

## IMPERATIVES FOR THE DEVELOPMENT OF NON-AGRICULTURAL ACTIVITIES IN ROMANIAN RURAL AREA

ANDREA FEHER<sup>1</sup>

<sup>1</sup> *Banat's University of Agricultural Sciences and Veterinary Medicine "King Michael I<sup>st</sup> of Romania" from Timisoara, Romania, e-mail: feherandrea.usab@gmail.com*

*Abstract: In Romania and not only here, most farmers practise a part-time agriculture and spend insufficiently the work time with agricultural activities. In such conditions, the objective of this work is to determine alternatives for spare time spending with non-agricultural activities, which may become an important income source for family farms.*

*The work relies on data processed according to the European Commission Statistics (Eurostat) and to the national statistics, in order to highlight the occupation degree of the labor force in agriculture and the pluri-activity of agricultural workers. Finally, the work comprises an inventory of the most important methods of increasing the spare time occupation degree with non-agricultural activities, as alternatives for the part-time agriculture.*

**Key words:** *part-time agriculture, pluri-activity, diversification, occupied population, income*

### INTRODUCTION

In Romania, labor resources within rural space are significant, but incomplete and ineffectively used. The occupational structure is not compatible with evolutions from developed economies, services and economic diversification oriented, where the labor force employed in agriculture is low and the incomes of farmers come in an increasing extent from non-agricultural activities. [12]

Available time occupancy is an imperative of development not only in the part-time holdings that could provide additional revenues, but also within national economy as a whole. This is a complex process that involves, in addition to reducing employment in agriculture by attracting them to other sectors, the development of pluriactivity, hiring holdings members on part-time in other non-agricultural activities. [11]

A key feature of family agricultural holdings is represented by the fact that a significant part of these are dealing insufficient working time, so practicing a part-time farming activity. The definition of such agriculture differs from country to country, but the general idea is that family resources (labor, management resources) are only partially used within agricultural production.

Within part-time agriculture, the income earned by the holding from outside employment is greater than 50% and/ or more than half of the total hours worked by the agricultural operator is allocated outside the farm. [23]

We find part-time agriculture in all countries, but with different weights. Development of pluriactivity within part-time employment farms is vital to support employment in rural areas. [4, 5]

### MATERIALS AND METHODS

The statistical side of the present work is based on processed data according to European Commission statistics (Eurostat) and national statistics in order to highlight the employment degree of labor force in agriculture and pluriactivity of farm workers within European Union countries.

When developing the work, we used also data by various national and international publications in the field. The used methods were analysis, synthesis, comparison, deduction or induction method.

### RESEARCH RESULTS

Part time employment of working time in agriculture activities has led to the development of other income-generating activities for farmers (pluriactivity).

As a result of the fact that the position of agriculture in economy is changing, farmers are looking for new alternatives to increase their holdings income from sources other than of increasing agricultural activities. They may turn to other income-generating activities and thus become multi-active. These activities can develop outside the farm (off farm) or at the farm level (on farm) by creating new non-agricultural activities (processing, tourism, handicrafts etc.).

**Table 1**  
**Employment in agriculture: working time and farm workers pluriactivity (2013)\***

Countries	Total (thousands persons)	Of which with working time**:			% of total persons		
		100%	50-100%	<50%	100%	50-100%	<50%
Austria	135	12	56	67	8.9	41.5	49.6
Belgium	33	23	3	7	69.7	9.1	21.2
Denmark	37	13	5	19	35.1	13.5	51.4
Germany	280	140	57	83	50.0	20.4	29.6
Greece	709	94	117	498	13.3	16.5	70.2
Finland	53	17	9	27	32.1	17.0	50.9
France	354	180	47	127	50.8	13.3	35.9
Ireland	139	53	54	32	38.1	38.8	23.0
Italy	996	198	151	647	19.9	15.2	65.0
Luxembourg	2	1	1	0	50.0	50.0	0.0
United Kingdom	176	79	25	72	44.9	14.2	40.9
Netherlands	63	39	11	13	61.9	17.5	20.6
Portugal	253	49	73	131	19.4	28.9	51.8
Spain	793	166	93	534	20.9	11.7	67.3
Sweden	62	11	10	41	17.7	16.1	66.1
Czech Republic	23	11	6	6	47.8	26.1	26.1
Cyprus	35	2	3	30	5.7	8.6	85.7
Estonia	16	3	2	11	18.8	12.5	68.8
Latvia	81	14	19	48	17.3	23.5	59.3
Lithuania	170	15	51	104	8.8	30.0	61.2
Malta	9	1	1	7	11.1	11.1	77.8
Poland	1416	476	320	620	33.6	22.6	43.8
Slovakia	21	3	5	13	14.3	23.8	61.9
Slovenia	67	14	18	35	20.9	26.9	52.2
Hungary	482	45	99	338	9.3	20.5	70.1
Bulgaria	248	48	74	126	19.4	29.8	50.8
Romania	3597	30	311	3256	0.8	8.6	90.5
Croatia	151	20	47	84	13.2	31.1	55.6
<b>EU-15</b>	<b>4085</b>	<b>1075</b>	<b>712</b>	<b>2298</b>	<b>26.3</b>	<b>17.4</b>	<b>56.3</b>
<b>EU-28</b>	<b>10401</b>	<b>1757</b>	<b>1668</b>	<b>6976</b>	<b>16.9</b>	<b>16.0</b>	<b>67.1</b>

