

## AGRO-MAILING MIX MARKET IN THE FRAMEWORK OF MARKETS GLOBALISATION

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*Abstract* In the chronology of national economy sectors development, it can be observed presently a very large development of the third sector, the services sectors. The services have known a development through the all economy, more precisely in the all economy sectors. In a much simpler approach, we can affirm that services develop very much and at the level of production of goods, their selling is accompanied by assuring the guaranty and post-guaranty services. At the level of services sectors, their development consists in the fact that they influence each other, respectively a base service influences the development of other services, the services suppliers in their strategies look to offer services pack. This inter-conditionality between the economic activities of goods and services production may lead to a market inter-conditionality if there is a similitude between the economic activities. Even if there is not a clear delimitation of functioning space, we could say that in rural space exists a rural market delimited by the rural area, an agri-food market that is universal containing the both social environments and a mail market developed also at universal level containing the both social environments. The activities from the two fields can be classified as universal activities, they represent the activities from rural space, more precisely the agricultural activities and the mailing activities. These activities satisfy two necessities, the food assured by the agricultural environment and the information assured initially and for a long time by the mailing sector.

**Key words:** rural market, agri-food market, mail market, rural activities, mailing activities

### INTRODUCTION

The rural economic activities of small households, subsistence households, hobby households, forestry activities, artisanal activities and rural postal services are in great difficulty in funding to support them. The provision of rural postal services is costly due to the low population density and low per capita income and on the other hand the decrease in the importance of the communication channel due to the large number of new channels of communication. Global postal service providers have found solutions to ensure access to communication for the low-income population regardless of the social environment through a package of postal services that are offered at affordable prices regardless of costs. The study of postal services shows that in their history the development of messaging and commercial correspondence has greatly influenced their development in the urban environment where the economy is very developed. Increasing the volume of commercial correspondence in the rural environment would lead to the efficiency of rural activities and their development.

### MATERIALS AND METHODS

During the communist period, agriculture was practiced only in the state system, except for hardly accessible areas where socialist agriculture could not be organized and the market was centralized. In the market economy the land was re-privatized. Agriculture is practiced both in the industrial system and in small households, subsistence and hobby. In the era of informatics and services, rural economic activities or diversified markets have greatly expanded into several markets: the rural market specifies only the rural environment with germinating material for crop production: seeds, planting material, plant products for animal feed, livestock: material seminar, eggs, chickens, breeding animals, etc. the agri-food market for both urban and rural environments with agri-food products and the agro-postal market developed by new means of communication and e-commerce.

The abolition of agricultural and forestry high schools and agricultural mechanical schools, the replacement of rural rural population with experience in the agricultural field, respectively, in the cultivation of land and animal husbandry with the population of the city that emigrated to rural areas with training and experience in the industrial field serious problems in rural activities. The obligations of postal service providers, but particularly the universal service provider, are to provide postal services at affordable prices throughout the nationalized territory. This obligation to provide a package of postal services at affordable prices can contribute to the development of mail-based education and postal trade, making two key objectives in the economic development of the rural environment. The development of the rural environment that we initially defined as including a limited market could be expanded globally by offering products at national, continental or world level. For example, Romanians from abroad can, on different occasions, receive their favorite products right from their native place. Because family farms in the gardens of houses under 3000 m<sup>2</sup> do not receive farm subsidies, it is necessary to ensure the possibility of marketing the surplus of products that create a minimum of economic stability on this segment and contribute to the sustainable development of the rural environment . The industrial era continued, and in the informatic era, it has drawn much attention to the urban environment to the detriment of the rural environment. It would not be a mistake to say that the first major division of labor has taken place in the rural areas of agriculture originally cultivated on plant crops afterwards on plant varieties, specializations in animal husbandry and then on animal breeds, specialties in agro-food products, and later specializations in tourism. The practice of agricultural activities has been based on the accumulated and transmitted knowledge from generation to generation and on cumulated experience. Communism interrupted this transmission of information and the post-communist period was and is even worse because the urban population with specializations in the industrial field emigrated to the village, so that there is an acute lack of specialized information and experience in rural areas agricultural field. Accumulation of the lack of specialized information about rural activities was also caused by the abolition of agricultural and forestry education.

