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# THE VILLAGE IN THE REPUBLIC OF MOLDOVA: ACHIEVEMENTS AND HOPES

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**Abstract:** *In the present study, the authors are reflecting upon the concept and the achievements of the part of the agrarian reform dealing with the economic and social development of the village in Moldova, which has as main task "the peasant's social and economic protection", as well as upon the national Program „The Moldovan Village” which covers the legal framework for the sustainable rural development during 2005-2015”. Today, almost a quarter of a century since the adoption of the agrarian reform and of the concept of the village's social and economic development, we are presenting a rural development evaluation study.*

**Key words:** *rural space, village, economy, culture, development, efficiency*

## INTRODUCTION

According to the Constitution, the Republic of Moldova's territory "is organized, administratively, in villages, towns, districts...". In January 1, 2014, the 1682 localities in our country included five municipalities, 61 cities comprising 41 localities, 916 villages where the village councils are located and 659 communes. Thus, the basic unit of the rural space in our country is *the village*.

By declaring its independence in August 27, 1991, our country has decided to consolidate its place among the democratic nations of the world and to reform its economy according to the requirements of the Moldovan Parliament Decision of July 25, 1990, which indicated "... the transition to a market economy as a model of management...".

Our village is passing through a difficult stage of changes generated by the circumstances of the market economy system and openness to the world, marked frequently by dynamism, often by uncertainty and risk, sometimes even hostility. Obviously, the situation forces us to step up research processes that occur in rural areas, the study of factors influencing rural development, to outline some proposals for village development in our country, this is giving the actuality of the study (Certan, 2001; Certan&Certan, 2012).

Studies on Moldovan village development are reflected in national and international research. Based on research, the Parliament adopted "The concept on the agrarian reform and of the social and economic development of the village" in February 15, 1991, as well as the National Program "Moldovan Village" from 2005 to 2015 in 2005.

Although this problem has been discussed at various official meetings in our country, tackled in scientific meetings, exposed in various national and international publications, the village in the Republic of Moldova has a difficult and controversial development.

This situation led us back to research on the village development in our country, to estimate the achievements of the provisions of the "Concept" and "Program" above. This study has enabled us to come up with some recommendations on increasing efficiency of the village development in our country.

## MATERIAL AND METHODS

In the present research we used the concept of agrarian reform and of social and economic development of the village (hereinafter the Concept) and the National Programme "Moldovan Village" 2005-2015. The documents used in research included also legislation of the European

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Union and Republic of Moldova, textbooks, monographs and other publications on the subject, proceedings of national and international conferences.

The quantitative analysis is performed based upon information selected from both Moldovan National Statistics Bureau and Eurostat. Quantitative analysis is performed based on the information selected from statistical yearbooks of the National Bureau of Statistics of Moldova and Eurostat. The empirical study, and the analysis of the links provided us meanings and explanations relevant to the phenomena or processes that have occurred or occur in the villages of our country. In the research, specific methods and techniques of economic investigations were applied.

## RESULTS AND DISCUSSIONS

### 1. *The village: natural potential*

The fate of the village is influenced firstly by the *natural potential* which, according to Bran (1987), is participating with the "force of its laws and goods", substance (s), energy (e) and information (i), goods in natural state, "manufactured by physical, chemical and biological movements of the material". The natural potential of our country is usually segmented into three areas: North, Center and South.

The climate conditions in 2013 were characterized by 9.4°C annual average air temperature in Briceni (in the North), 11.1°C in Chisinau (in the Center) and 11.5°C in Cahul (in the South); the absolute maximum were 32.6°C, 33.3°C, and 24.1°C, while the absolute minimum was -16.4°C, -12.9°C and -13.3°C respectively. The annual amount of precipitation in 2013 from Briceni was 639 mm, 531 mm in Chisinau, and 516 mm in Cahul. Relative humidity was 75%, 71% and 74% respectively.

Particularly important are the 3,085 large and small rivers. The main rivers are Nistru (1,352 km in length, of which 660 km on the territory of the Rep. Moldova; Prut, with 967 km in length (including 695 km on the territory of the Rep. Moldova), Raut (286 km on our territory), Bic (155 km) and Botna (152 km).

The aquatic resources are represented as well by the natural lakes Belevu (area of 6.26 km<sup>2</sup>), Manta (4.5 km<sup>2</sup>), Sălaș (3.72 km<sup>2</sup>) and others, by artificial lakes such as Dubăsari (67.5 km<sup>2</sup>), Stâncă-Costești (59.0 km<sup>2</sup>), Cuciurgan (27.3 km<sup>2</sup>) etc. The national hydrographic network includes also about 3000 mineral water sources such as those in Onițcani, Hîrjăuca, Cornești, Cotova and others. This network includes also the thermal waters in Ungheni (1020-1028 m depth), and those around the village of Chioselia (850-1100 m depth).

Forests and other forest land represents 450,400 ha (that is 13.5% of land), placing us among the least wooded countries in Europe. Natural protected areas represent 1.42% of the country area, including the state natural reserves such as Pădurea Domnească (Glodeni) (5736 ha in area), Plaiul Fagului (Ungheni) (5552 ha), Codrii (Strășeni) (5177 ha), Prutul de Jos (Cahul) (1691 ha) and Iagorlic (Dubăsari) (1044 ha).

Of particular interest are the 86 geological and paleontological monuments, with a total area of 2681.8 ha, such as the cave "Emil Racoviță", the "Rashkov" complex etc.

The most important component of the natural potential is the land fund, which, at the beginning of 2015 stood at 3384.6 million ha with diverse mix of relief and many reservations and spectacular scenery such as Saharna, Țipova Trebujeni and others. The soils are mainly chernozems (80%), containing 2.5-5% humus, which provides increased fertility of agricultural land. The quality average mark is 68 points.

