

RURAL LABOR AND RURAL ECONOMY

Catalin Gheorghe BOLOGA¹

Abstract

The development of agriculture requires greater emphasis on human capital and, in addition to material capital, by providing better educational and health services in rural areas. The precarious situation prevailing in rural areas in education and health Romanian would justify granting of some priorities in this situation and prevent it worsening, especially in the future.

In an economy like Romania, where agricultural production has significant annual fluctuations, without an ascending trend, to say that agriculture has the potential surplus of labor, food, and capacity of saving that requires only an appropriate agricultural policy for their mobilization, is a static approach, incorrect transfer of resources to the problem. Unless agricultural production will increase or stabilize the investment and technical progress, it will become more significant part of available resources, production and transfer of income from non-agricultural sectors.

Key words : labor, agricultural production, rural economy, productivity

Employment situation in rural areas

Steady employment is an acute problem of Romanian agriculture, it limits the possibility of increasing labor productivity and thus to create viable farms and increasing revenues.

Surplus agricultural labor is manifested in many forms, expressing the different characteristics of this situation:

- people work fewer hours than they would accept to work on the existing average income;
- there is no need to recruit labor from agriculture;
- private marginal productivity of agricultural labor is zero, that leisure has no value;
- private marginal productivity of working hours, even if positive, is below the

¹ Catalin Gheorghe BOLOGA, PhD Candidate, Bucharest Academy of Economic Studies, Faculty of Agri-Food and Environmental Economics, Str. Piata Romană nr. 6, Bucuresti, Romania

average hourly income of labor in other branches;

- agricultural sector may have left the labor force without agricultural production to reduce, etc.

Mobilizing the workforce completely unused now require increasing solvent demand for labor is in agriculture or in other branches. In the case of agriculture, but one aspect is limited: while the expected changes in production techniques through mechanization, which increases labor productivity, create new cuts workforce needs. Theory wrongly assumes that technical progress in agriculture would be necessary only in a more advanced stage of development because, without ensuring that agricultural labor productivity growth could occur and reduce agriculture's output. Even if the economy is open, ie admit a relatively liberalized trade, Romania does not have a non-food export potential that can effectively counter a possible food shortage, so at least the domestic consumption of agricultural production must be assured of their own, carried out effectively.

It is obvious that the absolute number of active population in agriculture (about 3.3 million) can not be reduced until the growth rate of non-agricultural employment growth rate will not exceed the total working population. There is a turning point when the growth rate of agricultural labor is zero, but is reached only after a certain level of economic development. Reaching this threshold, then the need for employment in agriculture becomes less stressful and out of the sphere is also underdevelopment.

Transfer of rural labor is economically rational in other sectors if it is ensured adequate supply of food provided. For example, if the population increases by 2% and 4% increase agricultural production and agricultural labor demand by 1.5%, the rural exodus is economically justified and even necessary, to prevent rural unemployment.

In Romania, 45% of the population lives in rural areas, which means 10.2 million souls, of which 5.8 million are active. These high figures, especially from a European perspective, shows the importance of addressing the problem of employment and income structure in rural areas.

Employment structure of rural working population in Romania is characterized based on quarterly surveys conducted on a nationally representative sample (2008). From these data show that 45.8% of the population with 15 years and over living in the country. Rural population is 49.4% of the total active population, while rural population is occupied 50.7% of those employed. For these synthetic data show that Romanian village lies an important function of employment. Group on Contingent, 18.3% of rural population is aged between 15 and 24 years, 39.1% over 50 years, both figures are above average throughout the country. In these two extreme groups, activity and employment rate is much higher than in the interim. Romanian agriculture is the oldest branch of the national economy workforce. In rural areas, unemployment is lower than the country, but here is characteristic of youth unemployment increased.

In 2008, the active rural population, 34.5% were employed persons, 33.1% private entrepreneurs, namely agriculture, 28.65% family labor (unpaid) and only 0.4% employers. Show that already over one third of the villagers are engaged employees, mostly outside agriculture.