### RESEARCH RESULTS

In rural areas, or where economic activities have always been carried out, requiring a minimum of specialized knowledge, this information is now provided by television and radio. „All European countries with a developed agriculture are based on a professional information system from which television and radio are completely lacking” [3].

The rural production of small households has been capitalized on the traditional agro-food market which is very limited, its extension can be achieved through modern trade. The first channel of communication in the history of mankind, which still works today, covering the entire national and international territory, is the postal services provided by the universal service provider. The liberalization of postal services has led to the emergence of a rapidly growing postal market, which can streamline and ensure the widening of the agri-food market, and the social can provide many jobs both in private and in salary.

For a long time, much of the rural environment has remained less developed due to low population density, low incomes per capita and poor infrastructure or roads. At present, the population has increased due to urban emigration, the per capita income is higher, the retired population benefits from high pensions because they have been active in industry compared to socialist C.A.P pensions. And the new development strategies have considered road development:

- the periurban rural area, which is located on the outskirts of major cities, creates an area of interference between urban and rural activities and phenomena;
- the intermediate or agricultural rural area represents the agrarian area of the rural area, the activities being predominantly agricultural based on agricultural productivism;
- the peripheral rural area is situated on the outskirts of the agricultural and forestry area and it is also called the socially disadvantaged agricultural area.

The potential of the rural environment is related to the economic potential and human potential

- the economic potential of the rural environment - is given by the country's highly diversified landscape, which offers great economic resources in all agricultural branches.

The diversity of relief (Table 1) provides great opportunities for agricultural producers in all areas of the country provided that their capitalization is done under a rigorous program established for each area. The program should be an economic one that includes a study of the area and its opportunities, a training program for producers and a communication and transport program for small quantities of products. A microprojection for small producers could only work through the internet, advertising and e-commerce, and postal and courier services that provide transport.

**Table 1.**

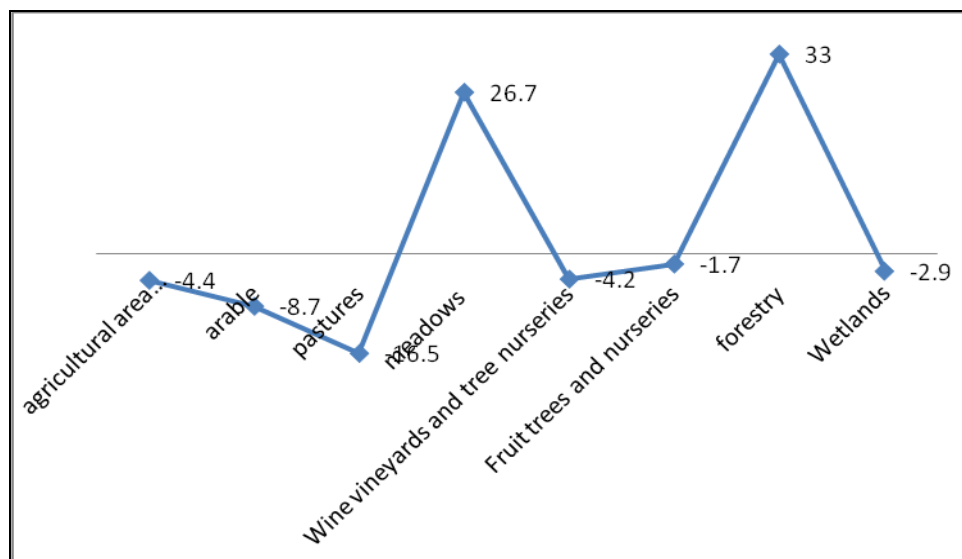
**Geographical structure of rural area, thousand hectares**