The concept on the agrarian reform and of the social and economic development of the village, initiated by the Parliament of the Rep. of Moldova dated February 15, 1991, shows that "the main part of the agrarian reform is the reform of land relations. The main orientation of the land reform is demonopolization of state ownership of land and, as a result, acknowledgement of land as a commodity, and of different types of property in agriculture". On January 01, 2014, the privately

owned land area was 1,848,400 ha (table 1), representing approximately 73.9% of the agricultural land.

The agricultural land dominates in the land fund, by 2,500,100 ha (73.87% of the total), of which 1,848,400 ha (73.93% of total agricultural land) in private ownership. Among public agricultural land, pastures are dominating (52.7%), followed by arable land (40.6%); while among private agricultural land, the arable land (85.9%) and perennial plantings (14%) are dominating.

Table 1 – Agricultural land (January 1, 2014)

Item	Total		<i>din care:</i>			
			Publică		Privată	
	mii ha	%	mii ha	%	mii ha	%
Agricultural land - total, <i>of which:</i>	2500.1	100	651.7	100	1848.4	100
- arable land	1816.1	72.6	264.7	40.6	1551.4	85.9
- perennial plantations, <i>of which:</i>	295.3	11.8	37.5	5.8	257.8	14.0
- orchards	135.8	5.4	21.8	3.3	114.0	6.2
- vineyards	141.2	5.6	8.2	1.3	133.0	7.2
- pastures	348.0	13.9	343.4	52.7	4.6	0.2
- hayfields	2.0	0.1	1.5	0.2	0.5	0.0
- fallow	38.7	1.6	4.6	0.7	34.1	1.9

Source: Statistical Yearbook of Rep. Moldova

## 2. Human potential

The statement of Adam Smith (1992) that human activity creates the mass of applies to the man in the village as well, who, through work, over time, has shaped the rural space as needed and is applying it to achieve the goal that "consists of the peasant's social and economic protection", which requires the study of human potential contribution to rural development (Certan&Certan, 2012).

Total population in our country is decreasing slightly, from 4.3616 million people in 1990 (table 2) to 4.3479 million in 1995, and this is due to the reducing population's natural increase from 8.0 ‰ to 0.8 ‰. Further reduction of the population in 2000 down to 3.6441 million after 1996 is because statistics did not include anymore residents in the districts from the left side of the river Nistru. After the year 2000 the population continues to decline, reaching 3.5576 million in 2014, due both to declining natural increase and emigration.

Table 2 – Resident population, by residential area

Year	Population (thousand inhabitants)			% in total		natural increase (‰)		
	Total	urban	rural	urban	rural	total	urban	rural
1990*	4361.6	2069.3	2292.3	47.4	52.6	8.0	9.3	6.6
1995	4347.9	2033.0	2314.9	46.8	53.2	0.8	1.5	0.2
2000	3644.1	1514.2	2129.9	41.5	58.5	-1.1	-0.4	-1.8
2005	3600.4	1476.0	2124.4	41.0	59.0	-1.9	-0.4	-3.0
2010	3563.7	1476.7	2087.0	41.4	58.6	-0.9	1.1	-2.3
2011	3560.4	1481.7	2078.7	41.6	58.4	0.0	1.4	-1.0
2012	3559.5	1485.7	2073.8	41.7	58.3	0.0	1.4	-1.1
2013	3559.5	1492.2	2067.3	41.9	58.1	-0.1	0.9	-0.8
2014	3557.6	1503.0	2054.6	42.2	57.8	-0.2	0.6	-0.9

Note: \* Data are for the whole country

Source: authors' calculations based on the Statistical Yearbooks of Rep. Moldova

The rural population dominates. The share of the rural population increased from 52.6% in 1990 to 59.0% in 2005, then had a clear decreasing trend, down to 57.8% of the total population in

2014. It is significant that after 2005 the urban population is growing, which is due to internal migration from rural to urban.

The natural increase in urban areas is higher, varying between 9.3‰ in 1990 to -0.4‰ in 2005. In rural areas it decreased from 6.6‰ in 1990 to -1.8‰ in 2000 and subsequently it has negative values only. On January 01, 2014, the rural population was 2,054,600 persons (57.8% of total). The aging coefficient was 15.7%, exceeding the demographical aging rate (12%) measured on the G. Bojio- Gamier scale.

The number of active persons decreased from 1.696 million in 1995 (table 3) down to 1.236 million in 2013 (by 27.13%). The activity rate decreases more intensely, from 47.1% in 1995 down to 34.7% in 2013 (by 26.3%).

Table 3 - Distribution of population by participation in economic activity in Rep. Moldova

Item	1995	2000	2005	2010	2011	2012	2013
Population – total, <i>of which</i> :	3604	3639	3595	3582	3560	3560	3558
- economically active population (thousand pers.)	1696	1655	1422	1235	1258	1215	1236
- activity rate (%)	47.1	45.4	39.5	34.7	36.3	34.1	34.7
Population employed in economy (thousand pers.)	1673	1515	1319	1143	1173	1147	1173
- employment rate (%)	46.5	41.2	36.6	32.1	33.0	32.2	32.9
Population employed in agriculture (thousand pers.)	710	765	537	315	323	303	338
- employment rate in agriculture (%)	42.8	50.5	40.7	27.5	27.5	26.4	28.8
Number of persons that left the country	5432	9128	6827	4714	3920	3062	2585

Source: authors' calculations based on the Statistical Yearbooks of Rep. Moldova

The number of people employed in the economy decreased from 1.673 million in 1995 down to 1.173 million in 2013 (by 29.9%). The number of people employed in agriculture has decreased even more drastically, from 711 thousand in 1995, down to 338 thousand in 2013 (2.1 times), and the employment rate in agriculture decreased from 42.8% in 1995 down to 28.8% in 2013.

