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## Insertion of rural households into market economy mechanisms – evaluations and challenges on a zonal case study

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**Abstract:** *The approach proposes itself, to identify the opportunities and restrictions for the rural development in a given rural area, made of four communes of the Arges County (situated in the Carpathian space), from a multicriterial perspective (demography, income sources, the utilized agricultural area, etc.), for the formulation of some feasible alternatives for the sustainable local development.*

*Among the rural communities that gravitates towards it, we can mention the communes Albesti, Leresti, Schitu Golesti and Valea Mare Pravat (Valea Mare) that, together, constituted a rural microzone; from this area a representative sample of subjects was established; a complex questionnaire was applied to this sample, in relation to occupations and income sources, types of economic behaviors, etc., from the perspective of identification of opportunities for sustainable local development.*

*The rural crisis was manifested in the investigated area by the multiplication of natural, demographic and social capital fragilization in each locality in part, added to a prolonged period of changes in the rural traditional values. The decline of farming activities specific to the investigated area, the economic decline of urban centers, the modification of the polarization center status of towns brought about essential changes in rural developments.*

*The territorial image of the investigated area bears the imprint of agrarian structures specificity, generating particular modalities of space, natural and social capital utilization. The type of rural economy covers another dimension of the territorial image, as the modality of using the opportunities, the level of resources utilization and the economic coherence in particular are defining elements for the respective area.*

**Keywords:** *rural area; economic behavior; factor endowment; agricultural services; degree of mercerization.*

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### Spatial and methodological premises

The regional and local development measures and the related implementation institutions have an increasingly significant role, considering that since early

1990s it is the urban area that benefited most from the systemic transformation processes and as a result, the urban – rural disparities increased (Baum et al. 2004).

The share of communes from Arges in total communes of Romania is 3.5%, placing the county on the third place; the share of villages is 4.4% placing the county on the second place in Romania (Brev. stat. 2002). The Muscel zone is an area in the Arges county where radical economic and social transformations have been produced in the last 15 years; the municipality Campulung Muscel lies in the center of it, as an economic polarizing center for a large part of the communes in its proximity.

Among the rural communities that gravitates towards it, we can mention the communes Albesti, Leresti, Schitu Golesti and Valea Mare Pravat (Valea Mare) that, together, constituted a rural micro zone; from this area a representative sample of subjects was established; a complex questionnaire was applied to this sample, in relation to occupations and income sources, types of economic behaviors, etc., from the perspective of identification of opportunities for sustainable local development.

*The rural crisis was manifested in the investigated area by the multiplication of natural, demographic and social capital fragilization in each locality in part, added to a prolonged period of changes in the rural traditional values. The decline of farming activities specific to the investigated area, the economic decline of urban centers, the modification of the polarization center status of towns brought about essential changes in rural developments (Toderoiu et al. 2002).*

The type of rural economy covers another dimension of the territorial image, as the modality of using the opportunities, the level of resources utilization and the economic coherence in particular are defining elements for the respective area. The multiplication of the economic structures and the emergence and encouragement of the rural tourism specific structures induce not only job diversification, but also reinserts the rural area in the economic paradigm, under other terms. Effects in the cultural and communication area appear, rural tourism being a dynamic element that can act as a linkage between tradition and modernity.

The territorial perspective is also defined by the type of relations that operate, by the nature of relations between the rural communities or between rural and urban communities. The urban economic gaps, the diminution of the economic and social absorption capacity modified the traditional urban-rural relations. The economic domination and social polarization relations were partially transformed or even replaced by other type of relations, adequate to the new requirements, to the new possibilities of urban economic expression in particular. *The adaptation strategies of rural communities in the Arges county were empirically based upon a traditional natural and economic potentiality, promoting the endogenous opportunities with social visibility (Florian et al. 2004).*

## Endowment with economic factors and behaviors

### Agricultural machinery and utilization of mechanization services

Any investigation of the technical – economic situation of individual agricultural holdings and of the rural area cannot overlook the agricultural machinery, equipment and implements endowment. Seen from perspective of 11 categories of agricultural machinery and equipments, the ownership of these in the commune Albesti ranges from 0% (mower and milking equipment) to 13% (ploughs). The paradox of this situation is that in the two relatively frequent groups of activity in the local economy (hay harvesting and cow milking), the technological endowment is null, these activities being carried out in rudimentary conditions. In a decreasing order of ownership, ploughs are followed by tractors (10.4%), irrigation equipment (9.1%) and other equipment (7.8%). The presence of tractors on the second position can be explained by the twofold functionality of these in the hilly regions, i.e. both for agricultural mechanization works and mainly for transport, which is a specific activity in the agro – forestry zone Albesti.

