POSSIBILITIES TO IMPROVE THE LIFE QUALITY IN RURAL AREAS AND THE DIVERSIFICATION OF RURAL ECONOMY

POSIBILITĂŢI DE ÎMBUNĂTĂŢIRE A CALITĂŢII VIEŢII ÎN ZONELE RURALE ŞI DE DIVERSIFICARE A ECONOMIEI RURALE

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Abstract: *The improvement of life quality in rural areas represents an objective of economical and social policy in 2007-2013.*
In the National Rural Development Plan (RDP) the measures of Axis 3 include activities that aim to improve the quality of life in rural communities and diversify the rural economy. Through the measures of Axis 3 the most important objectives that are being aimed to are: improving the state of poverty of the population employed in agriculture, strengthening rural business organization on the principles of market economy, entrepreneurship development, economic competitiveness and development in rural areas.
In the present paper the authors present the activities and the possibility of funding these through the European Fund for Rural Development in 2007-2013 and the implementation status of measures that will improve the quality of life in rural areas and encourage rural economy diversification in the Arad county.

Keywords*: rural communities, quality of life, finance, economic diversification*

INTRODUCTION

Enhancing life quality in the rural environment represents an objective of social and economical politics that is integrated in the revitalization, consolidation and rural development politics assembly.

This objective is pursued through direct measures of promoting knowledge and improving human potential with certain effects in the objective value and also through associated measures that target the attraction and integration in the economical activities assembly of all categories of existant reasources in the rural environment (different from classic agricultural resources).

MATERIALS AND METHODS

In identifying the posibilities of development and the ways of stopping the Romanian village degradation we appealed to: studying the existent activities in rural establishments, analysis of their development stage and rural development politics analysis, through which financial support for rural development is aimed, in the 2007-2013 period, by E.U. and the government of Romania.

RESULTS AND DISCUSSIONS

The total amount available for Romania in 2007-2013 for rural development through the 4 axes covered by EAFRD NRDP is presented in Table 1.

Tabelul 1.

NRDP Axis	EAFRD allocation	Amounts (billion €)
1. Increased competitiveness agriculture and forestry	45%	3,25
2. Improving the environment in rural areas	25%	1,80
3.Quality of life in rural areas and diversification of rural economy	30%	2,12
Total, of which:	100%	7,17
4. LEADER	2,5%	0,180
Tehnical Assistence	4%	

Source: Man, T.E., Mateoc-Sîrb Nicoleta, 2007

The measures and eligibility criteria for projects included in the axis 3 have been determined by taking into account Romania's specifics and strengths in the respective areas that exist in the rural environment, the high-value natural resources of rural communities being identified.

For axis 3 "Improving quality of life in rural areas and diversification of rural economy" The funding is of 2.12 billion euros (30% of total allocations).

♦ diversification of non-agricultural activities (crafts, handicrafts, traditional products, rural tourism) (19,000 beneficiaries will receive 10,000 euro per project)

♦ investments in small businesses in the country - barber shops, agricultural machinery mending, etc. (3,800 small businesses will be funded with 20,000 euro per project)

♦ renovation of villages (approximately 1,200 local councils will receive 1 million euro for roads, sewers, restoration of historical and cultural constructions, etc.).

- The funds are financed through the Rural Development Paying Agency for Rural Development and Fishing (APDRP - former SAPARD Agency).

The RDP measures financed in the 2007-2013 period with the purpose of enhancing life quality in rural communities and economical diversification are:

- Measure 312 - Support for creating and developing microenterprises.The public contribution associated with FEADR consists of 383,429,681 euro (9,910,000 Euro that represent the financial allocation associated with the guarantee scheme for SMEs). The total cost, consisting of public and private contribution is of 589,891,817 Euro.
- Measure 313 - Encouraging tourist activities. Public contribution related to the EFARD is 544,222,774 euro (9,540,000 euro represent the financial allocation related for the SMEs scheme). The total cost, consisting of public and private contribution is 837,265,806 euros;
- Measure 322: Village renovation and development, basic service improvement for the economy and rural population and increasing the value of the rural heritage; The public contribution associated to the EFARD consists of 1,546,087,425 euro. The total cost, consisting of public and private contribution is 1,579,217,870 euros.

- **MEASURE 312: „Improving quality life in rural areas and rural economy diversification"**

Measure 312: „Improving life quality in rural areas and diversification of rural economy" has as general objective the sustainable development of rural economy by encouraging non-agricultural activities in order to increase the number of jobs and the additional income.

The specific objectives include:

1. Creating and maintaining jobs in rural areas;
2. Adding value in non-agricultural activities other than those financed by 121 and 123.
3. Creating and diversifying services for the rural population, which are provided by micro-enterprises.

The operational objectives include:

1. Creating microenterprises as well as developing the existant ones from the non-agricultural sector in rural areas;
2. Encouraging promoted business initiatives, especially by young people and women;
3. Encouraging traditional crafts and other traditional activities;
4. Reducing the degree of dependence on agriculture.

Beneficiaries eligible for support through the MEASURE 312:

- **Micro-enterprises,** as defined in the Commission recommendation (EC) no. 361 / 2003 and national legislation in force (less than 10 employees and have an annual net turnover or total assets amounting to 2.0 million Euro equivalent in RON).
- **Natural person (that have npot been registered as economic agents)** – whom will commit, until signing the contract, to authorize themselves a minimum status of natural authorized person and function as a microenterprise

Rural areas eligible – in the acception of Axis 3 and therefore this measure, it includes all municipalities as territorial administrative units, together with villages and towns and villages belonging to the peri-urban areas are not eligible.