The number of people that left the country increased from 5432 persons in 1995 to 9128 in 2000, and then steadily declined, down to 2585 persons in 2013.

Total employment in the national economy decreased from 1.2472 million in 2007 (table 4) down to 1,1728 million persons in 2013 (by about 6%), while those employed in rural areas decreased from 698,600 persons in 2007 (56% of total employment), down to 622,300 persons (53% of total employment) in 2013. The number of people employed in agriculture in rural areas decreased from 392.1 thousand persons (56.1% of all employment in rural areas) in 2007, down to 317,3 thousand persons (51.0%) in 2013. Very few (8.2% in 2007 and 8.5% in 2013) are employed in the industry.

Table 4 – Employment, by residential area and age groups (thousand persons)

Item	Total		<i>of which, by age groups:</i>											
			15-24 years		25-34 years		35-44 years		45-54 years		55-64 years		65 years and over	
	2007*	2013	2007	2013	2007	2013	2007	2013	2007	2013	2007	2013	2007	2013
Active population	1313.9	1235.8	140.5	118.5	263.0	318.1	324.2	290.8	372.5	310.4	168.3	173.3	45.5	24.5
Employment	1247.2	1172.8	120.2	104.3	247.7	298.7	310.5	277.8	359.8	298.8	163.7	168.8	45.4	24.4
- in rural areas	698.6	622.3	65.8	59.5	115.1	130.3	173.8	146.2	206.2	175.2	99.9	94.4	37.5	16.6
<i>of which:</i>														
- in agriculture	392.1	317.3	26.5	25.9	56.3	55.4	89.3	71.5	115.3	92.2	68.7	57.4	35.9	14.9
- in industry	57.4	53.1	10.7	6.8	11.5	14.1	15.0	15.2	15.1	12.4	5.0	4.6	0.0	0.0

Note: \*2007 is the first year when the National Bureau of Statistics of Rep. Moldova releases this information

Source: authors' calculations using data from „Labour in Rep. Moldova. Employment and unemployment”, National Bureau of Statistics, Chişinău, Rep. Moldova, 2007, 2014

The share of young people aged 15-34 employed in the national economy in 2007 was 29.5%, while those employed in rural areas was 25.9%; while the respective shares were in 2013 34.4% and 30.5% respectively. We are happy that the share of young people coming into agriculture increased in this period from 6.7% to 8.1%, but it remains insufficient.

Employment in the private sector increased from 871.1 thousand persons (69.8% of total) in 2007 (table 5) to 876.9 thousand persons (74.0% of total) in 2014.

The number of people employed in the private sector in rural areas increased from 530.9 thousand persons (76.0% of total) in 2007, to 504.5 thousand persons (78.0% of total) in 2014. Most of those in the private sector are employed in agriculture, accounting for 72.5% in 2007 and 67.7% in 2014 of total employment in the private sector in rural areas. In the public sector only those employed in public administration, education, health and social assistance are dominant.

Table 5 – Employment by economic areas and ownership (thousand persons)

Item	2007			2014		
	total	private	public	total	private	public
Total employed population	1247.2	871.1	326.5	1184.9	876.9	307.9
Population employed in rural areas, of which in:	698.6	530.9	153.0	646.9	504.5	142.4
- agriculture, hunting and forestry	392.1	384.8	3.8	344.6	341.4	3.2
- industry	57.4	41.8	6.9	55.3	51.4	3.8
- constructions	32.5	31.5	0.0	32.1	31.5	0.0
- wholesale, retail, hotels and restaurants	53.3	50.2	1.9	57.1	53.9	3.2
- transportation and communications	21.6	10.6	10.9	21.1	11.3	9.8
- public administration, education, health and social assistance	124.3	2.9	121.1	112.8	2.1	110.7

Source: authors' calculations using data from „Labour in Rep. Moldova. Employment and unemployment”, National Bureau of Statistics, Chişinău, Rep. Moldova, 2009.

Totalul salariaţilor s-a micşorat de la 831,7 mii persoane (66,7% din totalul celor ocupaţi) în 2007 (tabelul 6) la 797,6 mii persoane (67,3% din totalul celor ocupaţi) în 2014 (cu 4,1%). Cu circa 8% s-a micşorat numărul salariaţilor din mediul rural. În ambele cazuri s-a redus şi numărul lucrătorilor pe cont propriu.

All employees (wage earners) decreased from 831.7 thousand persons (66.7% of those employed) in 2007 (table 6) to 797.6 thousand persons (67.3% of those employed) in 2014 (by 4.1 %). The number of employees in rural areas decreased by about 8%. In both cases the number of self-employed workers decreased as well.

Table 6 – Employment by main economic activities (thousand persons)

Item	Total, of which:		wage earners		self-employed workers		unpaid family workers	
	2007*	2014	2007	2014	2007	2014	2007	2014
Total employment	1247.2	1184.9	831.7	797.6	375.2	350.3	29.0	27.8
Employment in rural areas, of which in:	698.6	646.9	355.4	326.9	313.5	288.7	27.5	27.8
– agriculture, hunting and forestry	392.1	344.6	82.5	64.4	283.3	252.1	26.1	27.7
– industry	57.4	55.3	54.6	52.7	2.4	2.6	0.0	0.0
– constructions	32.5	32.1	15.7	11.0	16.4	21.2	0.0	0.0
– wholesale, retail, hotels and restaurants	53.3	57.1	42.4	46.9	8.3	7.3	0.0	0.0
– transportation and communications	21.6	21.1	19.3	17.6	2.3	3.4	0.0	0.0
– public administration, education, health and social assistance	124.3	112.8	124.2	112.3	0.0	0.0	0.0	0.0
– other activities	17.3	23.8	16.7	22.0	0.0	1.7	0.0	0.0

Note: \*2007 is the first year when the National Bureau of Statistics of Rep. Moldova releases this information

Source: authors' calculations using data from „Labour in Rep. Moldova. Employment and unemployment”, National Bureau of Statistics, Chişinău, Rep. Moldova, 2009, 2014

The number of wage earners and self-employed workers decreased in all branches except those employed in wholesale and retail trade, hotels and restaurants: the number has increased by 7%, while those involved in other activities decreased by 37%.