Unlike Albesti, the technical endowment on the agricultural holdings in the commune Leresti is lower, ranging from 0% to 5.8%. The tractors and equipment for field cultivation (the first 6 items on the investigated list) are almost absent because the arable land area in the commune is quite low, on one hand, and a large share of the available arable land is located at more than 15–20 km from the inhabited area of the locality, on the other hand.

Fruit – tree farming and pastures can be considered among the relevant farming activities. In the commune Schitu Golesti, as a result of some higher financial availability per inhabitant, the range of agricultural activities seems to be larger. In this commune, only 4 items of the 11 items included in the survey are null. The lack of irrigation equipment seems relatively surprising, as there are significant land areas under fruit – tree plantations in the commune. At the same time, it is interesting that the ownership in ploughs is greater than in tractors; this situation happens because many times draft animals are used in plugging the land.

The poor technical equipment on the individual agricultural holdings from the commune Valea Mare Pravat is quite obvious. In the commune very few holdings have a tractor, truck or plough into ownership, which stresses the conclusion that in Valea Mare Pravat the farming activities are performed in rudimentary and non – performing technical conditions.

According to a 0 to 5 scale (5 – very high, 4 – high, 3 – medium, 2 – low, 1 – very low, 0 – the lowest), the 4 communes can get the following scores: Albesti – 3, Leresti – 1, Schitu Golesti – 2, Valea Mare Pravat – 0). As regards the use of mechanization services – as partial expression of modernity in farm operations, it is noticed that in the 11 categories of mechanization works from the questionnaire, the percentage of correct answers from the 281 respondents ranges from 73.7% (other mechanization services) to 98.6% (plugging, milling).

The quantitative and qualitative analysis of the distribution of the correct answers by the 11 categories of services and the four communes, from the perspective of mechanical services utilization, results in certain relevant conclusions regarding the extent to which the peasant individual holdings from the Muscel zone ask for agricultural mechanization services even in the small – scale agriculture conditions.

**Table 1.** Utilization of mechanization services, total communes

	„Yes”		„No”		Total	
	no.	%	no.	%	no.	%
Ploughing	101	36.5	176	63.5	277	100.0
Sowing	52	19.0	222	81.0	274	100.0
Application of herbicides	14	5.1	258	94.9	272	100.0
Disease control	17	6.2	259	93.8	276	100.0
Weeding	46	16.7	230	83.3	276	100.0
Harvesting	35	12.7	241	87.3	276	100.0
Transport	62	22.5	213	77.5	275	100.0
Grapes pressing	7	2.5	268	97.5	275	100.0
Milk processing	3	1.1	272	98.9	275	100.0
Milling	36	13.0	241	87.0	277	100.0
Other	8	3.9	199	96.1	207	100.0

Source: own calculations based upon the questionnaire applied in 4 communes from Muscel zone, 2004.

Summing up, the utilization of mechanization services in the four communes range from 1.1% (milk processing) to 36.5% (mechanical plugging). It is worth mentioning that in only two categories of mechanization services from the questionnaire, utilization exceeds 20% (transport – 22.5%, plugging – 36.5%) (Table 1).

It is to be noticed that in the area of the four communes, the impact of agriculture practiced under modern technological conditions is very low; on one hand, this situation stems from the current precarious technology used, while on the other hand from the low economic power of the individual peasant holdings that cannot afford applying modern mechanization services.

The shares of the 4 communes in total sample, by the 11 categories of mechanization services, are rather distributed according to the general situation from the perspective of mechanization means endowment on individual holdings and to the extent to which these use mechanization services (Table 2).

