

OPTIMAL TO FUNCTIONAL COOPERATIVE INSTITUTIONS IN THE ROMANIAN AGRICULTURE

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Agenda

- ⦿ The context of the research
- ⦿ Main risks for the co-operative phenomenon in Romania
- ⦿ Risks within ANP modelling
- ⦿ More on ANP modelling
- ⦿ Results
- ⦿ Sensitivity analysis to an mix of policies
- ⦿ Conclusions

The context of the research

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A scientific support for the correct legislation regarding the optimal establishment for functional agricultural cooperatives in Romania.

Based on analyzing the historical specifics of the Romanian cooperatives and the existing ones in the European Union, a conceptual scheme about complex relationships of the agricultural cooperatives within the economics and social pillars was developed.

Based on this scheme, a model in the context of the ANP was built

This model was consolidated and estimated by a large range of experts in the agriculture, within a programme of the national Network of the Regional Development (RNDR)

Synthesis results together with the analysis of the effect excised by different policies on the optimal structuring of the cooperatives complete the presentation.

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HISTORICAL ANCHORS : understanding the actual state of the cooperatist system in the Romanian agriculture cannot be done without a brief recal of the three major milestones in its history.

- During 1903-1949 yrs the modern cooperatist structures in the Romania were instituted and functional, with responsib, tsle structures and support for the individual land property. The cooperatist structures developed in the context of the financial, agro-food , forestiar and consumption markets. The co-operative phenomenon in the agriculture had ups and downs with the global evolution of the macro-economic stat at the time, yet broadly speaking it had an upward trend.
- In between 1949-1989 there were a series of phenomenons and processes like abandonong the previous co-operative models and the passage to the Sovietic model throu controlling the land propriety, as one element of the national wealth, controlling the farmers, who were forced to enroll in co-operatives based on new rules and princiles in contrast to the former ones. The authonomy of these co-operatives was fractured: costs were on the production unities, (selling) prices were state controlled.
- After 1990, altghough the comunist co-operative system was abolished and the role of the asociative structures in agriculture was formally recognized in the new legislation, it never functioned properly *de facto* , being still wrongly focused still on land propriety.

The context of the research

Prezent challanges for the good functioning of the agricultural co-operatives

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- The implementation and the dynamics of a real and functional co-operatist system in agriculture is intrinsic connected to the economic growth in the industrial sector.
 - Proprietary rights in a co-operative should be an active partnerhip between the individual and public ones, not substitutes. Al the co-operative priciples should be applied in sinergy and stated properly in the specific constituency laws.
 - Registering in an agricultural co-operative should be done based on a carefully constituted set of criterions, scientifically selected for the selection and recruitment dependinfg on the specifics of the profile , its size, activity domain and also the attitude (the antreprenorial spirit, generosity, tolerance, innovative aspirations).

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Present challenges for the good functioning of the agricultural co-operatives

- The current legislation regarding the constituency of the agricultural co-operatives is delivering regulations for the horizontal relationships with the management and focus less on the vertical relationships with the public power.
- It is difficult to maintain a neutral position in the relationship legislation, public institution, doctrine-the agricultural co-operatives .
- The objectives of the agricultural cooperatives should be placed within the agro-food markets, financial markets and knowledge transfer and not within common land proprietary rights or common work activities, as in the former communist regime.



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THIRD PILLAR: The public power

Public and organizational concern

SECOND PILLAR:
The Market

*Economic concern,
Social altruism*

FIRST PILLAR:

CooperativS,
Associations, co-
operatives members,
associated members

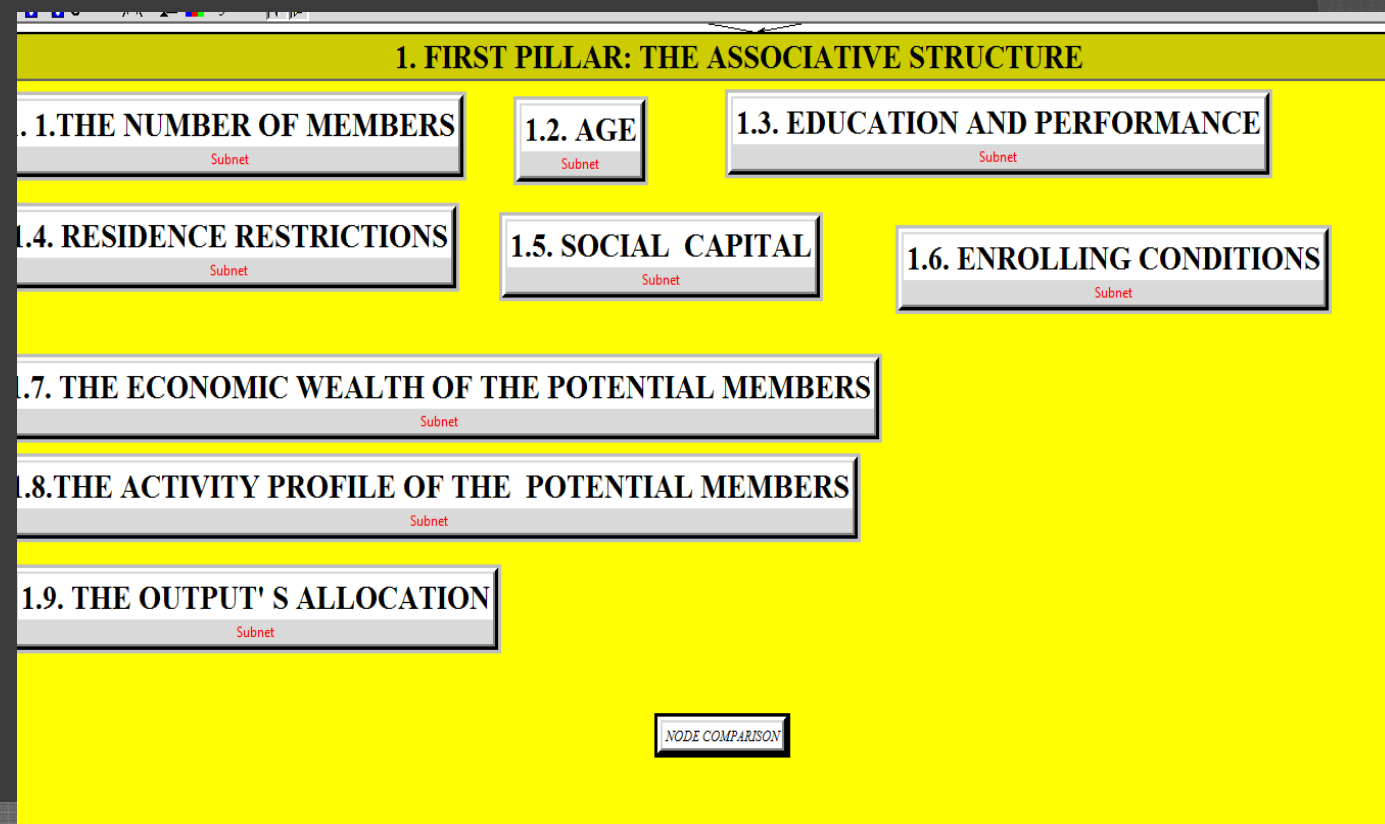
Individual versus group
concern

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FIRST PILLAR: CooperativS, Associations, co-operatives members, associated members

