DIVERSIFICATION OF AGRICULTURAL ACTIVITIES IN THE CONTEXT OF SUSTAINABLE RURAL DEVELOPMENT

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Abstract

Recognizing the challenges the rural areas are facing, the European Commission and OECD agree with the fact that the term "rural" is not synonymous with decline. Globalization, increasing accessibility and new patterns of migration provide new development opportunities for rural areas. A large number of rural regions have been able to capitalize on their public or quasi-public goods, such as clean environment, attractive landscapes and cultural heritage (including foodstuff). A healthy and diversified rural economy provides employment opportunities outside the farm too, as well as social, economic and cultural services that attract and keep individuals in rural areas. Diversification of activities of agricultural farms with non-agricultural activities has a significant effect on the rural economy, by increasing farm incomes and farm variability, thus affecting the consumption of goods and local services by farms, as well as the provision of agriculture related services (OECD, 2009).

In Europe one can notice increasing diversification of rural areas: in 2007, 35% of European farmers had an economic activity other than agriculture, this percentage is exceeding 50% in many countries and regions (especially in Slovenia, Sweden and Cyprus); 82% of the employed labor force and 95% of value added in areas predominantly rural of the EU-27 came from non-agricultural sectors, which means an average annual increase of 1.8%, respectively 2.7% between 2000 and 2006 (OECD, 2009).

Key words: rural development, agriculture, diversification of production

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