It is worth mentioning that the commune Valea Mare Pravat features the lowest percentages of mechanization services utilization in 8 out of the 11 categories of services; by contrast, in the commune Albesti the highest shares are found in 8 out of the 11 categories. In close connection to the use of mechanization ser-

**Table 2.** Utilization of mechanization services – share of communes in total sample (%)

	Albești		Lerești		Schitu Golești		Valea Mare Pravat	
	Yes	No	Yes	No	Yes	No	Yes	No
Ploughing	26.7	28.4	18.8	26.1	40.6	21.6	13.9	23.9
Sowing	21.2	29.7	21.2	24.3	38.5	26.1	19.2	19.8
Application of herbicides	50.0	27.1	21.4	24.0	28.6	28.7	0.0	20.2
Disease control	47.1	26.6	35.3	22.8	17.6	29.0	0.0	21.6
Weeding	39.1	25.7	23.9	23.5	26.1	28.7	10.9	22.2
Harvesting	34.3	27.0	20.0	24.1	25.7	28.6	20.0	20.3
Transport	37.1	25.4	24.2	23.5	27.4	28.6	11.3	22.5
Grapes pressing	14.3	28.4	14.3	23.9	42.9	28.0	28.6	19.8
Milk processing	33.3	27.9	0.0	23.9	33.3	27.9	33.3	20.2
Milling	38.9	26.1	22.2	23.7	33.3	27.8	5.6	22.4
Other	62.5	36.2	0.0	11.6	25.0	24.6	12.5	27.6

Source: own calculations based upon the questionnaire applied in 4 communes from Muscel zone, 2004.

vices by the peasant holdings in the four communes, the problem of payment modalities arises: either in kind (by agricultural products) or in cash. At this question from the questionnaire, the share of correct answers by the 11 categories of mechanization services considered ranges from 20.6% (milk processing) to 50.5% (mechanical plugging). An explanation for the subjects' reluctance to answer this question on the payment modalities for mechanization services may come from the villager's typical propensity for not answering sensitive questions of financial – cash nature.

Per total sample, the payment in kind for mechanization services ranges from 0% (other mechanization services, milk processing and pest control) to 14.3% (mechanical harvesting). At the same time, the share of using cash payment for the mechanization services ranges from 3.4% (milk processing) to 59.2% (mechanical plowing). Three other categories of mechanization services paid in cash also stand out: weeding, sowing and transport. *The much lower share of in-kind payment for mechanization services compared to payment in cash may be explained by the fact that in the area of the four communes, most farming activities are not connected to cultivation of arable land; by contrast, in the plain zone, payment in kind for many mechanization works is largely used.*

### Agricultural buildings

Considering the valid answers in 4 out of the 5 categories of agricultural buildings (stable, storage facilities, sheep house, shed), the ownership of such buildings ranges from a minimum level of 12.1% (sheep house) to 76.2% (storage facilities). From the perspective of shares of the 4 communes in total sample in each of the 5 categories of agricultural buildings, the following situation was

noticed: on one hand, the commune Valea Mare Pravat has most of the minimum shares (3 out of 5); on the other hand, the commune Albesti has most of the maximum shares (4 out of 5). It results that as regards the ownership of agricultural buildings, the peasant households from Valea Mare Pravat have a very low endowment level, compared to the commune Albesti, where 4 categories of fixed assets have shares larger than 30%.

According to the statistics of various shares of valid answers in total sample (from 12.5% in the case of sheep houses to 76.2% in the case of storage facilities) referring to the average age of agricultural buildings considered, it results that in no category of buildings and in no commune out of the 4, the average age of buildings is lower than 13.6 years (overall in the four communes, the average age ranges from 18.4 years in other buildings to 41.5 years in stables). *Considering the low endowment in agricultural buildings together with their high wear and tear level, it can be concluded that the present availability of peasant holdings in the Muscel zone for the assimilation of modern livestock production technologies is very low if not almost non – existent.*

### Productive behavior

While the previous questions in the questionnaire had in view the endowment with technical means and agricultural buildings on the investigated rural households, as essential elements in the configuration of the bases for the on – household production behavior, another panel of questions refers to the identification and quantification of production – related behavior on rural households. In this respect, we had in view the questions referring to the crop products obtained and the number of livestock owned by the 281 households from the sample.