Individual versus group concern

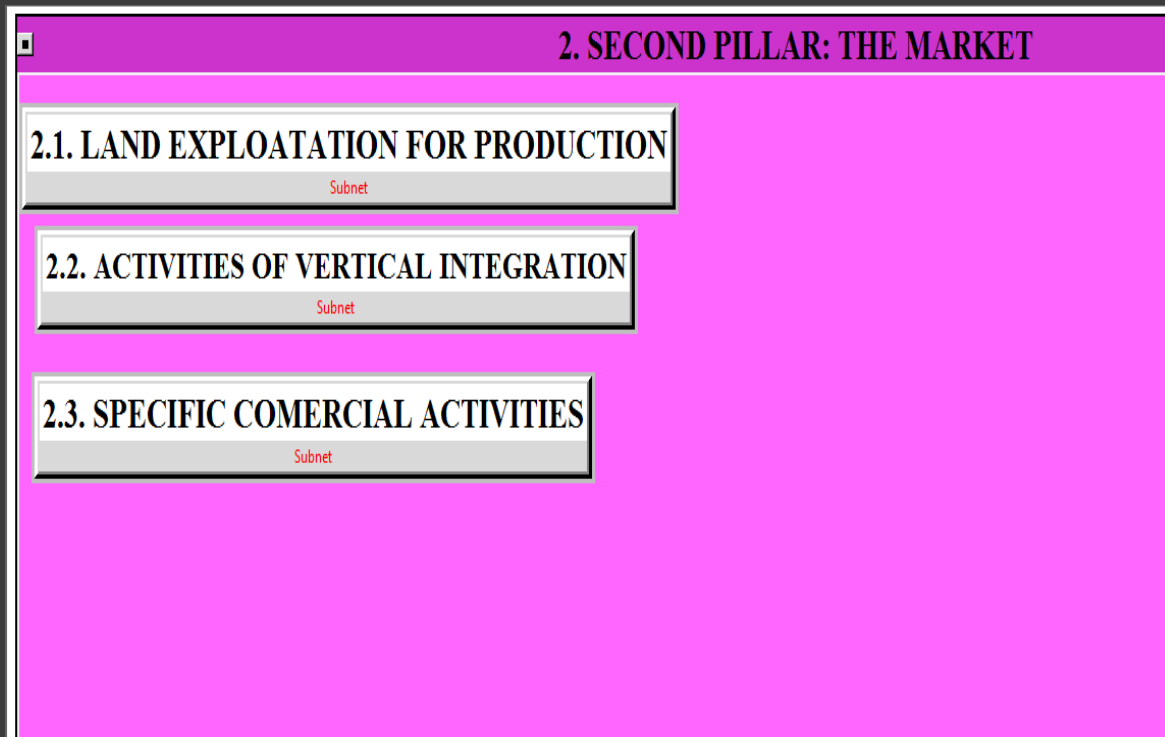


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Economic concern, Social altruism

