

SUSTAINABLE DEVELOPMENT OF THE AGRICULTURAL SECTOR IN THE REPUBLIC OF MOLDOVA

Cristina TENTIUC¹, Natalia MOCANU¹

e-mail: tentiukcristina@mail.ru

Abstract

The issue of sustainable development of the agriculture in the Republic of Moldova has become very important lately. Thus, the sustainable development of the agriculture in the Republic of Moldova can be defined as a continuous and consecutive growth of the agricultural activity results. The development of the agricultural sector is of major importance for the Republic of Moldova. The rural population is 58%, whose income comes from agriculture or from other agricultural activities. That's why, the state should support the rural population, whose income is directly dependent on the agricultural sector.

The main objectives of the rural development department are: creating viable rural areas, stimulating economic growth, increasing competition in the agriculture, food and forestry sectors, ensuring a sufficient level of self-sufficiency, rational use of natural resources and tackling climate change, setting favorable conditions for improving the quality of life in rural areas. The Republic of Moldova still has to work on them.

Key words: sustainable development, rural space, rural economy

The emergence of the rural development concept in the 1980s was a fundamental challenge to the exceptional position of agriculture by questioning the prevailing correlation between "rural" and "agrarian". The crucial factor in breaking up this equation was the increasing dependence of the rural economy on non-agricultural activities, such as mining, tourism, crafts, etc. Even in countries like Ireland and France diversification has been a key theme of policies to support rural communities as agriculture's contribution to rural economy is steadily decreasing. That is why the policies of the European states are mainly oriented towards the economic, social and cultural development of the rural areas. Agriculture cannot be regarded as a single component, though often the most important, of political interventions designed to support the structure of the "rural area". Only one chapter of the White Paper on Rural Development in England was dedicated to the future of agriculture, focusing on protecting the environment, supporting social services from villages, improving transport and housing infrastructure. The French Minister for Agriculture noted in 1997: "... without agriculture, our rural environment will disappear. But without services, the whole agriculture will disappear ". (Alan G., 2009).

MATERIAL AND METHOD

The development of the rural environment was analyzed based on several specific indicators meant to capture degree of development of the rural economy in Republic of Moldova, in the rural area, in particular.

The objective of the given research is the rural areas of the Republic of Moldova in development process. Principal data originates from the statistics, articles published in dedicated magazines and data obtained from the Ministry of Agriculture and Food Industry.

The research methodology is based on the following methods: logical and dialectical methods, analysis, synthesis, scientific abstraction. We studied the data provided by the National Bureau of Statistics of the Republic of Moldova,

RESULTS AND DISCUSSIONS

Very often the notion of development is often identified with growth, although they are not synonymous.

Growth is the expansion of all economic activity into a territory; it is measurable by the increasing number of jobs, by increasing the incomes of the population. The programs that generate these increases put an emphasis on the immediate creation of jobs, generally with the state support.

¹ State Agrarian University of Moldova

The development is aimed at the sustainable growth of individual, community and institutional productivity, which can lead to high income for individuals.

From a conceptual point of view rural development has multiple spheres of coverage:

- **Local development** includes concepts related to the development of a given settlement and of its immediate surroundings; it concerns local communities (villages, communes) and households.

- **Territorial (or regional) development** refers to large investments, to the development of regional or multi-regional infrastructures, created through interdependence relations at regional level.

- **Cross-border rural development** is created through the economic, social and cultural links between the border communities of different countries and has the ultimate goal of developing the respective areas.

- **Pan-European rural development** is characterized by the spread of the phenomenon at the continental level. (Vincze M., 2000)

The concept of sustainable rural development began to emerge after the United Nations Environment Conference held in Rio de Janeiro in 1972 and after the creation of the World Environment and Development Commission (1985). At the United Nations Conference on Environment and Development, held in Rio de Janeiro (Brazil) in 1992, where 178 countries and over 100 heads of state and government participated, there was marked a new stage in the concept clarification and transposition in practice (Zahiu L., 2001)

The first three principles of the Rio Declaration show that:

- peoples have the right to a healthy and productive life, in harmony with nature;

- today's development must not undermine the development and environmental needs of present and future generations;

- nations have the sovereign right to exploit their own resources, but without causing environmental damage beyond their borders.