	2010	2011	2012	2013	2014	2014-2015
Arable	9404	9379.5	9392.3	9389.3	9395.3	-8.7
Pastures	3288.7	3279.3	3270.6	3273.9	3272.2	-16.5
Meadows	1529.6	1554.7	1544.9	1541.9	1556.3	26.7
Wine vineyards and tree nurseries	213.6	211.3	210.5	210.3	209.4	-4.2
Fruit trees and nurseries	198.6	196.7	196.8	196.5	196.9	-1.7
<b>agricultural area,-where from</b>	<b>14634.5</b>	<b>14621.5</b>	<b>14615.1</b>	<b>14611.9</b>	<b>14630.1</b>	-4.4
Forestry	6354.0	6365.0	6373.0	6381.0	6387.0	33
Wetlands	833.9	822.2	836.8	836.0	831.0	-2.9
<b>Total</b>	<b>21822.4</b>	<b>21808.7</b>	<b>21824.9</b>	<b>21828.9</b>	<b>21848.1</b>	<b>25.7</b>

Source: Romania Year Book 2017

In the period 2010 - 2014, the Land Fund structure recorded increases in the categories of hayfields and forests (Figure 1). The land fund is the basis of the rural economy for both flora and fauna. Its exploitation implies not only the arable land that is cultivated, but also the forest fund and meadows that offer many opportunities through flora and fauna. The mountain and alpine flora with its plants and fruits are becoming more and more popular for the public and are mostly culinary specialties.

The entire rural environment must be given the same importance as the importance given to industry, because only big farms that work at the industrial level through endowment and mechanization with state-of-the-art technology benefit from the great support. Today there is technology for small households, but small producers do not have technical endowments.



**Figure 1. Evolution of the Land Fund by the mode of use in the period 2010-2014**

Source: Romania Year Book 2017

According to the legal status, the rural environment is classified in holdings with legal personality or without legal personality, according to statistical data, the Romanian agriculture is dominated by agricultural holdings without legal personality (Table 2). The operation and especially the efficiency of such holdings that are not able to employ specialists is possible only in a specific economic and legal context. State insurance of a specialized assistance specific to each agricultural area that recommends which crops are suitable in the area or which animals can be grown, the potential and opportunities of the area, the provision of specialized theoretical assistance through distance learning and insurance a communication channel to ensure the development of commercial correspondence. Major operators provide this information through their own specialists.

**Table 2.**

**Structure of agricultural holdings by legal status**

Year 2013	Agricultural holdings total	Agricultural holdings with land surface and animals	Agricultural holdings only with land surface	Agricultural holdings only with animals
Agricultural holdings without legal personality	3601776	2660084	876231	65428
Agricultural holdings with legal personality	27880	2056	25394	408
Total	3629656	2662140	901625	65836

