farms			2,7	8,08
Stimulating the purchasing of pedigree cattle and the maintenance of their genetic fund			7,3	2,5
Stimulating investments in the development of the processing and post harvesting infrastructure	20		29,1	19,6
Subsidizing agricultural producers for offsetting irrigation energy costs	9,67	7,22	10,0	1,9
Subsidizing purchasing of plant protection materials and fertilizers	159	130	107,3	67,4



From the data above (table 1), we can mention that from the subsidized directions the largest share belongs to subsidizing the purchasing of plant protection materials and fertilizers. Nevertheless, according to the Government's decision for approving the distribution of the subsidizing fund's meanings to agricultural producers for 2012, [3] this subsidizing direction was not included, but which is needed in the context of adverse weather conditions, as the drought from the fall of 2011 and the frosts in the winter of 2012. Also an important share belongs to capital investments. In the same time, the subsidized directions are not stable, being changed from one year to another, as the case with the subsidies allocated to sugar beet producers. Nevertheless, some positive changes occurred in the subsidizing policy during the last years. Among them, had increased the amount of allocated budget financial resources for the subsidizing fund from 300 mil lei in 2010, to 400 mil lei in 2012. Also an advantage is that the entire amount of 400 mil lei allocated for 2012 will be available from the beginning, in contrast with the previous years when the money were given in several stages (e.g. in 2010 at the beginning was allocated 250 mil lei, and after – 150 mil lei). The subsidies will be paid to agricultural producers in two stages: 75% from the authorized amount will be granted just after signing the agreement, the other 25% - allocated after November 1<sup>st</sup> 2012. This was made in order to adjust the available fund balance at the end of the year with the total amount of cases for not allowing debts in granting subsidies and to cover all the demands from the agricultural producers.

However, the number of subsidized directions decreased, for 2012 being eligible only 8 subsidizing directions. From the negative aspects is necessary to mention the variable character of the subsidized directions that do not allow agricultural producers to forecast better their activity.

From the research carried out, concerning the subsidies allocated to the agricultural enterprises (1595 enterprises researched during the years 2008-2010) the largest share

belongs to crop production (about 70-80%). A possible explanation, could be the largest share of the crop production in the gross agricultural product (about 70%).

Table 2. The amount of allocated subsidies to agricultural enterprises, by regions, thousands lei

Regions	2008		2009		2010	
	Crop production	Livestock sector	Crop production	Livestock sector	Crop production	Livestock sector
North	64613	6092	118369	12279	78523	1941
Center	34514	5768	44180	5814	400163	3429
South	53480	3131	60371	2985	125587	2474
Chisinau	24149	5719	13482	8859	6476	2523
UTA Gagauzia	9774	4	12111	-	10042	689
Total	186530	20714	248513	28837	620791	11056

As well, from all the agricultural enterprises, only about 50% from them obtained a subsidy.

Table 3. The impact of the allocated subsidies on the efficiency of agricultural enterprises from Moldova, during the period 2008-2010

Indicators	Groups according to the amount of subsidies per ha, lei						Total
	<50	50-200	200-350	350-500	500-650	>650	
Number of farms	131	282	227	162	89	214	1105
% from total	12	26	21	15	8	9	100
Area of agricultural land per farm, ha	443,8	692,3	743,6	811,1	817,4	540,1	671,4
Subsidies per ha, lei	21,17	125,3	279,5	419,6	563,9	2399,1	601,5
Material costs per ha, lei	1865,14	1919,9	2281,5	2241,9	3243,17	4307,7	2592,15
Retribution per worker, lei	10032,25	11819,6	11645,9	11511,6	11937,5	13947,06	12120,5
Gross agricultural product per ha, lei	2423,2	2522,3	3192,2	3743,08	4560,1	6992,3	3779,4
Profit per ha, lei	1064,65	701,3	597,7	778,4	1119,05	1845,03	938,9
Level of profitability, lei	17,05	18,2	19,04	19,46	27,73	35,93	23,55

Analyzing the data concerning the amount of allocated subsidies per hectare during the period 2008-2010, it is noticeable that it is very different among groups. For the first groups of enterprises who obtained a small to average amount, its allocation was not so efficient, allowing them to achieve a modest performance. The most efficient was the allocation of subsidies to the last group (an amount higher than 650 lei per ha), which led to a high efficiency, obtaining a profit of 1845 lei per ha and a high level of profitability –

35,9%. This fact demonstrates the efficiency in the allocation of a higher amount of subsidy that allows enterprises to obtain higher results.

## CONCLUSIONS

The existing subsidizing policy in the agricultural sector is so far inefficient, as the system does not create incentives for an efficient enterprises activity. As well, the amount of allocated subsidies is small so far, and cannot cover all the demands from the agricultural producers.

For 2012 was not included the subsidizing direction of purchasing plant protection materials and fertilizers, that was extremely demanded by the agricultural producers in the previous years (having a share of over 20%), even being introduced in 2010 in the last moment, and which is needed because of the adverse weather conditions, as the droughts from 2011 fall and the frosts from winter 2012.

As well, according to the carried research, more efficient are the subsidies allocated to the relatively efficient enterprises that allow them to increase their profits.

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## ORGANIZATIONAL PERFORMANCE AND MANAGEMENT OF HUMAN RESOURCES

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### Abstract

*Studies in the field have shown that productivity and quality are perceived as being the most important aspects for the companies dealing with this subject. The best methods to improve quality are: motivation of employees, change of organizational culture and employees education. One can see that all these are related to human resources. Therefore we can say that human resources managers play a very important role in the work meant to improve quality and productivity. First of all, they have to focus on the application of quality principles which will improve the operations related to human resources within the company and which will also improve the assistance for clients. Secondly, human resource specialists have to identify and work out all cases of insubstantiality in the company policy, when employees are faced with conflicting information. Thirdly, and the most important role of human resources specialists is to facilitate the application of methods designed to increase quality and productivity by means of such activities as: recruiting future employees, training, evaluation, reward or other activities connected to work relations. Each of these activities needs special attention in order to be able to adjust them to the company targets, to work conditions and to its culture.*

**Keywords :** human resources, organizational performance, competitiveness, work productivity, employees involvement.

### INTRODUCTION

Integrating the human resources strategy in the general strategy of the company

Staff function has emerged within a company as a consequence of:

- increase of company dimension
- increase of number and of complexity of legal regulations referring to employees
- modification of environmental social contents

Responsibilities of human resources specialists refer to elaboration, implementation, modification and control activities over the staff strategy, as well as to counseling activities for problems connected to administration and targeting of human resources.

Environmental pressure put on the company has resulted in a necessary increase of the role of human resource specialists within the strategic management process. Thus, the company's strategy establishes the ways towards income increase, costs reduction or enlargement

and diversification of the work field. All these evolutions mean correlations with the number and structure of the work force.

Staff strategy is that part of the organizational strategy which refers to human resources function and it is a functional strategy within which decisions are taken in a strategic, managing and operational way [2].

Human resources strategy is decided in such way as to achieve a connection between the employee, the position, the company and the environment by means of policies like: ensuring of staff work, settlement of performance, development of employees, rewarding-motivation, organizational change [4].

The following types of strategies can be decided depending on positions and employees:

- permanent employee – permanent position, which means to choose an employee fit to the position
- flexible employee – permanent position, for which the employee is supposed to acquire knowledge and know-how necessary to a

good performance of the position requirements.

-Permanent employee – flexible position, in which case the position needs to be adjusted and modified according to requirements, work condition, rewards and consequently to be in accordance with the employee’s needs.

-Flexible employee – flexible position, when both components are to be modified [4].

## MATERIAL AND METHODS

Researches have shown that two major concepts are used when referring to improvement of quality and efficiency.

The first concept is “team production” (employee’s involvement or team work).

The second concept, “lean production”, focuses on quality management, continuous simplification and improvement of work.

Both concepts represent a change from the traditional models; both refer to a high quality production and both need a change of vision of the company, and a highly management involvement. However, there are fundamental differences between the two concepts.

The main methods to improve performances in the company are: teams involved in the improvement of work quality (quality circles), self-managed work teams, stimulation of employees, financial stimulation system , suggestion systems, modification of employee behavior.

## RESULTS AND DISCUSSIONS

### “Team production” model

Involvement of employees gives them power, information, knowledge and rewards. Power means to take decisions and this can be achieved through “quality circles” [1].

Employees can receive information about the global performances of the company, the department performances where they work, as well as information on the

technological changes that can affect the company or information about the competition.

Knowledge is obtained by special training programs which will enable the employees to fulfill complex tasks, to participate in decision making and to achieve performance in the team.

Table 1: Comparison of “team production” and “lean production” concepts.

Lean Production	Team Production
Manager as boss	Manager as instructor
Continuous improvement by small steps	Dramatic changes
Targets: high productivity and quality	Targets: organizational efficiency, work quality
Simple repetitive tasks done on basis of best methods	Complex, long-term tasks
Flexible work teams, “quality circles”	Permanent teams, often self-managed
Team cross-training	Team cross-training
Focus on production; high level of stress	Focus on sharing the profit; security of position

Companies where employees are highly involved – allow that a great part of responsibilities and power of decision be in the hands of “self-managed” teams. Such companies take decisions and fulfill and control the activity with a minimal assistance from the superior management [3].

### “Lean production” model

In this case, small teams are responsible for small, simple, repetitive tasks and the team members learn their tasks making possible the shift of position within the team. The teams have to find means and better ways to fulfill their tasks.

### Setting the targets

This represents a technique which has often proved successful in the improvement of work performances and increase of employees motivation.

Researches have shown that, in order to be efficient, targets must:

- be not very simple to achieve, but not impossible to achieve either;
- be specific and measurable;
- be accepted by the employees;

-assure a feedback

### Re-designing the position

This technique is often used and is meant to solve quality and productivity problems and to increase motivation potential.

A new theory of the contents of a position focuses on variety, importance, identity and autonomy as specific elements of the position.

In order to increase motivation potential, several specific changes can operate in the way in which the respective work is done [1]:

- combination of tasks
- setting of relations with clients
- opening of some feedback channels
- creation of work units

Recent researches have shown that re-design of position (as motivation technique of employees) gets better results when automatic new technology is used. Specialists think that this improvement is due to the following factors:

- increase of motivation
- reduction of time necessary to wait for a specialist to come and fix the machine
- a better anticipation of problems and, consequently a better prevention of accidents.

The results of specialists' researches on the efficiency of motivational techniques are shown in Table 2 and one can see that financial stimulation is the most efficient way to increase productivity.

Table 2: Comparison of main techniques to motivate people

Technique	Nr. of studies	Average increase of productivity by means of respective motivation technique
Financial stimulants	10	30%
Setting of targets	17	7%
Participation in taking decisions	16	0.5%
Re-design of position	13	16%

### CONCLUSIONS

Setting of targets is also a good enough technique, however participation systems in taking decisions and re-design of position have proved to be the least efficient as regards improvement of productivity, these two being immediately followed by the socio-technique systems and by the financial stimulation.

The technique of position re-design is a bit less efficient, but the impact on productivity cannot be neglected. Consequently any of the above mentioned methods can be useful if it is properly applied. The study made by Richard A. Guzzo suggests that a combination of these techniques could be more effective than working with one only.

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## THE IMPACT OF THE COMMON MARKET ORGANIZATION CONCERNING THE ROMANIAN FRUIT AND VEGETABLES SECTOR

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### *Abstract*

*The purpose of this paper is to compare the different forms of financial support, specific for fruit and vegetable sector highlighting the implications for Romanian farmers. To this have been analyzed all possible forms of support on Pillar I and of which Romanian producers have benefited after 2007, without reference to irregular forms of support or to the state aid. Analysis of forms of support we revealed the following: although the financial support has significant value, the transitional payments for processing tomatoes has not been caused a massive migration of producers of fresh tomato to the industrial tomatoes culture; this form of support caused a specialization of vegetables producers, many of whom are beneficiaries of this form of support from the implementation of the scheme to this moment; increasing the number of the legal entity created by producers, specialized on marketing of fruit and vegetables; increase of the fruit and vegetables surfaces whose production is in at least 75% sold through specialized marketing associative forms.*

**Key words:** milk production, evolution, NW Region, Romania

### INTRODUCTION

Fruit and vegetables constitute an important agricultural sector of national economy that by high added value can provide a decent life of a high number of Romanian farmers. In 1989 areas under vegetables had reached 289 600 ha and 290 000 ha of orchards. Currently, according to information centralized by Payments and Intervention Agency for Agriculture, areas for which payments were required in the agricultural year 2010/2011 did not exceed 65 000 hectares for vegetables and melons and 110 000 ha for orchards. Considerable decrease of areas under fruit and vegetables has many reasons, one being the collapse of takeover network, conditioning and marketing of fruit and vegetables. In the Common Agricultural Policy the role of marketing network is taken by associative forms called producers group (PG) and producer organizations (PO). The surface managed by the members of PG and PO is the main indicator of the degree of organization for fruit vegetables sector. Community budget for implementation of CMO rules (approximately €1.5 billion spent

in 2009) is not assigned to the Member States as a national financial envelope but is accessed directly through recognition plans and operational programs, increasing the efficiency of organizational management of the authority. Should also be noted, that the fruits and vegetables sector has the highest rate of financing from the Community budget allocated from Pillar I (16.3%). [1].

### MATERIAL AND METHOD

After the CAP reform in 2007, Romanian producers of vegetables and fruits have received the following forms of support:

- direct area payments;
- transitional payments for tomatoes for processing;
- financial support for producer groups and producer organizations.

Direct payments are a payment scheme in which is given a set amount per hectare, payable once a year. Are eligible the farms with area at least 1 ha and agricultural parcel area to be at least 0.3 ha. For the orchards, tree nurseries and shrubs, the minimum size of the parcel must be at least 0.1 ha.

Transitional payments scheme for tomatoes for processing was established in 2007 as a transient payment scheme in which the financial support is granting an amount per unit surface once a year.

Financial support for producer groups and producer organizations, in order to implement the recognition plans and operational programs.

## RESULTS AND DISCUSSIONS

Granting direct payments aimed to control production and to protect farmers' income from the reduction and / or elimination of intervention prices. There are opinions that say that granting direct payments to farmers will slow the process of restructuring and merging of farm land. [2] Since the value of direct payments in Romania is below 50% of that paid to farmers in the old Member States, the amount of direct payments will gradually increase within 10 years, the aim followed by the EU Commission in the accession time was to encourage process of merging and restructuring of agricultural area. The charts below shows the areas planted with fruit and vegetables with the number of farmers who applied for direct payments between 2007/2008-2009/2010, see Figure 1, 2, 3, 4 and 5.

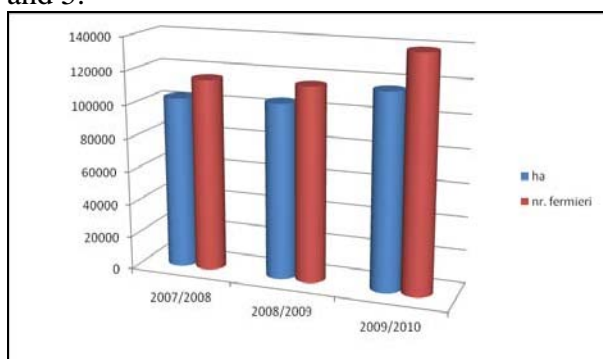


Fig.1 The evolution of orchard surfaces

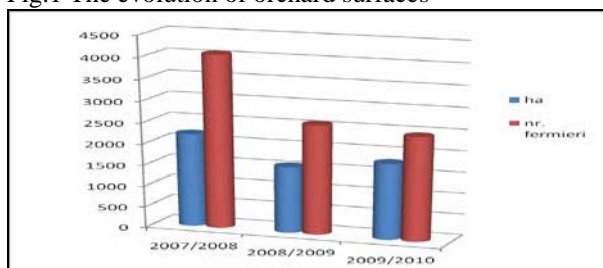


Fig.2 The evolution of shrubs surfaces

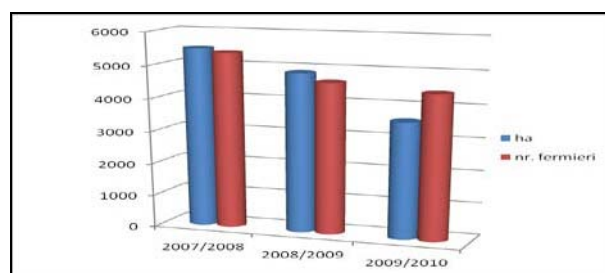


Fig.3 The evolution of surfaces with table grapes

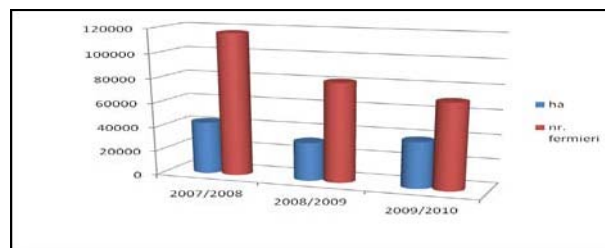


Fig.4 The evolution of surfaces with vegetables

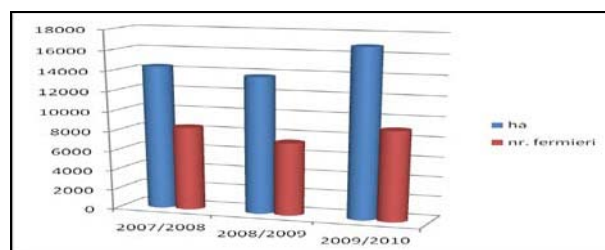


Fig. 5 The evolution of surfaces with watermelons and melons

In the period after accession was identified a perpetuation of inertia on the land market as a result of granting direct payments, so that for most species of fruits and vegetables were observed stagnation of average surface cultivated by a farm, see Figure 6.

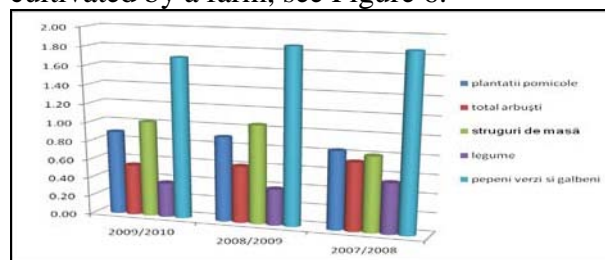


Fig. 6 The evolution of the average surfaces in ha, cultivated with vegetables and fruit on a farm

To this is added the impact already found in the old Member States, regarding the land value and rent market. Thus, operation of direct payments has led to their capitalization in land prices and in rent and while increase value while maintaining a significant share of the elderly as landowners who are not



interested to sell or to rent agricultural land to young farmers.

Assessment of transitional scheme of tomatoes for processing:

Transitional scheme of tomatoes for processing was promoted at the end of 2007 by EU Council by amending Council Regulation (EC) no. 1782/2003. Romania has implemented the scheme in short time and managed to use 100% ceiling allocated to the scheme. The participating of processors in the scheme was voluntary and requires compliance by them of special conditions designed to gather and retain data on contracted areas, on quantities delivered and on the amounts paid to farmers. Although they are not the direct beneficiaries of the financial support, the need for raw materials caused that the processors to meet yearly the authorization procedure. Area contracted by processors had the tendency to constantly increasing. The relatively high level of support (€1,725.81 / ha in 2010) and certainty of sales has made that the number of beneficiaries of this support scheme to increase from 8 in 2007 to 194 in 2011(Fig7)

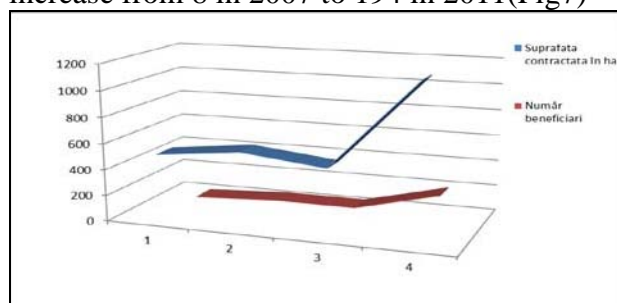


Fig. 7 Evolution of the contracted surfaces and the number of beneficiaries

Impact assessment of support for producer groups (PG) and producer organizations (PO): The implementation of the rules on the common organization of the market was made only in the second half of 2007, so MARD can recognize and approve the first operational program of a producer organization. In the coming years the number of PO remained unchanged while the number of PG became 33 in 2011, see Fig. 8.

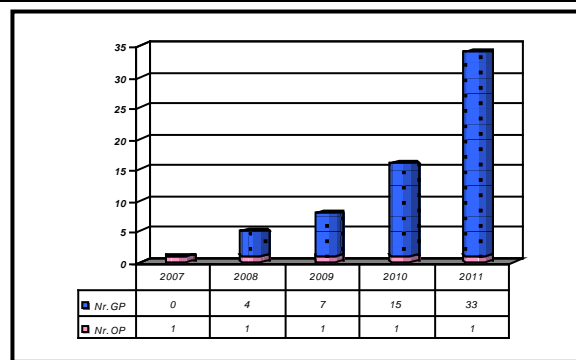


Fig. 8 The evolution of groups and producer organizations in 2007-2011

As a direct consequence of association process, the areas planted by members of producer groups and organizations has grown well, see Figure 9.

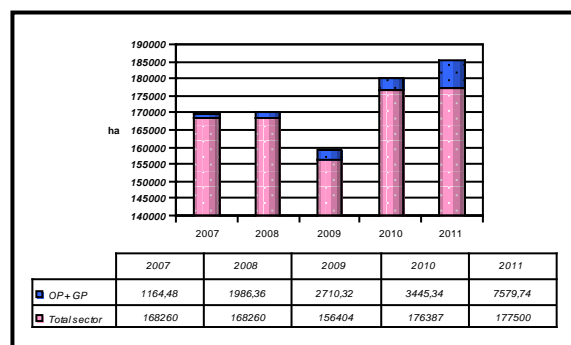


Fig. 9 The ratio of the total surfaces cultivated in Romania and surfaces used by members of PG and PO

After analyzing the data to the above, there is a swing tendency for area occupied by fruit and vegetables in Romania, towards a growth trend of areas planted with fruits and vegetables belonging to members of producer groups and organizations. These two contrary trends show a positive trend of fruit and vegetable marketing chain, with long-term beneficial effects on the economy of the sector. The implementation of the CMO rules and lack of state aid compliant has stimulated association of producers and increasing concentration of production.

In Fig. 10 presents the evolution of the value of marketing production belonging to producer groups and organizations in 2007-2011, compared to the evolution in the same period of the value of fruits and vegetables produced in Romania.

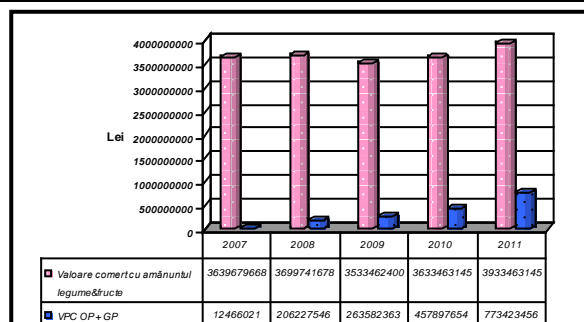


Fig. 10 The ratio of the retail value of fruit and vegetables and the VPC registered by PG and PO

The value of marketed production is the value of production marketed by members through the PG or PO. Producer organizations may receive financial support up to 50% of the approved operational fund. Given the specific rules of CMO in fruit and vegetable, operational fund may not exceed 4.2% of the value of marketed production. Member States with a low degree of organization of producer organizations may grant State aid of 80% of the producer organization to the operational fund.

In Fig. 11 presents the evolution of the financial support received yearly by the PG and PO in Romania from public funds for 2007-2011.

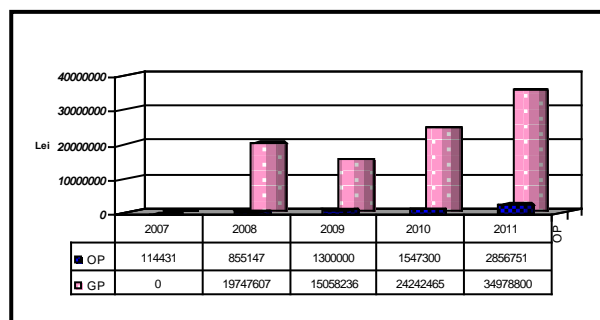


Fig. 11 The evolution of financial support received yearly PG and PO in 2007-2011

From data analysis can observe a trend of accelerated growth of the financial support for PG and PO, from 114431 lei in 2007 to 37835551 lei in 2011. Reported but the Community budget spending in the Pillar I for PG and PO, about 5.7 billion lei in 2011 [3], the financial support accessed by Romanian PG and PO in 2011 is totally insignificant (0.68%).

## CONCLUSIONS

In the period after accession was identified a perpetuation of inertia on the land market as a result of granting direct payments, so that for most species of fruits and vegetables were observed stagnation of average surface cultivated by a farm.

Operation of direct payments has led to their capitalization in land prices and in rent and while increase value while maintaining a significant share of the elderly as landowners who are not interested to sell or to rent agricultural land to young farmers.

The implementation of the CMO rules and lack of state aid compliant has stimulated association of producers and increasing concentration of production.

## ACKNOWLEDGEMENTS

Data concerning the indicators mentioned above were collected by the Ministry of Agriculture and Rural Development in 2007-2011, through its central and local structures.

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## THE RURAL TERRITORIAL INFRASTRUCTURE, THE SUPPORT FOR RURAL TOURISM ECONOMY IN THE DANUBIAN AREA OF THE SOUTH MUNTENIA REGION

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### Abstract

*The scope of agritourism activities is related to the existent territorial infrastructure. For this reason there is a pronounced differentiation and diversification of rural tourism and agritourism types in the South-Muntenia Region which sometimes generate confusion. Meaning that, according to the economic character, the Danubian rural area can delimitate villages with agricultural functions (based on the production of cereals, as well as the viticultural and zootechnical productions), those with agri-industrial functions, with agricultural and fishing functions and villages with agricultural and tourism functions. As such, the agritourism of the area considered these very mixed types characterized by the irregularity of the touristic services. We refer to the uniqueness due to the Danubian geographic area, but also to the uniqueness in time (mostly due to the fact that the agritourism season is constantly different). This context brings out the need to know and evaluate the different types of infrastructure which limit the tourist's access in the area.*

**Key words:** agritourism, infrastructure, accommodation, urbanistic comfort functionality, rural area revitalization.

### INTRODUCTION

The rural tourism is the type of tourism practiced in the rural environment, as a local development economic factor, which results from the services rendered to customers in order to satisfy their needs. As they appeal to the under-privileged categories of the population, and especially during periods of economic crisis, knowing the infrastructure with special reference on the cheap accommodation and transport routes is necessary. The infrastructure is considered a resultant of the agritourism programs related to means of communication, public utilities, buildings etc., with their different upgraded types in the rural area. In relation to this issue the agritourism potential of the Danubian area in the South-Muntenia Region has been studied, also having the greatest implications in the capitalization of local resources and in boosting the life conditions of the inhabitants, in the social and economic development of the

rural locality and of the community in general, in the protection and preservation of the natural and built environment, which in this context mean bringing an impulse to the rural economic activities. Therewith, by developing the infrastructure of this area, one can capitalize the natural framework, which is in itself a development side of the local Danubian economy fitting in the scope of services necessary to the rural society[1]

### MATERIAL AND METHOD

The entire own economic and social activity of the area is based on harmonizing the two essential and inherent factors - nature and human being. The agritourism, in the context of these aspects, discloses the fact that the social efficiency reaches an extremely sensitive point of the rural life, meaning the quality of life, population behavior, degree of education and civilization. In order to highlight these aspects the hereby paper

stresses the necessity of a local infrastructure, making references to accommodation and means of transport. Hence, we consider the following indicators:

a) *touristic activity transport efficiency*, which is calculated in different manners according to the type of exploitation. These indicators may have the following structural form: the density of public roads, the weight of the upgraded roads, lightweight blanket roads;

b) *accommodation activity efficiency indicator*. The accommodation is the first of the touristic services rendered, representing approximately 40% of the total turnover. The efficiency of the accommodation can be capitalized through general indicators, such as the number of houses in the rural environment and their capacity, along with analytical forms referring to the number of houses per 1000 inhabitants, the condition of the current water, sewerage and natural gas supply endowments. All these indicators in absolute and relative figures have been rendered as the current condition of the rural communities in the Danubian counties area of the South-Muntenia development Region; there were also comparisons performed with reference to the total of the entire region.

Only by knowing these accessibility levels can agritourism become a concrete model for revitalizing the rural area, founded not on purely conservative reasons exclusively subjected to the rural life system, but on an economic, spiritual and social need.

## RESULTS AND DISCUSSIONS

### 1. The structure of road transport routes.

At this point, public roads represent the most popular type of structure among tourists and it is directly linked to their comfort during travelling. This means that the most important place in regards to transportation is reserved to road transport and that is why the issue of expanding the transport network is always a current one. The elements in *table 1*[2] show the fact that for the Danubian territory in the South-Muntenia Region, for the period between 2000 - 2008 these communication means, the communal and county roads, have

been developing differently. According to the data in this table:

- concerning the density of public roads (expressed in km/sqkm), one can observe that at the level of the entire region there is a tendency for accession from 34.30 in 2000 to 36.50 km/sqkm in 2008. This tendency for accession for the four Danubian counties. But, the level of this density is lower than the average of the region (for 2002 in Călărași county the minimum level is 23.10 and in 2006 the minimum level is 24.90 km/sqkm, and in Teleorman county these levels vary from 26.20 km.sqkm in 2000 to 26.30 km/sqkm in 2008);

Table 1. The evolution of roads density in Danubian counties of the South-Muntenia Region

Str. Teritor.	2000	2001	2002	2003	2004	2005	2006	2007	2008
<i>Public roads density (km/100 sqkm)</i>									
Total reg.	34,30	34,30	34,40	34,30	34,80	34,80	35,00	35,90	36,50
Călărași	23,10	23,10	23,10	23,10	24,90	24,90	24,90	26,50	25,90
Ialomița	25,50	25,60	25,60	25,60	25,70	25,70	25,70	25,90	25,90
Giurgiu	30,60	30,70	30,70	30,70	30,80	30,80	32,20	32,30	32,30
Teleorman	26,20	26,20	26,20	26,20	26,30	26,30	26,30	26,30	26,30
<i>Upgraded roads (% of total)</i>									
Total reg.	27,10	27,40	27,40	27,90	29,00	29,20	29,30	29,30	32,30
Călărași	34,60	34,70	34,70	34,70	39,00	39,10	39,10	39,20	40,10
Ialomița	32,80	34,40	34,70	34,70	34,90	34,90	31,20	32,00	34,50
Giurgiu	33,20	33,60	33,60	33,60	34,80	35,10	33,60	36,70	52,90
Teleorman	32,70	33,00	32,80	36,00	39,00	39,10	42,10	42,00	56,30
<i>Upgraded roads of total national roads (%)</i>									
Total reg.	97,50	98,30	97,80	97,70	95,30	95,40	95,40	95,40	95,70
Călărași	96,60	97,40	97,40	97,40	97,20	97,90	97,90	98,00	99,00
Ialomița	86,80	91,40	92,00	92,00	92,10	92,10	92,10	92,30	92,30
Giurgiu	100,00	100,00	100,00	100,00	93,50	93,50	93,50	93,50	93,50
Teleorman	99,40	99,40	99,40	99,40	89,50	89,50	89,70	89,20	89,50
<i>Lightweight blanket roads of total roads (%)</i>									
Total reg.	2,40	1,60	1,70	1,80	3,50	3,40	3,40	3,40	3,40
Călărași	3,40	2,60	2,60	2,60	2,80	2,10	2,10	2,10	2,10
Ialomița	13,20	8,60	8,00	8,00	7,90	7,90	7,90	7,90	7,90
Giurgiu	0,00	0,00	0,00	0,00	0,30	0,30	0,30	0,30	0,30
Teleorman	0,00	0,00	0,00	0,00	10,00	10,00	9,80	9,80	9,80

Source: South Muntenia Region, Social and Economic Indicators 2000-2006, INS, DRS, Călărași, 2008.

Anuarul Statistic al României (Romania's Statistic Directory), INS, 2007, 2008, 2009.

- concerning the upgraded roads, expressed in percents from total, one can notice that for the four Danubian counties the upgraded roads in 2000 represent between 32.70 % and 34.60%,

and in 2008, they represent between 34.5 and 56.30 %, and the weight of upgraded roads in the total number of national roads varies between 86.80% in 2000 and 99.00% in 2008; - in 2006, the lightweight blanket roads at the level of the South-Muntenia Region hold 3.40 % of the total national roads; in the case of the four analyzed counties, the variations range between 0.3 and 13.20 %.

To be noted that in the period between 2000 and 2006 there was a significant development of the roads network towards the superior categories. Also, one may add the fact that the degree of modernization of these roads is very different on counties and areas. The entire regional roads network includes the national roads, whose quantum is slightly inferior to the upgraded ones. The density of public roads per 100 sqkm of territory for the South-Muntenia development Region is differentiated (there are rural localities which do not have cobbled or paved roads). We make this statement because the tendency of every tourist is to drive by means of own vehicle from the place of residence to the agritourism unit (household/pension).

**2. The structure of the inhabitable capacities and the infrastructure of houses' endowments in the rural environment in the Danubian area of the South-Muntenia Region**

An issue of great importance in the rural tourism/agritourism development is the rural residence, as its level of endowment and modernization is considered the main element in attracting tourists. The references to the water and natural gas supply, the existence of a sewerage network etc., presented via adequate indicators stress agritourism appeal elements, but also the living conditions and village civilization.

Therewith, the characteristics of this house delimitate the functional classification of the rural settlements. For this, within the area of the analyzed Danubian region is required to consider a variety of elements as close as possible to the reality of the necessary resources, referring to certain territorial criteria, and specifically to their use. *Table 2* renders the number of houses per 1000

inhabitants in the period between 2000 and 2008, which underlines the following aspects:

Table 2. The evolution of the number of houses per 1000 inhabitants in the period between 2000 and 2008

Conty/ region		2000	2001	2002	2003	2004	2005	2006	2007	2008
Total region	No/ 1000 Inhab.	355	371	374	377	380	382	384	387	390
	%	100, 0	1,0 4	1,0 5	1,0 6	1,0 7	1,0 7	1,0 8	1,0 9	1,0 9
Călărași	No/ 1000 Inhab.	339	354	360	362	364	366	366	368	371
	%	100, 0	1,0 4	1,0 6	1,0 6	1,0 7	1,0 7	1,0 7	1,0 8	1,0 9
Ialomița	No/ 1000 Inhab.	340	358	363	365	367	369	371	373	377
	%	100, 0	1,0 5	1,0 6	1,0 7	1,0 7	1,0 8	1,0 9	1,0 9	1,1 0
Giurgiu	No/ 1000 Inhab.	369	370	379	383	384	387	389	391	393
	%	100, 0	1,0 0	1,0 2	1,0 3	1,0 4	1,0 4	1,0 5	1,0 5	1,0 6
Teleorman	No/ 1000 Inhab.	367	380	381	386	392	397	400	404	410
	%	100, 0	1,0 3	1,0 3	1,0 5	1,0 6	1,0 8	1,0 8	1,1 0	1,1 1

Source: South-Muntenia Region, Social and Economic Indicators 2000-2006, INS, DRS, Călărași, 2008.

Anuarul Statistic al României (Romania's Statistic Directory), INS,2007, 2008, 2009.

-At the level of the entire South-Muntenia Region the number of houses per 1000 inhabitants in 2000 was of 355 and in 2008 it reached 390, having a constant increasing tendency;

-Concerning the four Danubian counties, for the same period, 2000 to 2008, is noticed the same increasing trend for this number of houses, but with differences between the counties; so, in Călărași and Ialomița, the level of this indicator is below the average of the region and in Giurgiu and Teleorman counties, the number of these houses is above the South-Muntenia Region

The quality aspect is still relevant, regarding the utilities in these houses. In *table 3* are rendered a few representative coefficients of the quality aspect in the endowment of houses. For 2007, the following may be significant:

- regarding houses, one notices that the number of finished houses is 53 in Teleorman county and 323 in Călărași county; there are also differences between counties regarding the useful built surface of the houses;
- regarding the water supply, one notices that the number of localities with water supply

network is of only 15 in Giurgiu county and 61 in Călărași county. Regarding to the same system of utilities, one may state that the total simple length of the distribution network ranges between 349 km in Teleorman county, 573 km in Călărași county and 3084 km in Giurgiu county. As for the total quantity of water distributed, studies show that the highest level is in Teleorman county and the lowest level is in Călărași county;

Table 3. The situation of houses and their endowments (water, sewerage) in the rural area of the Danubian counties in the South-Muntenia Region

Finished houses				
Counties	Total (no.)	Built surface (sqm)	Useful surface (sqm)	Inhabitable surface (sqm)
<b>Total</b>	<b>808</b>	<b>99582</b>	<b>85484</b>	<b>48655</b>
Teleorman	53	8264	5883	3863
Giurgiu	187	33559	26823	18928
Călărași	323	32423	32859	13410
Ialomița	245	25336	19919	12454
Water and natural gas supply				
Counties	Localities with water supply (no.)	Total simple length of the network (km)	Fresh water distributed (thousand cubic m)	Localities with sewerage systems (no.)
<b>Total</b>	<b>137</b>	<b>4578</b>	<b>18950</b>	<b>8</b>
Teleorman	20	349	10016	6
Giurgiu	15	3084	4721	1
Călărași	61	573	1713	1
Ialomița	41	572	2500	0

Processed using: Anuar Statistic al Județelor: Călărași, Ialomița, Giurgiu, Teleorman, (Statistic Directory of Călărași, Ialomița, Giurgiu, Teleorman Counties) 2007, INS, DJS

\*) – the data for Giurgiu county only refers to total per county.

- there are only 6 localities with sewerage systems in Teleorman county, and only one in each of the counties Giurgiu and Călărași.

Regarding the building of these houses, one can show that the majority of the houses and residential buildings in the rural area of the region are funded by the population's own funds. The performance corresponds to the authorization norms in force. As for the finished houses, an analysis from the quarterly

structural schedule point of view reveals that the performance of construction works begins most of the times in the second quarter and ends in the fourth quarter or even the next year.

The unique offers for agritourism products/services which can be considered as one of a kind in the South-Muntenia Region, according to which these rural tourism/agritourism products fit in the advantages of a strategy created by the conditions and the heritage of the area.

This can lead to the conclusion that as for the inhabitable capacities, they are enough from a quantity point of view, both now and in the future. Where the qualitative side is concerned, being interpreted by the degree of comfort, it is still considered that there is a low or sometimes very low level of quality. We refer to the fact that this degree of comfort does not respond to the expectations of the tourists from urban areas and especially from foreign countries.

The analysis of this assembly of situations, the existence and functionality of urbanistic comfort utilities reveals that all these may still be impediments. This may be true, as the volume and structure of these existing utilities in the rural area of South-Muntenia Development Region still show underprivileged elements for the potential tourist. We mainly refer to the weight values, which are still low for the situation of the counties. There is an insufficient development and a high degree of wear of the physical and urbanistic infrastructure. Even areas with heavy traffic, where they offer a series of advantages in transports, need investments to complete the current infrastructure as the actual available funds are insufficient compared to the requirements.

## CONCLUSIONS

This study lead to conclusions related to the implications of road transport routes' structure and the inhabitable capacities, the infrastructure of the houses' endowment in the Danubian rural area of the South-Muntenia Region, in the

conditions of developing the agritourism activities.

1.- *The rural territorial infrastructure is a support of the rural tourism economy in the Danubian area of the South-Muntenia region.*

This is considered a resultant of the agritourism programs referring to means of communication, public utilities, buildings etc., with their different upgraded types in the rural area.

2.- *The structure of road transport routes, is related and conditions the types of tourism in general, especially because of the transport issue.* For this Danubian area as well, the most important is the road transport, and for that there is always the issue of developing this transport network. One can refer to the following: the density of public roads which has a tendency to increase; the upgraded roads which have a weight of 86.8% to 99.00% in the analyzed area; the lightweight blanket roads which vary between 0.3% and 13.20% at the territorial level of the counties.

Also, one can add the fact that the modernization degree of these roads is very different between the counties and areas. The total regional roads network includes national roads whose quantum is slightly inferior to upgraded roads. The density of public roads per

100 sqkm of territory is differentiated for the South-Muntenia Development Region (there are rural localities which do not even have cobbled or paved roads).

3.- *The structure of the inhabitable capacities and the infrastructure of houses' endowments in the rural environment in the Danubian area of the South-Muntenia Region, is a very important issue due to the fact that its degree of endowment and modernization is considered the main element in attracting tourists.* The referrals to the water and natural gas supply, the existence of a sewerage system etc., presented by the adequate indicators stress the agritourism attractive elements, but also stress the life conditions and village civilization.

As for the use of houses, rendered by the number of houses per 1000 inhabitants in the period between 2000 and 2008, the analysis showed that the number of houses is

increasing, and in Giurgiu and Teleorman counties the number of these houses exceeds the average of the South-Muntenia Region.

The analysis of the *quantitative aspect* was focused on the existence of utilities in these houses from the counties taken into study. It showed that a) the number of finished houses is of 53 in Teleorman county and 323 in Călărași county (the amplitude regarding the useful inhabitable built surface, underlines the same counties; b) the number of localities with waper supply networks - the total simple length of the water distribution network is between 349 km in Teleorman county, 573 km in Călărași and 3084 km in Giurgiu county. As for the total quantity of water distributed, it shows that in Teleorman county is registered the highest level, and in Călărași county the lowest; c) there are only 6 localities with sewerage systems in Teleorman county and one in each of the counties: Giurgiu and Călărași.

We can also mention that most of these houses are funded by the population. It is relevant that the construction works begin in the second quarter of the schedule and are finished in the fourth quarter or even the next year.

In discussing the *qualitative side*, it has been interpreted by the degree of comfort and one can conclude that there still is a low and even very low level of quality. We refer to the fact that this degree of comfort is not at the level of the tourists' demand, who usually come from urban areas and especially from abroad. There is an insufficient development and a high degree of wear both of the physical and urbanistic infrastructure. Even the areas with heavy traffic, where they offer a series of transport advantages, need investments to complete the existent infrastructure, as the actual available funds are insufficient compared to the requirements.

All these public units and individual houses of the rural area represent a very important motivational request for the agritourism appeal in this area.

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## OBJECTIVES AND CHALLENGES OF WATER DEMAND MANAGEMENT

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### Abstract

*As we try to point out again in this paper, water is one of the most important and scarce environmental resources, with some particular characteristics that raise serious challenges for a good management and sustainable development. First we define the concept of Water Demand Management, as a part of a Sustainable Water Management, along with stating some of its main recent political and economic issues and objectives in the European Union. Here, agriculture has been identified as a major sustainable water management issue in the implementation of the Water Framework Directive (WFD). The scarcity of the water resource has become a concern only in more recent studies, reflecting the shift from the engineering perspective of increasing supply to satisfy demand, to the economic perspective of also managing demand through price to efficiently allocate the existing quantity of water supply. Therefore, as a first conclusion, economists should try to find the best theoretical and practical approaches to deal with these challenges, expressing awareness on the fact that water is no longer a free public good, but a rare and valuable economic good.*

**Key words:** sustainable development, water demand management, Water Framework Directive (WFD), Water Scarcity & Drought (WSD)

### INTRODUCTION

While most of the old challenges of water supply, sanitation and environmental sustainability remain [1], new challenges such as: water scarcity and increasing water demand due to global population growth, environmental-intensive production and consumption behaviour, adaptation to climate change, rising food and energy prices, rising R&D costs of water systems and ageing infrastructure are nowadays increasing the complexity and financial burden of water management.

The scarcity of the water resource has become a concern only in more recent studies, reflecting the shift from the engineering perspective of increasing supply

to satisfy demand to the economic perspective of also managing demand through price to efficiently allocate the existing quantity of water supply.

Over the past thirty years, droughts have dramatically increased in number and intensity in the EU; the total cost of droughts over the past thirty years amounts to 100 billion Euro [2].

### MATERIAL AND METHOD

In order to emphasize the actual objectives and the challenges of water demand management, we define the concept of Water Demand Management, as a part of a Sustainable Water Management, along with stating some of its main recent political and

economic issues and objectives in the European Union.

Here, agriculture has been identified as a major sustainable water management issue in the implementation of the Water Framework Directive (WFD)[2].

## RESULTS AND DISCUSSIONS

The Brundtland report did not address the water issue particularly; however, we may agree with a definition of sustainable water consumption stating that "water consumption should meet basic needs for water servicing without jeopardizing the ability of future generations to meet their water needs and while protecting the water need of the environment" [3].

Water is a limited and scarce natural resource (freshwater resources form less than 1% of the total water in the globe) essential to life, which behaves rather differently from other elements of the biosphere, since for water no choice exists between resources.

Therefore, although water resources are renewable, water systems can be so degraded that they are potentially lost, and the ecosystem can be dependent on a minimum quantity and quality of water to the threshold below which they are damaged.

It seems that the only choice to be made in sustainable water management is how to allocate water, and finding the most efficient way of using it.

Sustainable Water Management is an Integrated Water Resources Management (IWRM) (as it has been defined by the Technical Committee of the Global Water Partnership) namely "a process which promotes the coordinated development and management of water, land and related resources, in order to maximize the resultant economic and social welfare in an equitable manner without compromising the sustainability of vital ecosystems."

According to some expert studies and outcomes from the Water Resource Institute, the number of people living in water scarcity countries will represent 13-

20% of the global population by the year 2050, so water might become a major determinant of the structure, trade, socio-economic development and growth prospects of national economies.

Since water becomes a rare good, the need to control the deterioration of water quality is translated into water legislation, enabling countries to state the purposes and objectives of their water policies.

As a result of this pressure imposed by sustainable water quantity and quality management problems, a new area of water policy has emerged in Europe, through the adoption and implementing plans for the Water Framework Directive (60/2000/EC). The prime objective in the new policy era is defined as the sustainable use and management of water resources [4] and the implementing of WFD aims at promoting effective policies to confront the degradation of water resources on the one hand and the intensified water scarcity on the other.

In 2007, the European Commission adopted a Communication on Water Scarcity & Drought (WS&D) which identified several policy areas that had to be addressed if Europe was to move towards a water-efficient economy. In order to address and mitigate the challenge posed by water scarcity and droughts, it is essential to improve water demand management [5].

Demand management is defined as the development and implementation of strategies aimed at influencing demand, so as to achieve efficient and sustainable use of a scarce resource, namely water.

It is important to keep in mind that, besides efficiency, water demand management should promote social equity and environmental integrity.

Demand management strategies mainly consist of non-structural measures such as economic and legal incentives to change the behavior of water users and the creation of the institutional and policy environment that enables this approach [6].

An improved water demand management may lead to an increase in the efficiency of water use and/or reduction in water consumption, with several very important

economic and environmental benefits in the medium and long run, such as:

1. reduced costs of water treatment and distribution system capacity (including the capacity of infrastructure for the collection and treatment of wastewater);
2. savings in capital expenditures because of deferred or downsized new water supply projects;
3. energy savings for heating water as well as for pumping and treatment;
4. environmental benefits of reduced withdrawals of water from streams and aquifers which leave more water available to preserve the ecological resources of streams, wetlands and estuaries.

All these issues stress the fact that sustainable and efficient water use represent one of the biggest challenges of the present and the coming decades.

Although in some cases, the target of sustainability may be in conflict or in competition against the efficiency target, we support the statements of Baumann et al., [7] and will try to further argue that, in the case of rare water resources, efficient use and pricing can indeed promote sustainable water use.

Especially the last decade has produced marked improvements in the available “know-how” for planning and evaluation of demand management alternatives.

Taking into account previous experience and stakeholder consultations, an integrated approach based on a combination of options is considered now in the EU as the most appropriate approach for addressing WS&D (water scarcity and droughts), compared to alternatives based on water supply or economic instruments only.

The Communication [5] identified 7 main policy options to address water scarcity and drought issues:

- (1) Putting the right price tag on water;
- (2) Allocating water and water-related funding more efficiently;
- (3) Improving drought risk management;
- (4) Considering additional water supply infrastructures;
- (5) Fostering water efficient technologies and practices;

(6) Fostering the emergence of a water-saving culture in Europe;

(7) Improve knowledge and data collection.

However, the first policy area to be addressed in the member countries is putting the right price tag on water.

Implementing a sensible system of water pricing is one of the major means for efficient water use and the first requirement for the promotion of such use are full-cost prices.

This way, suppliers and regulators using charges for use, metering and educating by increasing the awareness of the user about water conservation, must reduce water demand toward a more efficient and sustainable level [8].

One area of water policy that has become increasingly subject to pricing principles is that of public water supply and wastewater services. Efficient and effective water pricing systems provide incentives for efficient water use and for water quality protection.

They also generate funds for necessary infrastructure development and expansion, and provide a good basis for ensuring that water services can be provided to all citizens at an affordable price.

Agriculture has been identified as the major sustainable water management issue in the implementation of the Water Framework Directive (WFD).

In particular, abstraction of water for irrigation accounts for 24% of total water abstraction in Europe and can be up to 80% in some southern Member-States (EEA, 2009 Water resources in Europe – confronting water scarcity and droughts). Moreover, unlike other sectors like energy production, the majority of the water abstracted is consumed and not returned to the water bodies (c. 70% according to the EEA). Thus, this sector has to be addressed as a priority when considering any action against water scarcity and droughts in Europe.

After the issuance of the Water Framework Directive River Basin Management Plans by the Member States, it is important to look into the effectiveness of the agricultural

measures therein, including their technical, financial and social dimension.

This must be done in close cooperation with the WFD Expert Group on agriculture and with its technical subgroup, the Pilot River Basin network on agriculture, and may be accompanied by more dedicated studies as needed.

On this basis, a database about WFD agricultural measures should be created in order to enhance the exchange of experiences. Also, taking advantage of WISE (Water Information System for Europe), stakeholders may be able to better consider and integrate water and agricultural policies, all over the European Union territory.

The European Commission should ensure that all the available studies which have been carried out regarding options for water savings in agriculture will be taken into account in the preparation of the 2012 Blue Print for European Waters and may launch additional studies if needed.

## CONCLUSIONS

The second principle of Sustainable Water Management states that water development and management should be based on a participatory approach, involving users, planners and policymakers at all levels.

Therefore, as a first conclusion, to enable an efficient and sustainable participatory approach, economists should try to find the best theoretical and practical approaches to deal with the challenges of water demand management, expressing awareness on the fact that water is no longer a free public good, but a rare and valuable economic good.

We believe that addressing water pricing in agriculture, in a dedicated conference, would also be a welcome opportunity to better emphasize the strategic role of this economic instrument for a sustainable and efficient water management, especially in our times of constrained economic and environmental prospects.

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## ISSUES ON DEVELOPING A SUSTAINABLE WATER PRICING

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### **Abstract**

*This paper aims to highlight some of the main issues and challenges raised by developing and implementing the most appropriate and efficient approach for water pricing, to induce a sustainable water management (in its both edges of demand and supply). Therefore, we analyse some of the most important theoretical or mathematical models of water pricing developed so far. We follow with a review of opinions, approaches and some personal judgement and recommendations on the actual opportunity, principles, effectiveness and role of an efficient water pricing in fulfilling the multiple goals of sustainability.*

**Keywords:** *sustainable water management, efficient water pricing, sustainable cost recovery, equity*

### **INTRODUCTION**

The oldest debate in the literature on water pricing is whether to price water by its average cost (based on financial reasons of cost recovery) or by its marginal cost (based on the economic reasoning of promoting an efficient use of the resource).

Essentially, a resource is considered to be used efficiently if the benefit for society from consuming the last or marginal unit of the resource, is the same as the cost of obtaining it (including the opportunity cost of foregoing other alternative uses).