It is worth mentioning the low and very low number of valid answers in the 8 crops included in sample (wheat, maize, barley, potatoes, alfalfa, clover, orchards, vegetables and other), ranging from 0.7% (barley) to 19.2% (potatoes). The low number of valid answers referring to the crops obtained may be explained either by the insignificant importance of wheat, maize and barley crops for the hilly and mountain zone of the four communes, due to the inadequate relief conditions, or by the respondents' reluctance to provide information on activities or products connected to the incomes they could obtain, in relation to which rural people are rather cautious in giving answers. As regards the number of animals, the rate of valid answers is higher (from 1.4% in other animal species, to 91.2% in poultry number). This time, the high answering rate may be explained by the fact that livestock and poultry farming, is a common activity on the investigated households from the Muscel zone.

The very low share of valid answers referring to the land areas cultivated with the 8 crops included in sample, mainly to the crops that are specific to the plain zone (wheat, barley, maize) make us consider with certain reserve the answers referring to different crops, mainly to those that are not specific to the zone. The average yields per hectare obtained are very low, due to weather and technologi-

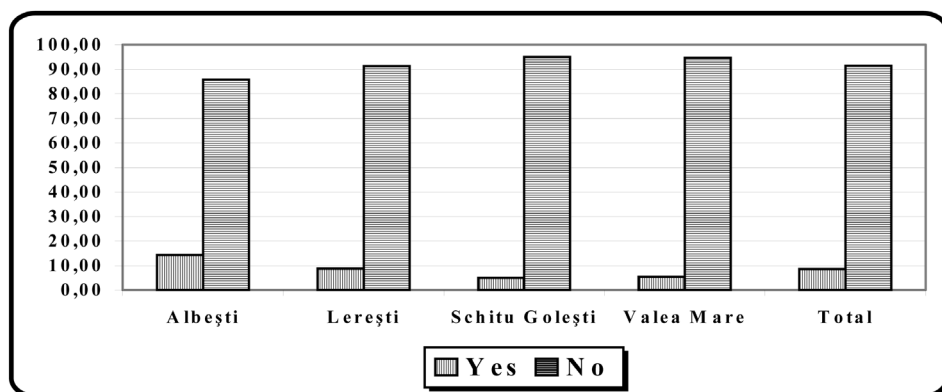
cal conditions; production goes to self-consumption almost exclusively, and only a small amount of it is sold. By contrast, the situation in livestock production is different. *The essential argument is that in the zone of the four communes, favorable agricultural, soil and weather conditions are found for animal husbandry; however, animals are raised under modest conditions as regards endowment with specific facilities and technology, and livestock production does not have a strong commercial character.*

### Commercial behavior

Even in the conditions of a low level of valid answers from respondents, the households have a low propensity for selling the crop or animal products that they produce. It is worth mentioning that the most common form of selling crops, animals or animal products is on no contract basis; these products are sold on the market places from Campulung, in the communal fairs organized on a weekly basis or occasionally, or even under the form of the so – called “welcome trade”, at the margin of roads or highway. The answers to the question referring to the extent to which subjects sell their products in town come to support the previous conclusions referring to the self-consumption characteristic on the rural households from Muscel zone (Graph 1).

Thus, per total communes, out of total valid answers (281), only 8.5% of respondents declared that they sell agricultural products on urban markets. By communes, this share ranges from 5.1% (Schitu Golesti) to 14.3% (Albesti). As regards the frequency of selling agricultural products, it can be noticed that out of total valid respondents (34), 38.2% sell once in several months, 26.5% once a week, 23.5% once a month, 8.8% twice a week and only about 3% several times a week.

