The structure of the rural economy in Romania. Case study on macro-region 2

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Abstract. Romanian rural area includes most of the territory of Romania, according to statistics, accounting for 87.1% of the total. Romanian rural economy is still largely agrarian, because in Romania the agricultural economy itself has a weight of 60.5% in its structure, compared to only 14.1% in the EU Deep structural causes distorted Romanian rural economy and rural population has a similar structure by sector (primary sector 64.2%, of which 56.6% agriculture, 18.5% secondary sector, tertiary sector 17.3%). Romanian-scale rural non-farm economy, has a low weight and rural tourism in all its variants, except for some mountain areas (Bran - Moeciu, Apuseni, Maramures, Bucovina) and the Danube Delta is almost nonexistent (11,000 beds in about 1,600 rural locations).

The main objectives of the research were: overall characterization of the Romanian rural economy, showing the evolution of the structure of the rural economy in Macro-region 2 of Romania and identify differences between the structures of the rural economy nationally and regionally. In this context, we took into account agricultural activities (in the vegetal and animal sector) and non-agricultural activities suitable for each area (region).

This article was prepared by using various sources of information, both quantitative and qualitative, such as: official statistics on national and territorial profile; analysis, reports and local studies; the information included in the rural development plans and national strategies; regional and local qualitative information obtained through direct communication with local stakeholders.

Romanian agrarian structures are strongly polarized, about 40% of the agricultural area (UAA) of Romania is 2.5 to 2,800,000 small and very small farms (less than 5 ha), 40% of the UAA of the country, that area from 3.8 to 4.0 million ha is owned by 800 large farms (with area of over 1,000 ha each) and 20% of Romania's UAA holdings surface is comparable to the European Union (5 - 50 ha).

The structure of the rural economy in the Macro-region 2 of Romania, like the national level, reveals the dominance of agriculture as the main activity, but also a significant degree of development of agriculture related activities. The importance and need for diversified rural economy and rural areas based on multifunctionality based start being more obvious in Romania of 2013, maintaining the social and ecological agriculture, especially for reasons of self-healing micro-regional level, but developing income-generating agricultural activities, efficient and competitive.

Keeping the family farm is the subject of European rural policy term. This also applies to less direct interventions aimed at grouping small farms economically viable units, but rather to stimulate the diversification of activities in these areas.

In a broader context, it tends to recognize equally diversification requirements, the economic base in rural areas, and to drive public service by providing the rural population.

Keywords: rural economy, rural areas, Macro-region 2 of Romania
INTRODUCTION

The rural economy is defined as a branch of economics that are particularly interested by agriculture, rural world and agro-food sector. At the root of the rural economy is reflected farm economy. It spans three broad directions independently are: location theory, market economy and agro industrial economy. The role of the rural economy focuses on achieving the main functions of rural, namely: protection of the natural environment and its resources, agricultural development coupled with the economic (non-agricultural), preservation and enhancement of the historical, social and cultural Romanian countryside.

The structure of Romanian rural economy is clearly dominated by agriculture, but should also be noted that there are many differences between regions of the country in which the place of agriculture in the rural economy. For example, forestry and forest industry in mountainous and hilly areas have a key role in rural economy, plus tourism and agro-tourism as leisure services, services for rural population etc. Romanian agrarian structures are strongly polarized. as follows: 40% of usable agricultural area (UAA) of Romania is 2.5 to 2,800,000 small and very small farms (less than 5 ha); 40% of the country, that areas of 3.8 to 4.0 million ha is owned by 800 large farms (with an area of 1,000 ha each); 20% of Romania’s UAA holdings surface is comparable to the European Union (5 - 50 ha). The importance and need for diversified rural economy and rural multifunctionality based start being more obvious in Romania of 2013, maintaining the social and ecological agriculture, especially for reasons of self-healing micro-regional level, but developing income-generating agricultural activities, efficient and competitive. Keeping the family farm is the subject of European rural policy term. This also applies to less direct interventions aimed at grouping small farms economically viable units, but rather to stimulate the diversification of activities in these areas. In a broader context, it tends to recognize equally diversification requirements, the economic base in rural areas, and to drive public service by providing the rural population.

