

## **ENVIRONMENTAL PROTECTION AS PART OF STRATEGY IN CENTRAL AND EAST EUROPEAN AGRICULTURAL ENTERPRISES**

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### **ABSTRACT**

The demands and influences of the environmental movement change our life. We can find the local interests win often, therefore processes not organized because of this and investments appear beside each other. In agro-food business the reasons are attributable to lack of information and the weakness of the supplying systems. This situation offers different ways; therefore you have to find the best way to save it for the future. The problem is to know, how we can build into the strategy of the enterprise. Is it a demand or a duty? Can it be in the focus and possible to take marketing-mix around it? Environmental market is been developing in Central- and Eastern Europe, therefore its terminology has not been fixed yet. Against this situation it is possible to develop alternatives, in which marketing is very important part. Demands of customers pull the environment friend products and services. The inclination of the bad acceptance of the higher price is connected to this. On these bases how we can understand and require manifesting environmentally based marketing strategy? The security political aspect of the environmental protection has got stronger particularly under the influence of the change of the political system in Central and Eastern Europe. This way the participation in international environmental cooperation is more than the question of the protection of the environment. We would like to write about scope, measure, manage of it. It is not a duty for companies; it must be a type of motivation based everyday activity. We mention the regional special element of it.

**Keywords:** environmental protection, infrastructure, mentality, environmental market, strategy

### **INTRODUCTION**

After political and economical transformation there is a new situation and future in front of small and medium enterprises. Having reorganized bigger part of socialist state owned companies new Hungarian and multinational companies started to work. It started in the industry and service sector and at the end in agriculture. The social-economical processes accelerated in the last decade in the Central and Eastern European countries. The process brought numerous contradictions, difficulties. New problems to the surface and their solution need multi-dimensional way of thinking by the membership of European Union. We could ascertain that the change could not be realized in a day or two. The issue of the environmental protection appeared in this category as a significant field. Thinking, mentality and activity must be different. Environmental protection is not duty only for big companies, small and medium size enterprises also must do their bests. It is not just cost it is the way for sustainable development.

## **MATERIALS AND METHODS**

A lot of open questions we have to answer about agricultural enterprises and environmental protection. Traditions are very hard so it is difficult to change mentality and develop motivation. Without education and people's want it is impossible. Sustainable development is not only a wish; it is the way of the future. Inhabitants often think they cannot do anything because they are very small. It is false. Everybody can do his bests and not only during work time and workplace. We try to understand background and mentality about it in Central and Eastern Europe. Companies try to save their costs but they must follow the rules of duties and social requirements. They must find balance between economy, law and society.

## **RESULTS AND DISCUSSION**

How can environmental protection becomes part of market leaded agricultural enterprises? Environmental pollution does not know state borders; therefore we must speak about regions and flows. In this structure local enterprises and inhabitants work together for common goals. We know profit oriented companies and population in social and economical crisis do not keep first position for environmental protection. Governments must accelerate and press enterprises and inhabitants to change their mentality and keep responsibility for longer time not only profit is in focus. In the agriculture it is much more difficult. You can see when somebody is owner of ground and somebody else rent it to use for a year or more. This case whose responsibility and activity to duty environmental protection? Historical background is different. For geographical reasons I should count Austria among the Central European countries which is the most influential country of the region with its outstanding environmental accomplishment. For the sake of comparison I will occasionally refer to the events, results achieved there. I regard the Czech Republic, Slovakia, Hungary, Slovenia, Croatia, Poland and the Baltic countries as the part of Central Europe. In these countries significant changes took place and they achieved certain results in the field of environment. I count Romania, Serbia and Montenegro, Bosnia-Herzegovina, Macedonia, Ukraine, Moldavia, Bulgaria, Albania, Byelorussia and Russia (mainly the region around St. Petersburg) among the Eastern European countries. In these countries a lot of economical and social changes took place but the speed and the success of these changes lag behind the Central European countries. The question is: what is the relationship between these facts and the responsiveness or indifference in connection with the state of the environment? The problem is to know, how we can build into the strategy of the enterprise. Can it be in the focus and possible to take marketing-mix around it? Environmental market is been developing in Central- and Eastern Europe, therefore its terminology has not been fixed.

It is worth studying as it comes up from both the scientific and everyday experience that whether the spread of mass production can be responsible for the deterioration of the environmental quality and of the living conditions? Provided we accept this responsibility we have to work a new production conception out and also we have to reckon with its social consequences. In the fight for distribution the capital and the work have to give up a part of their claims in the interest of legality of nature.

Nowadays number one goal of companies is cost reduction and increasing efficiency. In the course of putting the international division of labor and the expenses of

transportation into some onto the redesign of the logistic processes there is need. Installing the processing industry close to agricultural producers turns into a feature again or buy food companies close to fields.

