

SOCIO-ECONOMIC EVOLUTION OF ROMANIAN RURAL AREA

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Abstract: In this paper is presented the socio-economic development of Romanian rural area by providing optimum dimensions both physically and economically to explotatțiilor farm in Romania and analysis of labor productivity in agriculture, forestry and fishing. Analyzing the dynamic evolution GVA indicator reveals that during 2005-2012 the share of agriculture in GVA is in continual decline (9.52% of GVA in 2005 to 6.01% in 2014).

JEL classification: G 28, G 29

Key words: Agricultural sector; rural economy; agricultural land; livestock; loans VAB; agricultural holding

1. INTRODUCTION

Compared with the total area of 238,391 km² of Romania, rural areas represent 85.1% of the national territory, which corresponds to an area of 207,522 km², the area inhabited by 45% of the population of 21,356,000 inhabitants. Distribution of rural population in the national territory is not uniform, so that population density is higher in regions like South-Muntenia -58.6%, -56.8% North East and South West Oltenia - 51.9%.The highest population density except in Bucharest Ilfov, was recorded in the Northeast (63.24 inhabitants / km²) compared with the western part of the national territory in the rural area has a lower density population (26.51 inhabitants / km² in the western region). The uneven distribution in rural areas, together with different density of population in these areas in turn causes disparities in terms of socio-economic development of each area separately, simultaneously with different levels of quality of life of the rural population. Failure to implement economic policies that had a major impact on the countryside has to know a rural population declining, demographic decline is characterized primarily by increasing individuals in old age groups and aging. Analyzed in terms of negative natural growth as the main factor of population decline accentuated in the last 10-15 years, it appears that only the 2005-2012 rural population fell by 65,646 people. Demographic projections developed based on both population trends since 2000 and through the social impact of economic policies and

demographic estimates that by 2015, the rural population will continue to decline at a moderate pace, then it is likely a sharp decline for the period 2015-2050.

2. OBJECTIVES

The Romanian economy has a modest position among the 27 European Union countries, the share of the EU GDP in 2012 was only 1%. The agricultural sector and rural economy are rated as having high growth potential but underutilized. In terms of volume, agriculture generated 6924, 752 million euros, gross value added (GVA) in the year 2012, which represents 6.01% of total GVA. Analyzing the dynamic evolution of this indicator, it appears that in the period 2005-2012 the share of agriculture in GVA is in continual decline (9.52% of GVA in 2005 to 6.01% in 2012). The decrease in the share of agriculture is done at the expense of increasing the share of secondary sector during the same period an increase from 35.9% to 42.3%. However, we could confusing that, at least in terms of weight that has gross value added, the agricultural sector development approach reflects an objective process to what exists in the European Union. However, we find that the share of agriculture is over 3 times higher than in the EU still 27, where the value of this indicator in 2012 was 1.74%.

In turn, the indicator labor productivity in agriculture, forestry and fishing is almost 5 times lower than the European average registered as of 2012, which corresponds to 2464 euro / person employed, compared to 12 527 euro / person occupants represent the European average labor productivity in agriculture. To have an idea by comparison, all in the year 2012 for secondary and tertiary sectors recorded values were 1.5 or 1.3 times higher.

3. METHODOLOGY

Methods intensive development of agriculture worldwide as population decreasing dependence of activities directly related to the practice of agriculture, ecological conservation together his necessity the countryside led and still leads to a decrease in the utilized agricultural area (UAA). The phenomenon is observed that the trend in the European Union space, if we stop at this geographic area. If we analyze this indicator during 2005-2010 only note that OR decreased from 13.9 million hectares to 13.3 million hectares, which represents a decrease of 4.3%. Analyzed by category of use is noted that further arable land are the most part, representing a 62.4% share almost double the surface is pasture and hay, which is 33.9%. For the same period or associated with arable land and permanent crops decreased by 6.3% and 8.2% respectively, while areas with pasture and meadow remained acealași level.

If for field crops and perennial crops resumption of production does not involve financial effort, and that, once achieved can be recovered relatively short production cycles, usually in a year, the pomivicol is subject biologically, a natural aging process which involves making cyclical investment programs. Compared to 2013 the total area of fruit plantations represent about 1% of farming land, ie 157,200 ha (in this area are not imposed any kitchen gardens or nurseries). However, this area was much reduced from the surface of 313,400 ha (area represents a decrease of almost

50% in any 25). The finding is made is that most orchards were older than 25 years after planting, the aging, thus having a low production potential, if not in decline, or even abandoned. By age groups, the total area of orchards, 74% of them are aged over 25 years, 19% were aged 10-25 years, whereas only 7% of which corresponds to a surface area of 11,000 ha, aged between 1-10 years. Viewed through the productive potential linked to biological maturity, 52% of the fruit tree plantations is the decline, ie aged 10-25 years with low potential and that, anyway, in the next period are surfaces, normally, it would be replanted. At the same time, the fruit plantations represent 43% of the total acreage, while only 5% of the surface is the young plantations. According to prevailing systems (it is culture system) more than half of existing plantations in the years 2012 is the classic system-extensive holdings. At the same time, only 30% of the cultivated area is the intensive farms, and 2% of the total area is the superintensive plantations. Although in terms of geographical conditions (soil conditions, rainfall regime, annual average temperatures guidelines ridges, distribution of air currents, etc.), fruit Romanian could produce a wide variety of species that make observation on 85% of the total fruit production at the level of 2012 was represented by apple and plum.

