



Rural Area Revitalization Through the Agri-food Channels – a Chance for the Rural Communities in the Bucovina Area

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Suceava County – a component part of Bucovina

Bucovina lies in the North of Moldova, one of the three historical provinces, together with Muntenia (Walachia) and Transylvania (Siebenbuergen). This zone became part of the Habsburg – Austrian Empire in 1775, being part of it until 1918. The name of “Bucovina”, given to the province, dates back from that period when this province had the name the “country of beech trees” (Buchenland).

The Bucovina of today roughly corresponds to Suceava County and includes only the Southern part of the historical Bucovina, while the Northern part remained on the territory of Ukraine.

The relief in Bucovina is various, starting gradually from West to East: the mountains (The Eastern slope of the Oriental Carpathians), hills (the Sub-Carpathians) and high plateaus (Moldova’s Plateau).

The natural resources are distributed and positioned in relation to the relief units, which influence the land use structure. The activity from a certain rural community is influenced by the structure of land use, as well as by the social and economic development pattern of the respective rural area.

Bucovina has a favourable land use structure owing to the high share of agricultural and forest land, summing up 40% and 53% respectively of the total land area. Related to the national level situation, the agricultural land resources represent only two thirds, while the forest resources are almost twice as high.

The diversification of the land use categories represents an opportunity for the development of viable and profitable economic activities in different rural economy sectors of Bucovina.

The rural population in Bucovina works out at 336 585 inhabitants (46% of the total population of Suceava County); the active population represents 42% of the total population in the rural area from Bucovina.

The labour force represents one of the favourable factors fostering the development of the communities from Bucovina. This statement is also supported by the number, distribution by age and genders of the active and employed population in the rural areas of the Bucovina zone.

The employed population works out at 126 891 people and represents 90% of the total active population. The distribution of the employed population by gender reveals that the male population prevails, i.e. 55%, this meaning a stronger involvement of this category of population in the economic activities.

As far as the unemployment level is regarded, there is a similarity in the two genders, which means an equal exposure to risk for both categories: from the total number of unemployed, 51% are men and 49% women.

Most of the unemployed are found in the category up to 30 years old and in the category 30-40 years old, which means a favourable factor for the professional changing and an improvement of the social structure in the conditions of rural diversification.

The structure of the employed population is the following: the workers in the units providing services – 74%; handicraft activities – 4%, education – 14% and health – 3%. This structure reveals a low social emancipation level in Bucovina rural areas.

The employed population in one of the demographic factors with a dual effect in the process of rural diversification:

- It is a constraining factor, because a significant share of the population is employed in agricultural activities;
- It is at the same time a favouring factor, the population featuring a series of characteristics that foster the modernization process.

If we analyze the employed population from the age and gender points of view, there can be identified weak points that could induce a series of dysfunctions in the perspective of development through its occupational diversification.

The analysis of the employed population in relation to age does not reveal serious problems which could induce a demographic crisis which is incompatible with the economic diversification of activities.

In the rural areas from Bucovina, there is certain specificity in regard to the demographic patterns; yet, each pattern is unique in its own way. This needs different approaches having in view the endogenous development through the development of only those elements that could lead to the rural economic and social modernization.

The access ways

As regards the *road network*, due to the fact that it is located in the Northern part of the country, Bucovina is connected to every part of Romania through the network of national and European highways. Suceava municipality is at 447 km from Bucharest and at 325 km from Cluj-Napoca.

The DN 2 – E 85 national road, Bucharest – Bacău – Fălțiceni – Suceava – Siret connects the capital Bucharest to Suceava, this distance being covered in about 6 hours. The 17 A national road ensures the connection between Siret – Rădăuți – Sucevița – Câmpulung Moldovenesc and the 18 national road links Iacobeni – Ciocănești – Borșa, leading to Maramures. The national road (DN 17) passes through the Vatra Dornei town that is at 112 km from Suceava (at about 2 hours by car) reaching through the Tihuța gorge (mountain pass) leading to Transylvania.