### **MATERIAL AND METHOD**

As we try to point out below, although marginal cost pricing is consensually recognized as the most efficient way to price water, its implementation depends on the characteristics of water supply and demand [1].

We aim to highlight some of the main issues and challenges raised by developing and implementing the most appropriate and efficient approach for water pricing, to

induce a sustainable water management (in its both edges of demand and supply).

Therefore, we analyse some of the most important theoretical or mathematical models of water pricing developed so far. We follow with a review of opinions, approaches and some personal judgement and recommendations on the actual opportunity, principles, effectiveness and role of an efficient water pricing in fulfilling the multiple goals of sustainability.

### **RESULTS AND DISCUSSIONS**

As concerning the development of theoretical approaches and models of water pricing, although important to the water utility manager or to the water supply industry regulator who have to present precise water pricing schemes to customers in the specific conditions they operate in [2], theoretical water pricing models are quite scarce and disperse in the scientific literature.

In the glory years of neoclassical economics, authors [3] mainly supported:

-the use of marginal cost pricing of water, opposing the practices of average cost pricing (for the efficiency reasons above mentioned);

-price differentials for on-peak and off-peak demand (introduction of a summer peak-load differential or surcharge in price).

Another author, Riordan [4] compared typical average cost pricing techniques with a proposal of multistage marginal cost pricing, finding that the latter is able to provide a 10-20% increase in total net benefits. When supply approaches capacity, the price necessarily rises, keeping demand within capacity constraints. Some dynamic programming techniques were employed to derive optimal capacity expansions and their adequate timing for urban water supply treatment facilities.

In a more recent study, the authors [5] analyze a constrained water pricing method (where there are constraints on the magnitude of price changes allowed in a change from average cost pricing to an optimal marginal cost pricing rule). They find a scheme which, although less efficient than the optimal marginal water pricing derived in their model, can still increase benefits to society when compared to actual average cost pricing practices.

Further outstanding contributions are by other authors [6], who developed a model of water pricing with the ability to reflect variations in water supply on the price of water (supply-based water pricing model) and to consider the revenue constraints of the water providing agency. The authors assessed the impact of the pricing policy on water use, land use and energy use, through a simulation technique applied to a water district in U.S.A.

As mentioned in the beginning of the paper, water scarcity is one major issue of concern which must be taken into consideration for an efficient water pricing, able to shape sustainable water management and infrastructure development.

Therefore, aware of the need for determining the scarcity rent of water, Moncur and Pollock [7] considered the case of a water utility with groundwater as its

only source, using a nonrenewable resource efficient extraction model to determine the scarcity value and further the efficient path of price in the future.

The scarcity value of water takes in consideration the future increase in costs determined by the necessity to use costly backstop technologies (such as desalination) to satisfy water demand.

In another study to be cited [8], authors developed a model which may help to determine the efficient pricing for increasing the effectiveness of water conservation measures.

They calculated a reduction factor in water use as a function of water price elasticity as follows:

$$R_t = 1.0 - (P_1 / P_2)^e,$$

where

R – reduction factor;

P<sub>1</sub> – initial price

P<sub>2</sub> – final price

e- elasticity of demand, which is a measure of how strongly the quantity demanded responds to change in price

The paper of Crowley [9] demonstrates that since a price increase will tend to depress demand, it must consequently decrease sale of water.

Therefore, authors proposed a polynomial relationship between consumption of water and its price, to be also applied to the present relationship between sale of waterworks and price of water.

Their mathematical formula was chosen for two reasons:

1.the agreement with economic theory, according to which, as the price of water increases its consumption falls;

2.the graphical representation of this relationship is a convex curve, which does not cross either vertical or horizontal axe.

Since y is proportional to the inverse of x, hence a<sub>2</sub> must be negative. When a<sub>2</sub> equals zero, changes of prices have no effect on demand.

$$y_t = a_1 x_t^{a_2},$$

where:

y<sub>t</sub> - sale of water in period t

x<sub>t</sub> - price per unit of consumption in period t,

a<sub>1</sub> - constant,

$a_2$  - a coefficient which measures the elasticity of demand.

According to this formula, as the price of water increases, its consumption decreases in an asymptotic way (the reverse is also true).

A large inelasticity of demand in households occurs when coefficient  $a_2$  has a value between  $-1$  and  $0$ . When  $a_2 = -1$ , then  $y_t$  is proportional to  $1/x_t$  (reverse of  $x_t$ ), small changes of  $x_t$  cause almost proportionate changes in  $y_t$ .

Another contribution to pricing for the water scarcity was made by Griffin [10] who demonstrates that the price of water should also include non-accounting opportunity costs such as:

-marginal value of raw water (surface and fully renewable ground water sources, in scarcity situations);

-marginal user cost (to take into account the sacrifice of future uses in unrenewed groundwater supplies);

-marginal capacity cost (when the water supply possible for the capacity installed is less than the water demand).

We should mention also a more recent model of sustainable water pricing in Central and Eastern Europe [11]; the results of this model show that the decrease of water consumption in households leads to a significant increase of water price. Water saved by domestic consumers leads to a decrease of water production by waterworks and declining utilisation of the waterworks capacity.

Nevertheless, the relationships presented concern only the circumstances in which volumetric tariff system is applied. In reality, the authorities provide subsidies and do not allow introducing too high prices.

Sustainable water pricing may though require an evolution from a too rigid doctrine since marginal-cost pricing does not always and entirely reflect the real needs of the water systems and the served communities.

From the perspective of sustainable water resources management there are also other major concerns [12]:

(1) a purely economic market approach may not adequately protect natural ecosystems because environmental values (also referred to as ecological services) are rarely quantified or transacted in the market;

(2) true markets for water cannot be established within the existing complex system of water laws and water rights;

(3) water marketing can cause economic dislocations in economies that depend on water but which cannot compete with the highest bidders (for instance rural economies may lose access to water that would be transferred to higher value uses in urban areas).

Therefore, a thorough neo-classical interpretation of "water as economic good", stating that water should be priced at its economic value, so the market will then ensure that the water is allocated to its best uses, has led to a considerable misunderstanding on the 4th Dublin water principle [13].

This purely economic pricing of water would damage the interests of the poor and make irrigated agriculture virtually unfeasible.

As a result, a number of disclaimers were added to the fourth Dublin principle, stating that water is also a "social" good and that water should be affordable to the poor and rural inhabitants.

In an alternative school of thought there is no such confusion, being in agreement with the other Dublin principles and the concept of IWRM.

Here, in the papers of Green [14], water economics is understood to "deal with how best to meet all human wants" making the right choices about the allocation and use of water resources on the basis of an integrated analysis of all the advantages and disadvantages (costs and benefits in a broad sense) of alternative options.

So, some economists [13] state that considering water as an economic good is mainly about making integrated choices, and not about determining the right price of water. They even consider water pricing as the pitfall of the concept "water as an economic good."

There are other authors sharing the quite similar opinion that basic economic principles provide necessary but not always sufficient input to the process of designing water rates [15].

How efficient, important and comprehensive must be water pricing to provide for a sustainable water management and development?

Ideally, a sustainable water pricing should :

- (1) reflect true costs and therefore induce efficient water production and consumption;
- (2) promote the achievement of least-cost solutions for the provision of water service (optimization of water infrastructure and operation);
- (3) be equitable in terms of incorporating cost-sharing practices as needed to enhance affordability of the water service;
- (4) ensure the long-term viability of the water utility.

A recent study [16] also states that full-cost pricing should be a reference point for setting water prices if the objective of sustainability is adopted.

Social equity should be brought about by its inclusion in all other appropriate instruments and not by the underpricing of water use. However, the author agrees that additional policies – beyond efficiency – and relevant instruments should be developed and applied in order to ensure sustainable water use.

We also believe that, due to the difficulties involved by the practical implementation of water pricing with full-cost recovery, a sustainable water pricing should allow for sustainable cost recovery (SCR), a concept introduced in the Camdessus report with at least three main features :

- an appropriate mix of tariffs, taxes and transfers to finance recurrent and capital costs, and to leverage other forms of financing;
- predictability of public subsidies to facilitate investment (planning);
- tariff policies that are affordable to all, including the poorest, while ensuring the financial sustainability of service providers.

A sustainable cost recovery strategy for the water sector aims to sustainably cover costs

through a combination of three sources of revenues: tariffs (or other charges linked with water use), taxes (in the form of subsidies from national or local governments) and transfers (from international donors or local charities) – the “3Ts” [17].

Final users and local or international taxpayers are those who actually pay for water. External sources of finance that must be repaid (loans, bonds, etc.) or compensated (equity), can only bridge the gap between finance needs and available resources, particularly for investment costs that could not be covered up front through revenues alone.

In our view, the most important issue in sustainable water pricing and other policies for sustainable water management is to never forget, disconsider or neglect any of the four dimensions of sustainability ( Table 1 ).

Table 1. Main issues and policy objectives for sustainable water management

<p>Objective: <b>Environmental sustainability</b>                      Policy: <b>Discourage depletion of critical natural capital</b></p> <ul style="list-style-type: none"> <li>• Guarantee the preservation of ecological functions of water natural capital</li> <li>• Minimise the use of “supply side” solutions to water scarcity</li> <li>• Use efficiency</li> <li>- Encourage water saving</li> <li>- Discourage wasteful water use</li> <li>• Minimise the alteration of natural flow patterns</li> </ul>	<p>Objective: <b>Financial sustainability</b>                      Policy: <b>Guarantee long-term reproduction of physical assets</b></p> <ul style="list-style-type: none"> <li>• Compensate the resources that are used as inputs in water-related activities</li> <li>• Cash flow should guarantee the conservation of value of physical assets</li> <li>• Cost efficiency: minimise lifecycle costs of services, <i>i.e.</i> the creation of physical capital and operation and maintenance costs</li> <li>• Cost recovery should be for optimized costs only</li> </ul>
<p>Objective: <b>Economic efficiency</b>                      Policy: <b>Water is allocated to the most beneficial uses and economic resources are not wasted</b></p> <ul style="list-style-type: none"> <li>• Allocation efficiency:</li> </ul>	<p>Objective: <b>Social equity</b>                      Policy: <b>Access to affordable water at fair and equitable conditions</b></p> <ul style="list-style-type: none"> <li>• Identify “water needs” and allocate</li> </ul>



<ul style="list-style-type: none"> <li>- Allocate water with priority to uses with highest value to society as a whole</li> <li>- Compare costs of water management and water-related services with their value, <i>i.e.</i> do not misallocate economic resources</li> <li>• Regulation should ensure optimal risk allocation among stakeholders (including users and taxpayers)</li> </ul>	<p>water in a way that is not skewed by concentration of power</p> <ul style="list-style-type: none"> <li>• Structure tariffs so that lower-income users can have access to and afford to use WSS services</li> <li>• Achieve an equitable way to share the cost of managing water resources</li> </ul>
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Source: Own interpretation based on table 1.1., p.25, Pricing water resources and water and sanitation services, OECD, 2010

## CONCLUSIONS

Although the environmental, economic, financial and social objectives of a water management policy implemented for a sustainable and efficient water pricing can support one another, sometimes they can also give rise to potential conflicts and necessary trade-offs.

However, sustainability can achieve a balance among these goals, representing a whole that is larger than the sum of the parts considered separately.

Still, the implementing of a really sustainable water pricing system by the water management authorities and companies, with all the involved principles and features, may be a difficult task.

Some practical strategic steps for this may require:

- the long-term planning of financial management, investment, development, and pricing at water companies;
- economic optimizing of the activity taking advantage of economies of scale (for instance through aggregation and regionalization) of water utilities, since achieving least-cost operations provides a basis for long-term efficiency;
- proper economic assessment of the costs of water and WSS provision;
- acknowledgement of the cost-price-demand correlation (function);
- sending accurate price signals that reflect marginal costs;

- addressing equity concerns of policy choices which have distributional consequences;
- continuous monitoring of the costs and revenues;
- making the necessary price adjustments, when needed.

Further theoretical and empirical research will be dedicated to the analysis and comparison of the effectiveness and sustainability of different models of water pricing, as implemented in Romania and other mainly European Union member countries.

Another important issue of further research is the correlation between the pricing of water and the evolution of water use and demand.

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## IMPLEMENTATION OF THE EUROPEAN CHARTER FOR RESEARCHERS AND THE CODE OF CONDUCT FOR RECRUITMENT OF RESEARCHERS IN THE SELECTION PROCESS OF HUMAN RESOURCES FOR ROMANIAN ENTITIES

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### **Abstract**

*During the last decades, the Human Resources Management became a very important area of activity, which brought relevant changes to the human resources approach in terms of place and role within the Romanian R&D entities. Also, HR proved its importance through the solutions offered for personnel allocation in order to achieve the entities' objectives and, meanwhile, it supported the employees' aspirations. At present, although promoted a series of regulations on the status of the researcher, both, national and European level, as the main human resource in the establishment of RDI, to the research staff are imposed in most cases the general rules of human resources management. Starting with the strengthening of the concept of European Research Area - ERA, the European Commission adopted the "European Charter for Researchers" and the Code of Conduct for the Recruitment of Researchers. These documents are addressed to researchers and to public and private sector employers. Also, are considered key elements of EU policy researchers, to make careers more attractive, being considered vital for economic growth strategy and increase the number of employees of RDI. Human resource development requires good knowledge and understanding of their particular role to the organization. Researchers, regardless of hierarchy or job name, are the key resource of RDI entities (universities, institutes, NGOs, SMEs) that ensure their survival, development and competitive success. The evolution of knowledge-based companies needs to improve relations between knowledge and development. Knowledge is a necessary tool to meet economic needs and an important component of sustainable development at European level. European Research Area concept was launched at the Lisbon European Council meeting in March 2000, but true recognition began in 2007 with the launch of the European Commission's Green Paper on ERA. In 2008 the Council set in motion the Ljubljana process to improve political governance of ERA and adopted a common vision - ERA 2020. Tangible progress has been made but a series of partnership initiatives proposed by the Commission since November 2008. Economy and social prosperity of Europe depends to a large extent of scientific, technological development, transfer of knowledge and successful new products, innovative services, creating a healthier environment and continuous improvement of living conditions. The only correct and safest alternative to successfully meet these new challenges is the development of intensive research and innovation, based on high quality research - development and innovation and motivated human potential.*

**Key words:** *research, human resources management, European rules, research entities*

### **INTRODUCTION**

Given that there are differences in HR between regions and between countries, policy makers at European level in the CDI promotes administrative and financial measures for these differences are decreasing. As global research becomes important, the contribution made by China and India cannot be promoted and developed a human resource management (HRM) uniformly attractive to researchers and able to meet the needs of all mainframe systems research. There are cases where a different region, economically strong,

distinct HRM promotes methods. The focus was on large-scale benchmarking practices and trends of organizations to promote "best practice"<sup>1</sup>. They have contributed to the similar forms of organization in different countries, and similar programs in education, research and innovation. There is a convergent approach to regional models,

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<sup>1</sup>Brewster Chris, European perspectives on human resource management, Human Resource Management Review, vol. 14, iss. 4, december 2004, p. 365-382

when discussing the institutional point of view, differences in country.

Another aspect is that, due to increased economic and political integration of EU countries, there is a convergence towards the European distinct practice<sup>2</sup>.

A third possibility theory shows that European research entities, the desire to protect, retain and attract human resources, develop their own models of human resources.

Proponents of the divergence theory stresses that since human resources systems reflect national institutional and cultural contexts, and they do not immediately respond to technological and market requirements, each country will continue to have a distinctive HRM model. Managers RDI entities, including universities, in each European country operates in a national institutional context and follows a set of cultural values. No institutions or culture does not change quickly. Therefore, in many cases, including cases where the European Commission, international managers is promoted method, a country so they could very quickly promoted to European practices. But even when change occurs, it can be understood only in relation to specific social context in which it occurs. Studies show that in Europe, while some aspects of human resources converge in the general direction of evolution, in others there is no convergence or divergence exists.

ERA is a real opportunity, in particular<sup>3</sup>:

- Researchers -increased opportunities to develop careers, reduce legal and practical obstacles that limit their ability to move between institutions, sectors and countries.
- Enterprise-is often difficult to cooperate and enter into partnerships with research institutions in Europe, especially cooperation between research institutions in the new Member States in Eastern Europe.

<sup>2</sup>Brewster Chris, Mayrhofer Wolfgang, Morley Michael, Human Resource Management in Europe: Evidence of Convergence?, Butterworth Heinemann, London, 2004, p. 42-47

<sup>3</sup>[http://ec.europa.eu/research/era/areas/researchers/researchers\\_en.htm](http://ec.europa.eu/research/era/areas/researchers/researchers_en.htm)

•Agencies and national and regional research funding-there is no line between the topic and research priorities. This leads to a dispersion of resources, excessive duplication of research topics and results of competition, generally a poor use of resources we devote collective research and innovation activities in Europe.

•Reforms of research undertaken at national level-they often lack a European perspective and transnational coherence.

Worldwide there is no international coordination of research strategies, development and innovation (RDI) and the activities of EU Member States and the rest of European states. Also, this coordination is not well established and at European level, and therefore Europe fails to take the lead in science and technology and economically that it could have, in particular to address global challenges major.

## MATERIAL AND METHOD

The paper is based on information provided by the EU Research and Innovation Commission and the main ideas have been selected in order to point out the prospect requirements for Romanian researchers.

## RESULTS AND DISCUSSIONS

### The approach encountered in human resources including European Research Area

As a system, human resource management is composed of elements<sup>4</sup>:

a) *The desired results* - to highlight the desired results must start from the system objectives and user needs (organization as a whole and each of its components).

b) *The activities involved* - if there are two dimensions of human resource management, namely, operational size and emerging.

*Operational dimension* consists of specific activities such as determining objectives and policies to ensure efficient and fair treatment

<sup>4</sup>Lefter Viorel, Deaconu Alexandrina (Coordonatori), Managementul resurselor umane. Teorie si practica, editia a II-a, Editura Economica Bucuresti, 2008, p. 28-34

of resources, creating a structural support to allow sharing of responsibilities and authority between managers and professionals responsible with human resources, workforce planning human resources, providing human resources, human resources and keeping development.

**Emerging dimension** involves activities related to: review and adopt a management philosophy that is compatible with the new values of society and the expectations of individuals and work groups, change management system so that subordinates feel more involved in achieving the organization and training, when necessary to establish a form of work organization, etc...

**c) the resources available** - the category we can identify available resources: the resources currently devoted to the organization and its objectives, resources that are external labor market and can be employed by, specialists in human resources management, financial or budgetary resources for human resources operation, the information from the environment or generated by the system and the many tools used to treat information.

**d) the involved Feedback** - Feedback involves reaction to an event based system analysis results. Once located this information, it is reintroduced into the system and allows the allocation of resources. In order to appreciate the results, it is necessary that they be defined as precisely.

Human resource management effectiveness can be assessed on the one hand with indicators that the degree of achievement of economic objectives, and secondly with the degree indicators and targets of human nature.

Scientists have contributed to a strategic perspective on human resource development. HR departments have considered multiple levels of analysis and combined practices that may have an impact on organizational performance and provide a competitive advantage. Individual practices showed that it could have a greater impact than other practices definite potential to develop human resources.<sup>5</sup>

<sup>5</sup>Garavan Thomas, A Strategic Perspective on Human Resource Development, *Advances in Developing*

### **European Charter for Researchers and Code of Conduct for, principles for researchers vs. Employers**

To identify potential researchers and research particularly in areas considered "key area" able to support innovative capacity building Europe through Lisbon and Barcelona objectives, the EU has aimed to improve the management of the CDI, and career research to become more attractive and not least to increase the number of women in research.

Human resources in a sufficiently large and well trained in the CDI is development of scientific knowledge bases, technological progress, improved quality of life, the welfare of European citizens and contribute significantly to Europe's global competitiveness. In this respect, it is necessary to introduce new tools for career development of researchers. The political and social of this book and the Code of Conduct is to help develop a European working environment more attractive and open to researchers in a framework for recruiting and keeping talented and well trained researchers RDI entities leading to performance, efficiency and productivity.

Member States are required to provide permanent researchers, regardless of stage of development, systems management career in research, both for employees and for employees engaged in temporary or seasonal, giving them equal treatment professionals in other fields and considering them part of the institutions in which they work temporarily.

Since the creation of the European Research Area, Member States have made considerable efforts, which they then imposed new EU members to overcome and eliminate where possible the administrative barriers, legal and geographical barriers to mobility scientific purposes.<sup>6</sup>

Developing a research career, the mobility of a coherent

Human Resources 2007 9: 11, DOI: 10.1177/1523422306294492

<sup>6</sup>JO C 282, p. 1-2, of 25.11.2003.Council Resolution of 10 November 2003 (2003/C 282/01 on the profession and the career of researchers within the European Research Area).

researchers in the European Union, to which should be taken into account the situation in developing countries and regions outside Europe, so that research capacity in the EU not occur to the detriment of less economically developed countries.

Sponsors of research projects and research employers in their role as recruiters should be responsible for the provision of transparent recruitment and selection take place at international level so as to avoid discrimination.

Civil society should consider more responsibility and professionalism of researchers in carrying out their work in different stages of their careers and recognize the many roles that they may have: knowledge workers, leaders, project coordinators, managers, supervisors, mentors, career advisors or science communicators. EU member states should strive to transpose those general principles of the Charter and the Code, the development of standards and institutional sector, so that they take into account the diversity of the organization and working conditions for a career in research and development (R & D).

Benchmark for career management, building and maintaining administrative support for the research in which researchers act as professionals and employers / funders recognize them as professionals and scientists.<sup>7</sup>

**General principles and applicable recruiting researchers** and defined in the European Charter for Researchers and Code of Conduct for targeting in particular: the freedom to research, ethics, professional responsibility, professional responsibility, legal and contractual obligations, legal and contractual obligations; good practices in research, dissemination and exploitation, public commitment, relationship with superiors, professional development.

**General principles and requirements applicable to employers and funders**<sup>8</sup>, but

focuses on: recognition of the profession, without discrimination, research environment, working conditions, employment stability and permanent employment, financing and remuneration, gender balance, development, mobility value.

### **From European theory to Romanian practice**

Since the publication of the European Charter for Researchers and Code of Conduct for in 2005 and to date, the application of these documents for reference in research career remains the recommendation stage.

In this respect, the study conducted in National Research Institutes and Universities in Romania reveals how they are applied or not the Charter and the Code and in particular the selection criteria limited research staff. Thus we present the analysis of each principle and how it is found in CDI personnel selection practice in Romania.

#### **(a) From the perspective of the researcher**

Analysis principles in the Charter and Code will be comparable to the applicability of these interpretations<sup>9</sup>:

- **Freedom to explore** the interpretation of European researchers should focus on research for the good of society, to extend the frontiers of scientific knowledge, enjoying the freedom of thought and expression, freedom to identify methods to solve problems facing society, but ethical principles. But what we find in the employment demands of RDI entities in Romania is more top-down approach, meaning that there must first research theme, possibly financed a research project for which a researcher.

- **Ethical** - must adhere to recognized ethical practices and fundamental suitable for their discipline and ethical standards set out in the various national, sectorial or institutional, such as codes of ethics. For example, in Romania at present the principles of ethics are regulated by law 206/2004 on good conduct scientific research that includes most of the

<sup>7</sup><http://europa.eu.int/comm/research/researchersineurope>

<sup>8</sup>European Commission, EUR 21620 — The European Charter for Researchers. The Code of Conduct for the

Recruitment, Luxembourg: Office for Official Publications of the European Communities, 2005, ISBN 92-894-9311-9, 32 p

<sup>9</sup>[http://ec.europa.eu/research/era/areas/researchers/researchers\\_en.htm](http://ec.europa.eu/research/era/areas/researchers/researchers_en.htm)

European regulations. National Ethics Council recently established as one of the main tasks with aligning national ethical principles in European ones.

- **Professional responsibility** - their research is relevant to society and not duplicate or field research done previously elsewhere. You must avoid plagiarism of any kind and to respect the principle of intellectual property rights where research is conducted in collaboration with other researchers or guardian, if doctoral principle most often found when surveyed in RDI entities Romania, especially after the appearance of National Education Act, 2011.

- **Professional responsibility** - Researchers should be familiar with the strategic goals governing their research, with funding mechanisms and approvals and agreements that need before the start of research. In most cases, both proposed projects and research topics have as a starting point National Strategy for Research, Development and Innovation 2007 - 2013 and any Horizon 2020. The research developed by nationally funded projects are in most cases a continuation of themes already funded and completed parts of the researches conducted in European consortia or thesis. This problem is common and at European level, even if put up for competition areas are far more stringent and restrictive, such research can be directed to your subject by the lender.

- **Legal and contractual obligations** - Scientists, at any stage of career they are, must be familiar with institutional regulations, sectorial or national governing the training and working conditions. This includes intellectual property rights and donor requirements and conditions, irrespective of the contract they have. Researchers have an obligation as employees to acquire these regulations and achieve the results required (thesis, publications, patents, reports, new product development, etc.), as provided in grants, contracts or equivalent documents signed by a legal person. Researchers funded by public funds are responsible for the efficient use of taxpayers' money. This should be addressed efficient and transparent

financial management within the meaning of cooperation with any approved auditor, employers and funders or ethics committees.

- **Good practice in research** - Researchers should at all times to adopt working practices, safe, in accordance with national legislation, including taking all necessary precautions for health and safety and recovery of information technology in disaster back-up strategies. Also, the researcher must become familiar with the legal requirements regarding data protection and privacy. Best practices in Romania is one of the most used models of employment of staff, often being applied to the Labor Code or models used by a university partner in a project or research institute. Regarding the private sector in Romania, the Charter and Code are not known in any entity that participated in the study.

- **Dissemination and exploitation of results** - The results of research to be disseminated and exploited, for the purposes of communication, knowledge transfer and commercialization. Since 2011, both by national education law and the packets of information dissemination at national competitions was one of the key elements in assessing and evaluating each researcher, sometimes accounting for more than half of the evaluation of research subjects. New hierarchy of publications and magazines, the rise of impact factor of publications and conferences are the priorities pursued by researchers in the current activity, but the starting point for looking for a new job (national or international) or labor contract negotiations in progress.

- **Public Commitment** - The research and research itself should be promoted and made known to society in a manner that is understandable for everyone, regardless of their background or social environment. This activity motivates researchers and increase public interest in science and technology.

- **Relationship with superiors** - Researchers are training phase should establish a relationship of subordination with the mentor, coordinator and representatives of the department or entity where they work. This includes recording and preserving all the work progress, research findings, obtaining

feedback through reports and seminars, in accordance with schedules, and the final stages of research.

- **Continuing professional development** - Researchers should improve continuously and regularly update their skills and competencies through a variety of means, including formal training, workshops, conferences and e-learning.

**(b) Perspective employers and funders**

Regarding the application of the two documents relevant to the Union European by employers in Romania, the study carried out in most public universities and national institutes in Romania but shows that they are in 90%, unknown coordinators responsible departments of human resources. Moreover, in most cases, the decision makers regarding the hiring of research is not known principles.

If for researchers, we have two categories: researchers who know or have information about the Charter and Code (the young with aspirations for a job abroad and those who have conducted research internships abroad in the last 2 to 3 years) and those not know the existence of such principles, for employers, we can speak of a general category where there are few exceptions.

Conclusion of the study is the fact that the principles should be disseminated to a wider awareness of employers and is required on their existing<sup>10</sup>:

- **Recognition of the profession** - Scientists with a research career should be recognized as professionals and be treated accordingly. This should be recognized early in their careers, perhaps in the graduate studies and must include all levels, regardless of their classification level: graduate students, doctoral candidates, postdoctoral researcher, committed public servant;

- **No discrimination** - Employers and funders will not discriminate against researchers in any way, regardless of gender, age, ethnicity, nationality or social origin, religion or belief, sexual orientation, language, disability, political, social or economic condition;

- **Research environment** - Employers and funders should provide an environment to stimulate research and training, appropriate equipment, facilities and opportunities, including for remote collaboration over research networks at national or sectorial level, to meet health and safety regulations research and ensure that adequate resources are provided in the work program agreed with the investigator;

- **Working conditions** - Employers and funders should ensure that there is adequate working conditions for researchers, including researchers with disabilities, that provides flexibility deemed essential for research performance in accordance with national employers and funders, working conditions offered both women and men as far as researchers to combine family and work, children and career<sup>11</sup>. Special attention should be given to flexible working arrangements, part-time, sabbatical, and financial and administrative provisions governing such arrangements;

- **Stability and employment permanent jobs** - Employers and funders should ensure that the performance of researchers is not undermined by instability of employment contracts and to ensure stability of working conditions through the implementation and the principles and conditions laid down in Directive EU fixed-term contracts.<sup>12</sup>

- **Funding and salaries** - Employers and funders should ensure researchers fair and attractive financing with adequate salaries and social security (including health insurance, parental leave, pension rights and unemployment), in accordance with national legislation in force;

- **Gender balance** - Employers and funders should seek a gender balance at all levels of staff, including supervisory and managerial level, based on a policy of equal opportunities in recruitment and subsequent career stages,

<sup>10</sup>[http://ec.europa.eu/research/era/areas/researchers/researchers\\_en.htm](http://ec.europa.eu/research/era/areas/researchers/researchers_en.htm)

<sup>11</sup>SEC (2005) 260, Women and Science: Excellence and Innovation – Gender Equality in Science.

<sup>12</sup>Council Directive 1999/70/EC concerning the “Framework Agreement on fixed-term work” concluded by ETUC, UNICE and CEEP, adopted on 28 June 1999.



but with priority skills and criteria of competence;<sup>13</sup>

- **Career Development** - Employers and funders should develop a framework within human resource management, a specific career development strategy for researchers at all career stages, regardless of their contractual situation, including for researchers on fixed-term contracts. It should include the availability of mentors involved in providing necessary support for personal and professional guidance to researchers.

- **Mobility** - Employers and funders must recognize the value of geographical, intersectional, inter-and trans-disciplinary and virtual (electronic networking) of mobility and mobility between public and private sector as an important means to enhance scientific knowledge and development professional career at any stage of a researcher.

## CONCLUSIONS

This paper aimed to present the study and research conducted on methods and best practices in human resources management in the European Research Area. Research results during these period (2010 - February 2012) shows that the European political and administrative efforts are destined to develop a uniform system of human resource management at national based on principles of ethics, dissemination and gender balance.

Purpose and objectives and research conducted followed:

- An assessment of human resources in research entities of development and innovation, in terms of career development, economic and social;

- Study in parallel with the European Commission reference documents on human resources research.

Development, attracting and maintaining human resources in European research is a serious problem.

The European Research Area requires a European higher education to return to the

central role of universities that are leading providers of human resources for research, development and innovation. At the same time, universities need close links with cutting-edge research to provide high quality education. Close interaction between research and training in universities, which gives them their unique and essential role in the knowledge society, an important factor that Europe can have modern universities of excellence. In most countries it is necessary to improve the management and organization of universities, but also ensure a high degree of autonomy and responsibility. This will allow universities to develop their own strategies to occupy a high position in European and international level and to better connect their activities with the needs of society and industry. Mobility of students, graduates and researchers make a positive evolution.

European Research Area (ERA) is a real opportunity, in particular: Researchers, Enterprises, National authorities and regional agencies and research funding, Reforms undertaken at national research.

In addition to universities, European companies are ones that need to cooperate with other companies, including their European competitors, find the best knowledge / Info and the best partners. We must therefore look beyond national borders. ERA development initiatives aimed primarily exchanges across borders.

A central objective of the ERA is the freedom of movement of knowledge. Some initiatives are aimed at developing a common understanding between the different actors of Research and Innovation (large companies, SMEs, universities, public research centers, etc.) to help them to cooperate at EU level. For example, the initiative on knowledge transfer and intellectual property, or the European Technology Platforms, which bring together actors from across Europe in specific technology areas.

Transnational research is supported by funding programs, notably the EU framework. They support a large number of transnational research projects, but also large-scale initiatives that pool their resources across

<sup>13</sup>SEC (2005) 260, Women and Science: Excellence and Innovation – Gender Equality in Science.

Europe around common objectives. JTIs combine private and public funding to bring together a critical mass of researchers from companies and universities to address complex technology challenges.

In order to develop ERA requires a very good human resources management in place in each holder of interests, which focus on career development of each person.

Human resource provides procurement, development and retention in order to help organization to achieve its objectives.

Employees are the assets of the institution destined to provide opportunities for training and developing of the organization. Therefore, HR should help the institution to obtain and retain workforce needs, properly qualified, fair and well-reasoned.

Human resource management aims to introduce management practices focused on deep commitment assumed to recognize that employees are an important group of people interested in the proper functioning of the organization and aim to help build a climate of cooperation and mutual trust.

It is necessary for HR to have a fair system of measuring work performance. Therefore, to highlight the desired results must start from the system objectives and user needs (organization as a whole and each of its components). HR function is in essence a function of absolute optimization needs (which is often impossible), but looking for a good balance point, varies from time to time so that some expected and others (individual - employer, manager) to be satisfied as far as possible.

Human resources in a sufficiently large and well trained in research, development and innovation (RDI) is the basis for development of scientific knowledge, technological progress, improved quality of life, the welfare of European citizens and contribute significantly to Europe's global competitiveness. In this respect, it is necessary to introduce new tools for career development of researchers. The purpose of the Chart is to develop a European working environment more attractive and open to researchers in a framework for recruiting and keeping talented and well trained researchers RDI entities

leading to performance, efficiency and productivity.

For Romania it is useful to develop specialists in various research and cooperation fields, not only to achieve predefined business units tasks. In Romania and in Europe, research is the only way to real progress, but with the correct capitalization of human resources.

Since the creation of the European Research Area, Member States have made considerable efforts, which they then imposed new EU members to overcome and eliminate where possible the administrative barriers, legal and geographical barriers to mobility scientific purposes.

Developing a research career, a coherent policy of mobility for researchers in Romania must be made taking into account the specific situation of our country is a developing country.

Therefore, the entire European Union, research projects funder's and research employers in their role as recruiters should be responsible for the provision of transparent recruitment and selection take place at international level so as to avoid discrimination.

As long as employers will offer researchers a fair work environment, career prospects, professional recognition and adequate funding, they will be motivated to pursue and engage in a career in research, thereby contributing to a real labor market European researchers. Romania must learn to invest in research and then to know to create jobs at its specialist.

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## DEVELOPMENT OF THE RURAL REGIONS IN BULGARIA UNDER THE PERIOD OF RELOCATING OF CAP

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### Abstract

*Increasing challenges in front agriculture and rural areas in Europe lead new approach of restructuring of the CAP after 2013. Thus is resulting in the needs for reform for the next programming period - 2014-2020. The policy changes in agriculture are essential for the successful development of rural NMS. Scientific and practical interests are the main factors which necessitate changes in current agricultural policy for the next programming period. The main aim of this paper is to assess possible future changes in policies aimed at rural development and factors affecting their development. On this basis are made generalized conclusions and proposals for future relocating of the budget of the CAP.*

**Keywords** : rural areas, CAP, sustainable development, Bulgaria

### INTRODUCTION

#### **Expected changes in the CAP after 2013.**

Growing challenges facing agriculture and rural areas in Europe calls for a relocating of the CAP after 2013. This is resulting in the needed reform for the next programming period - 2013-2020. In the new programming period also seeks to realize the objectives of the Common Agricultural Policy of the European Union, enshrined in the Treaty of Rome.

European Commission identifies three major challenges facing agriculture and rural development in the future in terms of sustainable development. Regarding the economic aspect, they are to ensure food security, market stabilization and development of food chains. In environmental terms, the challenges facing the EU are related to greenhouse gas emissions, soil erosion, water quality and air pollution, habitat and biodiversity. In social terms the challenges associated with ensuring the viability of rural and regional economies and diversification on a regional level.

According to some authors [4], the expected changes are caused by two main groups of factors. The first is related to changes due to

internal factors of development and improvement of the applied current Common Agricultural Policy. The second group includes external factors into account new trends in world agriculture. In this connection the preparation of changes to CAP are caused by the first group of factors, some of the changes are related to intentions to simplify the single farm payment and unit area, to improve the system of cross-compliance by revising the required standards changes in the lower and upper limits of subsidies and others.

On the conference of the European Commission "The Common Agricultural Policy after 2013" from 19-20.07.2010 [1] have been highlighted some of the ways for future development of agricultural policy and related rural development. It is proposed that the in next programming period should be performed a significant changes in the two pillars of the CAP - direct payments and the Program for Rural Development.

Underlined is the view that the future CAP should not be a policy to serve only a small, albeit vital part of the EU economy, but will be the policy of strategic importance for food security, environmental protection and development of territories. In connection with

rural focus is placed on the need for better coordination between various programs and funds that cover rural areas.

## MATERIAL AND METHOD

The main purpose of this paper is to evaluate the possible future changes in policies aimed to rural development and factors affecting development of rural areas, and on this basis to make generalized conclusions and proposals for future development of these regions. The report is based on data which is a part of a research project Scarled [5]. Respondents are experts in the field of agriculture. The study was conducted in 2010. The analysis is divided into three levels. On the first level are observed the expected changes of the CAP after 2013. The second level shows the distribution of funds under priority axis for the period 2007-2013 and the expectation for redistribution of funds for the next programming period after 2013 in a manner what would affect most favorable rural development. On the third level are analyzed factors affecting rural development with economic, social and environmental impact. In this section, respondents were ranking the importance of factors presented to them, using estimates between 1 to 5, 1 - is not important factor to 5- extremely important factor for the development of the areas. Based on the analysis are made generalized conclusions about possible changes in the CAP connected to rural development.

### **Budget allocation per priority axis and redistribution for next programming period**

Implementation of policies for rural development in Bulgaria are related to the implementation of National Strategic Plan through a single program for rural development, developed at national level. National Strategic Plan 2007-2013 sets strategic goals based on strategic guidelines for rural development. It sets strategic goals also on the main priorities of EU as employment, growth and sustainability, on other EU policies, such as on socio-economic conditions in rural Bulgaria. These objectives

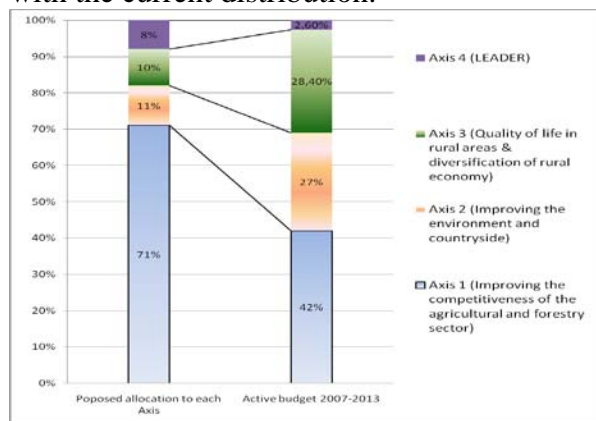
are aimed to improving economic and social conditions in rural areas through the development of competitive agricultural industry, protection of natural resources and environment, improving the quality of life and promote employment opportunities. Strategic approach to achieving the first goal set includes modernization of technology and introducing modern land management, innovation, diversification of economic activities, the modernization of farms in terms of their impact on the environment, adaptation of farm structures and land ownership and etc. To achieve the first objective are provided measures in Axis 1 of the Program for Rural Development and in 2007 have been provided 42% of the total budget from all 4 axes for 2007-2013.

The second goal of the National Strategic Plan for Rural Development in Bulgaria for the period 2007 - 2013 is associated with the development of agricultural techniques aimed to preservation of the environment in rural areas. It promotes activities related to biodiversity conservation, water protection, sustainable land use and natural resources through the introduction of good agricultural practices. To solve the environmental problems, on axis 2 are given 27 percent of the total budget of the four axes for the planning period 2007-2013.

The third strategic objective is aimed to increasing employment opportunities and improving the quality of life in rural areas. This objective- third strategic priority of the Community is named "to improve living conditions in rural areas and encouraging diversification of rural economy". The budget is 28.4% of all four axes. Innovative and integrated approaches to rural development are supported through the LEADER axis in accordance with the fourth Community strategic priority of "building local capacity for employment and diversification." where 2.6% of the budget will be submitted by the Leader axis.

Reallocation of budget priority axes for the next programming period is an important part of achieving better development of the agricultural sector and becoming a

competitive industry. For this reason, the experts participating in the survey have been asked to offer an option for the budget allocation (Figure 1). Redistribution is done for the next programming period compared with the current distribution.



Source: [3], [5]

Figure 1. Comparative characteristic of resources on priority axes for 2007-2013 and 2013-2020

Taking into account the needs for restructuring and modernization of Bulgarian agriculture, forestry and food industry, this survey shows that the funds to Axis 1 should be increased by nearly 30% at the expense of the other axis for the next period. Activities under this priority axis will promote productivity growth and competitiveness of agriculture, food and forestry sectors and thus contribute to achieving the Lisbon strategic goals for growth and employment (by maintaining and creating employment in these sectors).

According to the experts for axis 2 the allocations should be 11%, i.e. unlike Axis 1, Axis 2 funds decreased by 16%. Support for sustainable land management and forestry, and conservation of biodiversity and traditional agriculture will help to preserve the attractiveness of rural areas, improvement of soil, climate and etc. For achieving the goal-build local capacity for employment and diversification of the economy is proposed sources to be reduced from 28.4% to 10%. About Priority 4 experts believe that funds should be increased from 2.6% to 8%. Even the problems of the implementation of projects in the current period (coordination, or lack of human resources for the realization of

the objectives [6]) during the next period, the study shows that funds LEADER should be increased.

### Factors affecting rural development in Bulgaria

Assessments of factors influencing rural development in Bulgaria are very important to target resources to overcome the negative impacts and enhance positive effects of some of the factors for sustainable development. From scientific and practical interests are the main factors which necessitate changes in current agricultural policy for the next programming period. The estimated factors are presented in Table 1. The factors which have significant impact upon future changes in policies for rural areas are mostly economic. Economic growth is the highest score evaluated compared to all the proposed assessment. The assessment is 4.8 of maximum influence 5. In second place were the implemented current regional strategies. Experts believe that properly chosen strategy and prioritization for each region would help its development in the best way. Strategies should be in compliance to the specific conditions in the area. Also, the significant impact is observed by market support and direct payments.

Table 1. Evaluation of the factors supporting rural development in Bulgaria

Factors supporting rural development in Bulgaria	score
National economic growth	4,80
Regional strategy	4,70
CAP Pillar 1 market support	4,70
CAP Pillar 1 direct payments	4,70
Economic growth in country's main urban areas	4,60
Foreign Direct Investment	4,60
Infrastructure development	4,20
Access to the EU Single Market	4,10
Globalisation and knowledge economy	4,00
CAP Pillar 2 (e.g. agri-environmental & Less Favoured Area payments and LEADER)	4,00
Agricultural Research and Development	4,00
Demographic changes (e.g. migration, ageing)	4,00
Quality of labour force (e.g. skilled, flexible, adaptable and young)	4,00
Local initiative and small businesses	4,00
Social capital (networking/cooperation)	3,80
Natural (resources) endowment	3,70
Attractiveness of environment and the conservation of countryside	3,70

Source: [5]

Urban development and foreign investment also have a large role in the development of the country, and hence the rural areas. Building infrastructure is evaluating with average score 4.1 from 5, which ranks it among the other factors on one of the most important indicator. Many of the factors shown in Table 1 have received scores of 4, making them important to the development of the regions in Bulgaria. Some of them have great social significance as demographic changes and population shifts, the depopulation of some villages in Bulgaria and their impact in development of the municipality, region and country.

The quality of the workforce, incl. staff skills, flexibility and adaptation of young people is a major social factor that may require policy changes. The development of local active groups and the creation of initiatives for starting and maintaining small business experts determined also as important factor. Interviewed persons gave low scores for factors as natural resources for granted, the attractiveness of the environment and preserve the landscape. The given explanations by respondents are that funds allocated to the achievement of environmental concern and conservation of natural resources are properly targeted.

## CONCLUSIONS

Based on the analysis can be made the following summarized conclusions and recommendations:

-There will be changes in the first two pillars of the CAP. It will also focus on food security, environmental protection and development of territories. About the rural areas it is necessary the highlight to be put on better coordination between different programs and funds, which are covering rural areas.

-According to the experts in Bulgaria the most important tools are in Axis 1. They share the view that it is necessary to increase the importance of the Leader approach as reorganizing resources on priority axes. This should be done according to the possibility of

absorption, in a way that would be most effective for rural development;

-Funds for Axis 1 and Leader should increase with the largest share, compared to others axis. This will encourage the growth of productivity and competitiveness of agriculture, food and forestry sectors, and will comply with the Lisbon strategic goals for growth and employment in rural areas.

-Changing policies terms of economic growth and regional strategies could have the most significant importance for the future development of rural areas.

-Changes that would be introduced relating to natural resources and the attractiveness of the environment and landscape could have slightly affected the rural areas. Experts believe that at this moment, the funds allocated to support these factors are properly addressed.

## ACKNOWLEDGEMENTS

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## **DEVELOPMENT OF BASE MATERIALS TIMELY TOURISM PRODUCT - CHALET –**

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### **Abstract**

*Mountain tourism intensity is directly proportional to the value of the morphotouristical fund, the volume and quality of the accommodation, the diversity and degree of modernization of communication to and inside the unit mountain, and near large cities with complex economic activities, generating intense tourist flows. Chalet accommodation is most common in the mountain area falling between one and three stars. In the present paper we focus on studying the Fagaras Mountains chalet Negoiu. Mountain tourism annually attracts an increasing number of tourists. This type of tourism is practiced mainly in winter and warm. Spring and autumn, due to weather, tourists avoid traveling in mountainous areas.*

**Key words:** mountain area, tourist cabin, tourist service, accommodation, mountain tourism

### **INTRODUCTION**

Mountain tourism annually attracts an increasing number of tourists. This type of tourism is practiced mainly in winter and warm. Spring and autumn, due to weather, tourists avoid travelling in mountainous areas. Tourists are fond of hiking, winter sports and special landscapes and come from all walks of life.

Chalet accommodation is most common in the mountain area falling between one and three stars [3].

In our country there is a chain of mountains which enables development of mountain tourism.

Fagaras Mountains, with their proud appearance drew from the eighteenth century the travellers, promoting tourism development movement and a network of marked trails. To popularize their published maps and mountain guides.

Fagaras Mountains Alpine is the largest unit in our country, which prompted the famous French geographer Emm. The Martonne to call, Transylvanian Alps ".

The mystery of these mountains, seemingly impenetrable walls, attracting generations and generations of tourists. And I was drawn to my turn, the beauty and majesty of Fagaras Mountains, so I chose this place and chalet Negoiu [1].

### **MATERIAL AND METHOD**

Appropriate arrangement of a competitive tourist base material must be accompanied, target, while, by resizing the tourist traffic (with increasing number of people involved, the average length of stay, development of mass tourism, diversification of tourism). On the other hand, between the material components of tourism and the material of general interest to be achieved and maintained a dynamic equilibrium.

To gain an insight into activity Negoiu Chalet accommodation, we calculated the main indicators for a period of two years, namely: profit, profit rate, revenue per room, there average expense, costs 1,000 lei revenue, productivity.

### **RESULTS AND DISCUSSIONS**

Mountain tourism intensity is directly proportional to the value of the fund morfotouristical, the volume and quality of the accommodation, the diversity and degree of modernization of communication to and inside the unit mountain, and near large cities with complex economic activities, generating intense tourist flows.

There is a continuous relationship between size, structure and grouping of material accommodation with intensity, channelling and new forms of tourism, all grouped on a tourist complex background [3].

**Chalet** - This category of accommodation is particularly specific mountain area itself rather than resorts and cities. It is one of the oldest high before 1900, has its own characteristics of location, comfort level much lower than villas - treatment and rest homes or hotel (differentiated according to location and accessibility), dimensions variable - the some places up to 200 seats (Bicaz Dam).

Of chalets, most are located below 1000 m, 50% directly related to resorts or cities, 32% are located between 1000-1500 m, 16.5% - between 1500 to 2000 m and only 6% - 4 cottages in Bucegi (Babele, Caraiman Miorita Omu) are over 2000 m [3].

Table no. 1. Altitude chalets share the stage

Altitude gear	Number of chalets	Share (%)
under 500m	5	6%
500 – 1000 m	35	46%
1000 – 1500 m	25	35%
1500 – 2000 m	12	14%
More than 2000 m	7	9%

In terms of position and function stands a cottage a few categories:

- **Houses owned stations** (located in their area or nearby) having to complete and functional diversification of their profile, extending and enhancing the interrelationship between the mountain resorts: Suhard – Lacu Roșu, Trivoli – Sovata, Bistrița – Dunăre, Trei Brazi, Cota 1400, Poiana Stâinii – Sinaia;

- **Cottage** situated on the slopes, intermediate access points to the high mountain area: Podragu, Negoiu, Suru (burned), Bâlea (burned), Bârcaciu, Urlea, Turnuri is located on the north side of Făgăras mountains;

- **Huts and Alpine ridge** located in subalpine area: Dochia – Ceahlău, Piatra Singuratecă – Curmăturii Mountains, Postăvaru and Cristianu Mare – Postăvaru, Gârbova, Susai in Bai Mountains, Piatra Mare in Piatra Mare; Miorița, Vârfu with Dor, Caraiman, Babele, Omu in Bucegi;

- **Chalets** located at the foot of the massive mountain - points of penetration early stage and hiking: Mogoșa - Gutai Mountains, Mount Izvoru - Ceahlău Red Mountain - Ciucas, Dambu, Morii - Piatra Mare;

- **Chalets crest** - on the brink; Făgăras Mountains are part of the Southern Carpathians. They include complex and Massif mountains of Olt Defile in Turnu Rosu tails up to a distance of 70 km. Measuring 40 km in width, area 3000 km.

Throughout the Făgăras mountains have 8 of the 14 peaks of mountains reaching an altitude of 2500 Romania m: Moldoveanu (2544m), Negoiu (2535m), Corner Vistei Mari (2527m), Lespez (2517m), Hunt's Buteanu (2507m), Hârtopu (2506m), Cornu Caltunului (2505m) and Dara (2500m). Here are over 42 steal with altitudes between 2400-2500m.

Are bounded to the west of the Olt River Gorge and east of Curmătura Road. He divides the Stone Mountains, the Făgăras Depression plains north and south Carpathian depressions Subcarpathians it delimits the southern [3].

#### **Overview Chalet Negoiu**

In Romania, the bulk of existing chalets were built before 1900 by the old Saxon association SKV (Siebenbürgischer Karpatenverein) or built in the boom years of socialism before 1989, many of the inns and hotels located along the main roads were colony declared to be exempt from tax on goods.

In the present paper we focus on studying the Făgăras Mountains chalet Negoiu. Chalet is located atop Șerbotei, near the upper limit of the forest, at an altitude of 1546 m Access to the chalet is possible Purumbacu the top on a forest road (approximately 16 km), until after confluence of valleys Șerbota Sărății, then the path marked (blue triangle) that ascends the mountain foot to the cottage Șerbota (about 2 hours) [5].

Negoiu chalet host, Mr. Pitariu, dealing with reception and accommodation of tourists is constantly available to them. He lives in a body building, the entrance to the tourists, belonging to the County Office of Tourism. In 1992, he took the place of management, and in 1999 he bought the lease.

Chalet Negoiu therefore comprises 3 buildings: the main building (lodge new), and a little further south, located in a tiny, old cabin are an appendix. Chalet nine ground floor and two floors of wall is built of stone and wood. Each floor has a balcony to the south by how long the entire building. On the ground floor are a hall,



living room, kitchen and home chalet supervisor. The two floors comprise 5 bedrooms identical compartments each 7 south and north. Each level has its own bathroom. Old wooden hut built on the ground floor has 6 bedrooms with beds, and the bridge priciuri (rudimentary bunk bed - bed boards for more people, used in some dormitories).

Before the revolution, the occupancy of the chalet Negoiu over 100%, even tourists being accommodated in the dining room. Today, unfortunately, the occupancy decreased significantly despite the wonderful landscape of the area and surroundings.

