

Perspectives of the business area development in the Romanian rural area. Case study Calarasi county

Daniela Cretu¹ Elena Lascăr²

Abstract: *The rural area in Călărași county has a particular importance for the development of the county, so its analysis wants to identify the vital positive and negative elements for its sustainable development. With a decreasing population and its density of about 61 inhabitants/km should be considered mainly a predominant rural county, with over half of the population in rural area in 2012, which represents a much higher value than the average of the recently integrated EU countries. Thus, the rural and agricultural development will form a solid pillar. The success and prosperity of the county depend on their economic performances. The county is dependent on agriculture and on rural economy. The spread of globalization threatens the traditional agriculture.*

Key words: *agriculture, active population, employed population, investments, rural area resources.*

INTRODUCTION

Călărași county is part of South-Muntenia development Region, it was declared as territorial-administrative unit in January 1981, it is situated in the South-East part of Romania, on the left shore of the Danube and Borcea Branch and it borders in the North with Ialomița county, in the East with Constanța county, in the West with Giurgiu county and Ilfov Agricultural Sector and in the South with Bulgaria [2].

The county has a surface of 508,785 ha, representing 2.1% of Romania, Călărași county occupies 28th place among the country counties [4]. From administrative point of view, the county contains 2 municipalities, 3 towns, 50 communes and 161 villages. The county residence is Călărași municipality [2]. The main natural resource are the agricultural lands - 425,2 thousand ha – at the end of 2012, (2,9 % of agricultural surface of the country), from these 96.7 % representing arable land. The county population, in 2012, was of 310,112 inhabitants (1.6% of the country population). From the point of view of areas distribution, 38.6% of the county population lives in the urban area and 61.4% in the rural area, the urbanisation level of the population being below the country average [2].

LAYOUT

The economic and social development of Călărași county is designed in accordance with the development concepts of the regions, together with the economic sector and the civil organizations, with Romania National Development Plan, Regional Development Plan, Regional Development Strategy of South-Muntenia Region, etc. and with the external factors (EU programs, provisions of International Conventions, international relations. [3] In Călărași county civil active population decreased in the period 2005-2012, from 111,600 persons to 109,800 persons (98.4%), and employed population fell from 101, 600 persons to 100,200 persons (98.6%), as shown in Table 1.

The county industry is based, mostly, on the manufacturing activities. Branches of food industry, textile clothing industry, industry of pulp, paper and paperboard, construction materials industry, shipbuilding, metallurgy, metallic construction are present.

Călărași county being close to the Danube river creates a great tourist attraction, but insufficiently exploited. The large number of islands with an unique picturesque, ramification of the main branches by unique branches create both a natural landscape for relaxation and conditions for the practice of hunting and fishing. In this respect we mention the three nature reservations: Ciocănești Island, Ostrov Island and Șoimul Island.

The tourist branches formed by the Danube river that delimits the county in the South and South-East part over a length of 152 km are extremely rich and designed to be capitalized. The dam premises between the river and Borcea branch in a surface of about 30,000 ha of natural channels with forest vegetation, flora and fauna, can be introduced in tours with relatively little expenditure and facilities and offers visitors a wonderful

landscape, similar to the Danube Delta [3]. This unexploited tourism potential is less than 130 km far from Bucharest and Constanța, about 100 km from the Black Sea and connected with car on Route 3B (Călărași - Fetești - Cernavodă – Basarabi-Constanța) and on Route 3A (Ostrov -Adamclisi-Constanța). The material units consist of 8 tourism accommodation units (3 hotels, 4 motels, one pension) with a capacity of 533 seats. Călărași county benefits by a tourism potential that allows the development of various forms of tourism: cultural, monastery, green tourism and agro-tourism [3].

Table 1. Evolution of main indicators of work force in Călărași county

Specification	UM	2005	2006	2007	2008	2010	2012
Civil active population	Thousand persons	111,6	108,8	106,5	106,8	106,7	109,8
	%	100,0	97,5	95,4	95,7	95,6	98,4
Civil employed population	Thousand persons	101,6	101,3	101,5	101,3	96,8	100,2
	%	100,0	99,7	99,9	99,7	95,3	98,6
Registered unemployed	Thousand persons	10	7,5	5	5,5	9,9	9,6
	%	100,0	75,0	50,0	55,0	99,0	96,0
Activity rate(*)	Thousand persons	52,9	52	51,1	51,3	51,4	53
	%	100,0	98,3	96,6	97,0	97,2	100,2
Employment rate(*)	Thousand persons	48,2	48,4	48,7	48,7	46,7	49,3
	%	100,0	100,4	101,0	101,0	96,9	102,3
Registered employed rate(**)	Thousand persons	8,96	6,89	4,69	5,15	9,28	8,74
	%	100,0	76,9	52,4	57,5	103,5	97,6

*Compared to able to work population (15 – 64 years old); **Compared to civil active population.