\* Head of holdings (Sole holders)

\*\* Of the annual working time of a person on full time

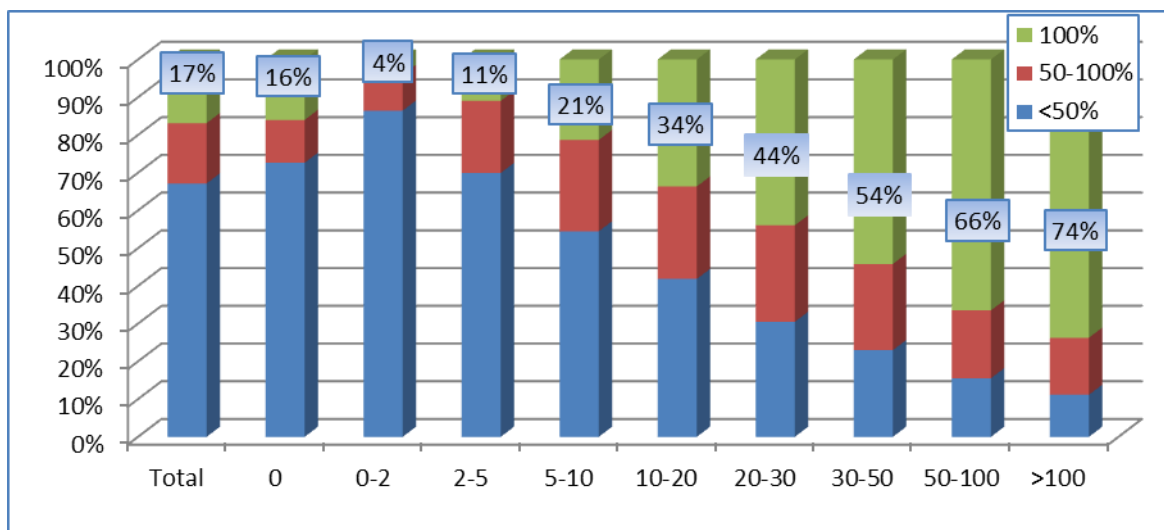
Source: European Commission, Eurostat (Surveys of the structure of agricultural holdings)

Part-time farming is present in all countries, in varying degrees. In the year 2013 in the EU-28 only 17% of exploitations heads were working full-time. The high percentage of farmers working part-time in their agricultural holdings (83% of which 67% under 50% of working time) highlights the scale and importance of pluriactivity. The statistic data highlight the growing trend in the share of people working part-time and therefore are performing other profitable activity too. The situation differs from country to country. The countries with the highest rate of persons whose working time within holdings are placed below 50% are usually those who have small farms - the new Member States and Greece, Italy and Spain in the old Member States. On the opposite side there are the countries that have larger holdings (Great Britain) or are practicing an agriculture with a high degree of capital concentration and increase - the Netherlands, Belgium, Denmark. [23]

There are at least two conditions that must be met to allow farmers to practice as well other activity than agriculture, namely:

- opportunities of farm activities diversification;
- the existence of available time.