Accommodation capacity of 140 seats in the cabin is new and the old cottage and annex of 80 seats and 20 seats in winter. Rooms are heated with wood and tiled stoves. Nine chalet benefits from water and electric light from its own boiler, located on the river Sărata. The mechanism is very complicated. It includes a dam, a settling tank, a turbine and an electric motor.

Accommodation is in rooms with 2, 4, 6 to 10 beds, as we see in Fig. 4 and Tables 2, 3 and 4. Accommodation tariffs are low, price is inversely proportional to the number of beds in the room, as seen in Table 5.



Photo 1. Chalet Negoiu in winter



Photo 2. Chalet Negoiu in summer



Photo 3. Chalet Negoiu - inside view - bedroom



Photo 4. Chalet Negoiu - inside view - dining room

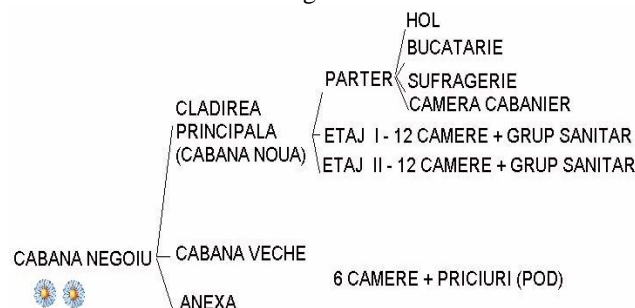


Fig. 1. Chalet Negoiu –internal organization

Table 2. New Chalet

New Chalet- Type I Floor Room	No. rooms	No places / room	No total jobs /Floor
Room with 2 beds	2	4	
Room with 4 beds	3	12	
Room with 6 beds	4	24	70
Room with 10 beds	3	30	

Table 3. New Chalet

New Chalet – Type II Floor Room	No. rooms	No places / room	No total jobs /Floor
Room with 2 beds	2	4	
Room with 4 beds	3	12	
Room with 6 beds	4	24	70
Room with 10 beds	3	30	

TOTAL: 140 seats in the new chalet to us.

Table 4. Old Chalet

Old Chalet – Type room	No. rooms	No places / room	No total jobs
Room with 2 beds	4	8	
Room with 6 beds	2	12	50
Room with rudimentary bunk bed (prici)	1	30	

Prici = Rudimentary bunk bed - bed boards for more people, used in some dormitories

The old chalet, winter work only 20 beds. Staff analyzed the chalet is ten. Job positions can be followed in table 5.

Table 5. Staff according by job positions

No. Item.	Position	No. people
1.	Manager	1
2.	Receptionist	2
3.	Maid	3
4.	Plumber	1
5.	Machinist	1
6.	Security guard	2
7.	Total	10

The organizational structure is included in fig. no. 5.

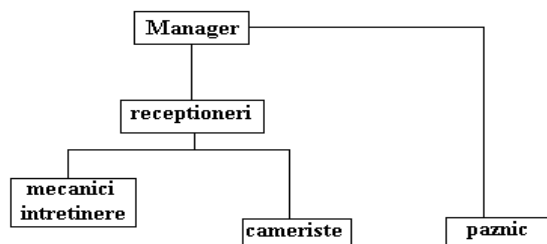


Fig.2. Organizational structure of the chalet  
 This area is often visited and operated by groups of german tourists.

Table 6. Tariffs in 2010-2011 - NEW CHALET

No. Item.	Type of room	Rate / day / person.
1	Room with 2 beds	40RON/day/person
2	Room with 4 beds	30RON/day/person
3	Room with 6 beds	27RON/day/person
4	Room with 10 beds	25RON/day/person
5	Additionally priciuri (rudimentary bunk beds)	15 RON/day/person
6	Place in the Annex	30RON/day/person
7	Tent	5 RON/day/tent

Table 7. Tariffs in 2010-2011 - CHALET OLD

No. Item.	Type of room	Rate / day / person.
1	Room with 2 beds	30RON/day/person
2	Room with 6 beds	20RON/day/person
3	Tent	5 RON/day/tent

In addition to basic services, cabana service also offers ski equipment rental, sledge. Table tourists stay in this accommodation, 80% are Romanian, and see in Fig. 3.

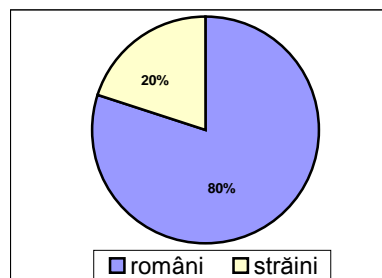


Fig. 3. The share of Romanian and foreign tourists stay

Among foreign tourists, most of them are Czechs and Poles, which is shown in Fig. 4.

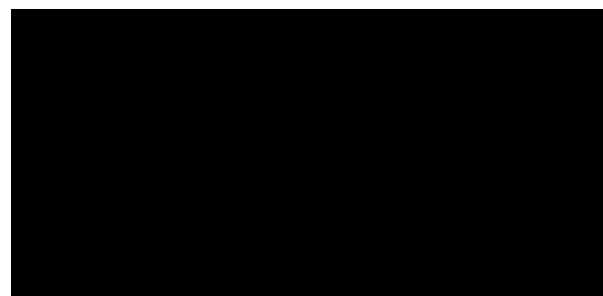


Fig.4. The share of foreign tourists stay by nationality

### Results of chalet accommodation Negoiu

As shown, tourists staying in this cottage are lovers of the mountain, whose incomes are low.

To gain an insight into activity Negoiu Chalet accommodation, we calculated the main indicators for a period of two years.

**Profit** is the difference between total revenue and total expenditure.

**The profit rate** is calculated as the ratio between the yield and total revenue or total expenses.

**Revenue per room** is the ratio of total revenue and total number of places.

**Average expense ratio of total expenditure** is held and the total number of seats.

**1000 lei revenue costs** are calculated dividing the total expenditure to total revenue.

**Labour productivity** is the ratio of total revenue and number of employees [2].

In 2010 and 2011, these indicators show an improvement in hotel activity (Table. 8).

Table 8. The main indicators of accommodation

No. Item	Indicator	U.M.	Year 2010	2011
1	number of staff	persons	10	10
2	number of seats	seats	160	160
3	Occupancy	%	81,2	73,2
4	Number of days tourist	-	46639	45088
5	average stay	days	3	3
6	number of tourists	persons	14111	14055
7	total receipts	Mii lei	3.094.340	2.876.235
8	total expenditure	Mii lei	2.678.268	2.494.746
9	profit	Mii lei	416.072	381.489
10	Rate of interest on receipts	%	13,44	13,27
11	Profit rate on costs	%	15.53	15,3
12	Revenue expenditure to 1000 lei	Lei	865,53	867,36
13	Proceeds medium / place	Mii lei/place	19.339,625	17.976,468
14	Average expenses / place	Mii lei/place	16.739,175	15.592,162
15	labor productivity	Mii lei/pers	309.434	287.623,5

We note that the number of staff and places remained the same. In such circumstances it is well to note that the number of tourists declined in 2011 with 56 people from 2010, the average stay remains the same.

The distribution of tourists by month Chalet Negoiu Fagaras area shows that most prefer the winter months and summer months of autumn and spring, being rainy less agreed that work can be seen in fig. 5:

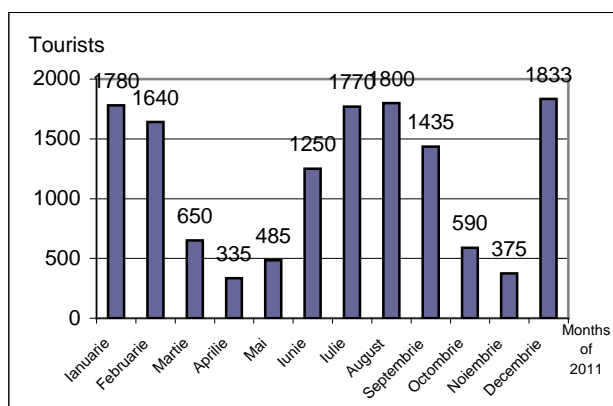


Fig. 5. Distribution by month stay tourists

We can say that this cottage is self profitable, being sought by tourists, but in 2011 were felt the effects of drastic financial and economic measures of the previous year, a year of crisis, which has negatively in tourist activity.

## CONCLUSIONS

In Romania there are several types of structures of tourist accommodation functions. One is the chalet, which is found mainly in mountainous areas.

Negoiu chalet is located on the ridge at an altitude of 1546m Serbotei. By the cottage, access is only the path.

It is considered as the first lodge in Fagaras mountains.

Today, the cottage is owned by Mr. Serban Pitariu a mountain enthusiast who lives in a body building.

Number of tourists staying at Chalet Negoiu in 2011 was 14,055 persons, of which 20% were foreign.

The existing facilities and tariffs, we can say that is a lower category accommodation which is mainly low-income persons.

However, accommodation is a profitable activity.

## ACKNOWLEDGEMENTS

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## TOURIST TRAFFIC ANALYSIS FOR THE MARAMUREȘ BETTER AREA TOURIST FACILITIES

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### Abstract

*To achieve the best possible activities of tourist necessary that besides natural resources and human and material resources appropriate to be able to satisfy the requirements of tourists. These resource materials are known as "material and technical basis". This is represented by: accommodation and food, transportation, treatment and leisure facilities and is conditioned primarily by the development and modernization of existing material and technical base. Thus, a highly attractive tourist area can not be before receiving the offer of facilities required to receive and retain travelers. Indicators most representative and commonly used to express movement and its main tourist features are: Number of urge tourists, the number of tourists daily average, the number days / tourist, average length of stay, revenue from tourism, travel and traffic density The relative preference of tourists. Analysis of Maramures county tourist traffic will be from the calculation of these indicators.*

**Key words:** average number of tourists, average length of stay, tourist traffic density, tourist attraction introduction

### INTRODUCTION

To achieve the best possible tourist activities is necessary in addition to natural resources and human and material resources appropriate to be able to satisfy the requirements of tourists. These resource materials are known as "technical and material" [2].

This is represented by: units of accommodation and food, transportation, treatment and leisure facilities and is conditioned primarily by the development and modernization of existing material and technical base. Thus, a highly attractive tourist area can not be before receiving the offer of facilities required to receive and retain travelers.

The volume of tourist flows is determined both by demand and its factors, and the degree of technical equipment of the territories.

Because, as demands increase tourists to quality services and comfort level, mutations occur in the criteria for selection of holiday destinations, there is an increasing importance of technical and material. This explains in large measure, the attraction of different areas, taking advantage of potential near sensitive but differentially equipped technically.

The varied landscape that has Maramures county, tourism can be found here in various forms, namely tourism in Rodna Mountains,

Maramures, Gutai, Tibles, etc. tourism met because this mineral water spa, rural tourism and agro-practiced in peasant households, tourism, cultural and scientific knowledge stimulated by curiosity and visiting people, because this has numerous cultural sites, church and old habits., and nature reserves Biosphere [1].

### MATERIAL AND METHOD

To analyze the Maramures area tourist traffic for better tourism development, will calculate the most representative tourism indicators, namely: the average daily number of tourists, no. Overnight stays, average length of stay, tourist traffic density and capacity utilization coefficient of accommodation. Data were taken from INSSE, Bucharest and Maramures and statistically processed and interpreted.

### RESULTS AND DISCUSSIONS

Analysis of Maramures county tourist traffic will be from the calculation the following indicators:

**1. Average daily number of tourists** - Show intensity tourist traffic in a certain range.

$$N_{T \text{ mediu}} = \Sigma T / n,$$



where:  $\Sigma T$  - the amount of tourists registered in a period

n - number of days in period

Table no. 1. The number of tourists arriving in Maramures

	2004	2005	2010	2011
Total	78.837	86.194	90.786	91.871
Romanian	61.522	68.506	72.551	70.247
Foreigners	17.315	17.688	18.235	21.624

Source: Statistical Yearbook of Romania, INSSE, Bucharest, Maramures

The number of tourists arriving between 2004-2005 and 2010-2011 in Maramures is oscillating.

Total number of tourists is increasing from 2004 to 2011. One can notice an increase from 61,522 Romanian tourists in 2004 to 68,506 in 2005 and from 17,315 in 2004 to 17,688 in 2005 (foreign).

In 2011, Romanian tourists decreased by 3.18% compared to 2010, but foreign tourists had increased in 2011 compared to 2010 by 18.58%.

Table No.2. Calculation of average daily number of tourists arriving in Maramures (tourists / day)

	2004	2005	2010	2011
Total	216	236	249	252
Romanian	169	188	199	192
Foreigners	47	48	50	59

Source: Data resulting from processing

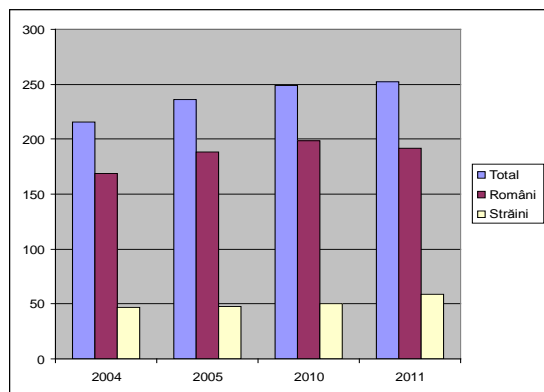


Fig.1. An average daily number of tourists arriving in Maramures

There is a high traffic tourist growth in the years analyzed the total tourists, but for the Romanian tourists is an increase by 2010 and in 2011 a slight decrease.

A cause of this decrease between the years 2010-2011 for the Romanian tourists is austerity measures in 2010, but promoting the

area have raised the number of foreign tourists in the area.

Thus, tourists sought areas with rich tourist resources both natural and anthropogenic areas to peace, rest and recreation, provides leisure and tourism programs and treatment, with new appliances of modern technology.

Table no. 3. Rates of evolution of the number of tourist arrivals in tourist accommodation in Maramures

	2005/2004	2010/2005	2011/2010
Total	1,09	1,05	1,01
Romanian	1,11	1,06	0,96
Foreigners	1,02	1,03	1,18

Source: Data resulting from processing

From this table we can see the pace of evolution on the number of tourists arrivals in accommodation units in the period analyzed Maramures.

Progress on the number of Romanian tourists is oscillating, it decreases from year to year, but in terms of foreign tourists, the pace of progress is increasing.

## 2. Number of nights

Number of nights or number of days/tourist flow of tourists who are traveling and have stayed in different units travel from one area in a while.

Number of nights or days / tourist from Maramures county is as follows:

Table 4. Number of overnight stays registered in tourist accommodation in Maramures

	2004	2005	2010	2011
Total	186.185	168.264	272.289	273.374
Romanian	155.372	137.432	240.740	240.446
Foreigners	30.813	30.832	31.549	32.928

Source: Statistical Yearbook of Maramures county, in 2010, INSSE, Bucharest

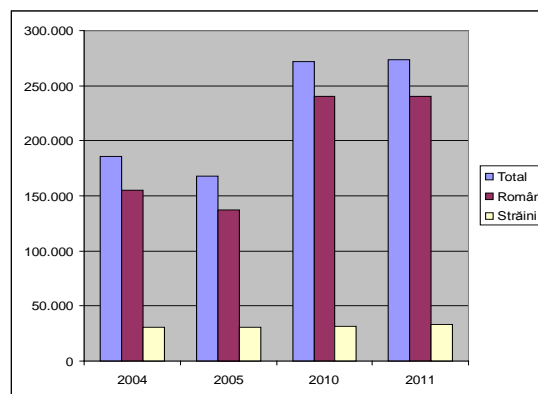


Figure no. 2 Number of overnight stays in tourist accommodation establishments in the county of Maramures

Number of overnight stays registered in tourist accommodation establishments in the county in the period is as follows:

- number of nights spent in the county decreases gradually from 186,185 in 2004 to 168,264 in 2005, increasing to 272,289 in 2010 and in 2011, due to the larger number of foreign tourists
- number of overnight stays by Romanian is still down from 155,372 in 2004 to 137,432 in 2005, has increased in 2010 to 240,740, and in 2011 dropped to 240,446.
- number of overnight stays by foreigners is increasing, in 2004 the situation was 30,813 in 2005 has increased slightly to 30,832, and in 2011 reached a total of 32,928.

Table 5. The pace of evolution on the number of overnight stays registered in tourist accommodation Maramures

	2005/2004	2010/2005	2011/2010
<b>Total</b>	0,90	1,62	1,00
<b>Romanian</b>	0,88	1,75	0,99
<b>Foreigners</b>	1,00	1,02	1,04

Source: Data resulting from processing

Progress on the number of overnight stays in tourist accommodation is:

- for Romanian tourists rate is oscillating, it grows in the years 2010/2005 la 1.75, to 0.88 in the years 2005/2004, then dropped in the years 2011/2010 la 0.99.
- foreign tourists at an increasing rate from 1.00 in 2005/2004 to 1.04 in the years 2010/2011.

**3. The average length of stay** - reflects the tourism offer to hold a tourist area.

$$D_{\text{mediu}} = \sum nzt / T,$$

where: nzt - number of days/tourist (overnight stays)

T - number of tourists

Table no. 6. Calculating the average length of stay in Maramures(days)

	2004	2005	2010	2011
<b>Total</b>	2,4	2,1	3,00	3,00
<b>Romanian</b>	2,5	2,2	3,3	3,4
<b>Foreigners</b>	1,8	1,7	1,7	1,5

Source: Data resulting from processing

There is a decrease in average length of stay in total during 2001 - 2005, a first cause of this decline is the lack of investment in modern

accommodation units and personnel trained and specialized in tourism.

Regarding the Romanian tourists, average length of stay varies from year to year, and for foreign tourists is declining among cases and no counting is appropriate to promote the tourist potential.

#### 4 Tourist traffic density

##### ➤ In relation to population

Ask directly related to the resident population of tourists with the receiving area.

$$D = \sum T / P,$$

where: T - number of tourists

P - number of population

Table no. 7. Calculation of tourist traffic density in proportion to the population in Maramures (tourists / capita)

	2004	2005	2010	2011
<b>Population</b>	520.637	515.648	511.093	510.689
<b>Tourists arrive</b>	78.837	86.194	90.786	91.871
<b>Total</b>	0,15	0,16	0,17	0,18
<b>Romanian</b>	0,12	0,13	0,14	0,14
<b>Foreigners</b>	0,03	0,03	0,04	0,04

Source: Data resulting from processing

There is a decrease in population during the years 2004 to 2011. Tourist traffic density increases from 0.15 in 2004 to 0.18 in 2011.

##### ➤ In relation to surface

Maramures County area is 6304 km<sup>2</sup>.

$$D = \sum T / S,$$

where: T - number of tourists

S - surface

Table 8. Tourist traffic density calculation relative to the surface in Maramures (turisti/km<sup>2</sup>)

	2004	2005	2010	2011
<b>Total</b>	12,50	13,70	14,40	14,60
<b>Romanian</b>	9,76	10,9	11,50	11,14
<b>Foreigners</b>	2,75	2,80	2,90	3,43

Source: Data resulting from processing

If tourism in relation to the surface density situation is good, is in a slight increase, so do not take congestion or degradation of the land area.

#### 5. Capacity utilization coefficient Accommodation (Cuc)

It is a meaningful indicator for assessing the effectiveness of accommodation, calculated as the ratio of accommodation capacity actually used at one time or a time and the maximum possible accommodation capacity [3].

**Cuc = no. nights (no tourist days) / (no. of beds x no. day operation) x 100**

Table no. 9. Calculation of capacity utilization coefficient accommodation Maramures (%)

	2004	2005	2010	2011
Total nights spent	186.185	168.264	272.289	273.374
Capacity. Accommodation	2453	2873	4368	4629
Cuc	20	16	17	16

Source: Data resulting from processing

Capacity utilization coefficient accommodation is declining year with the best ratio is 19% in 2001.

This decrease is due to reduced activity to promote the county, lack of new technology in material and technical basis of the county, poor training of employees in the tourism and poor quality services.

Analysis of these indicators provide a holistic view of tourism in Maramures.

## CONCLUSIONS

Endowed with a very varied tourist potential, diversified and focused by the existence of landforms throughout combined, the practice of a favorable climate for most of the year, a potentially rich fauna and flora species and single ecosystems in Europe, natural factors of course resort, with a heritage - historic and architectural world reference, Maramures county may fall among the attractive tourist destinations in Romania and even Europe.

The main measures should be applied to achieve a developed tourist activities in Maramures are creating programs and funds for co-financing of regional development projects, linking with the national programs of local and regional expansion of communications in tourist areas, efficient and modern transport, promoting regional tourism potential through participation in tourism fairs, through advertising campaigns, preparation of brochures with information about the area's tourism potential and suggestive images in this respect, guesthouses and farms agro media.

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## SUSTAINABLE DEVELOPMENT OF LOCAL RESOURCES BY ECO-TOURISM IN CĂLĂRAȘI COUNTY

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### Abstract

*The development of sustainable tourism in the natural areas led to the ecosystem as distinct form, aimed to respect the integrity of the natural landscapes, of ecological biodiversity. The natural areas represents important phases for the development of pleasure activities, that can bring important incomes, both to those who administer them and to the local communities. The present study proposed to show the current situation of the natural protected areas in Călărași county and the development phase of the eco-tourist activities within them and surrounding. Despite the fact the Călărași county possesses a remarkable eco-tourist patrimony with high potential for capitalization, the eco-tourism is a quite strait segment of the local tourist market, faced with problems such as: low cooperation at local level, existence of some limited offers, low diversification, low development of eco-tourism specific infrastructure at the level of the protected areas, and also the low level of training of those employed in this domain. Measures for the capitalization of these resources by eco-tourism are proposed based on the information obtained and analysed, in accordance with the requirements imposed by the national legislation.*

**Key words:** eco-tourism, sustainable development, protected areas, eco-tourist patrimony, biodiversity

### INTRODUCTION

According to the definition formulated by Ziffer, 1989, ecotourism „is a form of tourism which inspires from the natural history of a region, including also its indigene cultures” [1]. Ecotouism is that which practices a protective tourism, non-consumer of natural resources, floristic and fauna. The economic activity in the protected areas develop in accordance with the capacity of their absorption; it is opposed to the mass tourism a form of organized tourism, supposing the combination of pleasure and recreation activities, with the educative ones, of environment protection and natural and cultural historical resources protection; thus, the ecotourism wants to be both a form of viable commercial tourism and protective ecologically speaking; this type of tourism aims to contribute to the development of a region, by maintaining a state of balance between the three dominant components of the tourist activities: guest, tourists and tourist

industry, in order to obtain an equitable benefit on long term. [2].

The European Federation of National and Natural Parks (FNNPE) mentioned recently the tourism in and around the protected areas and concluded that the tourism and preservation can be many times compatible, mutually advantageous, but only if it is practiced in a sustainable way, in the protected areas [3].

### MATERIAL AND METHOD

Calarasi touring presence in the pages of Romania's Guide comes as a confirmation of its tourist potential. The existence of archaeological remains, the natural reserves, the wealth of architectural heritage in the context of current trends of socio-economic, strategic positioning along the Danube, making it an area of great importance in the national landscape, with strong roots, and dynamic presence extraordinary growth prospects.

In Calarasi county there are six natural areas protected by law for the fauna and flora living in the areas of rare plant and animal species and species placed under special protection. Tourism potential, Calarasi County, is underutilized at less than 130 km from Bucharest and around 100 km from Constanta and Black Sea.

The study aims to identify, in the Calarasi county, the potential for eco-tourism development, which is aimed at those who wish to visit the existing nature reserves, biotope and for those interested in the Danube.

## RESULTS AND DISCUSSIONS

**Tourism**, as economic activity, can cause big damage to the protected areas if they are not administered adequately, but can lead also to high benefits. The pressures on the tourist places increase, so that the valuable natural areas become more and more places for long term tourism, one day visits and even sport. In several protected areas, there are pure and simple so many visitors in certain parts, or in certain moments, that the nature– and the quality of visitor experience – suffers; in others, visitors can enter the furthest areas. The tourist facilities enter many times in conflict with the preservation aims and harms them; the pressures for the development of such facilities are powerful enough in the former group of East-European countries, meanwhile, in some protected areas, the tourism does not simply take place. But, if it is planned and managed to be sustainable, the tourism can be a positive force, bringing benefits both to the protected areas and to the local communities. The main forms of agreed tourism within the protected areas are: tourism based on nature appreciation, cultural and educational tourism; tourist activities of small, peaceful groups, ecotourism, in general. [4].

In Europe, Romania has the most diverse and valuable natural heritage, the area of protected natural areas of national interest, reported the country's surface is 7%. The categories of protected natural areas (Table 1) are of

national interest (scientific reserves, national parks, natural monuments, nature reserves and natural parks) international interest (natural sites of universal natural heritage, geo-parks, wetlands of international importance, Biosphere Reserves).

Table 1- Natural areas protected in Region 3 South Muntenia

3 SOUTH MUNTENIA REGION	Number	Area- ha
Argeş County	32	32613,73
Călăraşi County	5	3224,3
Damboviţa County	13	18228,93
Giurgiu County	6	27561,5
Ialomiţa County	4	221
Prahova County	7	13325,04
Teleorman County	5	1782
Total	72	96956.5

Table 2- List of protected areas in Calarasi County

Name of protected areas	Location e	Type	Surface (ha)	Remarks
<u>Iezerul Călăraşi</u>	<u>Călăraşi, Cuza Vodă</u>	birds	2.877	Law no 5 of 6 <sup>th</sup> March 2000
<u>Ciocanesti Island</u>	<u>Ciocăneşti</u>	floristic and fauna	206,70	HG 2151/2004
<u>Haralambie Island</u>	<u>Lunca Dunării</u>	floristic and fauna	44,90	HG 2151/2004
<u>Soimul Island</u>	<u>Dichiseni</u>	floristic and fauna	20,10	HG 2151/2004
<u>Forest Ciornuleasa</u>	<u>Mitreşti</u>	Forestry	75,20	Law no. 5 of 6 <sup>th</sup> March 2000

**Forest reservation Ciornuleasa** - 73.2 ha, contains secular trees, with ages over 130 years (grey oak, ash tree, etc.).

Location: Baragan Plain, altitude 42m



**Bird natural reservation Iezer Calarasi-** 2877 ha



Location: The Danube Meadow, administratively belongs to Cuza Voda commune and Calarasi municipality. Species of avifauna strictly protected at present: curled common – small cormorant – red

neck goose – red neck grebe– white stock – black stock– small brook – red duck – small egret.

**Natural Reservation Ostrovul Soimul -**  
20.1 ha



Location: on the Danube river km 350 near Dichiseni locality, average altitude 16 m .fit into the bio geographic region –

steppe, in eco-region flooding Danube Meadow.

**Natural reservation Haralambrie Island -**  
44.9 ha;



Location: on the Danube river km 400, average altitude 16 0 m, Length: 500 m

Fit in the bio geographic region–

steppe, in eco-region – Flooding Danube Meadow.

**Natural reservation Ciocanesti Island -**  
206,7 ha;



Location: on the Danube river km 395, average altitude 15 m . length: 300 m

Fit in bio geographic

region steppe, in eco-region flooding Danube Meadow.

**Natural reservation Ciocanesti- 230 ha.**



Location: Ciocanesti commune, Calarasi county.

Species of birds present: small cormorant, Dalmatian pelican, night heron, etc.

Eco – tourism can help to justify the creation of protected areas in margin regions, and can lead to a revival of the local communities

from the economic and traditional cultures point of view.

The techniques of administration of visitors in sensible areas are not well known in general. Although they cost many times money and time, the income they generate can help to cover the costs. Also, the ecotourism development can be linked to the manufacturing industry and to alternative jobs at farms, in order to produce elements needed to a sustainable rural economy.

*The European Federation of National and Natural Parks (FNNPE)* mentioned recently in and around the protected areas and concluded that the tourism and preservation can be compatible sometimes, mutually advantageous, but only if practiced in a sustainable way, in suitable areas [5].

from the point of view of tourist use, the measures the protected areas benefit by include [6]: a) transformation of existent non sustainable development in more sustainable forms; b) establishing sustainable standards for new development, especially in sensitive areas; c) appoint some areas for different levels of tourism, including sanctuary and restful areas, as areas suitable for different levels of tourist use and development; d) reduction of pollution and smoothing the traffic during holiday; e) avoiding tourism and excessive pleasure activities in the protected areas; f) ensure that from the tourism local communities benefit also; g) ensure support and resources to apply in due time the plans; h) preparation of protected areas manager in sustainable tourism. at the same time, it should review if, it is needed, the improvement of the legislation related to tourism and especially [7]: a) to give to the protected areas managers the power to control the tourism development; b) to ask for the complete evaluation from the ecologic point of view of the proposals concerning the protected areas; c) to work together with the tourism industry, to ask for the damage created by tourism in the past to be repaired and to adopt managerial techniques in order to make the future sustainable use. The pilot schemes in the sustainable tourism should be encouraged, for

example by: a) loans, subsidies or concession taxes for farmers and local communities, to create small enterprises that use the protected areas in an adequate way; b) administrative projects to show an innovative approach of the tourism, adequate to local economies; c) use of European and national funds for tourism, aiming to encourage the sustainable tourism in the group of former East-European countries.

The sustainable tourism inside and outside the protected areas imposes: the close cooperation with the authorities of the protected areas; tourist operators and guides who works in the protected areas to have high ecologic knowledge; practical and financial contributions of the tourist operators for the preservation of the protected areas; rules for the promotion and marketing of holidays based on the protected areas; directory lines for the local communities involvement; - standards for design and operation of sustainable and business tourism.

The definitions presented allow the individualization of the main aspects of ecotourism, respectively: preservation of biodiversity, by its non consuming characteristics of flora and fauna resources, by services it generates, and by economic incomes, that can be used, including in the benefit of the protected areas; support of local communities, by activities diversification, capital derivation, and economic benefits generating (economic increase); gaining a new experience of interpretation/learning by the ecotourism practitioners: persons open to new, directed to viable tourism and protective ecologic tourism, promotion of responsible actions compared to landscape elements, from the tourists and tourist industry; addressability to small groups of tourists and small businesses; minimum consume and production of non regenerable products; participation of local communities, especially in the rural area; respecting the regional tourism needs; encourage and use of results of environment, social studied, of long term monitoring programs, destined to the evaluation and minimisation of negative impact of tourist activities; adaptation of the

tourist infrastructure to need of preservation of natural elements; achievement of some harmonious links between the natural and cultural environment elements.

Mainly, *ecotourism must be planned and managed taking into account the social involvement and protection objectives it implies*. It needs: specialized market to attract tourists who are interested in visiting the natural areas; achievement of a management to attract visitors in the natural areas; presence of guiding and interpretation services, preferably made available by the inhabitants of the visited areas, to be focussed on the natural history of the region and on the development principles; elaboration of some governmental policies and fiscal exemptions for tourism, that generate profits from the biodiversity preservation and sustainable development of local communities; focusing the attention on area inhabitants who must be well informed and to agree to this type of development.

***Development of a business based on ecotourism*** supposes: identification of elements that must be preserved; respecting the ecotourism principles; elaboration of a guide for tour operators, to include aspects related to: tourist training, instructions for use of visited space, minimisation of impact for ecotourist purposes, contribution to preservation, use of labour force selected within the local communities, non destructive, but comfortable accommodation offers etc.; creation of new jobs, especially for the local communities; proposal of a guide for tourist certification, in accordance with the international experience in the sector.

## CONCLUSIONS

As organized form of public use of the territory of the protected areas, ecotourism does not exclude the existence of an infrastructure and some flows of persons with different cultures, values and needs. Regardless the classic tourism, ecotourism tends to minimize the negative impact on the natural ecosystems and to have a positive impact in social plan on the local economy.

**1. Impact on ecosystems.** Studies made on ecosystems in the natural parks led to the conclusion that no form of major impact on biotopes and biocoenosis can be due to the ecotourist activity developed within the protected areas. But, on the other hand, at present there is no scientific methodology – really efficient – for the evaluation of the changes generated by the tourist activity within the protected areas. [8].

**2. Impact on local economy** Ecotourism can determine significantly the *increase of incomes* at local and regional level. It is *generator of jobs* for the persons who live in or near the protected areas. An important problem of the ecotourist economy is generated by the clients who are quite instable and present rapid changes of attitude, are very sensitive to the political climate, to the tax fluctuation, but also to natural disasters. An aspect which can not be neglected at all is the fact that this tourist client is easily influenced by the reflections in the mass-media, of publicity. Besides ecotourism is a somehow elitist form of tourism, that address only to those who know and love nature.

*Instability of tourist demand* can have *bad economic consequences* in the guest regions where the economic activities are less diversified and jobs are limited or instable as number. In many small localities, the population can be double by tourists arrival, and this calls during their stay an increase of the demand for local products and can generate even inflation at local level. On the other hand, the temporary character of the tourist activity can jeopardise an ecotourist economy, if there are no also other related or complementary activities. Thus, **economic objectives of ecotourism** must be represented by the *production increase and activities diversification* to diminish the instability and the fluctuation of production in the guest region.

**3. Impact on local communities.** Rapid increase of the number of visitors in a region has *social and cultural repercussions on the local community*. When two cultures meet, they have certain divergences, not necessarily negative, to which – most times – the local

community can not adapt. This confrontation can have an effect of lack of culture of the local community, especially when the tourism becomes a mass one. Thus the creation of a park hinder the practice of the traditional activities, such as hunting, fishing, that are often prohibited by the protected areas.

The publicity of the protected areas in mass-media can determine the increase of the number of tourists and thus, can influence the *social behaviour* of the inhabitants.

The presence of the tourists interested in traditions can represent a *revitalising factor of the cultural practices*, often forgotten by the inhabitants and can contribute to the reconstruction of a collective identity.

It is very true that the social impacts are difficult to measure quantitatively. But over the time quantitative measures can be made. The main **social objectives** related to ecotourism are: *revival of the quality of life of the community members, satisfaction of information needs* on ecotourist resources and *participation* of the community to its own development. These objectives well be achieved if the local communities will have the power to make decisions and will participate in the elaboration of ecotourist projects in their regions, so that will contribute to their own development. It is what Marie Lequin (2001), quoted by Mioara Ghincea () considers that it is called *participative governing*.

**4. Socio-economic benefits of ecotourism .** Development of ecotourist activities in the protected areas implies a series of **socio-economic benefits** such as:

-Generates **the job creation** at local level (directly in the tourist sector or in related sectors).

-Stimulates the local economy by developing services (hotels, restaurants, souvenir industry, craft products and guiding services).

-Generates **economic exchanges** with the exterior of the protected areas.

-Determines **diversification of local economy**, particularly in the rural area where people have activity (in agricultural sector) only a season a year .



-**Stimulates especially the rural economy** by the creation or increase of agricultural products demand needed to ensure tourist services and by capital insertion.

-Intensify **the development of infrastructure**, that brings benefits also to the local population.

-Once developed the tourism in a protected area, the local/regional/national authorities can be stimulated to contribute also to the **development of peripheral regions** by capital insertions.

-Encourage the **increase of agricultural productivity** on restricted surfaces (intensive agriculture) to maintain a bigger surface with natural vegetation.

-Can contribute to **the improvement of the intercultural relations** in a region. The tourists often want to know the traditions and customs specific to an ethnographic region, and the guest community is thus stimulated to revive the popular traditions.

-In a conditions of a normal development the tourism can lead to **self-financing of the development mechanisms** that the park authorities can benefit by as **instrument for natural areas preservation**.

-Create pleasure **facilities** that can be used also by the local communities over the year.

-Support to achieve **the aim of preservation**, by persuading the governments and public on the importance of the natural areas.

**Socio-economic benefits** imply often also certain **concessions**. Many times, the managerial activity of the protected areas suffers from **lack of economic, technical and organizational resources**, needed for the development of the tourist activities. These should be made available by the local and central authorities. In these cases, it is more suitable the concession (**custody**) of **the protected areas**, and providing for administration the infrastructure and tourist equipment. The tourist activities developed in a protected area must be based on a **management plan** elaborated by the park custodies consulting all stakeholders involved. So it is needed a good **collaboration and communication** between all decision making

factors involved (local, central community, scientific community).

By the concession activity the local population can have **benefits** from nature, thus, can become, by direct involvement, the best **defender of nature protection**.

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## THE PERCEPTION OF THE LIFE QUALITY OF THE RURAL COMMUNITIES. CASE STUDY, BORCEA COMMUNE, CALARASI COUNTY

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### Abstract

*For a more complete characterization of the perception of quality of life in rural communities were considered the most important features of social and economic environment, expressed through a set of criteria for analysis. To make this analysis complex with a high degree of objectivity, each field is assigned a set of criteria to highlight problems in it. The quantitative research was conducted during October 2011 - January 2012, based on semi-standardized questionnaire, applied face to face at home and by interviewing subject factors with administrative and economic responsibilities. Borcea village population survey was performed by applying the 71 questionnaires, to address subjects to learn the opinions and attitudes on population: satisfaction with life and local services, living conditions and migration, the confidence in institutions and citizen participation, perception changes and development potential of the village, projects implemented by local authorities. The results from the interpretation of these data have led to a research report and SWOT analysis of the locality.*

**Key words:** *quality of life, rural, rural potential, sustainable development*

### INTRODUCTION

Romania must adopt rural policies that contain elements of accelerating the process of compatibility with those in the European Union, especially in the regulations of the rights to property and its guarantee, but also the infrastructure improvement and education on this specific segment. But mentioning the agrarian and rural policies, it must start from the fact that the agriculture is not only an economic sector producing goods and profit, but also a way of life, and the rural area is not only an area of production but also, at the same time, a social and cultural place, with complex implications on the general state of a nation.

Under these conditions, the present paper elaborates a study regarding the perception of the quality of life in the rural communities. It is important to establish the resources, needs, opportunities, threats, competitive advantages. Without a strategy the coherence in using funds is missing, resources are wasting, but especially time, time that passes in the

disfavour of the population that lives in the rural area. [1].

### MATERIAL AND METHOD

For the study of the realities of the rural area of Borcea commune, Călărași county, as it is perceived by the inhabitants of the rural area 3 methods of specific research were used: economic, dynamic, deductive and quantitative analysis; SWOT analysis; economic inquiry or participative research that supposes collecting information in the territory using as research techniques “questionnaire” and “interview”.

The start point in elaborating the questions in the questionnaire was the analysis of the social, economic and institutional situation that led to the identification of key problems the locality face with and of its potential, in order to establish a strategic orientation that supports and is according to the general goal of the Development Strategy at regional level. For the elaboration of the sustainable

development strategy of Borcea commune, the following sources of data and instruments were used to obtain information about the current state and identification of local needs:

**1. Research on documents.** The documents made available by local council, Calarasi County Council, Department for Agriculture and Rural Development and other county public institutions were analysed, for the **elaboration of the diagnosis analysis of the commune**, that included [2].: data about the commune situation about physical geographical characteristics, statistics and census made at local level, in demographic, labour force employment, education and culture, environment protection sectors; The General Urbanism Plan (PUG).

**2. On site Research.** The quantitative on site research was made in the period October 2011 - January 2012, based on semi-standardized questionnaire, applied face to face, at the subjects domicile, by interviewing the administrative responsibility factors. The research registered the opinions and attitudes of the population in Borcea commune, Călărași county, regarding: satisfaction to life and local public services; living conditions and migration; perception of changes and potential of commune development, impact of rural development programs on the quality of life in the rural area.

The questionnaire containing 13 questions, was applied on a number of 71 respondents in the commune. The sample was selected with a statistic step of sampling, based on electoral lists and Agricultural Register of local councils, aiming to constitute a representative sample from the point of view of the age groups and incomes.

## RESULTS AND DISCUSSIONS

### 1. Characterization physical geography

Borcea is situated in the South-East of the Romanian Plain, more precisely in South Bărăgan area, on the left shore of Borcea branch, with a population of 11000 inhabitants, with a surface of 30 580 ha arable and inside land, being the second communes as size according to the last statistical reports,

that is 11000 inhabitants and 3000 houses. Borcea commune borders at East with Fetești municipality-Ialomița county, at South with Constanța county, at West with Jegălia locality, at North with Ialomița county and Ștefan cel Mare locality [2]. **The economic sector. Agricultural activities** The land of a remarkable quality and crops represent the main resources of Borcea commune, the most frequent crops being wheat, maize, potatoes, oil plants and vegetables. The extended crops of sunflower and rape permit the development of bee keeping. In their own houses people raise poultry, pork, caws, sheep and goats for their own consume. The activity of this economic sector is concentrated at the level of small farms and individual producers. In Borcea commune, over 200 firms are registered that have as activity commerce with food and non food products to the population, 32 agricultural companies, from which 3 are the former I.A.S. that use over 8000 ha arable land. The outside land: 38032 ha; -from whihc:-agricultural:30499 ha; forests:3204; waters:3614; roads :506 ha; non productive:2009 ha. The economic agents in agriculture - 24 :12 agricultural companies; 12 companies[3]. **Activities of industrial type and constructions-tourism.** There is not a remarkable activity from the industrial point of view, the occupation of the inhabitants being agriculture, cereals crops and vegetables. In locality there are: a bakery that ensures bread need in the locality, 2 slaughter houses, can factory; 3 units for cereals processing (oil factories, bakery units). The complexes for cattle growing will be put into function that are at present under preservation state. Many tourists visit the locality, especially for the possibilities for hunting and fishing, but also for the possibilities of relaxing in the surrounding forests. Tourism objectives: **Hunter House** is situated in a dig precincts, provides multiple possibilities for relaxing accompanied by special gastronomic services.. on the left shore of Borcea Branch, leaving the commune, there is the forest but also a beach, that soon will be arranged to provide the commune inhabitants not only a point of pleasure, but also spending the spare time. Borcea Lake that provides



possibilities of hunting and fishing. There are three settlements that ensure to the tourists high quality services and food with hunting specific.

**2. Questionnaire results are summarized as follows:**

From the total of the answered persons in Borcea commune, even if the live in the rural area, 38.12% do not posses land, and those who posses land – 46.35% chose to lend it. There is also the category of respondents -4.75% who own land, but had it lent. The incomes level of the inhabitants in the rural area is low, this reaching only for the strict needs- 34.82%. from the total of respondents, 21.32% highlights the fact that they are not enough for strict need. There is another category of respondents– 7.51%, who mention that their incomes are enough to buy what they need, without restrictions. The population incomes at most respondents come from the salary -61.14%, incomes from agricultural production being almost inexistent – 3.92%

**Question1. How satisfied are you?**

Table 1.Results of respondents answers to question1

Question 1	a	b	c	d
How satisfied are generally the way you live?	1,75%	35,09%	35,09%	28,07

The number of people, quite satisfied, is equal to that of the “not too happy,,-35.09%.

Only 43.80% of the total subjects were satisfied with the municipality where they live.

**Question 3.** In the hierarchy of the operation of local public services, sewerage and roads in the village, along with medical care services are made notes of how these responsibilities. 13.96% before the public are satisfied with the roads leading to town water supply 14.16%, 11.09% of public lighting, 13.42% of health care, school and home culture 12.81% . Compared with roads only 9.54% are satisfied with the sewerage 5.42%, most believing that they need the most improvement.

**Questions 4 and 5 related to the social – cultural sector. Demographic aspects.** During the last years Borcea commune population is continuously decreasing. It at the end of '80s the commune population

counted about 12000 inhabitants, today it has only 8777 inhabitants from which: men - 3202 ;women - 3341 ; Children -2234 ; Pensioners - 2460 ; persons who left to work abroad -576 .

*Distribution on nationalities :* Romanian - 8695 ; Hungarian -3 ; Rroma population -76 ; Lippovan -3. [4].

*Distribution on religions :* Orthodox -8693 ; Romano-catholic -14 ; Reformed -3.

Almost half of the persons answered - 49.12% , think that young leave to town to find a job, but 47.37% mention that the young can earn a living, only if they go abroad. From the total of respondents, only 3.51 are those who and with the children remain in the commune. . Most persons answered have children – 81.19 % . from those questioned 62.91 % think that to ensure a better life for the children is in town, and 26.83% consider that they should go abroad.

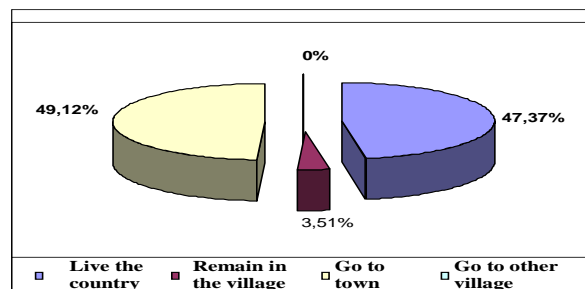


Fig.1.Results on demographic aspects

**Question 6. Do you think your last child having to make a future in this village, in another village, in the city, abroad?** 64.91% of respondents consider providing a better life for children is in town.

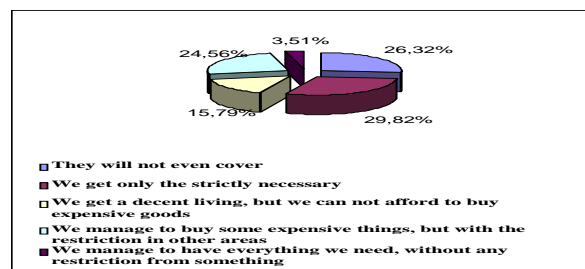


Fig.2. Repondents answers to question 6.

**Question 7. Do you have land?** Of all respondents, even if they live in rural areas, nearly half - 49.12% have no land, and those who owned land - 40.35% chose its lease.

**Question 8. Subjective appraisal of incomes.** The income level of rural inhabitants is low, reaching only the strictly necessary - 29.82%.

**Question 9. Sources of income.** Income population in the vast majority of respondents came from wages - 56.14%, income from agricultural production is almost nonexistent, 1.75%

Table 2. Reposndents' answers to question 9.

Question 10	a	b	c	d
What is the institution that you trust?	Town hall	The church	The school	Other
	3,51%	42,11%	38,59%	15,79%

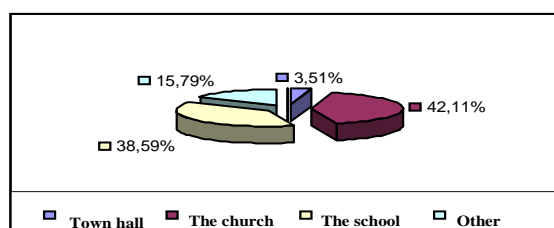


Fig 3. Reposndents answers regarding the institution they trust

The institution in which citizens have the greatest trust of the village is the church - 42.11%.

**Question 11. What is the public person that you trust most?**

The priest is the person in public that the public trust most - 40,35%.

Questions 12 and 13 refer to the education and age of respondent

Educational level of preparation of respondents is high, 37.40% of them have high school and 18.54% are university graduates. Of those who attended 41.38% are aged between 18-34 years, 37.6% were aged 35-59 years and 21.95% fall in the age group over 60 years.

## CONCLUSIONS

By the process of questionnaire of commune inhabitants we consider that the active and continuous involvement of the inhabitants in the social economic development of the communes will increase gradually, once with the awareness of the fact that each inhabitant must involve himself actively in the development of the community he lives in.

For the economic development of the commune the next 10 years aim the following strategic directions of development : *Development and modernisation of physical infrastructure; Development of agriculture;. Capitalization of tourist potential; Development and diversification of services; Creation of business infrastructure..*

The expected impact following the implementation of the strategy aims: farmers training; decrease of average age of active rural population; opportunity equality between men and women; extension of profile consultancy services and awareness of population on their needs; appearance of new stable jobs, implicitly decrease of unemployment rate in rural area; decrease/ and or avoid of depopulation risk; increase of incomes and quality of life in rural communities; awareness, education and responsibility of rural population on importance of environment quality; real opportunities for creation of new activities; reduction and/or elimination of disparities between rural and urban area.

The interested groups that could contribute to the development of the rural communities are local authorities, economic representatives in locality interested in activity promotion and especially interested in local economic development by electronic commerce promotion, providing financial and technical assistance for the adoption of innovation solutions in private sector, teaching staff, students who want to return in the commune after they finish their studies, the initiative commissions constituted under the project implemented during the last years as well investors attracted by the facilities provided (infrastructure, potential of young population, spaces, possibility to connect to the natural gas network in a near future, inside lands available for houses building and for investments).

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## IMPLEMENTATION OF EU POLICIES OF RURAL DEVELOPMENT IN MUNICIPALITIES OF THE DANUBE REGION

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### Abstract

*Perspective for rural development of municipalities bordering the Danube River, lies in the possibilities for development of plant production, in the untouched nature and rich tourist offer. The strategic position of the municipality of Bač, Bačka Palanka and Apatin, which are covered by these work, is it of the great importance for the further development and attract investments that should affect on the strengthening of agriculture and economy of whole area. An orientation of small producers to the major markets will influence the search for smaller niches in which they will be able to assert themselves and develop their production and brand their products, whether in terms of the primary agricultural products or products from other sectors of agriculture. The review of EU Rural Development Policy (2001-2013), arising from CAP (Common Agricultural Policy), the manufacturers of this part of Serbia have a great chance to restore the primary crop and livestock production on normal economy flow. Development of production the safe health food origin while preserving the environment regroup the production resources of this part of Balkans, and will influence the development of navigable traffic and stronger connection with Europe.*

**Key words:** EU Rural Development Policy, restore the primary crop and livestock production, orientation of small producers to major markets.

### INTRODUCTION

In countries of European Union regulation of the rural development in order to develop agriculture as an very important industry. Using the knowledge gained using the CAP[8] in 2003 for period 2007-2013. Years made the three most important goals to be achieved by:

- increase the competitiveness of the agricultural sector;
- improvement of the environment and the state system through the support of agricultural management;
- improve the quality of life in rural areas and promoting diversification of economic activities.

Special emphasis is placed on rural development measures that include activation and use of: human resources, the food quality and international measure that will be used in all EU member states. Republic of Serbia, because of its favorable geographical position, unpolluted nature and possibilities for agricultural development, represent the region

grateful for starting the development. Considering the integration of which Serbia is striving, numerous laws will be customized just the laws applicable in the European Union. Since the regulation will be made, 70% will apply just to agriculture and improving the standard of the population living in rural areas of Serbia.

Rural areas are defined in Serbia as well as space, whose main physical and geographical characteristics using land to produce agricultural and forestry products. According to this definition, almost 70% of Serbia can be treated as a rural area, home to 43% of the population. Municipalities with a population density of 150 inhabitants per square kilometer, which has 130 Municipalities are considered rural. In rural areas of most natural resource land (agricultural land, forests, water) with a rich ecosystem and agrobiosphere.

This work will be highlighted benefits of municipalities located in the Upper Danube, and which have potential application to

implement the rural development policy, a renewal of previously existing facilities. Municipalities that we will consider the Bač, Bačka Palanka and Apatin.

## MATERIAL AND METHOD

The municipalities are on the right bank of the Danube River, they are well correlated with larger markets, which can facilitate the distribution of manufactured products. On the other hand, natural beauty can be promoted as an attractive location for the development of quality tourism.

The Municipality of Bač is located on flatland terrain, which is crisscrossed by small streams in the temperate continental shelf. It spreads over 365 km<sup>2</sup>, includes six villages with a total of 14 150 inhabitants. Agricultural land covers 24 000 hectares, while forests cover 7,000 hectares. Basic economic activities are agriculture, food and trade industry. Many companies implement ISO standards in business. The industrial zone is spread around the main road M 18, between Subotica and Bačka Palanka and part of the regional road R-102, Novi Sad-Bač.

Bačka Palanka covers an area of 579 km<sup>2</sup> and includes 12 villages. According to preliminary census results from 2011. The Municipality has settled 55 361 inhabitants, has 46 000 hectares of arable land. Investment in agriculture and food industry gives the municipality the opportunity for development and expansion of existing capacity. Work zones north and south, the total area of 325 hectares, close to the main road M-7, May 25 Bridge and close to freight railroads, characterized this area as suitable for the implementation of rural development, but the industrial sector and restore the old route.

