

Economics of agriculture

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ROMANIAN RURALITY WITHIN A MODERN CONCEPTUAL MODEL

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Abstract

According to the Lisbon Declaration and to the necessity of growing Romanian economy competitiveness in knowledge based society, we consider requisite frontier research in agrifood field in order to lead to superior outputs of field producers and traders and to adopt higher competitive behaviour. Research demonstrates the opportunity of elaboration of a modern conceptual model for rural economy development: agrifood industrial city, able to provide economic growth of Romanian agrifood sector in knowledge based society. Also, the research reveals possibilities of higher life conditions. In order to demonstrate this, analysis and synthesis of studies, reports, articles and other materials including empirical studies and statistics on this topic were conducted.

Key words: *agrifood urban centre, rural economy, agrifood industry, conceptual model, knowledge based society*

Literature review

Rural economy polarizes numerous researchers, as both American schools in this research domain around Professors Carver and Taylor, and European schools, like this from Bucharest Academy of Economic Studies within Faculty of Agrifood and Environment Economy. New perspectives of rurality are tested here. The SMEs' key role for rural development is demonstrated by their contribution to regional income and labour stabilization. In Romania there are 4SMEs/1000 inhabitants and over 50% of them have trade as main objective. They are not involved in production, which is a weakness of rural activity.

Studies' results demonstrate the raising importance of new industrial models, where education and innovation seem to be a priority for SMEs' survival (Nijkamp, P. 2006). The relations between agrifood companies and environment also appear vital (Voicu, R. 2003),

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as well as compatibilization of all agrifood organizations in Romania. Modern agrifood companies founded based on European funds and private investments confront both poor inputs from Romanian agriculture and different standards for product's trasability. All these impose modern management models. Between March and April 2010, Gross Index of food industry decline with 12,2%, and incomes with 12,6%, both been situated on a diminishing trend.

Thus, alternative solutions were founded by authors in the field. Moreover, an European strategy for this domain was somehow design. Local authorities of Modena, Italy, finance inhabitants for finding solutions in order to finance urban centres for food procesing on EU territory. Cities as Svishtov, Bulgaria, and Viadrina, Poland, that were founded centuries ago, were recently develop as university centres; in Svishtov, more than 25% of population are students, and the main part of infrastructure has this specific destination. Cluster is the main instrument in IT industry and it is used for process's profund efficiency by diminishing the effort and used time.

Measurement 123 of Romania's National Plan for Rural Development 2007-2013 represents a financial resource for food procesing, and Gouvernment Decision 1068/23.09.2009 sets the national legal framework for interprofesional agrifood products organizations' starting and functioning.

Precursor ideas are given by recent efforts in order to concentrate and put togheter agriculture land so that farmers to be more performant. Rural Development and Extension Consortium was constituted after a research financed by World Bank between 2004-2005 in Calarasi county. It prime goal was to create cooperation between farmers within. The research continued in Giurgiu county by testing diverse forms of farmes associations, especially in cows husbandry and trade.

Methodology

Research starts from the premises that actual conditions of rural economy impose new approach for its development. Documentation was conducted on the current exemplas of urban centres organised on different activities in diverse field.

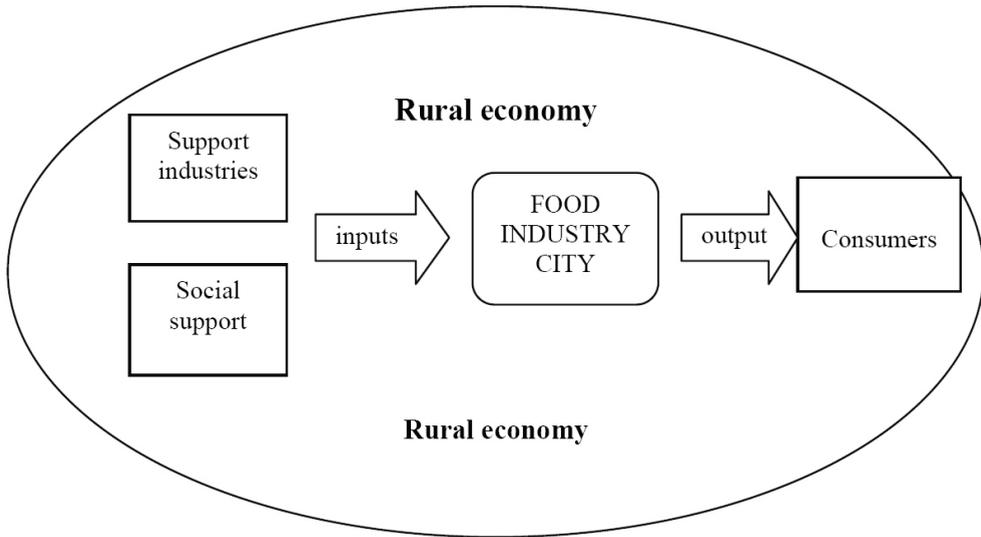
Furthermore, analysis and synthesis of present situation of rurality presented on studies, reports, articles and other materials including empirical studies and statistics on this topic were conducted, together with comparative studies and case studies.

