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## ACCESSING EUROPEAN FUNDS TO DEVELOP RURAL ENTREPRENEURSHIP IN WESTERN MOLDOVA

ALINA-MIRELA MARCU<sup>1</sup>

**Abstract:** *The purpose of this scientific approach consists in analyzing the entrepreneurial initiatives from rural areas of Western Moldova, after Romania joined the European Union in the context in which the rural entrepreneurship has become in recent decades, the main source of income for an important segment of the rural population, especially for people made redundant or are unable to find a job. In pursuit of this work they were used statistical method and mapping method for expressing information acquired and for determining the spatial characteristics of projects beneficiaries with European funded. At regional level, the analysis indicates that private beneficiaries of the Fund for Agriculture and Rural Development were interested to carry out agricultural activities and crop and livestock farming, based on specific traditions Romanian village. To these are added investments for the acquisition of machinery and equipment for field crops, construction of sheds and purchase of animals. By accessing these European funds were supported mainly the small and medium enterprises, considered to be able to develop new products or to capitalize the natural resources through innovation and adaptation. Thus, the investments made were focused on increasing the competitiveness of the economy, the need to protect water resources and improve the quality of life of rural inhabitants of Western Moldova.*

**Key words:** *entrepreneurial initiatives, rural areas, beneficiaries, projects, resources.*

### INTRODUCTION

Entrepreneurship refers to an individual's ability to put ideas into practice. As regards entrepreneurs, these represent those people who are trying to get value by creating or developing economic activities, and entrepreneurship activity represents a human activity of enterprise to some measures which intended to produce value by creating economic activity [7]. Regarding rural entrepreneurship, it is the domain who knows new valences in the context of the reorganization of the labor market affected by the global crisis [1]. He is limited by certain constraints [6] respectively of the lack of material and human resources. In addition, an important issue is the limited access to financial services, especially loans offered by financial institutions which are located mainly in urban centers [3].

However, the development of non-agricultural enterprises sector in rural areas is a priority for Romania, because thereby it may diminish the rural underemployment, and it may ensure higher living standards for the rural population [4]. One solution would be to increase the number of jobs outside agriculture sector, to reduce poverty and to offer a chance discouraged workers return to the labor market, but especially to increase the income per capita in rural areas [2].

But, by adopting the National Program for Rural Development 2007-2013, as a strategic document for implementing European programs for rural areas, Romania has assumed a new model of intervention based on a medium-term strategy, and a set of measures to access the European funds in order to support and develop Romanian village [5]. This program was certainly one of the main instruments of generation a designed social change, backed by a clear interventionist vision [8].

### MATERIAL AND METHODS

In order to achieve this scientific approach were used as main sources of information, the statistical dates from publications of Paying Agency for Rural Development and Fisheries on eligible beneficiaries of EU funded projects, and the research methods were used:

- *Statistical method* to record in systematically and unitary mode the statistical dates and for to apply the *principle of comparability of data* both in temporal and territorial plan.
- *Method of structural cartodiagrams in sized circles*. Choosing this method it is explains through the fact that the cartographic representation is a means of transmitting statistical and geographical

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information, but also a means of communication, easily understood and interpreted by most people regardless of language and culture.

## RESULTS AND DISCUSSIONS

The European funding is a component of a mechanism for collaboration between European states, which has a helping character, in order to support certain exceptional situations, in which, the beneficiary State does not have the human and material resources for effective resolution on their own. Thus, after the accession period, the irredeemable financial support granted by the European Union to Romania through the European Agricultural Fund for Rural Development (EAFRD) supposed the transformation of semi-subsistence farms in holdings, oriented by market and introduction of performance technologies adapted to local conditions, improving the incomes of agricultural holdings managed by young farmers, supporting the modernization process on environmental protection, hygiene and animal welfare, and safety at work.

At the national level, the statistics data from Table no. 1 indicates that, in the programming period 2007-2013 were contracted 63.498 projects, with a total eligible value of 4.202,01 mil. Euro while in Moldova were implemented 11.428 projects with a public value of 867.84 million Euro. Concerning the EAFRD program beneficiaries in Moldova, they were interested in carrying out agricultural activities for plant cultivation and livestock, activities based on specific traditions of Romanian village, because of the high share of projects implemented in the Axis I and III of the Developmental National Rural Programme 2007-2013.