Apatin is a municipality in the western end of the AP Vojvodina, and covers an area of 333 km<sup>2</sup>. It belongs to a group of medium-sized provincial municipalities. In the municipality of Apatin live 28 654 inhabitants. Includes city Apatin and five villages. By the nineties the basis of economic development accounted for shipbuilding, metallurgy, wood processing, food processing, textiles, agriculture and tourism. In these sectors

employed more than 11,000 workers. Agricultural land covers 22 577 hectares and is an instrument for economic recovery of the municipality.

Regulation on those the European Union insists and that for which is assumed that they can turn to stakeholders or producers to rural development, as the first step requires the analysis of the current status of agriculture, ie. primary production.

Table 1. The land under the crop culture in ha

Bačka Palanka	Apatin	Bač		
48281	24479	26899	Agricultural land	
45145	20784	23971	total	fields and gardens
24550	13843	7786	wheat	
15873	4387	15583	ind. plants	
2928	1478	335	vegetables	
1570	614	249	forage crops	
603	226	140	Orchards and vineyards	
1977	2230	2489	Meadows and pastures	

Source: National Bureau of Statistics. (2011). Municipalities and yearbooks.

Agriculture plays an important role in the overall economic development, especially in rural areas of municipalities. Plant production is very common, with prospects to expand and mobilize a lot of manpower. The structure of plant production is largest surface area occupied by fields and gardens, where most sowing are wheat and crops for industrial use. The need to produce safe food in the world is an important issue for decades, as the reduction of the areas are unpolluted natural resources and the growing population. In the Republic of Serbia, because Bač, Bačka Palanka and Apatin be taken as a starting point for the development of the region, which has much to offer.

The municipalities of Bač, Bačka Palanka and Apatin fall into the first region of the cluster analysis and are characterized by favorable soil and climatic conditions and the corresponding structure dominated by agricultural activities with intensive use of capital. Human capital is highly developed, it

is enough diversified industrial sector with well-developed physical and economic infrastructure.

For rural develop of some area it is necessary to include an active population as a factor of development. According to data from 2002., the agricultural population accounted for 20.87% of total active population in Apatin. In the municipality of Bačka Palanka agricultural population made up 23.23%, and the municipality of Bač, only 2987 inhabitants engaged in agriculture, accounting for 18.4% of the total population (Census 2002. years).

As one of the parameters of the competitiveness of an economy we can observe the development of the transport system. Municipalities that focuses on the adaptation phenomenon of globalization, which will be connected to rural regions with large urban markets, focusing on the creation of a satisfactory transport system capacity and functionality. Bač has a relatively favorable traffic-communicative and strategic position. Border municipality that has a close and potentially easier access to Pan-European Corridors X and Vc, as well as Corridor VII-Danube river, is very attractive for investment, both large and small manufacturers. A good network of highways and regional roads with all major processing and shopping centers further facilitate the distribution of manufactured products of primary production. In the area of Bačka Palanka, there are three forms of transport: road, rail and water. The least used form of transport is water, because the only dock capable of goods for certain structures. A good road network is relieved by building bypass, while rail traffic in the category of low utilization and no greater importance in performing the transportation. Traffic structure is of great importance for the development of Apatin, which although situated on the border, near the Danube, has built no national time of the first order. The conclusion is that there are significantly fewer Apatin main roads, but it can be assumed that the problems will be resolved in part when it completed the construction arm of Vc on the corridor (Budapest-Ploče).

The municipality of Bač, the data analysis SBRA<sup>1</sup> is characterized by a low-economic activity. Most existing companies belong to trade in (37 companies and 21 legal entities), agriculture (28 registered companies and 16 legal entities), industry (all species) - was registered in 36 firms and 27 legal entities. Many companies have gone through the process of privatization: Sugar factory-South-Bačka, agricultural company - Labudnjača, Vlajska; and Agrobačka, Bač, etc.. Observed by sectors, the largest number of registered entrepreneurs in trade and catering. Although Bač significant part as a pillar of the agricultural production is extremely small number of entrepreneurs registered their actions in the field of primary processing of cereals, milk, meat, fruits, vegetables and the like. It is in this business segment diversification of the rural population, including especially the development of tourism and the supply of food through the tourist service - would have to "look" and the key guidelines and further development of entrepreneurship in the municipality.

In Bačka Palanka was registered in 1700 commercial registers, in order of production, and non-productive activities. In this area, operates a large number of companies from the region, which encourages collaboration on projects of vital importance (usually in terms of tourism). Work in agricultural production is very low, although there are sufficient human resources and natural resources. Sintelon ad, Fruktus, Dunavprevoz, Radun groups, etc., are just some of the companies that are doing well in this area.

The basis for economic development of Apatin is proximity of the Danube River and the border crossing to Croatia. It used to be industrially developed areas, where they operated brewery, The Shipyard, Apatex and many others. According to data from the period 2000-2005. years, one of the most commonly studied parameters of development of the entity's national income. Then he received as a result of the national income Opšrine was greater than the national average. The structure forming the largest share of

<sup>1</sup> Serbian Business Registers Agency

national income has mining, industry, then agriculture and fisheries, and other activities have less involvement in its formation. The share of agriculture in the income of the Municipality in the last observed year (2005.) is 18.07% which is higher than the level of the Republic, where agriculture accounts for 16.99%. The Municipality has achieved a significant increase in the share of this activity (with 6.48% how much is in 2003. year).

Based on the data available, we can conclude that the favorable geographical position of all three municipalities affected by its current and potential investments both domestic and foreign investors, the agriculture of the large domestic and foreign markets lower (economic niches suitable capacity). Natural beauty and historical legacy of Bač (Bač fortress, Turkish bath, Bođani Monastery, etc.) may be an attractive tourist offer. Beauty of Bačka Palanka, like the nature park "Jegrička" Danube River, the lake "Trivaja" and "Bager", the special nature reserve "Karadorđevo" and "Bagremara" can be used for special promotions and including this site on the tourist map of Europe. The development of tourism of Apatin relies on the Danube River near the thermal springs and healing waters (Junaković Spa). The plan is to develop cycling as a form of active tourism.

Citing the state on the territory of these municipalities, we get clear goals that they can fulfill in order to strengthen the economy, with special reference to agriculture.

## RESULTS AND DISCUSSIONS

According to the policy practiced by the European Union, in terms of rural development of entire regions and municipality in its territory, the region of Bačka in Vojvodina can be concluded that the natural resources, land and unpolluted water, the population of developed infrastructure and a good basis for further development.

The analysis shows that municipalities have included the potential for development in all directions, especially towards agriculture and tourism. Since the area under crops, particularly cereals and industrial crops,

creates conditions for producing high quality food. It can be distributed on a large domestic market, such as Belgrade, Novi Sad, Subotica, a corridor through which pass through these regions and in western Europe. Measures of rural policy, which states that there must be help rural communities in order to increase the competitiveness of agriculture and farmers, will greatly facilitate their integration and creating a market where you will be able to sell the products obtained. Special emphasis will be placed on the production of local products, whether they are primary agricultural products or products to the food industry or other industries. Recovery of agricultural activities, can be expected and the development industry, which may not be competitive as an industry from the developed countries, but it will be sufficient for domestic needs. Strict adherence to the propositions in the rural policy, create conditions for reducing unemployment and mobilizing all the structure, and to prevent migration tendencies that accompany all rural areas in Serbia.

Investment in training for new techniques and rural crafts, modernization of buildings and machinery, helping farmers to meet demanding EU standards, are just some of the active topics on which to work in the future in which the producers on the territory of these municipalities have the opportunity to meet. With all this, and will be required in the field of improving the quality of products and in marketing quality products.

The potential for crop production in Bač, Bačka Palanka and Apatin are evident, and they will condition the renewal and further development of processing industries.

One of the requirements of a package of measures for rural development is to encourage the development of tourism, for which this whole region has potential. Hydrotomall water, spa tourism has a long tradition, the flat region with a few special nature reserves (Karadorđevo and Bagremara) and a myriad of plant and animal species are the basis for the development of tourism. So far, this region was highly sought after, but after further development and investment complement their offer with quality and



sufficient capacity, excellent service and offering local health food store.

Promotion of local products of the food industry, especially meat products will have a chance, because the products are labeled with geographical indications of origin have a health certificate for their safety and the manufacturers will be able to sell their products in an exclusive series, since it is known that this method does not involve massive production but one that is organized on the farms. Manufacturers will be able to connect into useful groups to protect their product and gradually expand the scope of production according to the standards.

## CONCLUSION

The municipalities of Bač, Bačka Palanka and Apatin are characterized by a specific and very favorable geographical position on the right bank of the Danube in the region of the Upper Danube in Vojvodina. Positioning the municipality causes a good relationship with the largest domestic markets, and the ability to connect to the markets of Western Europe all modes of transport: road, river and rail. As a large border settlements have easy access to the Pan-European Corridors X and Vc, as well as corridor VII-Danube river, which may be involved in inter-chain store and transport goods of all kinds.

The municipalities of Bač, Backa Palanka and Apatin fall into the first region of the cluster analysis, namely the level of rural development as part of the Danube region have natural resources, most notably: high-value farmland, great wealth in the ground and running water, oil and gas, mineral and medicinal waters. The region is depleted forest vegetation. It is represented by intensive agriculture, especially vegetable production, but the general feature is that individual farmers are not sufficiently organized. Consequently, the implementation of rural development is possible.

Agriculture is one of the most important branches of economic activity, including agricultural land covers more than half of the total area the municipality. The crop structure leading wheat and industrial plants, while not

insignificant percentage of orchards and vineyards. The potential for production (3.5 t / ha of wheat, 4 t / ha of corn, etc.) make future production, which could be higher, given that manufacturers perform reorientation in the way of production. As the majority of EU rural development regulation applies just to agriculture, it is a great opportunity for safe food production, which has a high nutritive value for humans and animals. Manufacture of food products, namely meat, with a geographical indication of origin may be another mode of production which is directed to a small niche of consumers.

A special feature of this region is the river Danube. Besides being a very important road for the flow of river traffic, and a very attractive location, with the other natural beauties of this region can affect the development of tourism. The development of tourism, spa tourism, active tourism, rural tourism, may be another way for the popularization of rural population and reducing migration from villages to cities.

Based on the data and the many advantages of the region we studied, we conclude that The municipalities of Bač, Backa Palanka and Apatin corresponding regions in which could be applied to all regulations for rural development by the European Union to exploit the territory of its members.

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## INTEGRATED PROMOTION OF REGIONAL AGRICULTURAL PRODUCTS

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### Abstract

*The paper is aimed at presenting the concept and development of the rural development initiative “Genuss Region Österreich” in Austria from 2008 until the year 2010. It is based on statistical data provided by the Austrian Ministry of Agriculture, Forestry, Environment and Water Management, the initiative’s operational organisation GRM GenussRegionen Marketing GmbH and GBI Consulting, one of the evaluators of the initiative. Through the initiative installed in 2005 and during its first three years of activities, impressive results have been achieved: 113 regions have become members of the initiative by 2010; over 3.000 licenses for producers have been issued; 180 regional events with official participation of GENUSS REGION ÖSTERREICH took place in 2010; over 2.000 restaurants participated in 2010 in the seasonal promotion weeks of the initiative, over 160 retail enterprises are partners and offer regional products of the member region; over 100 touristic packages involving the member regions are available; a higher awareness of the consumers for regional products has been achieved; at the same time the awareness and proficiency, with which the producers market their products has become much higher and the cooperation with tourism, gastronomy, retail and with other regional producers has risen; quality as a key factor for sustainability and registration process of at least one product in all regions for a PDO (protected designation of origin) or a PGI (protected geographical indication) has been started or accomplished.*

**Keywords :** rural development, regional development, regional products, traditional products, rural initiative, sustainability, Austria

### INTRODUCTION

GENUSS REGION ÖSTERREICH was created as an initiative by the Austrian Ministry of Agriculture, Forestry, Environment and Water Management in 2008.



Photo 1. GRÖ Logo

The cooperation between agricultural producers, small and medium sized processing companies, tourism facilities, gastronomy and the retail sector was established to encourage consumption of regional and traditional food products. Quality standards and requirements regarding origin of products and processing are essential elements of the initiative.

Special attention is put on the social capital built in the rural areas to encourage local actors to establish co-operations along the food value chain.

The initiative is financed under the Austrian Rural Development Program 2007 – 2013.

Its objectives are:

-To make Austrian agricultural products and regional services visible to consumers and tourists.

-To provide up to date and specific information on local agricultural raw materials and products.

-To promote the cooperation between agriculture, manufacturing, gastronomy and the tourism.

-To promote shorter transportation distances for fresh products while creating and ensuring added value and working opportunities in the regions. [1]

The core criteria for a region to become part of the initiative were:

-The region must be geographically defined.

-The region must have a typical regional product that is traditionally produced in the region.

-Raw materials must come from the region.

-The product must have a recognized high quality or a unique specification in its production and processing that ensures the quality of the product.

-The product must at least have requested a PDO (protected designation of origin) or a PGI (protected geographical indication) on a national level.

-Typical cultural events with regional relevance, where regional food products are promoted, are regularly organized in the region.

-A non-profit-organization must be created and a regional profile building process must be introduced to obtain the final approval. [2]

The protected brand GENUSS REGION ÖSTERREICH is owned by the Ministry of Agriculture.

GRM GenuSSRegionen Marketing - GmbH is responsible for the operational development of the initiative. [1]



Photo 2. GRM logo

The shareholders of GRM GenuSSRegionen Marketing GmbH are:

-Umbrella Association GenuSS Region Österreich

-Touristic and Gastronomy Initiative: Beste Österreichische Gastlichkeit

-Association Regional Management Austria (Regionalmanagement Österreich)

-Agricultural Organizations of the province-governments (Direkt vom Bauernhof, AGRAR PLUS BeteiligungsgmbH). [1]

The initiatives organization was defined as follows:

The *umbrella organization GenuSS Region Österreich* unifies and represents all regional associations. It is responsible for the strategic development of the initiative.

The *advisory board* consists of members from the Ministry of agriculture, AMA Marketing, the umbrella organization GENUSS REGION ÖSTERREICH, the Ministry of Work, Family and Youth and the agency *Regionalmanagement Austria*. It controls that the licensed regions observe the

rules of the initiative and if the initiative itself is moving towards the goals accorded by the association.

The *113 GenuSS-regions* are the heart and core of the initiative. They are encouraged to continuously work on their development and new regions are welcome to be a part of the initiative. [1]

The following 6 action fields of the operative unit GRM GenuSSRegionen Marketing GmbH are:

### 1. Profile Development

The objective of profile development is to achieve a tailor made development concept and action plans as well as potential analysis for each region. This tools make it possible to exploit their potential in a more efficient way and expand their position in the market. [3]

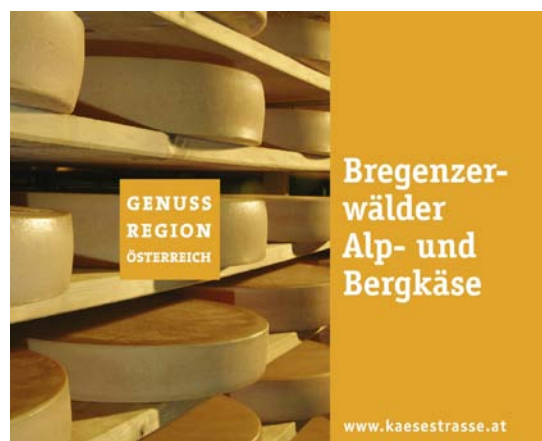


Photo 3. A GenuSS-region

### 2. Season's Calendar

In the GenuSS-events, both the products and services of the regions as well as the Initiative itself are presented in the frame of the seasonal character of agriculture and its products, which are shown through the typical and traditional celebrations and activities around them. [3]

### 3. Gastronomy

The seasonal component is prominent in partner-restaurants during the GenuSS-weeks, where they have the chance to promote regional products as a market advantage. Cooking workshops and support through gastronomic advisors, as well as expert trainings round up the activity.

The award Genuss-Restaurant of the Year motivates gastronomy to use and present products of the regions to a wider public.[1]



Photo 4. Genuss-restaurant of the year

### 1. Tourism

The regions are supported in creating touristic packages for national and international travelers, which can be booked through the usual touristic channels.

An intense network building between producers and the touristic sector and the establishment of the image of the regions as touristic-gastronomic destinations throughout Europe are promoted through cooperation and advertising campaigns. [7]

### 2. Retail

Regional products are offered through the channels wholesale, stores, special partner stores and direct sales. Additionally, the best partner in retail enterprises are awarded every year.

Every store that includes regional products form the initiative in their stores is awarded with a plaque declaring it „Genuss Partner Handel“.

An educational and training program is offered for efficient sales and to rise the know how of producers in their marketing efforts towards retail. [4]

### 3. Culinary Packages.

They can be purchased through retail, gastronomy, hotels or specialized stores, over the internet, in the regions and outside.

They are highly appreciated gifts, presents and souvenirs for visitors and consumers.

Every year, the best culinary packages are awarded (Goldene G-Nuss). The award is

preceded by seminars for producers to help them prepare attractive packages and succeeded by a media campaign to promote the award and the packages. [1]



Photo 5. Culinary package

Additionally, the following supportive functions for concrete organizational issues in the regions were installed:

-Database with internal (producers, customers, licenses and cooperation partners) and external (marketing and information on purchasing, partnership gastronomy, contact information and homepage). [1]

-Quality and origin assurance training system: The objective is to install a quality management and origin certification system in every single region and support them in the process of achieving a registration for an EU certificate of origin. Support consists of training and educational activities as well as concrete support in the solicitation process for EU-certificates of quality and origin. [1]

## RESULTS AND DISCUSSIONS

The *Profile Development* and its seminars was completed in all 113 member-regions. The data and information collected is being used as a basis for the creation and application of concrete action and measure plans in each region.





Photo 6 . The regions within the initiative 2012.

The licensed producers within the 113 regions went up to 3.063 in the year 2010 (Table 1). [1]

Table 1. Progress achieved in action field *Profile Development*

2008	2009	2010
1698 licenses issued	2296 licenses issued	3063 licenses issued
45 regional associations formed	86 regional associations formed	101 regional associations formed

For the action field *Season's Calendar*, a central database of all culinary and regional events taking place in the regions during the year was successfully created. All events on the calendar are promoted to achieve a wider participation. [1]



Photo 7. Thanksgiving celebration in Vienna

Table 2. Progress achieved in action field *Season's Calendar*

2008	2009	2010
25 regional events	105 regional events	180 regional events
5 nation wide events	5 nation wide events	8 nation wide events
5 fair participations	6 fair participations	8 fair participations

The brand GENUSS REGION ÖSTERREICH is always clearly visible on all

products offered on this events, as well as the events themselves and has become well known throughout the country.

Over 750 restaurants which offered products from the regions were registered as Genuss-restaurants in 2010. Over 2.160 restaurants participated in the GenussWochen, a series of events in the action field *Gastronomy*, where they offer seasonal products from the regions. Trainings were offered to achieve best cooking results with the traditional regional raw products (Table 2). [1]

Table 3. Progress achieved in action field *Gastronomy*

2008	2009	2010
388 Genuss-Restaurants	606 Genuss-Restaurants	759 Genuss-Restaurants
601 Genuss-weeks participant restaurants	1705 Genuss-weeks participant restaurants	2161 Genuss-weeks participant restaurants
45 participants in culinary award	82 participants in culinary award	99 participants in culinary award

The *Genuss-restaurant of the year* has become an important culinary prize in Austria. 99 restaurants participated in the competition in 2010 (Table 3). [1]



Photo 8. Genuss-restaurant

The cooperation with *tourism* has been most positive. Between the beginning of activities in 2009 and 2010, 114 touristic packages in the regions were presented to participate in the competition for best Genuss-destination of the year. These packages came from over 60 touristic enterprises and organizations. The winners were promoted in cooperation with the Austrian Touristic Agency *Österreich Werbung*.



Photo 9. Tourism campaign

GENUSS REGION ÖSTERREICH also participated in the most important international touristic fairs for central Europe, the ITB in Berlin and started an online advertising campaign in Germany. [1]

161 retail enterprises were licensed as Genuss-partners in *retail* in the year 2010. A first cooperation with one of the most important C & C markets in Austria was implemented (Table 4). [1]

Table 4. Progress achieved in action field *Retail*

2008	2009	2010
32 licensed retail enterprises	90 licensed retail enterprises	161 licensed retail enterprises

Product innovation and quality were the key advances in the action field *Culinary Packages*. The packages are very successful and can be bought in the regional gastronomy and touristic sector, some even through the internet. The experience gained is used by the regions for the marketing of all their products. The competition for the best culinary package of the year attracts intensive media and consumer attention (Table 5). [1]

Table 5. Progress achieved in action field *Culinary Packages*

2008	2009	2010
56 culinary packages	116 culinary packages	100 culinary packages



Photo 10. Best culinary package prize

The database included in 2010 the data of all 3.150 enterprises which are already members or are applying to become members of the initiative. The product information of 5-10 products of 40 member regions are available to purchasers from gastronomy, tourism and consumers through the installed culinary and retail advisors. Also all information on quality assurance was included in the database form 2010 on. [1]

Trainings were offered and successfully implemented on all 6 action fields.

Most useful were tailored seminars for specific regions and networking seminars with producers from different sectors. [1]

A networking effect was achieved on a regional and national level, as producers and gastronomy, as well as tourism organizations now work together to promote their region.

The following organizations became active cooperation partners:

- Austrian Tourism (Österreich Werbung)
- Beste Österreichische Gastlichkeit (BÖG) (culinary Initiative)
- Destillata (an association for the awarding of best spirits)
- ARGE Rind reg. Gen. m.b.H. (a working group of the meat industry)
- Österreichischer Wirtschaftsverlag – Medium ÖGZ (Österreichische Gastronomie Zeitung) (the most important publisher in the Austrian food sector)
- AGRAR.PROJEKT.VEREIN (Association for Rural Development of the Chamber of Agriculture) [1]

## CONCLUSIONS

The focus on the linkage of food products with their regional origin and their traditional production raised the awareness for the

linkage between agriculture and food production on the one hand and sustainable rural development as well as environmental and cultural preservation on the other hand.

A higher awareness for the importance of regional production in agriculture could be achieved as well as a raise of the value added of the products, thus ensuring a sustainable economic development of the regions.

The established cooperation between agricultural producers, small and medium sized processing companies, tourism facilities, gastronomy and the retail sector encouraged consumption of regional and traditional food products.

Quality standards and requirements regarding origin of products and processing were achieved and awareness of its importance was created.

Special attention was also put on the social capital built in the rural areas and local actors were encouraged to establish co-operations along the food value chain.

**ACKNOWLEDGEMENTS**

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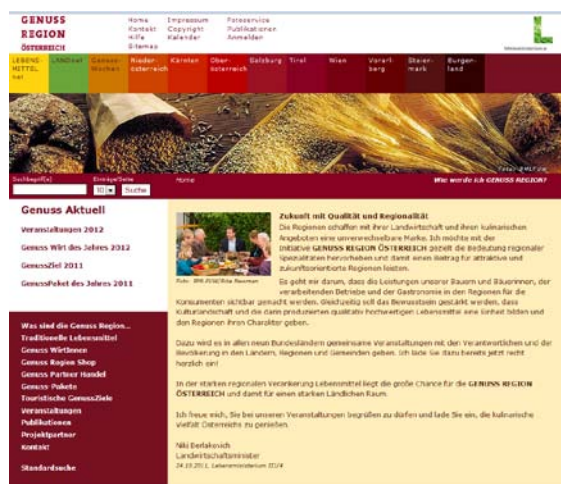
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All Photos: GRM-GenussRegionen Marketing GmbH, Vienna, 2007-2012

Photo 11. GENUSS REGION Homepage





## COMPARATIVE STUDY REGARDING THE RURAL AREA OF INDEPENDENȚA, ȘTEFAN VODĂ AND VÂLCELELE COMMUNES IN CĂLĂRAȘI COUNTY

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### Abstract

*The rural contains all the activities that develop outside the urban and contains three main components: the administrative communities constituted of relatively less numerous members and who have mutual relations; the deep spreading of population and collective services; the remarkable economic role of the agriculture and forestry. Călărași county is situated in the South-East part of the country and of the Romanian Plan, on the left shore of the Danube, having a surface of 5088 km<sup>2</sup>. Călărași county has 2.1% of Romania surface. The relief is mainly represented by plains. This comparative study presents the rural area of the three communes in the county: Independența, Ștefan Vodă and Vâlcelele. The study highlights the main indicators of the rural area that characterizes the three communes that were studied and at the same time the different character and territorial variety of these communes.*

**Key words:** *infrastructure, comparative study, county, administrative territory, commune*

### INTRODUCTION

The natural resource of Călărași county are represented mainly by arable lands (82.7%), water (6.6%), forest and other lands with forestry vegetation. [1].

The soil fertility, the important sources of water (the Danube, Mostiștea and Gălățui lakes), rich in fish, the large forests favour the development of agriculture.

The socio-development of Călărași county is elaborated in accordance with the conceptions of regions development, correlated with the economic sector and civil organisations sector, with the National Development Plan of Romania, the Regional Development Plan, South Muntenia Region Development Strategy, etc. And with external factors (EU programs, provisions of the International Conventions, international relations of the Local Councils and County Council) can influence positively the development processes.

Having a decreasing population and a density of about 62.6 inhabitants/km, we must consider it as being mostly rural, counting 194,190 inhabitants in the rural area (59% of

the total population in 2009) that represents with 21% more than the average of the countries that joined EU recently. Thus, the rural and agricultural development will form a solid pillar. The county success and prosperity depend on its own economic performances. The county is dependent on agriculture and economy in the rural area. The spread of globalization threatens the traditional agriculture.

### MATERIAL AND METHOD

For the presentation of Independența, Ștefan Vodă. and Vâlcelele communes, information taken from the Fiche of each locality was processed, provided by each local council and information collected from the County Department of Statistics and from Călărași Department for Agriculture and Rural Development.

The documents provided by the local councils of the 3 localities was analysed, for the elaboration of the diagnosis analysis of the commune, that included: data about commune situation and about its physical-geographical characteristics; statistics and census made at local level, in demography, labour force

employment sectors, economic sector, education and culture, environment protection; The General Urbanism Plan (PUG).

## RESULTS AND DISCUSSIONS

Independența Commune is situated at about 16 km West-North-West of Călărași municipality. Situated in the south part of Călărași county, the commune is in a contact area between Bărăgan Plain and the Danube Valley, area marked by a clear line of monometric and morphological differences, confirmed by a row of permanent human settlements. [2]. Independența village is situated at the East limit of the second terrace of the Danube, named by the population coast, beyond that Bărăgan Plain lies. The terrace area maintains the shore of Gălățui river, that communicates in the south part by an artificial canal, near Rasa village, with the Danube and Borcea branch. Independența communes is formed of three villages: Independența, Potcoava and Vișinii.

The data of the census in 2002 indicate a population of 3916 inhabitants. By the specific of their origin, the villages of Independența communes, formed as plain villages, near the water source and in the area where the water is near to the surface.

The second commune that is studied, Ștefan Vodă commune is a village in the North part of Călărași county, in Ialomița Plain and is the capital of the commune with the same name. at the census in 2002 the commune population counted 2500 inhabitants and the population density at the commune level was of 31.2 inhabitants/km<sup>2</sup>. The documental certification of this commune was made in 1895. The main economic activity specific to the area is agriculture and service providing.

The third commune, Vâlcelele commune is situated in the North-East part of Călărași county and it is formed of Vâlcelele and Floroaica villages. [3]. The commune is situated at a distance of 29 km North-East of Călărași municipality and occupies a surface of 1,627 km<sup>2</sup> and it has a population of 2143 inhabitants. At the level of Vâlcelele

commune, the arable lands and the pastures constitute the only natural wealth. The arable lands provide a solid base for obtaining some varied agricultural products, needed in industry, food for the population and feed for animals. The fruits and vegetables constitute another category of agro-food raw materials. The subsoil is formed of clay soil, which is at a depth of 30-50 cm, and this allows to maintain the humidity. That is why, the vegetation is abundant and the soil is unique fertile despite the steppe climate. [4]

In the Table 1, it can be noticed a brief presentation of the agricultural characteristics of the three communes that are studied. It can be noticed that the difference between the arable land as surface in hectares is not very big in the three communes, Ștefan Vodă commune having the biggest surface of the arable land.

Table 1. Characteristics of Independența commune

Indicators	
No of component localities	3
Total surface	5.856,00 ha
Of which - arable	5.171,70 ha
- pastures, meadows	1,00 ha
- vine	156,90 ha
- orchards	13,00 ha
- forests	125,00 ha
- waters	57,00 ha
- roads	329,40 ha
- built yards	1,90 ha
- non productive	
DWELLINGS	1.395
Census - 1992	1457
Census - 2002	1440
Census - 2011	
NO OF ROOMS TO LIVE IN	3.520
Census - 1992	4.110
Census - 2002	
Census - 2011	4.135
POPULATION	3.916
Census - 1992	3.353
Census - 2002	466,6 ha
Census - 2011	
INSIDE LAND	

In the tables are inserted also data from the Census in 1992, 2002 and 2011, regarding the dwellings and the population evolution.



Table 2. Characteristics of Ștefan Vodă commune

Indicators	
No of component localities	1
Total surface	7.152,00 ha
Of which - arable	6.833,40
- pastures, meadows	72,00 ha
- vine	246,60 ha
- orchards	
- forests	813
- waters	873
- roads	808
- built yards	
- non productive	2076
DWELLINGS	2329
Census - 1992	
Census - 2002	2.631
Census - 2011	2.501
NO OF ROOMS TO LIVE IN	2.346
Census - 1992	339,55 ha
Census - 2002	
Census - 2011	
POPULATION	
Census - 1992	
Census - 2002	
Census - 2011	
INSIDE LAND	

Table 3. Characteristics of Vâlcelele commune

Indicators	
No of component localities	2
Total surface	6.457,00 ha
Of which - arable	5.849,88 ha
- pastures, meadows	160,00 ha
- vine	80,79 ha
- orchards	0,03 ha
- forests	166,00 ha
- waters	121,08 ha
- roads	284,84 ha
- built yards	123,07 ha
- non productive	
DWELLINGS	930
Census - 1992	982
Census - 2002	965
Census - 2011	
NO OF ROOMS TO LIVE IN	2.507
Census - 1992	2.764
Census - 2002	
Census - 2011	2.145
POPULATION	2.081
Census - 1992	1.833
Census - 2002	411,5 ha
Census - 2011	
INSIDE LAND	

From the tables above it can be remarked that the main difference between the three communes that were studied is the fact that Ștefan Vodă commune does not have non agricultural land represented by forests and water, unlike Vâlcelele commune, that being a settlement situated in the field it possesses forest and waters, and Independența commune has only water, no forests, as it is situated along Gălățui river, which links to Borcea Branch.

From the information listed in the tables presented previously it can be noticed the characteristics and differences between the three communes which demonstrates the varied character of the rural area in Călărași county, which has all the natural wealth so that the inhabitants of these communes to be able to practice agriculture and to contribute this way to the development of the rural area.

## CONCLUSIONS

Briefly, the rural area in Călărași county has a remarkable importance regarding the positive and negative elements (mainly due to the relatively high percent of agricultural surfaces that it posses and of the population employed in agriculture, of the traditions and customs specific to this country).

The way of using the lands and their distribution in the territory are influenced by the relief conditions, the pedo-climate characteristics and the lands suitability to the established. The soils, although have a superior quality, are already affected by erosion, dryness and soils compacting, situations appeared as a result of the inadequate works and of the climate conditions.

In the rural area of Călărași county 49.1% of total population of the county lives, most of it employed in the sector of agricultural and related activities. From this reason, the achievement of the strategic objectives that supposes the efficiency and diversification of the agriculture and rural development sectors, it means the development of education infrastructure, health infrastructure, technical-

town infrastructure and business development in the agriculture sector.

The stimulation of the transformation of peasant houses in family farms with commercial character, that brings substantial incomes, will be an important process in diminishing the young labour force flow that migrates to the urban area.

The interested groups that could contribute to the development of the rural communities directly are the local authorities, the traders in the locality interested in the promotion of the activities and especially of the products obtained, implicitly the local economic development by the promotion of the electronic trade, providing financial and technical assistance for the adoption of the innovative solutions in the private sector, the teaching staff, students who want to return in the commune after they finish the studies, the initiative committees constituted under the projects implemented during the last years in the locality (these have experience both in the identification and prioritisation of needs – public consulting but especially in the process of identifying the financing sources and the implementation of various projects) as well investors attracted by the facilities provided (infrastructure, potential of young population, spaces, possibility to connect to the natural gas network in a near future, inside lands available for the construction of houses and for investments).

The vision regarding the economic-social development of the rural communities in Călărași county is the creation and support of the competitive, stable, healthy and diversified social economic sector, to ensure the continuous economic growth and the increase of the quality of life of the commune inhabitants.

The socio-economic development strategy of the rural communities must capitalize the potential, opportunities and real possibilities for development, including the creation of a simulative and competitive business sector, aimed to attract important private investments in the country and abroad.

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## EFFECTS OF MARKET REFORM ON AGRICULTURAL POLICY COMMUNITY AND RURAL AREAS

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### **Abstract**

*Common Agricultural Policy is one of the basic objectives of European construction with direct importance of its trade policy. She was one of the most difficult chapters of economic integration. Agriculture continues today to depend on a largely natural conditions, climate, soil quality witch makes the productions volume for some products different from one year to another, from one country to another. As a result, at the time of formation of the European Economic Community have a multiform agriculture, partially contradictory. Creating a common market, opening borders and eliminating obstacles to trade, requires States oriented agricultural activities have the same advantages as their partners focused on industrial activities. But creating common agricultural markets could be made similar to the industrial sector, through suppression of customs barriers and the adoption of common rules in the competition.*

**Keywords:** agricultural policy, objective, European, custom control, commercial

### **INTRODUCTION**

In agriculture there are problems more complex due to the particularities of this sector of activity, some generated by natural factors and others with socio-economic character. Protection by each country in the field of agriculture through various regulations: guarantee prices, export subsidies, import restrictions, as well as other processes were specific to each country, non-implementation report directly to agricultural economies based on the rules of the market economy. From these differences began the history of collaboration and the implementation of agricultural policy, farmers in all member countries, starting from their different position. If the initial instrument of agricultural policy was the guarantee scheme of the prices, the objective was chased to satisfy demands of agricultural producers in the community.[3]

They started to show a surplus of agricultural products that it should be stored and exported outside the Community. Until now maintaining stability in rural community space is made with difficulty and high budgetary costs. The new measures of the reform of the

community support to develop redirect sustainable rural by diversifying production and provision of alternative income for small farms is a necessity of rural stability. Quality and production diversification policy orientation aims to strengthen the CAP priority farmers with market linkages and development of rural space.[1]

### **MATERIAL AND METHOD**

This reform of the common agricultural policy was not enforced by the appearance of large surpluses of agricultural products which had to be stored and exported outside the community, sometimes at prices lower than those charged in the interior, has led to the growth of the Community budget for agriculture.

1. The first step towards the reform of the common agricultural policy aimed at reducing agricultural production, for witch they started to maintain the guaranteed prices for only a limited amount of agricultural products. This measure should lead to the decrease of stocks and the reduction of exports outside the community for a variety of agricultural products at prices lower than those of the community and, consequently, to decrease the

costs of Community policy. To attain this objective was introduced as a means of coercion to meet production quotas established annually – applicable tax which had to bear the brands if they exceeded the production quota.[4]

2. The second measure on the reform of the common agricultural policy was taken in 1984 when it was decided to align the agricultural productions at the level of community demand for these products.

3. As a result, it was passed on to the third step on the line deepening reform agricultural policy by which decided the annual approval of an expenditure ceiling for agricultural policy which could not longer exceed the pace of GDP growth.

4. In 1991, the European Commission has decided to shift to a new common agricultural policy reform by establishing competitive price policy, to face both intercommunity competition and the international. The main objectives of this reform of the CAP were: - maintaining the position of the European Union leader on the market of agricultural products; approximation of the Community agricultural production of the actual demand for agricultural products, the granting of Community financial aid to those farmers who are most in need of it; protecting the environment through industrial policies which reflect the development of appropriate economic and social potential of rural areas. The effects of this reform of the common agricultural policy is expected to be favorable to the development of agriculture, because for the first time allow for different levels of compensation between the regions of the European Union, on the basis of statistical data production and yields. These measures can benefit rural areas in Romania provided stimulating selection of viable farms the large number of existing subsistence peasant, modernization of food production chains, development of complex economic activity and stabilize youth in rural areas.[2]

## RESULTS AND DISCUSSIONS

The new reform was accepted in principle since 1999, when the European Council has decided that the next review of the CAP to have place in 2002.

Table 1. Surfaces, reference productions, the production quotas and ceilings supported by national negotiation  
*Vegetable sector*

<b>- Base area for arable crops</b>	<b>7.012.666 ha</b>
- Average yield of reference	2,65 to/ha
Vines	
- It recognizes the entire surface planted (from the vineyard register in 2006)	
- replanting rights shall recognize for varieties prohibited in the EU	30 mii ha
- The area planted with walnuts	1645 ha
- The area planted with rice	500 ha
- The area planted with cu hop	198 ha

*National quarantined quantities*

<b>- Flax and hemp</b>	<b>963 tone</b>
- Tobacco	12.312 tone
- Rice seed	100 tone
- Other seeds	2.294 tone
- Processed tomatoes	50.390 tone
- Processed peaches	523 tone

*Livestock*

<b>- Milk quota</b>	<b>3.057.000 tone</b>
from which	
- Deliveries to factories	1.093.000 tone
- Direct sales	1.964.000 tone
- Backup quota (2009)	188.000 tone

*Ceilings for cattle and sheep*

<b>-Beef</b>	<b>452.000 heads</b>
- Suckle cows	150.000 heads
- Adult beef to the slaughterhouse	1.148.000 heads
- Slaughtering calves	85.000 heads
Sheep and goats	5.880.000 heads

*The new reform of the common agricultural policy*

a. remove the link between direct payments and production, thus the direct payments to be

granted independently of the volume and structure of production;

b. the obligation to respect by the farmers of certain environmental standards, food safety, animal health and animal welfare, the preservation of land in good conditions;

c. to supplement financial resources for rural development at the expense of reducing direct aid, namely by transfer of financial resources from the market towards measures for rural development measures;

d. financial discipline. A mechanism was adopted for stabilizing agricultural expenditure so that not is pregnancy is less the ceilings set in the financial perspectives for the period 2007-2013.[5]

Another element of the reform of agricultural policy and strengthening and commune is boosting rural development, through the adoption of new measures for rural development in the category of those accompanying, measures aiming at the quality of products meet the environmental standards, plant health, etc.

Table 2 Calendar for allocation of the Community budget and the national budget for direct payments in the period 2007-2016

An	% annual percentage increase in payments to the EU ceiling	% annual percentage increase in payments from the national budget*	total annual payments %
2007	25	30	55
2008	30	30	60
2009	35	30	65
2010	40	30	70
2011	50	30	80
2012	60	30	90
2013	70	30	100
2014	80	20	100
2015	90	10	100
2016	100	0	100

\*maxim 30%

Source: Treaty of accession of Bulgaria and Romania to the EU Publishing the Official Gazette of Romania, 2005

Under the proposals the European Commission, in the period 2007-2009 agriculture in Romania could benefit from funding total 4,037 billion euro of which:

-1,613 billion euro for the implementation of the measures for the implementation of the CAP (0,732 billion euro earmarked for measures to support the markets through the mechanism of intervention and export refunds-cereal, dairy products, beef, etc.-and 0,881 billion for direct payments to farmers);

- 2,424 billion for rural development. For Romania direct payments shall be introduced in accordance with the following timetable percentage growth.

## CONCLUSIONS

Customs Union theory is unpredictable in terms of forecasting economic impact in terms of reallocating resources, specialization and social welfare changes for a country that has entered into a Customs Union.

In other words, remove tariff barriers in the Customs Union between the member States and introduces tariffs commune, establishes new trade conditions and discriminates against non-Member States.

The integration of Romania produces changes in relative prices which add trade in agric - food products with the member, and a drop in exports to non-Member States as well as an increase or a decrease of imports from non-Member States, depending on the effect of deflection of trade along the sector associated with the implementation of new tariffs.

Inclusion of the agro-food sector in regional integration model will benefit producers Romanians live animals (especially cattle), producers of meat, sugar and grain. For these sectors, the positive effects of access to the European market will overcome the negative effects of cheaper imports. In other words, changes in export prices have a direct and positive impact on producers ' incomes, comparative with direct repercussions and negative import price change.

As the reduction of EU 25 tariffs on imports from Romania in greater, the grater is the direct impact on export and output growth. Growth of production depends on the internal and export share of that sector.

The elasticity of substitution of goods import and export shares are higher, the more it grows

more trade with the countries of the EU and so gain social welfare is greater. In conclusion, it pays to put into question the assumption that the producers in the sector agrifood of Romania are able to respond to the opportunities arising from increasing access to the European market.

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## **RURAL AREAS – THE PREMISE OF ROMANIAN AGRICULTURAL DEVELOPMENT**

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### **Abstract**

*Year 2007 when Romania joins the European Union marked a new era in development and agricultural economy of our country. In this context Romania has had to quickly adapt its economy to take part in the EU internal market and to benefit fully from the positive effects of adopting the CAP. EU membership is perhaps the strongest factor of pressure for reform of agriculture and rapid rural Romanian economy given the necessity to integrate successfully in European rural economy. European model of agriculture is based on competitive sector oriented to market fulfilling also other function such as environmental protection, provision of residential settlements more convenient for people in rural areas and the integration of agriculture with the environment and forestry.*

**Keywords :** *integration, economy, rural development, era*

### **INTRODUCTION**

Rural is a concept particularly complex, which resulted in a great diversity of views concerning the definition, scope and its components. According to some specialists consider the rural space everything is urban. This general definition often creates confusion between the concept of rural and agrarian concept, which does not correspond to reality. Rural areas is not a concrete space and heterogeneous. Of course, you can give many definitions and descriptions can make multiple countryside.

Rural economy, dominated by agriculture in large part is still poorly integrated into the market economy. In the current economic context, the understanding and the application of techniques of marketing depends on the wellbeing of citizens in rural and urban area, as well as the welfare of farmers.

Romanian manufacturer must act in line with economic reality existing global and national levels, to implement the technical and economic methods to give stability and efficiency.[1]

The producer is obliged to produce in accordance with what is required on the internal and international markets, to respond promptly to the needs of the consumer, to

focus, therefore, to request to shaping their own offers.

Throughout history, rural and urban have evolved correlated inversely determined by economic needs, developed both global and national level. Here are a number of criteria for differentiation between rural and urban.

In the vision of I. Aluas 1998, urban areas is distinguished by rural and vice versa by: occupational criterion, the criterion of human relationships, demographic, social stratification criterion, the criterion of competence, and criteria interaction between human communities.

Nationally, agriculture is one of the most important branches of the economy.

Romanian rural development depends on factors such as: access to education, strengthening the institutional capacity of the agricultural administration, access to health services, the development of basic infrastructure, particularly that of roads to facilitate access to the markets and to allow good mobility of the workforce. Rural areas have substantial growth potential and have a vital social role.

The contribution of agriculture, forestry, fisheries in gross domestic product is about 9.7%, while their contribution in the GDP of

the other EU member countries is situated at about 1.7%.

The decrease in the share of agriculture in GDP was due to entrance on right track of the market economy and the development of other branches of national economy. Currently rural areas are the subjected actions of the industrial civilization, actions that lead to a decrease in the rural population exclusively occupied in agriculture.

## MATERIAL AND METHOD

Over 70% of Romania's population lives in the poor rural areas. The risk of poverty to which it is exposed to the rural population is three times higher than the risk of the urban population is exposed.

Structural deficiencies in the agricultural sector increase national differences in relation to other Member States. More than half of the rural populations have no water in the public system.

There is a low degree of equipment with utility infrastructure in rural areas; 5-6 times lower compared to urban areas and at a distance of their status in the EU. Agriculture is the major economic activity of the rural areas.

Sustainable development of this sector involves the formation of a competitive agriculture, which would create an economic surplus needed its own developments and to have a positive contribution to the general economic balance, the insertion of agriculture in the economy and the functioning of its generalized by economic forces as the development ecological sustainable agriculture, producing food and raw materials, which must not be the victim of pollution and agent the development of sustainable agriculture to ensure parity income of farmers with those of other socio economic groups.

In socially sustainable rural development is a guarantee of ensuring the conditions of life for society as a whole.

Rural areas in the EU were developed on the basis of a set of policies: agricultural, industrial, transportation, commercial,

whereas rural addressing sequentially may lead to the appearance of wrongdoing.

Rural means a specific space, contoured and influenced by the existence and interaction problems: demographic (population structure, density, residential space), economic (the nature of the work, the relations of production, the structure of the sources of income, etc.), ecology (environmental peculiarities, built residential typologies and distribution functionality of localities). Rural development is located at the confluence of the urban tendency of expansion and the need to maintain rural, assuming a form of harmonization which merges the attainment of economic growth and environmental protection.

Development of integrated, balanced and long-term – so-called "type of development sustainable" or "supported" – assumes the existence of Community policies to support "green" tourism for exploitation of the rural areas.

Rural tourism in the majority of cases in those regions, which receive financial assistance from the Structural Fund and the Regional Development Fund of the European Union, which have decreased markedly.[3]

In the framework of the support of the EU for the achievement of the objectives of development in rural areas, the most important measures are to encourage rural tourism and vocational training in the field of tourism. This involves financing investments designed to create tourism facilities, such as: accommodation on farms, the development of natural parks, sporting activities.

## RESULTS AND DISCUSSIONS

EU rural development experience can be transposed into a general idea: rural based on regional policy overrides policy sector Economics (branch).

Regional policy is based on the more comprehensive, including financial support for rural areas, agro-environment, agro-tourism, conservation of the cultural heritage of the diversification of the rural



infrastructure, the creation of productive, social, institutional.[4]

Rural policies have been directed in support of EU regions and proved the inability of coherent development.

Where territorial development of regions in the EU would be left to the discretion of the demand and supply would appear disadvantaged regions, transformed into economic burden and, most importantly, the potential of these regions would be used here, the need for structuring the rural policies.

For Romania, a rural development policy lacking, productive capital investment was reduced, low income, social infrastructure, productive and undeveloped. An alternative for improving economy was the accession to the EU, which has involved the harmonization of economic and institutional mechanisms with those of the EU.

Table 1. National criteria used for classification of rural settlements

Country	National criteria used for classification of rural settlements
Austria	Communities with less than 5,000 inhabitants
France	The common contains a booking less than 2000 inhabitants.
Greece	Population of the municipalities and communes in which the largest centre of population is less than 2,000 inhabitants
Island	Localities with less than 200 inhabitants
Luxemburg	Common with than 2,000 people in the administrative center
Holland	Municipalities with a population of less than 2000 inhabitants but more than 20% of the population are engaged in agriculture.
Portugal	Agglomerations and other administrative areas with less than 10,000 inhabitants
Suede	Localities with less than 200 inhabitants

The main obstacle to rural development is given by the poor development of the industry, demand reduction, the lack of budgetary resources.

Certainly, one can say that rural is the decisive support of the future, a space where human settlements that are distinguished by specific traits: demographic, economic, social,

ethnic, environmental, geographic, functional, typological etc.

Rural area plays an important role in both the size and functions of residential, economic and recreation that you meet. Rural areas Romania hold 87, 1% of territory and 45% of the population.

At European level, rural occupies 85% of the area of the territory, with pronounced gap compared to urban quality of life insurance.

European vision in the village has three main functions: economic function, ecological and socio-cultural function.

National criteria used for classification of rural settlements.[2]

## CONCLUSIONS

The development of rural areas and to reduce the high levels of poverty in these areas can be achieved through reforms in the agricultural sector, through the development of human capital and to increase social protection. Expenditure policies for the next period should give new priority to agriculture and rural development.

Agriculture and rural development budget should anticipate future problems in a world with rapid changes. Romania needs to establish the criteria which should be used to ensure that the principle of value added is applied effectively.

Prioritizing budgetary expenses should reflect better the political objectives of the rural areas.

Providing resources to co-finance projects must represent the key step of the policy feature of agricultural and rural development.

Negotiation facility should introduce budgetary debate in the ranking of priority areas of Romania; infrastructure, education, health, agriculture and rural development, the security of the citizen. Medium-term objective is to achieve convergence with the average level of economic and social development in the EU.

Policies that can contribute to the achievement of convergence with priority must be repeated in rural areas. The agricultural sector plays an important role in

the national economy. As regards the budget, the Government should provide additional advantages clear countryside. It is very important for rural development in Romania to increase the quality of services in rural areas through access to education, to ensure a health system accessible to all residents of the villages, a pension scheme is improved access to modern infrastructure.

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## HELICULTURE – PERSPECTIVE BUSINESS IN THE CONTEXT OF SUSTAINABLE DEVELOPMENT OF RURAL AREAS

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### **Abstract**

*The article was focused on determining the economic efficiency and arguing the economic calculations connected with the economic efficiency of the snails breeding within the agricultural farms of the Republic of Moldova. In order to make an analysis, the author proposed the idea of creating a model farm breeding snails in an area of 2,000 sqm to 10,000 sqm, the one that can be implemented and managed within a family farm. The economic calculations connected with snails breeding have been done taking into consideration the following aspects: assessment of the necessary investments, planning the annual revenues from sales, calculation of the annual consumptions and calculation of the final economic results. As a result of practicing the entrepreneurship activity within this farm designed for snails breeding, we determined that it is possible to obtain an annual sufficient profit for the further development of the mentioned business.*

**Keywords:** heliciculture, snail, production costs, sales income, cost, profitability.

### **INTRODUCTION**

In the last years, it have been put into practice various measures to halt the decline of the livestock sector and its dynamic development. One of these, is to promote intensively and providing the necessary support to start various businesses in rural areas.

Some businesses are found both traditional promoted business, well known by local entrepreneurs, as well as some non-traditional, drawn from international business.

Small entrepreneurs, now, have at hand the latest business ideas, which only needs to add enthusiasm and desire to make money, such as: increasing pheasant, quail growth, increasing ostriches, sturgeon growth, increasing chinchilla, snail farming, increasing vipers etc.

Some of them are quite attractive especially because of their economic efficiency or ratio between effort and effect.

Thus, entrepreneurs can start a business of snails or chinchilla growth, that it will provide them a market in the countries with “claims”. Foreigners have always appreciated the luxury and edible snails which are prepared in restaurants as well as luxury clothing chinchilla fur are products which are greatly appreciated by Italians, French, Spanish and many others.

### **MATERIAL AND METHOD**

In the present article we will focus on the determination and argumentation of the economic calculations regarding the economic efficiency of snails breeding. The author proposed the idea of creating models of farm breeding snails in an area of 2,000 sqm to 10,000 sqm, that can be implemented and managed within a family farm. The necessary investments to set up these farms and to purchase the means production can be done using personal sources or the ones obtained from another financing source.