Romanian rural economy is still largely agrarian, as in Romania, the agricultural economy itself has a weight of 60.5% in its structure, compared to only 14.1% in the EU Deep structural causes distorted Romanian rural economy and rural population has a similar structure by sector (primary sector 64.2%, of which 56.6% agriculture, 18.5% secondary sector, tertiary sector 17.3%) . Romanian-scale rural non-farm economy (SMEs based industrial services, rural tourism), has a low weight and rural tourism in all its variants, except for some mountain areas (Bran - Moeciu, Apuseni, Maramures, Bucovina) and the Danube Delta is almost nonexistent (11,000 beds in about 1,600 rural locations). Agriculture is considered the backbone of the rural economy, it represents, while both material support and spiritual for rural communities. Through real farming is obtained the food needed family, but keep a certain lifestyle, or countryside or country life, of great wealth and generosity social, moral and spiritual. In other words, the basic profile communes in Macro-region 2 of Romania is still agricultural. Both the rural economy as a whole and agricultural economy as an important element of the rural economy, presents different pronunciation Romania to the European Union. Romanian rural economy is largely agricultural (about two thirds) or agro-food (more than three quarters). In the EU dominated the economy of the rural economy is services, with a share of 42.2%, up 2% from the agricultural economy.

In conclusion, in addition to the low level of per capita agricultural production, rural economy and agricultural structures are far from what we call a competitive rural economy in Romania. Underdeveloped rural economy of our country results in immediate and permanent, visible, negative effects on Romanian Village: aging accentuated by young people leaving rural areas with urban exodus or external, all these phenomena emphasizing social desertification of the Romanian village.

MATERIALS AND METHODS

This research has been prepared by using various sources of information, both quantitative and qualitative, such as: official statistics on national and territorial profile available documents published by the Romanian National Institute of Statistics, county Department of Agriculture and Rural Development, Ministry of Agriculture and Rural Development, Regional Development Agencies, the Paying Agency for
Rural Development and Fisheries, the Paying Agency for Agriculture, and so on; information contained in the analyzes, reports and individual studies (unofficial), including local and regional development strategies existing in the Regional Development Agencies, Local Councils and County Councils; the information contained in the Development Plan of South - East and North - East region, and other relevant development plans at regional and local level (local action plans, operational plans etc.); national and international literature (treaties, monographs, research projects, articles / communications established scientific journals); studies and analyzes carried out by groups of researchers and specialists in economic institutions of national and international renown; doctoral thesis of the authors etc.

This scientific approach include the results of a series of exploratory research that followed both fundamental research aimed at acquiring knowledge and concepts specific to the study of phenomena and processes, stating hypotheses, ideas and paradigms known in the art and so on, as well as research applied, based on case studies carried out on site by specific research tools, original formulation of hypotheses, the extraction of synthetic conclusions and making personal recommendations. Statistical analysis was divided into the following levels of comparison: Macro-region 2 corresponding data reported in the national media, data from the South - East and North - East region reported to Macro-region 2 and data for counties relative to the regional average.

RESULTS AND DISCUSSIONS

The structure of the rural economy in the Macro-region 2 of Romania, like the national level, reveals the dominance of agriculture as the main activity, but also a significant degree of development related activities and complementary agriculture. Under the current conditions of our country, the exclusive reliance of rural inhabitants the results of farming is risky and should be attracting them in its related activities (small industries and processing of raw materials obtained from agriculture, rural tourism and agro-tourism etc.).

Another noteworthy aspect is that, although agriculture and agro-food economy are key areas of the national economy, the share of specific economic units is relatively low: only 4.3% of the units existing assets are recorded in agriculture and related fields this industry (Table 1).

To have a clear picture of agricultural output destination in Romanian individual farms, processing briefly present the latest agricultural census shows the following:

- 76.7% of farms produce only for their own consumption;
- 21.2% of farms producing for their own consumption and for the market;
- 2.1% of farms produce only for the market.