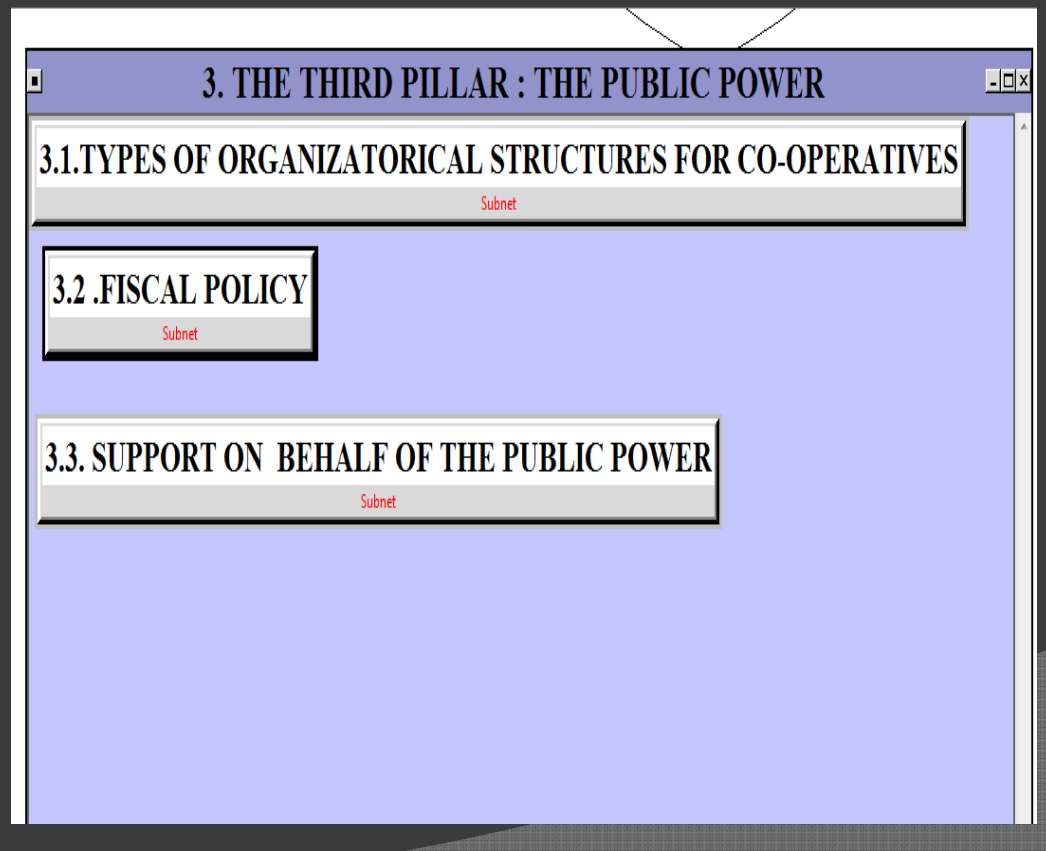


Risks within ANP modelling

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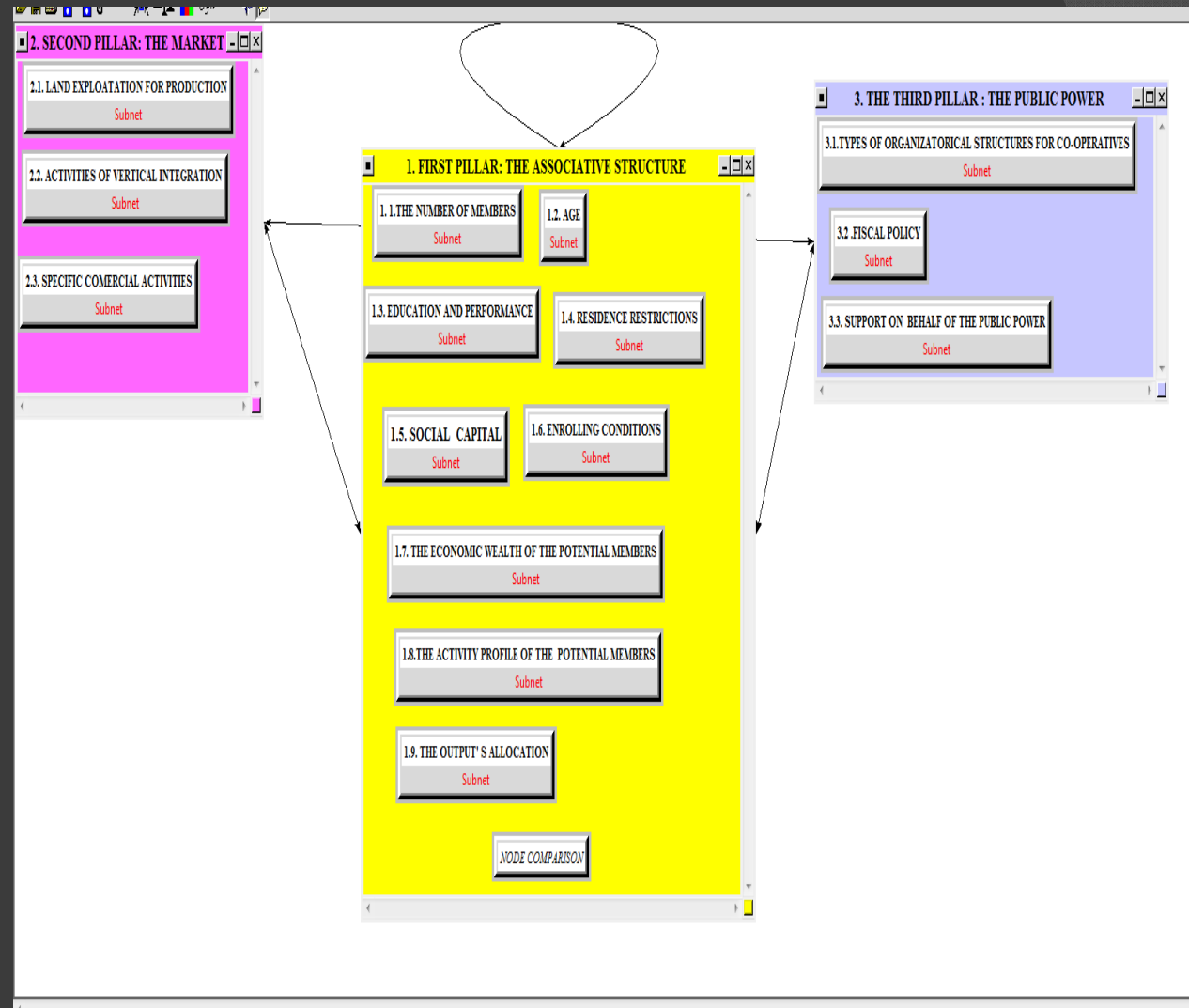
THIRD PILLAR: The public power

Public and organizational concern



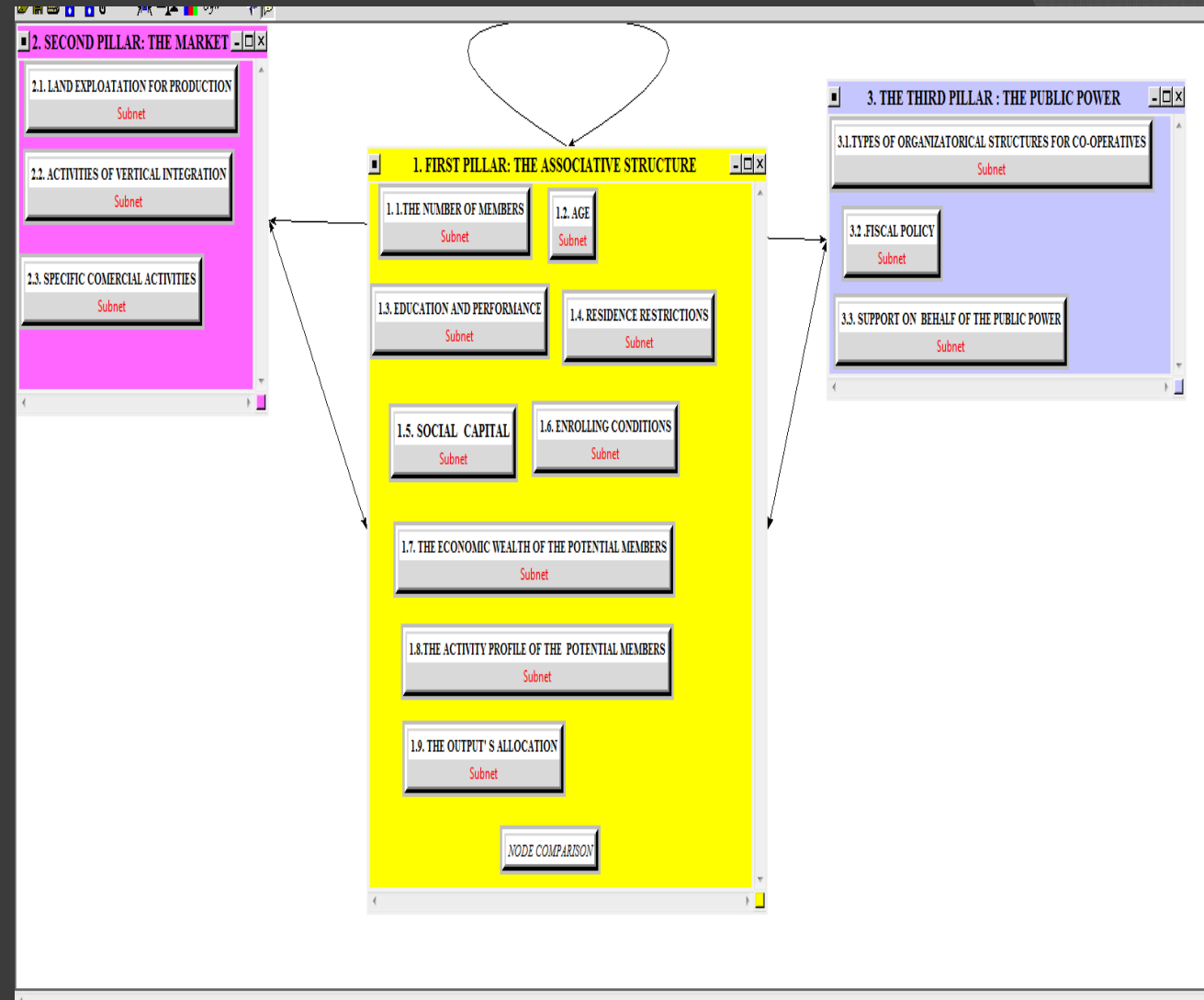
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MORE ON ANP MODELLING