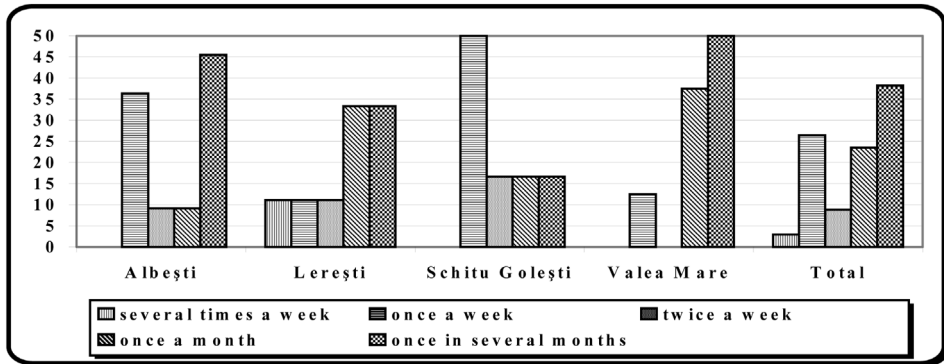
Of course, the frequency of sales is also linked to the structure of crops and livestock into ownership, which have various production cycles. In the four communes, the frequency of sales to urban markets ranges from 0% (for sales prac-



**Graph 1.** Sale of agricultural products to town markets. Source: Own calculations based upon the questionnaire applied in 4 communes from Muscel zone, 2004.



ticed several times a week in the communes Albesti, Schitu Golesti and Valea Mare Pravat) to 50% (once in several month, in the commune Valea Mare Pravat). As a general rule, the sales practiced once in several months have the largest shares in each of the four communes (Graph 2).

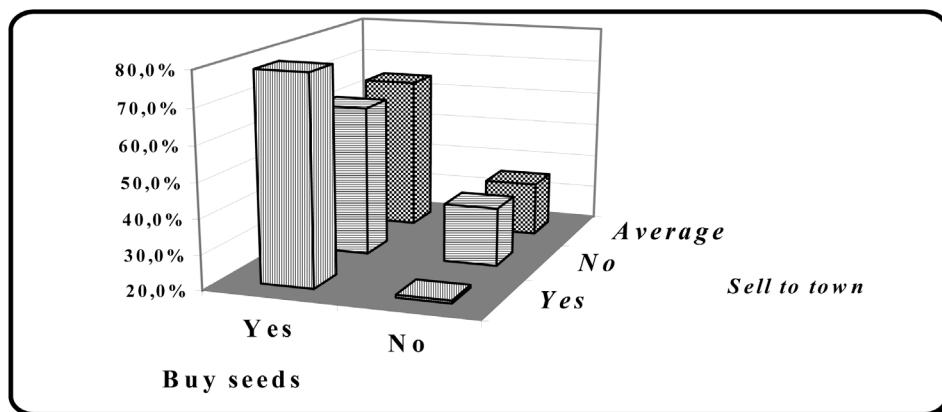


**Graph 2.** Frequency of sales to town markets, by communes. Source: Own calculations based upon the questionnaire applied in 4 communes from Muscel zone, 2004.

Overall, per total sample and for the 5 selling frequencies, the commune Albesti accounts for 32.4% (as a result of the high shares of sales on a ‘once a week’ basis – 44.4%, once in several months respectively – 38.5%); the lowest share is held by the commune Schitu Golesti (17.6%), due to the fact that in two out of the five selling frequencies it has shares representing 33.3% (once a week and twice a week). By the 12 products sold on the urban market, for which the correct responsibility ranges from 3.2% (other products) to 91.5% (eggs), the subjects in the four investigated communes indicated share of sales to the market ranging from minimum 0% (commune Lerești, for other products) to a maximum value of 66.7% (commune Valea Mare Pravat, for other products). In the commune Albesti, in 11 products out of 12, the share in total sample is over 25%. The least favorable position is held by the commune Valea Mare, Pravat in which only one item has a share of over 25% (i.e. other products).

Normally, in a functional market economy, economic operators are connected to the market both through the intermediary of deliveries of goods and services produced by themselves and through the procurement of goods and intermediary services on the market. From this perspective, it is interesting to know to what extent the agricultural holdings from Muscel zone are connected to the economic – financial flows generated by the economic sale – purchase processes. In this respect, after we previously determined to what extent and how often they sell products on the market, another problem was raised, i.e. what products as raw materials they buy on the market. In relation to this, the interviewed subjects gave correct answers ranging from 79.7% (other raw materials) to 99.6% (chemical fertilizers).