The employment structure in agriculture is as follows: 48.1% are hardworking individuals, 43.5% family labor, and only 6.9% are engaged employees, and 1.5% work in associations.

Distribution branch of active rural population shows that 65.1% work in agriculture, 11.1% in manufacturing and 3.6% in trade, the three main branches covering almost 80% of active rural population. The vast majority of employers operating in rural trade and manufacturing.

Private entrepreneurs group, 94.5% are individual householders. Most active rural population engaged in agriculture (61.8%), in addition to these, the most important groups are made up of skilled workers (11.1%), unskilled workers (4.9%), technicians, respectively traders (3.2%), clerks (1.4%), intellectual (1.3%) etc.

Those employed in agriculture is characterized by:

- proportion of women (47.8%);
- high proportion of elderly (32.9% between 50 and 64, 20.4% for 65 years and older);
- small proportion of youth (11.9%).

Romanian rural economy

Romanian rural agricultural economy is mainly because their agricultural economy - itself accounts for 60.5%, compared to 14.1% in the EU. Deeply distorted structure of the Romanian rural economy determines a similar structure of the rural population by sector (primary sector 64.2%, of which 56.6% agriculture, 18.5% secondary sector, tertiary sector 17.3%) . Romanian rural scale, non-agricultural economy (SMEs industrial, services, rural tourism) has a low weight, and rural tourism in all its variants, except for some mountain areas (Bran - Moeciu, Apuseni, Maramureş , Bukovina) and the Danube Delta is almost nonexistent (11,000 beds in about 1,600 Farmhouses).

Stimulating investment in rural areas to expand SME non-agricultural economy and processing of primary agricultural products, should become a permanent local authorities, by making the process of economic decentralization and subsidiarity decision, in rural areas (or rural areas), with surplus labor, of industrial micro village, county or regional level with financial support by equipping them with the necessary industrial activities (electricity, heat, gas, water, sewer, roads and inland , telecommunications, etc.), the lines of those created, for a long time in rural areas of EU countries.

Investments in non-agricultural and food economy in rural areas, in addition to increasing the gross value added by processing agricultural raw materials and non-local resources, has a great advantage, both in times of crisis and recession and growth in the in the sense of creating new jobs and stabilizing using local labor (rural), rural revitalization, especially those from disadvantaged and peripheral areas.

The rural economy as a whole and agri-food economy, as an important element of the rural economy, have different rule structures in Romania to the European

Union (not to mention the sheer size of it). Romanian economy is mainly agricultural countryside (about two thirds) or agro-food (more than three quarters). In the European Union, the dominant economy of the rural economy is services, accounting for 42.2%, up 2% from the agri-food economy.

Are marked differences in terms of agro-food economy. While the processing of agricultural raw materials in food (gross value added carrier) accounts for over half the agricultural economy in the European Union in our country the production of agricultural raw materials (agricultural economy) has much higher proportion (over 75%).

Food economy of Romania has a much higher level of national economy, yet because much of it is concentrated in urban areas (agro-processing enterprises former high during the command economy), though privatized, still have the same layout geographical, in major urban centers (plant oil, beer, meat, milk, mill, bakery, etc.).

Non-agricultural rural economy in the EU represents almost 60% of the rural economy, while in Romania it has a weight of about three times lower (21.8%).

Large discrepancies are noted in non-agricultural rural economy terms. It has a much smaller share of services (non) from rural areas and, particularly, the tourism which, in Romania, actually has a nearly zero contribution to the rural economy.

The analysis of the causes that generate the technical and economic nonperformance agriculture dictate that there is a chronic shortage in the allocation of production factors, with poor management in the majority of farms and businesses (and small) processing and weaknesses in management routes for the acquisition - storage - marketing of food products.

