

## **THE INFLUENCE OF FORMAL COMMUNICATION IN THE PROCESS OF ACCESSING EUROPEAN FUNDS**

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### **Abstract**

*Present article aims, based on direct research, to identify of main sources of information in the process of accessing European funds. Performed within Trotus Valley, Bacău, the proposed research provides pertinent information from the perspective of the main sources of influence on the manifestation of interest in accessing funding and in terms of highlighting the influence of various socio-demographic variables on such information sources. According to the Romanian experience of accessing European funds, apparently formal communication efforts prove ineffective, being less reliable and stimulating compared to the informal interpersonal communication. Because most of the potential beneficiaries of EU funds precept this process as one dominated by sinuous and powerful bureaucracy, we tend to believe that in the expressions of interest in accessing EU funds, formal communication only meet the cognitive structure of attitude, affective and conative entering under the influence of informal communication.*

### **Keywords**

formal communication; informal interpersonal communication; accessing EU funds; absorption of European funds; public campaigns

### **JEL Classification**

M37

### **Introduction**

In the context of twenty-first century, marketing communications, along with other components of the mix, has a significant impact on the efficiency of activity of the different market players, regardless of sector. It is well known that adequate promotion of goods and / or services is the engine that supports both full information approach of the targets and the entire sales process.

Starting from these premises, this article seeks to identify the extent to which formal marketing communication, both interpersonal and impersonal influence the process of accessing EU funds.

According to the procedures for accessing European funds, any project, regardless of the accessed program, involves steps to inform the target audience. Obviously the tools palette varies by: type of beneficiary - public or private, the importance of the project (especially in terms of estimated budget), the scale of the project through the non-financial achieved results etc. For example, in the case of public beneficiaries, on certain categories of funds and programs, the range of communication tools is extremely wide, from outdoor advertising and media channels to different materials (brochures, flyers, leaflets, etc..). On the other hand, it is known that, in accessing European funds, informal interpersonal communication is preferred by potential beneficiaries to the detriment of formal approaches.

## Research methodology

Decisional problem that led to the realization of the study was the knowing the degree of access to European funds in the Trotuș Valley territory, Bacău. The purpose of the research was to study the particularities of the absorption of European funds within Trotuș Valley. Thus one of the objectives in this research was to identify the impact of marketing communication on the approach of accessing European funds, namely the influence of informal interpersonal communication on this process. Research unit was formed by private beneficiaries of EU funds.

Stated objectives that focused on identifying sources of information in the absorption of EU funds were reached after analyzing the various enterprises legal forms – natural person, certified self-employed, individual enterprise, family enterprise, limited liability company - from following CAEN<sup>1</sup> activities: agriculture, apiculture, manufacturing and livestock. In the research carried out on the territory Trotuș Valley we have considered all forms of legal organization that developed/submitted at least one project under the EU funds, both in the pre-accession and post-accession of Romania to EU.

To identify the investigated units were used last available official data provided by APDRP Bacău. This information was supplemented with data available in the site Northeast Development Agency. In the Trotuș Valley territory were submitted by 30 June 2012 a total of 178 projects by private beneficiaries.

Distribution of projects submitted within Trotuș Valley by legal form of organization was as follows: 13 natural persons; 70 certified self-employed; 68 individual enterprises; 10 family enterprises; 17 limited liability companies.

Distribution of projects submitted within Trotuș Valley by sector were as follows: 119 in agriculture; 14 manufacturing; 4 in construction; 19 animal livestock; 18 apiculture; 4 services. Distribution of projects submitted in Trotuș Valley territory by type of program was as follows: 28 projects on 112 program; 8 projects on 121 program; 10 projects on 123 program; 117 projects on 141 program; 15 projects on 312 program.

This research is a total quantitative one, covering about 70% of the private beneficiaries who filed at least one project to attract EU funds, either in the pre-accession or in the post-accession. Reporting unit was composed of the legal representative of the beneficiaries of the developed / applied project in order to attract EU funds.

Regarding sample size, given the non-response rate of 30%, it was 124 respondents from the private beneficiaries from all the sectors and all forms of legal organization.

The distribution of the observation units in the towns subordinated to Trotuș Valley territory reveals the following: Casin (20 beneficiaries) Urechești (16 beneficiaries), Gura Valley (12 beneficiaries) Helegiu (12 beneficiaries) Soveja (11 beneficiaries) Casin Monastery (9 beneficiaries), Tg Trotuș (9 beneficiaries), Barsanesti (9 beneficiaries) , Coțofănești (8 beneficiaries), Bucium (8 beneficiaries), Stefan cel Mare (7 beneficiaries) and Caiuti (3 beneficiaries).

