

THE SUSTAINABLE MANAGEMENT OF ENDOGENOUS RESOURCES IN THE RURAL AREA OF SIBIU DEPRESSION

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Abstract

The sustainable management of endogenous resources is a research topic extensively debated on global scale that promotes an economic and social diagnosis model, meant to emphasize the specificity of territorial element in defining objectives, strategy and options for the development and diversification of economic activities in rural areas. The purpose of the paper is to put in value, in a sustainable way, with efficiency and effectiveness the endogenous resources, by adopting the most relevant possible options, to contribute decisively in reducing disparities in the studied rural area. The research was focused on rural areas in Sibiu Depression - a unitary area with a remarkable habitable and geoproductive potential; for its diagnosis it was used the PESTEL model, whose usefulness is recognized in the context of globalization, because it allows highlighting of the particular aspects of the studied community. This makes it possible to adjust the rural economy and its resilience to the more and more frequent changes occurring in the environment. The PESTEL diagnosis model was completed, for a better and exhaustive knowledge of the socio-economic characteristics of the studied rural area, by the SWOT analysis, which was backed by organizing meetings of the focus group formed by key local factors and specialists, concerned with the development and diversification of economic activities in rural areas. This research has led to the general conclusion that the development and diversification of rural economy is achieved according to the territorial specificity, and is supported by the rural community that gives life and maintains rural areas of Sibiu Depression.

Key words: community, diagnosis, resources, rural, sustainability

Rural development is characterized by complexity and actuality, and relies mostly on the available resources at territory level, also requiring the active involvement of the community in the elaboration, adaptation and implementation of the best available options for the superior valorization of its potential. The complexity of rural space development is given by the size and importance of its national and international importance, and its actuality by the interest shown by the European Union, resulted in the development of adequate policies and strategies, as well by the effort made by our country in adapting and adopting policies and strategies to integrate the rural economy in the common market. The motivation of such topics is also given by the fact that in general rural resources are exploited irrationally (Iagăru R. *et al*, 2014). Rural development should be achieved by the integration of the main activities of the rural areas (agriculture, aquaculture, fisheries, forestry, manufacturing, etc.), and by the diversification of economic activities to maintain a balance between the requirement of preserving rural values, and the trend of rural life modernization (Nistreanu M. *et al*, 2009).

The forces that contribute to achieving this goal are internal and external ones, with different degrees of influence on development, in the recent years increasing the role of internal (endogenous) forces. This paper is based on the new concept of Territorial Development, that states that endogenous forces and the own development capacity are the most important levers to be pushed to achieve a sustainable endogenous economic growth. Endogenous forces involved in this process consist of local actors and various resources – natural, human, material, economic, social, cultural and spiritual - (Zaman G. *et al*, 2015). Obtaining a sustainable endogenous economic growth at the local level is the desire of every community and it is generally based on endogenous forces (Romer P., 1994), while emphasizing investment in people, innovation and knowledge. For this it is necessary to promote market competition, markets opening, research and innovation, that is promoting a process of continuous economic transformation based on territorial specificity, given that its absence is incompatible with economic growth (Howit P., 2005), i.e. rural development.

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The major objective of the research is the area diagnosis, for the adoption of strategic options for the development of the countryside in Sibiu Depression, based on territorial specificity, finally leading to the revival of economic activities, their diversification and increasing employment. Sibiu Depression is located on the southwest of the Transylvanian Plateau and in the north of Southern Carpathians, namely northwards Cindrelului and Lotrului mountains (*figure 1*).

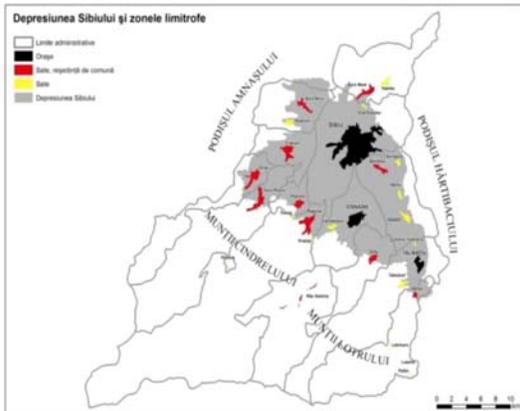


Figure 1 Sibiu Depression and surrounding areas (Plesia N., 2008)

The rural area of the depression is characterized by a remarkable potential that allowed a unique rural way of life and its own culture that the community is obliged to properly valorize, based on sustainability principles and precepts.