The correlated issue, linked to a deeper investigation of the degree in which the subjects who sell products on the market also buy inputs on the market, is analyzed by revealing the specific differences that appear at the commune level in relation to whole investigated sample. *Per total sample, out of total respondents who sold products in town, 79.2% bought seeds. At the same time, out of total subjects who have not sold products on the town markets, 63.1% bought seeds (Graph 3).*

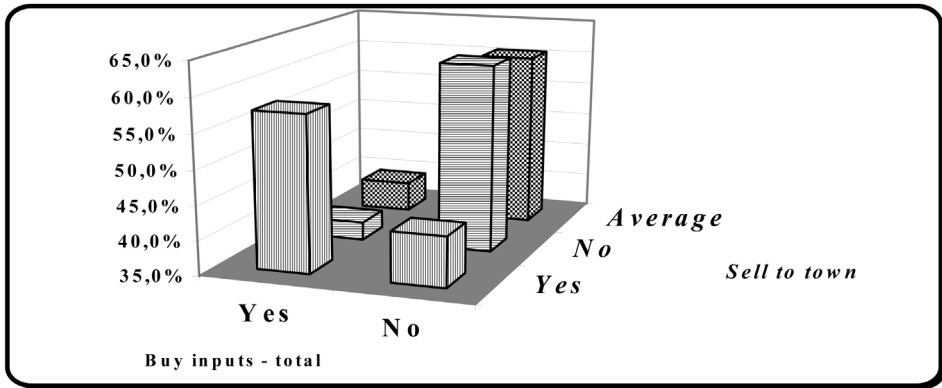


**Graph 3.** Correlation between the sale of products – purchase of seeds. Source: own calculations based upon the questionnaire applied in 4 communes from Muscel zone, 2004.

The fact that, on the average, 64.5% of total subjects who sell or do not sell products in town buy seeds is positively appreciated from the perspective of the need to increase the marketing activities in the zone. It must be also added that in this hilly zone, the soil and weather conditions are not suitable for producing seeds and planting stock with a high yielding potential, so farmers have to buy their seeds.

Synthetically, the average level of commercial connection of peasant households to the markets of commodities and services by the 8 inputs that were investigated is quite unsatisfactory, as in total respondents who sold or did not sell products in town; only 39.4% also bought the considered inputs (Graph 4).

This aggregate average was determined by the fact that the averages specific to each type of bought input range from a minimum 14.3% (other inputs) to 64.5% (seeds). The decreasing order of the commercial connection averages in each category input is the following: seeds (64.5%), fuels (41.7%), concentrated feed (28.4%), chemical fertilizers (26.8%), pesticides (17.5%) and other (14.3%). If we admit that the minimum confirmation threshold of reasonable commercial connection of individual holdings to market can be considered a 50% average, we can draw the conclusion that in only 3 of the 8 investigated inputs this threshold is exceeded: seeds, feed grains and veterinary drugs. The fact that in these three input categories two refer to livestock related inputs also confirms the importance of livestock production in the investigated households from



**Graph 4.** Correlation between the sale of products – purchase of inputs – total. Source: own calculations based upon the questionnaire applied in 4 communes from Muscel zone, 2004.

Muscel zone. Together with the hierarchy by input categories, the hierarchy by communes is also important, considering the decreasing order of connection degree by each input (Table 3).

From this point of view, the decreasing order of the average level of commercial connection by communes is the following: Schitu Golesti (average rank 1.50), Albesti (average rank 2.38), Lerești (average rank 2.88) and Valea Mare Pravat (3.25). A general conclusion deriving from the previous detailed analyses is that the commercial connection of peasant household to markets was mainly through the respondents who, although not selling products to urban markets, procured agricultural inputs to a greater extent than those who also sold products on the town market. *The commercial behavior of peasant households from Muscel zone is quite similar to the overall situation in the Romanian agrifood economy, where the connection to foreign markets since 1990, has been more through imports than through exports of agrifood commodities.*

**Table 3.** Hierarchy of communes by the average rank of connection to market

	Albești	Lerești	Schitu Golesti	Valea Mare Pravat	Total
Seeds	3	2	1	4	2.5
Feed grains	1	3	2	4	2.5
Chemical fertilizers	2	3	1	4	2.5
Pesticides	2	4	1	3	2.5
Concentrated feed	1	3	2	4	2.5
Fuel	4	3	1	2	2.5
Drugs	3	4	2	1	2.5
Other	3	1	2	4	2.5
<b>Total</b>	<b>2.38</b>	<b>2.88</b>	<b>1.50</b>	<b>3.25</b>	<b>2.5</b>

Source: own calculations based upon the questionnaire applied in 4 communes from Muscel zone, 2004.

