



UNIVERSITY OF LIFE SCIENCES "KING MIHAI I" FROM TIMISOARA

"YOUNG PEOPLE AND MULTIDISCIPLINARY RESEARCH IN APPLIED LIFE SCIENCES"

13-14 November 2025



NON-AGRICULTURAL INVESTMENTS, ENGINE OF RURAL DEVELOPMENT IN SIRIA COMMUNE, ARAD COUNTY

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• **Abstract:** The actual rural area in Romania requires investments in order to regenerate the population and to create alternative sources of income. The research carried out was oriented on two parts: the bibliographic study, of theoretical documentation in the strict field of the topic addressed and the own contributions that consisted in the collection of data from the institutions that deal with the implementation of the Communal Agricultural Policy (PAC) at the regional and territorial level, respectively the Agency for the Financing of Rural Investments (AFIR). The research approaches aspects of the financing funds for agriculture and rural development in Romania, as well as the need to implement the Common Agricultural Policy and access European funds, as means of improving the performance of agriculture and increasing the competitiveness of the agricultural sector - an essential element of the economy and rural development. submeasure 6.2., in Șiria commune, Arad County. At the end of the paper, the authors emphasize the fact that Measure 6.2. represents an easy way by which a farmer can obtain financial support to start his own business, as an alternative to agricultural activity, as shown in the presented case study.

Introduction

- The rural areas, representative of Romania, have substantial development resources. In 2022, the rural area had an area of 207,522 km² (87.1%) and 45.0% of Romania's population. The rural population is not evenly distributed, having a high share in certain regions (South-Muntenia - 58.6%, North-East - 56.8% and South-West Oltenia - 51.9%) with the highest density, except the Bucharest-Ilfov region, in the North-East region (63.24 places/km²) and low density in the West (26.51 places/km²). These disparities leave their mark on the socio-economic development of the areas and on the quality of life of the rural population.
- The rural population is experiencing a demographic decline, being continuously decreasing and aging. Between 2012-2020, it decreased by 65,646 people and according to demographic forecasts, the decrease will continue at a moderate pace until 2030, with a sharp decline between 2015-2050. In this context, measures to stabilize the population in rural areas are necessary. In this context, the research consists in the analysis of the funding funds for agriculture and rural development in Romania, as well as the need to implement the Common Agricultural Policy and access European funds, as means of improving the performance of agriculture and increasing the competitiveness of the agricultural sector - an essential element of economy and rural development., presenting a case study Accessing through PNDR sub-measure 6.2 "SUPPORT FOR THE ESTABLISHMENT OF NON-AGRICULTURAL ACTIVITIES IN RURAL AREAS", in Șiria commune, Arad county..

Material and method

The research carried out was oriented on two parts: the bibliographic study, of theoretical documentation in the strict field of the topic addressed and the own contributions that consisted in the collection of data from the institutions that deal with the implementation of the Communal Agricultural Policy (PAC) at the regional and territorial level, respectively the Agency for the Financing of Rural Investments (AFIR).

Results and discussions

- Șiria commune is located in the central-western area of Arad county, at a distance of approximately 25 km from the municipality of Arad and 25 km from Lipova.
- In terms of size, the commune of Șiria belongs to the category of large towns, the total area of the commune measuring 13,673 ha (or 1,367.33 km²) and the land use is presented in table 1.

Table Land fund of Șiria commune

Categories of use		Outside the built-up area	Intra-village	Total	From the total
Agricultural	Arable	8.292,03	0,00	8.292,03	60,65%
	Pastures, hayfields	1.252,34	0,00	1.252,34	9,16%
	Vine	1.037,72	0,00	1.037,72	7,59%
	Orchards	0,44	0,00	0,44	0,00%
Nonagricultural	Forestry	1.244,82	3,58	1.248,40	9,13%
	Surfaces covered with water	63,53	11,97	75,50	0,55%
	Ways of communication	162,40	119,26	281,66	2,06%
	Yards, constructions	30,66	1.446,33	1.476,99	10,80%
	Non-productive	7,92	0,00	7,92	0,06%
Total		12.091,86	1.581,14	13.673	100,00%