Production may be more economical in the big item, but the role of the marketing becomes increasingly more important, since on the manufacturer's neighborhood realization, processing has a favorable effect on the environment according to his claims helping lose weight.

The environmental protection – as one of the assessing viewpoints of the technological progress in agriculture – is accompanied with professional debates even today. There is a seemingly unsolvable contradiction between the speed of the technological progress and the environmental loading. In contrast with it is the most desirable to harmonize our environment with our qualitative future the most important scene of which can be the environmental market. We produce many products in the industry and agriculture, but only few can be told environment friend ones. We cannot say all the products must be bio products, but we have to take in focus the less row material and energy using and waste. Information and marketing must help this strategy and process. (Menon and Menon, 1997)

The opinion is changing in the regard that the conflicts between the short-term interests of economy and the long-term interests of environment can be stimulated. (Szlavik, 2005, Bartha Szabo, 2002)

This hypothesis is supported and proved in our research. This chain of thoughts must be examined in Central and Eastern Europe in the aspects that are typical of this region, as the development of the advanced countries experienced a different social-economical change after the World War 2. The starting thesis in the macro economical assessment of the environmental market is that this sphere of national and international market contains externalities. But, at the same time, it does not aim to satisfy, ease or stop the demand of the main economical processes. In the contrary, it intends to correct their consequences. This problem has so many elements that we can easily meet the erroneous view suggesting us that the international economy has found the solutions of all its problems in the environment protection. The reality is that the environmental market can only either strengthen or weaken the effects of the power (economical, social, political etc.) that moves the market but it cannot replace them even in a long run.

Population living outside of towns and villages, if we look back on the last half a century we can get some explanations on today's conditions. For the farm re-structure of agriculture meant a tragic shock. In collectivization the farm could only have a plot of 800-1600 m<sup>2</sup> around it. As a result, farms without their economic basis were sentenced to death. The picture changed completely, the lines of farms became few and far between. Ridges of the individual plots, the entries, the farm roads got thinned, ceased to exist or were formed somewhere else. Trees around the farms were dug out, the sweeps disappeared. Instead of them forest belts to protect the fields were planted. It is not the aim of this essay to analyze the life forms of large-scale production since I am intending to describe today's situation illustrated by an example. (Uhlig, 2008)

At the period of the political transformation it seemed that there is a claim on the part of the society to build more farms and that there will be a certain rebirth. After privatization and compensation people who really aimed to live on the land could hardly buy plots around their farmhouses so not even the minimal condition were created for the establishment of an efficient form of farming. Some of them had no other choice than to become an entrepreneur, or they escaped from the town to the outskirts because of the high

communal expenses or the bank loans, or the antecedents of today's economic crisis could be felt somehow.

Nowadays, much less farms can be found than at the end of the 19<sup>th</sup> century. In spite of this fact it is remarkable the great number of farms and people living there. The situation is the same in different Central and Eastern European countries. One is the most important question is how to develop enterprises to grown from crisis up with keeping environmental protection in focus as well.

Around the clock activity can be the solution to keep our livable world. We have good and bad examples and practices as well. Nowadays a lot of agricultural enterprises have economical problems because of the recession. It transforms strategy of enterprises and often try to save money by reducing their environmental activities.

## CONCLUSIONS

During the changes the short-term local interests often prevailed, and the regional and even global problems were articulated on the level of theory only. It is worth mentioning if the short-term interest of the economy and the long-term interests of the environment can be stimulated. One of the most important parts of it is agro-food business. It has long production, growing cycles therefore impacts to nature and economical processes takes long time as well. The public opinion regards farms as appealing, romantic places which are condemned to death. After the political transformation glimmered the hope for a short while that they would regain their earlier, almost futuristic function. It is known that it is impossible because of the lack of both the suitable infrastructure and services. If these two factors are not improved, it is beyond question that the farms cannot survive.

While in the Western part of Europe the population migrate from the towns to the country, in Central and Eastern Europe it is not ensured to provide the existing values, farms with good economic and touristic conditions even the most fundamental provisions.

It is a complex task to solve these problems and politicians, settlement researchers, the farm-college have summarized the most important tasks. Thus, besides development of the infrastructure and basic provisions, it should be discussed how to improve the public security of agricultural sector. It is necessary to create the conditions of sustainability taking the different natural-economic conditions of the regions with farms into consideration. Flexibility of agriculture and directly joined food industry is very limited. Planning and organizing life cycles are complicated and risky. We know there are many duties for agricultural enterprises to solve nowadays. They must fix priorities and environmental protection has not the highest. The solution is finding balance and accept expectation of society, economics environment and give the best answers for duties comes from the law.

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