Figure 1. Suceava County.

The *rail transport* from Bucharest to Suceava is via Bucharest – Băcău – Suceava – Vicșani, with the branches Suceava – Rădăuți – Putna and Suceava – Gura Humorului – Câmpulung Moldovenesc – Vatra Dornei – Sângerz Băi – Năsăud Beclean; these branches make the connection to Rădăuți and Câmpulung – Dorna localities. The transport by train from and to Transylvania is via Timișoara – Iași and makes the connection to the most important towns from the Western part of the country:

Arad, Oradea, Cluj-Napoca, Dej over the mountains to Bucovina, then following the route Vatra Dornei, Câmpulung Moldovenesc, Vama, Gura Humorului, Suceava.

As far as the *air transport* regards, there is an airport of Salcea, located at 15 km from Suceava, 75 km from Câmpulung Moldovenesc (about 50 minutes by car and 1 ¼ hours by rail) and 105 km from Vatra Dornei (about 2 hours by car and 3 hours by railway), this serving only the internal passenger traffic for the moment.

The main towns and spas have a *significant local transport network*, which facilitates the access of tourists to the objectives in the zone and provides the connection to the national and international transport network.

In Suceava, the public transport is supplemented by a private service which ensures transportation by minibuses. The transport ways represent a factor which favours the development in the perspective of enlarging the economic influence area of Bucovina to the Romanian regions, as well as to the neighbouring countries (both as the distribution of products produced in this zone and the services of rural tourism provided are concerned).

The incomes of Bucovina's population

The income of the population is a resultant indicator, which reveals the quality of economic and social activities at a household level, and, respectively, at a community level.

About 119.281 households are found in the rural area of Bucovina, with 324.470 people who work both on their own households and in other economic units; the average income per inhabitant per year is 10.086.000 ROL (348,61 Euro)¹.

The average income per inhabitant in the rural localities from Bucovina is higher than that in the rural localities from Suceava County, working out at 10.896.000 ROL per inhabitant (348,61 Euro), but it is lower than the urban income, which totalizes 16.455 000 ROL per inhabitant (526,47 Euro).

As the income sources are regarding, there are three categories of households:

- individual households (in which the main income source is obtained on the household as self-consumption and incomes from the sale of products obtained in the household);
- households consisting of employees (for which the main income source is wages);
- mixed households: employees + private household (for which the main income source is the wage, completed by incomes from the sale of products obtained in the household).

In the rural localities from Bucovina, the number of households obtaining incomes only from wage is only of 8,7%, while the share of those getting their incomes from wages and from their own household represents 12,5%. The remaining 78,8% is represented by the households where the people get their main income source from their own household. For the rural localities of the entire Suceava County, this structure of households, according to the income source, is maintained to a great extent. In a rural-urban comparison, from the point of view of income sources, we shall have the following situation: out of the total rural population, 83,3% earn their living from their own household, 13,8% have off-household incomes (as wages) and only 3% get their incomes from wages exclusively. While in the urban area the situation is reversed, i.e. only 16,8% get their incomes strictly from their own household, 7,1% get their incomes both from wages and their own households, while those having the wages as their only income source represent 76,2%.

In the case of the average income/inhabitant a higher income is found in the urban area than in the Bucovina rural area, i.e. 16.455.000 ROL per year (526,47 Euro) compared to 11.594.800 ROL per year (370,97 Euro); this can be explained by the prevalence of incomes under the form of wages in the urban area, which is significantly higher than the incomes obtained by the rural households from their own resources.