In terms dictated by competition economy, by the increased dynamics of change, proficient employees and self-employed workers are needed (Gavrilescu, 1997). That proficiency, according Boettinger, is acquired through "methods handed down from teacher to student ...", through education, which ultimately is contributing to providing the country, including our villages, with productive and efficient people. Making people productive through education, says Peter Drucker, "is the first of the challenges of our age".

The total employed population with higher, vocational special secondary and secondary education, in other words with vocational training are about two thirds (table 7) and vary insignificantly from 62.8% in 2013 to 62.98% in 2010. Shares are different when analysing the share of population with higher, vocational special secondary and secondary education in total self-employed workers, which are 35.47%, respectively 44.34% in the analyzed years; while the shares are 36,62% în 2008 și 39,37% în 2010 in the total of those working in agriculture, hunting and fishery.

In total employment, the number of those with higher education increased from 20.4% in 2008 to 25.3% in 2013. Definitely lower is the share of self-employed people with higher education, even if it increased from 4.12% in 2008 to 5.85% in 2013. Even lower (3.27% in 2008, 3.84% in 2010 and 4.00% in 2013) is the share of those with higher education in total employment in agriculture, hunting and fishery. Obviously, the quality of education at all levels, of higher education included, should match the requirements of the day regarding the training of productive and efficient people (Rusu, 2005).

Table 7 – Employment, by education level (thousand persons)

Item	Year	Total	of which, with education:					
			higher	special secondary	professional secondary	highschool	secondary	primary, no education
Employment, total, of which:	2008	1251.0	255.7	206.3	319.0	252.3	203.0	148.0
	2010	1143.4	262.8	180.2	277.2	236.8	178.1	8.3
	2013	1235.8	312.7	180.8	274.9	238.2	220.5	8.8
– self-employed workers	2008	358.9	14.8	35.2	97.3	95.0	106.1	10.0
	2010	297.0	14.7	26.4	90.6	79.4	81.6	4.3
	2013	332.4	19.4	22.0	76.5	60.9	96.2	4.8
– in agriculture, hunting and fishery	2008	388.6	12.7	30.1	99.5	105.1	128.3	12.9
	2010	314.7	12.1	24.8	87.1	84.3	99.6	6.7
	2013	337.9	13.5	29.4	87.9	78.5	122.1	6.5

Source: authors' calculations using data from „Labour in Rep. Moldova. Employment and unemployment”, National Bureau of Statistics, Chişinău, Rep. Moldova, 2009, 2011, 2014

The man from the village, over time, through work, has shaped the rural area according to its needs which, according to the concept of agrarian reform and social and economic development of the village, "consists in the peasant's social and economic protection", involving the following functions specified in the "European Charter of rural areas" (1995):

- economic*, which includes sustainable use of natural resources, development of an efficient agricultural production system, promote tourism and other services;
- organic*, which means protecting the natural bases of healthy life (land, air, water), maintaining the diversity and the specific character of the landscape, preserving biological systems;
- socio-cultural*, which refers to preserving community and cultural traditional values linked to the rural way of life, to preserving the values embodied in rural communities.

### 3. The evolution of the economy in the rural areas

Agriculture, for any country, including for Rep. Moldova was and remains the most present economic activity in rural areas, even if the contribution of agriculture to GDP decreased from 36.14% in 1990 (table 8) down to 15.23% in 2014.

Table 8 – Contribution of economic activities to the GDP formation

Item	1990	1995	2000	2005	2010	2011	2012	2013	2014
GDP, in comparable 2005 prices (USD billion)	5.96	2.39	2.12	2.99	3.50	3.73	3.70	4.05	4.21
PIB per capita (USD), of which in:	1613	650	583	831	983	1047	1040	1138	1191
- agriculture	36.14	33.02	29.03	19.53	14.45	14.26	13.43	14.29	15.23
- industry	36.65	32.15	21.72	16.34	15.91	16.84	16.71	17.11	16.69
- services	27.21	34.83	49.25	64.13	69.64	68.90	69.86	68.60	68.08

Sursa: calculele autorilor pe baza datelor Băncii Mondiale (<http://data.worldbank.org/indicator>)

The global agricultural production obtained in the public sector ranges from MDL1,022 million (9.9% of the total) in 1995 (table 9) to MDL 88 million (0.97% of total) in 2005, then, if calculated in comparable 2005 prices decreases from MDL 117 million (0.94% of total) in 2005 down to MDL 42 million (0.42% of total) in 2012.

Table 9 – Global agricultural production in comparable 2005 prices (MDL billion)

Item	1995*	2000*	2005*	2005**	2010**	2011**	2012**
Total, of which:	10293	7919	9080	12402	12147	12758	9909
- public	1022	98	88	117	79	66	42
- private, of which in:	9271	7819	9092	12285	12068	12692	9867
- colective (cooperatives)	5143	2034	2652	3508	3813	4054	3191
- farms	240	2434	6440	8777	8255	8638	6676
- households	3888	3351					

Notes: \* in comparable 2000 prices

\*\* in comparable 2005 prices

Source: Statistical Yearbooks of Rep. Moldova

In the private sector, the agricultural production coming from households and farms holds the largest share, increasing from 44.5% in 1995 to 71.4% in 2005, then decreasing to 67.7% in 2012.

