

DIFFCULTIES IN THE PROCESS OF INCORPORATION AND AFFIRMATION OF SMALL AND MEDIUM – SIZED ENTERPRISES IN RURAL AREAS

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Abstract

In the beginning of the 80s, as a result of the intensification of the process of globalization of the national economies, on the plan of restructuring and improving the organizational framework of business unfolding, economic small and medium – sized organizations emerged and rapidly extended, universal economic phenomenon generically called the SME sector. This type of economic organizations grew rapidly in the economy of all contemporaneous countries, penetrating all economic activity sectors, soon becoming the leading sector of the economy of developed and developing countries. The objective process of incorporation and affirmation of the small and medium – sized enterprise sector unfolded in convergence with another economic process that manifested itself through the increase in the importance of transnational companies, which enhanced the world economy globalization.

The incorporation and consolidation of small and medium – sized enterprises, together with the affirmation of transnational corporations, are the result of multiple causes, but mainly economic.

The agricultural activity represents and will represent for a long time the main occupation of the rural population, being considered the central axis of the rural area. This dominant position of the agriculture in the national economy has deep roots in the history of the economic and social development of our country, which has reflected itself in the low level of social and economic development and economic efficiency.

In most areas, agriculture and forestry dominates the entire regional economy. The agriculture is outbalanced by industry only in Western, Central and Ilfov-Bucharest areas. As a consequence, the starting point in the evaluation of the economic potential of the agriculture is the financial factor, considered from the point of view of the type of ownership, the usage structure of the land and the quality of the soil.

Although our country possesses good conditions for the carrying out of agricultural activities, the production per inhabitant for the main agricultural products

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does not ensure the necessity of productive and non-productive consumption, the problem of food safety being far from being solved and because the agricultural reforms from the past years do not satisfy the stringent consumption needs, we are obligated to resort to a massive import of such products.

Within this general framework, special organizational and economic measures are needed in order to ensure a visible enhancement of the development of agriculture in general, and cattle breeding in particular. The significant increase in the animal production and the structure of the agricultural production represent a necessity for our country, for the efficient integration in the agricultural structure of the European Union and for the increase in the competitiveness of animal and agricultural products in general on the European and world market.

The efficient carrying out of agricultural activities, irrespective of the specific features of the sectors and components, is conditioned by the existence and quality of some agricultural services that appear in the productive flow of vegetable and animal production. At present, the use of such agricultural services, indispensable in the process of agricultural production, is inadequate.

The activities related to the mechanization of agricultural works, chemical treatment of surfaces, plant protection, sanitary – veterinary activity, etc., deeply affect the volume and quality of the agricultural activity. A part of such services is carried out by resorting to the economic agents from the source of the agricultural productions or directly by the agricultural units. The connected agricultural services carried out directly by the exploitations are extremely limited, having an insignificant importance within the total value of the agricultural production.

The mechanization of the agriculture represents an important component of the technical progress in agriculture that ensure a substantial increase in the productivity of labor, the decrease of the old methods specific to the traditional agriculture based on manual labor. By its positive effects on the increase in the volume of production, the improvement of the product quality, the increase in the economic performance, mechanization, together with other connected activities and production factors, such as irrigation, the use of high-quality biologic materials, etc. leads to the increase in the productive capacity of the labor force that carries out agricultural activities, which materializes itself in the production of a bigger amount of agricultural and agri-food products and in the providing of food for an increasing number of persons working in the other sectors of human activity. Under such conditions, the mechanization represents the material support that provides the possibility of training the persons working in agriculture and relocating them in other activities from the urban and rural environment.

But the increase in the productivity of labor in the agricultural field is conditioned by the increase in the degree of mechanization of all agricultural works, by the reaching of a certain level in the productivity of the agricultural work, which should allow the increase in the performance and competitive capacity of the agriculture and the development of internal and foreign market relations.

