

## Management of Internal and External Factors of Decisive Policies in Agriculture in Macroeconomic Crisis Conditions

Vanghele Cristian  
"Andrei Saguna" University of Constanta  
[cvanghele.flg@gmail.com](mailto:cvanghele.flg@gmail.com)

### Abstract

*The management of internal and external factors directly influencing the decisions implemented by the managerial act at the macroeconomic analysis of the relations within this branch and sub-branches, of the disturbing factors with the implementation of some decisions to stop the phenomena of soil degradation and agricultural land and to preserve and develop their productive potential, a production surplus for ash consumption and ensuring a productive production for industrial consumption with the result of gaining added value and net profit as much as possible for the exploitation farms.*

**Key words:** Management, macroeconomic, agriculture, irrigation, decision.

**J.E.L. classification:** E61

### 1. Introduction

The agriculture in such a way as to meet the requirements determined by Romania's membership status. The current agricultural situation must also be interpreted in the light of deficiencies in the application of the Land Fund Law no. 18/1991

The conceptualization of decision-making policies has been a concern for field experts (Larkin et al, 2003, p.142) who have defined the internal and external factors of the policies in terms of the concept of crisis as an event that brings the company into the subject of general attention, potentially unfavorable from national and international media and other groups such as customers, shareholders, employees and their families, politicians, trade unions and pressure groups for environmental protection, which for one reason or another have a legitimate interest in terms of the organization's activities. There is no question as to whether a major crisis will occur, the question is when, how and why it will be. (Larkin et al, 2003, p.142)

From this point of view management as an art of driving is able to identify the procedural components of activities, and the laws that so that they can guarantee the achievement of the programmed objectives at the maximum level of the economic optimum. While economic efficiency and performance are two congruent sides of a process or economic objective, management gets a new dimension, initiated by planning or forecasting.

After 1990 the Romanian agriculture faced difficulties which manifested itself as the main factors of the declassification of the crisis in agriculture, as follows: - the mighty fragmentation of agricultural lands as a result of the 1991 restitution by the Land Fund Law nr.18/1991

The degradation phenomena occurred not only in the former cooperative sector but also in the state sector. State ownership in agriculture, reorganized on the principles of commercial companies, although benefiting from a superior technical and economic endowment of new associative forms or private sector companies, has failed to make a significant contribution to satisfying the needs of agrifood products. The lack of interest of the workers in this sector, but especially the lending and financing system has manifested a negative influence on the activity of the respective units.

## **2. Management of internal and external factors in decision-making policies in agriculture and irrigation systems**

The inventory of the potential effects of internal and external factors manifested as a result of events that could degenerate into crisis is very important in what constitutes the management of these factors through systemic crises, which will immediately induce from the point of view of the managerial act the need for crisis management, in fact, the potential effects of these factors, or what Bernard Dagenais calls the management of stakes (Dagenais, 2002, p.32), according to which every year an enterprise or organization sets its priorities, sets goals, adopts policies, meets certain challenges, leads battles, suffer crises and commit errors (Dagenais, 2002, p.32).

The management of the internal and external factors of the decisional policies presupposes the intuition of the degree of manifestation of these factors with major implications in the decisional policies of the system in order to establish a system of decisional policy objectives that diminish the negative effects and preserve their positive effects; in other words, the manifestation through the managerial act of the need for stakes management, which has a very close meaning to what specialists today considers to be the management of the decisional policies

They say that when a shock event occurs, if an organization is prepared with a simple plan, it can determine who will eventually win the game. On the other hand, as Jude Larkin mentions, in the end, the most important factor determining the course of a decision-making policy and its implications for an organization is luck, as in games that usually have stakes.

The effects of the internal and external factors of the crises are varied and can be as follows: - There are two types of crises effects: (Chiciudean et al, 2002, p.39) those related to the material component and the symbolic ones. If, in terms of material loss, things are clear, as to the symbolic or existential component, as it is called, the two authors are of the opinion that the effects of crises within the organization are (Chiciudean et al, 2002, p.39):

- The first effect is the threat to the whole industry (Chiciudean et al, 2002, p. 43, 44), the branch or branch of activity that is related to the crisis. A negative image left by a crisis can have repercussions on the whole field as the public will extrapolate the situation and believe that all those who have business in the field they can make the same mistakes, with the same consequences for them - --The second major effect of a crisis is the change of the strategic mission of an organization due to bipolar perception (good/bad) by public opinion (Chiciudean et al, 2002, p.44). The crisis has the power to cast a bad image on the whole activities of the organization.