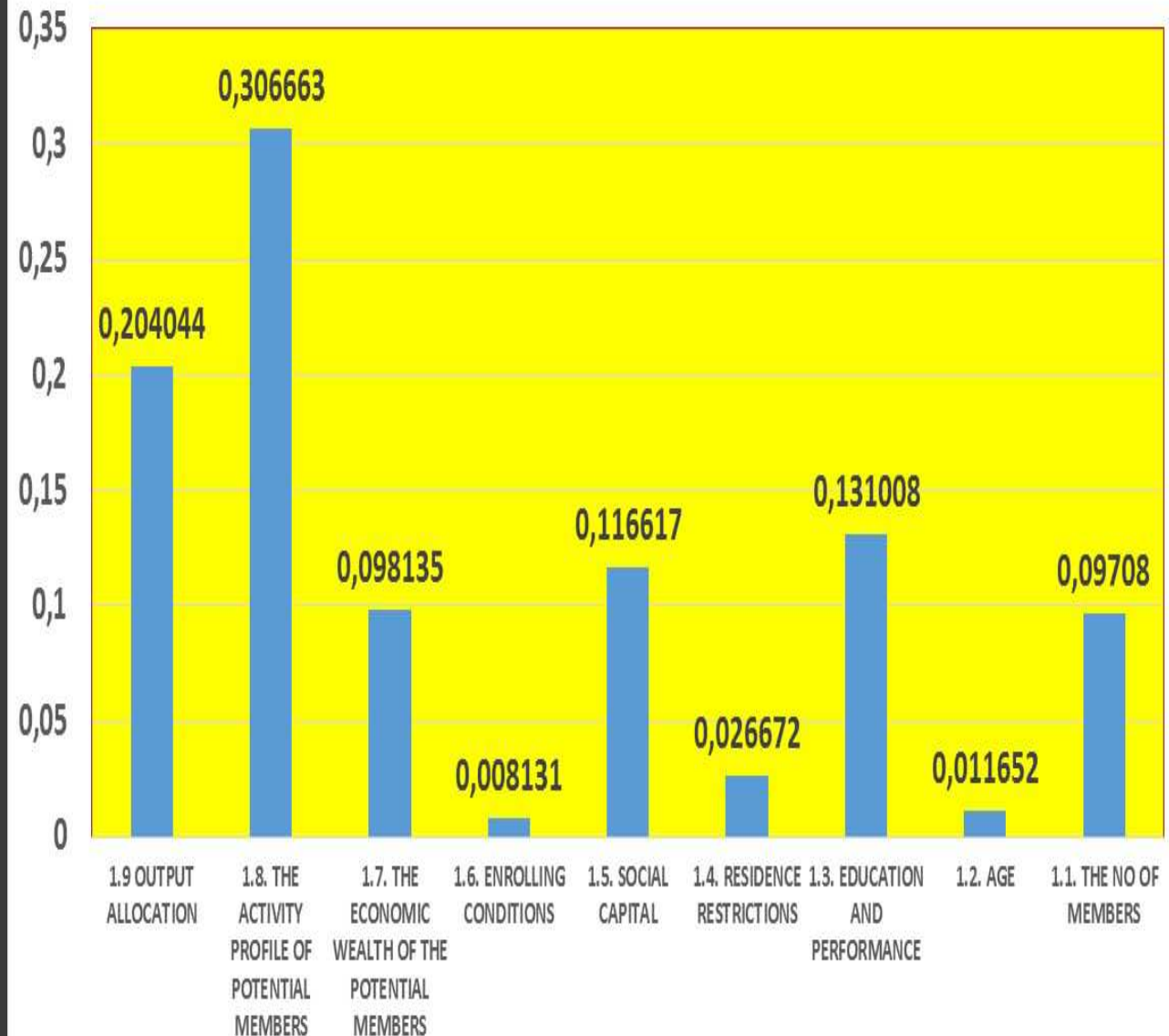
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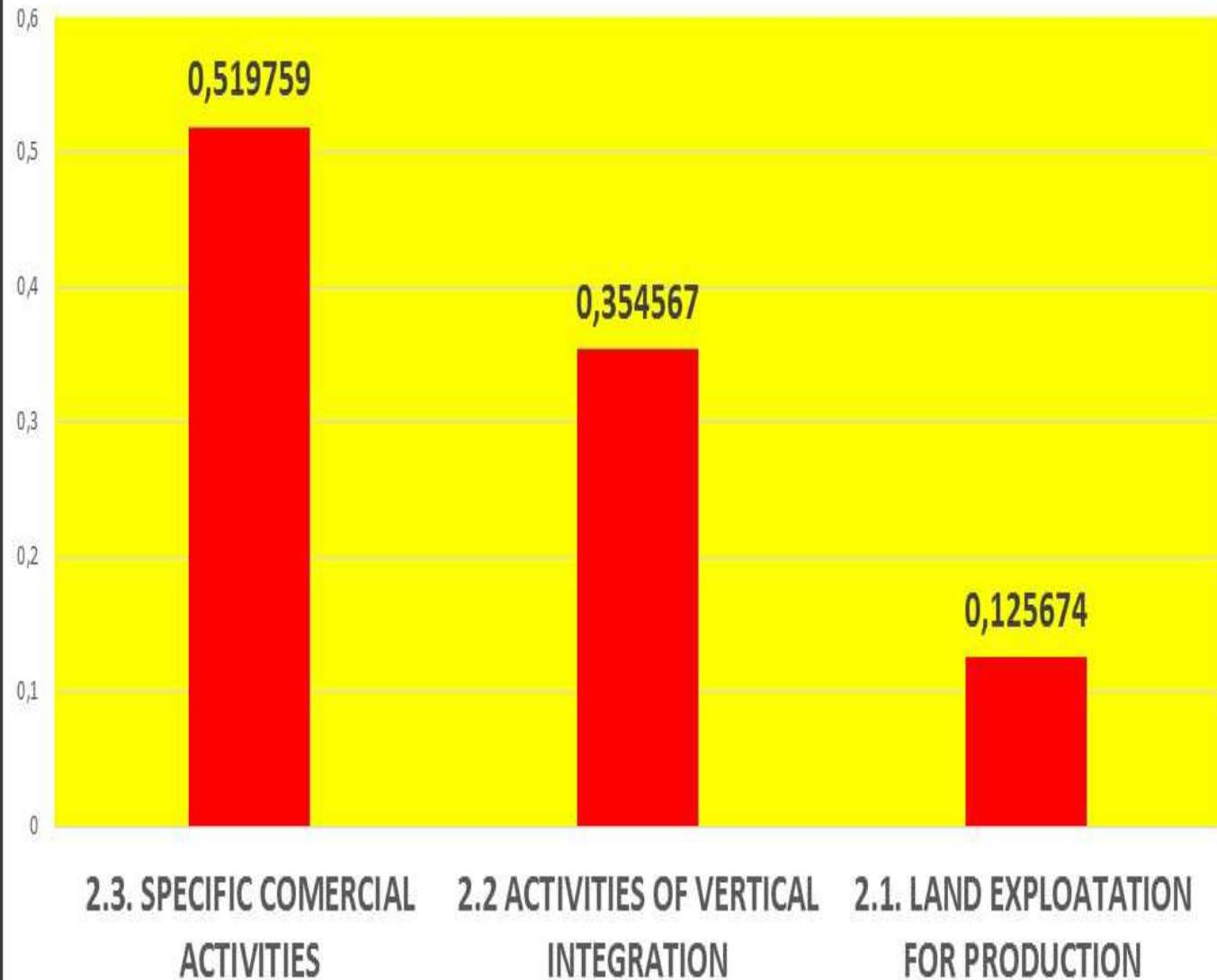
THE PRIORITY VECTOR FOR THE FIRST PILLAR-THE COOPERATIVE



