Population and Economic Growth - The Recent Shape of an Old Unbalance

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SUMMARY

Structural distortions affect all economies, in the sense that permanent adjustment to the current demands is occurring. In this process, agriculture plays a strategic role in surviving; in this sector, the crisis effects originating in the structural distortion have particular explanations in the mechanism of the inefficient pricing: external factors, in the sense of price/quantity competitiveness, take control of the local offer, embarrassing or even ruining the local producers (Murdoch, 1980). The land ownership and legislation of organizing farming could become determinant subjective factors of the agricultural production stagnation, even in a country with favorable climate and fertile soil, like our country is. During crisis periods, the unbalance between the scarcity of used capital and labor (employment constrains), becomes the gap between the wasted used capital and the underused employed labor plus the unemployment burden. This means a mathematically proved market shrinking, which by no means would reduce rural poverty; the follow up is the lowering of the general consumption (in 2009, private consumption decreased with 9.2%, NSI source) and aggregate food production. This principle, of imperfection in market functioning, requires intervention from wealthy economic units, and the legislative support of the local, regional, national European and global authorities, because the risk of investments in an uncertain profitable domain is higher. In order to do so, conclusions have been taken from previous results: during the final decades of the last century, statistics showed a better efficiency of using resources in urban areas; and consequently, finances were released to rural areas, in order to be endowed with road, power, water infrastructures, educational and health-care-net, and other urban similar conditions. Romania, as most of the countries, succeeded great steps in the urbanization direction, even by turning a number of villages into towns. But in spite of the overall urbanization expansion, the poverty evidence remained. Unbalanced development in rural area is not only a Romanian characteristic, but a general reality in Europe and the entire monde-economy. During the periods of slowing down and reducing the economic activities, disequilibrium is a “costly luxury” which impedes the speedy recovery. During the undergoing convergence process, financed projects should be grounded on the aim of reducing the unbalance between the great potential of the agriculture and the modest subsistence of the workers involved in it.

Keywords: land, development, rural area

REFERENCES