### **RESULTS AND DISCUSSIONS**

Since ancient times, people have used in their diet, among many components and water or terrestrial mollusks. The discovery of snail shells during archaeological excavations merely confirm that the snails were used in the human diet since prehistoric times. Snail meat, like fish meat (Table 1), is very low in fat (0.5 to 0.8%) and relatively low in calories (60-80 cal/100 g), but has a biological high value of protein (12-16%) and minerals (1.5%), respectively, in nitrogen (2.5%). [1]

Table 1. The chemical composition of snail meat (Bud I., 1998)

Specification	Dry matter (%)	Water (%)	Proteins (%)	Non-nitrogen extractives (%)	Fats (%)	Mineral salts (%)
<i>Helix pomatia</i>	20.65	79.35	16.10	1.97	1.08	1.5
<i>Helix lucorum</i>	20.30	79.70	15.95	1.45	1.20	1.7
<i>Helix aspersa</i>	20.15	79.85	16.33	1.37	1.15	1.3

There are many species of snails, the majority of them edible, some poisonous and even harmful, especially in market gardens, other species scattered widely throughout Europe, North Africa, America and Asia Minor. The most popular species of snails, especially

the species which entering among the preoccupations of growth and human nutrition, are *Helix Pomatia* and *Helix Aspersa*. But there are also and other edible species: *Helix lucorum*, *Achatina fulica*, *Helix Lactea*, *Helix hortensis* etc. (Table 2). [1]

Table 2. Main edible species of snails on the market

The species	The main morphophysiological characteristics			
	Height (mm)	Width (mm)	Color	Weight (g)
<i>Helix pomatia</i> Orchard snail	38-40	38-80	White-brown to yellow-brown, longitudinal bands 4-5.	25-35
<i>Helix aspersa aspersa</i> Little gray	25-40	20-35	Gray or yellowish, with 4 brown bands.	15-20
<i>Helix aspersa maxima</i> The great gray (Algerian snail)	30-42	30-40	Gray or dirty yellow, with dark bands.	20-28
<i>Helix lucorum</i> Forest snail	30-35	50-70	White with brown-red bands.	15-22
<i>Achatina fulica</i> Giant snail	85-90	50-100	White-yellowish-brown.	up to 300 g
<i>Helix lactea</i> Milk snail (Spanish vine snail)	26-35	25-30	White, with stripes spiral streaked with red-purple.	16-22
<i>Helix hortensis</i> French garden snail	14-20	10-17	Very varied color, trimmed with a white border.	8-12
<i>Helix lutescens</i> Spool snail	30-35	30-40	White-yellow, with brown bands.	10-15
<i>Helix vulgaris</i> Striped snail	27-30	30-36	White with brown narrow bands.	10-12

Snails are delicacy certified as a traditional product in several countries in Western Europe, America and Southeast Asia. Snail meat and eggs are not only taste great, but, given the large amount of digestible protein, vitamins and trace elements are extremely useful to have a stimulating effect on the body. Moreover, snail serves as raw material for production of various medicinal products, which contribute to the activation of vital processes and body rejuvenation.

In Europe, the annual consumption of snails exceeds 100,000 tones and the demand outstrips supply for them and, according to marketing research of Western Europe spe-

cialists, it is satisfied in 60-70%. Collecting snails in the western countries was almost suspended: practically all land is cultivated and the natural populations of mollusks is not very large. Market needs are satisfied mainly on imports of living mollusks from Eastern Europe and Southwest Asia countries, as well as for artificial reproduction.

Snails breeding or heliciculture is a relatively new field of agricultural production. Rapid development in the last 20 years shows that the minimum capital investment of farming in this area can rapidly provide a large economic effect [3].

Each snail brings its descendants. Once a year in the spring, they submitted about 40-60 eggs. Brood growth fast enough and in the artificial conditions reach marketable weight in about half of year (cycle “spring-autumn-spring”).

“Marketable” is considered the weight of 20-25 grams and a size of about 5 cm. Even if some of the new generation will not survive anyway, each snail bring in the designated period up to 1 kg of brood. And consumption per 1 kg of delicacy is 2 kg of feed. Thus, 100 kg of snails may get several tons of brood. Is not really a business? But, like any other business, snail farming requires professionalism, competence and patience.

A business with snail farming has many advantages:

- minimum initial investment;
- the invested amount is recovered from the first year;
- to an investment of 5,000 EUR, the profit will be 10,000 up to 15,000 EUR;
- price per kg of live snail can vary between 3.5 and 5 EUR, and the meat of snail (escargot) can reach up to 30 EUR;
- outlet is provided by restaurants around the world;
- snail farm is developing low-cost;
- snails can be grown using the italian method (they are grown on a free land with the almost full use of low-cost food plant).

Below is presented a starting model of a business in heliciculture. This is for the people with limited financial resources, which have the necessary area for snail farming, but can not afford to invest a considerable amount for the start.

Given farm type is considered to be the most economically profitable because it requires less work and minor expenses (only water, electric power which remain work sprinkler and minimal employees work). This method of growing snails is most used in Italy. The disadvantages of this type of firm is the obtaining of a single harvest per year.

Where the money from these investments are concentrated: [1, 2]

- a quite large land, preferably more than 2,000 square meters (minimum profitability), which will be unshaded and slightly inclined to the

north (a slope not greater than 10%, ie 10 m height difference at a land of 100 m) to prevent puddles during rainy. In practice, the snails would not drown if the land is submerged in 5 cm of water more than 20 minutes.

-optionally, a chemical analysis of the soil and thermal indices of air and soil in 15 years for any changes. The used soil will be of average quality, not too sandy and without a high content of clay. Snails can not dig if the soil is too hard. Sandy soil must not contain enough water. A good soil is one that contains 20-40% of organic matter. The soil should be similar to that of a garden where leaves and vegetation are abundant. If the soil is too acid it must be neutralized with calcium and brought to a value close to pH 7. Besides soil pH, calcium must be available, both in soil and in other sources, to be taken by the snail, considering that a snail shell contains 97-98% of calcium carbonate.

-a solid fence that surrounds land to protect snails of terrestrial predators (foxes, hedgehogs, frogs, ferrets etc.). Gate should be placed in the middle of the longest side for convenience and should be approximately 2 m length.

-the land is divided in length into lots, which will have a widths of 3-5 m and a lengths of 30-50 m. Among these lots it will be leave strips of 1 m wide, without vegetation, for the passage of workers. The lots are surrounded by walls of wood, plastic, fiber or sheet steel about 60-70 cm height and are buried 10-15 cm in the ground as, that the snails to not dig under the walls. In order to support the walls will be needed some poles (most simple would be wooden) size 1.25cm×5cm×5 m located at a distance of 2.5 m. Parcels should be oriented east-west because during the day, this position offers to snails more shade from the walls. To avoid the exit of snails is wrapped the top of wall with a copper strip about 7 cm wide (some farmers claim inefficiency of this method). Note that wooden wall does not protect farm of pests such as earwig, centipedes, etc. Another way to keep the snails in the round is the method of bending the top of the fence inside, if

possible, in a sharp V with an angle of 20 degrees. The snail shell will reach with the back the paravane before they crawl to the inclined side and thus they will not be able to advance. Among outer fence and parcels will be leave 2-3 m for various works.

Parcels of land may be surrounded with Helitex (special mesh patented in Italy and guaranteed for 20 years) of about 1 m high, which will be attached every two meters by a wood pillar.

-in the land parcels it will be grown the favorite plants of snails (mixture of rape, kale, fodder beet, clover, sunflower). The biennial plants are preferred by snails species that reach maturity in two years. Besides the plants growing in fences is also given and dry food (cereal flours supplemented with calcium).

-to pillars, it will be cling colored strips of raffia to remove predatory birds.

-optionally: the basis of fence will be galvanized so that the snails not to be attracted by the smell of native plants.

-a sprinkler irrigation system it will be set up for wetting land in hot days. When sprinklers will work, water must reach the entire territory where snails are. Do not let uncovered places without sprinkler because those sides will be avoided of snails or snails that are already in that place will not increase so there will be no economy on putting less irrigation. The finest sprinklers are purchased because the snails prefer a humidity band type. Irrigation will be done every 2-3 days for 10-12 minutes in the evening only in dry months. Ensure that sprinklers are not too strong so as not to make puddles and drown snails. Also can be used and mobile sprinklers.

-if is not access to another water tank is needed a fountain. For convenience the well should be placed in the middle of the farm, but this decision should be made by specialists who build the well and who seek the source.

-in case of heavy rain will be build small drains.

-for the snails of the species *Aspersa*: it will be bought a very thin plastic called tesuto non tesuto used for covering parcels of land for the winter hibernation of snails. These snails need this plastic to withstand winter fever. For

cold winters it is recommended to locate snails in closed rooms for hibernation.

-optionally: among the snails territory can be installed leaking tube cut across which will serve as hiding. Leaking tube must not be of copper or cement.

-dishes for drinking water to be placed. Dishes must be plate so that the snails do not drown and to be wide enough in order to have access to them all snails.

-in addition to these arrangements it should be also a "Maternity".

The following considerations were taken into account in the development of the model:

- ✓ snail farming will be a family business and will not need additional staffing;
- ✓ snails collection will be done in the months of April-May;
- ✓ harvest is expected to gain at least 2.2 kg of snails per square meter;
- ✓ retail price of a kilogram of snails will be on average 3.5 EUR;
- ✓ the period of exploitation of the machine is 10 years;
- ✓ the depreciation is calculated using the linear method.

Therefore, for the increasing of snails in an area of 2,000 square meters, at the initial stage will be required to purchase a minimum necessary equipment and the total investment will be 146,137.25 MDL (about 9,400 EUR), the annual depreciation will be 34,476.35 MDL (Table 3).

Snail farming can generate more income sources. The main source is of course marketing of live snails - the preferred form for export sales. Additional income can be obtained from the sale of shells and snail eggs.

Thus, if the mass of a snail will be 20 grams, then 218,295 of snails ( $13,475 \times 18-10\%$ ) will weigh 4,365.9 kg (Table 4). Trade of live snails will be on average at a price of 54.25 MDL/kg, that allows to obtain revenues from sales by 236,850.08 MDL (about 15,300 EUR).

All calculations may vary according to obtained product quality, by the price negotiated with buyers, by the type of purchased equipment, by number of reached maturity snails, etc.

Table 3. Investment planning for increasing snails on an area of 2,000 sqm

Specification	Unit	Quantity	Unit cost, MDL	Total, MDL	The period of use, years	Annual depreciation, MDL
Exterior fence used for enclosure 2,000 sqm of the land, including:						
- wire mesh (1.8m)	m	210	65.20	13,692.00		
- galvanized plates (1m×2m)	piece	104	144.00	14,976.00		
- wooden poles (2m×15cm×15cm)	m3	2.5	2,650.00	6,625.00		
- barbed wire	m	220	2.86	629.20		
- galvanized wire	m	420	1.04	436.80		
- rivers	piece	550	0.21	115.50		
- screws	piece	500	0.12	60.00		
- nails	kg	2	20.00	40.00		
Subtotal	×	×	×	36,574.50	10	3,657.45
The fence used inside for separating layers, including:						
- Helitex place for 10 layers (1 m)	m	800	37.20	29,760.00		
- wooden poles (1.25m×5cm×5cm)	m3	1.25	2,650.00	3,312.50		
- galvanized wire	m	800	1.04	832.00		
- screws	piece	1,100	0.12	132.00		
- nails	kg	2	20.00	40.00		
Subtotal	×	×	×	34,076.50	10	3,407.65
Snails for breeding (Helix pomatia):						
- chosen snails from 18-24 months (612.5 sqm breeding layers × 22 copies per 1 sqm × price per piece)	piece	13,475	1.55	20,886.25	1	20,886.25
Oak plank (1m×20cm×1.5cm)	m3	3	4,500.00	11,250.00	10	1,125.00
Tiller and related equipment	piece	1	23,250.00	23,250.00	10	2,325.00
Disinfector	piece	1	1,350.00	1,350.00	5	270.00
Installation of "fog" spray irrigation	piece	1	9,300.00	9,300.00	5	1,860.00
Brushcutter	piece	1	1,700.00	1,700.00	10	170.00
Grid connections	piece	1	7,750.00	7,750.00	10	775.00
<b>TOTAL</b>	×	×	×	<b>146,137.25</b>	×	<b>34,476.35</b>

Table 4. Planning of annual economic results about snail farming on area of 2,000 sqm

Specification	Unit	Quantity	Unit cost, MDL	Total, MDL
<b>I. Sales income</b>	<b>MDL</b>	×	×	<b>236,850.08</b>
Live snails (harvesting: April-May) 20 g/snail	kg	4,366	54.25	236,850.08
<b>II. Annual variable consumptions</b>	<b>MDL</b>	×	×	<b>10,476.88</b>
Analysis of land	piece	1	1,550.00	1,550.00
Land cultivation (plowing, milling machining, execution of canals for irrigation, execution of system for irrigation)	sqm	2,000	0.85	1,700.00
The first disinsectisation for combating raptors located on the land (malathion - 5%)	kg	30	54.25	1,627.50
Application of inorganic nitrogen fertilizers 12/12/12 (15/15/15) or other similar to those which are used for maize and wheat	kg	50	3.10	155.00
Seeds for the first five layers (to use during the first year of production)				4,359.38
- brassica napus-crocifere (0.65 kg/strat)	kg	3.25	620.00	2,015.00
- beta vulgaris (0.50 kg/layer)	kg	2.50	310.00	775.00
- mixed salad (0.55 kg/layer)	kg	2.75	387.50	1,065.63
- clover (0.25 kg/layer)	kg	1.25	310.00	387.50
- sunflower (0.25 kg/layer)	kg	1.25	93.00	116.25
The second disinsectisation for combating raptors located on the land (malathion - 5%)	kg	20	54.25	1,085.00
<b>III. Gross profit (I-II)</b>	<b>MDL</b>	×	×	<b>226,373.20</b>
<b>IV. Fixed annual consumption</b>	<b>MDL</b>	×	×	<b>38,253.99</b>
Specialized consulting services	unit	2	75.00	150.00
Services and veterinary consulting	unit	2	75.00	150.00
Depreciation of fixed assets	MDL	×	×	34,476.35
Other expenses (10%)	MDL	×	×	3,477.64
<b>V. Net profit before taxation (III-IV)</b>	<b>MDL</b>	×	×	<b>188,119.22</b>

As a result of practicing business growth snails, an entrepreneur can get a net profit of 188,119.22 MDL (about 12,130 EUR), which can be a significant source of income for the potential entrepreneur only with a correct management of the business.

With increasing surface intended for farming snails will increase of course sales and revenue. Thus, if the surface for snail growth will be 10,000 sqm, the net profit before tax will increase 4-5 times.

## CONCLUSIONS

This article is an overview about the snail farming business based in Moldova. It shows the starting steps for a strong development in business.

While Republic of Moldova is not an outlet for the snails, due to cleaner natural factors, the production of Moldovan snails can be very much appreciated in countries like Italy, France or Spain.

Snail farming on a large scale requires a considerable investment of time, equipment and resources. In the future, snails breeders should consider these factors, especially if the goal is to provide large quantities for the commercial businesses. Everyone who wants to grow snails must experience several methods until you find what works best in his situation, should be better documented in some publications, which are found in abundance on the market.

Although it is difficult to estimate construction costs of the farm/sqm however it can have some conclusions [4]:

-investment value decreases as farm area is higher (from 3.5 to 4.5 EUR/sqm for a farm of 2,000 sqm to 3-3.5 EUR/sqm on a farm over 1 ha).

-in the same context a farm on a highest surface can more easily absorb fluctuations in production due to unfavorable environmental conditions and possible loss of purchase price.

-if a farm on small area (2,000 m) can be regarded as a collateral activity, ensuring, after the return on investment, the snails adapting to the new environment and

gaining the experience in this area, an additional income by 4,000-8,000 EUR/year, a farm on an area of 1 ha can be regarded under normal conditions, as a business providing under the specified conditions a profit by 20,000-30,000 EUR/year.

However, whereas this activity is in the pioneering stage in our country, is absolutely necessary to be regarded as a business itself and not as an overnight enrichment and therefore taken seriously. Moreover when such initiatives start the person must take into account its financial and do not hazard to access loans, whose value exceeds the possibilities of financial. The most recommended is starting the business with moderation by accessing grants or low interest loans, so that the person should not go into default.

At the present, heliciculture as a branch of animal husbandry, can experience a true development and sustainable economic growth only in the market economy and European context. Also to be noted that the main consumers live mainly in Western Europe.

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## **DEVELOPMENT OF GRAIN SECTOR – A WAY TO OVERCOME POPULATION POVERTY IN RURAL AREAS OF THE REPUBLIC OF MOLDOVA**

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### **Abstract**

*The purpose of this research consists in study the grain sector development seen as a solution to overcome the poverty of the population in rural areas of Republic of Moldova. At the basis of this research were used a series of working methods and procedures such as analysis and synthesis, deduction, as the statistic method and research the scientific literature, etc. The research revealed that in the long and difficult transition period to Republic of Moldova to a market economy, the grain sector continues to be one of the main sub – agricultural sectors in the country. As a conclusion we highlight the following: the food security represents one of the highest priorities of government, most debates from Moldova concerning food security have focused on aspects of production and ensuring with bread at low prices.*

**Keywords:** grain sector, rural areas, food security, poverty

### **INTRODUCTION**

During the long and difficult transition period to a market economy, the grain sector continues to be one of the main sub - agricultural sectors in the country, providing a basis for overcoming the constraints which is still facing the agricultural sector, namely the access to credit and international markets. After a decade of areas expansion and obtaining of some variable production per hectare, cereals (wheat, barley, corn and sunflower) hold an annual area of 1 to 1,300,000 ha and record a harvest of 2 to 3, 4 million metric tons in normal years. On average, only one third of production is sold on the market, the rest being used in the household for food, feed and seed [3].

### **MATERIAL AND METHOD**

At the basis of this research were used a series of working methods and procedures such as analysis and synthesis, deduction, as the statistic method and research the scientific literature. The article is written by descriptive and analyze methods.

### **RESULTS AND DISCUSSIONS**

During the long and difficult transition period to a market economy, the grain sector continues to be one of the main sub - agricultural sectors in the country, providing a basis for overcoming the constraints which is still facing the agricultural sector, namely the access to credit and international markets. After a decade of areas expansion and obtaining of some variable production per hectare, cereals (wheat, barley, corn and sunflower) hold an annual area of 1 to 1,300,000 ha and record a harvest of 2 to 3, 4 million metric tons in normal years. On average, only one third of production is sold on the market, the rest being used in the household for food, feed and seed [3].

However, in the last 5 years, it has seen significant volatility in grain production due to a combination of government intervention, severe droughts, and soil fertility decrease. The drought was exceptional in the agricultural year 2007, a similar phenomenon was last registered in 1947. Grain production had a downward trajectory more than a decade, which was associated with cereal quality decrease, especially for wheat.

Taking into account the importance of the grain sector as a growth and overcoming poverty way for poor population from rural area, a foreign currency generator and a way to ensure national food security, the Government continues to set implicit policy objectives to ensure:

- The production of enough grain to ensure national food self-sufficiency;
- The availability of bread at a low price affordable by urban consumers;
- The increase of value-added to exports of cereals [3].

Thus, even if the agricultural sector has gradually moved towards a market economy, taking into account its strategic importance, the Government of the Republic of Moldova continued to treat differently the grain sub-sector, with frequent interventions in the attempt to influence the production, trade and prices.

Though food security is one of the highest priorities of the government, in Moldova most debates on food security have focused on aspects of producing and providing low-cost bread. The food insecurity occurs when people do not always have physical and economic access to sufficient food, safe and nutritious. Thus, internationally recognized definitions of achieving food security are based on income levels and economic independence, and not on national self-supply. This approach recognizes the local production and international trade complementarity. Therefore, for food security, it is necessary to ensure the development of a robust rural economy and enough incomes to rural households. Measures that contribute to distortions in rural markets and subsequently to an ineffective rural economy, lead to the increase of food insecurity at the household level.

At national level, Moldova is provided by food. The Republic produces the main food, it exports food surplus and imports what is needed to supply the food needs of the population.

Food security indicators show that in the Republic of Moldova the level of product consumption per capita has stabilized in

recent years. However the current level of consumption is much lower than in neighboring countries or other countries in the region.

If we consider only neighboring countries - Romania and Ukraine, than it can be observed that in Ukraine in average per capita it is consumed 60% more meat, 40% more milk, 90% more eggs, 30% more vegetables and cucurbits and 50% more potatoes than in our country. Only in the bakery section in the neighboring country is consumed 10% less than in Moldova. Referring to Romania, the situation is largely similar. Thus, Romania is consumed per capita in average 2.1 times more meat, 60% more milk, 90% more eggs, 30% more bakery products, 10% more potatoes and 70% more vegetables and cucurbits. Compared with other European countries the difference is even greater (see Figure 1).

The reduced consumption level of the main food compared with other major neighboring European countries and more distant once, in part, can be explained by reducing production and its instability. Thus, taking as a reference point the year of 1995, meat production decreased by 42%, milk by 9%, potatoes by 31%, vegetables and cucurbits by 7%. During this period there were registered increases in egg production volumes by 10 percent and wheat by about 54 percent. But, despite some increases, the agricultural production is unstable and subjected to the influence of several natural factors, and in particular those of droughts.

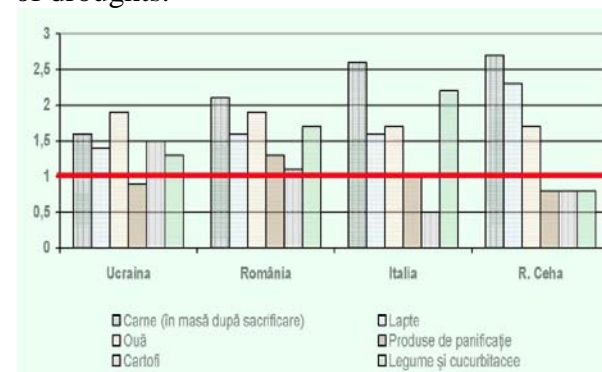


Fig.1. The comparative consumption of the main food, Moldova, 2008

Thus, the most significant reductions in cereal production are related to the negative impact

of droughts, most recently those of 2003 and 2007 (see Figure 2) [4]. As a rule, the years after the drought, there are significant reductions or stagnations of output of animal origin.

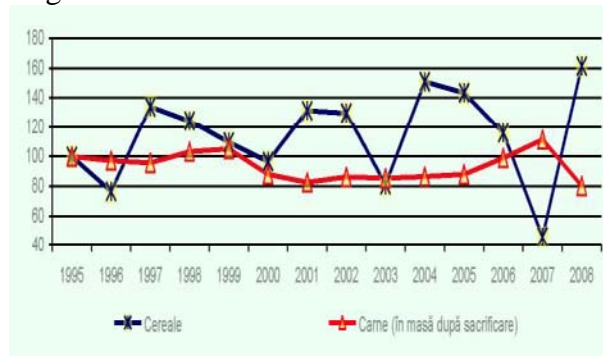


Fig.2. Production index of the main food in the Republic of Moldova, 1995-2008, 1995 = 100% [4].

Given the trends in consumption of main agricultural products per capita and the main food production per capita in the Republic of Moldova, it can be calculated the country's food sufficiency indicator, too, as the ratio between production and consumption of main agricultural products per capita.

The analysis of available data presents a significant reduction of this ratio in 2008 compared to 1995, almost at all food groups considered except wheat and eggs. But if we exclude the exceptional level of wheat harvest in the next year after the drought from 2007, which can be explained by the reserves of unused fertilizer in the soil from the previous drought year, when we observe a decrease of this index in all groups of analyzed foods except eggs.

Also it can be noticed that at the "Meat" chapter the local production does not cover the demand for population consumption starting from 2000-2001, and the level of this indicator shows a steady decline. Worrying trends are observed in the production of milk, which barely covers the consumer needs, but also in the production of wheat, that in dry years reaches a dangerous height, which can affect food security of the country (see Figure 3).

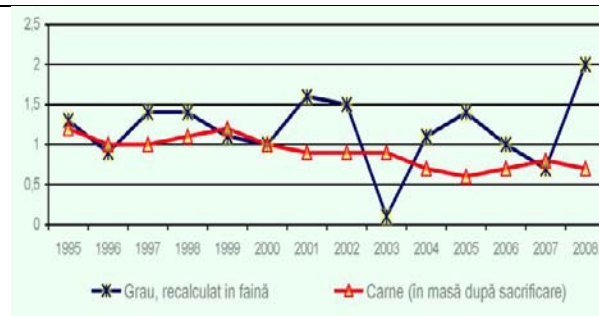


Fig.3. Production / consumption ratio of main agricultural products per capita, 1995-2008 [4]

Globally there are a number of risks that could have a particularly severe impact on food security of vulnerable groups, which have a tendency to increase in recent years. These include:

- The risk of high and volatile prices, which limits food consumption of population, the quality of diet, health and welfare spending in general.

- Financial and economic shocks, leading to job losses, higher prices and reduced accessibility to credit and lower demand for agricultural products.

- Climate change impacts, including increased incidence of adverse events such as droughts and floods, on harvest decrease in developing countries which will increase food insecurity.

- The risks of epidemic, epizootic and epiphytic outbreaks likely will increase and will expand along with urbanization, globalization and climate change.

Instability in world food security is reflected in the negative way also on supplying the needs of the population of the Republic of Moldova in the local food of corresponding energy value and in the traditional assortment of food intake.

**Recent events on international cereal markets** create real concern especially for developing countries. Thus according to the magazine *Europe - Grains - Agribusiness - Jan 12 2011*, prices for wheat at grain stock exchange in Paris **have increased about 7 times between November 2009 - January 2011**. World prices for wheat in the same period increased about 4 times. This increase was largely caused mainly by the devastating effects of drought that hits large areas of Russia, but also by the **restrictions** imposed

by the governments of Russia and Ukraine to the grain exports to ensure food security of these countries [2].

Under these conditions, it is reasonable to protect internal grain market from price volatility on international markets, but also from massive grain exports in neighboring countries. Administrative methods of management of the grain market were practiced in Moldova in the years 2004 and 2008. Grain export restrictions imposed in these years to economic agents from the Republic of Moldova allowed to stabilize internal grain market and to assure the country's food security.

The current situation meets many similarities to that of the mentioned years, which confirmed the opportunity of the similar measures.

Simultaneously, such administrative measures would include some shortcomings. Arguments against these measures can be the followings:

- Reduction of farmers' income, which took place in 2004 and 2008.
- Resiliation of grain supply contracts and imposed penalties may affect the credibility of economic agents and the general image of the country.

The situation in the Republic of Moldova is characterized by continuous increase in energy, utilities and food prices. The price rising in neighboring countries has as consequence the increase of cross-border illegal trade in these products. The circumstances require emergency measures to stabilize the internal market in general and cereal products market in particular.

## CONCLUSIONS

Taking into account the importance of the grain sector as a growth and overcoming poverty way for poor population from rural area, a foreign currency generator and a way to ensure national food security, the Government continues to set implicit policy objectives to ensure:

-The production of enough grain to ensure national food self-sufficiency;

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At national level, Moldova is provided by food. The Republic produces the main food, it exports food surplus and imports what is needed to supply the food needs of the population.

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The situation in the Republic of Moldova is characterized by continuous increase in energy, utilities and food prices. The price rising in neighboring countries has as consequence the increase of cross-border illegal trade in these products. The circumstances require emergency measures to stabilize the internal market in general and cereal products market in particular.

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## EVOLUTION OF ASSOCIATION FORMS STUDY FROM THE ROMANIAN AGRICULTURE AS ARISING FROM LEGISLATIVE REGULATIONS APPEARED AFTER 1990

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### Abstract

*The paper aims to analyze the main legal rules governing the operation of forms of association that have arisen since 1990 in the Romanian agriculture. For optimization of the comparative analysis methods the study focuses on four regulations, representative in the forms of association evolution. They are presented in chronological order: "Law no. 36/1991 regarding the agricultural companies and other agricultural associations" representing the first piece of legislation that enacted the association, "Ordinance No 26/2000 regarding associations and foundation", representing the second stage, "Agricultural cooperatives law No. 566" issued on December 9, 2004 and "Ordinance no. 37/2005 regarding the recognition and operation of the producer groups", due to Romania's pre-accession phase to the European Union. The results of this study establish first how the areas of agricultural activity were influenced by some legal details present in the legislation and on the other side identifies form of association which best matches the requirements imposed by the development of the agricultural products. It can be concluded that in terms of the concept of sustainable rural development, democratic association of agricultural cooperatives is the best alternative for Romanian farmers.*

**Keywords:** project, agricultural cooperatives, consultancy

### INTRODUCTION

This paper aims to present an overview of how the forms of association in Romanian agriculture evolved after 1990.

In recent decades, the world, radical changes have occurred in the design of agro – business, the market's global competition, international regulations and technological developments which led to the creation of new strategies on how farmers' can associate . Faced with such an environment with new rules, farmers were faced with a fundamental decision: how to do better in these conditions of uncertainty, to make farms viable, cost-effective, and resistant to competition on the markets.

As an alternative to the concentration or development strategies and horizontal integration, a new concept appeared which involves "Association". Analyzing the legal regulations in the agricultural development of our country, we can see that, after 1990 are

constituted in a democratic exercise, which has allowed a gradual efficiency of the activities of Romanian farmers.

In terms of structural organization the paper is divided into four distinct sections. In the first section there is found the motivation to prepare this study and the questions it answers.

The second section contains a description of general and specific conditions which determined a legislative evolution of association forms, in accordance with bibliographic information.

The third section details on one hand legislative characteristics of each type of association analysis and on the other hand areas of activity of their structure. The last section, the fourth, is devoted to conclusions.

Achievement motivation of this work was based on the need to identify developments and legislative changes that occurred at the association forms of agriculture and the

impact felt in this context by the Romanian farmers.

This study was designed to provide answers to these questions:

1. What are the most important legal regulations related to the association in agriculture in Romania after 1990?
2. How did the law evolve since the adherence of Romania to the European Union?
3. How have these regulations influenced the evolution of agricultural activity areas?

## MATERIAL AND METHOD

In our country, the general knowledge about the association is mainly based on negative experience of former Agricultural Cooperative Production (CAP), which existed from 1947 until 1989.

After the revolution of 1989, former Agricultural Cooperative Production (CAP's) have been abolished and land, which was administered by them, was returned to former owners and their successors. This resulted in about 4 million small farms, each with an average area of 2 to 3 hectares of arable land. For 15 years, agriculture trade imbalance has grown causing lack of stable markets and farmers have experienced difficulty in investments in agricultural activities, due to limited capital at their disposal.

The current association is represented by a series of new concepts which differ radically from „socialist cooperative” and is based on modern principles used worldwide.

In our country the agricultural association has known an evolution based on democratic landmarks and also a diversification due to individualization specific areas of activity.

With reference to the legislative structure we identify, in chronological order, four legislative regulations in the evolution of representative forms of association: "Law no. 36/1991 on agricultural companies and other agricultural associations" [1], representing the first piece of legislation that enacted the association," Ordinance. 26/2000 on associations and foundations" [2], representing the second stage," agricultural cooperatives Law. No. 566" [3] issued on

December 9, 2004 and" Ordinance no. 37/2005 on the recognition and operation of producer groups" [4], determined by Romania's pre-adherence phase to the European Union. The documentation referring to the legislation is complemented by the final report of the National Agency for Agricultural Consultancy in 2008 [5]. In this paper legal regulations are analyzed through the interpretation of the terms that have the greatest impact on the implementation of associative systems in Romania both at the daily farming activities and the major areas of activity.

## RESULTS AND DISCUSSIONS

In the development strategy of a modern agriculture in our country, the association should be considered a priority action, since it is the main way to increase the size of agricultural exploitations and also an economic use of the land.

At the same time, the association is an effective strategy to cope with market competition as well as to benefit from a real financial support granted by the State and the European Union.

The evolution of the Romanian association forms was realized through steps taken by our country up to the moment of adherence, but also after the adherence. In the second step of market relations established in the European Union regulates the association of producers in our country.

To have a clear picture of the development of forms of association of Romanian agriculture, Morărescu [6] comment on the structure and ratio of the number and size of existing arable land area in Romania. From Figure 1, it is notable that in 2008, and semi-subsistence farms subsistence occupied 93,7% of the total number of farms, despite having a surface percentage of only 32,5%. Quoted author notes that, by comparison, commercial farms owned 1087 percentage of all farms, and their surface represent 52,2% of total agricultural area of Romania.

The justified reluctance of producers and farmers to form associations, has been an



obstacle to their establishment, development and operation.

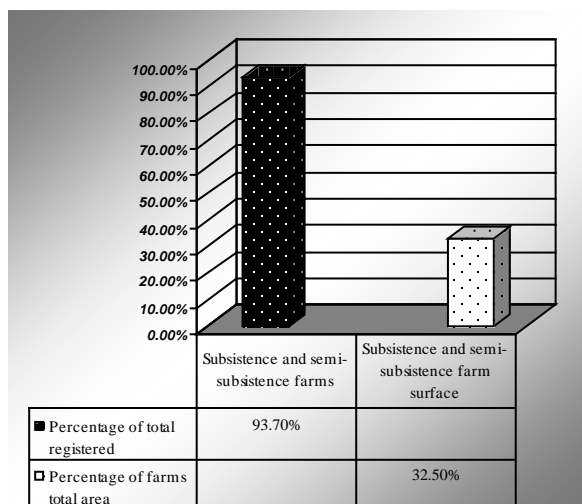


Fig. 1. Representation of subsistence and semi-subsistence farms in Romania

Farmers were unable to integrate into similar organisms of European and international cooperation, creating gaps in their evolution and losses at production level, particularly and in the agricultural sector in general. The association represented the only way to be able to achieve a set of measures to reduce disparities, to streamline production and ensure optimal conditions for sale. Therefore, after 1989 was felt the need to promote new forms of agricultural associations, that had to be based on democratic principles.

In this context, the adopted legislation has seen a series of laws that currently regulate the operation of forms of association of farmers as an important component of the products horticultural, agricultural and livestock. The application of these regulations was based on EU funding. Therefore, the rural population benefited from the pre-adherence phase to the European institutions, of funds granted to agriculture. Successful absorption of these funds was conditioned by the existence of a network of associations that represent the main factor able to access programs such as SAPARD and Farmer. By this time we can discuss about the existence of legislative inconsistencies which created at some point gaps and difficulties in accessing those funds.

After adherence, to the European Union began a process that aims to correct such

discrepancies so that the money destined to agriculture can be absorbed at a rate as high as possible. At this stage, the main mission of the Ministry of Agriculture Forestry and Rural Development, the relevant body, was the development of associative forms that is focused on joint marketing of the products produced by manufacturers. In this way, through the existence of those forms of association, the European Union considered established the mechanisms through which our country could benefit from funds allocated for rural development in Brussels.

The institution that was involved in the creation and development of associative forms was the National Agricultural Consultancy Agency (ANCA), through the Professional Training and Producers Associations Directorate - Associations and Group Organization Activities Department. In ANCA strategy, the association was considered a priority action, since it is the main way to increase the size of agricultural exploitations and thus an economic use of the land.

The association represents both an effective strategy to cope with market competition, and an opportunity to benefit from a real financial support granted by the State and the European Union.

As shown in Table 1 and Figure 2, the main existing forms of association in agriculture in our country after 1990 focused on four legislative regulations that became representative.

Therefore the first legal document that enacted agricultural association was issued on April 30, 1991 and was published in Official Gazette no. 97 of May 6, 1991. It is the "Law no. 36 regarding the agricultural companies and other agricultural associations "[1].

Table 1. Evolution of the main forms of legal regulations in Romanian agriculture association

Legislative reglementation	Associative forms	Established and recorded
Law No. 36/1991	Agricultural societies	130
Ordinance No. 26/2000	Associations and foundations	895
Law No. 566/2004	Agricultural cooperatives	356
Ordinance No. 37/2005	Groups of producers	42

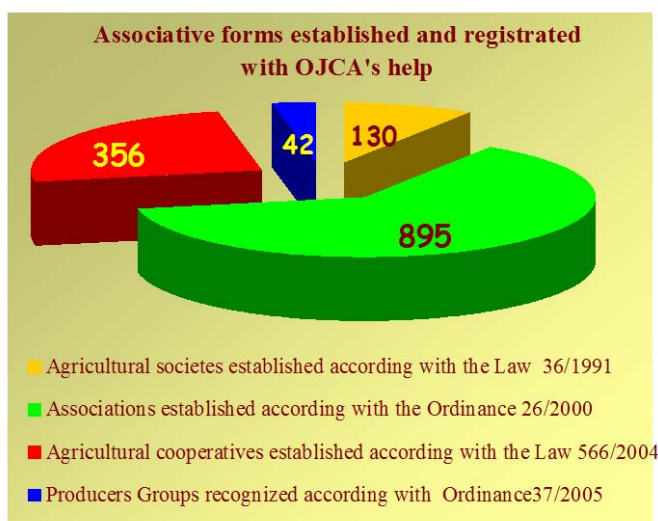


Fig.2. Forms of associations established and registered with OJCA's help

At its time of apparition in 1991, this law was a normative act that generally fit within the market economy which was at the beginning. The failure to reinvest profits and the fact that "the agricultural society has no commercial character", are elements of that legislation that can not provide a cash flow to ensure a real development of the company.

Another important step in the evolution of the associative forms was represented, in 2000, by the appearance of Ordinance No. 26 [2] from 30 January, regarding associations and foundations.

In article 1, alignment 2 is stated:

„Associations and foundations constituted according with the present Ordinance are private law juridical persons În articolul 1 alineatul 2 se stipulează: “Asociațiile și fundațiile constituite potrivit prezentei ordonanțe sunt persoane juridice de drept privat without a patrimony purpose.” due to the non-patrimony character of the associations constituted through the Ordinance No 26/2000 appears a similar problem to that existing in the case of Law 36/1991, namely the impossibility of financial flows existence able to allow redistribution of profits.

Associations of agricultural producers who have established and operated in accordance with the GO 26/2000, represents "subject of law, made three or more persons, who according to an agreement, put together

without the right to return the material contribution, knowledge and their contribution to the work for making of general interest activities, community interest or, where appropriate, for their personal nonprofit prerogatives. "

The advantages of establishing an association of producers are:

- Tracking of local, regional or group interest;
- Improving information concerning supply and demand;
- Promotion of food products on national and international markets;
- Ensuring equal rights for all members;
- Protection of members' interests in their relations with government bodies and state administration;
- Promoting practices and technologies to ensure environmental protection.

On December 9, 2004, the Romanian Parliament issued Law 566 [3], bill which accompanied by the subsequent amendments, is governing the establishment and operation of democratic agricultural cooperatives in Romania. The complexity of this law, the advantages it offers direct reference to agricultural producers are elements forming one of the most comprehensive legal possibilities for farmers association in Romania.

Agricultural cooperative represents an autonomous association of individuals and / or legal persons, as appropriate, having legal entity status of private law, formed on the basis of freely expressed consent by the the parties to promote the interests of cooperative members.

Agricultural cooperative can have an unlimited number of members, with variable capital, but not less than five (5) people engaged in economic activities, technical and social for the supply of goods, services and jobs exclusively or mainly for its members.

There are and function agricultural cooperative of :

- First degree consisting of associations of individuals;
- Grade II, formed by legal persons cooperatives consisting mostly of first degree



or individuals and legal persons, as appropriate.

Areas and activity domains of agricultural cooperatives are:

- Provision of services;
- Acquisitions and sales;
- Processing agricultural products;
- Small manufacturing and agricultural industry;
- Land exploitation and agricultural land management, forestry, fisheries and livestock;
- Finance, mutual assistance and agricultural insurance;
- Other areas and industries.

Agricultural cooperative makes business activities, being producer of goods and services in agriculture.

Among the advantages of agricultural cooperatives can be mentioned:

- Their operating mechanisms are based on the principles of modern cooperatives with a strong democratic character
- share capital of first degree agricultural cooperatives is 500 RON, which enables the establishment of cooperatives by persons who have less capital;
- State tax incentives granted represent its contribution to rural development by creating new jobs;
- Engaging young people in an organized form.

Accession of Romania to European Union meant for Romanian agricultural producers, an important concept because the regulations regarding the market have changed. Thus on July 14, 2005 measures were taken concerning the recognition and operation of producer groups in the marketing of agricultural and forestry products.

Under terms of legislation this form of organization of farmers is regulated by GO 37/2005 [4], and its implementing rules.

Recognition as a group of producers or producer organizations may be required by the following legal forms:

- Commercial companies, according to Law no.31/1990;
- Agricultural companies and other agricultural associations, according to Law no.36/1991;

- Associations and foundations, according to GO no.26/2000, approved with amendments

- Agricultural cooperatives under Law nr.566/2004;

- Any other legal form of association, according to current legislation.

To qualify for financial benefits under the common organization of the market after integration of Romania in the European Union, the legal forms that work in the fruit and vegetable market and aimed at common commercialise of members production will be recognized as producer organizations or producer groups preliminary recognized.

As shown in Table 2, fields of activity of associative forms as the database according with the National Agency for Agricultural Consulting [5] are:

- Vegetable, fruit and viticulture
- Growing of cereals and technical plants
- Activities in agriculture
- Beekeeping
- Livestock
- Fisheries

By analyzing the ratio of areas of activity of existing forms of association in our country (Table 2 and Figure 3), one can reveal their evolution. Is observed as that immediately after 1991 there were constituted agricultural societies which were principally cereal activity profile (58% of their total number). After 2000, with the establishment of associations, there is noticed a particular interest to the livestock (79% of their total number).

Table 2 Main fields of activity of associative forms (% of total)

Field of activity	Agricultural societies (36/1991)	Associations and foundations (26/2000)	Agricultural cooperatives (566/2004)	Groups of produces (37/2005)
Vegetable, fruit and viticulture	1	11	45	64
Growing of cereals and technical plants	58	2	4	2
Activities in agriculture	12	8	21	7
Livestock	27	75	10	16
Beekeeping	1	3	16	6
Fish-farming	1	1	4	5

Immediately before and after joining the European Union, we can see increased interest in cooperatives and producer groups from farmers working in the sectors of horticulture. Therefore, vegetable, fruit and viticulture are fields of activity representing 45% of the total number of agricultural cooperatives and 64% of the groups of producer.

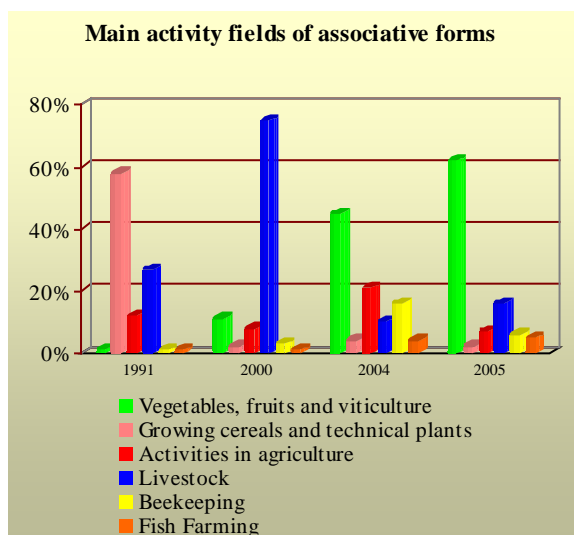


Fig.3. Evolution of the main fields of activity of associative forms

## CONCLUSIONS

-In the past 20 years, worldwide, radical changes have occurred in the design of agri-business - site and market competition.

-In an uncertain business environment, governed by global competition, which seeks the unification of the internal markets of the EU countries, the association is an alternative to focus strategies.

-Under the current circumstances in which Romanian agriculture is based on households with small farmers the only chance to grow and resist performance from EU agriculture, is to unite in forms of association.

- Romania has promoted the creation of modern forms of agricultural associations, based on democratic principles, the institution involved in this process being the National Agency for Agricultural Consultancy (ANCA)

-Adopted legislation, experienced a series of normative acts, of which 4

representative regulating the currently functioning forms of association of farmers.

-Producer groups have been created only for the joint selling of agricultural products, and in the associations and agricultural societies, profits can not be reinvested

-Cooperatives are the only body that can give manufacturers a competitive agriculture practice.

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## ASSESSMENTS REGARDING THE INITIATION, ONGOING AND IMPLEMENTATION OF THE CONSULTANCY PROJECT ENTITLED “THE IMPROVEMENT OF FARM MANAGEMENT BY DEVELOPING AGRICULTURAL COOPERATIVES”

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### **Abstract**

*The main objective of this paper is to determine the impact of the Romanian Japanese cooperation project entitled "The improvement of farm management by developing agricultural cooperatives", that was produced on the activity of farmers in our country. The overall objective was to increase the income of the farmer members of agricultural cooperatives by access to adequate services, the purpose being the rationalization of agricultural activities by establishing model cooperative in the target areas. The launching of the project took place in July 2006 and the project was developed on a period of 30 months up to December 31, 2008. The two institutions responsible with the implementation were Japan International Cooperation Agency - JICA and the National Agricultural Advisory - ANCA (agency under the Ministry of Agriculture Forestry and Rural Development in Romania). For monitoring purpose, during the project took place assessments (intermediary and final) by teams of mixed composition. The research undertaken has been found unequivocally that the immediate impact of the project was positive, creating both a large number of cooperatives and also their superior structures. In conclusion, it can be said that the consultancy services offered by the project activities have resulted in more efficient activity of the farmers, through their integration into a modern associative structure.*

**Keywords:** project, agricultural cooperatives, consultancy

### **INTRODUCTION**

This paper aims to determine the impact that the Romanian - Japanese cooperation project entitled "The improvement of farm management by developing agricultural cooperatives" that was on Romania farmers activity. Structural component that was the outcome of the project was the Matrix of the Project. In the Matrix are found crucial elements of the project: purpose, objectives and results. All these elements are characterized by well-determined indicators. The need for analytical assessments embedded in this work, can be seen in how the analyzed project was designed and implemented. Therefore this project can be considered a model of institutional cooperation between Romania and a country that has extensive expertise in agriculture

association, especially in the democratic agricultural cooperatives.

The paper is organized as follows: the first section presents the motivations to do this analysis and the questions that the work must meet; section 2 presents a summary of legislative and organizational measures taken and a detailed explanation of the methodology applied; in the third section we find all the features of the project analyzed in detail and, also the results that the project had, according with the established priorities; the last section presents the conclusions of this paper.

The motivation of this paper is to analyze how the Romanian - Japanese cooperation project led to the creation of pilot cooperatives, which have influenced the establishment of a large number of modern agricultural cooperatives and their upper structures, with consequences for the rationalization of farming and

streamlining the activities of farmers in our country.

On December 9, 2004, the Romanian Parliament issued Law 566 [1], bill regulating the establishment and operation of democratic agricultural cooperatives in Romania. The complexities of this law, the offered advantages, are elements that form one of the most comprehensive legal association possibilities for Romanian farmers.

On June 1, 2005, a workshop was held with 30 participants from the Ministry of Agriculture, National Agency for Agricultural Consultancy (ANCA) and County Offices of Agricultural Consultancy (OJCA) and representatives of farmers. Based on the results of the workshop was formulated a draft framework of the Project, Matrix Plan of the Project, the preceding document of the Action Plan Matrix.

Along with minutes of meetings [2], legislation and Matrix Plan of the Project, Framework, documents which provide information about the project are: Final reports of activity of the National Agency for Agricultural Consultancy for 2006 [3], 2007 [4] and 2008 [5]. During implementation was done an interim evaluation report, from November to December 2007 [6] and a final evaluation report on the project "The improvement of farm management by developing agricultural cooperatives" [7].

Questions that this paper needs to provide answers for, are:

1. What is the dynamic of initiation, progress and project implementation?
2. What are the characteristics of agricultural cooperatives and upper structures created during the project?
3. Were the expected results in the Matrix Project, be achieved?

## **MATERIAL AND METHOD**

During the pre and post integration both process of our country in the European Union, the main mission of the relevant bodies, namely the Ministry of Agriculture Forestry and Rural Development (MAPDR), was the development of associative forms in

agriculture. In this way, through the existence of those associative forms, of the European Union consider established the necessary mechanisms by which our country can benefit from the funds allocated in Brussels for rural development.

This paper aimed to analyze the two evaluations of the project in terms of predetermined criteria in order to monitor project progress, identify emerging constraints effectively, the performance achieved, compliance of the activities and strategies outlined in the matrix. Early results are analyzed as well as assessing the achievement of proposed results.

## **RESULTS AND DISCUSSIONS**

As Terunuma (2005) stated, after 1990 as an effect of the abolition of former CAP sites, nearly 4 million owners of agricultural land had been reinstated as rightful owners. However, agricultural machinery, warehouses and silos were not distributed to landowners so that they faced difficulties in specific activities, the lack of production and market opportunities. [8]

Romanian Government adopted the Law on Agricultural Cooperatives on January 22, 2005, encouraging the creation of agricultural cooperatives with democratic functioning. In this context our country asked the Japanese Government a technical cooperation project to improve farm management through the development of agricultural cooperatives and training of trainers to strengthen the activities of agricultural cooperatives.

The official document which regulated the project in Romania was:

"Minutes of meetings of the Japanese study team for project preparation and authorities from the Romanian government involved in the Japanese technical cooperation to improve farm management through the development of agricultural cooperatives" [2]. This document was prepared in Bucharest on June 9, 2005 by representatives of the relevant Japanese institutions and representatives of the Ministry of Agriculture Forestry and Rural Development.

As shown in the Matrix Project, presented in Table 1:

The overall aim of the project was to increase the income of the farmers' members of agricultural cooperatives through access on appropriate services.

The overall objective was to rationalize agricultural activities by establishing model cooperative in the target areas of the project.

Table 1. Project Development Matrix

Descriptive summary	Verifiable indicators	Means of verification	Important assumptions
GENERAL PURPOSE Farm income of farmers belonging to agricultural cooperatives model increase by services provided through the cooperative.	- profit from the businesses developed by the model cooperatives - income of the cooperative members	- Data, reports ANCA - Questionnaires applied at the general meeting at the end of the agricultural	
PROJECT OBJECTIVE Agricultural activities are streamlined through the establishment of agricultural cooperatives model	- marketing and purchase price through cooperative - Working hours allocated to marketing, procurement and measures of production - Cooperative business volume	- Data, reports ANCA - annual rep	There will be no significant changes in the Romanian agricultural policy
RESULT OF PROJECT 1) Improve the training of staff responsible for the establishment and management of agricultural cooperatives. 2) Establish policies and regulations for the establishment and management of cooperatives. 3) Establish services of the agricultural cooperatives.	- Good level of technical training / seminar - Financial statement, balance sheet, surplus fund plan on destination) - Statutes, policies and rules - Number of members using the services of cooperative - Good level of services to agricultural cooperatives - Categories of services provided to members - questionnaires	- Questionnaires  - annual reports  - annual reports  - Questionnaires applied at the general meeting	- Weather in the pilot counties will not affect agricultural production - ANCA budget, policy and management development of agricultural cooperatives will remain - The price of agricultural products will not drastically reduce

Also according with the Project Matrix, expected results were as follows:

a) Staff capabilities for establishment and management of agricultural cooperatives will be improved;

b) The policy, the rules for the establishment and management of agricultural cooperatives will be specified.

c) Cooperative services will be established.

In the project, the main contributors were two government agencies representative for each country, in the agricultural cooperation domain: Japan International Cooperation Agency (JICA - Japan International Cooperation Agency), an independent government agency that coordinates official development assistance provided by the Government of Japan, and the National Agency for Agricultural Consultancy (ANCA), institution of the Ministry of Agriculture and Rural Development which was involved in setting and development of associative forms, through the Training and Groups of Producers - Associations and Organization Activities Group Department.

The actual moment that the project started was constituted by the arrival of the Long Term International Expert in Romania, from JICA's side (Japan International Cooperation Agency), Mr. Hiroshi Terunuma.

Regarding the costs for the project activities this were supported mainly by the Japanese part, Romanian part providing mostly the technical infrastructure. Both institutions have provided input represented by allocated human resources.

At the beginning of the project, those responsible for development of agricultural cooperatives were selected from ANCA's national network, respectively from 41 County Offices of Agricultural Consultancy (OJCA) and 566 Local Centers for Agricultural Consultancy. It was a technical way to transfer those persons designated as instructors in the establishment of cooperatives to reach its territory. According to information provided in the final report of ANCA in 2008 [5] in a short period of two years and eight months (June 2006 - December 2008), from the start point of the project, 129 agricultural cooperatives have been created with ANCA's support. Since the

emergence of agricultural cooperative law in Romania in 2005 there were set up 11 agricultural cooperatives. In total, during 2005-2008, were set up in Romania 140 democratic agricultural cooperatives as can be seen in Figure 1.