Nothing of what the organization did before is considered good;

- The third effect takes place at the individual level (Chiciudean et al, 2002, p.44). The crisis disrupts the subjective world of the individual, the way he perceives the world and himself, the sense of self-evaluation, of power and of identity, internal balance (Chiciudean et al, 2002, p.44). In the light of these ideas, one may ask why a crisis management plan is needed.

From this point of view, some possible answers can be identified in a random order: • Because no institution / organization is free from crises • Because staying with the hands in the breast until the crisis is over is a solution but with whose help at most can endanger the very existence of the organization itself (Chiciudean et al, 2002, p.44); • because many examples have shown that out of a crisis one can go out with the pictureless image or even a better reputation (Chiciudean et al, 2002, p.44) than before the occurrence of undesirable events • because in the event of a crisis the events are so precipitated that there is no time actually for a plan (Chiciudean et al, 2002, p.44).

As for the internal and external factors policies of Romanian agriculture, their enumeration can be found in the following aspects:

- The agricultural area - having an agricultural area of 14,741 thousand hectares (or 61,8% of the total land area) in 2005. In July 2011, Romania's agricultural area was 14.7 million hectares, of which 9.4 million hectares of arable land (63.9%), 3.3 million hectares of grassland (22.4%), 1.5 million hectares of grassland (10.2%), 218.000 hectares of live (1.5%) and 206.000 hectares of orchards and nurseries, 4%.

Romania's agricultural area has fallen slightly from one year to the next. According to I.N.S., in 2006, 991,000 hectares of sunflower, 191,000 hectares of soybean and 110,000 hectares of rape were grown. In 2009, Romania cultivated cereals on an area of 5.3 million hectares, increasing by 145,000 ha. In 2008, at the national level, the area for cereals and technical plants increased by

15% compared to 2007, from 5.6 million hectares to 6.6 million hectares; - Agricultural land privatization - Until 2010, almost all of the agricultural area and over one third of the forest fund were privatized;

- Retrocessing and redistribution of agricultural and forest land began in 1991, taking place in several successive stages. As a result, up to 2005, 95.6% of the agricultural area of the country and about 33% of the forested land were returned to the former owners or their legal heirs. The state-owned land currently has a share of only 0,5% of the total arable land area (367.2 thousand ha), 0.7% of the total pasture area (231.2 thousand ha) and 0.2% of the total area of hay fields (32.4 thousand ha);

- Development of agricultural land-In 2005, of the total of 4,256,152 agricultural holdings, 4,121,247 used an agricultural area of 13,906.7 thousand ha. The average agricultural area of an agricultural holding in Romania is 3.37 ha. Individual holdings have an average of 2.15 hectares, divided into 3.7 plots, while holdings with legal personality operate on average 269 hectares, divided into about 9 plots.

The 2010 General Agricultural Census shows that in 31,000 farms with an average area of just over 190 ha. with a total of over 7,000,000 ha, 111,000 people work. On the other hand, over 3,800,000 farms with an average area of 3.45 ha, with a total of over 8,480,000 ha, work over 7,000,000 people. The number of agricultural holdings in Romania decreased by 14% in the period 2003-2010 to 3.86 million;

- Unfurnished agricultural area - In 2010, about three million hectares were left untreated (fallow). If this area were cultivated, the state would earn from taxes about 330 million euros.

Irrigation-In the irrigation chapter, the use of the irrigation system, the decommissioning of facilities from 2 million ha. (113 thousand ha - 4.2% of irrigated area),

The management of internal and external of making policies that are not in line with the realities of this branch.

After 1990, the Romanian agriculture faced difficulties which manifested itself as the main factors of the declassification of the crisis in agriculture, as follows: - the mighty fragmentation of the agricultural lands as a result of the 1991 restitutions by the Land Fund nr.18/1991, with agro-food products;

- The assessment of the current situation of agriculture allows real, tactical and strategic decisions to be discerned to ensure that agriculture can and fulfill the basic functions.

### 3. Conclusions

The management of internal and external factors directly influencing the decisions implemented by the managerial act by a profound analysis of relations at the level of this branch and sub-branches, the disturbing factors concomitantly with the implementation of decisions to stop the phenomena of soil degradation and agricultural land and to preserve and develop their productive potential, a production surplus for ash consumption and ensuring a productive production for industrial consumption with the result of obtaining extra value and net profit as high as for the exploitation farms.

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