THE ROLE OF CENTROCOOP ON THE RURAL MARKET IN ROMANIA

ROLUL CENTROCOOP-ULUI PE PIAŢA RURALĂ DIN ROMÂNIA

R.S. GORDEAN[1], NICOLETA BUZILĂ[1]

[1]Tibiscus University, Timisoara, Romania; gordean_raoul@yahoo.com

Abstract: *The paper deals with the role of Centrocoop within the rural market in Romania.*
The study presents the activity of Centrocoop all over the country, in the Western region and within Timiş jurisdiction, Arad, Caraş-Severin and Hunedoara.

Key words: *Centrocoop, rural market, trade*

INTRODUCTION

The cooperative trade is conducted by the consumer cooperative, the handicraft cooperative and other types of cooperatives, which are companies whose members come together to assume a distribution function, the benefits being distributed among all their members, who have equal power, each having a single vote in the general assembly.[1]

MATERIALS AND METHODS

The consumer and credit cooperative companies, by means of their status, profile of work and also by means of their tradition, (trade, industrial and agricultural production, services, acquisitions, credit), acting, mainly, in rural areas, have some great opportunities in terms of knowing the specific of the demand of goods, outlining the opportunities and capitalizing the local resources, but also requiring some further development strategies, so as to revive the cooperative activity, by turning it into a viable and profitable system.

Given the principles on which the cooperative system is based upon, the advantages it offers, the experience enjoyed by our country, this system, dating from the mid-nineteenth century, the fact that this system is

successfully functioning in a number of other developing countries, in conjunction with many possible forms of organization, it is a system that can be also developed in Romanian rural areas, a system that can function both in highly populated villages, with higher living standards, as well as in sparsely populated villages, with a lower purchasing power.

Another way of organizing the trading activity is by means of the franchising system, especially the distribution franchise and the retail business franchise, that can find viability – in rural areas – by means of the proximity grocery stores or convenience stores, seeking to adapt to the demographic changes, lifestyle developments, changes in the purchasing behavior, with extended operating hours, reaching up to a 24/7 schedule and offering a fairly wide assortment of goods or through non-food distribution facilities, organized as sales units, based on catalogs.

A first group of issues, taken under consideration, relate to the new vision of several EU experts, on the strategic importance of this sector of the EU economy, the trade, and its impact on the socio-economic development of the whole European community. In this respect, the need to promote some trade policies, in order to ensure the uniform development of the commercial activities, across the EU, by removing the differences among the different member countries, taking some actions, designed to ensure the competitiveness of traders, making some structural changes in the European trade, imposed the development of other sectors of the economy, development that involves the focus of the traders, the decrease in number of the more traditional wholesalers, broadening the franchise, the internationalization of the domestic and external trade etc.; facilitating the access to the funding needs of the independent traders, increasing the distance between the supply and the demand, and also a series of changes in the consumer behavior.[2]

Other important aspects, which can be regarded as the framework in the restructuring process of our rural trade, refer to the stipulations in the White Charter of the European trade, developed from analyzes performed on the conduct of the trade in some EU countries. These stipulations are based on a series of strategic directions for the promotion of this sector: improving the use of those policy instruments destined to support the trade, improving the administrative, legislative and financial environments, increasing the competitiveness and promoting the entrepreneurial spirit, encouraging the Europeanization and internationalization of trade.

In order to foreshadow the several possible ways of developing the rural trade, in Romania, a brief characterization of the trading activities carried out in the Romanian domestic trade has been made, in an attempt to outline the general framework of the rural trade integration. Thus, in the years after 1990, the Romanian trade has gone through a number of significant changes in what regards the types of commercial operators, the supply of goods, the commercial technologies and the additional services offered, and since 2000, the purchasing behavior of Romanians has changed in favor of the larger stores, the modern trade share increasing to 15%, in 2003, the growth in the large urban centers being much higher.

Since all these changes, which took place and are still taking place within the urban trade, have an influence on the rural residents as well, increasing their demands and changing their thinking about the selling spaces, the supply of goods and services, prices, etc.., an attempt to outline a number of possible ways of developing a business has been made, which was conducted in rural areas, based on the fact that the Romanian peasant can emerge in trade both in the position of an agricultural supplier, agriculture being the main occupation, in most of the cases, and the position of the consumer as well.