RESULTS

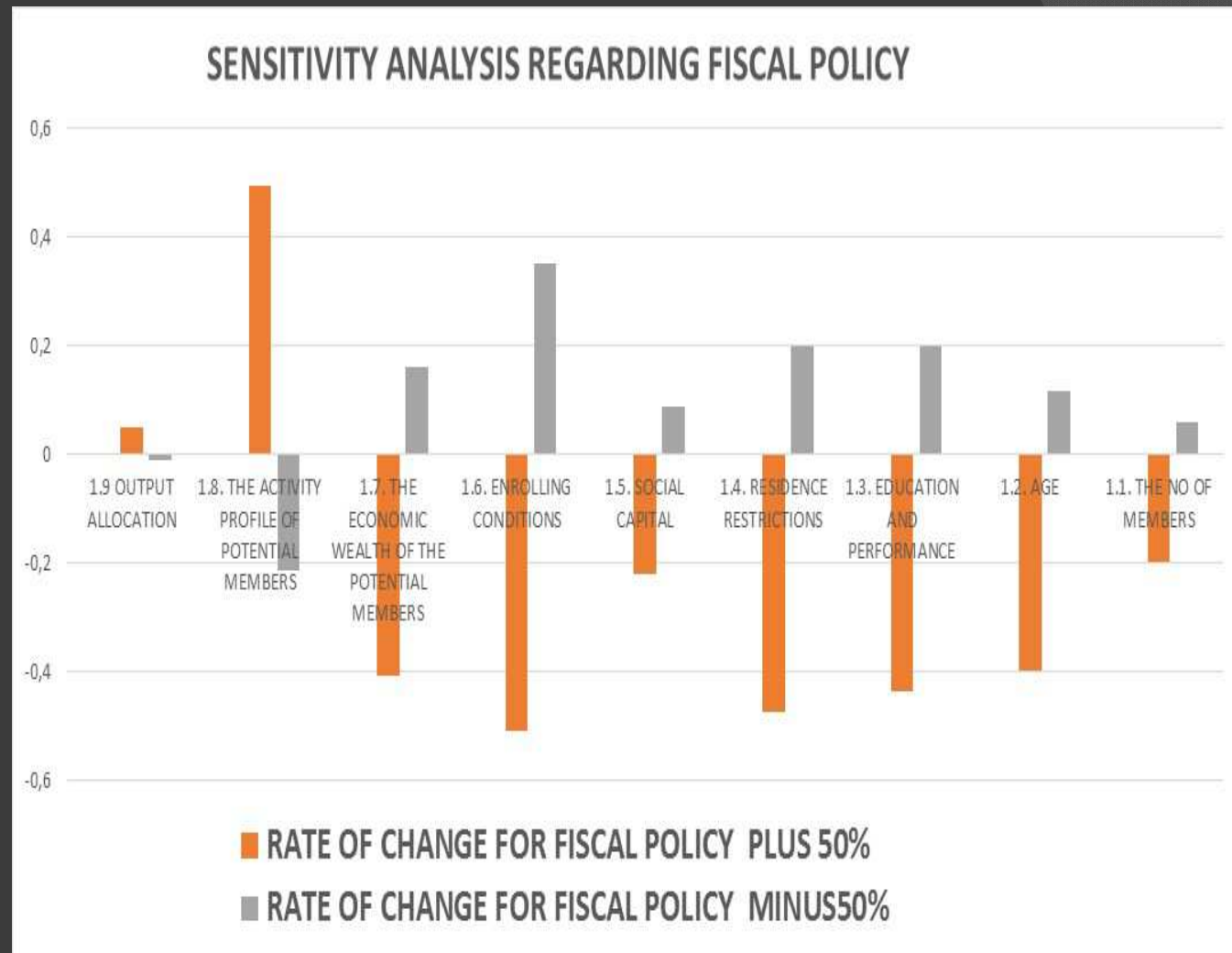
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SECOND PILLAR: THE MARKET -ITS ACTIVITIES AS ALTERNATIVES