The concept of sustainable development has been closely linked to economic and environmental developments; it is a long process of slow change that allows the long-term use of the environment. The coordinates of sustainable rural development should start from the three-dimensional analysis of the rural space: economic, social and environmental.

Sustainable development is the development process that meets current requirements without affecting the ability of future generations to meet their own requirement. Sustainable development is

understood as a new type of economic growth. The emergence of the concept of sustainable development brought theoretically new terms that had to be conceptualized to become operational. Thus, there appeared such terms as:

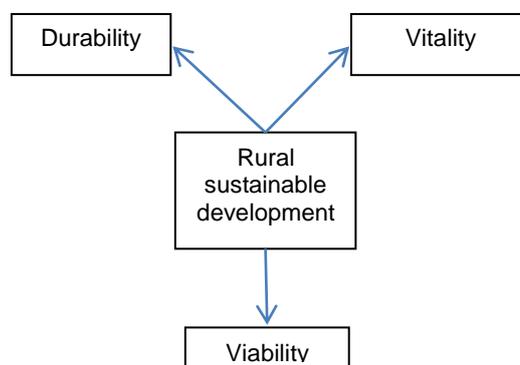


Figure 1. **Terms of sustainable rural development**
Source: elaborated by the authors

Sustainable development has several economic and social goals, including:

- economic support and development, taking into account the conservation and protection of natural resources;

- meeting the essential requirements of work, food, energy, water, housing and health care for people;

- achieving a new quality of the economic growth processes;

- controlled population growth;

- preserving and increasing the resource reserve;

- technological restructuring and control of possible risks;

- integrated approach to environmental protection, economic growth and the need for energy.

The basic principles on which sustainable development is built are outlined below.

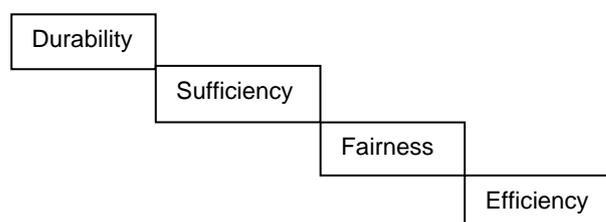


Figure 2. **Principles of sustainable development**
Source: elaborated by the authors based on the literature

The rural economy of the Republic of Moldova is poorly diversified and still dependent on agricultural activities, which results in reduced incomes for rural entrepreneurs.

Monthly average monthly income per person of rural localities in 2015 is lower around 30.0% than urban localities.

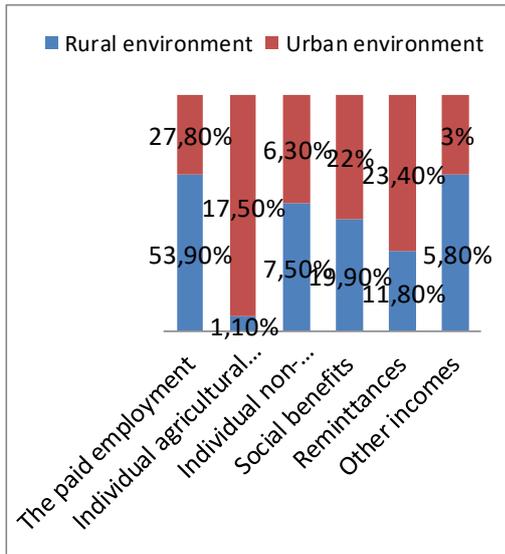


Figure 3. Monthly average earnings, percent, per person, by Sources Income, Medium and Socio-Economic Status, Year 2015

The source: developed by the authors based on the data of the National Bureau of Statistics

The highest share in the total urban disposable income is 53.9%, followed by social

benefits - 19.9%, including pensions - 16.2%, and in the rural area the employed activity is only 27.8% individual agricultural activity - 17.5%, while social benefits make up 22%, including pensions - 18.8%.

