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Tendencies and evolution in the development of the rural space in Romania

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Abstract

The rural space development represents a complex problem and constitutes a big contemporary commitment theme because it presupposes the realization of an equilibrium between the requirement of conservation of the economic, ecologic, social and cultural rural space of the country and on the other hand the tendency of modernizing rural life.

Within this context, the present paper proposes a detailed analysis of phenomena and economic processes manifest in the Romanian rural space, which represent the basic explanation for the need of development of the rural space with the multitude of its components.

Key words: rural, development, space, potential, region, agricultural, non-agricultural.

Introduction

The rural development is a worldwide priority, and the new European context requires restructuring of the countryside under new conditions and unitarily to reduce the existing disparities between the old Member States, the new Member States and particularly the states candidate for adhesion (Zahiu Letitia et al., 2006).

For Romania the rural development is based on the fact that present Romania is to a significant extent a rural Romania because: 93.7% of the territory is rural area; in the rural areas live 47% of the population; 40% of those who work are employed in activities located in rural areas; the participation of agriculture (the main activity of the rural space) in the establishment of GDP has always been high.

The rural economy comprises all economic processes, their extra-economic social connotations carried out in rural areas and especially in rural communities and the main rural activity is agriculture (Gavrilescu et al, 2000). The Gross added value (VAB) to agriculture was 12.1% of GDP and 13.6% of total VAB (INS, 2006).

Material and methods

The paper is a macroeconomic analysis of agricultural and nonagricultural activities of the rural areas as the base for discussion, results, expressed opinions and proposed measures and actions to be taken in order to improve activity in the researched domain.

The macroeconomic analysis targets the level of economic development registered in the Romanian rural space as follows:

The agriculture represents the backbone of rural economy and has more than 36% of total population employed in the economy. However, Romania's agriculture presents many issues that pose problems. The starting point in analyzing the economic potential

agriculture is the land fund⁴, referred to as the form of ownership and soil quality, the structure of agricultural exploitations and the obtained production.

The fund area of the country includes 23.8 million hectares, of which private property is of 92%, the difference belonging to the public domain. The agricultural area amounts to 14.7 million ha⁵, of which 96% are privately owned and only 4% belong to the public domain. The forest area covers 6.2 million ha, of which 25% are privately owned, and 75% are in public ownership.

The use of agricultural land is relatively constant, except areas occupied by orchards, which in the time period 2002-2005 were reduced by 24%.

The individual farming holdings/households use 61.8% of the agricultural area, 40.5% of the area occupied with meadow and pasture, and 65.3% of permanent crops⁶.

The average agricultural area which lies on a farm using agricultural land was in 2005 of only 3.4 hectares, compared with the European average, amounting to over 18 hectares. Among these categories, the agricultural area which lies on a farm is highly differentiated.

In value of agricultural production, the agricultural production was highlighted by annual permanent growths, with oscillations in both sectors- vegetable and animal. In the plant production, in almost all cultures, the average yields are less than 2-3 times compared to countries with a developed agriculture, including those made in the EU, which gives the Romanian agriculture a character of subsistence.

In the live-stock sector Romania holds a tradition for centuries in animal breeding at 30.4% of the total agricultural production. In the last period there were registered increases of herds and production with values contained between 1,5-28% but which continue yet to be far from the levels for which in Romania the conditions are most favorable.

Also, statistics indicate an inappropriate use of services essential for agricultural activities: mechanization, chemical fertilizing, irrigation, etc., which is reflected in the reduced inputs with such factors of production, with implications on the economic effects. In 2005, the share of agricultural services, calculated according to EUROSTAT methodology was only 1.2% of the total agricultural production of goods and services⁷.

The economic analysis of non agricultural activities highlights the following:

Forestry registered a 43% growth in 2000-2005 with wood processing activities and 33% growth with the furniture production industry (INS, 2006).