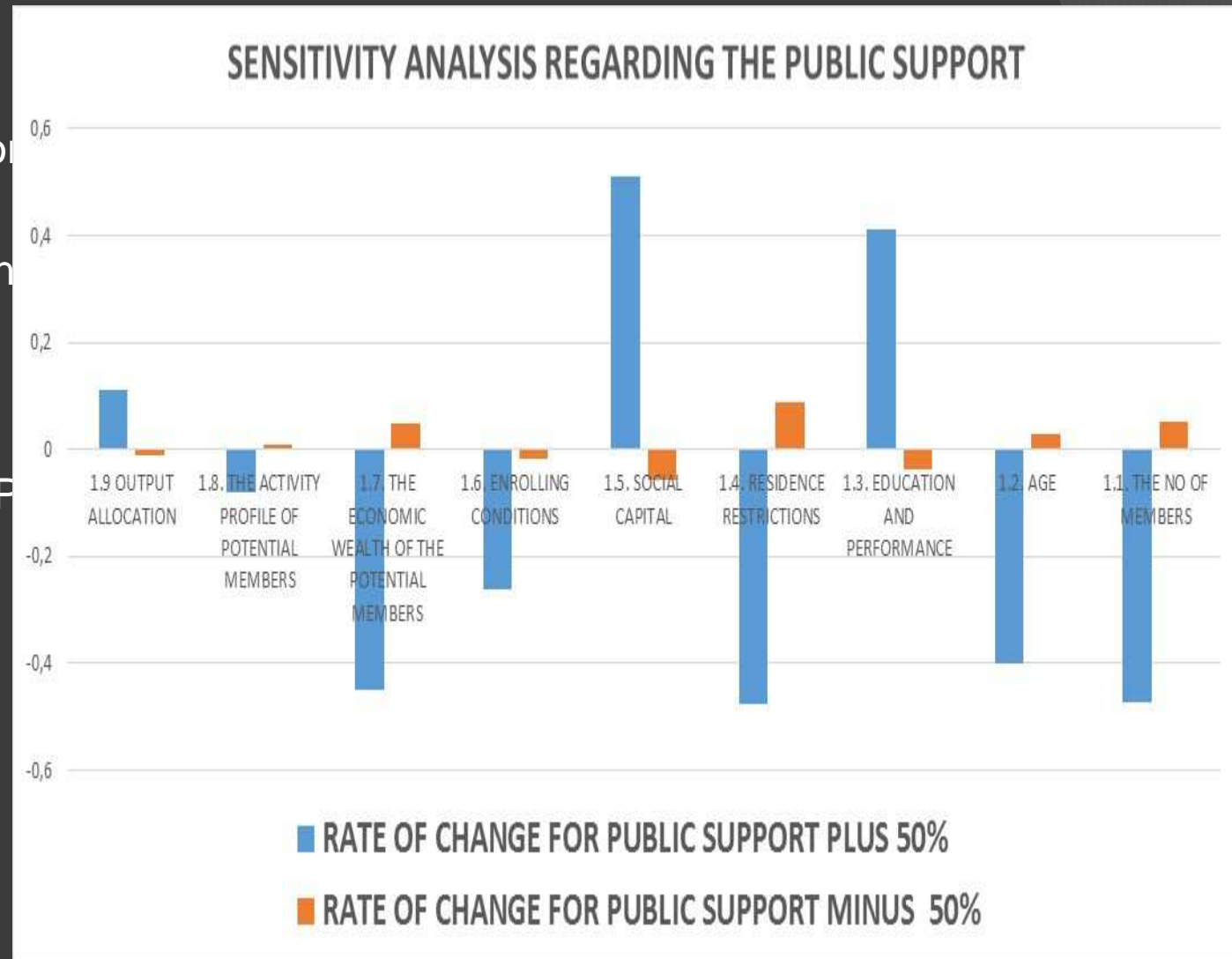
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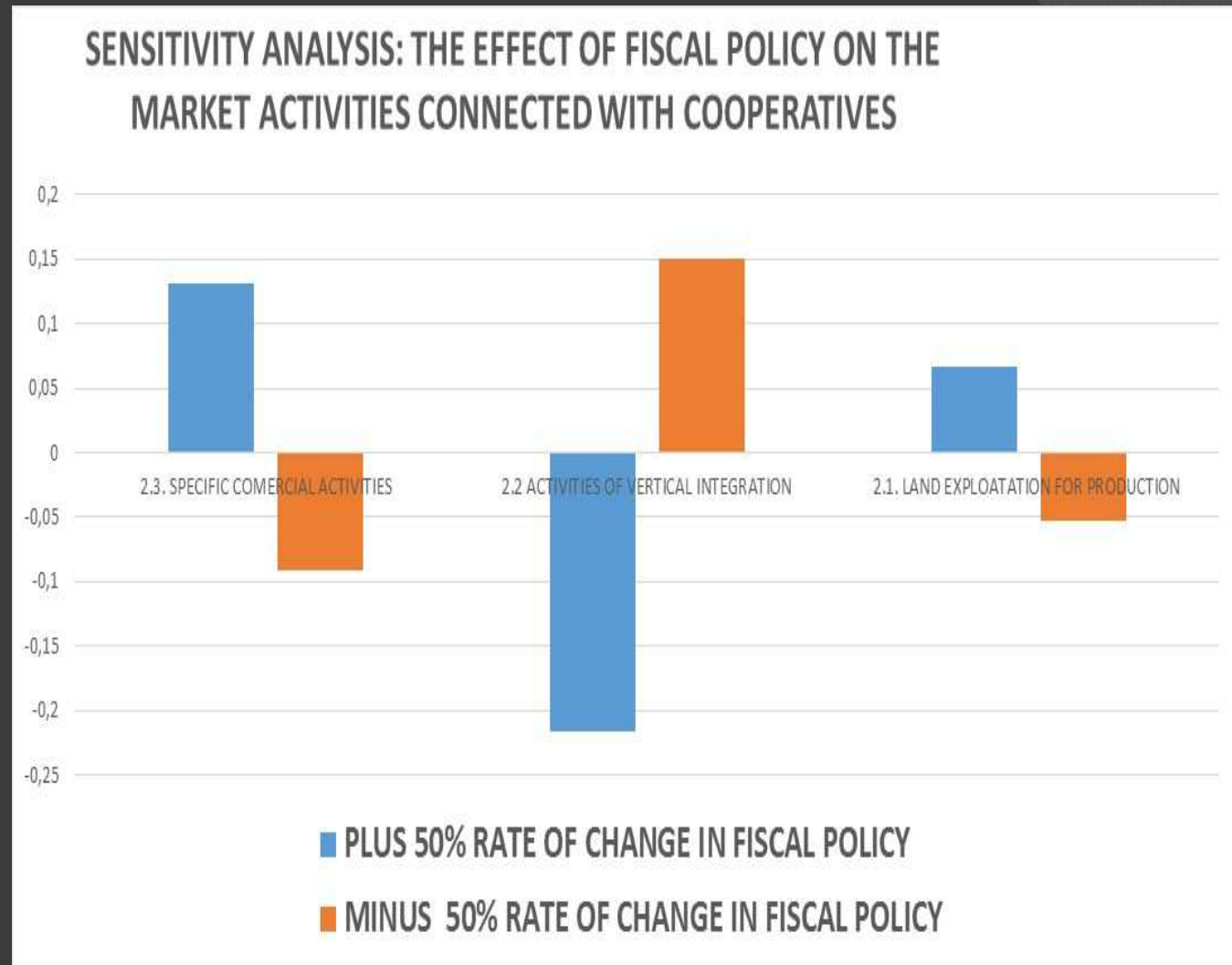
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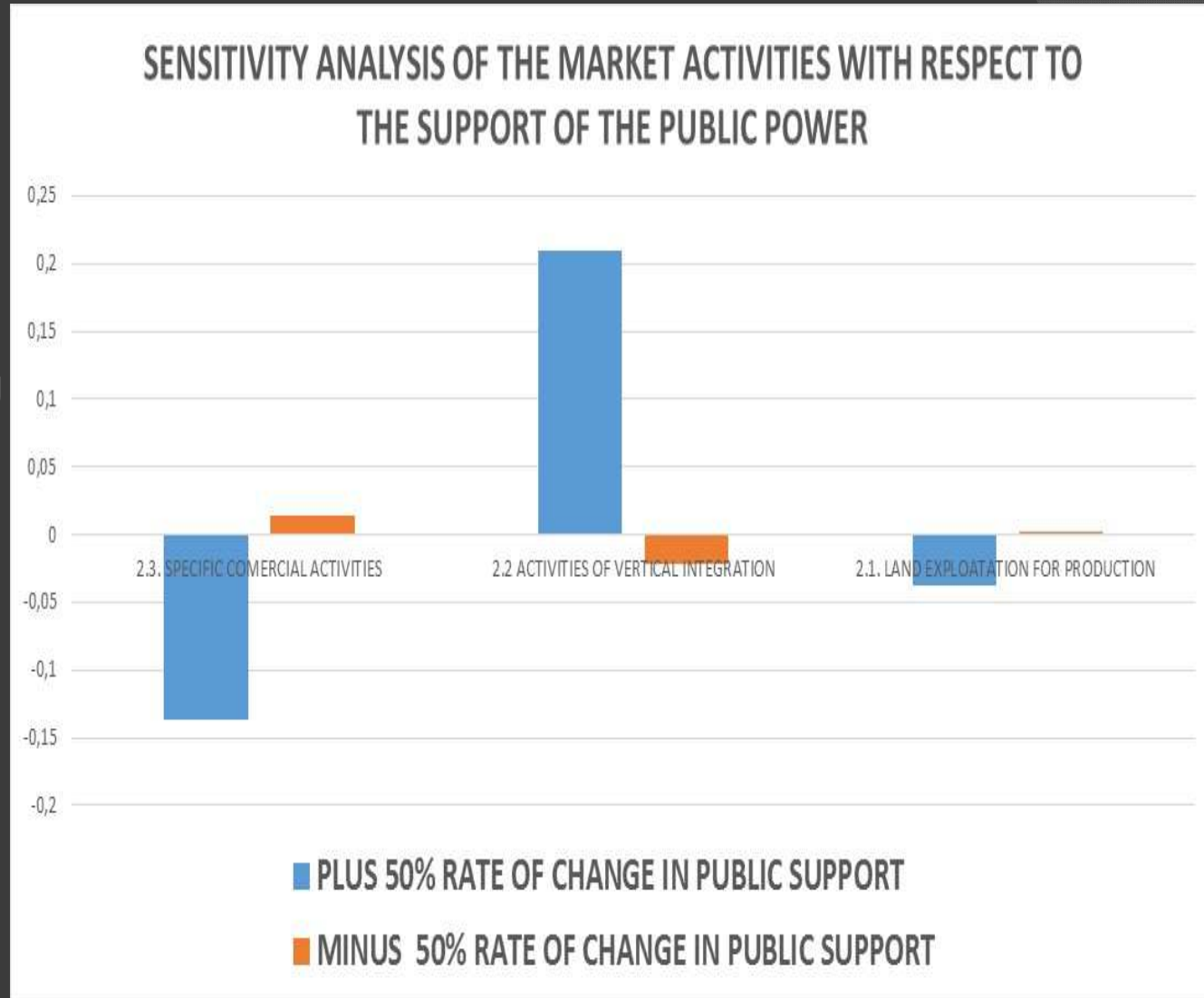
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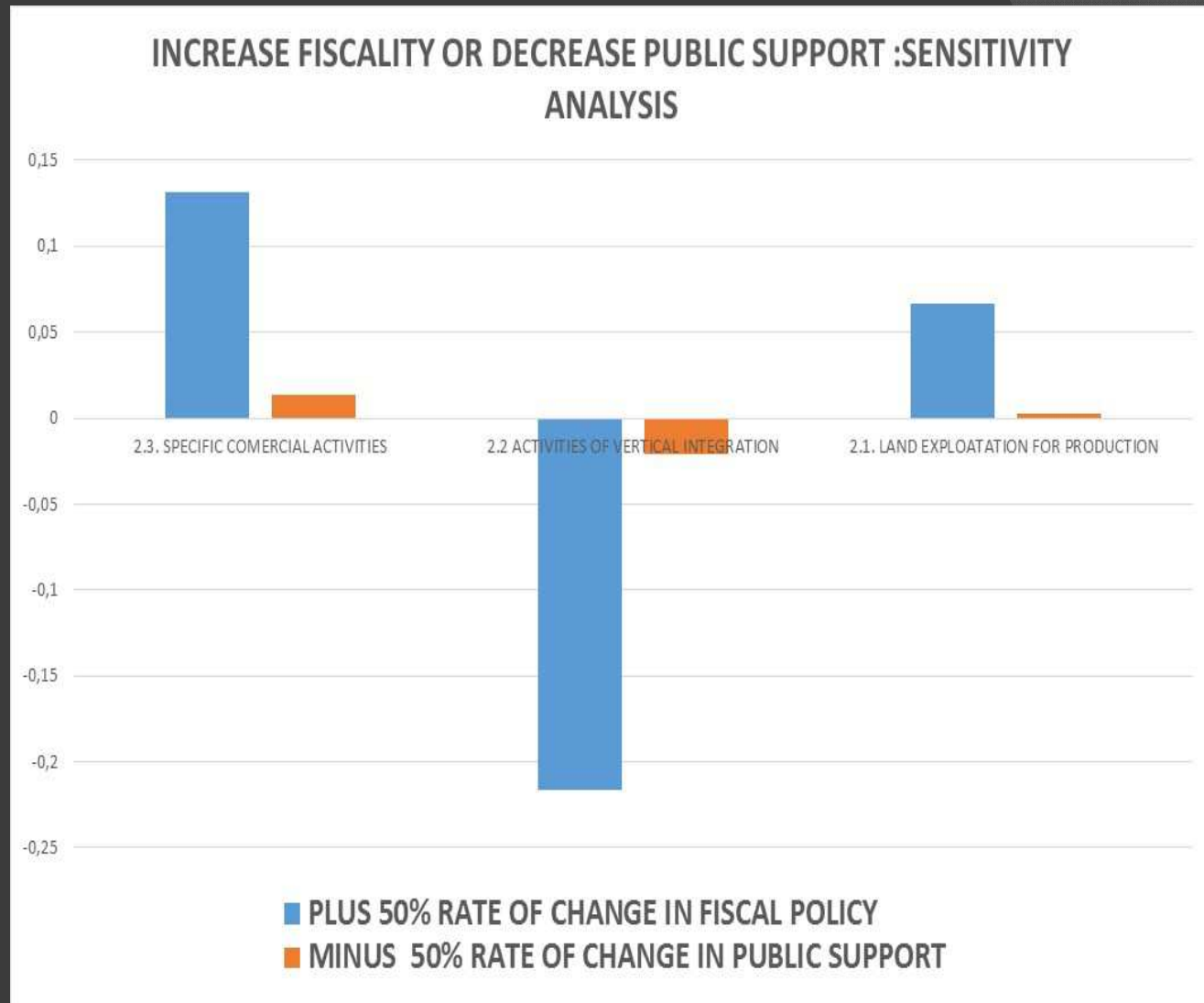