But even in the most unfavorable year (2012), the households and farms, while holding about 43.8% of agricultural land only, achieved 67.37% of the total agricultural production in the country: 58% of crop production and about 87% of animal production.

The situation in agriculture is largely influenced by investments. Total investments in fixed assets for agricultural production increased from MDL 90.7 million in 1995 (table 10) to MDL 1785.1 million in 2013 (about 20 times).

Table 10 - Investments in fixed assets for development of agriculturii (MDL million)

Item	1995	2000	2005	2010	2011	2012	2013
Investments in fixed assets for agricultural production, of which:	90.7	58.9	425.1	1045.6	1808.2	1641.8	1785.1
- in the public sector	25.5	8.2	42.9	30.8	47.5	46.1	32.8
- in the private sector	64.5	46.2	341.0	862.5	1444.1	1434.7	1647.8
- in the mixed sector (public and private)	0.7	3.8	6.4	0.9	3.0	0.7	0.5
- in joint ventures enterprises	-	0.3	30.3	123.2	234.5	92.4	26.4
- in enterprises belonging to foreign investors	-	0.4	4.5	28.1	78.9	67.9	77.5

Source: authors' calculations based on information selected from <http://www.statistica.md>



In the analyzed years, investment in agriculture increased 1.29 times in the public sector and 25.5 times in the private sector. The contribution of foreign investors increased 194 times, but its share in total investment in 2013 was 4% only, which is far too low.

After independence major changes have occurred in branches contribution to total agricultural production. During 1995-2013 crop production dominates, its share varying between 61.5% in 2012 (table 11) and 72.3% in 2013. Cereals are the main crop, with an increasing share, from 17.9% in 2012 to 28.8% in 2013.

Table 11 - Structura producției agricole pe ramuri în gospodăriile de toate categoriile (%)

Specificare	1995	2000	2005	2010	2011	2012	2013
Total agricultural production, of which:	100	100	100	100	100	100	100
- crop production, of which:	70.0	69.0	68.9	66.2	71.7	61.5	72.3
- cereals	19.0	25.0	22.9	18.8	28.0	17.9	28.8
- vegetables	7.0	5.0	7.3	7.4	8.1	6.0	5.5
- fruit, nuts, shrubs	7.0	3.0	4.4	3.9	6.8	6.7	5.4
- grapes	9.0	12.0	12.8	12.1	6.1	10.4	9.0
- animal production, of which:	30.0	31.0	31.1	33.8	27.9	38.5	27.7
- meat	16.0	14.0	14.8	18.9	14.5	21.5	15.4
- milk	10.0	13.0	10.9	10.2	10.0	11.1	8.0
- eggs	3.0	4.0	4.4	4.0	3.3	4.2	3.0

Source: authors' calculations based on the Statistical Yearbooks of Rep. Moldova

If in the 90's of last century the share of fruit was 17%, their share varied from 3.0% in 2000 to 6.8% in 2013, following the rule of fruitfulness alternation (a fruitful year followed by a less fruitful year). In the less productive years, the cumulative share of vegetables, fruit, nuts, shrubs and grapes is lower than the share of cereals. In animal production structure, which is ranging from 27.7% in 2013 to 38.5% in 2012, meat production is dominating (14% in 2000 and 21.5% in 2012).

Mutations that occurred in the agricultural production structure shows a decreasing trend of the share of intensive crops such as grapes, fruits, vegetables, tobacco etc. and increasing the share of products requiring small amount of capital such as wheat, maize, sunflower and others.

The export of agrifood products decreased from USD 584.7 million in 1996 (table 12) down to USD 291.0 million in 2000, then increased to USD 582.9 million in 2005. In the years 2005-2013, the value of exported agrifood products increased 2.8 times. If in 1996 foods prevailed (77.6%), followed by vegetable products (11.6%), animals and animal products (10.3%), in 2013 crop products held the largest share (49.9%), followed by foods (42.1%), and alcoholic and soft drinks (24.8%).

Table 12 – Foreign trade (USD million)

Item	1996	2000	2005	2010	2011	2012	2013
Total exports	795.0	471.5	1090.9	1541.5	2216.8	2161.9	2428.3
Total imports	1072.3	776.4	2292.3	3855.3	5191.3	5212.9	5492.4
General trade balance	-277.3	-304.9	-1201.4	-2313.8	-2974.5	-3051.0	-3064.1
Agrifood exports	584.7	291.0	582.9	732.2	917.1	878.9	1015.5
Agrifood imports	142.9	109.6	279.6	591.4	687.8	743.3	783.8
Agrifood trade balance	+441.8	+181.4	+303.3	+140.8	+229.3	+135.6	+231.7

Source: authors' calculations based on information selected from <http://www.statistica.md>

The share of agrifood exports in total national exports dropped from 73.55% in 1996 to 61.4% in 2000, to 53.42% in 2005 and to 41.82% in 2013, but the agrifood trade balance remained positive throughout those years. Structural changes occurred in the agrifood exports over the years. If in 1996 foods were prevailing (by 77.6%) (table 13), followed by crop products (11.6%), animals and animal products (10.3%), in 2013 the crop products took the largest share (49.9%), followed by foods (42.1%) and alcoholic beverages and soft drinks (24.8%).