## Labor force – related behavior

Besides land and capital, farming activities also need labor. In general, in many questionnaires applied to households, the questions referring to the use of non-family labor, as well as to the modality of payment are sensitive issues, people being quite reluctant or reserved in answering them. The share of valid answers by the four categories of workers involved in peasant holdings (hired labor or labor exchange, permanent workers, seasonal workers, relatives, other) ranges from 3.6% in permanent workers to 100% in the first category.

In total sample, 35.2% of the valid respondents hire workers or exchange labour, ranging from minimum 27.5% (Leresti) to maximum 48.1% (Albesti)<sup>1</sup>. The four types of salaries for the four categories of hired labor in the four communes sum up 16 frequencies of salary payment forms. The highest frequency is held by salaries paid on a weekly basis, which is found in 14 out of 16 situations. The next form practiced is daily payment, found in 10 out of 16 situations; the other two forms (on a monthly basis and mixed types) is found in 9 out of the 16 situations.

Of course, it is quite surprising that people use the labor office source to such a low extent, although the labor force rationalization rate in the great economic units from the region is quite high, and thus the unemployed could represent a potential source for hiring labor force in agriculture.

## Consultancy services

In modern agriculture, agricultural consultancy represents an essential chain in the general concept of managing the land, material and human resources. Previously, *from the analysis of the answers to the question referring to the use of mechanization services by the peasant households, it resulted a very low utilization level; this seems to derive, at least partially, from the relatively low level of information and access to information referring to technical performances.*

In order to respond to such an eventuality, the questionnaire included a question referring to the extent to which the households from Muscel zone used, paid or intend to use in the future, too, agricultural consultancy services. Referring to the use of the 6 categories of consultancy services (agricultural chamber, agricultural engineer, vet, accountant, Agromec, private firms) – over 99% of respondents provided relevant answers, from 1.4% (paid private firms) to 69.8% (consultancy paid to vet), and from 14.9% (intention to use private firm consultancy) to 73.7% (intention to use vet consultancy); certain relevant aspects can be noticed here, regarding the modalities of getting the consultancy services in the four communes closer to the sample average.

<sup>1</sup> We consider that this category rather refers to labour exchange for different seasonal agricultural works by the peasant households from Muscel zone and less to hired workers.

## Investment – related behavior

The valid answers referring to the two essential investment forms – own investments and loans – by 5 financial sources (own sources, relatives, other people, bank, other forms) and by 10 investment directions (purchase of agricultural machinery and equipment, purchase of fruit-trees, animals, land, buildings and agricultural buildings, processing equipment, non – agricultural business development, building new house, purchase of car – truck and payment for children’s education) revealed the frequency of cases in which one commune or another has the highest share in the two investment forms and a main funding source (own funds), developed along the investment directions (Stefanescu et al. 2003).

Among the 5 money sources for investments, the banking credit has an significant role. The reason why the credit from bank has such a low importance can be deduced from the analysis of valid answers referring to the extent to which this form was used in the four investigated communes in the last 10 years, as well as of the motivations lying behind this reticence. Per total sample, only 13.2% of valid respondents took a loan from the bank, by communes the situation being the following: from 6.5% (Albești) to 24.6% (Lerești) (Table 4).