RESULTS AND DISCUSSIONS

The independent trade, the prevailing form of organization and perhaps, for some isolated areas, will remain, as long as possible, the safest form of trade to be practiced, both as existing sites in villages, as well as trade, can be upgraded by means of additional services, offered to the villagers and by means of involving the state or some employers' organizations in training and development activities for the local traders, because the main shortcoming is the total lack of economic training and funding opportunities.

In perspective, the Romanian rural environment might implement some other forms of organizing the commercial device, within the associated trade category or the integrated one. These forms of the associated trade could be practiced in rural areas, where there are large and very large villages, and the distance between them are relatively small, there being able to create some purchasing groups of small independent retailers and also voluntary chains, or, in agro-tourist areas, collective stores of

independent retailers could be set, knowing the fact that the purchasing power of the local people is higher in these areas and their requirements are increasing, due to the influence of tourism.

The integrated trade is also an opportunity to develop the rural business activity through its capitalist forms, large shops and companies, with multiple branches, that can be drawn and applied on international routes and popular tourist areas, or shops and the mobile trade in other rural areas, which are the poorest and most isolated.

However, the trade with no stores is very well suited in the countryside, whether it is practiced by mail or by means of the Internet, because there are rural communities that come close to the socio-professional structure of the existing one within the urban environment, and the infrastructure, that is the postal services, offers quite the best conditions.

With a history in the Romanian commercial activity, we believe that the cooperative forms of the integrated trade can be used, successfully, further, due to the real advantages of the cooperative system, by adjusting well to all the types of rural communities, regardless of population size or level of development. Another form of the integrated trade is the franchise, which can be practiced in the Romanian rural environment, through which, such neighborhood food stores, could be created, but such entity, can only be set up in large and very large villages, where the inhabitants have a higher purchasing power, whether they are near large urban centers or they practice alternative agricultural income generating activities.

CONCLUSIONS

The consumer cooperative owned space situation, in the Western Region, in which trade, tourism and service to service activities are carried out, on 31.12.2009, can be seen from the tables below.

Table no. 1

Number of Centrocoop units, by lines of work (31.12.2009)

INDICATORS	TOTAL country, of which:		West Region		JURISDICTION							
					ARAD		CARAŞ SEVERIN		HUNE-DOARA		TIMIŞ	
	%	nr.	%	nr.	%	nr.	%	nr.	%	nr.	%	nr.
Number of units, TOTAL, of which:	100	7.112	10,15	723	3,16	225	1,50	107	3,27	233	2,22	158
Trade	93,09	6.621	9,78	649	2,97	197	1,41	94	3,12	207	2,28	151
Tourism	1,32	94	16,99	16	5,31	5	5,31	5	5,31	5	1,06	1
Production-services	5,59	397	14,59	58	5,79	23	2,01	8	5,28	21	1,51	6

Source: internal data

Out of the total number (7112) of Centrocoop units from around the country, a total of 723 units are in the Western Region, representing a share of 10.16%, 3.16% in Arad, 1.5% in Caras-Severin, 3.27% in Hunedoara, and 2.22% in Timis. Depending on the activities in these units, it can be seen that a share of 93.09% is in the trade and catering category, 5.59% in the production-services category, and only 1.32% in the tourism category.

Table no. 2

Area of Centrocoop units, by lines of work (31.12.2009)

INDICATORS	TOTAL country, of which:		West Region		JURISDICTION							
					ARAD		CARAŞ SEVERIN		HUNE-DOARA		TIMIŞ	
	%	m2	%	m2	%	m2	%	m2	%	m2	%	m2
TOTAL area, of which:	100	1.971.353	11,07	218.502	3,09	61.077	2,37	46.787	3,16	62.337	2,45	48.301
Trade	85,47	1.685.029	11,33	191.370	2,87	48.414	2,36	39.894	3,34	56.438	2,76	46.624
Tourism	6,20	122.305	12,81	15.693	6,49	7.943	3,37	4.124	2,59	3.176	0,36	450
Production-services	8,32	164.019	6,95	11.439	2,87	4.720	1,68	2.769	1,66	2.723	0,74	1.227

Source: internal data

Out of the total area of Centrocoop units from around the country - 1,971,353 m^2, 218,502 m^2 units have the Centrocoop units in the Western Region, representing a share of 11.08%, 3.09% in Arad, 2.37 % in Caras-Severin, 3.16% in Hunedoara, and 2.45% in Timis.