## The research results

In the studied community, the main source of influence in the expression of interest in EU funds absorption was represented by campaigns conducted by local and county authorities (41.94%), followed by the encouragement of relatives and acquaintances - 26.61% (Figure 1).

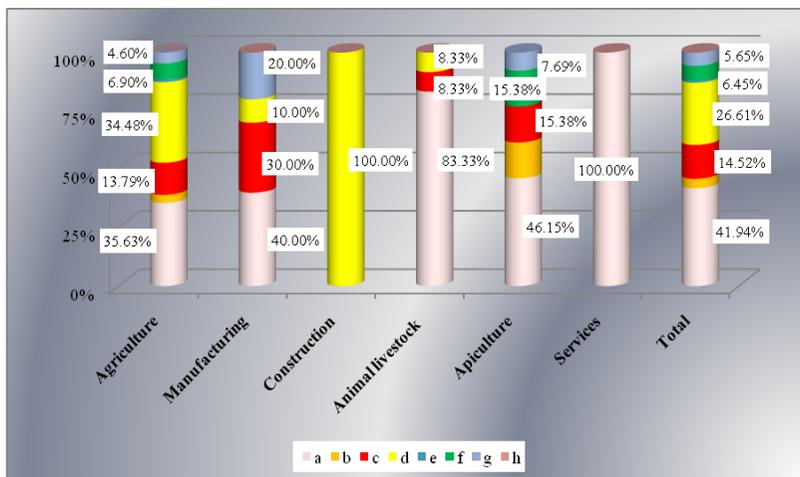
Distribution of research units by sector, according to the sources of influence in the expression of interest in EU funds absorption (Figure 1) reveals the following:

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<sup>1</sup> Nomenclature of economic activities

- most agriculture organizations specified as sources of influence in the expression of interest the encouragement of relatives and acquaintances (34.48%) and information provided by local and county authorities - information campaigns (35.63%);
- in manufacturing, in addition to information provided by local and county officials - information campaigns (40%), were mentioned, with a high frequency of occurrence, the encouragement of local public authorities (30%);
- in construction only source of influence in the expression of interest in EU funds absorption was the encouragement of relatives and acquaintances, while in services in agriculture was the information campaigns carried out on by the local and county authorities;
- in livestock and apiculture dominant as sources of influence were also information campaigns run by local and county authorities (83.33% and 46.15%).

**Figure 1 Distribution of research units, according to the sources of influence in the expression of interest in the absorption of European funds by sector**



Note:

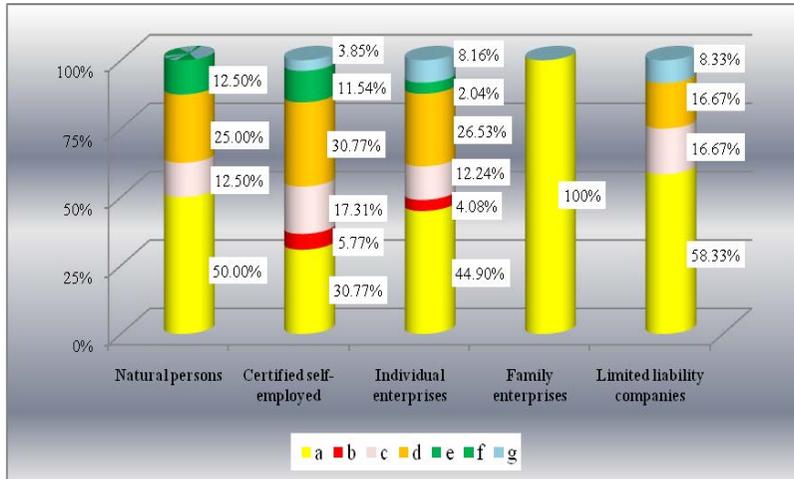
- information provided by local and county authorities in order to encourage potential beneficiaries (information campaign)
- information provided by national authorities in order to encourage potential beneficiaries (information campaign)
- encouragement by local authorities
- encouragement by relatives and acquaintances
- positive examples provided by the local, county and national authorities
- positive examples provided in county and national media
- direct contact with applicants that have implemented projects
- other reasons .....

The distribution of research units by the forms of organization, depending on the studied variable (Figure 2) shows dominance on all forms of organization of information campaigns carried out by local and county authorities (50% natural person, 30.77% certified self-employed, 4.9% individual enterprise, 100% family enterprise and 58.33% limited liability company).

