ERADICATION OF POVERTY ON THE TERMS OF THE AGRICULTURAL SECTOR REVIVAL

ERADICAREA SARACIEI IN CONDITIILE RELANSARII SECTORULUI AGRICOL

ANAMARIA MORNA[1]

[1]University of Oradea, Faculty of Environment Protection, Oradea, Romania; anamaria_simut@yahoo.co.uk

Abstract: *Poverty is the source of stagnation and regression. The effects of poverty require a deeper responsibility of each member of society, a substantial change in approaching realities. When fighting against poverty, the objective of government policy must be social cohesion, as a set of relationships and links which will help to strengthen the capacity of society to ensure sustainable supplies necessary for all members.*

Key words*: poverty, eradication, policy, agricultural sector.*

INTRODUCTION

Romanian economic crisis and global economic instability, at an international level, alarmingly affected the agricultural sector. Currently, Romanian agriculture still having issues to solve and the degree of instability of internal and external factors being high, good management can not function without a well reasoned strategy development. Reviving the agricultural sector is not an end in itself but has several aspects, including the use of resources and increasing agricultural production efficiency.

Changes in economic development have exacerbated social problems and have sent a significant part of the population to poverty. A special focus on poverty issues is subject to expanding the size and the emergence of new forms of poverty. The issue of poverty eradication is an imperious one also by the fact that affects efficiency and sustainability of the market economy system. The multitude of factors and conditions influence the emergence of

new forms of poverty, new research approaches are needed of the phenomenon and ways to eradicate poverty.

Decreasing poverty is the major objective of development. At the national economies level new strategies for poverty eradication are developed, based on the particular needs and local traditions. Plurality of property forms, creation of a multi-sector economy, changing the structure of household income, economic mobility of individuals, different access to information, are topics from an incomplete list of the poverty determinants during contemporary economic development.

MATERIALS AND METHODS

Decreasing poverty has been a major goal of governmental powers both at an international and national level. Poverty and mitigation measures have been studied since antiquity as an opposite phenomenon of wealth. Thus, poverty is a condition evidenced by the lack of (insufficiency) access to resources that limits activity and to the satisfying needs considered to be indispensable for living inside the cohabiting environment. Quantifying the value of poverty is diverse, but it is crucial to establish a benchmark called the poverty threshold, which is based on two major issues: the level of disposable income and consumer's spending levels expressed in calorific and monetary value. [1] The most powerful factor influencing poverty is represented by household income, which determines the level of consuming costs that households can afford at a certain time. Revenue impact on poverty is evidenced by two components, namely the level of income and their overall purchasing power dynamics, and the component derived from income distribution, more precisely from the existence of a relatively large proportion of low-income categories. Analyses conducted proved that [5]:

- The more unequal is the income distribution, the more increased is poverty;
- reducing the purchasing power of incomes has increased poverty process, especially for families with children, pensioners, unemployed, single persons.

Overcoming the current situation requires special focus of agricultural policy on a real restructuring of the food sector, regarded as a set of interrelated social and economic processes, which must give priority to: strengthening private property, the inoculating of a sense of ownership and responsibility in the allocation and management of resources; facilitate concentration of land and operational capital in viable holdings and farms (giving the situation of a more opened economy) alongside with the formation and development of alternative income sources in rural areas as an essential condition to overcome barriers to exit from the current surplus of farm working resources; creating an economic environment for more efficient, on competitive grounds, agricultural activities, including building effective conditions and incentives for savings in rural households and making private equity investments from within and outside the food sector; developing partnerships in order to protect and preserve the natural environment in rural areas. Currently, the competitive environment inside the agricultural sector is underdeveloped and highly distorted, with a negative impact on farmers. For a wider range of food products the markets continue to be segmented (offer is intended mainly for local markets) and lacking a proper link to international markets. This state of facts exercise a big unfavourable influence on agricultural production: farmers lack necessary incentives/resources in order to expand and/or intensify economic activity, on the one hand by the absence of functional channels of production and sales demand knowledge and on the other hand by buyers "dictate", due to the predominance of the territorial monopoly position of local wholesalers. [4]

Lacking supply managing, farms do not have the necessary strength to oppose to the wholesalers power. Therefore, in case of a normal crop, products are often undervalued at the farm gate and in many cases do not succeed in their disposal during critical harvest time, when farmers are deeply affected by the lack of financial resources necessary to settle debts and resume production cycle.