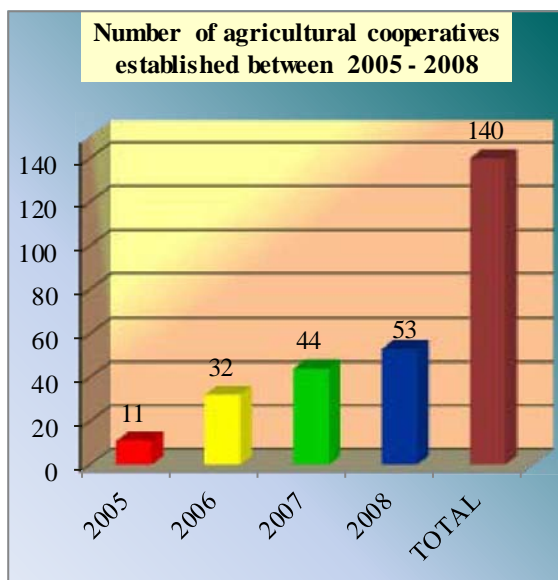


Fig.1. Number of agricultural cooperatives established between 2005 - 2008

During the development of the project from Japan were posted: one long term expert and two short term experts. The number of people who have attended training courses in Japan was 17 and together with seminars held locally, these training activities have been extremely effective in motivating participants to develop agricultural cooperatives. The central element in the project implementation was the selection of pilot agricultural cooperatives. Thus they developed a set of criteria designated to make a classification of cooperative efficiency. As shown in the medium term evaluation report [6], developed by ANCA in collaboration with JICA, in this context according also with the Table 2, seven pilot agricultural cooperative were selected and advice was provided directly to developing a model for agricultural cooperatives.

Pilot agricultural cooperatives play a central role in the agricultural cooperative groups classified according to their basic products and have a leading role in industry unions

such as wine-producing Union of Agricultural Cooperatives, Agricultural Cooperatives Union producing vegetables, Union of Agricultural Cooperatives Producing Honey, Union of Agricultural Cooperatives of Livestock.

Table 2: The structure of the pilot agricultural cooperatives in Romania

No. Crt	Name of the pilot agricultural cooperatives	Domain of activity	County
1	Agroecologica 2002 Agricultural Cooperative	Vegetables	Ilfov
2	Țarina Agricultural Cooperative	Vegetables and production of canned vegetables	Suceava
3	Plaiul Faraone Agricultural Cooperative	Viticulture and winemaking	Vrancea
4	Euroagris Agricultural cooperative	Cereal cultivation	Giurgiu
5	Albina Agricultural Cooperative	Beekeeping	Teleorman
6	Ovicarn Transilvania Agricultural cooperative	Zootechnics	Sălaj
7	Escarprod Agricultural Cooperative	Helicicultură	Braşov

From the data in Table 2 we can see that areas of activity of these forms of association are varied and their percentage share is different (data from Table 3 and Figure 2).

Table 3: Percentage share of the business areas of agricultural cooperatives established under Law 566/2004

Crt. No.	Domain of activity	Structure percentage
1	Horticulture (vegetable, fruit, winemaking)	41%
2	Agricultural activities (services, marketing)	20%
3	Beekeeping	14%
4	Livestock	10%
5	Cereal cultivation	10%
6	Fishery/Fish-farming	5%



One can notice very large share of agricultural cooperatives in horticultural structure, which together with the side areas (services, marketing), represent over 60% of the total, followed by beekeeping cooperatives (14%).

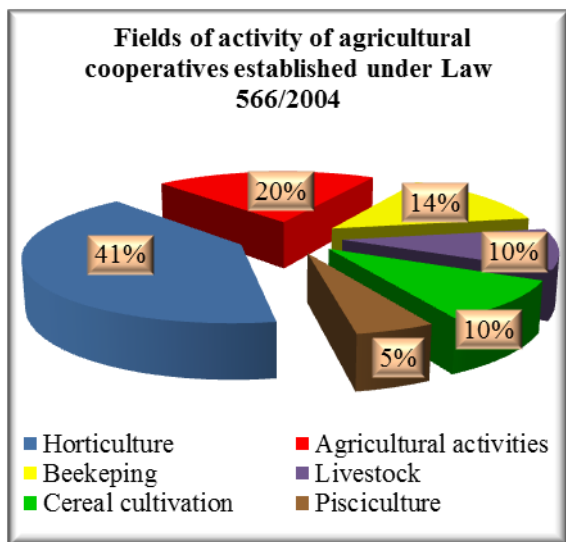


Fig. 2. Fields of activity of agricultural cooperatives established under Law 566/2004

Auto-support of the project has presented two aspects. One was represented by the organization of the project implementation and the other was represented by the evolution of the agricultural cooperatives.

Therefore the development of agricultural cooperatives in Romania is a good example to follow, considering the fact that the establishment of new agricultural cooperatives took place in a relatively short time. These new cooperatives have followed the example of pilot agricultural cooperatives like an echo effect. They exceeded expectations in the initial phase of preparation of the project, the impact of this project being positive.

Regarding the sustainability of agricultural cooperatives, they gradually started their own business, based on the own management plans and access to EU subsidies. After the agricultural cooperatives started their commercial activity it was promoted the cooperation with similar associations in other countries. In this context is integrated the collaboration between the profile Romanian

cooperatives and the Sheep Growth Cooperative in Norway, Mushroom Cooperative in Hungary, Wine cooperative in Italy. Also, the National Federation of Agricultural Cooperatives of Spain has expressed willingness to cooperate with agricultural cooperatives in Romania.

An important event for the development of agricultural cooperatives was the First National Conference of Agricultural Cooperatives held in Sibiu on 26-28 June 2008. Representatives of cooperatives have established that the purpose agricultural cooperative movement (in Romania) can be achieved through the establishment of the Central Union of Agricultural Cooperatives and joining the International Cooperative Alliance, to protect the rights of members and to develop the agricultural cooperative movement in accordance with the policies of the European Confederation of Agricultural Cooperatives.

Another important event was the promotion of agricultural cooperative consultative meeting, held on 13 -14 July 2008 in Constanta, which aimed at promoting and setting up an advisory group for the future sustainability of agricultural cooperatives activities.

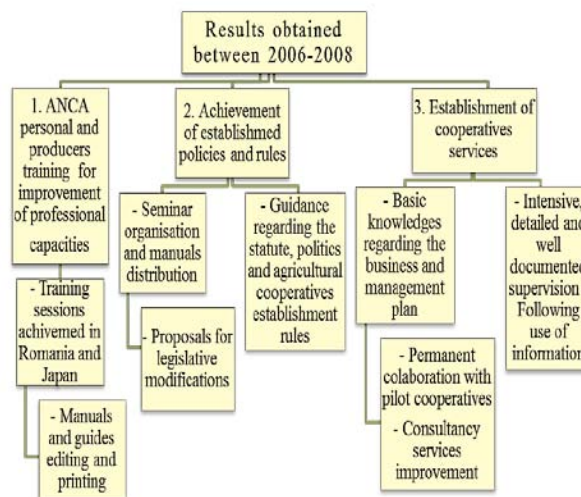


Fig. 3. Related activities within the project results

As can be seen from Figure 3, through the various activities undertaken during the project the results expected in the Matrix

project were achieved. Therefore, in the joint final evaluation report on the Japanese technical cooperation to improve farm management for the development of agricultural cooperatives [7] was made the following comments:

- Result 1: The staff for the establishment and management of agricultural cooperatives has improved their capabilities.
- Result 2: Policy and regulations for establishment and management of agricultural cooperatives are realized.
- Result 3: Services for agricultural cooperatives are established.

## CONCLUSIONS

This paper reviews the trail of the project entitled "The improvement of farm management by developing agricultural cooperatives", implemented by JICA. After three years of completion of the project, results and impacts can be quantified by simple analysis of cooperative evolution. After a research and analysis of various elements that made up the project we can state unequivocally that:

- Project managed to change agricultural management and even institutional relations between farmers and state agencies.
- Relevance of the project comes from demonstrating the need to implement such a system, efficiently and effectively, as evidenced by the results in a relatively short time of initiation.
- Impact appreciated by participants and beneficiaries, was positive, long-term effects proved sustainable with government sources, during the implementation phase, developing on the way the self - sustainability of each group.
- When complete, the project initiated a number of other development projects through which the cooperatives should continue the changes initiated, to promote cooperation and to promote themselves, to constantly improve management, marketing and business plans, to access available funds or to initiate projects beneficial to the association plans structures, coordinate with the actions of the partners.

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## ENTREPRENEURSHIP IN RURAL AREA WITH REAL EXAMPLE OF THE AGRITOURISM FACILITY IN SLOVAK REPUBLIC

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### **Abstract**

*The essence of the article was to characterize agritourism facility Sheep farm Krajinka, and bring the view of the Liptov region in Slovak Republic. There is also described a history of sheep breeding in Liptov region. In this work we describe the neighbourhood where Sheepfarm Krajinka is situated, it means the lower Liptov region and Ružomberok city as a centre of the region. We described also the historical knowledge about sheep breeding and sheepfold industry in the Liptov region. In the paper we characterize the business activities of the Sheep farm Krajinka. In the final part of the work there are included some pictures of the Sheep farm Krajinka.*

**Keywords:** agritourism, Liptov region, sheepfold, sheepfold industry, rural area

### **INTRODUCTION**

The aim of this work was to present the activity of one of the few good prosperous agritourism facilities in Slovakia – Sheep farm Krajinka. Although Sheep farm Krajinka doesn't have a long tradition, it's very popular and has faithful clients, which ensures its operation. It is an exemplary company for many other beginning entrepreneurs in agritourism and proves that also in Slovakia it's possible to run a successful business. It's just about knowing what people want and how to offer and sell it. Agritourism in Slovakia doesn't have a long history, although some companies show that agritourism business is interesting, and if we work hard, it can also be successful.

Business in agritourism can bring a lot of positives to the region in which we choose to run it. The number of jobs will increase and it contributes to improve the welfare of the municipality or county in which we choose to run this business. Attracting tourists will ultimately ensure that increasing revenues of other complementary subjects. However, we need to have a good intention, what kind of business we want to run and then try to fulfil it. It is essential to realize that not everything goes right and smooth at the start that we

cannot become rich overnight, but success will come gradually. The first step should be to listen to customers' needs and wishes and then offer it. We need to look for answers on how we can do this instead of how we cannot. Business in agritourism is not an easy matter, but just Sheep farm Krajinka confirms that agribusiness is worth to do, if it is done well and with love.

The aim of this paper is to explain and describe agritourism facility Sheep farm Krajinka, to introduce the historical, cultural and natural heritage of the lower Liptov and to familiarize the history of sheep farming in Liptov region in Slovak Republic.

### **MATERIAL AND METHODS**

In the developing process of this work there were used following work methods: processing of studying literature, which is focused on the development of tourism and agritourism, as well as the literature focusing on cultural, natural and historical heritage in the lower Liptov; processing literature about the history of sheep breeding in Liptov, personal identification of the operation and further development of the Sheep farm Krajinka.

## RESULTS AND DISCUSSION

Liptov is a historic region in the northern part of Slovakia. The name was given according to the equally named castle, which was residency of Liptov governor. In the late 19<sup>th</sup> century Liptov area had 2,246 km<sup>2</sup>. Liptov was allocated from Zvolen commit, origins of administrative independence date back to the 13<sup>th</sup> century. From the second decades of the 14<sup>th</sup> century Liptov acts as an independent territory (comitatus Liptoviensis). Liptov had always strong natural boundaries, which stay essentially unchanged for centuries. In the years 1786 – 1790 was temporary associated with Orava region. Liptov as a separate administrative unit ceased to exist in the 1922. Liptov area was divided into four districts, except of the period of Josephine reforms and Bach absolutism. According to the boundaries of three castles Liptov was divided into lower (Estate of Likava castle), intermediate (Estate of Liptovsky castle) and upper (Estate of Liptovsky Hradok castle). The original administrative centre of Liptov was the Liptov castle. In 1677 the centre of Liptov became Liptovsky St. Nicolaus.

The Liptov region nowadays covers an area of 1,970 km<sup>2</sup> in the eastern and western parts of Liptov valley, called the lower and upper Liptov. It includes the river Vah valley and its tributaries – the White and Black Vah and other streams. Liptov is surrounded by the West, High and Low Tatras, the Choc Mountains and the High Fatra. The highest peak is called Bystra with an altitude of 2,248 m. There is also a water reservoir Liptovská Mara with a water area covered 21 km<sup>2</sup> and the water content of 360 million m<sup>3</sup>.

Liptov has many cultural and historical sites. There's the largest number of national cultural sites in the Žilina region – 11. Overall, the region Liptov has 249 immovable and 479 of movable monuments in almost all villages. Visitors to the region can see many cultural attractions in the Liptov Museum in Ružomberok, in its department – the Museum of Ethnography in Liptovsky Hradok, exposures in the Peasant House in Vlkolinec,

in the Museum Čierny Orol in Liptovský Mikuláš, in the Museum of Liptov Village in Pribylina and in the Archaeological Museum near Liptovská Mara – Havránok with the reconstruction of Celtic buildings. The P. M. Bohúň Gallery in Liptovský Mikuláš also has its department – the Ján Hála Gallery in Važec. Many visitors annually participate in folklore festival in Východná.

### *Ružomberok*

The centre of Lower Liptov, Ružomberok is based on an important business crossroads of European importance. It lies on the left riverside of the River Váh, in the inflow of Revúca and Likavka into Váh, on the south-western edge of the Choc Mountains. In the urban area there were discovered two small ancient fortified settlements of the Púchov culture. In the 13<sup>th</sup> century there existed Slavic settlement between the River Revúca and the stream Štiavnica, that later became the foundation of the city. The impulse for its creation was particularly mining development in the region. Especially it was linked with the arrival of German colonists in the 14<sup>th</sup> century. The first city privileges came from 1318. Mining expansion lasted only for a short time. Nevertheless, mainly due to its location, the city was developed to the natural centre of commerce and handicrafts. Handicraft manufacture followed the traditional manners of subsistence, which were mainly agriculture, timber industry and sheep farming. A significant industry development occurred in the 19<sup>th</sup> century (the pulp mill, sheep cheese manufactory, fabric factory), which greatly influenced the development of the city.

Currently, Ružomberok is the centre of the Lower Liptov and there are situated many offices and administrative entities. The best known is the Catholic University and there are also branches of the University of Žilina and the Trenčín University of A. Dubček. In addition to universities there are six secondary schools and two grammar-schools. One of the most interesting cultural and historical monuments of the city is the Andrej Hlinka Square, which also ranks among the oldest monuments of the city and it can be divided

into two parts, which are connected with the protected lime tree alley. The other monuments are the Roman-Catholic Church of St. Andrew, which was originally a Gothic and was mentioned already in 1318. In the church there is the original Gothic font from the 16<sup>th</sup> century and makings of A. Belopotocký, J.Hanula and E. Massányi. Stained glass windows in the southern nave of the church are the work of master L. Fulla. In church tower there is the oldest bell in Liptov. The Bell Andrew was molten in 1506 by A. Sladič from Banská Bystrica. Town hall is non-baroque storey building built in 1895. Under the southern nave of the Church of St. Andrew is the Mausoleum of Andrej Hlinka and in the front of the town hall there is the Marian column from 1858. The most important natural site is the Alley on the A. Hlinka Square. This protected alley consists of 156 trees, of which 101 pieces are lime tree (*Tilia cordata*), 52 pieces of horse chestnut (*Aesculus hippocastanum*) and 3 pieces of Norway maple (*Acer saccharum*) growing in the central part of Ružomberok (rínok) in area 0.5 ha. The mightiest tree in the Alley is the lime with a height of 20 m and 271 cm girth. Date of planting this alley is probably related to the establishment of the Piarist School in 1888 and development of the city in this period. In the western part of the A. Hlinka Square we can find The Monastic Church of St. Cross built in Empire style in 1806, The Convent of St. Cross built in New-baroque style in 1730, the Ružomberok Piarist Grammar School from 1729, which was at that time the only school of its kind for Liptov, Orava, Turiec and the northern part of Trenčín County. The school was attended by many important people. Currently there is a rectorate of The Catholic University. As the well-known architectural monuments in Ružomberok is considered stairs. The Andrej Hlinka Square is connected with the "lower town" with famous stairways that are very typical for Ružomberok. There are six of them: the School stair, the Dark stair, the Pink stair, the stair on the Mostová Street, the North Lane and the Convent stair. In total there are 579 steps, you can use to get to the

A. Hlinka Square. The longest stair is the School stair with 155 steps. An interesting historical monument of the western part of the city is the Lutheran church built in the Dončová Street in 1923 – 1926. The bells of the church were supplied by Fischer Company from Trnava. In the carved altar there is an altar painting of the Christ blessing the cup, painted by Peter Michal Bohúň, which was part of the original decoration of the chapel from 1873<sup>rd</sup>.

In Ružomberok there is situated the Museum of Liptov built by Ružomberok city in 1936. In the museum there are situated permanent expositions of geology, palaeontology and botany, zoology and archaeology, ethnography, exposure of the life and work of Ms gr. Andrej Hlinka, and exposure of paper production in Slovakia. Another institution is the Ľudovít Fulla Gallery. Branch Office of the Slovak National Gallery in Ružomberok came as a decent stand for storage and presentation of artworks by leading figure of the modern Slovak painting, the artist and the awardee of the national Grand Prix at the World Exhibition in Paris in 1937, Ľudovít Fulla. Gallery was opened to the public in 1969. In the 80's and early 90's there was taken place interior spaces arrangement throughout the building, which presents a representative overview of the painter's work and also there are organized smaller exhibitions and cultural programs for the wide public.

#### ***The Sheep farm Krajinka***

The Sheep farm Krajinka is located directly next to the main road that interconnects western and eastern part of Slovakia in the north. Entrance to the chalet is different than anywhere else. Above the main road rise a few wooden buildings, between them, there are sittings and the wooden sculptures of animals. On the parking lot, you can meet a running donkey, also you may encounter with geese and calves. At first the owners of the objects only rented them, they only sold cheese. When they found out that there is a great demand after cheese, they gradually expand sales. The area was expanded according to customer requirements. What customers wanted, they built it for them.

Stables for a thousand sheep were divided into three parts. One of them was made into a restaurant and another one into production room. There has left only three compartments, each one with hundred sheep.

The farm once belonged to the agricultural cooperative Biely Potok, but it fell into bankruptcy also with this, nowadays lucrative area. But at that time, no one wanted it and had no interest. The Badánik family saw an opportunity to stall their horses here, and it was the first reason why they bought the place. That was eight years ago. They rented stalls for sheep and started selling cheese in small booth. The demand after cheese products has been rising, so they built an area according to customers' requirements. They changed the form of selling; they have begun to sell packaged products. And then customers wanted a restaurant. But at first they decided to build the production room. The third of the stalls was made into advanced production room, made in accordance with strict EU directives. They made classic threads from cow's milk, garlic sticks, paprika speciality and another specialty – "pareničky", some of them also smoked. Most sales go to the threads, they make them by machine, but on request they can make also handmade threads. They process daily 150 to 300 kg lumps of cow and about one thousand litres of sheep's milk, which is made into about 300 kg of cheese. They have only 180 l of milk from their own source, the rest must be bought. Everything they produce is sold in their own shop and restaurant. These organic products are non-pasteurized, without any chemical additives, sheep products are made with 100 % share of sheep's milk or cheese. All products are completely fresh, on the farm there cannot be bought any products from the previous day. The Badánek family decided that although another shops and restaurants are interested into selling their products, they will not dispatch. They do not want to prefer quantity over quality. They want to stay in a homely form of production.

As home made also taste the dishes in a restaurant that was opened just recently. The entire menu was built on their own products.

Here again, everything is fresh—nothing from the previous day. Young lambs are not sold to Italy. All of them are consumed in the restaurant. Particularly, they are great to the goulash. They breed lambs that have meet with more tendons. But the menu is supplemented with lambs from New Zealand, where they farm lamb species with more muscles.

The restaurant was primarily a stall, now it is spacious and stylish wooden building that is separated from stall only with a glass wall. Tourists can observe sheep directly in their stall during lunch ordinner. During Christmas, they will make a living Bethlehem in the stall. Restaurant thrives; there can be no speech about crisis. Everything is under the charge of the family but also 25 other workers. Everyone has to get used to willingness, quality in production, and should also be able to inform customers about the activities of the whole farm. Shop assistants go once a week to restaurant to recommend customers specific dishes. Waiters and waitresses also know a lot about cheese. The owners are working seven days a week.

The owners are gradually building the entire farm from their own sources. Altogether they have already invested more than 66,000 EUR. They receive grant only for sheep, the only subsidized investment has been buy in ga tractor. The fact that they invested their own sources does not detract from the other planned investments. It is necessary to relieve the crowded restaurant. During the coming months they would like to open another cottage, in which they will offer fast foods. Lamb stew, sheep cheese and cheese-spreads, it is only a part of the menu that will be offered to clients. Also there will be added new attraction. They will import about a thousand straw-cubes, from which it can be built a labyrinth and castle as entertainment for children. They also have other plans. This year, they want to build an observation tower from which the tourists could see not only the whole area, but also the Mountains of High Fatra.

In addition to classic cuisine they want to offer also a speciality – sheep ice cream. The

vision of the future is also Jánošík's slide-bob sled. They are also considering in offering accommodation because customers would like that. First, they want to focus on expanding services. Besides, everyone admires the appearance of the area. Buildings are wooden, although simple, but stylish. The sittings are original, their appearance is improved with wooden sheep and scarecrows made of sprigs. There is also chalet, in which shepherds used to live, cook "žinčica" and make cheese. The whole area is a kind of open-air museum.

Sheep farm Krajinka is thriving despite any active advertising in news papers or on billboards. There is only one small inconspicuous table showing the turn off to the chalet. The best advertising according to the owner's opinion is when people are talking about them. Approximately 60 % of clients are Czechs. The Slovak clients are coming mostly from Bratislava and southern Slovakia. It is also visited by tourists from Poland. Sheep farm Krajinka represents the Liptov Region on many events, info-trips, at trade fairs they cook, for example sheep cheese dumplings. Foreign visitors to the Liptov Region are stopping by in Sheep farm Krajinka near Ružomberok.

## CONCLUSIONS

The Lower Liptov region has great potential for business in agritourism. Sheep farm Krajinka is an example of that business in agritourism can have an upward trend. However, it requires expanding services constantly and offering clients services and products after which there is an increasing demand. It needs to build a good reputation among customers by providing quality services and products. Once customers leave satisfied, agritourism services providers will be satisfied, too.

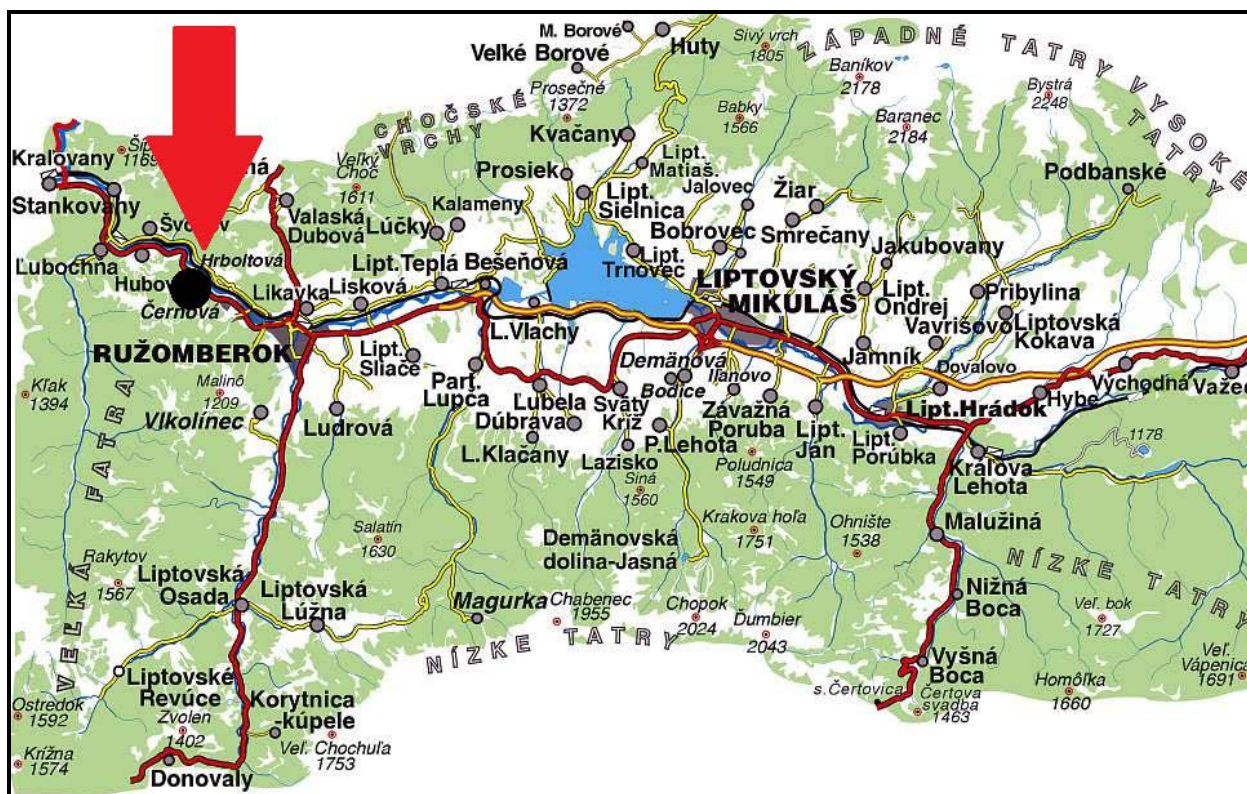
In Slovakia there are a lot of agritourism facilities, which is evidence that business in this sector is going well. But it is important to provide services that people are demanding. This contribution includes a history of lower Liptov and information about the natural and

cultural heritage, which is located nearby Sheep farm Krajinka.

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Picture 1: Location of Sheep farm Krajinka (<http://www.liptov.sk/predaj/mapa.html>).



Picture 2: Sign of Sheep farm Krajinka.



Picture 3: Information board at the farm.

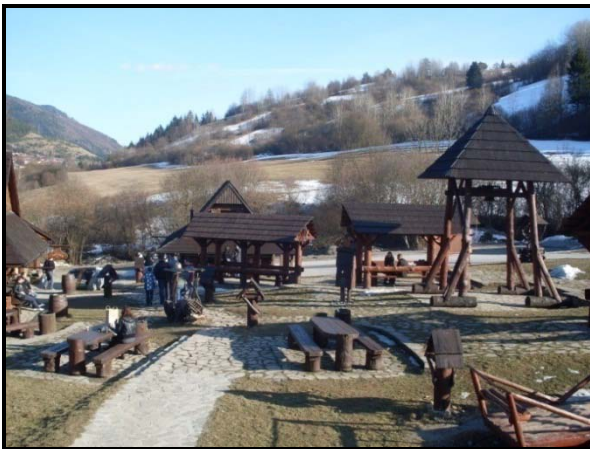




**Picture 4:** View of Sheep farm from restaurant.



**Picture 5:** Exterior of the farm 1.



**Picture 6:** Exterior of the farm 2.



**Picture 7:** Parking place for cars or buses.



**Picture 8:** Farm cheese shop.



**Picture 9:** Farm bakery.





**Picture 10:** Farm outdoor sitting.



**Picture 11:** Typical climbing frame for children.

## **SUPPORT FORMS OF MOLDOVA'S AGRICULTURE AND RURAL DEVELOPMENT IN EUROPEAN INTEGRATION PERSPECTIVE**

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### **Abstract**

*The main objective of the research is to analyze and highlight forms of support for agriculture and rural development used in Republic of Moldova and to underline their impact on agrifood competitiveness. For this purpose the main directions of the State agricultural subsidy program have been considered, as well as the programs financed by donor's community, including, European Union, World Bank, international Fund for Agricultural Development, United State Agency for International Development, Millennium Challenge Corporation and others. As result of this research had been established that Republic of Moldova has a number of sources of funding and support programs for agriculture and rural development, but their impact remains insufficient to ensure a good international competitiveness. In this context, during the process of the agricultural support policies and programs development, the priorities and needs of the sector have to be considered, and transparent and simple criteria have to be elaborated in such way to facilitate the access of farmers to existing sources of support.*

**Keywords:** agriculture, rural development, subsidies, financing, competitiveness.

### **INTRODUCTION**

In almost all market oriented countries Governments supports agriculture sector using divers forms of direct financing, including subsidies programs financed by state budget and/or indirect forms by supporting research program, special credit facilities etc.[1] Forms of aid are extremely diverse in time and space, and depend of Government policies, priorities and potential of development of agriculture.

It is known that the agriculture in Moldova has remained far behind the level of highly developed European countries, so that is why our country needs a combination of direct and indirect support programs to foster agricultural sector development in order to achieve a good level of the competitiveness on international markets.

### **MATERIAL AND METHOD**

For the analysis and reflection about the Support forms of Moldova's agriculture and rural development we used the collected data set from the official statistical reports

registered in the period 2001-2011. There have been used data provided by National Bureau of Statistics, Ministry of Agriculture and Food Industry. Also, as sources of information there were used various studies prepared by World Bank, International Fund for Agricultural Development in Moldova and national experts.

### **RESULTS AND DISCUSSIONS**

Currently, Moldova's agricultural sector is supported by using various ways, including national and international finance programs. One of the most important Government methods, for agricultural development, remains to be subsidy program.

As we can see in fig.1, the subsidy fund for agricultural sector had a tendency to growth, from 11 mln. lei in 2002 to 760 mln. lei in 2007. The biggest increase in year 2007 is explained by the fact that agriculture sector suffered in those year by a severe drought in the region and Government decided to increase the subsidy fund in order to ensure the food security of the country. But, after 2007 the subsidy fund has decreased

constantly, remaining for the last years at the level of 400 mln lei annually.

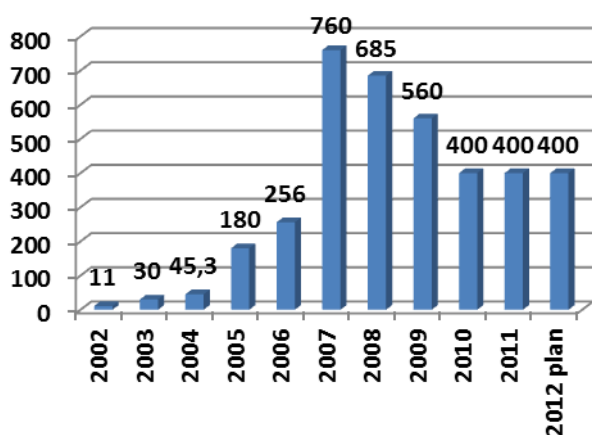


Fig. 1. Evolution of the agriculture subsidies in Moldova 2002-2012, mln lei [7]

Among the main direction of the subsidizing we can mention production of fruit-growing material and establishment of new fruit plantations, promotion and development of organic farming, risk insurance in agriculture, vegetable production on protected land and irrigation equipment procurement, procurement of equipment and machinery, revitalization of the livestock sector etc.

The subsidy fund does not cover all needs of agriculture sector, that's why Government contracted several international agriculture programs in order to cover all producers' requirements.

One of the agricultural programs financed by World Bank is Rural Investment and Services Project (RISP), managed by Consolidated Agriculture Project Management Unit (CAPMU).

The main project's objective is to foster post-privatization growth in the agricultural sector by improving access of new private farmers and rural businesses to what they need to succeed – legal ownership status, knowledge, know-how and finance, while building capacity of public and private institutions to ensure sustainability of activities [2].

The project activities are focused on:

- strengthening and expanding the rural advisory services;

- improving business skills of the to-be entrepreneurs and assisting with the legal registration of the new businesses;

- upgrading the financial sector environment through a range of risk management measures, such as supervision capacity building, and introduction of new lending instruments such as leasing;

- increase the commercial banking sector outreach into rural areas; and

- developing a practical approach to reducing transaction costs in land markets.

The project consists of **five components** to be implemented over four years plus support for project management:

1. Rural Advisory Services;
  - a. Draught Adaptation Services;
2. Rural Business Development Services;
3. Rural Finance;
  - b. Credit Line
  - c. Strengthening the SCA industry
4. Land Re-parceling Pilot Projects;
5. Project Management.

During the year of 2011, the network consultants provided over 198 thousands advisory services for about 372, 4 thousands agricultural producers and rural entrepreneurs. In the structure of advisory services, technological services account for 53, 1% (105 146 services), followed by those related to agricultural marketing – 18, 1% (35 914 services), economic – 15, 5% (30 765 services) and legal services – 13, 2% (26 212 services).

In this period, the Regional Consultants specialized in Agricultural Marketing provided advisory services to over 4500 beneficiaries, while operational information was provided to the entire Rural Extension Service (RES) Network and those 40,5 thousand unique visitors registered with Agriculture Marketing Information System (AMIS).

Along with the provided services, AMIS ensured the creation of 157 informal seasonal marketing groups, mediation of agricultural products sales contracts amounting to about 32 255,3 thousand lei and procurement of production means of the total amount of 31 451,6 thousand lei, development and

placement of 26 bi-weekly studies on the agricultural marketing.

RES provided assistance to beneficiaries who produced field crops during the reference year on a surface of over 327,2 thousand ha, yielding multiannual plantations - 52,7 thousand ha, vegetables on about 13,9 thousand ha in the open field and 282 ha in protected areas and exploitation of 2595 family type farms.

Via the 604 formal and informal groups created with the support of RES Consultants, 287, 2 thousand *t* of agricultural products were sold and procurement of agricultural production means in amount of over 552 million lei was mediated, in the meantime creating 59 professional associations at local and regional levels.

With the support of RES consultants, about 28, 6 thousand agricultural producers and rural entrepreneurs benefited of loans from the SCA (Savings and Credit Associations) and commercial banks in an amount of 377 million lei, for which 442 business plans were built and 711 people benefitted from assistance for preparing sets of documents for accessing state subsidies in the amount of 99 million lei. Within the service area of the extension service 494 agricultural businesses and 161 non-agricultural businesses were established, which generated 2940 job placements.

ACSA (National Agency for Rural Development) network consultants provided assistance for over 12 300 transactions with a total area of over 56,8 thousand ha, launch of 7,9 thousand projects for agricultural land consolidation with a total surface of over 11,9 thousand ha and solving about 1645 land disputes with at surface of about 1740 ha [3],[4].

Activities aimed at building the knowledge of extension consultants and training of agricultural producers in the reference year were provided by ACSA within a national seminar and 7 programs of general and specialized training within which 535 persons were trained. The trainings aimed at increasing the knowledge, skills and new

advanced implementation technologies in the agricultural sector.

At the request of Ministry of Agriculture and Food Industry, ACSA was actively involved in implementing the Decision of the Government of Republic of Moldova on the modality of using the means of the agricultural producers' subsidy fund for 2011. ACSA activities were focused on information and training activities, publishing and distribution of information materials, assistance in development of business plans and preparation of sets of documents for submission to Agriculture Paying and Intervention Agency (AIPA).

Promotion activities have been held in 928 villages involving about 20689 people. Of the total number of operational business units, 607 loans were provided from RISP sources and 320 loans were provided by participating institutions. Twenty two businesses started operating from their own sources. The total investment made in 927 businesses that received loans amounts USD 29,293 million.

In 2011 the average interest rates for the RISP II loans in MDL constitute 14.26% and 6.46% for US Dollars. According to the NBM (National Bank of Moldova) reports, the average commercial interest rates for the same period constitute 13.89% for the loans granted to the enterprises in MDL and 8.8% in US Dollars. The RISP II interest rates for the beneficiaries for the loans in MDL are higher than the average market interest rates by 0.37% and lower by 2.34 % for the loans granted in US Dollars. The advantage of RISP II resources remains to be the long term maturity of the loans.

National extension network administrated by ACSA consist of 35 Service Providers and a total number of 425 consultants, of which: 350 local consultants and 75 regional consultants, including 5 marketing consultants. Advisory services provided by regional and local ACSA consultants are provided according with the minimal set of services stipulated in the standard contract and include the technological, economic, juridical and agricultural marketing domains. The advisory services provided by ACSA

consultants focus on satisfying the needs of agricultural producers and rural entrepreneurs in providing them with quality advisory services which allow solving existing problems and needs, as well as facilitate the sustainable development of agricultural households and increasing the incomes of the practiced activity. Consultancy and advisory services provided by ACSA network consultants during the activity period targeted and contributed largely to solving problems faced by agricultural producers and other categories of beneficiaries. The advice and recommendation received from consultants helped farmers improve qualitative and quantitative indicators of production, benefit of loans, market their production and procure required inputs, initiate and develop new businesses, both in agriculture and in the non-agricultural sector to increase their revenues from economic activity.

One of the most important crediting programs for agriculture producers remain to be those developed by International Fund for Agriculture Development (IFAD). Rural business development program is one of last project developed by this finance institution. The Rural Business Development Program (RBDP) concept was developed based on the Government's Economic Growth and Poverty Reduction Strategy Paper (EGPRSP), as well as two previous IFAD - funded projects, the "Rural Finance and Small Enterprise Development Project" (RFSEDP) implemented during 2001 and 2005, and the "Agricultural Revitalization Project" (ARP), which was implemented during 2005 - ongoing. RBDP has been succeeded by the "Rural Financial Services and Marketing Program" (RFSMP), which has been approved by the IFAD Board in December 2009 [5].

These programs were geared at the development of rural areas in Moldova, with different methods and approaches adjusted to the prevailing challenges and demands, but also with some similarities, and each building on the lessons learned from its predecessor(s) and reflecting the changes that occurred in society and the economy. Common elements underlying all three programs include, among

others: a) the advancement of rural finance; b) creating jobs; c) the support to new business opportunities; d) improved marketing and e) commercially derived infrastructure. The Agreement between the Government of Moldova and International Fund for Agricultural Development (IFAD) for financing RBDP was signed in February 2006.

The program achieved its objective of stimulating growth of strategic farming and rural business activities in which Moldova has a comparative advantage. This was accomplished through three components: Rural Enterprise Intermediation Services (REIS); Rural Financial Services (RFS) and Market Derived Infrastructure Investment (MDI).

REIS trained and accredited 7 Business Service Providers to assist program clients prepare business plans, linking clients with 9 Participating Financial Institutions (PFI) selected by the program and providing clients with technical advisory service.

Through this arrangement, a total of 152 clients received support in preparing business plans and 129 of these obtained investment loans from 7 PFIs which were refinanced by the program. In addition the program provided capacity support to 5 696 persons including technical advisory service, program awareness, agricultural loan risk management and collateral development and strengthening of value chains. Out of total participates women accounted for 2 632 or 46%.

RFS contributed to the program goal with the following outcomes: The 129 investment loans refinanced by the program created 1 348 jobs directly. The 1 348 direct jobs generated by the program represents 3.62% of all new jobs (37 2004) created in the country during the program implementation period. The 36 enterprises engaged in produce collection/marketing and in processing, acquired raw material worth USD 33.4447 million annually estimated to have created incremental markets from around 4 5938 small farmers. The 35 commercial farmers supported under the program rents 5 350 ha from 3565 smallholders of which half are pensioners. This development is of particular importance for the pensioners having limited

possibility to cultivate their land by themselves and in getting employment.

The 32 market derived infrastructure investments benefited 53 enterprises in receipt of refinance investment loans, 55 enterprises not benefiting from the RFS, 39 228 individual persons and 1 842 commercial small farmers.

The incremental returns from road, gas and water investments were mainly in the form of savings from reduced repair cost as a result of better roads, reduced cost of fuel by shifting to gas and reduced cost of using piped water compared to hoisting it from a well. The incremental return from rehabilitation of irrigation was from increase in yield and crop diversification resulting in incremental earnings of USD 650/ha or USD 1 365 per farmer (2.1 ha for each farmer).

The market derived infrastructure supported by the program was very successful, particularly the support to irrigation recorded several dimensions of successes: a) provide a tangible reason for 35 enterprises and 1 842 farmers cultivating 3 931 ha of irrigated land to strengthen their collaboration leading to collective investments and marketing arrangements; b) enable 35 enterprises and 1 842 farmers to diversify from low value field crops into high value vegetable crops resulting in net incremental return of USD 650/ha; and c) the improved economic opportunity created by the irrigation resulted in reduced migration and return of migrants.

One of the priorities of government and agriculture producers and processors has to be focused on alignment to the International Food Standards. The negative economic impact from the 2005 Russian embargo of agricultural produce from Moldova has shown the importance of reducing trade barriers to other countries particularly EU. In this respect the first action is to facilitate exporters of agriculture produce and processed food to comply with international food standards including Global GAP, HACCP/ISO certification. The program did encourage enterprises investing in food processing, on a voluntarily basis, to organize configuration of building and equipment in preparedness for

food standard certification. This effort resulted in 7 enterprises using the correct configurations of buildings and equipment in readiness for certification and 2 obtained HACCP registration and 3 obtained the local certification but are also prepared for HACCP certification.

Further IFAD programs should provide appropriated support to enterprises enabling them to comply with international standards. The investment in infrastructure improvements had a strong social impact in strengthening social relationships among rural communities creating additional joint communal developments e.g. expansion of land under irrigation, marketing arrangements, joint procurements, contract farming. Infrastructure investment in roads, which also included contribution from the local communities, represented a considerable improvement in accessibility and communications for local social services (schools, medical offices, postal offices, etc). Provision of water supply to rural households contributed to improvement of health aspect of household's members, and reduced the manual work in collecting water from the well.

## CONCLUSIONS

Government should pay more attention to the needs of farmers, involving them in elaboration of the subsidy regulation, that would conduct to the elimination of the existing constrains in accessing of the state support.

Although the banking sector as well as that of the micro-crediting developed much during the last 10-12 years and it is now at an advanced level of operation, the demand for rural business support is still rather high.

The provided support to entrepreneurs that launch a business in form of technical assistance in conducting feasibility studies, development of business plans, as well thematic consultations represent an important service, therefore the sustainability of these services should be supported after the project completion.

The active involvement of financing institutions in crediting small and medium entrepreneurs needs to be encouraged in the future. Also, specialists from financial institutions should support start up investment projects in rural areas and minimize the reluctance degree against young entrepreneurs.

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## IMPORTANCE OF ENGLISH LANGUAGE AND SPECIALIZED ENGLISH LANGUAGE COMPETENCES DEVELOPMENT FOR PROMOTING ROMANIA FROM THE TOURISTIC POINT OF VIEW

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### Abstract

*Tourism is a very important industry in the economy of a state. Any type this might be the globalization process has significantly contributed to the development of entire areas that until recently we had no idea they existed. Tourism is done at a large scale, internationally and by people with different income levels. The opportunity of Romania has from the touristic point of view is that it may be promoted by numerous strategies, although these strategies must be communicated through image, sound and last but not least through language. In order to attract as many tourists we need to use English – both written and spoken. Our study shall highlight the importance of English in the development of the Romanian tourism, representing a mandatory promotion element for tourism agencies that represent us in international tourism fairs, events and in the online environment.*

**Keywords:** English, tourism, agro-tourism, promotion strategy

### INTRODUCTION

Tourism industry is acknowledged by experts as for being a central segment of the economy that has the power to support and sustain economic progress.

Tourism as a distinct component of the tertiary sector is closely connected with the level and pace of growth of the economy in general and of each branch of activity, in particular trade, transport, construction, agriculture, etc.

Researchers and academics on the one hand, but also the tourism operators support the idea that tourism is a tool for economic growth. The movements of people within a country and between countries are highly important for tourism, an industry that has great growth potential in the world today and especially in today's Romania.

Tourism acts as a factor that stimulates the global economic system [1]. Tourism can be an engine of economic growth, and there are voices that support the fact that it is important to create partnerships between public and private sector in order to stimulate investment in this industry.

In specialized literature, there is a large volume of information on tourism and its development in different countries. Nowadays, tourism faces different challenges, being necessary to find appropriate ways to protect the possibilities of the future generations of tourists and host communities through the measures adopted at national level.

The development of tourism sector should refer also to measures aiming to comply successfully with the economic environment in continue change but also with the changes in the society in general.

A language is a basic method for communication. It is the code we all use to express ourselves and relate to others. It is a structure that allows us to share ideas and feelings using sounds, gestures, signs or marks. A language is the written and spoken set of methods of combining words to create meaning used by a particular group of people. Language, so far as we know, is rather specific to individuals, that is to say it is the basic capacity that distinguishes humans from all other living beings. Language therefore remains potentially a communicative way

capable of expressing ideas and concepts as well as attitudes, emotional states and outlooks.

English language is one instrument to form our perspective. We can absorb information gathered through others' experience. We can check the theories of foreigners against our understanding. We can also disseminate our theories among the international listeners and readers. [2]

We can make use of English to promote our worldview and spiritual heritage throughout the earth. English has thus become an effective means of promoting activities, culture, traditions, and national identity.

## MATERIAL AND METHOD

The research was structured in two major parts – literature review and the applicative questionnaire research.

The research considered 100 travel agencies in Bucharest, Romania, which questionnaires applied in order to evaluate the extent to which their the personnel in these units have English skills - advanced or proficient in order to communicate to foreign tourists, foreign business partners, to poste correct and attractive information on their websites, to prepare promoting materials afferent to their activity.

The survey sample represents approximately 10% of the targeted population and is considered to be representative.

The respondents were asked to answer a number of questions revealing their personal English language skills and their ability to communicate a tourism promotional message. The questionnaire included both opened and closed questions, multiple choice questions and eliminatory questions and included four parts: general data, self-appraisal of English skills, communication exercise, and willingness to improve these skills. Each questionnaire was then filled out by a travel agent.

The hypothesis proposed for testing were the following:

- 90% travel agencies personnel have average-advanced English language skills;

- 10% travel agencies personnel have proficient/translation skills;

- 90% travel agencies personnel have willingness to improve their English language skills at the cost of the employer;

- 20% travel agencies use specialized services of translators/interpreters to prepare the materials meant for tourism promotion.

## RESULTS AND DISCUSSIONS

The Skopos theory is a notion from the field of translation studies. It was established by the German linguist Hans Vermeer and comprises the idea that translating and interpreting should mainly take into account the function of both the source and target text. The function of a translation is dependent on the knowledge, prospects, standards and rules of the target readers, who are again influenced by the situation they are in and by culture. These elements determine whether the function of the source text or passages in the source text can be conserved or have to be adapted or even changed.[6]

The purpose of tourism text is of information, creating emotion and encouragement, and cultural translation is necessary in the translation of tourism writing. This paper proposes the translation principles for tourism text, namely: the principle of appropriateness and the principle of correspondence. Through translation dissemination of Romania's unique culture is performed.

The specific character of English and Romanian language cultures reflects the vast selection of a series of such elements as national psychological awareness, forming process of culture, historical customs and traditions and geographical characteristics. Thus it brings about many cultural differences between English and Romanian languages. Pragmatic translation is a correspondent translation which can reveal the profound meaning of the original work on the realistic correspondence of language and sociality.

The ways in which words may be meaningfully joined is defined by the language's syntax and grammar. The actual

connotation of words and arrangements of words is defined by the language's semantics. 20 years of English language taught as the first foreign language in schools, high schools, and at graduate level have made Romanians a people skilled in English language. Over the years, English language has become one of our main assets in getting our academic achievements, personal success, and cultural and natural heritage known around the world. It does not entail any further argument to establish the advantage English language has brought to us at the worldwide level. English language comes to our support in commercial businesses all through the globe. English language is our gateway to the world.

Tourism translation allows travel agencies, tour operators, hotels and agro-tourism businesses to reach out to potential customers around the world. From websites to leaflets, publications, advertisements and movie clips or even slogan songs, there are many ways for tourism-related businesses to promote themselves. By translating these resources into the English language – one of the most wide spread languages in the world and most definitely the language of academics and knowledge, tourism businesses can ensure that they reach as many potential customers as possible.

For maximum effect, however, tourism businesses can't rely on any basic translation – they must be able to present their material in a clear, comprehensive and attractive manner. These elements reveal what makes a world-class tourism translation. [3]

Tourism translation is distinctive from many other specialty fields of translation because it does not require an in-depth knowledge of complex technical terms unintelligible to the average person.

In order to present an accessible and pleasant message, tourism texts often employ colloquial expressions, everyday language that you might hear spoken on the street. Excellent tourism translation therefore involves an intimate understanding of the tones of both the source and target languages at a native-speaker level.

In addition to successfully assigning the message of the text itself, a great tourism translation also effectively translates the marketing ability found in tourism industry advertisement, be it a hotel website or museum brochure.

This requires translators who not only effectively translate tourism documents, but also have a way with words and are able to create attention-getting translations that stay true to the message of the original text.

Attractive tourism translation also requires linguists to localize for a target audience.

Finally, tourism translation is particularly challenging due to the huge amount of fine details that need to be considered in addition to the basic translation of text. For customer accessibility, a hotel website may want to include prices in different currencies, for example.

Tourism translation professionals know that conveying all these important specifics is an essential part of the translation process. Add to this the delicate translation of colloquial terms, demand for marketing flair, and the need to localize for target audiences, and there's no doubt that tourism translation is a lot more complicated than it first seems. [5]

The data analysis indicates that three translation strategies are employed in tourism translations: literal translation, semi-literal and semi-adaptive translation, and free adaptation, the literal one being the most common strategy. It is found that all three strategies have limitations in conveying the message eloquently and naturally. [4]

Tourism is a typical field in which public signs, maps, public information plates need to be translated. Even though translation is just a stage in the promotion strategy it is highly important to have it done correctly and continuously.

The case of English was considered as for being one of the most spread languages in the world by it may very well be the case of any other language.

The hypothesis proposed for testing were proven to be true:

- 90% travel agencies personnel have average-advanced English language skills;

- 10% travel agencies personnel have proficient/translation skills;
- 90% travel agencies personnel have willingness to improve their English language skills at the cost of the employer;
- 20% travel agencies use specialized services of translators/interpreters to prepare the materials meant for tourism promotion.

The case of tourism agencies was considered for this explorative study. For further research we propose to apply the questionnaire to other businesses in the field of tourism – especially the case of rural tourism establishments.

The sample was representative for the population targeted, therefore we conclude that in order to attract as many tourists we need to use English – both written and spoken.

## CONCLUSIONS

Our study has highlighted the importance of English and English translations as regards to the means of promotion used in the industry of tourism.

Romanian tourism and especially rural could take advantage of this opportunity in gaining more tourists, whatever the purpose of their visit.

English tourism translated materials represent a mandatory promotion element in international tourism fairs, events and in the online environment.

We propose for these tourism related business to have skilled personnel as regards to English communication and, when necessary, to apply for the specialized services of translators, ensuring to some extent the success of their business.

## ACKNOWLEDGEMENTS

This research has been developed with the special contribution and guidance of all the people who participated to the accomplishment of this study.

We would like to bring our deepest thanks and appreciation to everyone that supported our quest.

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## COMPUTERIZATION DEGREE APPRAISAL IN PLATARESTI COMMUNE, CALARASI COUNTY ON THE LEVEL OF RURAL ENVIRONMENT BUSINESS

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### Abstract

*Computers nowadays – can't live with them, can't live without them. In these times information travels very fast and spreads even faster with the help of the Internet. It brings knowledge, fresh news, it helps us work and manage our business, and along with the internet connection it helps us connect with anyone else who is also equipped, no matter where they are – even if we are referring to a small village on top of a mountain, a spread commune or locality in the pains of the country, the continent, or the world. The paper aims to highlight the importance of computerization in the rural areas of Romania – bringing forward a study case. We have performed a qualitative, quantitative and comparative as regards to the data collected from Plataresti commune in Calarasi County, Romania. Results showed that people are curious and interested as to the benefits this new technology may bring them. Also it highlights the problems small business in the rural environment encounter regarding computerization, problems that have solutions – few of which we are going to propose.*

**Keywords:** computerization, business, rural environment, internet

### INTRODUCTION

Computers nowadays – can't live with them, can't live without them. In these times information travels very fast and spreads even faster with the help of the World Wide Web – the Internet. It brings knowledge, fresh news, it helps us work and manage our business, and along with the internet connection it helps us connect with anyone else who is also equipped, no matter where they are – even if we are referring to a small village on top of a mountain or a spread commune or locality in the pains of the country, the continent, or the world.