All strategies, programs and projects for agriculture in their center of sustainable rural development, sustainable economic growth as a factor. This means strong rural economy, rural infrastructure built on a modern technical equipment suitable land areas, towns and rural homes, the use of renewable natural resources in the economic cycle, environment and landscape and their effect, or acceptable standard of rural life comparable to the EU.

Sustainable growth can be achieved, above all, invest only if the medium and long term productive agricultural sectors in advanced technologies, competitive commercial circuits Romanian agricultural products, by extension agricultural market, mitigate and reduce turbulence fluctuations production and prices, by extending the participation of Romanian agricultural products in third markets, primarily the European single market.

Sustainable growth in agriculture is questionable, as long as the "performance" of the Romanian agriculture is the lowest limit, so long as the environmental conditions of our country, we import over 25% of the Romanian consumption.

CONCLUSIONS

In the villages can not be applied consistent measures for rural development. The changes have increased polarization in both villages and between villages. Symptoms appear more intense poverty in some demographic and ethnic groups, so the elders could not work and a part of Roma. Formed a segment of the rural population - partly in active age group - which is not able to join the labor market, welfare so requires. and among villages, there are some technical and social infrastructure with a so weak that they are unable to initiate development themselves.

- Reprivatization land agricultural cooperative created a small subsistence farms and only slightly formed viable farms.
- Mechanisms of market economy, agricultural policy instruments can influence only slightly subsistence farms so that it will take much time to develop competitive farms.
- Low level of cooperation between villages and households almost total lack of professional organizations prevent effective organization of production, supply and sale especially as they become more expensive.
- The opinion of those living in villages about their lives is different depending on the area. The share of discontent is much lower in traditional farming villages, where unemployment is less felt the effect and people feel safer.
- Among the villagers, most dissatisfied are young, especially those with less training, which hardly find employment in cities and agricultural workers do not like.
- Share the content is relatively high among entrepreneurs and pensioners, and carrying out farming activities in order to realize additional revenue and for self-sufficiency.

Knowledge about the employees and reality in Romania predict the likely increase in unemployment areas. If that agriculture can provide only part-time employment and work is uncertain, we estimate an increase in the number of constraint based business employment insurance.

Although the concerns of rural labor employment is presented in various other areas, is a common feature that, because of its small size, can provide farmers farm only part-time employment and low incomes. Problem is the low share of enterprises and the growing insecurity of employment of current employees. The village where the first half of the '90s was hoping to guarantee a place for commuters redundant, as well as descendants of former owners who have returned from town, is now less and less able to bear the burdens of occupation in November, even the term short. Official unemployment rate relatively low area, hide a latent unemployment rising, so rural development can be achieved only by ensuring long-term employment outside agriculture.

The current situation of the villages, characterized by decreasing possibilities to deal with labor in agriculture and the small number of jobs in non-agricultural activities is an obstacle to achieving a more effective agricultural policy, especially in the urban

unemployment increased. The new agricultural policy, geared towards increasing the competitiveness of Romanian agricultural products by increasing the efficiency of agricultural production structures towards the formation of viable farm property and would increase maintenance capacity decline of agriculture, rural unemployment would increase. Because of this, you will need to stimulate rural industrial production, the development of trade, services, rural tourism, etc.

In conclusion, in addition to the low per capita agricultural, rural economy and agricultural structures are still far from what we call a competitive rural economy in Romania.

BIBLIOGRAPHY

1. **Gavrilescu D., I. Davidovici, Giurca Daniela (eds.) (2001)** *Lessons of transition*.
2. **Romanian rural and agri-food sector**, Expert Publishing House, Bucharest.
3. **R. Voicu, Nastase M, Dobre I. (2005)**, *Organization and strategy development agricultural units*, improved edition, ASE Publishing House, Bucharest.
4. **United Nations Development Programme (2008)**. - *National Centre for Sustainable Development*, Bucharest
5. The Economist, no 3156 (4182), July 12, 2010.