Table no. 1: Number of projects EAFRD and their public value in Romania and Moldova

Axis	Measure	Number of projects				The value of grant (Euro)			
		Romania		Moldova		Romania		Moldova	
		Nr.	%	Nr.	%	Mil. Euro	%	Mil.Euro	%
I	1.1.2.	8.981	14.14	1.307	11.43	190.38	4.53	28.98	3.33
	1.2.1.	1.977	3.11	363	3.17	711.08	16.92	151.37	17.44
	1.2.3.	719	1.13	89	0.77	693.99	16.51	104.93	12.09
	1.4.1.	47.214	47.35	8.881	77.71	354.40	8.42	66.56	7.66
	<b>Total I</b>	<b>58.891</b>	<b>92.74</b>	<b>10.640</b>	<b>93.10</b>	<b>1.949,85</b>	<b>46.40</b>	<b>351.84</b>	<b>40.52</b>
II	2.2.1.	16	0.02	6	0.05	2.39	0.05	0.55	0.06
	<b>Total II</b>	<b>16</b>	<b>0.02</b>	<b>6</b>	<b>0.05</b>	<b>2.39</b>	<b>0.05</b>	<b>0.55</b>	<b>0.06</b>
III	3.1.2.	2.375	3.74	389	3.40	308.70	7.34	54.77	6.31
	3.1.3.	1.449	2.28	197	1.72	242.76	5.77	28.99	3.34
	3.2.2.	665	1.04	166	1.45	1.651.21	39.29	423.14	48.75
	<b>Total III</b>	<b>4.409</b>	<b>6.94</b>	<b>752</b>	<b>6.58</b>	<b>2.202,67</b>	<b>52.41</b>	<b>506.90</b>	<b>58.40</b>
IV	431.1.	101	0.15	15	0.13	4.38	0.10	0.70	0.08
	431.2.	81	0,12	15	0.13	42.72	1.01	7.85	0.90
	<b>Total IV</b>	<b>182</b>	<b>0,28</b>	<b>30</b>	<b>0.26</b>	<b>47,1</b>	<b>1.12</b>	<b>8.55</b>	<b>0.98</b>
<b>TOTAL</b>	<b>63.498</b>	<b>100</b>	<b>11.428</b>	<b>100</b>	<b>4.202,01</b>	<b>100</b>	<b>867.84</b>	<b>100</b>	

Source: Paying Agency for Rural Development and Fisheries. Own calculations.