Source: Processed according to INS, 2013, Statistical Yearbook of Călărași county, Călărași Yearbook. Pdf- Adobe Reader [1]

SMEs, by their characteristics, provide economic advantages that large firms do not provide (ie, spin-off, start-up capital, cost of entry and lower output, lower risks of failure, etc.) which are not necessarily based on employment or growth, but the possibilities for improvement of the advantages in competing for a region or country [5]. The number of companies in Călărași county increased during the period 2005-2011 with 800, respectively from 4,158-4,858, of which about 10% are in agriculture (468) and 11 are large companies (of which 2 in agriculture), as it is shown in table 2.

Compared to a national average of 19.72 SMEs/1000 inhabitants, SME density registered in 2011 in each region is presented differently, showing a discrepancy, more or less pronounced. Thus: North-West Region, which has a density of 21.80 SMEs/1,000 inhabitants and a population of 12.67% with 20.66 SMEs/1000; Center Region, a share of 11.76% of the population; South-East Region with 17.66 SMEs/1,000 inhabitants and a share of 13.10%/ total Romania. Călărași county has 13.45 SMEs/ 1,000 inhabitants. [5]

In different fields, the structure of employees, as shown in Table 3, reveals: agriculture 50%, industry 15.6%, commerce 8.4%, 4.3% education, 3.6% transport and storage, public administration 2.6%, hotels and restaurants (2.1).

In Călărași county, the main branch of the economy is agriculture, which has a surface of 426,600 ha of agricultural land (2.9% of the agricultural area of the country) with the following structure: 97.5% arable land, 1.3% pastures and meadows and 1.2% vineyards and orchards 1.2% [3]. The vegetal production is oriented mainly to cereal crop, plant oil and fodder plants. The harvests of wheat, barley, maize, sunflower and soybean, place Călărași county in the category of high-producing counties in the country, the county benefits by a true "pillar" of the Romanian agricultural research – The Research Institute for Cereals and Technical Plants in Fundulea town - which led over the years to hundreds

varieties and hybrids of cereals, fodder crops and higher production quality and the Research Station for Irrigated Crops in Mărculești [3].

Table 2. Evolution and structure of companies in Călărași county

Specification	UM	2005	2007	2009	2011
Total companies, county from which:	no	4158	4646	5021	4858
	%	100,0	111,7	120,8	116,8
-agriculture, forestry and fishing	no	-	-	441	469
	%	-	-	100,0	106,3
Micro (0 – 9 employees) from which:	No	3691	4138	4484	4352
	%	100,0	112,1	121,5	117,9
-agriculture, forestry and fishing	no	-	-	355	384
	%	-	-	100,0	108,2
Small (10 – 49 employees) from which:	No	364	417	447	431
	%	100,0	114,6	122,8	118,4
-agriculture, forestry and fishing	no	-	-	80	78
	%	-	-	100,0	97,5
Medium (50 – 249 employees) from which:	no	86	75	74	64
	%	100,0	87,2	86,0	74,4
-agriculture, forestry and fishing	No	-	-	3	5
	%	-	-	100,0	166,7
Large (250 employees and over) from which:	No	17	16	16	11
	%	100,0	94,1	94,1	64,7
- agriculture, forestry and fishing	No	-	-	3	2
	%	-	-	100,0	66,7

Source: Processed according to INS, 2012, Statistical Yearbook of Călărași County, Pdf- Adobe Reader [1]

Table 3. Evolution and structure of employees on activity sectors, in Călărași county

Specification	2008		2010		2012	
	Thousand persons	%	Thousand persons	%	Thousand persons	%
Total	101,3	100,0	96,8	100,0	100,2	100,0
Agriculture, forestry and fishing	47,3	46,7	47,4	49,0	50,1	50,0
Industry-total	18,3	18,1	15,3	15,8	15,6	15,6
Extractive industry	0,1	0,1	0,1	0,1	0,1	0,1
Processing industry	15,4	15,2	12,4	12,8	12,6	12,6
Production and supply of electricity, heat, gas, hot water	0,4	0,4	0,4	0,4	0,4	0,4
Water distribution, sanitation, waste management,	2,4	2,4	2,4	2,5	2,5	2,5
Constructions	4,2	4,1	4	4,1	3,5	3,5
Whole sale commerce and detail commerce, vehicle repair	9,1	9,0	7,9	8,2	8,4	8,4
Transport and storage	3,5	3,5	3,7	3,8	3,6	3,6
Hotels and restaurants	0,8	0,8	0,7	0,7	2,1	2,1
Information and communications	0,3	0,3	0,3	0,3	0,3	0,3
Financial intermediations and insurances	0,7	0,7	0,6	0,6	0,6	0,6
Real estate	0,2	0,2	0,3	0,3	0,1	0,1
Professional, scientific and technical activities	1,5	1,5	1,2	1,2	1,1	1,1
Activities of administrative services and activities of support services	1,9	1,9	1,8	1,9	2	2,0

Public administration and defence, social insurances in the public system)	3,1	3,1	3,1	3,2	2,8	2,8
Education	4,9	4,8	4,5	4,6	4,3	4,3
Health and social assistance	4,9	4,8	5,1	5,3	5	5,0
Shows, cultural and relaxation events activities	0,4	0,4	0,6	0,6	0,5	0,5
Other activities of national economy	0,2	0,2	0,3	0,3	0,2	0,2

Source: Processed according to INS, 2013, Statistical Yearbook of Călărași county, - Adobe Reader [1]

Analysing the turnover, at the level of Călărași county, it is found out that it increased in 2012 to 7,100 mil lei, respectively with 110,5 % compared to 2010, as it is shown in table 4.