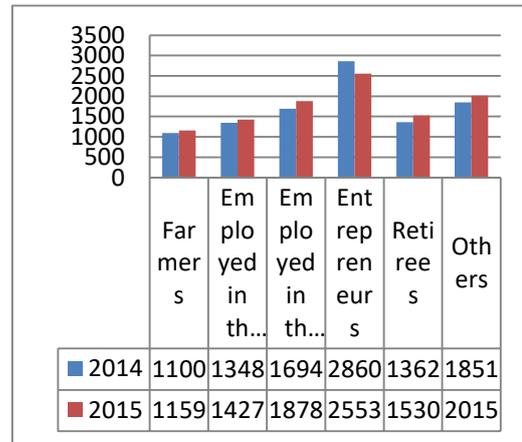


Figure 4. Monthly average income per person in rural areas

The source: developed by the authors based on the data of the National Bureau of Statistics

SWOT analysis of the agricultural sector from the Republic of Moldova

Table 1

STRONG POINTS	WEAK POINTS
<ul style="list-style-type: none"> • Major importance of the agriculture, food and forestry sector in the structure of the national economy; • Rapid technological progress of agricultural processes and rural development; • Favorable geographical position for agricultural trade, food and other products production; • Existing land resources adequate to agricultural production; • Increasing importance of small and family farms in the rural development process; • Establishment of the research, training and consulting network; • Developed public Internet access network, high level of Internet access; • Unpolluted environment, high biodiversity; • Favorable conditions for the development of organic farming; • Picturesque landscape, attractive for the development of tourist activities and recreation needs; • Preservation of cultural heritage in rural areas; • Social consolidation, partnership between the rural area and growth of the commune activities, leading to the creation of jobs in rural areas 	<ul style="list-style-type: none"> • The uneven intensity of agricultural production, the unfavorable agricultural structure and the underdeveloped rural infrastructure; • Irrational use of land resources, slow land consolidation; • Low level of mechanization of small and medium-sized farms, old equipment and technologies, insufficient investment capacity of these subjects; • Poor cooperation and reduced activity of producers organizations; • Insufficient risk management measures related to the impact of the extreme climatic phenomenon on agricultural production; • Insufficient organization of reproduction; • Lack of professional skills of people living and working in rural areas; • Insufficient level of scientific research, experimental development, innovation and inefficient application in practice; • Potential of the forestry sector used with insufficient efficiency; • Low level of business skills of the rural population; • Unbalanced income of rural population (between men and women in rural areas); • Underdeveloped service sector in rural areas, insufficient social infrastructure; • Unfavorable structure of the age of farmers and other people in rural areas; • Insufficient quality of life in rural areas; • Insufficient level of community and volunteering;
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • Development of production and sale system on domestic and foreign markets; • Increasing demand for ecological products of exceptional 	<p>THREATENINGS</p> <ul style="list-style-type: none"> • Increased competition on international and local markets and the instability of these markets; • Unstable international economic situation;

<p>quality on local and foreign markets;</p> <ul style="list-style-type: none"> • Increasing need for food safety in the world; • Development of producers cooperation; • Development of biomass energy technologies in rural areas; • Development of practical scientific research services, innovations, consultations and demonstrations; • Use of abandoned and poor soils for afforestation; • Strengthening the business skills of rural communities; • The attractiveness of rural areas; • Strengthening international and territorial cooperation; • Public orientation towards alternative activities in rural areas; • Favorable environment for small, medium and family businesses 	<ul style="list-style-type: none"> • Inadequate support of the CAP in the EU Member States, leading to unequal conditions of competition; • Negative change of rural landscape; • Climate change, increased frequency of the extreme climatic phenomenon; • Emigration and "brain drain" from the rural areas due to more favorable working and living conditions in cities and on the international labor market; • Increasing number of socially vulnerable people and families; • Epidemics of infectious diseases of plants and animals.
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Source: elaborated by authors

CONCLUSIONS

In order to effectively manage the sustainable development of the agricultural sector, it is necessary :

- To continue upgrading applied technologies;
- To provide preferential credits to farmers;
- To create eligible conditions for all categories of entrepreneurs;
- To promote support for rural entrepreneurs by the state;
- To promote innovations in rural development, to support scientific research and apply its results, as well as cooperation between business and science;
- To promote the development of participants' administrative capacity in rural development as well as lifelong learning;
- To improve the competitiveness of agricultural subjects and to create added value in farms, also to encourage the launch of young farmers;
- To increase employment in rural areas, to create new jobs and to keep existing ones in the non-agricultural sector;

- To preserve biodiversity and landscape, to support organic farming and proper management of land and other natural resources;
- To preserve and grow forest ecosystem value, to adapt to climate change;
- To promote local community development, to increase services accessibility for rural residents, to improve rural infrastructure, to preserve cultural and natural heritage and landscape;

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