At present, in our country, the level of agricultural mechanical equipment is far from ensuring the carrying out of a large range of agricultural works during the optimal period of the year, provided for in the technologies of various animal species, which leads to significant harvest losses and affects the quality of products. This requires the equipment of the agricultural processes with tractors and cars because Romania is on one of the last places in Europe.

As a result of the enforcement of the provisions of Law no. 18/1991, the rural property extended constantly, becoming thus quasi-dominant in all the structures of the agricultural production, together with the diminishing of the public-private property. At the end of 2008, 91,5% of the agricultural surface was privately owned, the tillable areas – 95,8%, the pastures – 91,6%, grasslands – 97,9%, vineyards and vine nurseries – 96,5%. The used area is comprised of 6,728.6 thousand of ha, from which 6,309.3 thousand ha are grasslands, 25% of those being privately owned and the difference being public property. Although the restoration and the establishment of the property rights for the agricultural and forest fields has officially ended, there are still unresolved disputes.

As compared to the level of average yield per hectare obtained by the countries with a consolidated agriculture, including the European Union, the production is 2-3 times lower for almost all crops, emphasizing the subsistence level of the Romanian agriculture. For instance, in what concerns the wheat, in 2003 the medium production per ha was only of 1,429 kg, in 2007 – 1,541 kg and in 2008 – 3,403 kg, in 2007 Belgium had 7,418 kg per ha as average production, France – 6,250 kg, Germany – 7,110 kg, Ireland – 8,115 kg. In 2007 the sugar beet production of Romania reached 26,065 kg/ha, while Austria had 62,839 kg/ha, Switzerland had 74,338kg/ha, France had 84,403 kg/ha and Spain had 71,920 kg/ha. In potatoes production, in 2007, Romania spoke of 14,108 kg, Denmark – 39,456 kg, Switzerland – 41,723 kg, France 45,377 kg, Netherlands – 40,720 kg. These huge differences in the yield can only be explained by the high level of technologies and techniques which can be found in developed agriculture countries, by the quality of the human factor, by the agricultural surfaces, including by their behavior in what concerns the production and its capitalization.

By comparing these results, one can draw the following conclusion: the need to increase technical, political, technological and organizational efforts, to emancipate ecological beliefs and to adjust the human behavior in the agricultural exploitations of our country.

In the rural area, the agricultural activity will represent the central axis of human activities for a long time. Increasingly, besides such activity, many other non-agricultural activities occur in the rural area, which gives it a new social and economical dimension. Such activities have a beneficial impact over the life of rural communities ensuring additional income and absorbing the available agricultural staff.

Over 20 non-agricultural economic activities are carried out in the rural area, being performed by an important number of economic agents, most of them being family agricultural exploitations, whereas the share of legal persons is still reduced.

Speaking about individual economic agents, the main share goes to the commercial activities, followed by milk producers, then grapes, fruits and vegetables. The same thing happens in the field of legal persons, where trading economic agents hold the largest share, mainly as cooperative structures.

The orientation of the economic agents towards commercial activities can be explained by the low level of resources needed for their establishment, and also by the short period of return on investment, of profits as well, and finally by the less experience required for their management compared to other business activities. A small number of economic operators act in the field of crafts (crochet brides, handicraft), most of them focusing on individual agricultural exploitations, only few of them being legal persons.

SMEs in the rural area

Non-agricultural activities are carried out especially in small and medium-sized enterprises, considered as 'the engine of economical growth' and also of the decrease in social pressure over the rural areas. Between 1991 and 1994, the incorporation of SMEs grew rapidly for the entire national economy, decreasing towards 1996. After 2000, the revitalization of this sector intensifies.

In spite of all these, a thorough evaluation of SMEs' activity emphasizes a weak consolidation and development, not keeping up with the rest of the national economy's sectors, mainly in the rural area where less than 20% of the units are struggling.