Fruit growing problem of agriculture sector development, even more than for field crops is strictly related to the problem of storage facilities. According to the data from the 2011 fruit storage capacity is just over 132 thousand tons, while in 2012 only total fruit production was 1076.5 thousand tons. Even in this situation 16.35% of the existing storage areas in 2011 are inoperative, while about 2% of them are in construction. In this case, it is understood that the development of orchards, the observation is done analogously for the wine industry is directly related to the existence sizing storage space. You can not determine the root cause of this situation, but we can conclude that both lack of funds (identifying sources is an issue of utmost importance) and under-representation of groups (associations) of national producers - 2013 there are 153 producer groups - also contribute to the existence of a small number of storage spaces covering just over 20% of spaces for storage of fruit and about 40% of potato production.

Districts of the utilized agricultural area (UAA) distribution reflects primarily related to the variety of relief, but also socio-economic condiții are a consequence of historical developments often unequal last 2-300 years. Thus, higher values have or western and southern regions of the country, while arable land is found mainly in the South East (16.5%) and South-Muntenia (17.5%). As a particularity which in turn causes a stronger development of livestock sector in Central and Western regions of the country, which corresponds to the geographical area of Transylvania Plateau and the Apuseni Mountains pre-mountain areas, pastures and hayfields exceed half the OR (65.6 % is pastures and 52.8% meadows).

What at first seemed just a fashion or guidance in any case removed to the Romanian economy, we see the 2012 existence of organically cultivated areas (perhaps not too pretentious used the term organic farms) surface which arrived in Romania to have a share of 2.1%, which, however, is not so far removed from the weight that

organic farming is the EU27, adhere to the 5.28% in the same period. The evolution of this subsector accounted for organic farms is perhaps even more spectacular if we make the observation that in the period 2007-2012 ecologically cultivated areas have increased more than 2 times.

4. ANALYSES

The problem of optimal sizing both physically and economically agricultural explotațiilor Romania is an issue that has been the focus of agricultural policies developed by the modern Romania, regardless of the approach that the historical timeline and they had different views different political regimes. In this respect, agricultural policies ranged from excessive fragmentation of the original compact surfaces caused by various land reform (1863-1864, 1990-1992, 1945-1946, 1949-1962). Along with these physical sizing and resizing of farms overlapped or were interdependent dimensionări resizing related to different types of farms, predominantly type explotațiile extensive and intensive type of holdings, especially during the command economy while allocating a different amount of financial support and the creation of industries related to agriculture and agro-processing, both horizontally and vertically. If we consider only the number of farms for the year 2012 in Romania were 32.1% of all farms in the EU27 (down 10% over the existing number in 2005) which is 3.859. 040 holdings. Here comes the first issue of efficiency, if we declare that the Romanian average size of a farm is on average 4 times lower than the European, ie 3.4 ha OR / farm in Romania, compared to 14.3 ha OR / firm to EU countries. Excessive fragmentation and separation undue economic criteria make economic dimension obtained by individualizing the farm financial effort to result in an average of 9.4 times lower in Romania than in the EU27. In this respect, the production standard OS / farm in Romania is 2700.2 euro / farm to 25.450 euros OS / farm EU27. If we take into account the fact that the population employed in agriculture in Romania is higher than in EU countries raporat the economic dimension notice that, naturally, and the intensity of use of farm labor in labor productivity expression is half the EU 27 average.

Excessive fragmentation of land ownership resulting best from the observation that 92.9% of holdings is represented by small farms under 5 ha, but instead uses almost 30% of UAA. Is true about 21,000 units have a physical size of over 50 hectares, managing 52% of the utilized agricultural area. Here comes the main problem that hinders an efficient allocation of financial resources to farms that are optimal dimensionate both physically and economically. Of the total number of farms represented 96.7% of farms are classified as under 8000 euros, which means, according to RGA 2010, 43% of the EU27 farms of the same size class. For the rational allocation of resources are targeted farms whose economic size is above the 8000 euro / farm size regarded as having the best chance of improving economic performance. For Romania, in class we 8-15000 euro 2.03% of total holdings, representing 78 460 agricultural holdings and the euro 15-50000 class we have 35,610 holdings, these classes are the first considered as having need to develop and market orientation, on the other hand with the potential for absorption of funds for development. For holdings

of over 50,000 euros, standard production value is about 13,000 euros. Of course, the problem of resource allocation and absorption of funds ultimately leaves the optimal sizing farm, both physically and economically realistic absorption capacities of these holdings, however, is closely related to managerial capacity and economic and financial performance farm when accessing these funds.

