

THE MARKETING ANALYSIS OF SOCIAL-ECONOMIC POTENTIAL OF ATU GAGAUZIA IN THE CONTEXT OF A FAVORABLE INVESTMENT CLIMATE

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Abstract

It is important to note, that the feature of marketing analysis identifies positive and negative aspects of the investment attractiveness of Gagauzia. This publication provides an overview of the legal aspects of the formation and subsequent strengthening of the status of the ATU Gagauzia in Moldova. In the present publication are investigated aspects of the basis of legislative and judicial branches of government. Consider the economic, demographic and educational potential of the functioning of the Autonomy. Lead out the factors contributing to the strengthening and, conversely, increasing the risk of destabilization of the favorable investment policies in the region. And, as a logical extension, determined that the intensity of investment is possible only if the joint efforts of senior management in the region, the representatives from scientific association, business leaders, employers and workers of the regional businesses and residents of ATU Gagauzia

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Introduction

Southern Region of the Republic of Moldova is a natural economic zone in Moldova with developed industry of viticulture and winemaking. Located in the south of the Dniester-Prut interfluvium and occupies the South-Moldavian plain. The southern zone is 24, 3 % of the territory of Moldova.

The history of this region is exceptionally rich! The fertile soil, warm climate, multicultural unity of small nations (national minorities)...A land with bright ethnographic color noted Dimitrie Cantemir (in 1715) in his "Description of Moldova" : " I don't know any ground the size of Moldova, where there were so many different peoples"¹.

Gagauzia - formally known as the Autonomous Territorial Unit of Găgăuzia (Gagauz Yeri), is an autonomous region of Moldova. Its name derives from the word "Gagauz", which in turn most probably derived from the name Gok-guz used to describe descendants of the Turkic Oghuz tribe.

The autonomy of Gagauzia is guaranteed by the Moldovan Constitution² and regulated by the 1994 Gagauz Autonomy Act. If Moldova decided to unite with Romania, Gagauzia would have the right of self-determination^{3 4}. The Gagauzian

People's Assembly has a mandate for lawmaking powers within its own jurisdiction. This includes laws on education, culture, local development, budgetary and taxation issues, social security, and questions of territorial administration. The People's Assembly also has two special powers: it may participate in the formulation of Moldova's internal and foreign policy; and, should central regulations interfere with the jurisdiction of Gagauz-Yeri, it has the right of appeal to Moldova's Constitutional Court.

The highest official of Gagauzia, who heads the executive power structure, is the Governor of Gagauzia (Gagauz: Bashkan). He or she is elected by popular suffrage for a four-year term. He has power over all public administrative bodies of Gagauzia, and is also a member of the Government of the Republic of Moldova. Eligibility for governorship requires fluency in the Gagauz language, Moldovan citizenship, and a minimum age of 35 years.

Permanent executive power in Gagauz-Yeri is exercised by the Executive Committee (Gagauz: Bakannik Komiteti). Its members are appointed by the Governor, or by a simple majority vote in the Assembly at its first session. The Committee ensures the application of the laws of the Republic of Moldova and those of the Assembly of Gagauz-Yeri.

¹ Cantemir Dmitri. Description of Moldova. Shtiintsa, Chisinau, 1973 p.147

² The Constitution of the Republic of Moldova of 29.07.1994, the // Monitorul Oficial, 1994. № 1.

³ East - West Working Group. Levente Benkő. Autonomy in Gagauzia: A Precedent for Central and Eastern Europe?

⁴ "Opinion on the Law on Modification and Addition in the Constitution of the Republic of Moldova in

Particular Concerning the Status of Gagauzia". Council of Europe. 2002.
[http://www.venice.coe.int/docs/2002/CDL-AD\(2002\)020-e.asp](http://www.venice.coe.int/docs/2002/CDL-AD(2002)020-e.asp). Retrieved 2007-11-24.

As part of its autonomy, Gagauzia has its own police force^{5 6}.

Introduce ATU

The Autonomous Territorial Unit (ATU) of Gagauzia is located in the south of the Republic of Moldova. Entering into the new XXI century, relying on the wisdom of the ancestors and two hundred years of experience living in the province, where has never been conflicts on ethnic or religious grounds, ATU Gagauzia in determining the ways and means to further economic and social development in order to enhance a favorable investment climate, should make maximum advantage of the geo-economic situation of the Southern region of Moldova, a cash, human and natural potential, taking into account the limitations and risk factors.