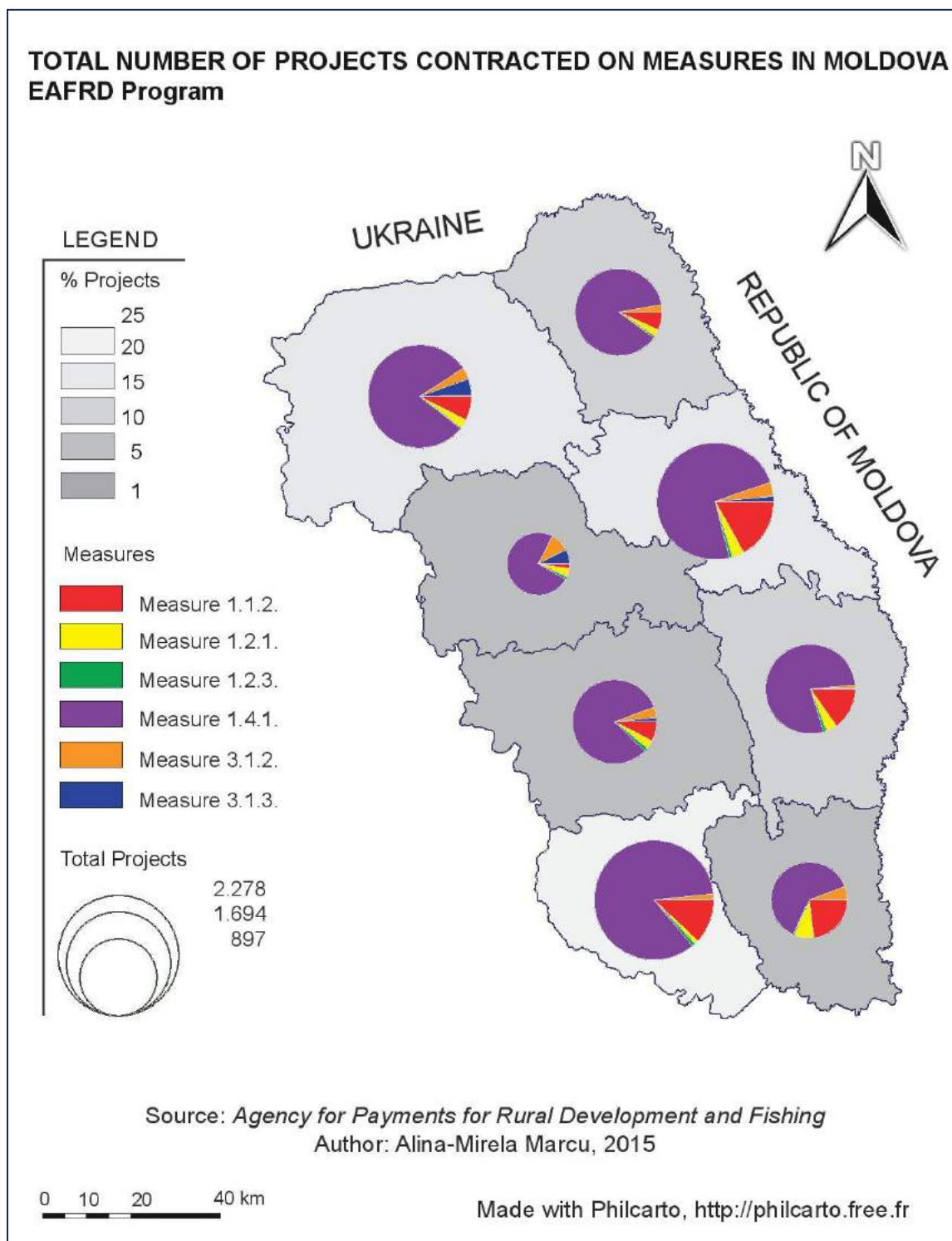
According to this document, Axis I has been divided into three main measures which refers to improving knowledge and enhancing the human potential; restructuring and developing physical capital and promote innovation; and at the transition period for Romania. At their row, these main measures have been divided into secondary measures being analyzed only those that presented of particular interest to eligible beneficiaries in Moldova.

In this sense, they were considered the following measures: *1.1.2. Setting up of young farmers* (1.307 projects), *1.2.1. Modernisation of agricultural holdings* (363 projects), *1.2.3. Adding value to agricultural and forestry products* (89 projects), and *1.4.1. Support for semi-subsistence*

agriculture farms (8.881 projects), measures which totaled 10.640 projects and a financial value of 351.84 million Euro.

Regarding Axis III, this in turn was divided into two main measures about the diversification of the rural economy respectively the improving the quality of life in rural areas but, as in the previous case, were analyzed the measures most requested by beneficiaries respectively 3.1.2. *Support for the creation and development of micro-enterprises* (389 projects) and 3.1.3. *Encouraging tourism activities* (197 projects), whose financial absorption was about 83.76 mil. Euro.

Fig. No. 1 Total number of projects contracted on measures in Moldova through EAFRD Program



At the regional level, from Figure no. 1, we observe as the in south-western part of Moldova were carried most of semi-subsistence agriculture farms due of grassland surfaces and natural hayfields from high area, which favoured developing a large herd of animals, the livestock production being a tradition in Vrancea county. Currently, this sector presents a particular interest in local and national economy, because by developing its sub-branches, can be realised a series of products for the consumption of population and food industry, thus contributing, on the one hand, at achieving significant incomes, and on the other hand, at a uniform and complete use of the potential of the local labor force. Besides these, the high frequency of densities by sheep from subcarpathian depressions and interhill is explained for the most part by human intervention in order to develop here the species who find the most favorable conditions for nutriment.