The relevance of such issues is given by the fact that economic activities in rural areas irrationally exploit the resources.

MATERIAL AND METHOD

The research of countryside requires a research methodology able to adjust for pinpointing the territorial specificities. The case study is the method chosen for this research because it has demonstrated in numerous studies and projects its utility and relevance of the obtained results (Kerekes K. *et al*, 2010). In our case, for highlighting the specificity of rural areas of Sibiu Depression, and of its endogenous and exogenous forces it has been used both quantitative and qualitative methods, such as: secondary analysis of statistical data and relevant literature (reports, strategies, studies, monographs) PESTEL analysis, and SWOT analysis, respectively, backed by organizing focus group meetings, attended by key local stakeholders and experts concerned with the development and diversification of economic activities in rural areas. The diagnosis of the rural area of Sibiu Depression has featured its

components and subcomponents, and consisted of grouping the size of the rural living framework in a set of six criteria for analyzing the macro areas for which it was used the PESTEL (political, economic, social, technological, environmental and legal) model. In order to characterize as complete as possible the rural area of Sibiu Depression, the research has been continued using the SWOT analysis which allowed combining the findings on endogenous potential with those on the non-endogenous ones, in the same time highlighting the occurred problems, providing also answers for their solving.

RESULTS AND DISCUSSIONS

Using the PESTEL model highlights a number of issues specific to the studied community that enable a continuous economic transformation in order to its adaptation and resilience to the more frequent changes in the environment. The impact of such diagnosis enables the local actors, as forces involved in the development process, to relate better to territorial specificities and to acquire a better capacity for developing and implementing strategic choices relevant to the rural area development. The territorial specificity is highlighted by the PESTEL model following the identification, inside the six major criteria for analyzing the rural area, of the most relevant sub-criteria required for the elaboration of the strategic options to achieve the envisaged objectives. The political criterion for the macro environment analysis highlights the dependency of rural development on adopting the Common Agricultural Policy, on coherence in rural development policies, and on the creation of a business friendly environment, respectively. The economic criterion reinforces the need to adopt economic and fiscal policies that favor rural entrepreneurship, the need to provide a competent workforce and, of course, an adequate infrastructure for starting and development of business in the studied rural area. Social criterion alongside the economic one represents the base of the analysis of rural development and provides relevant information on demography, social laws, education level, lifestyle etc. Knowing the population development is the focal point of the social diagnosis because it has an impact on the economic environment and thus on rural development, being both an action factor and consumer one, benefitting also by the development. The technological criterion highlights a relatively high level of spending on innovation and the number of enterprises especially in areas such as construction, trade, food

processing industry, tourism, which means a good receptivity to innovation. However Sibiu Depression in rural areas physical and ICT infrastructure does not enjoy a level appropriate investment, and cooperation between higher education and rural entrepreneurship should be further enhanced. Diagnosis environment reinforces the need to ensure rural development in terms of sustainability which requires implementing policies on environmental protection, pollution control and waste management. Legislative criterion highlights the both innovation, and in the number of company acting in construction, commerce, food processing industry, tourism, that means a good receptivity towards innovation.

Yet, the road and ITC infrastructure are not at an adequate investment level, and the cooperation between higher education units and rural entrepreneurs must be intensified.

The environmental diagnosis emphasize the

necessity to achieve a sustainable rural development, which asks for policies on environmental protection, pollution control and waste management. The legal criterion emphasizes the need of rural development in accordance with the norms related to environmental protection, labor law, health, etc.