- The population of the commune of Șiria counts 8,103 inhabitants, in 2022, according to INS, being in a slight decrease compared to the census of 2002 when the commune counted 8,140 inhabitants.
- The dominants of the economy of Șiria commune are cereal agriculture (wheat, rye, corn), viticulture and animal and poultry breeding, the economic activities in the secondary and tertiary sectors are mainly missing.
- Case study presentation - "ESTABLISHMENT OF A CRAFT WORKSHOP, IN SIRIA, ARAD COUNTY"
- The presented project aims to establish a tailoring and handicraft workshop in the rural environment, in this case in the village of Șiria, having as its object of activity CAEN Code 1413 - Manufacture of other articles of clothing (excluding underwear).
- The activity carried out by the company is an initiative to diversify the local rural economy by creating a traditional craft and tailoring workshop, which will contribute to the revitalization of Romanian tradition and the increase of cultural heritage.

- Business motivation.** The main reason for the establishment of this workshop is due to the applicant's passion for folk art and local craftsmanship and for everything that means traditional Romanian port, a passion that he wants to turn into a business, thus offering the opportunity to other folk port enthusiasts to purchase creations of unique and handmade clothing. You know a country, a people, starting from the people and the objects created by them, along with the language, customs and traditions, the folk costume is an emblem of recognition, a mark of ethnic identity, a document with a certain historical and artistic value. The specific traditional / popular costume from the Banat region presents in its composition and composition some elements that represent and highlight the particularities of the area, different from the rest of the country.
- Another reason for the implementation of this business consists in the contribution to the development of the local economy, of the commune and to the maintenance of the traditional Romanian port, which in recent years no longer represented importance for the young generation.

- The individual enterprise will carry out the following types of activities: Folk handicraft activity – creation of traditional folk costumes and traditional accessories of the folk wear.
- The workshop will create the following garments: Folk shirts, folk shirts, folk skirts, shirts and dresses with traditional motifs, traditional vests, belts, etc.

Table 2 Company and product SWOT analysis

STRENGTHS	WEAKNESSES
- premium quality of the products offered - excellent value for money - unique products - products that can be customized - very pleasant appearance - products manufactured in Romania - the high demand for domestically manufactured products	- the company being newly established will not benefit from a well-known brand - the lack of a larger own sales network - the initial inability to produce a large number of products - lack of experience in the market
OPORTUNITIES	THREATS
- reduced competition at local level - access to non-refundable funds that allow business development - the existence of a significant and growing demand for unique traditional products - growing demand on the foreign market for traditional Romanian items, especially from Romanians abroad	- lack of a strong brand to begin with - Romanian legislative variability, relatively high taxation - the potential negative evolution of raw material prices - increase in labor costs

Conclusions

- The current rural area in Romania requires investments in order to regenerate the population and to identify alternative sources of income to agricultural activities in peasant households, 90% of which are subsistence and semi-subsistence.
- European funds represent the main source of financing for private investments, necessary for the long-term sustainable development of rural areas.
- Romania, as a member state of the European Union, benefits from the financial instruments of the Common Agricultural Policy, through the National Strategic Plan 2023-2027.
- Șiria commune has the necessary infrastructure elements so that the rural population and private beneficiaries can develop economic activity in the best conditions.
- The main reason for the establishment of this workshop was due to the applicant's passion for folk art and local craftsmanship and for everything that means traditional Romanian folk port, a passion that he managed to transform into a business, thus offering the opportunity to other folk port enthusiasts to purchase creations of unique and handmade clothing.
- You know a country, a people, starting from the people and the objects created by them, along with the language, customs and traditions, the folk costume is an emblem of recognition, a mark of ethnic identity, a document with a certain historical and artistic value.
- Measure 6.2. Investments in non-agricultural activities, from PNDR 2014-2020, represented a 100% financing method, through which a farmer or member of an agricultural household could, in an easy way and following the submission of a financing request, to obtain financial support to start their own business, as an alternative to agricultural activity.