Considering that it is very important to know what are the reasons why no loans from the bank were made by 86.8% of the valid respondents, the questionnaire included a question referring to six possible reasons for this situation (lack of trust in banks, no credit need, refusal to try, setting conditions, high interest rate and difficult formalities

The analysis of the investment – related behavior also implies measuring the intention to initiate projects in the future. In this respect, the questionnaire addressed the question referring to the projects intended to be initiated in the following two years in three areas: crop production, livestock production and non – agricultural activities. The following interviewed subjects provided valid answers to this subject: 23.8% (non-agricultural jobs), 18.5% (crop production) and 15.7% (livestock production). In crop production, 90.4% of future projects

**Table 4.** Reasons for not applying for a banking credit (%)

	Albești	Lerești	Schitu Golești	Valea Mare Pravat	Total
I do not trust banks	46.7	31.1	20.0	2.2	100.0
I did not need	19.4	17.7	50.0	12.9	100.0
I tried, but I was refused	42.1	10.5	36.8	10.5	100.0
I tried, but conditions were imposed	34.3	11.4	34.3	20.0	100.0
High interest rate	15.6	34.4	3.1	46.9	100.0
Difficult formalities	0.0	0.0	100.0	0.0	100.0
<b>Total</b>	<b>29.6</b>	<b>21.4</b>	<b>32.1</b>	<b>16.8</b>	<b>100.0</b>

Source: own calculations based upon the questionnaire applied in 4 communes from Muscel zone, 2004.

are to be carried out on the basis of people's own funds, in livestock production 79.5%, while for non – agricultural activities, people's own funds would be the basis of 77.6% of projects.

It seems interesting to notice that, on one hand, the intentions to develop non – agricultural projects are greater compared to crop and livestock sectors; on the other hand, among the funding sources for these projects, the credit from the bank has the largest share for non – agricultural activities (10.4%), followed by livestock production (6.8%) and crop production (3.8%). The affirmation of non – agricultural business, even though as an intention for future projects, as a potential niche for future business development in the communes from Muscel zone, seem to be a good omen from the perspective of identifying sustainable development directions in the zone.

## Conclusions

1. The rural crisis was manifested in the investigated area by the multiplication of natural, demographic and social capital fragilization in each locality in part, added to a prolonged period of changes in the rural traditional values. The decline of farming activities specific to the investigated area, the economic decline of urban centers, the modification of the polarization center status of towns brought about essential changes in rural developments.
2. The adaptation strategies of rural communities in the Arges county were empirically based upon a traditional natural and economic potentiality, promoting the endogenous opportunities with social visibility.
3. It is to be noticed that in the area of the four communes, the impact of agriculture practiced under modern technological conditions is very low; on one hand, this situation stems from the current precarious technology used, while on the other hand from the low economic power of the individual peasant holdings that cannot afford applying modern mechanization services.
4. The much lower share of in-kind payment for mechanization services compared to payment in cash may be explained by the fact that in the area of the four communes, most farming activities are not connected to cultivation of arable land; by contrast, in the plain zone, payment in kind for many mechanization works is largely used.
5. Considering the low endowment in agricultural buildings together with their high wear and tear level, it can be concluded that the present availability of peasant holdings in the Muscel zone for the assimilation of modern livestock production technologies is very low if not almost non – existent.
6. The essential argument is that in the zone of the four communes, favorable agricultural, soil and weather conditions are found for animal husbandry; however, animals are raised under modest conditions as regards endowment with

specific facilities and technology, and livestock production does not have a strong commercial character.

7. Synthetically, the average level of commercial connection of peasant households to the markets of commodities and services by the 8 inputs that were investigated is quite unsatisfactory, as in total respondents who sold or did not sell products in town; only 39.4% also bought the considered inputs.

8. The commercial behavior of peasant households from Muscel zone is quite similar to the overall situation in the Romanian agri-food economy, where the connection to foreign markets since 1990, has been more through imports than through exports of agrifood commodities.

9. The people use the labor office source to such a low extent, although the labor force rationalization rate in the great economic units from the region is quite high, and thus the unemployed could represent a potential source for hiring labor force in agriculture.

10. From the analysis of the answers to the question referring to the use of mechanization services by the peasant households, it resulted a very low utilization level; this seems to derive, at least partially, from the relatively low level of information and access to information referring to technical performances.

11. The reason why the credit from bank has such a low importance can be deduced from the analysis of valid answers referring to the extent to which this form was used in the four investigated communes in the last 10 years, as well as of the motivations lying behind this reticence.

12. The affirmation of non – agricultural business, even though as an intention for future projects, as a potential niche for future business development in the communes from Muscel zone, seem to be a good omen from the perspective of identifying sustainable development directions in the zone.

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