Without making considerations on the historical traditions and conservatism manifested Observe the Romanian rural area reported that the total number of farms existente in 2012, 99.2% were represented by individual farms, freelancers, or family businesses without personality legal. Only 0.8% of all farms in 2012 is the legal firm, ie 306,000 holdings. Compared to the total utilized agricultural area, we see a defining feature of Romanian agriculture, namely the dual operating mode, in which half of the area is operated farms with legal personality, by their very nature operating in a competitive and efficient system and half of unincorporated farms, which operated in a mode of subsistence or semi-subsistence archaic.

A special present the livestock sector in Romania, underfunded in the past 25 years, and in any case subfinațat at farm level and mixed profile farms or livestock only. As a share of total farms, livestock farms have share, representing the level of 2012, 68% of the total (this should be stated that in mind and holdings with legal personality, with mixed field of activity, agriculture, animal husbandry and where weight of the two different types of activity during a calendar year or agricultural understandable reasons).

We note that during the command economy livestock were not privately owned but in very small and closely related to subsistence needs. On the other hand, the development of livestock sector primarily involves the allocation of large amounts of financial resources for investment in the beginning. All this has meant that since 1990, as the former agricultural enterprises, irrespective of ownership, state or cooperative were unable to develop programs in animal husbandry, livestock record a steady decline both the number and production potential. Compared to the EU27 livestock herds in Romania have a very low, representing only 4% of the total, which corresponds to 5.4 million LU. By comparison, built on existing schemes the end of the communist period proposed to increase their livestock between 9 and 12 million. LU for the 1985-1990 timeframe, followed herds for the period 1990-2015 trepatat 15 million increase for 1995 and 25 million LU for the 2010-2015 timeframe. Subfinațarea sector led not only to the reduction of livestock but also to lower a faster pace in Romania than in the EU 27. However, the reduction of the RDP 2014-2020 according to the draft program was made only for cattle and swine, livestock and poultry rest even registering increases, natural thing but if we think that number has grown on farms in the system household.

The existence of a disproportionately high number of subsistence farms entails an oversized volume of labor in the agricultural sector Romanian compared to other EU countries 27. By comparison, the indicator workforce employed in agriculture in the EU 27 is lower. On the other hand, at national level, in 2012, of the total employed labor force, about 28.3% of the total were employed in agriculture, compared with 2%

in tourism, forestry and 0.7%, abnormal working this point of view, only 2.1% in the food industry. Viewed from another perspective, the issue of employment in the agricultural sector shows a relatively constant employment rate for 2007-2012 standing with slight deviations plus and minus around 29%, which is a well above the European average of 4.6%. The forecast for the next period not provide any substantive changes or the structural view.

Existing delays (endowments, technology, labor intensity, physical and economic sizing areas of organizational structure, the allocation of resources) resulted in recording an average labor productivity for the period 2010-2012, 4 times lower than the EU27 average înregsitrată (by comparison, 4328.5 euros to 14,967 euros). The comparison is even more unfavorable to Romania if we consider the fact that the indicator înregsitrat one of the lowest growth rates reported in the European Union, namely 0.1% annually.

Reflecting Romanian labor productivity in agriculture, equipping and structural development stage is the best indicator analyzing income of the agricultural sector which in 2012 was EUR 2169.5 GVA / AVU, which represents only 17.1% of the registered in the European Union. The low level of GVA in agriculture made directly influenced the amounts allocated for future investment. We illustrate the fact that, given that in 2011, 18.9% of GVA in agriculture has turned up resources in agriculture in the form of investment, the level of gross fixed capital formation in agriculture remains 25% below the European average which indicates, while maintaining the trend for 2014-2020, keeping at least one, if not an increase in the gap and in any case a reduction thereof. Otherwise, regarded as a percentage of total investments at the national level in 2011 (and this percentage was maintained in 2012), only 3% of the total investments were destined agriculture. However, far from reducing the gap between the main inputs of Romania to the EU 27 countries, adversely affect the availability of equipment for agricultural holdings. The moment of accession, in 2007, for comparison, the endowment of a farmer in Romania was about 25-26 times lower, meaning that, while the total value of tangible assets on farms in Romania was 350 euros it was in the European Union for 9000-9200 euros.

5. CONCLUSIONS

In conclusion, physical and economic dimensions unsuitable absence or existence of formal associative structures combined with a system of lending and guarantee outdated and rudimentary make obtaining credit for Romanian agriculture needed for the investment, high costs represent an insurmountable problem . In 2012, the total loans of state-owned banks, private banks, loan programs undertaken by commercial banks in the neguvernamental they accounted for only 4%, which meant a volume of 15 to 16 times than loans in the same year in EU 27. By comparison, in Romania, in 2012 agricultural loans accounted for 110 euro / ha, while in EU 27, they were in 1700-2000 euro / ha.

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