The issue of time availability is linked to **farm size**. In 2013, at the level of EU-28, only 16% of farmers have performed agricultural works of a full norme equivalent. This proportion increases however with farm size, therefore, 74% of farms owners of more than 100 ha are working full-time in the EU-28. These farmers, deal full time with working activities, not having enough time for other gainful activity as well. Conversely, within holdings up to 10 hectares, more than half of farmers in the EU-28 are working under 50% of available working time, therefore, are able to perform as well other activity than agriculture (Figure 1).



Note: A physical size of 0 ha farm indicates the existence of livestock farms without agricultural land  
Source: Eurostat - Agriculture - Farm structure - Farm Labour Force

**Figure 1. Distribution of family farms by working time and farm physical size (EU-28)**

In our country, part time agriculture has a big extension, determined by several factors such as:

a) **small size of farms**: seven times lower in Romania than the holdings average of EU-15.

**Average agricultural area per farm in the Member States and EU average (ha) (2013)**

DK	LU	UK	FR	DE	SE	FI	IE	BE	NL	ES	AT	PT	IT	GR	UE-15
67.5	63.0	93.6	58.7	58.6	45.2	42.0	35.5	34.6	27.4	24.1	19.4	13.8	12.0	6.1	28.1
CZ	EE	SK	LV	LT	HU	SI	PL	CY	MT	BG	RO	HR	NSM-13	UE-28	
133.0	49.9	80.7	23.0	16.7	9.5	6.7	10.1	3.1	1.2	18.3	3.6	10.0	7.8	16.1	

Source: Calculation based on Eurostat

b) **High share of population employed in agriculture in total employed population:** nearly 26% in Romania (in 2015) compared to less than 3% in the EU-15.

Until the year 2001 there was recorded in Romania a steady growth of population employed in agriculture, with the decline in recent years. The high percentage of the agricultural population is the result of returning "at the queen" of a part of persons unemployed by the other sectors during the years of post-revolutionary economic crisis and of restructuring the economy and is part of the social costs that agriculture has to bear. This phenomenon reflects the existence in agriculture, in rural areas in general, of a relative overpopulation of large proportions.

**Table 3**

**Share (%) of population employed in agriculture in total employed population (15-74 years, the year 2015)**

DK	LU	UK	FR	DE	SE	FI	IE	BE	NL	ES	AT	PT	IT	GR	UE-15
2.5	0.9	1.1	2.7	1.4	2.0	4.2	5.3	1.1	2.1	4.1	4.4	6.5	3.7	12.8	2.7
CZ	EE	SK	LV	LT	HU	SI	PL	CY	MT	BG	RO	HR	NSM-13	UE-28	
2.9	3.9	3.2	7.9	9.0	4.9	6.6	11.5	3.9	1.6	6.8	25.6	9.0	11.3	4.4	

Source: Eurostat. Populations and social conditions-Labour Market Employment and unemployment (lfsa\_egan2)

c) **reduced agricultural area which lies on a person employed in agriculture (head of holdings):** of 6.5 times lower than the EU-15 average.

**Table 4**

**Agricultural area per one person employed in agriculture (ha)**

DK	LU	UK	FR	DE	SE	FI	IE	BE	NL	ES	AT	PT	IT	GR	UE-15
38.2	52.4	51.7	39.2	30.7	31.0	22.0	48.0	25.2	10.6	31.7	15.1	12.6	14.6	10.5	26.6
CZ	EE	SK	LV	LT	HU	SI	PL	CY	MT	BG	RO	HR	NSM-13	UE-28	
23.7	38.3	24.8	26.4	23.7	22.6	8.0	7.8	7.9	3.7	22.4	6.0	11.0	9.8	17.8	

Source: Calculation based on Eurostat

In these circumstances, a large proportion of farms in Romania are practicing part-time farming, to this fact contributing as well the **seasonal nature** of agricultural production. The share of population employed in agriculture on part-time, less than 50%, is of 90.5%, while those working between 50 and 100% in their farm represent 8.6%, and

only 0.8% are working full-time. From these data it results that using the available free time within non-agricultural activities could become an important source of incomes for family farms. In 2014, the incomes from agriculture represented no more than 4.0% of money income of peasants households (also very small), 60.8% came from wages and other wage rights, 28.2% incomes from social benefits, and 3.0% incomes from independent non-agriculture activities- crafts, trade, transport. [18]