It is a paradox that higher incomes are found in the rural area in the case of the categories which prevail in the urban area, namely: incomes under the form of wages exclusively (16.241.100 ROL per year (519,63 Euro) in the rural area as opposed to 14.962.500 ROL per year (478,72 Euro) in the urban area. As the other income categories are regarded,

¹ Exchange rate in 2002: 1 Euro = 31,255,25 ROL.

the situation is more favourable in the urban area; in this case, there is another paradox, namely: for the incomes obtained from activities on the household, the urban area has an average income per inhabitant of 14.050.000 ROL per year (449,52 Euro) as opposed to 9.178.900 ROL per year (293,67 Euro) in the rural area; as regards mixed incomes (wages + incomes from own household), in the urban area the situation is better than in the rural area, i.e. an average income per inhabitant of 24.237.500 ROL per year (775,47 Euro) in the urban area versus 20.236.700 ROL per year (647,46 Euro) in the rural area.

The income of the population is an indicator which reveals the economic power of the respective community. By analysing this indicator, it results that the rural population in the Bucovina area has higher incomes than the population in other rural areas of Suceava County, and also than the urban population. It is the only rural area where this situation is found, and this is due to an accumulation of factors: the location – the Northern Moldova; the variety of relief, flora and fauna; the history and the traditions that influenced the mentality of the population in this areas.

The social and economic conditions of the Bucovina area

The social and economic development conditions at a national level, have also influenced the Suceava County, which tried to readjust to the new requirements of the market economy after a long period during which centralised economy prevailed. During the transition period, Suceava County went through reconstruction, privatization processes and even total or partial losses of some economic branches, as follows:

- the mining industry almost disappeared, although there are still some resources and reserves;
- the large companies in the light industry, having over 10 000 employees before 1990, almost disappeared;
- the companies in the machine-building industry are being re-organized almost entirely.

The best developed branches of industry in Suceava County are:

- the food industry, developed in direct correlation with the trends and orientations of agriculture; it is mainly based on animal products processing;
- wood processing, the development of which is determined by the large forestland areas. The timber production is concentrated in the mountain area of the county and in Fălticeni municipality;
- the paper and pulp industry processes the paper and wood wastes into industrial products demanded on the domestic and foreign markets;
- the industry of machines and machinery, represented by commercial companies that produce machine tools, tools, bearings, installations;
- the light industry represented by confection units, textiles, knitwear and footwear;
- the quarrying and processing of non-ferrous ores is developed in the county through the extraction of pyrites, copper ores, poly-metallic ores, barites.

In the rural area of Bucovina, the interest was focused on the food industry, because this has had the strongest impact upon the living standard of the farmers through two levels, under analysis: the incomes obtained after the sale of agricultural products (crop and livestock production) as well as the incomes under the form of wages for those involved in the agro-processing activities.

For the improvement of some very important socio-economic indicators – the increase of farmers' incomes, decrease of food expenses in the final consumer – one should have in view the shortening of the agri-food chain from farmer to consumer, getting the agro-processing industry as close as possible to the two links in the food chain.

In the case of food industry, a special situation can be found in the Bucovina areas: out of the ten food industry sub-branches, only four are present, namely: the milling and baking industry, meat industry, dairy industry, oil industry. The presence of these sub-branches in the Bucovina rural area can be explained by the orientation of the farm production towards the farmers' households, as well as by the fact that only those branches that were absolutely necessary for the inhabitants developed due to the perishable character of foodstuff.

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In relation to the fact that the agri-food development is determined by the general economic development to a greater extent than the reverse, the economic laws of the contemporary highly performing economies are valid in the Bucovina area, too.

The deep transformations that were produced in the agricultural sector of our country after the year 1990 were also reflected in the upstream branches, mainly in the food industry, which is the main final destination for the agricultural raw materials. As a result of the excessive fragmentation of the agricultural farms and of the supply of agricultural raw materials, the individual farmers bias to self-consumption increased, while as the processing capacities of the food industry remained underused or not used at all, as they had been sized for the very large agricultural raw material suppliers.