Crafts and small handicraft industry

In the mountains we learn that mostly forest activities, pastoral, hunting and fishing activities were successful, as well as small industries and handicrafts. These represented for centuries the main occupations of the inhabitants of the Carpathians Curvature that have been passed down from generation to generation. Some of these crafts gained in time a cultural value, due to folkloric and ethnological traditions that characterize the Romanian rural area, becoming a small handicraft industry promoted through fairs organized on various occasions in many parts of the country and in Bucharest.

A series of crafts developed in the rural areas, especially in the field of constructions – bricks, tiles, terracotta, lime, timber, which are at present revitalized, although the necessary material resources does not cover the entire local plan. Generally speaking, the craft and handicraft activity is still facing a series of problems specific to the past years, such as: the lack of financial resources for the improvement of production activities, the lack of apprentices who should learn the traditions of the village. Due to the insufficient aid given to the craftsmen and artisans of the Romanian village, their activity stays off the capitalization of our culinary, folk and ethnographic traditions.

Tourism activity

It is the diversity of the different components of the physical and geographical environment who justifies the numerous and complex natural conditions proper for the enlargement of tourist activities. Romania's tourism activities are mainly placed in the mountains, on the Black Sea coast, in the Danube Delta, on the hills of Transylvania

and very few on the plains. The reasons for their low level of development are both objective and subjective.

The mountains offer the most significant tourism potential, based on their landscapes, flora and fauna. More than 3600 species of Romania's Gymnosperms and Angiosperms represent 40% of the total European flora, as well as some 3380 fauna species. Beside its economical and environmental protection functions, the vegetation has also a high tourism value, in terms of scientific, medical, leisure and nature landscape attributes. From this point of view, the coniferous forests and the circumscribed forests around villages offer the best framework for the development of the ecological tourism.

The fauna, through its hunting, aesthetic and scientific capitalisation, represents both an attraction and a solid support to practice tourism and especially the hunting one, by the residents and foreigners. There is a hunting and fishing fond in the mountains and not only, characterised through a big diversity of species – bear, deer, chamois, wild boar, mountain cock. It is to add also the forest areas from hills and plain, where roes, stags, wild boars live, as well as the magnificent Danube Delta that is birds' and fishes paradise.

On the territory of Romania there are some national areas of national interest, which through their content stimulate the scientific growth and instructive-educational actions, this way creating the support to practice scientific and ecologic tourism. In 2008 there were 77 scientific reservations with an area of 310,032 ha, 13 parks with an area of 315,857 ha, 230 natural monuments on an area of 96,228 ha, 661 ha of natural reservation on an area of 308,031 ha, 14 national parks on an area of 737,428 ha, 3 biosphere reservations on an area of 664,446 ha (the Danube Delta – 580,000 ha, Retezat – 38,047 ha, Rodna – 46,399 ha), 5 damp areas of international importance, 108 birds fauna special protective areas on an area of 2,992,798 ha.

No less important from the tourist point of view are the 40 main natural lakes (glacial lakes, volcanic crater lakes, dam lakes, river-sea side lakes, sea lakes, meadow lakes and those in the Danube Delta). Additionally, one can speak about the two main anthropic lakes for energetic purposes, as well as historical, religious, cultural, economic sites, which forms a stimulating ethnographic patrimony for the cultural and religious tourism.

Infrastructure coordinate

The potential of the infrastructure of the rural area, designed as a set of natural, organizational and information elements that ensure the connection between the various economic branches and sectors, represent the natural support of agricultural and non-agricultural activities and of the productive and unproductive service providers. Its level, structure and quality reflect the premises of the economic and social development of rural communities and of the ensuring of the natural and spiritual civilization in the rural environment, and the net quality of the rural population. The higher the level of such potential, the more attractive the rural areas.

The transport, telecommunication, electricity, water, gas infrastructure and the management of the waste, educational, health and cultural activities are extremely

important for the initiation and expansion of the rural tourism, generating new economic, social and cultural activities, jobs and wages.

At present, the general characteristic feature of the rural infrastructure is the existence of great discrepancies as compared to the infrastructure of the urban areas and of foreign countries, especially to the level of the infrastructure of the consolidated community countries.

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