Source: Romania Year Book 2017

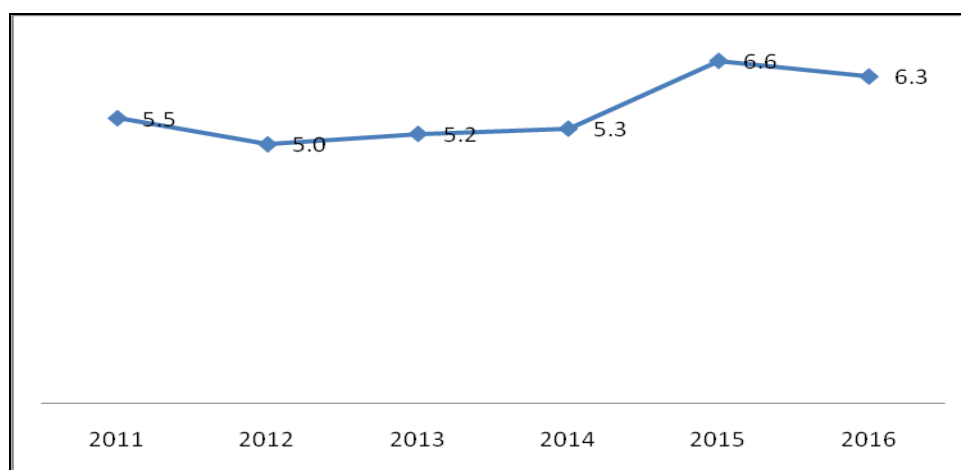
The human potential in the rural area - in the rural area of Romania during the period 2011-2016 the resident population increased from 46.0% to 46.1%. The active population in rural areas is still large, but besides, there is a retirement population, which is mostly concerned with small agricultural activities in small households. The active population in rural areas declines by emigrating to other sectors, abroad or retirement. The retired population is part of the population that migrated from urban to rural areas. The employment rate decreases but increases the unemployment rate, these indicators indicate that the rural labor force is not managed correctly. The capitalization of the rural environment has, besides the economic importance and the double social importance, one that provides jobs and one that offers great personal satisfaction regardless of age for those who have concerns in this field.

**Table 3.****Population structure by social environment, thousand persons**

	2011	2012	2013	2014	2015	2016
Total population	20147657	20060182	1888894	19916461	19819697	19703494
From which rural population	9269558	9236964	9216016	9187522	9150118	9119228
Rural active population	4131	4195	4180	4165	4146	3834
Rural employment rate	60.5	62.2	61.8	61.7	61.7	60.2
Rural unemployment rate	5.5	5.0	5.2	5.3	6.6	6.3

Source: Romania Year Book 2017

Increased unemployment on a large and diversified land fund clearly shows deficiencies in the management of the rural environment of the economic potential (Figure 2).

**Figure 2. The evolution of unemployment in rural areas during 2011-2016**

Source: Romania Year Book 2017

Possible mail and courier - the development of road infrastructure, the liberalization of postal services, the loss of the monopoly by the Postal Service Provider, the emergence of specialized private couriers led to the creation of the postal market. Postal service providers have as their primary objective to increase the speed of postal items from the presentation to the delivery to the recipient. This objective is a great advantage for the rural environment because many products are highly perishable.

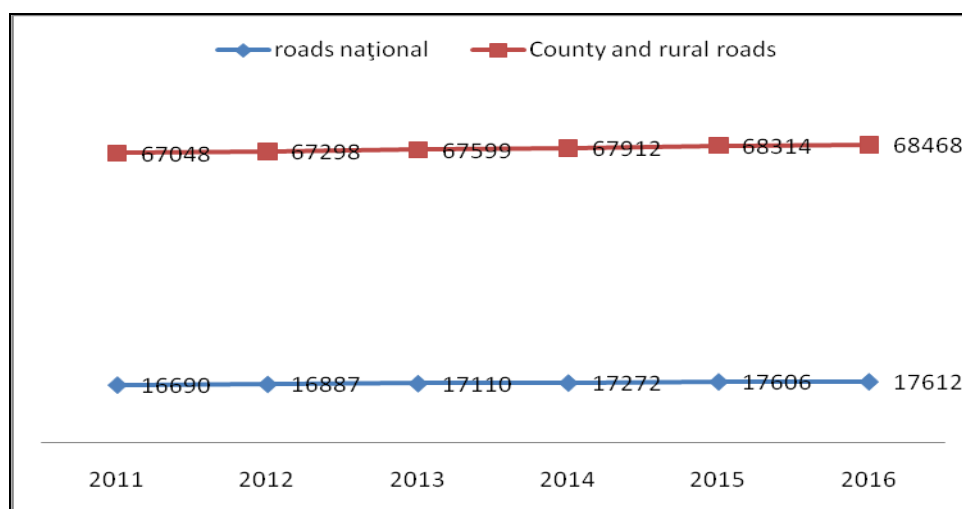
The development of postal services depended on communication infrastructures: land and rail terrains, sea and airways. Rural opportunities are below those in the urban environment in terms of context-friendly communication for the development of postal services.