Also, hilly landscape, at least one third of the slopes, in the north eastern part of Moldova has created optimal conditions for development of agricultural works in contrast to the counties in the western part of the region. Thus, the Botosani County is among the first of importance in our country's agriculture, since all villages from county have an agricultural predominantly character. Thus, by diversification of plant and animal production, cultivation of cereals took first place from the total area of Moldova.

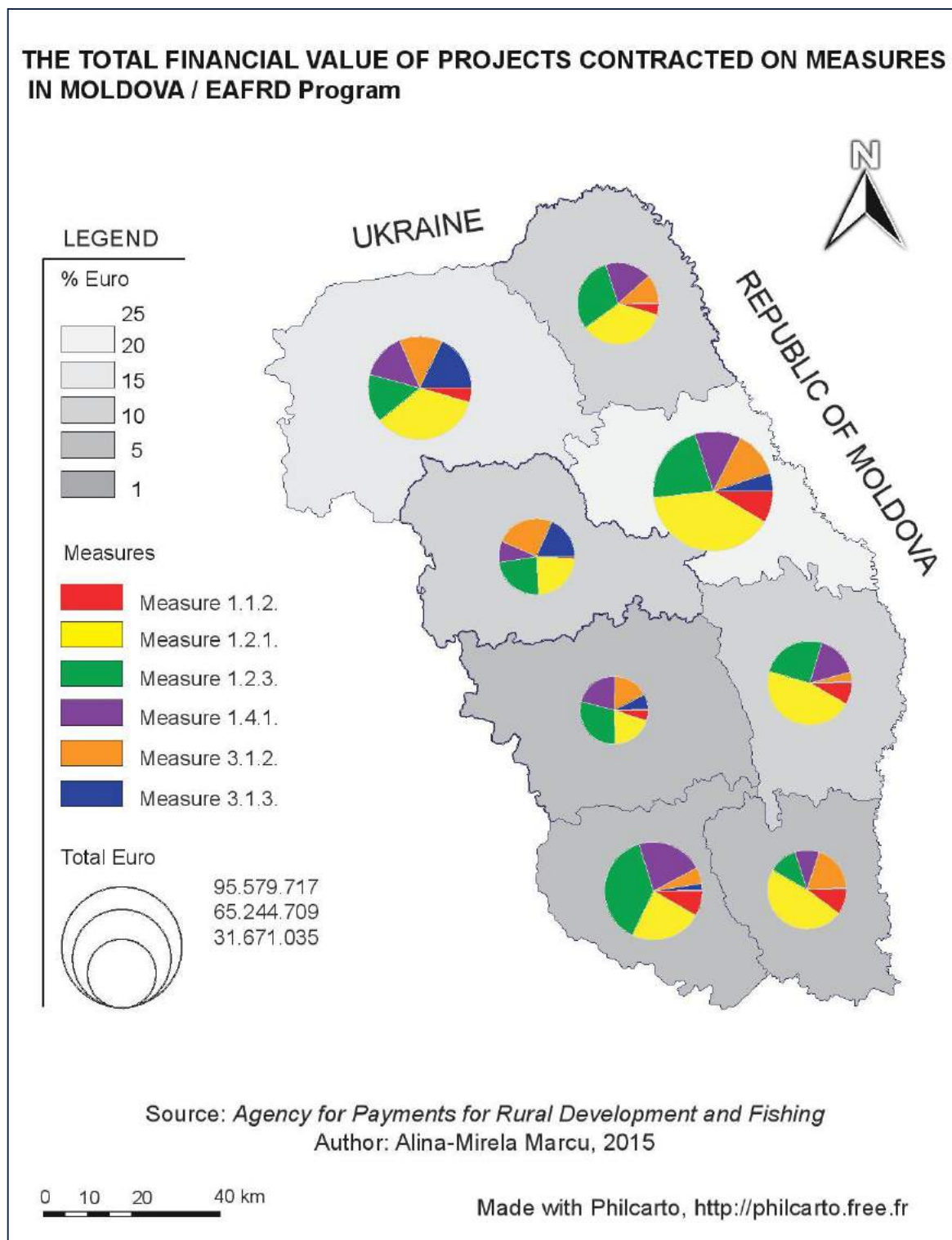
Among the counties with the highest number of investments were Vrancea and Iasi due of settlements from cereal areas which presents an agglomerate structure in contrast to the scattered settlements from mountain area, more accurate from Bukovinian Sub Carpathians, Bicaz Basin and Trotus Upper Basin where the character of agricultural economy is predominantly pastoral. In terms of total financial value of projects contracted by measures, this was accessed by authorized individuals and the family associations in the sight to modernization of agricultural holdings and increasing the competitiveness of agricultural producers from this region on market from Romania, and on the market in the European Union.