Table 13 – Value of exported agrifood production (USD million)

Item	1996	2000	2005	2010	2011	2012	2013
Total agrifood exports, <i>of which</i> :	584.7	291.0	582.9	732.2	917.1	878.9	1015.5
- live animals and animal products	60.03	22.8	17.2	27.0	38.0	37.8	37.2
- crop products, <i>of which</i> :	67.70	65.9	131.9	340.7	471.0	360.5	507.0
- <i>vegetables</i>	3.86	1.83	4.80	8.77	24.53	16.97	12.55
- <i>edible fruit</i>	28.82	22.30	60.88	167.62	186.96	202.32	203.97
- fats and oils	3.37	3.9	37.8	47.6	77.5	89.7	44.04
- foods, <i>of which</i> :	453.63	198.4	396.0	316.9	330.6	390.9	427.3
- <i>sugar</i>	58.58	3.12	7.52	29.06	14.58	35.02	30.54
- <i>vegetables and fruit preparations</i>	77.51	29.30	46.48	52.27	68.77	60.37	76.07
- <i>alcoholic and soft drinks</i>	224.13	128.02	314.55	178.19	181.31	214.97	252.3
- <i>tobacco</i>	76.76	30.56	11.89	27.16	28.72	34.21	25.51

Source: authors' calculations based on information selected from <http://www.statistica.md>

The largest increase in exports was for crop products, from USD 67.7 million in 1996 to USD 507 million in 2013 (7.5 times). Export of edible fruits increased from USD 28.82 million in 1996 to USD 203.97 million in 2013 (7 times) and of vegetables from USD 3.86 million in 1996 to USD 12.55 million in 2013 (3.25 times). However, tobacco and sugar exports decreased sharply from USD 76.76 million in 1996 (1.9 times), down to USD 25.51 million in 2013 (about 3 times).

Changes occurred in the structure of agrifood imports as well. Foods are prevailing, even if their share in total agrifood imports decreased from 57.48% in 1996 (table 14) to 51.48% in 2013.

Table 14 – Value of imported agrifood production (USD million)

Item	1996	2000	2005	2010	2011	2012	2013
Total agrifood imports, <i>of which</i> :	142.9	109.6	279.6	591.4	687.8	743.3	783.8
- live animals and animal products	16.62	10.7	57.2	94.7	107.8	130.3	146.8
- crop products, <i>of which</i> :	41.12	25.3	65.0	168.8	199.1	204.6	203.5
- <i>vegetables</i>	13.04	4.34	8.72	30.17	38.49	33.80	32.49
- <i>edible fruit</i>	2.11	3.25	17.69	58.02	68.45	66.73	67.05
- fats and oils	3.04	2.4	9.9	19.3	25.1	28.4	30.02
- foods, <i>of which</i> :	82.14	71.2	147.5	308.6	355.8	380.0	403.5
- <i>sugar</i>	25.20	3.24	6.81	12.54	23.01	30.78	37.68
- <i>vegetables and fruit preparations</i>	1.54	1.35	13.60	22.72	25.12	24.43	26.26
- <i>alcoholic and soft drinks</i>	29.66	5.09	34.02	44.95	50.29	68.28	76.07
- <i>tobacco</i>	12.30	54.36	38.91	91.44	92.89	83.04	78.18

Source: authors' calculations based on information selected from <http://www.statistica.md>

The import edible fruit increased significantly, from USD 2.11 million in 1996 to USD 67.05 million in 2013 (about 32 times), as well as the import of vegetables and fruit preparations (about 17 times), live animals and animal products 8.8 times), tobacco (6.4 times) and crop products (4.9 times), which confirms the intensification of exchanges.

If our country intends to boost exports, it should orient the economic exchanges vector towards the more stable market, towards the market offering higher prices.

Achieving the economic function in rural areas includes promoting tourism as well (Wiener & Diez, 2009). Characteristic for our country is the domination tourist exports over imports. In 1995, the total number of departures abroad was 2.17 times higher than that of arrivals of foreign visitors to Moldova, in 2000 it was 1.82 times higher, and 2.28 times in 2005, then increased sharply (13.09 times) in 2010; subsequently remained virtually at the same level reached in 2013 (11.98 times).

Arrivals of foreign visitors to our country in 1995 for holiday and leisure was about 10% of the total; in 2005 it increased to 31.2%, and subsequently decreased to 25.1% in 2013. Of course, the number of foreign visitors to the country for holiday and leisure is very modest.

For any state, extremely important it is that the number of visitors in their own country to surpass that of those going abroad. The inland movement of residents as compared to their departures abroad increased from 23% in 1995 to 82.3% in 2000, to 106.2% in 2005, then decreased to 30.4% in 2010 and to 21.7% only in 2013.

Tourism is greatly affected by the accommodation facilities. The number of places in touristic and agro-touristic boarding houses increased from 210 in 2005 (table 15) to 867 in 2013.

Table 15 – Indicators of the hotel industry in rural areas in Rep. Moldova

Item	2005	2010	2011	2012	2013
No. of places in touristic and agro-touristic boarding houses	210	743	813	905	867
No. of places in holiday villages	4833	5165	4519	4473	4685
No. of tourists accomodated in touristic and agro-touristic boarding houses	1807	13290	11701	11570	11526
- of which foreigners	1003	2383	2417	3881	4363
No. of tourists accomodated in holiday villages	47889	18386	25826	39522	33027
- of which foreigners	74	2171	3231	3781	4823
No. of overnight stays of tourists in touristic and agro-touristic boarding houses	3799	43583	37317	36895	34513
- of which foreigners	2492	7219	8482	15240	15380
Nr. of overnight stays of tourists in holiday villages	143163	45433	54109	119797	108509
- of which foreigners	518	5354	9318	9013	11659

Source: authors' calculations based on information selected from <http://www.statistica.md>

The number of tourists involved in the internal tourism in our country increased from 16,400 in 1995 to 60,800 in 2005 (3.7 times) and then decreased to 35,600 in 2010 (1.7 times), and it remained at this level until now.