So, what are advantages of our region:

- Transportation and geographical proximity to countries of the Danube-Balkan region and the Black Sea, traditionally close cultural and economic ties with them;
- Direct access to the Danube, the main river in Central Europe, the waterway connecting 11 countries;
- Contiguity of the southern region of Moldova with the Euroregion "Lower Danube", which relies on taking

advantage of cross-border cooperation between the three countries: Moldova, Romania, Ukraine;

- Passage through the region of transcontinental gas pipelines and transmission lines interstate: pipeline "Friendship";
- Unique combination of environmental factors - an abundance of sunshine, warmth, the average annual temperature is about 10 degrees, high fertility of the chernozem (humus) soil, so important for young growing heat-loving crops - grapes and fruit crops, corn, sunflower, tobacco;
- We have the best in the Dniester-Prut interfluvial zone for the production of wines (dry and the type of Cahors), as well as for the cultivation of crops with a high gluten content;
- Also, we have accumulated a long tradition of sheep farming and the manufacture of leather and wool, and carpet;
- The area south of the line Leovo-Besarabka belongs to the category of oil and gas provinces. Identified reserves of brown coal (Etulia, Vulcanesti), deposits of expanded clay materials, gravel, sand and clay, including natural for the production of high quality ceramics;
- We have a rich cultural diversity, based on the deep traditions of coexistence, mutual understanding and cooperation in the various ethnic and national groups; The area of Gagauzia is 1 848 sq. km. Our Region consists of a main central part around the cities

⁵ The Law of the Republic of Moldova «On the Special Legal Status of Gagauzia (Gagauz Yeri). Nr.344-XIII of 12.23.1994 Monitorul Oficial N 3-4 / 14.01.1995.

⁶ Legal Code (Ulozhenie) of Gagauzia (Gagauz Yeri). № 28- XXX /1/(Ulozhenie) accepted 14 May 1998 the People's Assembly of Gagauzia.

Comrat and Ceadăr-Lunga (Gagauz: Çadır-Lunga); one larger enclave around the city of Vulcănești; and two smaller enclaves, the villages of Copceac and Carbalia. The capital of Gagauzia is Comrat. Consists of one municipality, two cities, and twenty-three communes containing a total of thirty-two localities. According to the 2004 census⁷, Gagauzia had a population of 155,646 of which 58,190 lived in cities and 97,456 in rural communities (Table-1):

Ethnic composition of Gagauzia

No	Ethnic nationality	Number (thousands)	%, of total
1	Gagauz	127,835	82,13
2	Bulgarians	8,013	5,15
3	Moldovans	7,481	4,83
4	Russians	5,941	3,82
5	Ukrainians	4,919	3,16
6	Roma (Gypsies)	0,486	0,31
7	Romanians	0,38	0,02
8	Poles	0,28	0,02
9	Jews	0,17	0,01
10	Others nationalities	0,878	0,56
11	Non-declared nationalities	0,10	0,01

Table -1

Official languages in the territory of Gagauzia: Gagauz, Russian and Moldovan. Structuring the composition of the population by gender in Gagauzia is: 49% - of men and 59% -of women.

⁷ Population Census of 2004, National Bureau of Statistics of the Republic of Moldova. // www.statistica.md.

Gagauzia has fifty-five schools, the Comrat Pedagogical College (high school + two years over high school), and Comrat State University. Of the 23,293 students enrolled in 55 schools autonomy, 22,163 enrolled in Russian language. Moldovan language - 707 pupils in several languages at once (including Russian) - 423 pupils.

The Language Situation in Gagauzia region is complex and diverse. National and linguistic preferences of different ethnic groups do not coincide often and are characterized by the proliferation of two - and three languages, which vary depending on many factors and situations. Declaring Gagauz as the national language of Autonomy the local authorities unfortunately don't provide any full Gagauz-teaching school, most of those are Russian-language as opposed to inner Moldovan full Romanian-language education. Though introducing to all four usual for school languages (Russian, Romanian, English or French, Gagauz), the local one stays in the last place.

Turkey financed the creation of a Turkish cultural centre (Türk İşbirliği Ve Kalkınma İdaresi Başkanlığı) and a Turkish library (Atatürk Kütüphanesi). In the village of Beşalma, there is a Gagauz historical and ethnographical museum established by Dmitrii Kara Coban. Gagauzia leadership supports strong international links with countries and regions of the Turkic world - the Republic of Turkey, Azerbaijan, Russian Federation regions: Tatarstan, Bashkortostan, Chuvashia. This factor makes Gagauzia a kind of "bridge" interactions as well as the Gagauz people combines language, customs and

traditions of the Turkic world and the Christian faith as an element of European identity (in Comrat XXVII held a regular meeting of the Permanent Council of Ministers TÜRKSÖY (The Joint Administration of Turkic Arts and Culture)).

The Gagauz people must realize as soon as possible this new historical situation, as well as their new historic mission. «Therefore, we are not tired of repeating: regardless of our political views and convictions, the Republic of Moldova is our common country. We will always be a part of a free, democratic, neutral and sovereign Moldova, no matter how complicated and controversial the political situation becomes in this country and abroad. We, more than anyone, are interested in strengthening the statehood of the Republic of Moldova. We must also express special gratitude to the peoples and governments of Russia, Turkey, Azerbaijan and the EU countries, whose friendly attitude towards our nation acts as a foreign policy guarantee of our existence and sustainable political, economic and social development⁸.