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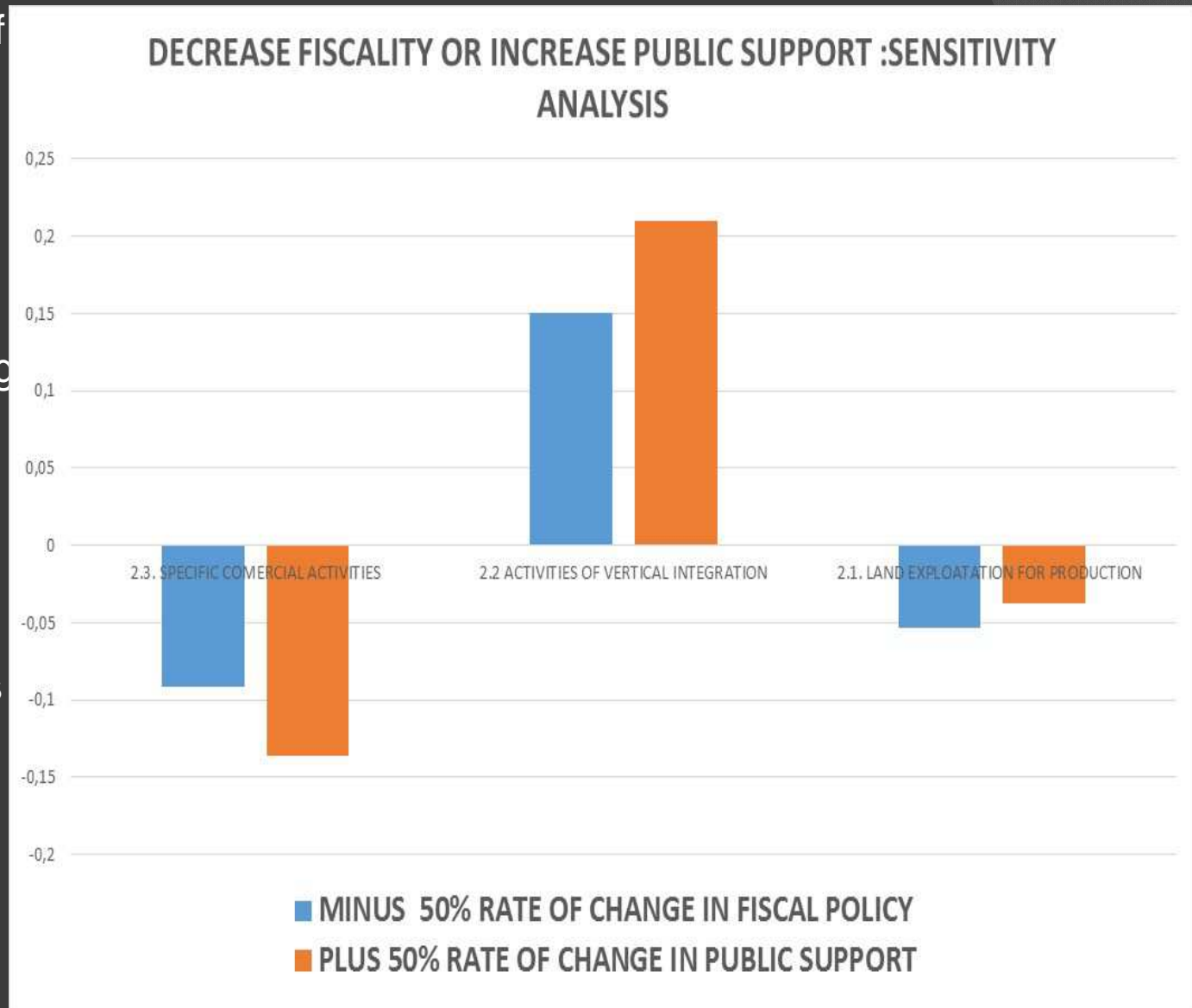
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Conclusions

Starting from a conceptual scheme, a complex network was built within the ANP multicriterial decision making .

This model was validated and estimated through consultations with a large range of farmers and experts in agriculture through an extensive program financed by the national network of Regional Development.

Results offer concrete estimations about the optimal design of the agricultural cooperatives as well as about the effect of various policies on the optimal design of these structures.