**Table 4.****The evolution of roads in the period 2011 -2016, km**

	2011	2012	2013	2014	2015	2016	2016-2011
National roads	16690	16887	17110	17272	17606	17612	922.0
County and rural roads	67048	67298	67599	67912	68314	68468	1420.0
Total	83738	84185	84709	85184	85920	86080	2342.0

Source: Romania Year Book 2017

The local and county roads as well as the national, European and highways increased. New Roads provide for a quick transport to cover the entire national territory (Figure 3).



**Figure 3. The evolution of roads in the period 2011 -2016**

*Source: Romania Year Book 2017*

Postal services in their history or unevenly developed both nationally and internationally because their development depended on national communication infrastructure. The desire to increase the circulation speed of postal items is unanimous and becomes achievable only if there are modern roads and efficient means of transport.

The postal market offers many benefits to both producers and consumers, along with the development of postal trade. Internet through service offerings can ensure both advertising and product display through online stores that can be accessed by anyone interested and at any distance. Postal and courier services are those that link the producer to the consumer. In rural areas where the Internet has not penetrated or the population does not use all the services offered by the internet and remain traditional, postal services can actually contribute to the integration of these categories. Through mailing services, they can distribute advertising material from leaflets to catalogs and through messenger services to carry parcels and repayment service orders to collect their value. Agricultural and agri-food products have reduced shelf life to avoid the risk of spoilage by combining internet postal and courier services and products can reach consumers in a timely manner.

The development of the postal market can ensure the development of the agrarian market and rural activities through mail services and messengers. Rural activities and the marketing of products can provide a volume of commercial correspondence to make postal services more efficient. The population is oriented towards organic products without chemical fertilizers in family households, because the land in the garden of the house can be fattened with natural fertilizers, when the quantities exceed the needs of the family they can easily be sold because their price plus the transport taxes are lower or equal to the products of agricultural industrial production in major stores.

Postal service providers have crossed the postal transport system from the rail system to the national road system because the itineraries of the road postal journeys can include many localities than the railway ones, thus maintaining the high circulation speed of the postal items. Another advantage offered by private couriers is the fact that these, in addition to distributing postal items at the client's home, are also presenting the references to their home without going to the suppliers' premises. In addition to road transport, postal service providers increasingly use air transport both at national and international level. Commercial air transport, scheduled air and non-scheduled air races during 2011-2016 have increased Infrastructure development road and air communications has allowed the appearance of private postal operators that have contributed to the creation of a genuine

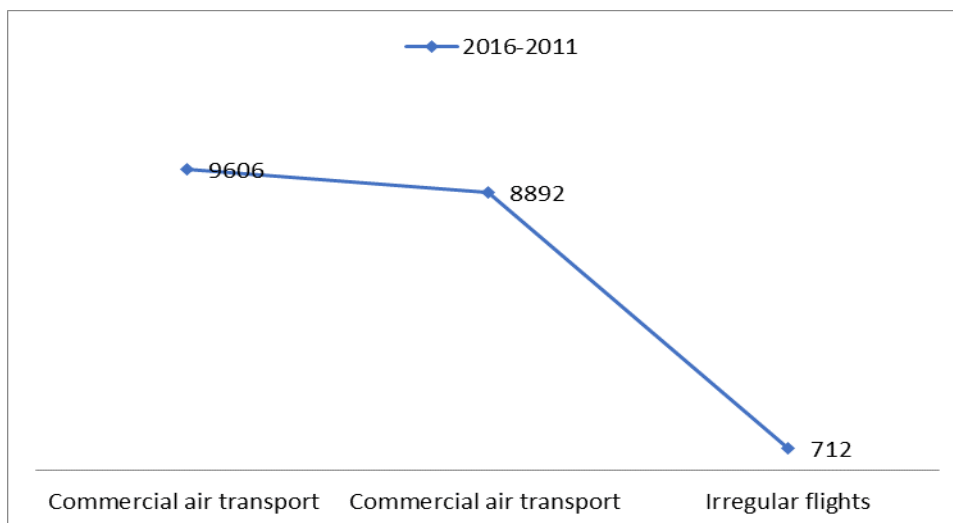
postal market within the national territory that includes both urban and real urban environments (Table 4, Figure 4).

