MICROFINANCE OPPORTUNITY FOR THE DEVELOPMENT OF THE FARMING SECTOR IN ROMANIA

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The microfinance activities started to be developed in Romania since 1993, with the support of foreign donor institutions (Ex: CHF International, USAID, World Vision, Opportunity International, the Swiss Confederation etc.). Gradually, organisations such as NGOs developed and the initial donor institutions started to withdraw their financial support.

The initial goal of the NGOs (microfinance entities) was to fight against poverty, now the objective is to be profitable, to offer services to a larger clientele, so their means are commercial.

Presently, the microfinance programs of the NGOs (CAPA, CDE, CHF, ELMOL, FAER, LAM, OPPORTUNITY, INTEGRA, ROMCOM, UNDP) cover both rural and urban areas. LAM and FAER foundations and CDE have directed their support towards farmers, as 80% of their beneficiaries are from rural areas.

The impact survey study applied to 144 beneficiaries of the LAM and FAER loans revealed one of the research purposes, which was to assess why they prefer these microfinance entities to other financing institutions (e.g. banks). 43,1% of the total number of the questioned beneficiaries answered this question stating that they had the best offer on the market- smallest interest (32,22%), they offer credits easier and faster (22,31%), they are the only entities that offer loans to small farmers (12,22%), they had loans from banks but tried FAER/LAM as well (14,81%), they have friendlier staff (6,71%), the banks do not offer loans to those with no solid mortgage warantees (3,81%), other answers (7,92%).

REFERENCES