The concept of agrarian reform and social and economic development of the village was foreseeing for the rural area "location of departments and divisions of city industrial enterprises". If the total industrial production value increased from MDL 15,427.9 million in 2003 (table 16) to MDL 39,024.3 million in 2013 (2.5 times), in the rural localities it increased 2.65 times. But even this increase is far too insufficient for the rural areas of our country.

Table 16 – Value of industrial production (MDL million)

Item	2003	2005	2010	2011	2012	2013
Total, of which:	15427.9	20148.1	28140.1	34194.4	36362.2	39024.3
- in Chişinău municipality	8555.6	10807.7	16171.6	20142.9	21506.9	22590.7
- in Bălţi municipality	1895.1	2225.0	3042.8	3456.8	3774.8	3207.6
- in localities in rural space	4977.2	7115.4	8925.7	10595.0	11080.5	13226.0

Sursa: Calculele autorilor în baza informaţiei selectate de pe <http://www.statistica.md>

Roads, especially local ones, are causing major difficulties. At the end of 2013, out of 9343 km of public roads, the national roads accounted for 3335 km (35.7%) and the local roads 6008 km (64.3%), of which 5474 km paved (58.6%). Both national and local roads are low quality.

For rural economy in our country, protection of earth, air and water remains extremely important to ensure a healthy life. One of the main tasks of our country is maintaining the diversity and the specific character of the landscape, and preserving the biological systems. Both the natural foundations of healthy life and of biological systems are poor.

Total investment in long-term tangible assets for environmental protection and rational use of natural resources varies, with an increasing trend from MDL 6,060 million in 2000 (table 17) to MDL 72,369 million, current prices in 2014 (about 12 times).

If in 2000, 2010 and 2011 the investments for protection and rational use of land dominated, representing 77.9%, 47.4% and 49.0% of total investments, in 2005, 2012, 2013 and 2014,

investments for protection and rational use of water resources accounted for 52.5%, 20.7%, 59.7% and 60.7% respectively of total investments.

Table 17 – Investments in long-term tangible assets for environment protection and rational use of natural resources (MDL thousand, current prices)

Item	2000	2005	2010	2011	2012	2013	2014
Total, of which for:	6060	43939	41521	31050	73479	65955	72369
- protection and rational use of water resources	1315	23062	14250	14819	15196	39377	43938
- protection and rational use of land	4723	20877	19698	15208	9789	22810	26312
- protection of air	-	-	0.0	0.0	45477	1694	-
- other	22	-	7572	1022	3018	2073	2119

Sursa: Calculele autorilor în baza informației selectate de pe <http://www.statistica.md>

Investments in air protection were more consistent (61.9% of total) in 2012 only. But investment for environmental protection are insufficient.

In general, the economy of the rural area, does not ensure, unfortunately, the achievement of the concept "to provide labor utilization in the village (especially youth) and regulation of migration processes" and obviously influenced the social and cultural development of the village in our country.

#### 4. Social and cultural development of the villages

The social and cultural development of the village, under the concept of agrarian reform and social and economic development of the village is "achieved by accelerated development of the social sphere of the village, by improving working conditions, as well as the material and spiritual life of the rural population".

The nucleus of social structure in rural areas, as stated in the document, is the family, and has set not accidentally that "a system of measures is developed in order to improve the working and living conditions of the peasant family". Although rural disposable income (monthly average per person) increased from MDL 723.8 in 2006 (table 18) to MDL 1406.1 in 2013, it does not cover the minimum subsistence level which in 2013 was MDL 1612.3.

Table 18 – Disposable income

Item	2006	2013	2006	2013	2006	2013
Disposable income, monthly average per person (MDL), of which:	839.6	1681.4	1000.8	2046.3	723.8	1406.1
- from wages	41.6	41.6	57.1	53.8	26.1	28.3
- from self-employment in agriculture	18.6	9.1	2.6	1.1	34.5	17.8
- from self-employment in non-agricultural activities	7.8	6.9	10.4	7.6	5.2	1.1
Population with monthly average income lower than 1600 MDL (%)	90.8	71.8	85.8	52.9	94.3	86.1

Source: authors' calculations based on „Aspects regarding the living standard of the population”, [www.statistica.md](http://www.statistica.md).

The share of population with average monthly income per person lower than 1600 MDL decreased from 90.8% in 2006 to 71.8% in 2013 (by 19%), while in rural areas it decreased from 94.3% in 2006 down to 86.1% (by 8.2% only), which means 2.3 times slower.

It is natural that this situation reflected on consumer spending. Food expenditures, even if reduced from 44.4% in 2006 (table 19) at 42.8% in 2013, remain dominant. This expenditure in rural areas exceeds both the national average and those in urban areas, where their share increased from 39.6% in 2006 to 41% in 2013.

Home related expenditure are increasing from 18.4% in 2006 to 22.7% in 2013, while the expenditures for health and medical care increased from 5.3% in 2006 to 5.7% in 2013. One should highlight that the expenditures for education are lower than those for alcoholic beverages.

Table 19 – Structure of households consumption expenditures (%)

Item	Total, of which:		in urban area		in rural area	
	2006	2013	2006	2013	2006	2013
Total consumption expenditures, of which for:	100	100	100	100	100	100
- food	44.4	42.8	39.6	41.0	48.8	44.9
- alcoholic beverages	2.8	1.6	2.1	1.3	3.4	1.8
- clothing and footwear	11.9	10.3	11.6	9.1	12.1	11.6
- home maintenance	13.7	19.1	13.1	20.3	14.2	18.0
- home endowment	4.7	3.6	4.9	3.3	4.5	3.9
- health and medical care	5.3	5.7	5.4	5.5	5.1	6.0
- education	0.4	0.8	0.7	1.0	0.2	0.7

Source: authors' calculations based on „Aspects regarding the living standard of the population”, [www.statistica.md](http://www.statistica.md).

