

TRENDS AND PRIORITIES IN SUSTAINABLE DEVELOPMENT OF THE ROMANIAN RURAL AREAS

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Abstract:

This paper aims the social and environmental phenomena and processes, in the rural areas of Romania. It represents an analysis of phenomena and processes which occurs in this new European Union integrated country. Also the paper is trying to outline some priorities in the strategy of the Romanian sustainable development of rural areas and agriculture.

Key words: *sustainable development, Romanian rural areas*

JEL classification: R , R4, Q18

1. Introduction

The definition of rural development may be centered around income criterion in which the concept is made to address the problem of rural poverty. Or it may be defined in sociological concept in which the rural poor represents a reservoir of untapped talent a target group that should be given the opportunity to enjoy the benefits of development through improved education, health and nutrition.

In this regard, it can be said that rural development represents a concept mainly consisting in:

- sustainable living in rural areas or communities;
- requires an economic factor;
- means of living to a satisfactory standard (sustainable rural livelihood extensive versus intensive agriculture);
- maintaining life in rural areas (economical growth, new jobs, attractiveness of the rural space as a place to live in, to work, reservoir of natural resources and highly valued landscapes);
- development of a range of economic factors;
- recognizing the current critical importance of agriculture.

Rural development ensures the modernization of the rural society and the transition from its traditional isolation to integration with the national economy. It is concerned with increased agricultural production for urban and international markets.

Romania is the second largest new Member State after Poland, with a total area of 238 391 km² (equivalent to 6% of the European Union area) and a population of approximately 21 millions people. It is a predominantly rural country with 87.1% of the territory total area and 45.1% of the population classified as “rural” according to the national definition.

This is significantly higher than the European Union average, although, if the standard OECD definition is used to allow comparison with other Member States, then these figures are even higher.

2. The importance of the rural area in Romania

Romania is divided into 8 development regions (NUTS 2), 42 counties (NUTS 3) and a total of 319 cities and towns making up the urban area and 2 685 communes making up the rural areas (NUTS 5). Delimitation of rural and urban areas is regulated by the Law Regarding Localities Network.

The 8 development regions were established in 1998 by Regional Development Law No. 151/1998, which was later amended in line with the provisions of EC Regulation No. 1059/2003 (MDPWH, 2007).

The 8 development regions are:

- Region 1: North-East (6 counties: Suceava, Botoșani, Iași, Vaslui, Bacău, Neamț);
- Region 2: South-East (6 counties: Vrancea, Buzău, Galați, Brăila, Tulcea, Constanța);
- Region 3: South (7 counties: Argeș, Prahova, Dâmbovița, Teleorman, Giurgiu, Călărași, Ialomița);
- Region 4: South-West (5 counties: Mehedinți, Gorj, Vâlcea, Olt, Dolj);
- Region 5: West (4 counties: Timiș, Arad, Caraș-Severin, Hunedoara);
- Region 6: North-West (6 counties: Bihor, Satu Mare, Maramureș, Sălaj, Cluj, Bistrița-Năsăud);
- Region 7: Centre (6 counties: Alba, Sibiu, Brașov, Mureș, Harghita, Covasna);
- Region 8: Bucharest-Ilfov (including the capital city and surrounding county).

Figure 1. Romania's development regions



Source: apdrp.ro

The definition and description of rural areas are given by the Romanian Ministry of Agriculture, Forestry and Rural Development in the Ordinance no. 143 of 4 March 2005 (published in the Romanian Official Journal no.382/6.V.2005 - *Monitorul Oficial al României*). According to this Ordinance, rural areas are the areas belonging to communes, and to the periurban areas of towns and cities where the following economic activities exist:

- agricultural production of vegetables, animal breeding, forestry, and fishing;
- industrial processing of agricultural, forestry and fishing products, as well as activities of handicraft and small industry;

- tourist services and resorts for recreation.

The OECD definition of rurality which identifies rural areas as communities with a population density below 150 inhabitants per square kilometre has yet not been fully adopted in Romania, but its future application is under consideration (notably due to pressure from the European Commission).

Despite the obvious disparities between different rural territories, there is no officially adopted typology of rural areas and certainly no targeting of rural development measures according to the type of rural area.

The sustainable development of the rural areas represents a priority for Romania as a European Union member state and it takes a coherent strategy able to provide a balance between the preservation demand of the economic, ecologic and socio-cultural area on one hand, and the tendency of life country modernization, on the other side.

Rural area holds about 89% of Romania's territory and it is inhabited by 47% of total population (10.13 million people). Also important natural resources are located here such as agricultural land (14.8 million ha), forests (6.4 million ha) and protected areas (1.5 million ha).

Agriculture still plays a very important role in Romanian economy and so its contribution in GDP is about 12% and almost 36% of the Romanian labour force is employed in agricultural activity.