Table 4. Evolution of turnover of gross investments, of net investment per total and in agriculture, in Călărași county

Specification	UM	2010		2012	
		mil lei	%	mil lei	%
Turnover, from which:	mil lei	6425	100,0	7100	100,0
	%	100,0	X	110,5	X
Agriculture, forestry and fishing	mil lei	1111	17,3	1352	19,0
	%	100,0	X	121,7	X
Specification	UM	2010		2012	
		mil lei	%	mil lei	%
Gross investments, from which:	mil lei	642	100,0	739	100,0
	%	100,0	X	115,1	X
Agriculture, forestry and fishing	mil lei	180	28,0	222	30,0
	%	100,0	X	123,3	X
Specification	UM	2010		2012	
		mil lei	%	mil lei	%
Net investments, from which:	mil lei	439	100,0	445	100,0
	%	100,0	X	101,4	X
Agriculture, forestry and fishing	mil lei	158	36,0	187	42,0
	%	100,0	X	118,4	X

Source: Processed according to INS, 2010, Statistical Yearbook of Călărași county, Călărași Yearbook. Pdf- Adobe Reader [1]

The agriculture had a superior increase, respectively of 121.7%, from 1,111 mil lei, in 2009, to 1,352 mil lei in 2010, as it is shown in table 4.

The investments are a category of costs by which new production capacities are created, in a sector of the economy that influence the growth and improvement of the productive potential of that sector. From table 4, we note that the gross and net investments at Călărași county level had in 2012, a high increase, compared to the county average, being of 123.3% at gross investment and 118.4% at net investments.

CONCLUSIONS AND FUTURE WORK

From the analysis of the business sector development in the rural area in Romania, with case study, Călărași county, the following conclusions result:

- It is needed to modernize and adapt the education and vocational training to the new requirements of the labour market. The current situation indicates a general need for reform of the education and training to meet market requirements. The dynamic conditions of the market economy require a high-quality education and training of the young labour force

- We believe that in order to reduce the flow of young labour force migrating to the urban area, it might encourage to transform the farms into commercial family farms,

particularly by diversifying production and processing, they are important bringers of additional revenue.

- It requires financial and technical assistance for the adoption of innovative solutions in the private sector to identify and prioritize needs - especially public consultation in identifying funding sources and implementing various training, modernization, diversification, processing and marketing projects,

- Attracting investors by facilities provided (infrastructure, the potential of young population, spaces, possibility to connect to the gas network in the near future, the urban land available for house building, etc.).

The vision of social and economic development of the rural communities in Călărași county is to create and sustain a competitive, stable, healthy and diversified economic and social environment, in order to ensure the continuous economic growth and the improvement of the life quality of the commune inhabitants.

REFERENCES

[1]*** Statistical Yearbook of Călărași county, - Adobe Reader INS, 2013

[2] ***Calarasi county-economic profile,2012, <http://cartiere.ro/129913-judetul-calarasi-profilul-economic>

[3] Iova Radu Andrei, Daniela Cretu -, *Perception of the life quality in the rural communities in Romania* case study- Călărași county , LAMBERT ACADEMIC Publishing, Germany

[4]*** Regional Development Agency, DEVELOPMENT PLAN OF MUNTENIA REGION, http://www.adrmuntenia.ro/documente/1195475713_1.pdf

[5] Pîslaru Dragoș, Ileana Modreanu, 2012, Contribution of SMEs to economic growth – present and perspectives, Summary, <http://www.cnp.ro/innovatie/docs/seminar-studii-25-06-2012/Rezumat%20studiu%20IMM.pdf>

ABOUT THE AUTHOR

1.Conf.univ.dr. Daniela Cretu, University of Agronomic Sciences and Veterinary Medicine București – Călărași Branch, no. 1 Blvd. N Titulescu, Călărași, Romania, tel. 0040 740 207985, e-mail: danielacretu5@yahoo.com

2.Asist. Univ. Dr. Elena Lascăr, University of Agronomic Sciences and Veterinary medicine București – Călăraș Branch, no. 1, Blvd. N Titulescu, Călărași, Romania, tel. 0040 745171583, e-mail: elenalascar@yahoo.co.uk

This paper has been reviewed.