The main problem of agriculture, as well as of the other Romanian accounted economic sectors (food industry and not only) is the low efficiency level within the whole agri-food system, because of the lack of competitiveness. This is also revealed by the fact that, in comparison with the year 1989, an involution in the case of certain indicators can be noticed:

- the agricultural production decreased to 85,6% in 2001;
- the food industry production decreased at a higher rate, reaching 57,5% in 2001;
- the value ratio between the food industry production and the agricultural production decreased from 76,6% in 1989 to 51,4% in 2001 (this is an unfavourable ratio).

Weaknesses

Generally, the main trends at a national level are also found in the Bucovina area:

- the processing capacities in the food industry remained largely unused, with a high wear and tear and obsolescence level;
- the agricultural production decreased, fact that led to the decrease in the industrial production and to the diminution of the work volume in the industrial units, some of them even disappearing. This way, as it has been mentioned before, only 4 of the 10 sub-branches of the food industry are to be found in this area.

Strengths

- the food industry units that operate in Bucovina are the main income source for the population of this area;
- in the future, the development of the agro-tourism services will determine the increase of the demand for food products in the zone, leading to the increase of the purchasing power of the population respectively, thus increasing the motivation of the economic operators in the food industry.

The revival of the rural area through the agrifood chains

Due to its geographic location, and mainly to the history of this zone, Bucovina is a rural area where structures are operating and which define a complex and various rural living space. From this point of view, any type of development, modernization and diversification should be based upon the local specificity, upon those phenomena and processes that define each area in part.

The rural area of Bucovina is made up of many structural socio-cultural types that can have different, particular evolutions, and function on certain scenarios. Based on the opportunities and favouring factors of modernization and development, it is possible that a certain scenario may not be adequate to any rural area from Bucovina.

For the development of rural Bucovina communities, modernization strategies should be used, of offensive type that is through economic diversification (food industry development, rural tourism development).

This scenario provides the socio-economic diversification through the use of the multifunctional rural community area in terms of a maximum use of the economic and social opportunities.

Agriculture can be a rural development factor, i.e. it can become an important vector in inducing rural modernization and development, through the diversification of the livestock activity and the revitalization of the relations with the food industry; the economic consolidation of the current relations within the agri-food chains will represent an absolutely necessary factor.

For an efficient and sustainable cooperation between agriculture and food industry, efforts have to be made, namely: on one hand, farmers should be aware of the fact that without a commercial production (of a good quality, homogeneous and in larger quantities), individual agricultural farms will incur only losses in their operation, as their activity will generate only costs, and not incomes, resulting in their gradual disappearance.

A favouring factor in the commercial development of the agricultural production could be the establishment of cooperation arrangements between the agricultural producers, which should give them the necessary economic strength in order to negotiate in front of the economic operators supplying them raw materials, but also taking over their agricultural products for processing purposes. The organizations of the agricultural producers are defined as legal entities established by their members with the goal of increasing their incomes through the improvement of production, marketing and local activities.

The organizations of the agricultural producers can be established at a village level or at a communal level. They can send their representatives at regional and national level in order to influence the political decisions: on the other hand, the economic operators from the agri-food industry should improve the mechanisms for collecting the agricultural products, as well as for the pricing of their products so that these should correspond to the efforts made by farmers. The agri-food industry should consider the investments that they could make in equipment and other installations at the level of the local collectors as an investment for improving the processes of obtaining the raw materials for the agro-processors.

The main direction in the development of the rural communities is the rural diversification through economic and demographic opportunities. Rural tourism, the agro tourism, the small and medium-sized food industry enterprises and the services for the protection and preservation of the environment will be able to provide conditions for a sustained participation of the active population, through the absorption of the labour force surplus. This way, the local demand will mainly increase the demand of tourism services and foodstuff originating outside the local rural area.

The hypothesis of this development pattern is the support of the local initiatives, the support of the existing relations in the proximity of some economic resources and entrepreneurial behaviours. The marginalization processes should be avoided by the involvement of the rural population in the implementation of the development strategies.

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