At the level of natural person (25%), certified self-employed (30.77%) and individual enterprises (26.53%), important was the encouragement of relatives and acquaintances. Encouragement of local authorities held third position in the list of

sources of influence for natural person (12.25), certified self-employed (17.31%), individual enterprise (12.24%) and limited liability company (16.67%).

**Figure 2 Distribution of research units, according to the sources of influence in the expression of interest in EU funds absorption, by the forms of organization**



Note:

- a. information provided by local and county authorities in order to encourage potential beneficiaries (information campaign)
- b. information provided by national authorities in order to encourage potential beneficiaries (information campaign)
- c. encouragement by local authorities
- d encouragement by relatives and acquaintances
- e. positive examples provided by the local, county and national authorities
- f. positive examples provided in county and national media
- g. direct contact with applicants that have implemented projects
- h. other reasons .....

An important dimension of research was the identification of differences, by age, in the hierarchy of sources of influence. Thus, as shown in Figure 3, depending on the studied variable, it is observed that:

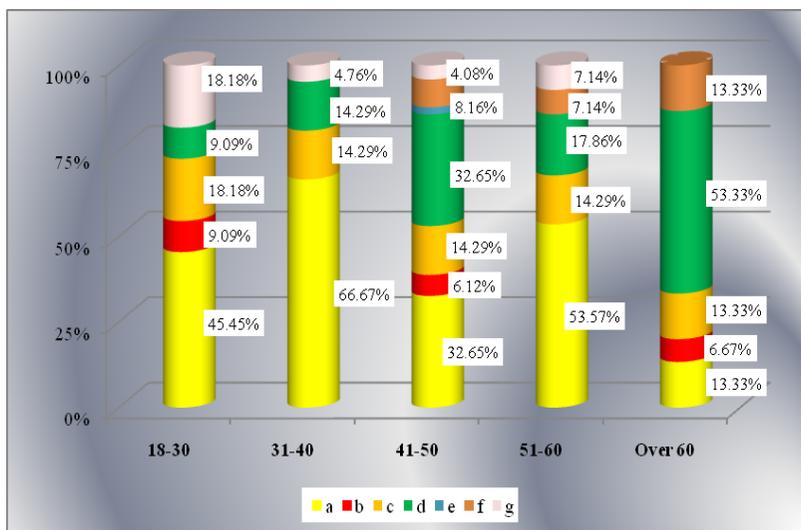
- the most important source of influence for respondents aged between 18-30 years, 31-40 years and 51-60 years was the information campaigns carried out by local and county authorities (45.54%, 66.67% and 53.57%). Positions 2 and 3 in the hierarchy of sources of influence are for these age groups: encourage by relatives and acquaintances, respectively local authorities for the groups 31-40 years and 51-60 years, and encouragement by local authorities and direct contact with applicants for the category 18-30 years.
- the respondents aged 41-50 years and over 60 years mentioned, with the highest frequency of occurrence, as the reason for the start of European projects, encouragement offered by relatives and acquaintances (32.65% and 53.33%).

Distribution of respondents by level of education, depending on the studied variable (Figure 4) reveals the following:

- most important source of influence in absorption interest was represented, for all levels of education, the campaigns conducted by local and county authorities;

- people with 8 classes and those with 10 classes and professional studies have been influenced also by public and county authorities encouragement and those offered by relatives and acquaintances (33.33% and 22.22% for 8 classes, 27.27% for 10 classes , 19.23% for professional education);
- respondents with post-secondary and university studies were influenced by positive examples provided by the government (16.67% for those with postsecondary studies) and positive examples provided by the media (10.72% for those with university education).

**Figure 3 Distribution of respondents according to the sources of influence in the manifestation of interest in EU funds absorption, by age**



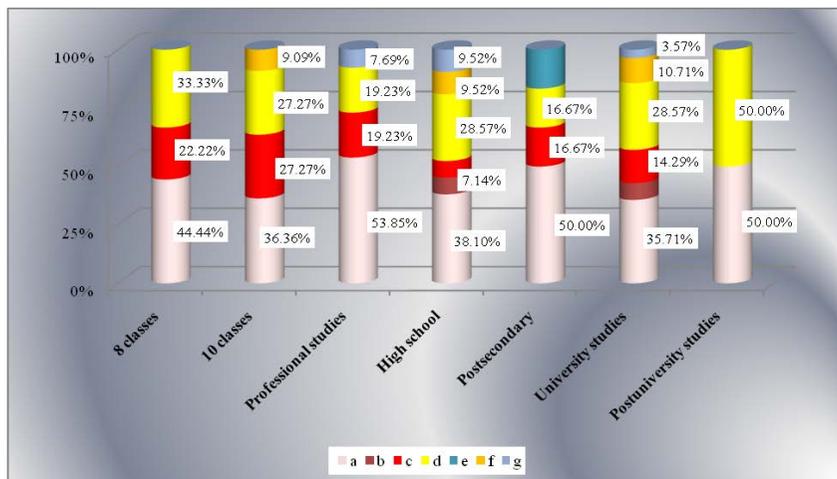
Note:

- a. information provided by local and county authorities in order to encourage potential beneficiaries (information campaign)
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- f. positive examples provided in county and national media
- g. direct contact with applicants that have implemented projects
- h. other reasons .....