Available time occupancy is an imperative of development not only in the part-time holdings that could provide additional revenues, but also within national economy as a whole. This is a complex process that involves, in addition to reducing employment in agriculture by attracting them to other sectors, the development of pluriactivity, hiring holdings members on part-time in other non-agricultural activities. [3, 8, 13]

Great possibilities of increasing the degree of available time occupancy in non-agricultural activities are provided by rural space, the integrated rural development, respectively **rural activities diversification** and creating new sources of alternatives or additional revenues to existing ones. [1, 2, 7]

By diversification we mean any income generating activity that does not include any farm work, but is related to the holding. This refers, among others, to: tourism, accommodation and other leisure activities, crafts, agricultural products processing, wood processing, aquaculture, energy production from renewable resources for the market, rental contracts for work equipment. [15, 16]

Given the positive impact of diversification on employment and incomes of farmers, the European Union through rural development policy supports the establishment of diversification activities within farms.

In this respect, for the 2014-2020 programming period, the structure of community funding program for rural development provides two special measures aimed at developing non-agricultural activities in rural areas. These are the **sub-measure 6.2 "Support for the creation of non-agricultural activities in rural areas"** and **sub-measure 6.4 "Investments in the creation and development of non-agricultural activities"**. [20]

The purpose of sustained investments under sub-measure 6.2 represents supporting diversification facilitating by creation and development of micro and small enterprises in the non-agricultural sector in rural areas, in the view of a sustainable economic development, creating jobs and reducing poverty in rural areas.

Sub-measure 6.4 aims at supporting micro and small enterprises in rural areas which are creating or developing non-agricultural activities in rural areas.

Nationally, for the period 2014-2020, the sub-measure 6.2 benefits from the financial assistance of 100 million Euros, representing 1.25% of the European Agricultural Fund for Rural Development (EAFRD) and the sub-measure 6.4 of 150 million Euros, 1.87 % of EAFRD. [20]

By diversifying farms activities, there could reach to a balance between agricultural activity, other forms of rural development and conservation of natural resources and the multifunctional role of farmers would gain another dimensions – of producers of food or non-food products, of suppliers of services, rural entrepreneurs. [11]

Integrated rural development offers opportunities for increasing the degree of available time occupancy of agricultural producers primarily through the **development of services for agriculture** (field in great suffering) – of research results extension, of production factors supply, of collection, storage, distribution and marketing, of technical assistance, credit, insurance, etc. Such services may develop within cooperative forms as it takes place in Western European countries.

Secondly, rural space could become as well the headquarter for organize certain **activities from the field of factors production and agricultural products processing**, descongesting the city and promoting the integration of agriculture with its activities from

its upstream and downstream. Such activities, correlated to those from agriculture, provide a higher annual productivity and, by default, higher incomes.

Thirdly, a field that could provide a substantial increase in employment in agriculture is to **develop economic and social infrastructure**, a large part of its components aiming at agriculture and taking place in rural areas. Infrastructure is a broad field that includes services from public facilities (energy, telecommunications, water supply, public sanitation, sewerage systems, gas pipelines), public works (roads, dams, canals for irrigation and drainage) and other transport sectors. Currently, the infrastructure that serves agriculture is at a level below to the existing one in most European Union countries.

## CONCLUSIONS

A key feature of family agricultural holdings results from the fact that a significant number of farmers occupy the working time insufficiently, so practicing a part-time farming. The part time occupancy of working time in agriculture activities has led to the development of other income-generating activities for farmers (pluriactivity). Over the past few years, pluriactivity of farmers and farm households was increasing, and more than a third of family farms in the EU-28 are now carrying another gainful activity.

In our country, part time agriculture has a big extension. The share of employed population in agriculture on part-time less than 50%, is 90.5%, while those working between 50- 100% within own farm is 8.6%, and only 0.8% are working full-time. To this state of fact several factors contributed, such as: the small size of farms, the high share of employed population in agriculture in total employment, the reduced agricultural area which lies on one person employed in agriculture, the seasonal nature of agricultural production.

Great possibilities of increasing the degree of available time occupancy in non-agricultural activities are provided by rural space, the integrated rural development, respectively rural activities diversification.

For the 2014-2020 programming period, the structure of community funding program for rural development provides two special measures aimed at developing non-agricultural activities in rural areas. These are the **sub-measure 6.2 "Support for the creation of non-agricultural activities in rural areas"** and **sub-measure 6.4 "Investments in the creation and development of non-agricultural activities"**.

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