**Table 5.**

**The evolution of air transport between 2011 and 2016**

Goods and mail tons	2011	2012	2013	2014	2015	2016	2016-2011
Commercial air transport	26979	29334	31629	32194	36585	40130	9606
Regular air racing	25884	28201	30034	30745	34776	37357	8892
Irregular flights	1095	1133	1595	1494	1807	2763	712

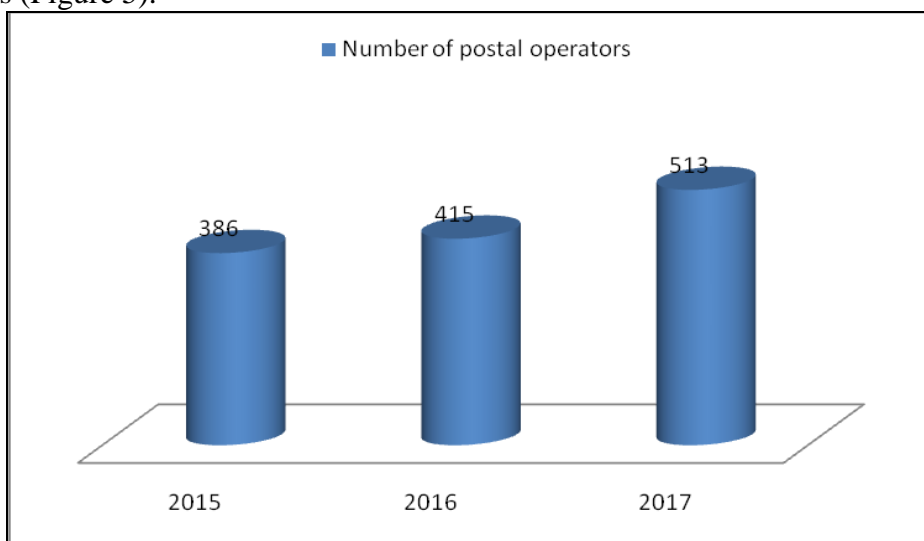
Source: Romania Year Book 2017



**Figure 4. The increases recorded by airport transport in the period 2011 -2016**

Source: Romania Year Book 2017

The development of road and air communications infrastructure has allowed the appearance of private postal operators that have contributed to the creation of a genuine postal market within the national territory that includes both urban and real urban environments (Figure 5).



**Figure 5. Evolution of postal operators in the postal market between 2015 and 2017**

Source: ANCOM, 2017

Both areas have slowly developed due to low population density and infrastructure, postal services through the universal service provider have to secure a package of affordable postal services. Agricultural activities in subsistence farms and hobby farms only

function through traditionalism, they have appeared with man and he has always sought solutions that can better meet them.

Efficiency of these areas is possible only through a mix market in the sense that rural activities and products have to overcome the areas where they occur to other areas.

### CONCLUSIONS

The development of the agro-postal market stimulates the valorisation of the economic and social potential.

The development of the economic and social potential of the rural environment calls for greater attention from the government, which, through its sustainable development programs, also includes development programs for small family households;

Harnessing the economic potential and human potential in the category of working-age population must be the main objectives in rural strategies;

Developing training programs for the rural population specific to the area and activities so that the labor market in the rural area develops.

Adapting postal services to the needs of the rural environment so that it can greatly develop messaging and commercial correspondence;

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