Results and discussions

According to the Lisbon Declaration and to the necessity of growing Romanian economy competitiveness in knowledge based society, we consider requisite frontier research in agrifood field to lead to superior outputs of field producers and traders and to adopt higher competitive behaviour on their behalf. For this reason, the research may continue with a simulation of a conceptual model for agrifood industry: agrifood industrial city which requires all stakeholders' cooperation on a product branch in direct and immediate connection with the intention to raise economic performance.

The vision of this type of city is to concentrate within a modern urban centre founded with this aim all actors on an agriculture product branch in order for them to obtain higher added economic performance. This poses a vertical integration of producers and traders of a product's branch and their physical and economic proximity. In this way, we start from the premises of growing economic performance of food processing, as this city may benefit specific transport and utilities infrastructure and modern processing lines, as well as available labour that could be qualified.

Figure 1 – Model of Food Industrial City in rural economy



Obviously, this project involves high costs. We propose to elaborate a methodology of creation and functioning of such city, throughout an economic perspective and to quantify the impact on rural economy as well as its pertinence while creating, calculating and analysing specific indicators.

The main objective is to create this city as a response to both local rural economy and Romanian food industry needs. In order to establish this, certain objectives should be developed:

- to elaborate a methodology for food industrial city's creation and function;
- to create system of indicators able to quantify the impact of this city's function over rural economy and other economic sectors and social activity;
- to quantify and analyse the value ecart of created indicators;
- to be in permanent contact with local authorities, policy makers and stakeholders.

The methodology for food industrial city's creation and function should involve following activities or steps:

Table 1– Timetable for setting Food Industrial City in rural economy

PHASE 1 – Methodology for food industrial city's creation and function	
	Activity 1.1 – Analyse of economic performance within Romania's rural economy and food industry
	Activity 1.2 – Analyse of European and national legal framework for food industrial city's creation and function
	Activity 1.3 – Identify the main food product for food industrial city
	Activity 1.4 – Identify the potential space/region for food industrial city
PHASE 2 – Indicators system for impact quantification of food industrial city	
	Activity 2.1 – Documentation
	Activity 2.2 – Elaboration of indicators system
PHASE 3 – Comparative study on pre and post food industrial city's implementation	
	Activity 3.1 – Simulation of food industrial city's implementation
	Activity 3.2 Calculation and interpretation pre and post food industrial city's implementation

Through its objectives, the research proves originality and innovation. The food industrial city's implementation contributes the field knowledge development.

Conclusions

The research reveals the conceptual model of food industry city in a modern perspective, an original specific indicators system in order to be able to quantify the ecart of its results obtained in pre and post food industrial city's implementation. These may aim: result indicators (supply time diminishing), accomplishment indicators (obtained food production), pertinence indicators (number of new created jobs, number of families that benefit of urban life conditions), efficiency indicators (value of obtained food production compared with proposed production), performance indicators (ecart of GDP/inhabitant, GAV), quality life indicators (number of new created kindergarten).

To accomplish the research objectives imposes interdisciplinary and a frontier approach. Knowledge in different areas will coop and conclude.

The model may constitute a good practice for other filed or countries, and provides a high level of transfer to public and private sector. Its implementation gives a new identity to Romanian rurality.

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