We have approached this subject because our professional opinion reinforced by our professional work experience have showed the computers and internet may very well lead to the economic growth of a small scale business – either we refer to finding customers for products or for making

merchandise or raw materials orders from the supplier and for the better management of our operations.

At only a 20 km distance from Bucharest and Budesti, on no. 301 national road, at 42 km from Oltenita, on no. 4 national road we find the 4 villages that build-up Plataresti commune/locality, respectively: Plataresti, Dorobantu, Podu Pitarului, and Cucuieti. [3] Each settlement has made itself known over time both due to the local resources (forest, hunting fund, fishery, mental diseases hospital, monastery, etc.) and to its people (approx. 4400 inhabitants - declared) who live and develop their activity on these lands. [2]

The telecommunications network is characterized by a positive evolution during the past 5 years (since the EU accession) as regards to the coverage area and the quality, ensuring a high level of access to the

inhabitants as to the national and international communication network (radio, television, telephone), although regarding the economic activity in the area does not fully prove this evolution. [4]

## MATERIAL AND METHOD

The present paper has been performed based on the data collected directly from the local hall and from the field in February 2012.

The methods used were: comparative analysis, qualitative and quantitative analysis of data, in view of attaining edifying results on the computerization degree in Plataresti Commune, Calarasi County that may thereafter allow us to draw the right conclusions and make informed proposals for the improvement of the local business environment.

## RESULTS AND DISCUSSIONS

Internet is a system of computers that communicate through the Internet Protocol Suite (TCP/IP). The World Wide Web (www) or simply web is a vast source of information that can be accessed through the Internet. Few of the resources this brings to our life are electronic mail (e-mail), file transferring and sharing and online chat. The Internet permits people from around the world to share data, ideas, and experiences on any subject. [1]

Electronic mail is a method of communication used internationally, between friends, colleagues, business partners, and so on. It also includes a system of creating, storing, and forwarding mails. It may consist of text messages with attachments of audio-visual clips. One can also download or upload files using the Internet. As compared to telephonic conversation, both e-mail and online chat are cost saving. [1]

As the graph below shows the most common business is the grocery store. 3 of these use computers due to the management choice. The clinic and pharmacy also use computers, although in their case it was not a choice, but a mandatory condition in order to comply with the requirements of the public health system.

Table 1 Plataresti village computerization degree

No.	Type of business	No. of businesses	Internet connection	No. of computers
1	Grocery store	15	3	3
2	Construction materials	2	0	1
3	Hairdresser	2	0	0
4	Clinic	2	1	2
5	Pharmacy	1	1	1
6	Distillation centre	1	0	0
7	Clothing store	1	0	0

Private businesses benefit only from 5 internet connections – through wireless data devices (modem type) with relatively low speed and little capacity.

Also, there are 7 computers that support the activity if the local businesses detailed in Table no. 1, that are not properly equipped, 3 of these being obsolete considering the rapid advancements in the field of computerization.

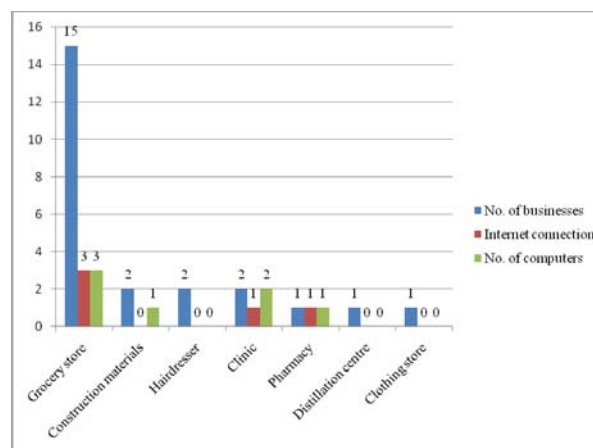


Fig.1. Plataresti village computerization degree

Table 2. Cucuieti village computerization degree

No.	Type of business	No. of businesses	Internet connection	No. of computers
1	Grocery store	5	0	0

In Cucuieti village there are only five local business operational that have a computerization degree of zero – no internet connectivity, no computers.

Table 3. Podu-Pitarului village computerization degree

No.	Type of business	No. of businesses	Internet connection	No. of computers
1	Grocery store	3	1	1
2	Clinic – emergency point	1	1	1
3	Veterinary clinic	1	0	0
4	Clothing store	1	0	0
5	Authorized hunting fund	1	0	0
6	Tataru Fishery	1	0	0

In this case we have found that there are only 2 businesses that have internet connectivity and computers – one being by management choice and one being a mandatory condition.

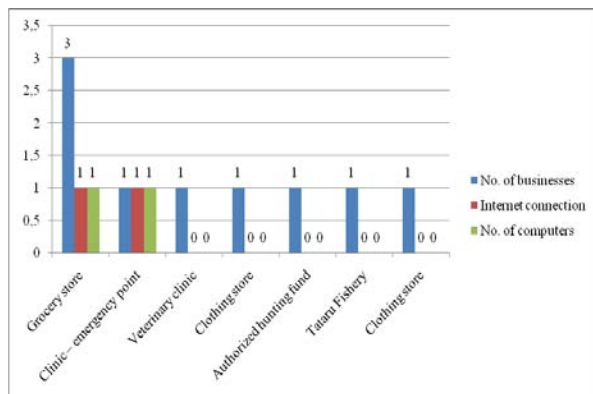


Fig.2. Podu-Pitarului village computerization degree

In both cases the internet connection is through wireless data devices (modem type) with relatively low speed and little capacity.

Table 4. Dorobantu village computerization degree

No.	Type of business	No. of businesses	Internet connection	No. of computers
1	Grocery store	11	0	0
2	Construction materials	1	0	0
3	PVC carpentry workshop	1	1	1
4	Clothing store	1	0	0
5	Bakery – fireplace oven	1	0	1
6	Water treatment plant – executed through EU funds	1	0	2

The computerization degree is also very low in this village, although there is a local business of PVC carpentry that receives offer requests, orders and even sells its products through the help of a website and social networks pages.

Also the commune adds up 15 centres of gas cylinders and 3 agricultural associations.

None of the 15 centres of gas cylinders have any kind of computerization.

The agricultural associations do not have any computers, although their managers use their personal computers in order to operate better.

From the institutional perspective on computerization the situation is somehow better than the private perspective, in the sense that there are few computers in the local hall, schools and hospital.

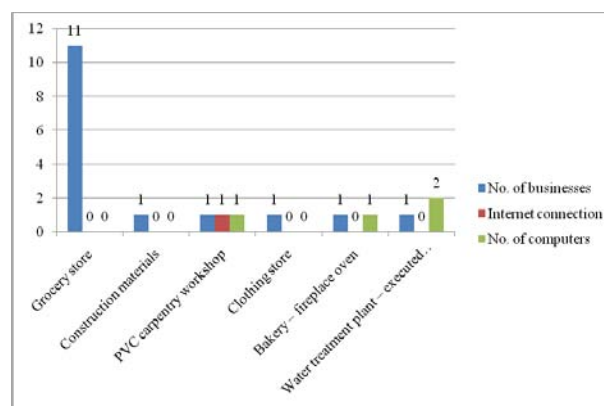


Fig.3. Dorobantu village computerization degree

Table 5. Local institutions computerization degree

No.	Institution	No. of businesses	Internet connection	No. of computers
1	Local Hall	1	1	11
2	Hospital	1	1	5
3	Achieve	1	0	3
4	School primary cycle (1-4)	4	0	0
5	School general cycle (5-8)	1	0	16
6	School (kinder garden/pre-school)	4	0	0
7	Church	4	0	0
8	Monastery	1	0	0

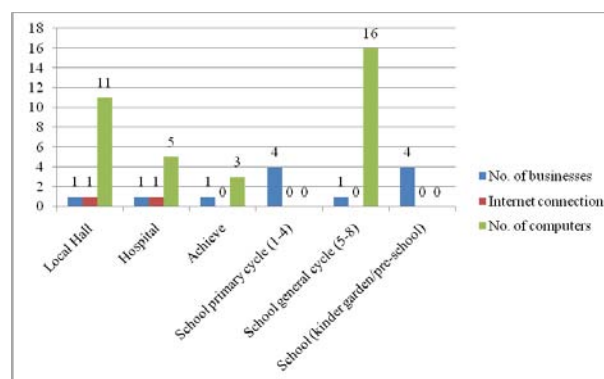


Fig.4. Local institutions computerization degree

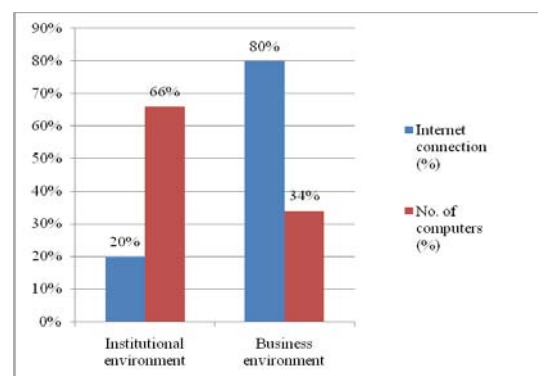


Fig.5. Comparative analysis between the local public and private business environment computerization degree

Comparative analysis shows that the business environment benefits from a higher number of



internet connections that local institutions do, even though institutions have more computers. The computers in schools are used for educational purposes and the ones in the local hall are used for administrative purposes.

## CONCLUSIONS

Computers cost, it is also the case of internet connection, still, on the long term, and these “investments” may prove to bring many more benefits, than the opportunity cost of not having them. From the business perspective it is important to realize the advantages computers and internet connectivity bring, such as:

- lower transportation costs – producers do not necessarily need to travel to meet the client in order to show the products, being possible to post pictures of the products on a website;
- lower communication costs – the internet has the cheapest communication cost, only the internet connectivity costs (either you send one mail or 1000 mail, or you chat 1 minute or 3 hours with a client establishing the detail of a collaboration);
- it helps learn new things on what the seller/producer has to do in order to operate;
- it allows access to the government institutions and to the legislation in force;
- it saves time on placing orders for supplies, raw materials, etc;
- it is a relatively cheap way to have advertisement and make the business noticed on the market, etc.

Only 1 business in this commune/locality has really understood that computers and the internet – the PVC carpentry workshop. The general manager of this small business stated that the webpage was set approximately 1 year previous to our interview and the sales and the activity of the workshop has increased about 350 times than before, fact that has led the business to grow, buy more specialized machinery and hire 6 people from the village – who were also trained for the carpenter position.

Our proposal is for the local hall to encourage people to use computers, and even direct these people towards the programs that offer funds for the acquisition of computers (e.g. Ministry of Telecommunications).

Also we have to draw attention over the fact that this locality has no other production businesses. It is located close to the capital of the Country and if cable internet connection would be possible this would to a little extent improve the investment opportunities.

## ACKNOWLEDGEMENTS

We bring our utmost gratitude to all the people who showed us courtesy, who answered our questions truthfully and supported our study.

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## **SOME OF THE FINANCIAL ASPECTS OF AGRICULTURAL POLICY IN THE CONTEXT OF THE FARM EFFICIENCY IN THE REPUBLIC OF MOLDOVA**

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### **Abstract**

*This paper analyses the subsidies allocation in the agricultural sector of the Republic of Moldova and the impact of subsidies on agricultural outputs and profits. The methodology is based on Data Envelopment Analysis in order to define and calculate technical efficiency for each corporate farm. The empirical application is made on 451 Moldovan farms. Three main hypotheses were tested concerning accumulation of current assets and absorption of subsidies by farms with different degrees of technical efficiency. In this case, the farms with lower overall efficiency are more sensitive to the state support and are able to absorb larger amount of subsidies. Regression analysis was used to provide a framework for studying the implemented policy reflected by the data in use.*

**Keywords:** agricultural sector, technical efficiency, subsidies allocation, Republic of Moldova

### **INTRODUCTION**

In the past century the history of Moldova experienced a lot of ups and downs. In 1918 the supreme authority of the Moldovan state decided to unite with Romania. This unity lasted till 1940, the year when the country was annexed by the Soviet Union. Moldova functioned as a territorial entity within the USSR until the last decade of the XX-th century. In all this time, Moldova remained a predominantly an agricultural state. But Stalin's campaign of forced collectivization after the World War II was a major factor explaining poor performance of agriculture and highly inefficient forms of organization. This situation perpetuated until the break-down of the Soviet Union.

Since 1991, the year when Moldova became independent and sovereign, together with other former soviet republics, Moldova has implemented a wide range of radical reforms affecting its social and economic system. Given the importance of agriculture in the Moldovan economy, agrarian reform has formed a particularly important part of the reform process overall. With agriculture contributing 25% of GDP and accounting for an average of 45% of employment between 1996 and 2003, Moldova is still an agrarian country—much more so than Russia or Ukraine, where the share of

agriculture in recent years is below 10% in GDP and 20% in employment. It is even more agrarian than its western neighbour Romania, where the share of agriculture has dropped to 13% in GDP and 35% in employment. In terms of its agrarian characteristics, Moldova is close to Transcaucasia and Central Asia, where the share of agriculture exceeds 20% in GDP and 40% in employment.

One of the ways to reform agriculture and make it more efficient was the state support for people involved in agriculture. It is still a widely spread practice in Moldova and in other countries. This support is particularly important in countries with transition economies, like Moldova. Many scientists and politicians believe that the market can cause harm to agriculture and food supply if there is no state intervention and the market regulates itself. The reasons for this are: the high risk of the agricultural production, the long production period, the difficult access to loans and the large demand for assets in turn-over. The same scientist believe that when the state support is missing, the farmers might over-use the land and the natural resources, cause harm to the environment, not be able to meet the quality standards and in some periods even leave many of them at the edge of hunger [6].

On the other hand, the state financial support creates problems. It reduces the capability of the market to auto-regulate and allocate resources

optimally. This is done by creating unequal conditions for participants in the agricultural markets. Also, big financial resources involved, led to corruption, bribes and abuse of governmental power. Finally, an important burden of taxes both on citizens and businesses is created in order to provide the financial resources for the state support in agriculture.

## MATERIAL AND METHOD

The methodology presented in the paper allows testing some wide spread hypotheses about the state support for Moldovan corporate farms, namely:

- Accumulation of current assets is a primary direction of state support.
- The subsidies are more efficient when received by relatively efficient farms.
- The relatively inefficient farms can efficiently absorb larger amount of subsidies than the farms that achieve higher efficiency.

Modern efficiency measurement begins with Farrel [4], who defined a simple measure of firm efficiency which could account for multiple inputs. He proposed that the efficiency of a firm consists of two elements: *technical efficiency*, which reflects the ability of a firm to obtain a maximal output from a given set of inputs, and *allocative efficiency*, which reflects the ability of a firm to use the inputs in optimal proportions, given their respective prices. These two measures are then combined to provide a measure of total *economic efficiency* [2].

As these notions might not be known by the readers, hereby I present a simple example in order to illustrate graphically and theoretically these notions. We suppose to have two firms with two inputs  $x_1$  and  $x_2$  that produce a single output,  $y$  assuming constant returns to scale. This assumption provides us with the idea that the production function is linear with input as the argument. Also, the constant returns to scale assumption allow us to represent the technology frontier as a unit isoquant  $SS'$ , as shown in Figure 1. Another important fact is that the production function of a fully efficient firm is not known in practice, and thus it is estimated from observations on a sample of firms in the

industry concerned, in our case corporate farms.

In the figure 1, precisely the isoquant of the fully efficient firm, represented by  $SS'$ , is the measure of technical efficiency. If a given firm uses quantities of inputs, defined by the point  $P$ , to produce a unit of output, the technical inefficiency of the firm could be represented by the distance  $QP$ , which is the amount by which all inputs could be proportionally reduced without the reduction of output. This is usually expressed in percentage terms by the ratio  $QP/OP$ , which represents the percentage by which all inputs could be reduced.

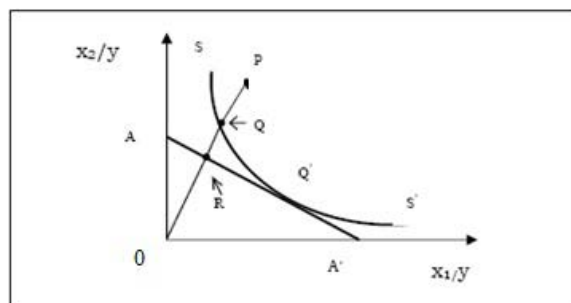


Figure 1: Technical and allocative efficiencies.

The technical efficiency (TE) in a firm is most commonly measured by the ratio:

$$TE = OQ/OP$$

which is equal to 1 minus  $QP/OP$ . It will take a value between 0 and 1, and hence provide an indicator of the degree of technical inefficiency of the firm. If the ratio TE is equal to 1, this indicates that the firm is fully technical efficient according to the sample evaluated. For example, the point  $Q$  is technically efficient because it lies on the efficient isoquant.

If the input price ratio, represented by line  $AA'$  in Figure 1, is also known, allocative efficiency may also be calculated. The allocative efficiency (AE) of the firm operating at  $P$  is defined by the ratio

$$AE = OR/OQ$$

with the distance  $RQ$  representing the reduction in production costs that would occur if production were to occur at the allocatively, also technically, efficient point  $Q'$ , instead of at

the technically efficient, but allocatively inefficient point Q.

The total economic efficiency is defined by the ratio:

$$EE = OR/OP$$

where the distance RP is interpreted in terms of cost reduction. An interesting property of the total economic efficiency is that it is the product of TE and AE, as shown below:

$$TE \times AE = (OQ/OP) \times (OR/OQ) = OR/OP = EE$$

As, we mentioned before, it is important to notice that all three measures are bounded by zero and one [3].

In order to apply this useful model in the data we obtained, we had to exclude the calculations of the allocative efficiency and concentrate only on the technical efficiency. The reason for this restrictive measure is the absence of prices of inputs and outputs in the data. In order to properly calculate technical efficiency, we used a method called Data Envelopment Analysis (DEA) [1].

## RESULTS AND DISCUSSIONS

The main result that this paper aims to acquire is the idea that the subsidies system and the allocation have an important role in raising the economical efficiency of Moldovan corporate farms. The reality shows that due to the low productivities of these farms and chain organizational problems, they are very dependent to this system. It is very important to see if the two hypotheses stated at the end of the introduction part are supported by our data.

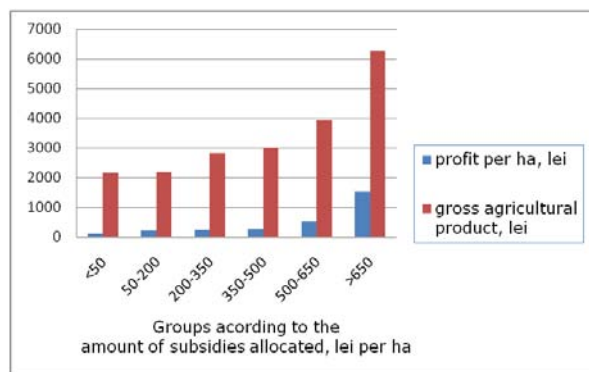


Figure 2: The impact of the amount of subsidies on the indicators of production.

The first indicators were obtained by grouping the corporate farms according to the amount

of subsidies allocated, as shown in Figure 2. Analyzing the presented data, the most important conclusion is that there is a direct positive correlation between the amount of subsidies and the gross agricultural product, hence also with the profit. It is noticeable that the lowest amount of subsidies belongs to farms from the first group. For the next groups, with subsidies from 50 to 650 lei per ha, we observe a continuous rise in profits until 530 lei per ha. The impact of subsidies is even more striking when speaking about the last group, with more than 650 lei per ha. We observe good economic results with profits at 1522 lei per ha. Thus, this figure provides us the assumption that is more efficient to allocate subsidies to farms that are carrying out a stable economic and financial activity. Nothing is new in this sense, but the main challenge is to find the corporate farms which are not in the top category, but are able to absorb subsidies and have a steadily increase in productivity, profitability and efficiency.

Table 2. Amount and distribution of subsidies depending on the rate of their efficiency

N	Inputs	Technical efficiency				
		100 %	75%	50%	25%	0%
1	Sum of retributions for workers, %	32.2	30.54	21.61	21.7	27.4
2	Fertilizers, %	6.03	9.59	12.34	6.4	5.22
3	Diesel, gasoline and other oil related products, %	14.8	16.75	15.85	14.96	13.2
4	Rent paid for land and other fixed assets used, %	9.91	8.9	10.31	11.31	5.85
5	Other indirect expenditures and costs, %	10	2.89	4.68	5.87	6.57
6	Numbers of tractors and other agricultural devices, %	26.9	31.32	35.2	39.76	41.7
Total subsidies million lei		35,1	27,9	46,1	34,1	4,66
Share of subsidies, %		23.7	18.87	31.11	23.08	3.15

In our investigation, an important assumption is that the rate of efficiency of state support should be equal for all farms and all directions. Therefore, we test 5 ad-hoc levels

of efficiency: 100%, which relates to a scarce budget financing, 75%, 50%, 25% and 0%. The complete framework is expected to approach the Pareto optima set in the space of amount and efficiency of subsidies so as to let the decision factors make the choice [5].

A surprising fact is that the farms with the lowest efficiency, from 0-25%, receive only a very small share of 3.15% of subsidies, and in this way their road towards efficiency and success is very rough. One of the main causes for this fact is the lack of managerial skills and competence in the low efficiency farm, and so the State oriented its efforts towards the farms with potential and perspective. In this sense, analyzing the data, there are 32.8% of farms from the sample with a technical efficiency lower than 0.25, and receive only the small share of subsidies presented above (3.15%). On the other hand, if we count the number of corporate farms with technical efficiency equal to 1 (100% in our table), we get only 6.8% of the total number of farms, that get nearly one quarter of the total subsidies allocated in Moldova (23.79% in our table).

The method of analyzing the common features of technical efficiency and subsidies allocation is Regression Analysis. Regression analyzes the relationship of a dependent variable and one or more independent variables. The effect of causality can lead to some very misleading results, as the author observed when analyzing the data. First attempt was to make subsidies as an independent variable, and technical efficiency as the dependent one. As the results turned out to be inconclusive, the relation was turned on the other way around. The new results were of a much better shape and are presented below.

An important remark is to be made about the type of regression function. As the linear model proved to be rather ambiguous, with inconclusive Fisher test and with predictions different from reality, the author decided to use a polynomial regression function with the rank two.

The first important thing to be mentioned that the R-squared statistic, which indicates that the model as fitted explains the data, is 4.41%.

The adjusted R-square statistic, which is more useful when comparing with other models, is 3.97%. Secondly, The Durbin-Watson statistic, that tests the presence of autocorrelation, has the value 1.99147 (very close to 2) and a p-value greater than 0.05, thus proving the absence of autocorrelation. Thirdly, an important remark is to be made about the p-value of the highest order term of the polynomial. Its value is 0.000712 and is obviously much less than 0.05. In this way, the author considered that it is not necessary to consider any model of lower order.

Finally, according to the conclusive result of the F-test and of statistical significance of all coefficients we can write the equation that fits our model:

$$\text{Subsidies} = 0.941 - 2.033 \cdot TE + 2.979 \cdot TE^2$$

We can draw a graph of this model in order to present and better discuss the results of our regression. It is presented in Figure 3. The pattern observed is indeed a non-linear one. As the values of technical efficiency are between 0 and 1, the graph presents the entire space of possible values of our model.

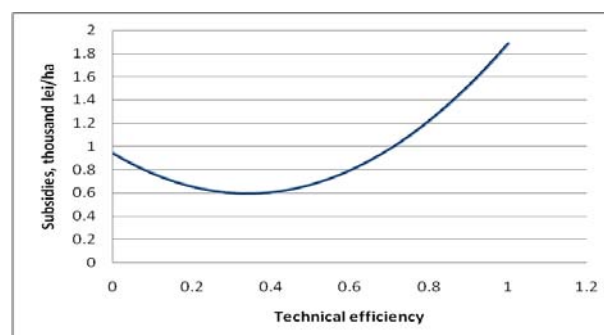


Figure 3: Relation between the subsidies and technical efficiency

The pattern presented is surely rather surprising for the reader, as it was for the author. Apparently, the distribution function is not monotonic on entire interval as it decreases until TE is 0.4 and then steadily increases until TE reaches its maximum value, one. In this way, we observe that in the Republic of Moldova, theoretically, a corporate farm might increase its technical efficiency and sequentially receive fewer subsidies from the state. The farms that have a technical efficiency that is lower than 0.4

have to struggle with this unfair paradox. This is another result that ought to be remembered by policy makers in the future. In order to have a fair access to subsidies for everyone, the curve should be monotone on the entire interval, and always increasing. In this way, any firm has guaranteed a larger amount of subsidies for an increase in technical efficiency. Also, as we can see from the equation the coefficient that corresponds to the variable of a higher order has a plus sign. This means that as the technical efficiency approaches to 100%, the growth in amount of subsidies increases "faster". Therefore, hopefully all corporate farms will try to converge to this point where the subsidies have their maximum value.

The following discussion will focus on the actual policy of the Agency of Interventions and Payments in Agriculture when it comes to subsidies distribution in 2010, the year of its creation [7]. Some of the most relevant reforms where the following:

-Crediting stimulation of agricultural producers by the commercial banks. This measure comes to stimulate the crediting system in the agricultural sector, in the conditions of economic crisis and high value of financial resources available in the market of Moldova. The maximal value of rendered assistance to a single beneficiary does not exceed 85 million lei.

-Mechanism stimulation of risks insurance in agriculture. This measure supposes development advancement of the risks insurance system in agriculture. The financial assets provided in this section will be used in conformity with the Government decisions and with the statute of the Agency. A list of risks was developed and implemented.

-Attracting foreign investment for stimulation of acquisition of techniques, agricultural equipment and irrigation equipment. The main partners are European Bank for Reconstruction and Development, World Bank and European Union. The value of the rendered help is set under the form of compensation in percentage rates of the proportion of 30% from the cost of techniques and irrigation equipment, but will not exceed

the total amount of 250 thousand lei for every beneficiary.

Sustaining of ecological agriculture advancement and development. It pursues the object of efficient using of natural resources and environment protection by developing the ecological agricultural sector. The value of the rendered help is calculated under the form of dimensions expressed as set amounts to the measure unit and constitutes 700 lei for one hectare of the ground area subjected to the conversion process in the first year and 400 lei for the second year. An additional 20% of the price of the ecological agricultural and food products is returned to the producer. The maximum value of the rendered support for a beneficiary is 100 thousand lei.

Implementation of a national program for sustaining vegetables production on a closed ground (winter hothouses and solariums). The value of the rendered help is calculated under the form of compensation in percentage rates in the proportion of 30% from the cost of the hothouse modules, on the acquired equipment and outfit that are necessary for vegetables production on the closed ground. The maximum value of help for every beneficiary is 100 thousand lei.

All these measures are complementary to the direct investment and distribution of subsidies. The recent reforms and new directions drawn by the Agency prove that funds concentration into a single organ raises the efficiency of their managing.

## CONCLUSIONS

In order to draw proper conclusions of the final paper, we must state the obvious truth that priority for granting subsidies should be for those farmers that are carrying out a stable economic activity and improve their financial situation from beneficiating of subsidies, thus contributing to the improvement the whole branch economic situation. In this final paper, we tried to connect the subsidies distribution with one of the most important characteristics of each corporate farm, the technical efficiency. We tried to prove that subsidies are very important for the development of the

agricultural sector, but also check if the system of distribution creates incentives for efficient farms activity.

The core of the methodology used was the Data Envelopment Analysis in order to calculate the technical efficiency, in this way creating new characteristic for each corporate farm. On this basis, the evaluation focused on the connection between the farm's efficiency and the production factors, the profits obtained and the category of subventions.

It is very important to briefly evaluate the initial hypotheses presented in the introduction. The first hypothesis supposes that the current assets should be the dominating destination for the state funding. As we studied in Table 2, it is strongly supported by our data with more or less  $\frac{3}{4}$  of the funds targeted towards current assets for all the farms, irrespective of their efficiency.

The second hypothesis about the higher efficiency of state financing on relatively efficient farms is supported by a limited number of cases. Here we remember the result that we obtained that stated the fact that the total production of farms with technical efficiency equal to 50-75% is not influenced by the presence or absence of the subsidies. Additionally we obtained numbers that are completely opposite to the hypothesis, as for farms with 100% technical efficiency that produce milk. These results suggest that additional studying on different sets of data should be executed by the decision factors.

The third hypothesis is the positive correlation between the inefficiency and the amount of state financial support that can be efficiently absorbed. This hypothesis is generally supported by the data as we see in Table 5. Indeed, the low efficiency firms have a higher rate of subsidy absorption, but unfortunately the absolute amount of subsidies is rather low.

Finally, with respect to the allocation of subsidies, the two basic results obtained were the arguments in favour of targeting subsidies and financing current assets prior to the fixed assets. While the second result is sustained by the existing policy, the first one suggests correctives of current policies.

Using these hypotheses, the author tried to study some aspects of the reality using a model that

provides only limited amount of data. However, the important results obtained and presented can be rather useful for decision factors, policy makers and further studies about subsidies allocation. The methodology used is not necessary limited to Moldovan case, as many of the ex-Soviet state share roughly the same agricultural characteristics.

## ACKNOWLEDGEMENTS

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## TOURISM IN S-W OLTENIA REGION AND OLT COUNTY

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### Abstract

Romanian tourism, has seen a generally upward trend over the past decade and was benefiting from increased attention from both policy makers and to the decision, supported by many programs, the European Community. Due to natural resources at its disposal, bio-diversity of flora and fauna unique in Europe, Romania is one of the world's most diversified tourism products, is a predominantly agricultural country, with generous rural area, offering wonderful scenery and opportunities for development of rural tourism. This paper analyzes the situation of tourism in the county of Olt in relation to Oltenia, following items: accommodation capacity situation in the period 1995 - 2009, tourist reception of Olt County since 2003 until 2010 and tourist reception of Oltenia region with reference to the years 2009 and 2010. In 1995, at the Region, existing tourist accommodation capacity (seats) was 17,462 and, depending thousand places / day was 4149.8 and the Olt, the existing accommodation capacity was 1244 and in operation thousand places / day, 312.7, a discrepancy in this case, over 12%. Greater is the gap in the years 2009 and namely, in the region, existing tourist accommodation capacity was 16,349 seats, and thousands places in operation / days of 4233 and the Olt, 568, places the existing capacity and of 192.4, in operation, thousands jobs / day, a gap of over 29% from current and over 22% in places / days. While the Oltenia region, as a whole, has a powerful tourism potential but untapped all yet, the situation of tourism for Olt county is precarious.

*Key words* : Olt County, Oltenia Region, tourism, reception capacity.

### INTRODUCTION

For a better coordination and implementation of programs and pre-accession EU funds in Romania, the association of county councils were formed eight [1] statistical size unincorporated called developing regions corresponding to NUTS level divisions II of the EU, development regions with an average of 2.8 million inhabitants (NUTS I level that involves macro-regions are not used to us.).

The eight regions without administrative status, the council having legislative or executive body, had only one function, that of the EU PHARE funds allocated for regional development and research to interpret and regional statistics coordinate regional infrastructure projects. In 2007, when Romania joined the EU, the 8 regions have joined the Committee of the Regions (Photo 1).

One of the eight regions developed, named after their geographical location in the country, South-West Oltenia, consists of five counties, Dolj, Gorj, Valcea, Mehedinti and Olt, based in

Craiova, the largest city in the municipality of the region. About this region and about one of the counties components namely county, we speak in terms of tourism, in the present study.



Photo1: Romania Regions

Tourism, beyond concepts, definitions and interpretations, as part of human nature and as a form of expression, was born with the knowledge and awareness of the need to relax. The monumental work "Encyclopedia Română", published in four volumes in Bucharest, in 1943 the National Printing in

vol.4, head. "Tourism in Romania", Valeriu Puscariu considered shepherding and carting "are ancestral forms of romanian tourism" [2].

With this statement the first researcher informed the romanian tourism phenomenon and together with the fact that the region is the region of historic Oltenia "first dry continental geology of the Carpathians, the romanian race and ethnicity and speech kept the cleanest, and finally, it is the region where specific romanian, in port, faith and culture, is the purest form and feature." (Voitești Popescu, I., Oltenia 1943 pag.189), is incorporated into current regions South-West development, we can say that even in this area, thanks to diverse forms of relief in its possession, (meeting here, the mountains with the Danube, the two axes that conditioned, in distant times, the history of the native element in the Carpathians, started the first buds of the Romanian tourism, an area with a rich dowry of tourist offer, totaling elements with geographical, historical, religious, cultural, ethnographic, folklore, art, elements which, despite all the vicissitudes of weather and kept their uniqueness, identity and specificity.

Is a county located in the south, the lower Olt River, bordered by the Danube, and, in terms of historical and geographical, is part of the old provinces Oltenia and Wallachia. Unfortunately, despite having potential, tourism is not a strong point of this county relative to other parts of South-West Oltenia Region, although has several leading tourist attractions. Perhaps a focus on rural tourism and agro-tourism, would lead to real growth potential, to denote both existing resources as well as finding new ones (development of traditional crafts such as weaving, pottery, furriers, making traditional products, etc. this is what the old traditional centers such as Oboga pottery, Vadastra, Vadastra-furriers,) and a better correlation with economic and social needs.

## MATERIAL AND METHOD

On the tourism potential of the Olt county, we use the following indicators of accommodation 1995-2009, Olt against Oltenia, structures of 2003-2010 Olt, structures of Oltenia 2009 to 2010. Source data presented in the National Institute of Statistics Dolj and National Institute of Statistics Olt [4].

## RESULTS AND DISCUSSIONS

We said that, unfortunately, Olt County has too high a share in the Oltenia region for tourism activities in all its forms of manifestation. Moreover, we see that the number of tourist reception is low.

In 1995 at the Region, existing tourist accommodation capacity (seats) was 17,462 and, depending thousand places / day was 4149.8. For Olt County, the existing accommodation capacity (seats) was 1244 and the operational thousand places / days, 312.7, a discrepancy in this case, over 12%.

Greater is the gap in the years 2009 and namely, in the region, existing tourist accommodation capacity was 16,349 seats, and thousands places in operation / days of 4233 and the Olt, 568, places the existing capacity and of 192.4, in operation, thousands jobs / day, a gap of over 29% from current and over 22% in places / days. In the case of arrivals and overnight stays ECAC, taking as reference the same years, 1995 and 2009, it is as follows: Region level, arrivals and overnight stays 2044.1, 544.6 with a net capacity utilization index on (%) of 49.3 and the Olt, arrivals, 48, 8 and 82, 3 overnight stays, with a score of 26.3. Here, by year, the cases of accommodation, existing and in operation, and the arrivals and overnight stays (Tabel 1,2).

Table. 1. Tourist accommodation capacity and activity, S-W Oltenia region. [3]

Development Region Years	Accommodation capacity		Arrivals (thousand)	Nights spent (thousands)	Capacity utilization ratios of net operating (%)
	Available (places)	In function (thousands persons-days)			
1995	17462	4149,8	544,6	2044,1	49,3
2000	15295	3736,2	327,1	1591,2	42,6
2001	15326	3884,9	337,8	1745,2	44,9
2002	14855	3754,7	349,9	1690,9	45
2003	15112	3701,3	324,4	1643,1	44,4
2004	13936	3703	361	1648	44,5
2005	14672	3950	334	1602	40,6
2006	14816	4226	371	1641	38,8
2007	15219	4107	403	1674	40,7
2008	14973	4197	429	1730	41,2
2009	16349	4233	366	1442	34,1
2010	16410	4228	337	1290	30,5

Table 2. Tourist accommodation capacity and activity, Olt County. [3]

Development Region Years	Accommodation capacity		Arrivals (thousands)	Nights spent (thousands)	Capacity utilization ratios of net operating (%)
	Available (places)	In function (thousands persons-days)			
1995	1244	312,7	48,8	82,3	26,3
2000	973	149,6	17,3	31,8	21,3
2001	825	175,7	13,1	33,4	19
2002	759	118,8	13,9	32,6	27,4
2003	725	140,1	15,8	35,9	25,6
2004	724	150,2	18,6	39,7	26,4
2005	668	153,3	19,8	44,4	29
2006	591	137,9	19,9	52,1	37,8
2007	498	145,7	16,5	49,9	34,2
2008	507	162,5	17,5	43,9	34,8
2009	568	192,4	13,9	26,3	29,6
2010	-	-	-	-	-

In the tourist reception structures, we see the same situation, not hopeful, a total of 11 structures in 2003, and, with little movement, down, in 2011 we had the same number, 11 structures, mostly hotels and only 2 motels and hostels. There is diversification and, unfortunately, tourists are almost nonexistent in a county that is still great potential in rural areas where germs can implement sustainable development (Table 3).

Table 3. Tourist accommodation for Olt County, 31 July [3]

Olt	UM	2003	2004	2005	2006	2007	2008	2009
Total	Nr	11	11	10	10	8	6	11
	%	100.0	100.0	90.9	90.9	72.7	54.5	100.0
Hotels and motels	Nr	8	7	6	6	5	5	9
	%	100.0	87.5	75.0	75.0	62.5	62.5	112.5
Camps for students and peschool	Nr	2	2	2	2	2	2	2
	%	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Tourist boarding houses	Nr	1	2	2	2	1	1	2
	%	100.0	200.0	200.0	200.0	100.0	100.0	200.0

In the year 2009, Oltenia total number was 299 units, and, as shown above, only 11 are found in Olt. In fact, in 2010, the Region increased slightly the number of units to 305. Interestingly, decreases by 10 units and increases the number agro-touristic also cu11

number touristic. Explanation guesthouses can be several, including that, was dropped, in some agro-touristic, the nutrition of their products for products purchased on the open market, sometimes with lower prices than the cost of producing their own establishment. As well, should not be forgotten that, last year's were marked by crisis (Table 4).

From the above, it is apparent that, within regions, even if the total number of units received, at least in recent years, 2009 - 2010 is fairly similar, use index decreased net capacity in operation, last year described above, in 2010, we have an index of only 30.5% on 1995 when 2004 was 49.3 and even when it was an index of 44.5%.

Table 4. Tourist reception with functions of tourist accommodation, 31 July 2010. [3]

Development Region	Number of units			
	2009		2010	
<b>SOUTH - WEST OLTENIA</b>	Nr	%	Nr	%
Total	299	100.0	305	100.0
Hotels and motels	92	30.8	91	29.8
Tourist chalets	9	3.0	9	3.0
Camping sites	9	3.0	9	3.0
Tourist villas	47	15.7	49	16.1
School and pre-school camps	3	1.0	3	1.0
Tourist boarding houses	56	18.7	67	22.0
Agro-tourist boarding houses	70	23.4	60	19.7
Tourist halting places	3	1.0	3	1.0
Hostels	10	3.3	14	4.6

Same index decreased in the Olt county but, somewhat weighted index of 37.8 among the highest in 2006 to 29.6 in 2009.

## CONCLUSIONS

We said that, while Oltenia region, as a whole, has a fairly high tourism potential untapped yet in the upper parameters, components are differences between counties and the potential and prospects. Olt County is one of the counties components is relatively low share of tourism activity in the region, from the small number of care facilities to the lack of a coherent tourism development and even adequate infrastructure. County enjoy several tourist landmarks of national interest (Monasteries: Brâncoveni, Clocociov, Calui, etc.), but, we focus on rural tourism on November 1, would be a viable

option for sustainable development for the county towns. Previously mentioned pottery and furriers, two fireplaces crafts that are strong in this area but, should not be overlooked places in the North, strong and orchards or vineyards of South in the Danube, where they grow vegetables.

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## ASSESSMENTS REGARDING SUSTAINABLE DEVELOPEMENT ON ECOECONOMIC AND BIOECONOMIC PRINCIPLES, OF THE LOCAL COMMUNITIES IN THE SHEEP BREEDING VILLAGES FROM “DRUMUL REGELUP” (KING'S ROAD)

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### Abstract

*Purpose of the research is knowing the current status of pastoral villages in the mountain area of our country.*

*Methods and materials: sociological inquiries among the inhabitants of pastoral villages, comparative study of existing monographs. Importance of the work: it presents the current natural and human heritage of the pastoral village, from "the Kings Road" in the context of sustainable development of mountain area, Marginime Sibiu, directly related to the main occupation of residents: sheep breeding. Kings Road was created to improve road links across the Carpathians between Transylvania and the eastern and southern parts of the country. This road passed through villages Săliște Tilișca, Rod, Poiana and Jina (Sibiu county), Șugag (Alba). Then he made contact with "high road" Sebes River valley upstream to Lotrului originated from there, over mountains Latoritei, Parang and the Capatanii, to Novaci town (Gorj county). The road was opened in 1935 by King Carol II and was considered a great technical achievement, with important economic, strategic and military. Rehabilitation of this road which crosses three counties would lead to exploitation by the rural tourism of natural and anthropogenic pastoral villages he passed by.*

**Keywords:** heritage, natural, anthropogenic, rural tourism, events, tours

**Cuvinte cheie:** patrimoniu, natural, antropoc, turism rural, tradiții, evenimente, circuite

## INTRODUCTION

The Romanian transhumance age problem and the causes that have led to a time shift from sedentary grazing, local and swung to the flocks, not yet elucidated. On the age issue, most authors tend to date the origin of transhumance since antiquity, from Roman province, if not geto-dacian. [1] The extensive economy character of the transhumance, specialized in the making of market products is conditioned by the launch of the products and the further expansion by the demand of the market for such products. Transhumance can be presented as "not the first form of sheep breeding of the romanian people, neighter the extended one". The main

and the oldest form of cattle breeding or even sheep breeding is for the romanians- grazing on the village estate. The Sibiu sheaperding was always a dynamic character, adapting to the conditions and circumstances taking place continuously, with proper space for the residents nearby, mountain area, hayfields and mountains, the more remote areas and the very large ones. This led, in fact, to what was called the renewing of the Margineni, under the aspect of their settlement as compact groups in many cities located in the Carpathian areas and along roads crossed hundreds of years, between the village center and distant wintering sites. Compared with other ethnographic areas in our country,

grazing, as occupation, social lifestyle and as a cultural phenomenon in general, held a significant share in many villages in the Marginime, with some features from one place to another. Some pastoral villages have published monographs, but they do not faithfully reflect the current reality. [2]

## MATERIAL AND METHOD

Sociological inquiries among the inhabitants of pastoral villages, comparative study of existing monographs.

## RESULTS AND DISCUSSIONS

The coming to power in January 1933, of fascism in Germany, has created a new war looming in Europe to revise the boundaries established by peace treaties signed in 1919-1920. Romania was directly concerned and therefore had to take additional measures to strengthen national defense.

Therefore, the economic recovery programs of the country, initiated after 1934, were considered and some training needs of the national territory defense (building roads, bridges, railways, airfields, ports, barracks, warehouses, fortifications, etc.), works which were conducted in the following years.

He modernized the country when a main road (Road 1) to enter the European road network and, starting in Bucharest, Ploiesti link cities, Brasov, Fagaras, Sibiu, Alba Iulia, Cluj, Oradea, and leaving the country at Bors.

It was necessary to improve road links between Transylvania and the Carpathian Mountains over eastern and southern parts of the country. It was decided therefore, in this framework, to open a new strategic road Sebes River Valley upstream to Obârșia Lotrului and from there, over mountains Latoritei, Parang and Capatanii, to the county town of Novaci. From the north, the main access road is from Sebes city.

In addition, they were thinking about opening another access route from Sebes Valley, which starts from DN1 (intersection point Saliste - "Popasul Marginimea"), then, crossing settlements Săliște Gales, Tilișca,

Rod, Poiana and Jina, Șugag to descend, making connection with the "high road". In advantage this road was a duplicate, but also a 25km shortcut. In general, the new road between Saliste and Șugag expected to be built on upgrading the existing road here and used for centuries for connecting the settlements mentioned. Where the old road segments were very difficult, and impossible, they changed the route.

The inauguration of the new road in 1935 was made by state leader, King Carol II, accompanied by his son, Mihai. In honor of the event, the new rock road was called "Kings Road", as shown by the inscription engraved on a marble plaque affixed to a Stei, situated on one of the turns near Rod. The route was used by shepherds from Sibiu Mărginime moving their flocks in Oltenia, not more than a steepy path for horses, suggestively called "Devil's Path". [4]

And today the local people speak with respect about this route, perhaps because each household has a grandfather or great-grandfather whose past is linked to road, legend saying that the late eighteenth and early nineteenth century each family participated in construction of road sections, depending on financial possibilities but also labouring.

At the foothills, the Kings Road starts in the town Săliște through Tilișca, Rod, Poiana Sibiu, then cross Jina and Șugag. From here the mountain kingdom, the strength of heaven and the fairytales start.

Once you have passed the inhabited area, the road enters the secular forest, first deciduous, with increasing altitude which turns into a lofty pine. Among these, the first surprise is the Giants Table, a rock that is hanging like the sky, where the story goes that giants gather for advice. Place masterfully described by the poet Lucian Blaga "Hronicul si cantecul varstelor". About this place theres a legend running that refers to, a giant which saw some locals who were plowing the land and picked them up and put them in her apron, and went to the Giants Table, who were eating at that hour. "Look what these people are small, and they are ruining the earth!" - Said the giant, but the giants werent

listening, continuing with their meal, making the guilty people not even worthy to be considered. From here, the same Kings Road, after a few kilometers reaches Tau dam and then the dam Oaşa. Not far from Tau lake, in a spectacular colony there Bistra Paltinei, with 10 to 12 lodges, where camps were organized from all the country. Now, everything is in ruin, the place was forgotten, just a living memory of the old people.

Also from the dam Oaşa, to the right there is also a colony from "Fetita"(little girl), where monastery is built. From there, going to Şureanu, you pass through "Luncile Sureanu", a place infamous for locals, because here were punished those who wanted to go to "bejenie", and reach lake cabin and Şureanu, magnificently described by Lucian Blaga the same "Hronicul si cantecul varstelor". The old lodge Oaşa is now covered by the waters of the dam, lake with the same name, as is the famous "crooked tree" of Mihail Sadoveanu from Valea Frumoasei (the Beautifuls Valley), and from here you can go to Tâlmăciu town, than Sadu and then, after going through 62 km of unreal landscapes. Or, from the intersection with Vallea Frumoasei, you can go to Tartarau and after 6 km you reach Obârşia Lotrului, located in a valley with a fantastic opening. Hence, there is the following choices: take it to Brezoi, which lies about 60 km, or to Petriţa, which is about 28 km, or to go after the King, the current DN 67C – a closed road.

Following is the alpine area, with breathtaking views for anyone who dares to come here. Here, there are three piles of stones, placed in a certain way of each other, which means "stone people" - or "6 guys" - shrouded in mythical mystery, made by shepherds in the desire to keep them and their sheep safe from the elements, as guards and companions of the mountain, when they will leave. Follow the winding road: Ştefanu, Carbunele, Urdele, a portion of road which is extremely narrow, ending in a plateau on the Papusa peak.

From here you reach the hills area, and then to Rânca and then Novaci.

In 1935, at the Kings Road inauguration, Carol II and his suite went through Saliste-

Novaci route in eight hours. Nowadays, to get to the peak, which is only half way, with an off-road vehicle it takes eight hours, and to Novaci another two hours.

Localities on the "Road Kings" are part of the 18 villages that make up Mărginimea Sibiului. Briefly present some data about the natural and human potential of those localities. [5]

#### **SALISTE**

Documented in 1354, Siliştea town is located in the south - west of Sibiu, on both banks of the River Saliste (Black River). Town position, at the interference between two major units - Cindrelului Mountains and Transylvanian Plateau - allowed early development of intense economic life, the ability that Saliste people were able to effectively capitalize on the resources provided by nature (grassland and forests, fast waters, stone construction) and the gentle slope land with fertile soil and mild climate of the depression.

As landforms, the towncenter occupies a plain, a very flat place. Moreover, in the northern edge of the village, is Sesul Săliştenilor a area with about 700 ha, good land for grain crops.

The origin of the settlement took take in the actual center of it now, known as: Grui, Foltesti, Streaza. Residents claim that the village was founded by people who came down from hills and mountains nearby and lived in huts. People use now the word "colibari"(man from the huts), when they refer to the old Saliste people. [6]

The town center is the contact area between the mountain and valley, at altitudes between 525 -600 m. Saliste estate covers both depressions and mountains, the northern mountains frame Cindrel and even Lotrului Mountains, with total area of 4393 ha. The shape of the center has a polygonal, slightly elongated north west and south. It is the only Marginime establishment that has a center strongly influenced by market and concentrate all administrative institutions, cultural and commercial.

As a structure plan, Saliste is a crowded settlement, not only in its central part but also



in the two other parts, to the north-west and south, having the tendency to stretch along the water and the road to the village of Vale. The houses on the streets have west-east direction, parallel to the river, following the small streams. [7]

Customs and traditions:

Two major events, held currently show express the cultural identity of Saliste people: "Intalnirea jocurilor"(Games meeting) and "Şezătoarea from Saliste". "Intalnirea jocurilor" is a important cultural event that brings to Sălişte at the end of each year, dancing groups from villages like Orlat, Aciliu, Vale, Miercurea Sibiu, Sibiel, and other villages from Marginime. It is an impressive cultural and artistic event, designed to enhance the ability to play ancient rituals keep the port(special clothes) and promote the creation and Romanian folk civilization.

The outdoor show is hosted in "Junilor square", includes in its portfolio, above all, a sumptuous costumes and impressive parade by Marginime people, presented the "bow" "invaritele, haţeganelor or jienelor"(specific Margime Dances) that eventually all turn into Hora, with all present.

"Şezătoarea from Saliste", a folk tradition made by a peasant teater group, that won numerous medals for its skill on stage transposition of old customs and traditions, was not only the usual folk award. Şezătoarea turned in 1877, in an action to support the Romanian army engaged in the war of independence, as a way of making money packages and objects, and dressing kits for the front, supporting the idea of national solidarity.

A tradition that has endured over time, being passed from generation to generation, in fact, an expression of vocation for the art sound, the locals have inherited, cultivated and promoted, is Saliste choir. There are many moments in the work of the choir, who turned 120 years of existence, moments that were written in the history of Romanian cultural events through national and international awards received numerous confrontations of choirs.

Habits through the year - reflects the way of life - predominantly pastoral – of salistea people in the last century. The most important folkloric events during the 12 days of the holiday season. Outside this săliştenii have the following holidays: "La hondait", "Prinsul verilor si văruţelor", "La Ispas".

In addition to traditional customs and traditions and folklore festivals have said that every year gathers the children from Romanian villages from all over the country and people around the world: International Folklore Festival "Cantecul muntilor", which takes place every year during summer "Poiana Soarelui".

Another event to be remembered is Zilele culturii Salistene, takes place in October in fall and prominent personalities of Romanian culture are invited. This event was called until 1997 - "Aniversari Săliştene" and have two communication sessions in May and October.

Another folk festival is: "De la o generatie la alta"(From one generation to another) which takes place every two years in the first week of May. The festival ran from '72 - '78 in Tilişca but now it takes place in Saliste. [8]

In present in Saliste and localities belonging to it there are craftsmen who practice the following crafts: weaving (3 persons), painting icons on glass (1 person), hats (2 persons), joiner (1 person), metalwork (1 person). [9]

In the village there have been approved and now work the following rural guesthouses and rural locations: 11 pensions in Saliste, 40 in Sibiel, 4 in Vale village.

The data presented in the table above were obtained from the Sibiu City Hall after conducting a survey in collaboration with the Tourist Information Centre Sibiu and local municipalities.