RESULTS AND DISCUTIONS

The causes of poverty are [3]:

- lack of resources (income/consumption) needed to meet basic needs according an established threshold;
- lack of ability to choose, this often taking relative forms in the space of tools and features;
- lack of living conditions that would allow assuming normal social roles, participation in social relationships, ordinary behaviour, as expected in the referred society;
- insufficient material resources and the inability of full participation in economic, social and cultural life;
- individual assessment of people condition and their minimum needs for living.

The ones considered to be blamed for poverty are the poor themselves, due to their misconduct and deviant behaviour: alcoholism, lack of interest in effective educational processes and their lack of effort to move away from poverty. Economic inequality that dominates capitalist society promotes the interests of owners of the means of production, generating as a consequence the power monopoly from a narrow segment of people who hold economic power, a situation that gives rise to exploitation of the people that are poor by the power elite [2]. Poverty is linked to the collective and individual high expectations risk, expectations that can not be achieved because of the unavailable resources. Poor people are creating a world of their own, a culture of their own, called “poverty culture”. Low income is one of the factors that hinder the achievement of a minimum acceptable living standard. Agricultural and rural development policies for revitalizing the agricultural sector are:

- shift the emphasis from direct stimulation of interventionist policies of the offer (subsidies for the resumption of the annual cycle of production, market regulation policies to support financial stabilization of their export subsidies) to structure policies, that is supporting the formation and operation to efficacy parameters of medium-sized farms through market mechanisms, developing the institutional framework and infrastructure necessary for the functioning of rural markets and completing privatization of economic

entities in rural areas where the government holds the majority as soon as possible.

- moving the focus from an exclusive agricultural policy to a real rural development policy, in order to facilitate employment in non-agricultural rural sectors, while reducing employment in agriculture. Training and development of competitive markets of goods and necessary inputs to farmers. In the absence of functional competitive markets, despite liberalization of food prices, the gain in productivity for the agricultural sector finds it's the way to an unequal allocation/distribution in favour of sectors supplying inputs and personnel in charge of taking over food goods.
- promoting a deep reform of the enterprise: clarifying uncertainties and confusion arising from diffuse structure of property relationships within agricultural societies/associations – on the premises of an economic-financial and managerial plan; concentration of landed and exploitation capital in individual households that are competitive and viable in an increasingly open economy (a process which inevitably means a drastic reduction in the number of actual farms). Relevant actions are aimed at enhancing economic and financial performance of holdings/farms and on this basis to provide opportunity to ensure necessary resources not only for the resumption of annual production cycle but also for saving;
- potentiating financial resources of agricultural farms/holdings through budgetary resources allocated to agricultural enterprises in the form of budget allocations for a wider range of investment projects destined for well-defined objectives, such as to directly contribute to enhancing the performance of agricultural units.

CONCLUSIONS

Despite the policies developed and elaborated by the government, the reality of recent decades shows a tendency of increasing poverty, but in

every society poverty manifests differently, depending on location and time reference, with specific emphases and nuances. The existence of vicious circles of economic inequalities – due to economic market malfunctions (increased prices, uneven distribution of the inflation effects) and wages malfunctions (due to expansion of the informal economy, increased taxation of the poor segment, deepening regional inequalities, corruption, inefficient system of social protection, fraudulent speculation) are all factors that have exacerbated inequalities and deepened poverty. Overcoming the current situation is neither simple nor can be held by an "assault" or a corporate policy. Strong economic and social barriers severely restrict agricultural activities out of a large number of producers. In the foreground lies the extremely modest opportunity - currently available - of practicing alternative occupations in rural areas. This is determined by a complex of unfavourable factors and circumstances regarding the Romanian rural environment: the condition of physical infrastructure (production related and social), age structure, degree of training and the level of professional training of human resources, existing possibilities of training, the access to production resources and market outlet of their products, the condition of the competitive environment.

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