Food expenditures influenced the consumption structure and quantity. For example, consumption of bread and bakery products decreased from 129.7 kg/person/year in 2006 (table 20) down to 110.0 kg/person/year in 2013 (by 19.7 kg/person/year). The consumption of these products decreased sharper in rural areas (by 34.8 kg/person/year).

Table 20 – Consumption of food products (kg/person/year)

Item	Total, of which:		in urban area		in rural area	
	2006	2013	2006	2013	2006	2013
Bread and bakery products	129,7	110,0	94,7	98,9	153,1	118,3
Meat and meat products	37,0	41,6	34,0	46,4	39,2	37,9
Milk and dairy products	179,0	219,9	189,8	250,9	171,3	196,5
Vegetable oil (liters/person/year)	12,3	12,4	9,8	12,3	14,0	12,5
Eggs (pieces/person/year)	180,0	178,7	172,0	202,5	186,0	160,8
Sugar	15,4	16,6	15,0	16,9	15,8	16,4
Fish and fish products	11,7	16,2	11,0	15,9	12,3	16,1
Potatoes	50,1	48,3	44,8	50,1	53,9	47,0
Vegetables and melons	59,1	109,2	56,0	110,0	61,3	108,5
Fruits and berries	28,0	49,1	27,8	53,1	28,2	46,1

Source: authors' calculations based on „Aspects regarding the living standard of the population”, [www.statistica.md](http://www.statistica.md).

Consumption of meat and meat products in 2006-2013 increased from 37.0 to 41.6 kg/person/year, but in rural areas decreased from 39.2 to 37.9 kg/person/year. Even if it increases from 28 kg/person/year in 2006 to 49.1 kg/person/year in 2013, the consumption of fruits and berries remains far too low.

Households in rural areas are even less equipped in 2014 with durables than the urban ones. If in urban areas 98.2% of all households are equipped with TVs, 97% with refrigerators and freezers, 55.5% with computers, 72.2% with automatic washing machines, and 74.4% with vacuum cleaners, in the rural areas the endowment degree is much lower: 95.2% with TVs, 87.3% with refrigerators and freezers, 31.6% with computers, 25.4% with automatic washing machines and 40.7% with vacuum cleaners.

Some 72.4% of urban households and only 23.4% in rural areas have hot water, and 19.8% and 0.0% respectively from centralized distribution. Only 39.8% of urban households and 0.5% in rural areas enjoy central heating. The situation is similar for gas network, bathrooms, sewerage, etc.

The main pillar of the social and cultural development is education. Net enrollment rate in preschool education increased faster nationally from 68.6% in 2005 to 81.6 in 2013 (by 13%), as compared to that in rural areas, where it increased from 59.1% to 70.1% (by 11% only) respectively. The number of day schools, gymnasiums and high schools located in rural areas fell from 1351 in 2004/2005 to 1189 in 2013/2014. The total number of students in those years dropped from 546,615 to 352,053 (by 35.6%) in urban areas, while in rural areas it fell from 418,115 (309 students per school on average) to 259,691 (218 students per school on average) (by 37.9%).

Another pillar of the social and cultural development is health care. According to official statistics (table 21), healthcare indicators in rural areas are largely similar to those at national level.

Table 21 – Health care indicators

Item	2005	2010	2011	2012	2013
Number of physicians, total	12577	12780	12914	12934	12934
- of which in rural areas	9639	10051	10189	10223	10223
Number of paramedical personnel, total	27966	27519	27445	27407	26781
- of which in rural areas	23514	22793	22868	22772	22092
Number of beds in hospitals, total	22961	22021	22031	22162	20760
- of which in rural areas	19451	18471	18451	22162	17160
Number of personnel in ambulance stations, total	2814	3298	3349	3307	3313
- of which in rural areas	865	977	976	927	907
Number of visits to doctor per 1000 inhabitants	254	283	279	271	271
- of which in rural areas	202	251	250	242	237

Source: authors' calculations based on the Statistical Yearbook of Rep. Moldova

The social and cultural transformations in the village should be directed, as shown in the concept, to the rebirth and development of cultural, national and historical traditions. The number of libraries in rural areas remained at the same level in 2005-2013, but the number of visits fell from 6.0 million in 2005 to 3.7 million in 2013. The number of cultural institutions and the number of seats in the rural areas remained at the same level, but require renovation. Cultural and historical sights of the countryside as the monastery "Assumption of the Virgin Mary" in Căpriana, the Orhei museum complex, the castle "Soroca" and others have been renovated, and others will be brought to an acceptable condition.

## CONCLUSIONS

Both provisions of social-economic development of the villages, part of the concept of agrarian reform and social and economic development of the village and the National Programme "Moldovan Village" were achieved in very modest proportions, and the development of the Moldovan villages is poor.

We think that establishing a program for a realistic development of the Moldovan villages is imperatively necessary, starting with from possibilities, aimed at making the rural economy efficient, which is the foundation of formation of a social and cultural sphere matching the European standards.

Therefore, it is recommended the program to include:

- mobilization and judicious use of human, natural and material capital;
- modernizing and adjusting agriculture to the requirements of competitive economy, promoting a system of effective and efficient agricultural production, consolidation of farms to generate the food that would ensure the producers' welfare;
- environmental and specific rural cultural heritage protection;
- preservation and transmission of specific traditional crafts;
- improvement of the business climate and supporting small farmers;
- ensuring a favorable investment climate for business development;
- development of institutional system and effective economic mechanisms of legal regulation of activities in rural areas;
- vocational education of human resources in rural areas;
- training of farmers and providing advice to owners and managers in agriculture.

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