Under the measure 312 can perform the following types of investments:

a) Investments in non-farm productive activities such as:

Light industry (leather articles, shoes, wool, fur, knitwear, household products, air fresheners, etc. products.)

Industrialwood products processing activities – starting with the timber stage (furniture);

Fine mechanics assembly machines, tools and household items, packaging production.

b) Investment in developing handicraft, workmanship and other non-traditional agricultural specific activities (iron and wool processing, pottery, embroidery, making traditional musical instruments, etc..) and their marketing (small shops selling their own products obtained from these activities).

c) Rural population services such as:

a. Tailoring, barbering and shoemaking services

b. Broadcasting services and Internet connectivity;

c. Mechanization services, transportation (other than new means of transport) plant protection, animal artificial insemination andveterinary services;

d. Car repair services, tools and jacks.

d) Investment in renewable energy production

 Purchase of equipment for producing energy from other renewable sources than biofuels.

- **MEASURE 313 – „Encouraging tourist activities"**

Measure 313 - „Encouraging tourist activities" and has the **general objective** of developing tourism activities in rural areas to help increase employment and alternative incomes as well as making rural areas more attractive.

The specific objectives include:

1. Creating and maintaining employment through tourism activities, especially for youth and women;

2. Increasing the value added to tourism activities;

3. Creating, improving and diversifying the tourism infrastructure and services;

4. Increasing the number of tourists and the duration of their visits.

The operational objectives include:

1. Growth and improvement of small scale tourism accommodation;

2. Development of tourism information systems and the tourism promotion;

3. Creating the recreational facilities to ensure the access to natural areas of tourist interest.

Public Contributions for Measure 313 is: 544.222.774 euros**, from which** 9.540.000 is the financial allocation corresponding to the guarantee scheme for SME's.

• Romanian Government contribution – 20%

• EU contribution – 80%

The **total cost**, composed of the public and private contribution is 837,265,806 euros.

The Eligible beneficiaries for the support provided by Measure 313:

 Micro-enterprises

 Natural person (non-registered as economic agents) who will commit that, until the date of signing the financing contract, they must be authorized with a minimum status of authorized person and must function as microenterprise.

The Communes through their legal representatives, according to the national law and also the intercommunity development **associations** made only between the communes and established in according to the national legislation like NGO's, as defined by national legislation;

Types of investments

a) Investment in tourist accommodation facilities

• Construction, modernization, expansion and **equipping** of tourism accommodation structures (agro-touristic structures and other types of accommodation made by a microenterprise) with up to 15 rooms;

• For investments in tourist accommodation structures other than agro-tourism, the comfort level and quality of services offered by the project a minimum quality standard of 3 daisies (flowers)/ stars must be achieved;

• For investments in agro-tourism the tourist accommodation structure, level of comfort and quality of services offered by the project must achieve a minimum standard of one daisy.

In the agro hostels at least one activity related to agriculture, animal husbandry, cultivation of different types of plants, fruit trees, etc. should be conducted.

b) Investment in recreational activities

Private investment in the recreational tourism infrastructure independent or dependent of the tourist accommodation structure such as camping areas, swimming facilities and swimming pools, purchase of traditional transportation for walking, riding trails, including the first

purchase of horses for tourism (except those for racing and competition) and ensuring their houses (as part of the project), rafting etc.

Traditional means of transport means any vehicle with animal traction (for example: sleigh, coach), rowing boat.

c) Investment in small scale infrastructure such as information centers, arranging of the travel bookmarks.

Construction, modernization and equipping of local information centers for tourism promotion, presentation and tourist visits.

Development of local electronic reservation systems for tourist reception facilities in rural areas, connected to regional and national systems;

Arranging travel bookmarks, tourist shelters and public utility, etc.

Investments related to the restoration for tourism of the old railway tracks, with narrow gauge, of their complementary facilities (example: constructions), refurbishment of equipment and machinery;

Investments related to the arrangement of thematic trails (ex: "wine route", the "pottery", the "wood-cutters" etc.).

- **MEASURE 322: "Renovation and development of villages, improvement of economy and basic services of the rural population and increasing the value of the rural heritage"**

Measure 322: "Renovation and development of villages, improvement of the economy and basic services of the rural population and increasing the value of the rural heritage"- **was addressed primarily to the local government having the following components:**

1. The creation and modernization of basic physical infrastructure
2. The Creation and development of basic services for rural population
3. Protecting cultural heritage (group B) and natural local interest.

To this extent that funds have been exhausted following the course of 2011 to open a session for road rehabilitation in areas affected by natural disasters.

CONCLUSIONS

- After 1990, the Romanian village, which was already commited to communist transformations and systematizations, continued the process of degradation which continues nowadays in an accelerated rythm even if Romania has been a member of E.U. since 2007.
- The active population in the rural space, 46.3% of the rural inhabitants, can contribute to sustaining economical growth in rural areas if the adequate stimulation methods will be identified, imposing the creation of working places in the non-agricultural sectors, which will absorb the work force released from agriculture.
- Between 2007-2013 Romania is benefiting from financial support assigned by the European Union through its policy worth over 8 million euro for investments in agriculture and rural development.
- The purpose of rural development programs firstly concerns creating work places in the rural environment, in units of processing agricultural products, SMEs or other nonagricultural activities.

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