<table>
<thead>
<tr>
<th>Fields of activity</th>
<th>Romania</th>
<th>Macro-region 2</th>
<th>North - East region</th>
<th>South - East region</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture and auxiliary services</td>
<td>1,964</td>
<td>2,669</td>
<td>2,232</td>
<td>3,076</td>
</tr>
<tr>
<td>Forestry, logging and related service activities</td>
<td>0,540</td>
<td>0,634</td>
<td>0,882</td>
<td>0,403</td>
</tr>
<tr>
<td>Food and drinks industry</td>
<td>1,746</td>
<td>2,030</td>
<td>2,094</td>
<td>1,970</td>
</tr>
<tr>
<td>Manufacture of tobacco products</td>
<td>0,003</td>
<td>0,002</td>
<td>0,003</td>
<td>0,004</td>
</tr>
<tr>
<td>Fisheries and fishing</td>
<td>0,082</td>
<td>0,149</td>
<td>0,111</td>
<td>0,184</td>
</tr>
<tr>
<td>Total</td>
<td>4,335</td>
<td>5,484</td>
<td>5,322</td>
<td>6,637</td>
</tr>
</tbody>
</table>

* Note: The total number of active local units on national economic activity was taken into account: 567146 units in Romania, 129868 units in Macro-region 2, 62665 units in the North - East region and 67203 units in South - East region.

Without underestimating the role of agriculture for rural Romanian and without forgetting that it is and will remain the main activity in this area, we need to promote as a necessity primarily economic and social, agricultural activities, but adjacent, related or complementary to agriculture. In Romania, currently holding individual prevails as a form of organization of agricultural production in Romanian countryside. With a share of over 90% of current agricultural structures, it is easy to understand the importance that is given to this form of organization of agricultural production.

**Rural development in Romania** should consider all agricultural and non-agricultural activities that are and can be deployed on agricultural holdings / farms. In the context of multifunctional rural areas, agriculture-related and complementary activities and the provision of services should be the priorities of sustainable development programs.

The importance of non-agricultural activities in the context of sustainable rural development is revealed in the structure of EU funding program for rural development for the period 2007 - 2013. Thus, under Priority Axis 3 of the RDP (Rural Development Programme) - Quality of life in rural areas and diversification of the rural economy - are funded a series of measures to diversify the rural economy and the diversification of non-agricultural activities, support for the creation and micro-enterprise development in order to promote entrepreneurship, encouragement of tourism activities in rural areas.

In the study of soil resources management conducted by researchers of the Institute of Agricultural Economics, Romanian Academy, CEEX project no. 56/2006, have highlighted some types of agricultural activities that can be carried on agricultural holdings in the context in which it is the sustainable development of these holdings, which can not always be ensured only in agriculture. In this sense, they followed a series of agriculture-related activities carried out in a representative sample of 784 farms in all counties, such as: meat processing, milk processing, fruit and vegetable processing, grapes, mixing feed, chopping feed mill (for flour and corn), wood processing, further processing, tourism, commerce, services (with own equipment), power unconventional, crafts (knitting, crafts, pottery, etc.) and aquaculture. Most agricultural activities are designed to ensure family subsistence in very little population is oriented industrial processing or placing on the market of the products produced. Also in the non-agricultural activities focused on practicing various crafts including local or specific services are still underdeveloped. As can be seen from the Table 2, of the 784 farms surveyed, 589, or 67.7% performing and non-agricultural activities. Interpretation of the data the following aspects at national level:

- **Commercial activity** - of the 589 farms studied non-agricultural activity, 136 farms (23%) practice and trade in agricultural products and food organized in various forms;
- **Activities of processing agricultural products** (milk, meat, fruit and vegetables) - of the 589 non-agricultural activity farms, 142 farms (24.1%) milk processing, 65 farms (11.0%) processed meat, 52 farms (8.8%) to process grapes and 33 farms (5.6%) processed fruit and vegetables;
- **Activities chopping and mixing of feed** - in 41 farms - 6.9% - is practiced feed grinding activities, and in 23 farms - 3.9% - is done mixing feed in order to obtain the feed;
- **In 21 farms (3.5%) of the 589 are practiced mill activities** (for flour and cornmeal) and in 6 farms (1%) were identified woodworking activities and other processing;
- **Service activities** to third parties with own equipment was found in 63 farms (10.6%), relatively evenly spread across the eight development regions. With increased activity in this regard stood Braila county (10 holdings practitioners) and Teleorman county (9 holding the service with own equipment);
- **Rural tourism / agro-tourism** as an activity complementary to agriculture, was found only in five farms (0.8%) of our sample, in Suceava, Vrancea, Harghita, Gorj and Timis, but we tend to believe that this activity will undergo continuous development in the coming years due to its many advantages, and in particular that is a definite alternative income-generating activities for farms;
- **In 2 farms (0.3%) of our sample of South and South West region, have been identified craft activities** such as weaving, pottery, crafts and so on, which can be developed, promoted and capitalized as local resources by setting up workshops in tourism and agro units, especially in areas with tradition Oltenia, Muntenia, Moldova.
Regarding the Macro-region 2 of Romania, the 178 farms in the study (83 in the North-East and 95 in the South-East region) noted development of the following agricultural activities: processing of milk (27%), trade (19%), meat processing (16%), services (13%), chopping and mixing of feed (12%), grapes processing (6%), milling (3%), woodworking (1%), agro-tourism (1%), processing of fruit and vegetables (0.5%), other processing (0.5%).

In the counties of the North-East and South-East region, the situation is as follows (Figure 1).

In terms of regional distribution based on landforms can highlight a higher share of non-agricultural activities on agricultural holdings in the plains (20% of farms) compared to other areas, namely: the lowlands - hill (9%), the hill (6%), the hill - mountain (4%) and the mountain (3%).

At the national level there is a clear division of farm non-agricultural activity in developed regions in terms of agricultural and economic and South-West, South-East and South-Muntenia, reflecting the direct link between the general level of development of the regions and opportunities for their sustainable development.

CONCLUSION

After nearly 24 years of transition to democracy in Romania and after almost 7 years of EU integration, Romanian rural communities is like

<table>
<thead>
<tr>
<th>The main non-agricultural activities identified</th>
<th>TOTAL of national farms which have conducted non-agricultural activities at the national level</th>
<th>TOTAL farms in Macro-region 2</th>
<th>Farms / Region</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
<td>North-East</td>
</tr>
<tr>
<td>a) meat processing</td>
<td>65</td>
<td>28</td>
<td>43.07</td>
</tr>
<tr>
<td>b) processing of milk</td>
<td>142</td>
<td>49</td>
<td>34.51</td>
</tr>
<tr>
<td>c) processing of fruit and vegetables</td>
<td>33</td>
<td>1</td>
<td>3.03</td>
</tr>
<tr>
<td>d) grapes processing</td>
<td>52</td>
<td>10</td>
<td>19.23</td>
</tr>
<tr>
<td>e) mixing of feed</td>
<td>23</td>
<td>9</td>
<td>39.13</td>
</tr>
<tr>
<td>f) chopping of feed</td>
<td>41</td>
<td>12</td>
<td>29.27</td>
</tr>
<tr>
<td>g) milling</td>
<td>21</td>
<td>6</td>
<td>28.57</td>
</tr>
<tr>
<td>h) woodworking</td>
<td>3</td>
<td>2</td>
<td>66.67</td>
</tr>
<tr>
<td>i) other processing</td>
<td>3</td>
<td>1</td>
<td>33.33</td>
</tr>
<tr>
<td>j) agro-tourism</td>
<td>5</td>
<td>2</td>
<td>40.00</td>
</tr>
<tr>
<td>k) trade</td>
<td>136</td>
<td>34</td>
<td>25.00</td>
</tr>
<tr>
<td>l) service activities</td>
<td>63</td>
<td>24</td>
<td>38.09</td>
</tr>
<tr>
<td>m) craft activities</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>589</td>
<td>178</td>
<td>30.22</td>
</tr>
</tbody>
</table>

*Note: the studied period 2006 - 2008.
Source: Own calculations based on questionnaires completed in CEEX Project - „Modeling response farms in economic integration with the environmental principles through sustainable management of soil resources,” Camelia Gavrilescu, coordinator, Institute of Agricultural Economics, Bucharest, 2008.
a continuous transition in terms of sustainable economic development. Rural issue has been and continues to be one of the most important and complex issues of economic, social, political, cultural, moral, ecological etc. of our country. Essential structural changes that have occurred in recent decades in Romania, deeply affected the Romanian rural state, respectively village peasant agriculture and Romanian. Although potential solutions for rural development through multiple activities by processing agricultural products and farm diversification activities is not entirely new doctrine, as stated in the text from the beginning of the Common Agricultural Policy of the EU, but they did not become reality widely in Romanian rural areas.