In the most general terms Gagauzia attractive to foreign investors in terms of production and human resources, markets and prices for manufactured products.

Ensuring stability in Gagauzia, we have sought to work actively to create an environment for both domestic and foreign investors by removing from their

⁸ Formuzal Michail. Long live the free, democratic, prosperous, and open to the world Gagauzia! Report to the 20-year anniversary of ATU Gagauzia, Comrat, ATU Gagauzia, Republic of Moldova, August 19, 2010. // www.gagauzia.md.

paths all bureaucratic obstacles. Despite some success, we can achieve better results in attracting investments⁹. And the investments are directly linked to the creation of new jobs and our citizens returning home (figure):

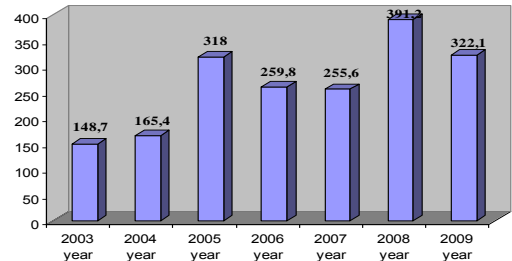


Figure. Dynamics of investments in economic development in Gagauzia, 2003-2009 (mln MDL)

In January-March 2012 the volume of investments in fixed assets in the amount of assimilated 22310,8 thousand lei (current prices), which is less than the corresponding period last year to 22, 3%. The share of Gagauzia in total investment in fixed capital of Republic of Moldova amounted to 1, 2%¹⁰.

The base of the Gagauzian economy is agriculture, particularly viticulture. The main export products are wine, sunflower oil, non-alcoholic beverages, wool, leather and textiles. There are twelve wineries, processing over 400,000 tones annually. There are also two oil factories,

⁹ Formuzal Michail. Infrastructure investment - a chance for the economy of Gagauzia // World Economic Forum, Krynica, Poland in 2009. // www.gagauzia.md.

¹⁰ Итоги социально-экономического развития АТО Гагаузия в январе-марте 2012 года// www.gagauzia.md.

two carpet factories, one meat factory, and one non-alcoholic beverages factory.

The number of economic agents is growing from year to year due to stimulating the creation of small businesses. Total number of economic agents in the autonomy is 5000. In a large commercial farming employs about 100 enterprises and agricultural enterprises, each of which handles an area of over 500 hectares of arable land. The total area of agricultural land is 150 thousand hectares, including 100 thousand hectares of arable land and 26 hectares of orchards and vineyards.

The legal framework of investment policies is improving in Gagauzia. Thus, the People's Assembly of Gagauzia ATU (Legislature of the region) was adopted the law "On investment and investment activities of Gagauzia"¹¹, which clearly defines the legal economic and social conditions for investment activity in the ATU Gagauzia; which sent to the effective functioning of the economy of ATU Gagauzia, equal protection rights, interests and property of subjects of investment activity, regardless of their ownership and direction of economic activity.

In settling the investment objectives, the Executive Committee of Gagauzia and its structural units are used:

- Programme of the Government of RM;
- National program "Moldovan Village in 2005 -2015";

- Strategy (program) of the Executive Committee of Gagauzia in the 2010-2014;
- Strategy of socio-economic development of Gagauzia (Gagauz Yeri) in the 2009-2015¹²;
- Laws passed by the Parliament of RM and local laws.

Summary

Of course, there are many problems in our region [9]:

the imperfect legal framework;

- the lowest level of management and technology;
- bureaucracy, corruption and crime;
- the poor transportation and telecommunications infrastructure;
- the high inflation rate in Moldova;
- the complete dependence on external energy supplies;
- the highest in the Dniester and Prut interflaves Seismic Hazards (up to 8 points), which significantly increases the cost price of housing and industrial objects.;

¹¹ The Law of ATU Gagauzia "On investment and investment activities of Gagauzia". № 24 - X V / II from 26.12.2000.

¹² Strategy for socio-economic development of Gagauzia/ Adopted by the Executive Committee of Gagauzia. February 26, 2009.

- the lowest forest cover and increased soil erosion, (frequently recurring droughts, the average annual rainfall is less than 400 mm of precipitation).
- and in general, insufficient supply of water resources in the region, which leads to the need for large investments in the construction of trunk water supply systems.

The people of Gagauzia have enough desire, goodwill, dedication, pragmatism, and intellectual and institutional capacity

to make Gagauzia an example and a technological innovation platform for the European and world community. And Gagauzia will get there sooner or later. With the support of the international community, these goals can be achieved much faster. Our region will strive for it with the centuries-old perseverance and consistency that are common to us, with faith in success and building upon the younger generation. ATU Gagauzia will also have to design and adopt our first five-year plan for the development of our autonomous territory, with the help of international experts.

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