The main feature of Romanian rural economy is the large percentage of small farms producing mainly for own consumption and so this large number of small farms along with very large farms reveals structural imbalance that most surely contributes to a low competitiveness of Romanian agriculture.

The sustainable development of the rural area represents an important element of the National Sustainable Development Strategy in Romania, which is conceived on the basis of the goals in the Sustainable Development Strategy of the European Union adopted in 2001 at Goteborg by the European Council, and the objectives of the Lisbon Strategy in 2000, which targeted the transformation of the European Union in the most dynamic and competitive economy of the world.

The *National Strategic Plan of Rural Development* cofinanced by the European Agricultural Fund for Rural Development aims at increasing the competitiveness and economic viability of rural areas through enhancing the skills of farmers and young workers in the agricultural sector (OECD, 2008).

The national strategy plan for rural development has the following objectives:

- increasing the economic dynamism of the rural areas in Romania, including the sustainable development of the agrarian and forestry sectors;
- preserving and improving the natural environment;
- rising the social dynamism and the quality of life in the rural areas.

According to the mentioned programming documents, the priorities for the rural development in Romania are structured on four fundamental directions (axes):

- *Axis 1* targets the *improvement of the competitiveness in agriculture and forestry*;
- The measures in *Axis 2* are orientated towards *improving the environment and the countryside by ensuring the continuous use of agricultural lands, preserving and improving the natural resources and habitats, promoting sustainable development for the forestry lands*;
- The objectives in *Axis 3* regard the *quality of life's improvement in the rural region and the diversification of the rural economy*;
- *Axis 4* refers to the *implementation of the LEADER approach*, which implies the elaboration and implementation of local development strategies that will

capitalize the endogenous potential of the territories and improve local governing.

Various measures can be accessed within these axes, aiming at: modernization of farms, increasing the economic value of forests, adding value to agricultural and forestry products, improving and developing infrastructure related to development and adaptation of agriculture and forestry, support for the creation and development of small businesses, encouragement of tourism activities, for which non-refundable grants are awarded.

The economic and social development of Romania depends on eliminating major structural disparities between rural and urban. Rural area faces with a number of economic development constrains:

- low performance and competitiveness of agriculture;
- lack of alternative economic activities;
- ageing of labour force;
- poverty.

3. Key aspects of the Romanian rural development

Romania's rural economy is dominated by agriculture of which the predominant feature is the high share of subsistence farms, mainly producing for their own consumption and only marginally for the market.

Because of the domination of this form of agriculture the rural economy remains poorly integrated into the market economy. Subsistence farms hardly have other income sources and, as a consequence, the well being of the rural population depends mainly on farming profitability.

Regarding the agricultural sector the main problems of Romanian rural development mainly consists in:

- a large segment of the active population is employed in agriculture;
- rudimentary technical endowment;
- low productivity with negative impact on the level of income and competitiveness of the Romanian agricultural products on the domestic and foreign markets.

A characteristic of the Romanian rural areas it's its atypical form for a modern European economy represented by:

- the high level of the agricultural employed population;
- the high share of self-consumption;
- the high share of the subsistence and semisubsistence farming.

Rural areas are characterised by a scattered population and very low quality infrastructure - for example, only 33% of rural residents are connected to a water supply network and only 10% to a sewerage system, while only 10% of rural roads are considered to be of "adequate standard" (MAFRD, 2007b).

The basic social infrastructure (health and education systems, finance and credit provision etc) is also much less developed than in urban areas. These factors affect the quality of life in rural areas, hamper economic development, increase out-migration, and exacerbate health and environmental problems.

Romania has a rich natural environment and high biodiversity, including the Carpathian Mountains, the Danube Delta and 300 000 ha of virgin forest. Natural and semi-natural ecosystems cover around 47% of the national territory, although less than 8% of the country (approximately 1 886 705 ha) is designated as a protected area - this includes the "Danube Delta" Biosphere Reservation; 13 National Parks; 13 Natural Parks; 981 Natural Reservations, and; 28 Important Birds Areas. A larger area is designated under Natura 2000, including 108 Special Protected Areas (SPAs) and 273

Sites of 8 Community Importance (pSCI) which (with the overlapping of designations) cover a total of 17.8% of the national territory.

4. Conclusions

The sustainable development of the rural region is a present and future option of the rural policy that seeks its preservation and improvement, the growth of the economic competitiveness and the quality of life's improvement.

The strengths of Romanian agriculture are represented by these main elements: the second largest agricultural producer in Central and Eastern Europe, after Poland, the possibility of developing an effective agriculture due to climate and soil, development of organic farming, using traditional, non-intensive methods.

But there are also risks for the Romanian agriculture which refers mainly to: fragmented agricultural structures, poor land and lease markets, poor access to credit, limited access to markets, low intermediate consumption according to extensive agricultural activities, lack of human capital, low labour productivity compared to European Union average, high production costs, high share of own consumption.

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