Proposed targets for the agroturistic potential growth in Saliste area

For the economic and agroturism development, the City Council proposed the following objectives: [10]

- establish a health center;
- completion of the water station;
- introduction of natural gas;

- continuation of activities in the wood carving camp from "Poiana Soarelui";
  - upgrade and maintain roads and streets;
  - extension phone in the village and the villages belonging;
  - development of transport between the commune and villages belonging;
  - extend the water and sewerage in the village and villages belonging;
  - development of education;
- establish agricultural associations for agricultural land; rationale exploitation, forest reserves and wildlife protection, reforestation of deforested areas; establishment of a travel agency point; liaising with national and international travel agencies.

### TILISCA

The village called is Tilișca is located at the confluence Raul Negru (Black Water River also called Lunca-Meadow) and Valea (Valley which downstream together form the river Saliste) is surrounded by four hills with heights between 700 and 750. The village center is at an altitude of 580 m. The four hills are called Cetate (the Castle 710 m), Catanas (712 m), and Plaiu and Priboi. The village covers an area of 60.7 km<sup>2</sup>.

The perimeter of Tilișca is inhabited since prehistoric times. First document dates from 1366. A Dacian fortress was discovered in the years 1957-1958 on the Catanas hill, and in 1963-1965 a medieval fortress was discovered on the Cetate hill.

### Customs and traditions

The village is characterized by wooden houses, raised on stone foundations. Tilișca becomes an attractive place for tourists, as they build more and more pensions.

Tilișca has some huts as well, two even set on people's lands; on the border there always are about 10,000 sheep. In the commune is 4-5 sheepfolds, and shepherds started to raise cows, as well.

Also, cheese from sheep milk is made in Tilișca. At the mountain shepherds make salt cheese which they put in sheep stomach, and as sour pickle shepherds use Jintita.

An old tradition is of the villagers is leather and wool processing, jobs that still exist today as an important source of income for residents of the area. Traditional long sheepskin coats are made here, without sleeves and ornaments, worn with fur inside by the shepherds going to the mountain with their sheep. However, they no longer do manual, but mechanically.

In the village are 2 carpenters, 4 Romanian clothes tailors (4 women), weavers of clothes and traditional saddlebags.

Other products marketed by the villagers are mushrooms, berries and medicinal plants, all being done with the Săliște Forestry Association.

Traditions preserved over the years:

- prinsul verilor "catching cousins" (St. Toader)
- strânsul vaselor "the gathering of the pots" - takes place on the first day of Easter and is a specific of Rod village
- mironosițele "Holy Women" - Easter and a Rod village specific.
- hodațiile - held at Lasatul Secului (the Shrove Tuesday) when large bonfires are lit and all sorts of specific shouts are made.

The most important holiday of Tilișca is "Celebration of the Tilișca shepherds" which takes place on the 15th of August.

Sights, landmarks

The Ethnographic Museum was inaugurated in 2003, in an old house, with one level, which belonged to a family from Tilișca. This museum is a historical milestone of Tilișca being an identical reproduction of a traditional Romanian household. [11]

Orthodox Church "St. Archangels Michael and Gabriel", was built in 1782 by church members. The church was built on an old wooden church, consecrated on the 16th day of October 1684. The present building is made of stone and brick, with a wood and tile roof and is built in Byzantine style. First, the church was painted in 1793, and a restoration attempt was done in 1903, but failed. In 1937 Laurentiu Moldovan painted the church in oil, because it was really worn off. 31 religious scenes are painted on the outside church walls.

Orthodox Church "St. Nicholas" (Biserica Mica) was built in 1843 as the United Romanian Church (Greek Catholic). The material used were stone and brick with a wood and tile roof.

Romanian Monument of the First and Second World War. The memorial cross was unveiled in 1946 to honor the memory of the Romanian heroes of the Two World Wars. The monument has a height of 3 m, and is located on a stepped base. The cross is made of marble, and the enclosure a concrete fence. In front of the monument are the names of 27 Romanian heroes sacrificed in World War and the names of 13 Romanian heroes who died in Second World War.

In Tilișca now there are 3 rural pensions.

### **POIANA SIBIULUI**

Registered in official documents in 1537 and located in Cindrel Mountains area on a sub-mountainous plateau at 900 meters altitude. It was developed from the beginning as a sheep breeding and adjacent occupations location.

The village is in the west of Sibiu county, to the NE of the Cindrel mountains, Sibiu Surroundings area, 35 km west from the city of Sibiu.

Sheep breeding tradition have been preserved here from ancient times. For this reason, many years, the town held the headquarters of the Shepherds Union of Romania. During the communist regime, the villagers from Poiana were considered the richest people in our country. The good-looking houses of the village valued before '89 up to the equivalent of 15 apartments in the county seat.

Currently transhumance is no longer practiced in this area and in comparison to the village of Jina, there aren't any traditional huts. Shepherds were definitely established in other parts such as Banat, Satu Mare area, etc.. Only the wives and children live in the village and when spring calving begins, the women leave for the grazing areas to help their husbands. Sheep are registered here and grazing areas as well.

Historic and tourist interest in Poiana Sibiului:

- wooden Orthodox Church Dormition of the Virgin (Adormirea Maicii Domnului/ Biserica din Deal),

- Church of Vadu,
- shepherd's village museum with an ethnographic profile comprising ethnographic collection of teacher Ioan Georgescu.

The villagers no longer practice crafts and slowly traditional costumes began to disappear. There are still some who tailor the so-called "săcăteu" (cotton bags that match with traditional costumes).

The most important country fair held in May 5 when the shepherds come with their sheep, then they wean them and take them up the mountain. Another important fair is on the 19<sup>th</sup> of September.

Villagers sell cheese, soft cow cheese, sell the lambs, and they use whey for feeding pigs.

Traditions and customs:

The most important habits around Sibiu are in winter holidays. "Young man carols" and "Junior Band" are unique. Traditional dances of the local men like Călușarii, Braul and Sarba, are unmatched as well. Holidays take 12 days from Christmas Eve to celebration of St. John, which takes place on January 7th.

Caroling is an old tradition for all Romanians from Sibiu Surroundings. It starts with children singing and then the bands of young men. During Christmas dances are held every day from 5 to 7 pm and from 10-12 pm they continue with the "soiree". After the party, boys and girls with "the dawn", a practice similar to caroling. On the fourth day of Christmas, there is a large gathering: young people from around Sibiu, or even close counties, like Alba, Brasov, Valcea, meet the Saliste market and do a traditional dance.

Shrove Tuesday or the Easter Fasting/Lent is marked by lighting of fires on hills near the villages.

On April 23rd is the Sangeorz, a spring tradition dedicated to rejuvenating life.

At Easter the 8th grade girls come to the first dance accompanied only by their mothers, and boys by both their parents. Girls get married at 15-16 years old.

Sanzaienele, another custom of the past, which was kept beautiful unspoiled by the modern waves, is celebrated on June 24.

And do not forget that we are in the kingdom of the shepherds: the trimming of lambs is on the 20<sup>th</sup> of July (St. Elias), and by the 1<sup>st</sup> of August is the day the bear, "Macovei", day of fasting.

At weddings, the doors of the houses of the grooms are decorated. The guests aren't allowed to go along. Only the groom and chosen to be Godfather, accompanied by an array of bright and cheerful lads, go wooing the bride. Morning after the wedding is the "balmos" at the godfather's home, and later the groom is customary to have barbecue, and the bride makes pancakes. All weddings are held during night.

And at the other "end" of his life, when one of the locals dies, bells ring for him in the village he was born in...

### **JINA**

Center of the village is situated at 1000 m altitude, on seven hills, like Rome. Total number of people with permanent residence in the village of Jina is 4233 (in 2005), of which 2094 women. Most of the population's main source of income is livestock.

Transhumance, the process by which sheep are transported in summer in mountain areas and in winter in the lowlands, hills and plains, is a phenomenon found worldwide.

But today it seems that this is usually lost. Before, the shepherds used to leave with the sheep in flocks and get even in Dobrogea, but now they remain more in Banat. Entry in the mountains is by auction and leases are made.

Jina still preserves huts. Shepherds climb to the huts first, a kind of seasonal homes, where they sit a while before moving to grazing. In the village only women and children remain. Then after the 15<sup>th</sup> of June when school ends, women and children go up to the huts. The moving from hut to grazing is done by July. Before, transportation is by oxen, there were about 600 pairs of oxen in the village, but now they use FWD cars. All animals are registered, some in Jina others in Banat.

They mainly make sheep or cow feta which they sell. Bellows cheese is produced more for transhumance because it was easier to carry but now no longer in production.

The cheese is collected at specialized markets and distributed in Bucharest, Craiova, especially in the south. There are producers that sell their goods in markets but obtaining a stall in the market to sell products is hard, and therefore it's difficult, many giving this trade up.

Other types of products that are marketed like mushrooms in May; harvesting is organized by the Forestry of Jina which is private.

A practice that exists in Jina is the "Sunday Commandments" that occurs as the name implies, Sunday. It's the time when people use to gather in front of City Hall of Jina and expects news from the mayor of the village, plans for next week, charges that must be paid ... and others.

As a result of sheep breeding, waistcoat manufacturing is the only craft that is still practiced in the village of Jina. In the village there are two furriers. Customs and traditions are:

- the stop ("oprirea" 15<sup>th</sup> of May)
- "slobozatu hotarului de jos" (St. Mary Minor);
- climbing and descending from the mountains;
- habits of Christmas (carols, Hora Mare, Îngropatul Anului);
- social evenings, group work, fair (May 5th and October 4th);
- Folk Festival "Up on the hill of Jina" (last Sunday in July).

Old customs and traditions, genuine local objects of culture and civilization, determined the Morariu family to establish an ethno-museum with exhibits that highlight the old and valuable elements. Exhibits from the collection of the ethno-museum attract visitors to get glimpses of the old way of life in Jina, showing that these people were able to graze their flocks in the mountains alone. They acquired the mountains with virtue, under different rulers, and were able to embellish their life and customs in simplicity.

Visitors interested in culture, who love life at the countryside and mountains, can find at Jina wonderful mountain landscape, hiking trails of varying degrees of difficulty in the surrounding mountains, some leading to huts

where they can still find crafts since the early times. They also can be accommodated if they want the "Iezerul" pension, the only one available in the community. [12]

## CONCLUSIONS

"King's Road" between Jina and Saliste can be promoted through themed tourism, for the whole area has a very natural and human potential.

The route was used from immemorial times by shepherds in Sibiu Surroundings who passed their flocks in Oltenia. All the villages around Sibiu passed by this way, are old shepherd settlements where the main occupation of the inhabitants took possession of the traditions of the villages, all main events being related to the raising of sheep.

In these villages large flocks of sheep are still being raised (28.336 in Jina, 2223 in Săliște, 17449 in Tilișca, 12180 in Poiana Sibiu), whose products can then be exploited by tourism.

Tourist accommodation service structures exist in large numbers in Saliste and Sibiul (adjacent village) but are lacking in Poiana Sibiu. In all these villages events that became traditional attract large numbers of tourists.

## ACKNOWLEDGEMENTS

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## **HUMAN RESOURCES DEVELOPMENT OF THE RURAL AREA - AS A RURAL DEVELOPMENT COMPONENT - IN THE BUCHAREST-ILFOV REGION OF ROMANIA**

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### **Abstract**

*The paper aimed to present the rural human resources development during the period 2007-2013 in the Bucharest-Ilfov Region of Romania, as a rural development component. It is based on the statistical data provided by our studies regarding HRD projects implemented in this area, financed from structural funds (European Social Fund). The data have been processed into the following indicators: number of projects implemented in the Bucharest-Ilfov region promoting long term sustainability of rural areas in terms of human resources development and employment, number of participants from rural areas in the integrated programs, employment rate, HR development, Bucharest-Ilfov region, rural area. During the analyzed period, the number of projects implemented for the human resources development has continuously increased, thanks to the structural funds financing in the first programming period in Romania. As a conclusion, the Bucharest-Ilfov region has an important rural human resources, suitable for structural projects and structural fundraising, for the next programming period 2014-2020.*

**Keywords** : ESF, HR development, BI Region, Romania

### **INTRODUCTION**

We can not talk about rural development without considering human resources development from rural areas, because the population is by definition, a component of the rural area[1]. After 2007, the ESF interventions in Romania in the field of HR development, assures investment in human capital, modernization of education and training systems, increasing the access to employment and strengthening the social inclusion for vulnerable groups[2], including rural population. In this context, the paper present an analysis of the evolution of rural HR development in the Bucharest-Ilfov region, during the projects implementation, thanks to the structural funds financing.

### **MATERIAL AND METHOD**

In order to characterize the evolution of HR development in the rural Ilfov area, the

following indicators were used: number of projects implemented in the BI region promoting long term sustainability of rural areas in terms of human resources development and employment, number of participants from rural areas in the integrated programs, employment rate, HR development, BI region, rural area. The period analyzed in this study is 2007-2011, part of the first programming period in Romania, 2007-2013. The data have been collected from the websites of Ministry of Labour, Family and Social Protection, and National Institute of Statistics, personal processed and interpreted.

### **RESULTS AND DISCUSSIONS**

In Romania, the interventions for HR development are financed within the SOPHRD 2007-2013. In the rural areas the projects are implemented under the 5.2 key area of interventions: "Promoting long term sustainability of rural areas in terms of human

resources development and employment”, to the aim of equal access to quality education and the employability of human capital in rural areas. During the period 2007-2011, the number of projects implemented under the 5.2 key area of interventions has increased up to 95, both strategic and grants, in total amount of 724.056.252,9 RON. Some of the projects are implemented in only one region, but most of them are implemented at the national or multiregional level – two regions or more.

Table 1. Number of projects implemented during the period 2007-2011 on K.A.I. 5.2.

Region	NE	SE	S	SV	V	NV	C	BI
no. of projects	33	30	41	29	23	28	38	16

The projects ensures the qualification of rural population, especially of those involved in subsistence agriculture, in areas in demand on the labour market: tourism, construction, complementary services, specific crafts, social or healthcare services, information technology/telecommunications etc. The rural population involved in these projects will be supported to achieve necessary skills in order to fulfil personal development and to facilitate their insertion on the labour market: compulsory ICT and foreign languages modules.

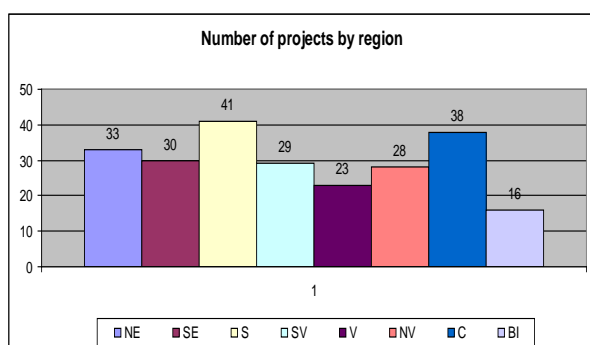


Fig.1. Number of projects implemented by region

From the total amount of projects, only 7% are implemented in the Bucharest-Ilfov region. The reason for this situation could be the specific of the region, with rural area near the capital Bucharest, and the restricted

geographical area, comparing to the other regions.

In the same period, the employment rate in the rural part of the region is increasing, thanks to these interventions, although the economic crisis has been felt in the last years (Table 2).

Table 2. Evolution of the employment rate in BI region[3]

Employment rate	2007	2008	2009
Urban	63,0	56,3	54,9
Rural	54,8	64,5	65,4

Even if there are not available data yet regarding the number of participants for each region in every projects, still we can analyse the increasing trend for the program indicator witch is measuring the physical progress of the interventions at the national level (Table 3):

Table 3. Number of participants from rural areas in the integrated programs[4]

Base 2005	2007	2008	2009	2010	target 2015
96.790	0	0	3.174	12.122	150.000

## CONCLUSIONS

The economic crisis had an inevitable impact on the continue vocational training (CVT). Nevertheless. the number of participants from rural areas in the integrated programs in increasing at the national level. Howether the number of HRD projects implemented in the rural area of BI region represents only 7% from the total amount of projects.

As a conclusion, the Bucharest-Ilfov region has an important rural human resources, suitable for structural projects and structural fundraising, for the next programming period in Romania, 2014-2020.

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## LOCAL ACTION GROUPS – A NEW FORM OF PUBLIC-PRIVATE PARTNERSHIP IN RURAL AREAS OF BULGARIA

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### Abstract

*Purpose of the paper is to assess the problems of creation and functioning of local action groups as form of public-private partnership. It is based on the survey and data provided by Ministry of Agriculture and Food. Conclusions in this report reflect the results of a research project of the University of National and World Economy, developed by the author team.*

**Keywords:** local action groups, rural development

### INTRODUCTION

In the pre-accession period of our country's membership in the EU were gradually introduced a number of approaches and instruments of the Common Agricultural Policy. The LEADER approach was first included in the Program for Rural Development (2007-2013) after the country's accession to the European Union. For this reason it was approbated in a limited number of Bulgarian municipalities included in the projects of the Ministry of Agriculture and Food and other international organizations.

After long preparation, in early 2008 was carried out the first procedure for approval of proposals of sub-measure 431-2 "Acquisition of skills and reaching community activity of the relevant territories for potential local action groups in rural areas."

The implementation of this preparatory measure led to approval of 102 projects for development of potential local action groups and funding of 8.45 million. € Of these, 93 projects are realized. They cover 158 rural communities, an area of 64,070 km<sup>2</sup> and a population of 2.266 million (Table 1).

Although the Program for Rural Development in Bulgaria is carried out since 2007, the actual work on the implementation of strategies for local development started only in 2012. For these reasons, the subject of scientific interest is the nature and development of the LEADER

approach [1, 2], its application in other EU countries [3] and creation of local action groups [3].

Table 1. Number of projects and territorial scope of local action groups

Specification	Units	Value	% of rural areas
Potential LAG	Number	93	
Rural municipalities	Number	158	68.40%
Territory	km <sup>2</sup>	64 070	70.97%
Population	Number (mln.)	2. 266	72.25%

The purpose of this paper is to evaluate the problems in the creation of local action groups and the development of their strategies for local development.

### MATERIAL AND METHOD

The study of the process and problems in the creation and registration of local action groups, as well as the development and adoption of local development strategies was accomplished through: Selection of the objects of study; Study of documents of the status and problems of the territories for the creation of potential local groups in order to assess their potential for development; Conducting of structured interviews with representatives of local action groups and municipal leaders regarding preparation, launch and implementation of projects; Analysis and evaluation of materials for implementation of project activities for acquisition of skills and reaching public activity

on the territory of potential local action groups in rural areas and to develop strategies for local development, made them public on the websites of local action groups; Survey of the problems of project implementation.

In choosing the objects of study were used six criteria: Areas with high activity of municipalities and civil society on the axis "Leader"; Areas with high potential for development due to their spatial location and opportunities for cross-border cooperation; Disadvantaged and other rural areas with natural and climatic, terrain and other constraints; Municipalities with low number of population, united in a common local action group; Municipalities included in project preparation for the implementation of the approach "Leader;" Potential local action groups with various beneficiaries of aid projects. The study included the territories of twenty-one municipalities in different areas. They are located in 9 areas and five planning regions. The included municipalities are with populations between 4,636 and 41,582 inhabitants, ie the differences are more than 9 times.

## RESULTS AND DISCUSSIONS

Data from the survey shows that municipalities are the main initiator of the creation of prerequisites for realization of LEADER approach. They are motivators in the process of creating LAGs in 64% of cases. For this reason they are the beneficiaries of the projects as well. Exceptions are two local action groups with beneficiaries - a community center and a NGO and two others where the local business entities are the initiators.

Depending on the scope of the territories in which they were established eight LAGs are in the territory of one municipality, 5 include the territories of two municipalities and one covers the territory of three municipalities.

Table 2. Distribution of municipalities and local action groups formed according to the initiators of the LAG, %

Initiators for LAG formation	Structure of the formed LAG	Structure of the municipalities
Municipality	64	52
Local business structure	7	14
NGO structure	29	34
Total	100	100

The territories in 36% LAG have occurred conflicts with respect to the territorial scope. They are the reason for refusal of two municipalities to participate in joint LAG with neighboring municipalities and for the change of partners in other two LAGs.

This led to difficulties in developing their applications on the project and causes two LAGs to fail within the first procedure.

Respondents were unanimous in their assessments for the too long delay in approval of projects and awarding contracts for implementation and funding. In interviews many of the representatives of the municipal administration share their negative views mostly on the work of the funding body, as well as the discrepancy in the assessments of the incurred costs between the Managing Authority - Ministry of Agriculture and Food and the Paying Agency.

Regardless of the training according to 52% of respondents administrative capacity of local administration is insufficient as there are "only certain employees who are competent on the problems for developing and managing of projects." Only in three municipalities (14%) - the assessment is that employees are sufficiently qualified for developing and managing various projects, and in 29% of the municipalities the employees need additional training to deal with the work of the LAGs (Table 3).

When asked about the level of awareness of people almost all respondents were unanimous in their assessment that, despite the wide publicity of the activities of the project, about one third of the population is informed of the possibilities for development of municipalities contained in the Program for Rural Development. The majority of municipalities (76%) believe that public awareness is moderate. 19% of municipalities are with a high degree of awareness (50%) and only 5% of municipalities have low levels of awareness of the residents for the project actions and establishment of LAGs.

Table 3 - Distribution of the assessments of respondents for the capacity of local administration and the participants in LAG (%)

Indicators and assessments	Municipalities' structure	Structure of LAG areas
They are trained to deal with development and management of various projects	14	7
There are some employees who have knowledge and ability to develop and manage projects	52	57
They need additional training to deal with the activities of LAGs	29	29
There is insufficient administrative capacity	5	7

Local civil society are still underrepresented in the activities included in the Leader approach, since organized meetings and forums in 48% of the municipalities involved only interested citizens and representatives of local administration (Table 4).

Table 4 - Distribution of respondents according to their assessment of the involvement of local citizenship in organized events - meetings, trainings and others (%)

Indicators	Assessment
Actively involved throughout the whole territory	19
Actively involved only in some settlements	24
Participate only certain interested citizens and representatives of local administration	48
Participation is unsatisfactory and formal	9

As unsatisfactory and formal is evaluated the participation in 9% of the territories. This response is shared by local action groups involving more than one municipality. In 24% of cases, residents of some villages in the municipality actively participate. Experts say the reasons for this can be found in the experience of successful implementation of projects of municipal administration.

The study implements five degrees Likert scale to assess the degree of agreement of respondents to the level of expression of the problems for project realization. Overall, it can be concluded that for the first phase related to provision of information to community and identifying of local leaders and their training, evaluations dominate the first three degrees - from separate to none difficulties. Respondents share common problems that have caused a reordering of the planned activities or deposition over time. In this respect, they

shared their negative opinion on the complicated procedure to change the timeframe of the various activities involved in the project and the need to inform for each activity.

On a comparable basis among the preparatory activities for the establishment of local development strategies-the greatest difficulties were in determining the local leaders and organizing meetings to inform local residents, two of the groups had significant difficulties, respectively, 23% of respondents. These are municipalities with a large number of small settlements, where were carried out joint activities for residents of several villages.

According to data from interviews, representatives of potential local groups and rural residents are made familiar with the work of local action groups in Italy, Hungary, Slovenia and others. They evaluated positively the studied experience and problems of implementation of their strategies for local development.

When asked to assess the problems that hinder the implementation of projects under sub-measure 431-2 "Acquisition of skills and reaching community activity on the relative territories for potential local groups in rural areas," respondents gave 3 to eight responses that confirm several of above findings and conclusions. These opinions can be grouped into the following areas:

- Lack of experience in implementing of similar projects, both by the beneficiaries and experts in the MAF;
- The overall procedure for financing the project activities;
- Lack of developed and approved regulations;
- Communication problems with managing and funding bodies;
- Long period of reimbursement of incurred costs;
- Difficulty with communication with institutions.

Together with the high estimates for potential of local action groups as forms of public-private partnership project coordinators in measure 431-2 - identified as major causes of the problems encountered in implementing the project activities as follows:

-Distrust of local residents to the access to program measures for rural development;  
-Difficulties in finding local leaders and in mobilization of the public to participate in surveys to determine the strategic objectives of the region;  
-The large time lag between the implementation of the first activities in establishing local capacity and the practical start of realization of strategies for local implementation - more than 3, and for some areas - probably 4 years. This is a prerequisite for the emergence of mistrust and rejection of intentions to develop certain activities of potential participants in the projects set out in local development strategies;  
-The limited number of experts in the preparatory measure, which has hampered the deployment and implementation of some actions over time.

Despite these difficulties, in October 2011 were approved strategies for local development in four of the surveyed LAG. One of these groups is located on the territory of three municipalities, two LAGs have territorial scope of two municipalities and one is within the boundaries of one municipality. These LAGs constitute 25% of all approved under the measure from the Program for Rural Development.

## CONCLUSIONS

Local action groups are new to the Bulgarian countryside, a public-private partnership. Their establishment and operation is accompanied by a number of difficulties associated with limited administrative capacity of municipal administration and low activity of NGOs and business structures. On the other hand, the several years period for their establishment was accompanied by constant changes in regulations governing their organization and financing.

Not least the Bulgarian authorities and the central level were not sufficiently prepared for the administration and financing of measures for "Leader" approach implementation. This is the main reason the implementation of local development strategies to start just in 2012 and

the implementation of projects included in them - probably in 2013. The latter means that the preparatory period actually lasted more than 4 years, discouraging some of the potential beneficiaries of projects.

## ACKNOWLEDGEMENTS

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## DEVELOPMENT OF THE INNOVATIVE ECONOMY OF AGROINDUSTRIAL COMPLEX

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### *Abstract*

*The contemporary development of agriculture takes place against a background of structural changes in social production, and new social phenomena in the society. Between them, the cause-effect relationship: a process of stimulating the development of the other and vice versa. The main thing in this regard is a new social division of labor in food production. For a long time food security was a function of the agricultural labor. Now it's a function, and industrial production. Industry creates crop and livestock sectors all artificial means of labor, it has manufacturing facilities, processes or their products. It is important to consider new trends in agricultural production, which is fully drawn into the general system of reproduction of social capital.*

**Keywords:** *development of agro industrial complex, industrial production, technological development.*

### INTRODUCTION

The development potential of the agricultural sector is one of the key areas of economic policy. Innovation processes in Agro Industrial Complex are quite specific. They differ in a variety of regional, functional, technological and organizational features.

Under modern conditions, along with their own scientific and technical developments, important to innovation development, including biotechnology, genetics and breeding of plants and animals, is borrowing the most progressive ideas and solutions in other countries. It is also closely associated with the construction of a national innovation system - a network of institutions, agencies and organizations in public and private sectors, importing and adapting innovative technologies to enhance scientific and technological level of domestic production.

Science-based agricultural policy of the country should consider and build on pronounced versatility of modern agriculture and its systemic impact on the implementation of key social, demographic, environmental and political problems of public administration. This comprehensive approach enables a new look and a real return on budget expenditures to maintain and develop the agricultural sector of the Moldovan economy, consider a generalized effect of the operation

of agricultural sectors in the economy and lay the foundation for its innovative growth.

### MATERIAL AND METHOD

The object of research is the innovation development of agro industrial complex and its influence to the current conditions of the agricultural production in EU countries and Republic of Moldova.

To study the phenomenon of innovation in the agriculture have been studied the scientific works of specialists in this field. Was investigated development program of the European Union Program Europe 2020. [2]

In the investigation the following scientific methods of economic research were used: a comparative, historical, statistical and economic.

### RESULTS AND DISCUSSIONS

With regard to agricultural innovations are realized in the economic practice of research and development in the form of new plant varieties, breeds and species, new or improved food products and materials. Innovative development of agriculture involves the use of new technologies in the agricultural, livestock and processing industries, new fertilizers and crop protection and animal species, new methods of



prevention and treatment of animals and birds, new forms of organization and management of the various spheres of economy, new approaches to social services, allowing improve production efficiency.[2]

On the subject and scope of application in agriculture is expedient to distinguish four types of innovation:

- breeding and genetics;
- technical-technological and production;
- organizational and managerial;
- social and environmental.

**Selection and genetic innovation** - is a specific type of innovation, characteristic only of the agrarian sector. These include both fundamental and applied research.

Among other areas, with the fundamental nature and focused on practical application, it should be noted genetic, cellular and chromosomal engineering, molecular virology and others.

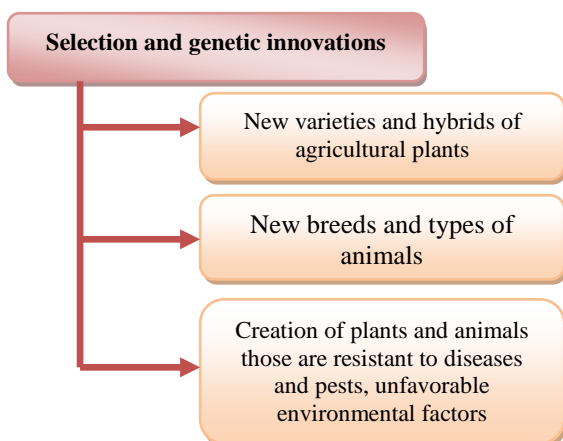


Fig.1. The composition of breeding and genetic innovations

Selection and seed-skilled and carry out applied research institution, transfer new varieties and hybrids in production. Therefore, innovation projects selection and genetics are the basis for the industrial and technological innovations.

**Production and technological innovation** - innovation is that, when the results of research, including breeding and genetic development, find their practical application in the manufacture of new types of agricultural and food products, or provide a

significant improvement in the quality of traditional products.

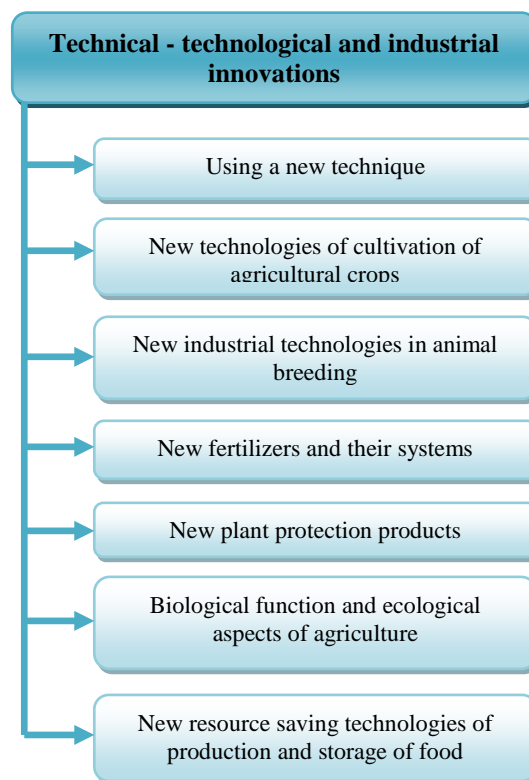


Fig.2. Classification of production and technological innovation

The same type of innovation should be classified as a fundamentally *new technology* of the agricultural work, the application of *new methods* of livestock management, technology, storage and processing of agricultural raw materials that enhance and preserve the biologically valuable qualities of products, reduction of resource consumption.

**The organizational and managerial innovations** include institutional innovations in the formation of a fundamentally new organizational and legal structure of the integrated type (agricultural holdings, agricultural firms and industrial parks), the creation of information and consultation systems. [5]

In practical innovations include businesses in the area of management, logistics, information technology and new methods of marketing. Organizational - managerial innovations are particularly important during periods of transition, when carried out structural transformation, carried out agrarian reform.



Fig.3. Organisational and managerial innovations in agriculture

**Social and environmental innovations** - innovations in the systems of economic and social relations in the regulation of production and market in the integrated development of rural areas, as well as new methods for solving environmental problems.

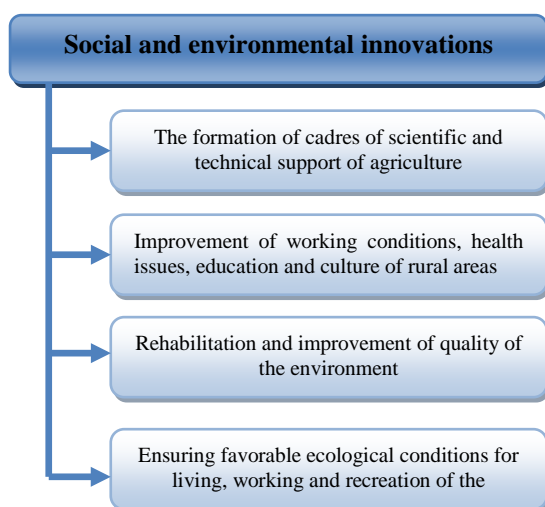


Fig.4. Social and environmental innovations

All of these types of innovations are number of specific forms of embodiment. These are

the results of fundamental and applied research, patents, licenses and trademarks, documentation of new technologies, innovative designs and national, regional and sectoral innovation programs.

Innovations have a direct influence on the level of welfare and satisfaction of each citizen and whole society. EU policies concerning innovations are aimed at transforming the European Union into a leading economy based on knowledge.

In order to counter the negative trends of development, heightened by the world financial crisis of 2007, the European Commission at the beginning of 2010 proposed for the member countries of the European Union to adopt the Program Europe 2020, which inherently is a vision of a modern, social market economy in the 21st century.

The new development strategy has a chance to provide a fast and stable social and economic development in Europe with high rates of employment, including building a modern, innovative and globally competitive European economy. Putting its essence briefly, it should be emphasized that the Program Europe 2020 includes three interrelated priorities [2]:

- **intelligent development:** the development of a knowledge-based economy and innovation,
- **sustainable development:** supporting the economy more efficiently using resources, more friendly and to the environment and more competitive,
- **development conducive to social inclusion:** supporting the economy with a high level of employment, ensuring social and territorial cohesion.

A policy of the evolutionary increase in the importance of instruments of pillar II of the Common Agricultural Policy (the structural policy in agriculture and a multi-purpose rural development), in the context of the realization of the vision of an innovative Europe can therefore potentially contribute to:

- the help for farmers in adjusting to more marketing regulations of the agricultural production;

- the promotion of new methods of selling products and the skills to cope with risk in competitive markets;
- the improvement of economic indexes and the growth in employment in the business,
- the incentives for the development of micro-enterprises (family business);
- the facilitation of interest in innovation and the results of the work of type R&D;
- the support of the dynamic rural entrepreneurship;
- the improvement of the methods of managing agricultural production chain;
- the encouragement to learn and use ICT.

The specific objectives of innovative economic development in Republic of Moldova can be considered the following:

- increase the welfare of the citizens of Moldova;
- economic development based on an effective strategy creation and application of knowledge and implementation of innovations;
- creating the conditions for business development by using scientific and technological potential of the Republic of Moldova;
- providing a significant increase in added value, provided by innovative businesses;
- Innovative business development in various sectors of the economy, so that the share;
- product innovation to ensure GDP growth accelerated to a similar European average;
- human capacity development and management of innovative business.

The innovation economy is the economy; growth is assured, largely in innovative business development through new technologies and innovative products and services. [4]

Innovative economic development must consider and traditional sectors, but will be implemented innovations aimed at increasing their efficiency.

The development of conceptual issues of public policy process and the corresponding system of machines is a strategic prerequisite

for innovative renewal of agro industrial complex.

Innovative economic development priorities in Moldova are based on three main priorities, which include a variety of industries:

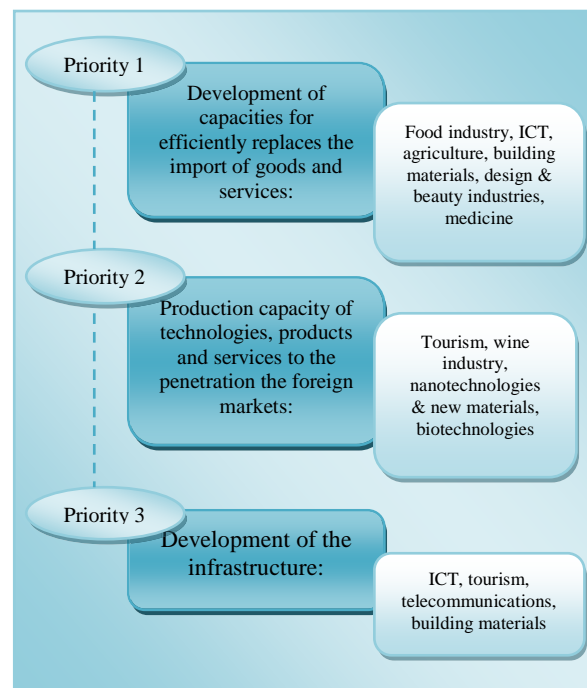


Fig.5. Innovation priority sectors of the Republic of Moldova

For each of the priority sectors need to be defined mechanisms and development tools, and performance measurement, and companies develop their innovative business development activities in these areas will receive special incentives.

Innovative development objective should be to reach a level of 60% of GDP by production innovation. For each priority sector should be defined separately specific indicators that will indicate performance not only quantitative but also qualitative development.

Applied technological research for sustainable development of AIC developed in the following directions (spheres):

- farming, melioration, water and forestry sector;
- plant production and protection;
- animal husbandry and veterinary medicine;
- mechanization, electrification and automation of production;

- storage and processing of agricultural products.

Among of the priority areas of agricultural production in the Republic of Moldova are the following: the cultivation of grain and wine industry. This year, in general, favourable to the crops had been collected for only 27.5 q/ha, while in compliance with generally accepted rules of farming in developed countries receive more than 60 q/ha. [5] At the same time they have practically the whole wheat food; we have also more than half of the stern, which is much cheaper. Grape yield is only 41.2 q/ha. In the European countries the same technical grade yield of 80 q/ha and above, and tableware 120-200 q/ha. [3]

In the development of new technologies for crop production should be allocated the following directions:

- technology of using mainly multioperational agricultural machines and implements, which minimizes the processing cost of soil, taking care of crops and harvesting;
- new technologies of production management and habitat-forming potential of agro-ecosystems and agricultural land based on the differential use of resources and the use of the positional sensing (adaptive plant);
- to ensure the protection of plants is necessary to develop modern methods of monitoring and forecasting the phytosanitary situation in various regions;

In the livestock sector to provide innovative scientific breakthroughs should be made the following directions:

- development and application of new methods of genetic control in livestock breeding process for improving existing and developing new breeds of farm animals;
- application of the regulation methods of the implementation of high animal productivity and creating new and effective systems of their feeding;
- forecasting and the development of programs for the development of livestock industries and business models

highly relevant to the conditions of different zones of the country;

- development of a new generation of biological preparations for the diagnosis, treatment and prevention of common diseases of animals, taking into account to achieve physical and chemical biology, biotechnology and molecular immunology;
- improvement of existing and development of new technologies for veterinary welfare of livestock, production-quality and ecologically safe products.

The provision of agricultural machinery is now one of the major challenges for the implementation of the concept of sustainable development, improving the competitiveness of Moldovan agro industrial complex. Therefore, the level of research and design work in the field of agricultural engineering and machinery intensive use of technology depends on the solution of most other AIC issues.

Innovations in storage and processing of agricultural products imply the creation of technological systems, storage and processing of agricultural raw materials in the manufacture of environmentally friendly competitive food products for general and special purpose.

Considered directions of innovative development can be realized in the actual practice of agro industrial complex, provided full and timely financing, including, or even primarily, due to government support of science and production-related innovations. However, governments, academic institutions and industrial organizations, developing specific innovative projects to objectively assess the risks that accompany the innovation, especially in such a complex field of agriculture. [6]

## CONCLUSIONS

Agro industrial complex, as a basic factor of sustainable development of agriculture, producing resources, in many cases continue to produce obsolete means of production, implying in turn the use of simplified technologies both in agriculture itself and in

adjacent areas of processing, storage and marketing of agricultural products, which inevitably leads a significant reduction in productivity compared with the best world analogues. The development of conceptual issues of public policy process and the corresponding system of machines is a strategic prerequisite for innovative renewal of agro industrial complex.

As the innovation development of agriculture of the Republic of Moldova in the global economy becomes increasingly tangible improvement in the backlog of domestic agriculture from the world's leading food producers for all components of scientific and technological development. However, the experience of leading enterprises and parts of the country clearly shows that this gap can be overcome. Moreover, it confirms that the strategic plan is increasing scientific and technological level of production is a fundamental prerequisite for sustainable growth of competitiveness of domestic agriculture. And although modern macroeconomic situation and the limited investment opportunities in the state and enterprises are seriously hampering innovation activity, innovation is ultimately able to give a decisive impetus to overcome the recession and the transition to active growth phase in the new wave of technological expansion.

In these circumstances is required a complex of actions, most important of which is to overcome the antagonism between the interests of agricultural producers - on the one hand, and between the processing and service enterprises - on the other hand, by developing their cooperation on mutually beneficial terms with the provision of certain priority to rural producers because of their leading role in the cycle of food production. Main goal is better use of powers, overcoming the local monopoly in the field of processing, servicing and trading, as well as providing opportunities for increased investment.

Thus, only the acceptable scenario that can provide a sustainable competitive multifunctional and the strategic orientation of agro industrial complex is innovative. For its

implementation and should target the agrarian economic policy of the country.

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## EMPLOYMENT DEVELOPMENT OF TOURISM IN THE NEAMŢ COUNTY - ROMANIA

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### Abstract

*The present paper considers the analysis and development of the workforce in tourism in the Neamţ County during 2003-2008. There were taken into account and analyzed, indicators such as civil employment, activity and gender, average number of employees, number of employees by sex and activity on 31 December 2008 as well as average nominal gross and net monthly earning. This shows that during 2003-2008 the number of civilian employment in tourism by economic activity and gender reached the highest value of 4000 people in 2005 and 2007. Value was 1892 in 2007. Average gross nominal monthly earnings in tourism increased from 464 lei / employee in 2003 to 841 lei / employee in 2008 and average net nominal monthly earnings increased from 345 lei / employee in 2003 to 631 lei / employee in 2008. There are analyzed ways of implementing the local Plan for sustainable development of Neamţ County for 2007-2013.*

**Key words:** tourism, workforce, the local Plan for sustainable development of Neamţ County, average annual growth

### INTRODUCTION

Neamţ County is located in the northeastern part of Romania in the North-East region and having a total area of 5896 square kilometers (2.47% of the country). Featuring a rich tourism potential represented by geographically diverse landscape, landscape with altitudes from plains to mountains, dense river network, ethnographic and folk elements of rare beauty, natural and human tourism resources, the increasing development of agrotourism in the county attracts thousands of tourists year after year [1].



Photo 1: Romania – Neamţ County



Photo 2: Sihăstria Monastery – Neamţ County

With regard to tourism and agrotourism development, an important role in Neamţ County is occupied by labor [2]. In this respect, the present study is an analysis of employment in tourism (hotels and restaurants) in the period 2003-2008 in the Neamţ County to highlight the effectiveness of that this workforce has to develop tourism and agrotourism in this part of Romania [3].

## MATERIAL AND METHOD

There were used the following indicators: civil employment by national economic activity and gender, the average number of employees by economic sector, number of employees by sex and activities of national economy at 31 December 2008 as well as gross nominal average earning and monthly net by national economic activity. It was also calculated the average annual growth,

$r = \sqrt[n]{\prod (p1/p0) - 1}$ ; where:  $p1/p0 =$  growth chain indicators[4]. The analyzed period was 2003-2008 and the data was collected from the Statistical Yearbook 2009 of Neamț County and then statistically processed and interpreted on ways to implement the sustainable local development Plan for the Neamț County 2007-2013.

## RESULTS AND DISCUSSIONS

In the analyzed period respectively 2003-2008, on civilian employment in tourism on economic activity and gender can be seen that of all of Neamț County, an important part of the workforce is employed in tourism, hotels and restaurants. In 2003 the highest value of 202,800 people concerning civilian employment at the county level; in this population, 2000 people is the number of those working in hotels and restaurants. In 2005 of the total civilian employment in the entire county of 200,900 people, the number of employees in tourism was also of 4 000 people. Thus we can say that this entails an average annual growth of -0.9% per year in the Neamț County, and in tourism the rate pace is of 17.74% (table 1).

Table 1: Civil employment, by national economy activities and gender (thousand people)

Name	2003	2004	2005	2006	2007	2008	Rate (%)
Neamț County (of which women)	202,8 (99,6)	199,4 (98,7)	200,9 (98,2)	196 (96,4)	196,4 (91,0)	193,8 (90,1)	- 0,9 (- 1,96)
Of which: hotels and restaurants (of which women)	2,0 (1,3)	3,7 (2,7)	4,0 (2,8)	3,7 (2,6)	4,0 (2,5)	3,8 (2,3)	17,74 (18,48)

In Figures 1 and 2 it can be observed an evolution of civil employment in the Neamț

County as well as civil employment development in tourism (hotels and restaurants) in Neamț County during 2003-2008.

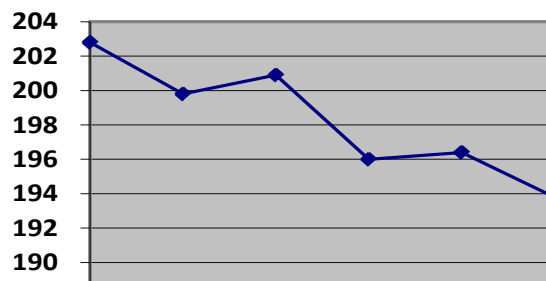


Figure 1: Evolution of civil employment in Neamț County during 2003-2008

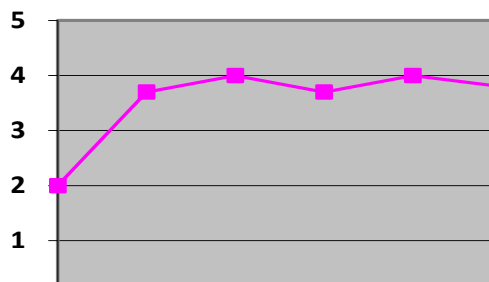


Figure 2: Evolution of civil employment in tourism (hotels and restaurants) in Neamț County during 2003-2008

Regarding the average number of employees in the Neamț County during 2003-2008 we can also notice a change in the average number of employees from year to year (Table 2). If in 2003 the average number of employees reached 91,362 people in 2006 it dropped to 87,278 so that in the year 2007 to reach the lowest value of 85,315 people. But of the total employees in Neamț County the average number of employees in tourism increased from 928 in 2003 to 1795, the highest value reached in 2005. Thus we can notice that the average annual rate in the county is of -1.06% and in tourism it reached -5.88%.

Table 2. Annual increase rate in number of employees in Neamț County during 2003-2008 -people-

Name	2003	2004	2005	2006	2007	2008	Rate (%)
Neamț County	91362	87208	87191	87278	85315	86530	- 1,06
Of which: hotels and restaurants	928	1275	1795	1769	1892	1627	- 5,88



Figure 3 shows the evolution of the average number of employees in Neamt County during 2003-2008 (in people)

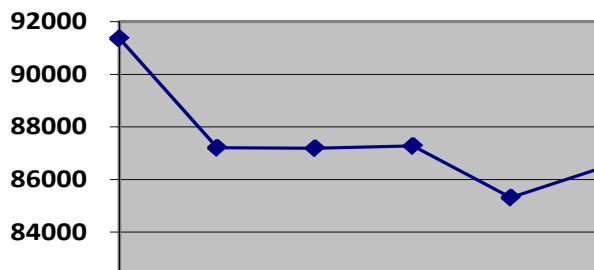


Figure 3: Evolution of the average number of employees in Neamt County during 2003-2008

In Figure 4 we see the evolution of the average number of employees in tourism (hotels and restaurants) in Neamt County during 2003-2008 (in people).

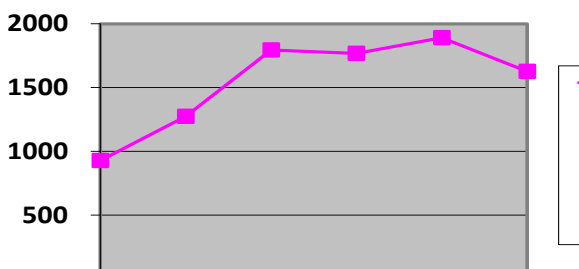


Figure 4: Evolution of the average number of employees in tourism (hotels and restaurants) in Neamt County during 2003-2008

Number of employees by gender and economic activity in 2008 is represented in the table below where we can see that it reaches 88,494 people.

Table 3. Number of employees by gender and economic activity in Neamt County in 31 December 2008

Name	2008	
	No.	%
Neamt County	88494	100,00
(of which women)	(39318)	(44.43)
Of which: hotels and restaurants	3248	3.67
(of which women)	(817)	(0.92)

In terms of average gross nominal earnings and net monthly earning in Neamt County during 2003-2008 we can also see a significant increase.

Turning our attention towards the average gross nominal earnings during 2003-2008

(Table 4) we can see an upward trend shown in Figure 5.

Table 4: Increase rate in gross nominal monthly earnings both at the county level and in tourism (hotels and restaurants) - lei/employee -

Name	2003	2004	2005	2006	2007	2008	Rate (%)
Neamt County	528	685	789	950	1190	1394	21,54
Of which: hotels and restaurants	464	369	465	529	770	841	14,81

Table 4 shows that the rising values concerning nominal average monthly gross earning was calculated by the average growth rate that reached 21.54% at county level and in hotels and restaurants the rate pace is of 14.81%.

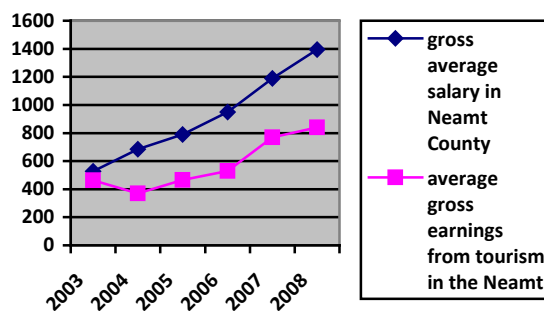


Figure 5: Evolution of average gross nominal monthly earnings in the county during 2003-2008

Taking into account net nominal average earning during 2003-2008 both at the county level and also in tourism we can see an increase in these values which led to an average annual rate of 21.74% in the values of the county and 15.07% in tourism (hotels and restaurants) (table 5).

Table 5: Average net nominal monthly earnings both at the county level and in tourism (hotels and restaurants) - lei/employee -

Name	2003	2004	2005	2006	2007	2008	Rate (%)
Neamt County	390	503	603	710	879	1040	21,74
Of which: hotels and restaurants	345	277	369	392	562	631	15,07

In Figure 6 is the evolution of average net nominal monthly earnings both at the county level and in tourism in this county during 2003-2008

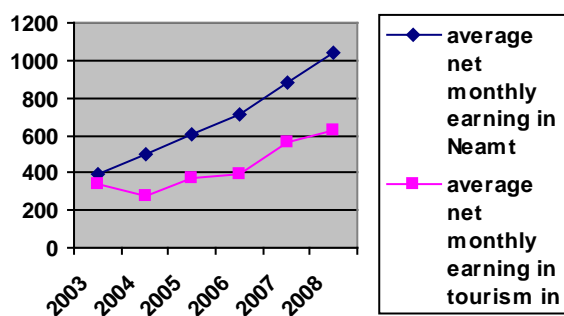


Figure 6: Evolution of average net nominal monthly earnings at the county level during 2003-2008

## CONCLUSIONS

Evolution of employment in tourism by economic activity and gender in the Neamt County reached the highest value of 4000 people in 2005 and 2007.

The analysis reveals that the average number of employees in the period 2003-2008 varies from one year to another, so in 2003 reaching the highest value of 91,362 and 86,530 people we find in 2008 and in hotels and restaurants highest value was 1892 in 2007.

Average gross and monthly net nominal earnings in Neamt County from 2003-2008 shows a significant increase: Average gross nominal monthly earnings in tourism increased from 464 lei / person in 2003 to 841 lei / person in 2008 and the gain average net nominal monthly salary in tourism increased from 345 lei / person in 2003 to 631 lei / person in 2008

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