Given the results of this study and the previous research, it can be said that sustainable economic development of Romanian rural environment can be achieved by the simultaneous development of agriculture and non-agricultural activities of the range of local (rural communities), regional and national. Solving big problems in rural Romanian possible, given the implementation of horizontal policies that integrate land policy development, fiscal policy and lending in agriculture, social policy - professional development policy of basic services, environmental policy, politics education and public health etc. All this must be accompanied by permanent local government sector modernization in all fields, as well as social infrastructure - urban and economic.

In models of integrated economic development of rural communities will be used all the levers Romanian administrative, economic and social, as well as all available resources at local and regional level, in order to generate sustainable development to contribute to higher economic

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Fig. 1 Distribution of farms which have conducted non-agricultural activities in the counties of North - East and South - East region

*Note:* the studied period 2006 - 2008.

*Source:* Own calculations based on questionnaires completed in CEEX Project - "Modeling response farms in economic integration with the environmental principles through sustainable management of soil resources," Camelia Gavrilescu, coordinator, Institute of Agricultural Economics, Bucharest, 2008.
results and values and expectations to meet business, residents and visitors communities. This solution, the integration of sustainable rural development process of all local actors and a whole range of activities from the economic, social and ecological, is real and feasible, as confirmed by all research conducted to date. Thus, in this research were identified and calculated the direct and indirect correlations existing in the regions of the North - East and South - East between indicators characterizing the three sides of the countryside, ie economic, environmental and social. These correlations were determined by other researchers, confirming the hypothesis interdependence of nature, capital and people in the development process.

Based on the assumptions set out above, taking into account the development potential of the Romanian rural area and given the European trend on sustainable rural development, we can say that in Romania, it is necessary to conduct a comprehensive program of investment in agriculture, rural development and improvements land, financed both from own funds and with funds raised (European). It also requires special programs for small farms, subsistence and semi-subistence, covering early retirement and life annuity system, supporting young people in the rural setting and starting up business, establishing direct payment scheme by considering the EU recommendations Only then we can talk in the future about modern agriculture and the sustainable development of rural Romanian real.

Social - economic development in Macro-region 2 of Romania (in the North - East and South - East region) will be fully realized only through an integrated approach that will enable the adoption of sectoral policies as close to the real needs of the territory and communities

Unfortunately, in Romania at the beginning of the third millennium, three quarters of the rural population lives in poor conditions, and 37%, which means over a million people are unpaid family workers, ie without any form of salary or payment in kind for agricultural activity carried out. However, over 36% of the rural population has the status of self-employed professional. People living in rural areas still depend heavily on agricultural activity but can not provide a decent living, given the low productivity and limited access to markets for Romanian farmers. A solution for those working in agriculture can be the development and implementation of programs to help farmers' associations to strengthen and capitalize properly. This would be a solution to increase productivity, or for Romanian agriculture to transform into a sector to contribute effectively to the national budget.

In conclusion we can say that, you must create alternative sustainable rural development so that the local community economy must become multipurpose, to be able to strike a balance in the restructuring of individual holdings. Thus, the creation of new activities, diversification of agricultural products and increase their recovery, development of services in the upstream and downstream agricultural activities and the development of non-agricultural activities in order to capitalize on local resources.

Range of non-agricultural activities practiced or Romanian agricultural practices is very extensive, including: commercial activities, agricultural products processing (plant and animal origin), services to third parties with their own equipment and machinery, wood processing and other processing, rural tourism and agro-tourism, etc.

REFERENCES