For a better and comprehensive knowledge of the socio-economic characteristics of the rural area of Sibiu Depression, the PESTEL method was completed with a SWOT analysis. This method is commonly used to identify strengths and weaknesses, external opportunities and threats of an organization or territorial unit (Vincze M. *et al.*, 2009). The processing of the obtained data allowed the following arrangement of the endogenous and non-endogenous factors, as well as opportunities and threats in the SWOT matrix (*Table 1*).

Table 1

SWOT analysis

Strong points		Weaknesses	
1	Exceptional tourism potential	1	Poor knowledge on attracting EU funds
2	Agricultural potential	2	Inefficient public administration
3	Hydropower potential	3	Low attractiveness for young people with higher education
4	Forestry potential	4	Irrelevant development strategies
5	Renown brands	5	Irrational exploitation of endogenous resources
Opportunities		Threats	
1	Sources of funding for agro tourism and rural tourism	1	Lack of support actions of rural entrepreneurship
2	Funding sources for agriculture	2	Low interest in creating public-private partnership
3	Funding sources for non-agricultural activities	3	Low interest for farmers' association
4	Sources of funding for physical infrastructure	4	Low capacity of the responsible factors in attracting local development funds
5	Funding sources for infrastructure	5	Lack of promotion and support actions of rural products on markets

The analysis of SWOT information highlights that the advantages of obtaining economic growth are represented by the following endogenous resources: tourism, agriculture, hydropower and forestry. These allow obtaining products constituting an important asset of Sibiu Depression countryside, officially renowned on national and international level (various Sibiu cheese products, Sibiu salami, Sibiel tourist village). The SWOT matrix also clearly shows the existence of certain issues in obtaining an endogenous growth. These are focused on human resources, whose skills fail to attract sufficient development funds, which reflects on the inability of creating attractive jobs for young people with higher education, the promotion of irrelevant

strategies and an inadequate exploitation of the endogenous resources. The analysis of the macro environment of Sibiu Depression countryside has identified both opportunities and threats in the process of endogenous growth. These are briefly presented in the SWOT matrix (*Table 1*). The main elements that threaten the endogenous growth are the lack of support actions for rural entrepreneurs and the low interest both in terms of public private partnerships, and in forming farmers' association. These, together with the reduced capacity to attract development funds and with a lack of promotion and support actions of rural products cause a low negotiation power of the rural producers regarding their dealings with suppliers and customers, with a negative impact on their competitiveness. An asset

in the process of obtaining endogenous economic growth in the rural areas of Sibiu Depression can be represented by a better exploiting of the opportunities in this area. These opportunities are the result of collaboration between the endogenous resources and funding sources for their sustainable exploitation. Thus, an exemplary mobilization of the local actors could raise funding sources that should allow a better use of tourism, agriculture and food, energy, forestry potentials, as well as the development of an adequate road and ITC infrastructure. The synthesis of the information provided by the method recommends certain policy options for achieving endogenous growth in the rural areas of Sibiu Depression, the most relevant considered by us being:

Attracting investments for the development of road and information and communication technology infrastructure;

Adopting measures to support rural entrepreneurship;

Better use of tourism potential by initiating new business or developing existing ones;

Better use of the potential of agriculture and food by initiating / developing farms / food processing companies;

Better use of forestry potential;

Better use of the energy potential;

Increasing processing of the raw materials results from processing the endogenous resources;

Increasing the involvement of local actors in promoting rural products;

Development of consultancy services on financing rural entrepreneurship;

CONCLUSIONS

Attracting investments for the development of road and information and communication technology infrastructure leads to increased resource efficiency.

Adopting measures to support rural entrepreneurship has a positive impact on development and diversification of rural activities.

Better use of existing resources in rural areas of Sibiu Depression is made based on a diagnosis of its components

Development of consultancy services on financing the rural entrepreneurship encourages private initiative.

Involving local actors in rural product marketing stimulates rural economy.

Increasing processing of the raw material results from processing the endogenous resources will generate added value and competitive advantages at national and international level.

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