Distribution of respondents by gender, according to the sources of influence in accessing European funds (Figure 5) reveals the dominance of information campaigns carried out by local and county authorities, both for men (43.82%) and women (37.14%).

Men responded better to the encouragement provided by relatives and acquaintances (26.97% vs. 25.71%), while women felt better on encouragement by local authorities (17.14% vs. 13.48%). Moreover, men have been influenced by national information campaigns, while women gave high credibility of information provided by applicants of similar projects.

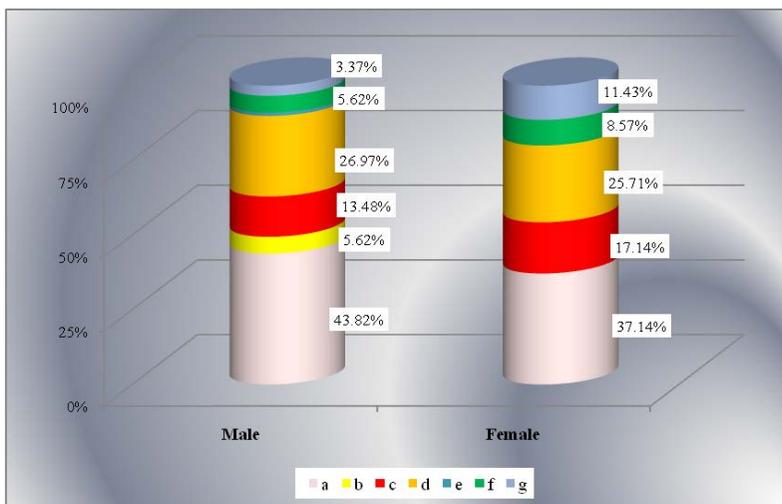
**Figure 4 Distribution of respondents according to the sources of influence in the manifestation of interest in EU funds absorption, by level of education**



Note:

- a. information provided by local and county authorities in order to encourage potential beneficiaries (information campaign)
- b. information provided by national authorities in order to encourage potential beneficiaries (information campaign)
- c. encouragement by local authorities
- d. encouragement by relatives and acquaintances
- e. positive examples provided by the local, county and national authorities
- f. positive examples provided in county and national media
- g. direct contact with applicants that have implemented projects
- h. other reasons .....

**Figure number 5. Distribution of respondents, depending on the sources of influence in the expression of interest in EU funds absorption, by gender variable**



Note:

- a. information provided by local and county authorities in order to encourage potential beneficiaries (information campaign)
- b. information provided by national authorities in order to encourage potential beneficiaries (information campaign)

- c. encouragement by local authorities
- d encouragement by relatives and acquaintances
- e. positive examples provided by the local, county and national authorities
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- g. direct contact with applicants that have implemented projects
- h. other reasons .....

## Conclusions

Research conducted within Trotuș Valley revealed that despite low experience in attracting European funds, failure cannot be blamed on inadequate formal communication but other factors must be considered such as: subjective factors specific to individual or objective factors related to the complexity and bureaucratic characteristic of the approach. Furthermore, research has revealed that in many cases, formal communication approach was the one who encouraged beneficiaries to access European funds. From the research results it was observed that the main source of influence in the expression of interest in EU funds absorption was represented by campaigns conducted by local and county authorities in expense to informal interpersonal communication (encouragement by relatives and acquaintances, positive examples provided by different categories of applicants, public system or media representatives).

From the perspective of the influence of demographic variables on interest in the absorption of EU funds, it was noted that in the age range of 18-40 years the main source of information was the formal communication - information campaigns carried out by local and county authorities. On the other hand, respondents aged over 40 years were influenced to a greater extent by information obtained informally (encouragement offered by relatives and acquaintances).

In the context of the proposed analysis we conclude that the impact of formal communication is significant within accessing European funds. If in the business sphere, the role of marketing communication tends to strike a balance between affective and the conative component of the internal structure of attitude, in the space of accessing European funds dominant component is cognitive information.

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