Besides these, the Galati and Vrancea counties attract our attention by the large number of implemented projects for the creation and development of micro-enterprises. This situation is explained by the presence of physico-geographical elements, which supported the economic activities practiced by farmers from this rural space. Thus, the presence of drinkable water maintained from the earliest times the life sources of human communities and constituted a primordial condition for population and for the existence of settlements, the houses being placed sometimes, even on lands unfavorable, if they ensured required water for alimentation, livestock, fisheries, irrigation, etc.

We note, also, the large number of investments made in tourism domain Suceava County being par excellence one of the most important tourist counties of the country, due to the great expanses of mountainous space and piedmont area which offering a complete range of tourism activities. But, at all this, is added the most valuable monuments of architecture respectively, the 5 churches of monasteries Voronet, Arbore, Humor, Moldovita and Sucevita monuments of universal importance included in UNESCO heritage, being the only painted churches. A similar situation is found in Neamt County in particular along the axis of circulation Piatra-Neamt - Targu Neamt, due to the presence of the following tourist sights: Neamt Monastery, Monastery Varatec, Agapia Monastery famous for paintings of high artistic value belonging to the Romanian painter Nicolae Grigorescu, the Humulești village - the place where he grew the great storyteller Ion Creanga, Neamt Fortress built during of reign Prince Peter Musat, Baltatesti Resort, etc.

In addition, the orientation of eligible applicants towards the production of milk in the Dornelor Country is due primarily to the high density of cattle from localities Panici, Dorna Arini, Saru Dornei and Dorna Candrenilor, compared with the central part of the Eastern Carpathians where there is a higher density of sheep, in especially in the settlements from surrounding the mountains Ceahlau, Stanisoarei, Bistritei and Rarau. Also, the position of contact between the two geographic units Carpathian Mountains and Moldova Plateau as well as the natural conditions and some elements of historical order favored the development of a mixed agricultural economy, specialized in animal breeding, cereals and viticulture.

Fig. no. 2. The total financial value of projects contracted on measures in Moldova through EAFRD



As regards, accessing of the grant European support, from Figure no. 2 we can see a relatively uniform distribution of the total financial value of the projects contracted by measures. Our attention is directed especially toward the percentage absorption of Measure 1.2.1 *Modernization of agricultural holdings*, at regional level, by this measure, being supported the investment oriented to the endowment with tools and performance equipment in relation to the existing agricultural structure at respectively moment, but and investments regarding the adaptation of agricultural buildings for respect the Community standards and the increasing of agricultural holdings.

According to statistical data, the financial value accessed through this measure in Moldova was about 151.37 million Euro, on the second place being Measure 1.2.3. *Adding value to agricultural and forestry products* with a grant value of 104.93 million Euro. This thing is explained by the fact that the investments have been made in areas of high population density respectively in the contact areas of great natural units, Carpathian depressions, the valleys of important rivers, the intersection of circulation axes, Iasi County being an example in this case.

## CONSLUSIONS

In conclusion, we can say that most projects with European funded on rural entrepreneurship development in Moldova were implemented in counties: Suceava, Iasi and Vrancea. In terms of relief units, one can note a higher spatial distribution of investments in the mountain area of the region, due to the large number of investments made in tourism domain, Suceava County being par excellence one of the most important tourist counties of the country. In addition, the position of contact between the two geographic units Carpathians and the Moldavian Plateau, as well as natural conditions and some elements of historical order favored the development of a mixed agricultural economy, specialized in animal breeding, cereals and viticulture. Is the case of Iasi and Vrancea counties where were implemented the projects on modernization of agricultural holdings and the increasing competitiveness of agricultural producers.

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