Table no. 3

Turnover of Centrocoop units, by lines of work (31.12.2009)

INDICATORS	TOTAL country, of which:		West Region		JURISDICTION							
					ARAD		CARAŞ SEVERIN		HUNE-DOARA		TIMIŞ	
	%	lei	%	lei	%	lei	%	lei	%	lei	%	lei
Turnover – RON, TOTAL, of which:	100	643.633.351	9,34	60.250.135	3,02	19.498.820	0,49	3.157.766	4,07	26.232.263	1,76	11.361.286
Income from sale of retail goods and catering	81,78	526.408.332	9,65	50.881.247	2,99	15.747.110	0,44	2.343.560	4,43	23.362.195	1,79	9.428.382
Income from sale of retail goods	1,71	11.017.224	5,20	574.352	0,81	90.273	0	0	4,39	484.079	0	0

Source: internal data

The turnover of Centrocoop (31.12.2009) was 643,633,351 lei, the units in the Western Region achieving a turnover of 60,250,135, representing a share of 9.36%, 3.02%, the units in Arad, 0.49%, the units in Caras-Severin, 4.207%, the units in Hubedoara, and a rate of 1.76%, the units in Timis. 81.78% of the turnover of Centrocoop was made from the sale of retail goods and the restaurant business and only 1.71% was the income from the sale of retail goods.

Table no. 4

Number of settlements in urban and rural areas (31.12.2009)

INDICATORS	TOTAL country, of which:		West Region		JURISDICTION							
					ARAD		CARAŞ SEVERIN		HUNE-DOARA		TIMIŞ	
	%	no.	%	no.	%	no.	%	no.	%	no.	%	no.
Number of settlements, TOTAL, of which:	100	3.579	11,99	430	4,16	149	2,06	74	3,26	117	2,51	90
Urban	6,73	241	10,77	26	3,73	9	2,07	5	2,07	5	2,90	7
Rural	93,26	3.338	12,08	404	4,19	140	2,06	69	3,35	112	2,48	83

Source: internal data

The number of settlements where there are consumer cooperative units, out of 3579 in total, 430 settlements are in the Western Region, 149 in Arad, 74 in Caras-Severin, 117 in Hunedoara and 90 in Timis. Of all the settlements in which there are consumer cooperative units, 93.26% of them

are in rural areas and only 6.73% in urban areas. In the Western Region, in Arad jurisdiction, there are Centrocoop units in 140 settlements, in rural areas and 9 settlements, in urban areas, in Caras-Severin, Centrocoop units are found in 69 settlements, in rural areas, and 5, in urban areas, in Hunedoara, there are 112 settlements, in rural areas and 5, in urban areas, and in Timis jurisdiction, there are Centrocoop units in 83 settlements, in rural areas and 7, in urban areas.

Table no. 5

Number of settlements in the Western Region

Macro-region	Total area (km^2)	Towns and cities	Cities	Towns	Villages
TOTAL	238.391	320	103	286	12.956
West	32.034	42	12	281	1.327
Arad	7.754	10	1	68	270
Caraş-Severin	8.520	8	2	69	287
Hunedoara	7.063	14	7	55	457
Timiş	8.697	10	2	89	313

Source: National Institute of Statistics, Statistical Yearbook 2010

By processing the data, we obtained the following indicators, on a national level, 3.312 Centrocoop units/10,000 inhabitants, 3.762 units/10,000 inhabitants (Western Region), and only 2.33 units/10,000 inhabitants in Timis.

In rural areas, on a national level, the consumer cooperative units make their presence felt in 21.105% of the settlements, in the Western Region, 25.124% of the rural settlements are consumer cooperative units, and the share in Timis is 20.646%.

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