The sector of wood processing has an important growth potential, although it has a number of significant constraints related to capacity. The availability of raw materials, the relatively low cost of labor and the proximity to major Western European markets is at the bottom of the development potential of wood industry in Romania (USDA-FAS 2006). The largest part (75%) of the total 15,761 m³ harvested in 2005 has been sold, the remaining part of 25% is for own consumption (INS, 2006). The main user of this raw material is the sector for primary processing of wood (including furniture manufacturers), that employs over 84,000 people (INS, 2006). The level of economic results in the food industry has increased significantly, but one requires adopting specific measures regarding reorganization, to help the sector become competitive and comply with EU standards of food safety and quality of products, and to establish efficient trading links between the food industry and the vast majority of farmers. Food is an important sector of the

⁴ It includes all lands, regardless of destination, the title of property which are owned either by public or private domain, where they belong. In 2002, it included an area of 23839.1 thousand hectares.

⁵ Romania is the second largest agricultural producer in Central and Eastern Europe after Poland, and an average level in Europe; it has an agricultural potential similar with France

⁶ The General Agricultural Census. Preliminary results, in June 2006, p.3.

⁷ Statistical yearbook 2006, pag. 383.

Romanian economy; in 2002, it represents about 17% of the total production of manufacturing industries, 9% of total national production and 7% of the VAB. The evolution of production in the time interval 1998-2005 ranged from a product category to another; so there had been increases in meat products (+55%), canned meat (+62.9%), fresh milk products (+73.9%), edible oils (+34.4%), cheese (+39.3%) and decreases in: meat (-29.2%), canned fruit and vegetables (-2.7 %), milk (-16.5%), wheat flour and rye (-69.0%) (INS, 2006), which suggests an orientation towards high-value products in recent years as response to the growing request.

Compared to 1989, the number of craft activities and services was reduced to a significant proportion. Despite the increasing trend of private entrepreneurs in rural area, the number of those performing non-agricultural activities is still low. Some of these crafts have acquired, over time, a cultural load based on folklore and ethnographic traditions characterizing the Romanian rural area, turning in a small handicraft industry – pottery, fabric, wood and metal working, etc.

A non-agricultural activity that expanded in rural area is tourism. By its geographical position, Romania has a significant tourism potential, with natural and cultural resources of great diversity and harmoniously assigned, which can practice a full range of tourism aspects, from the classic ones (mountain, sea, spa, cultural) until the latest news as rural tourism, eco-tourism and adventure tourism.

Romania has not a clearly designed image as a tourist destination, and the internal promotion is insufficient and undersized compared to the demand. At present neither foreign tourists nor Romanian tourists have on their disposal specialized promotion centers and information centers to obtain information on tourist attractions, cultural or business events, archaeological sites, information on accommodation places, where you can dine, what pleasure opportunities they have, etc. (PNDR, 2008).

Results and discussions

Rural areas have a substantial growth potential and a vital social role. As defined by national law, rural areas of Romania cover 87.1% of the country, comprising 45.1% of the population (on the 1st of July 2005, according to indicators of the National Institute of Statistics⁸), namely 9.7 million inhabitants. The average population density in rural areas has relatively remained constant for years (at about 45.1 inhabitants/km²). The OECD definition for the concept of rural areas⁹ leads to slightly different figures, but it allows comparisons on international level (PNDR, 2008). The economic and social development and the general appearance of the national territory is due to the work submitted for reevaluation of resources and its complex and balanced development integrated to the general development of Romania (Bold I. et al, 2003). The countryside - regarding area and population - has not a share as high in all 8 regions of development¹⁰. The most sprawled rural area is in the North-East area (94.0% of the surface) and the most numerous rural populations in the South region (58.6% of the population) (Table 1).

⁸ Currently, Romania has a database which contains the relevant indicators of rural areas, as defined under national law.

⁹ The OECD definition, which takes into account the population density at local level, classifies as rural the state administrative units at the local level with less than 150 inhabitants/km². Then it identifies three categories of areas (NUTS3 or NUTS2 level): major rural areas (with over 50% of the population in rural communities), intermediate areas (between 15 and 50% of the population in rural communities) and major urban areas (with less than 15% in rural communities).

¹⁰ There are specific territorial entities with no administrative status and no legal status which follow the European System on the Nomenclature of Statistical Territorial Units (NUTS). Within this framework, one can devise, apply and evaluate the development regional policy and the programs for economic and social cohesion.

Table 1. The main features of the rural area in the eight development regions.

Region	Surface (thousands of square km)	Rural population (thousands inhabitants)	Population Density (inhabitant/ square km)	Common figures	% of region's rural surface	% of region's rural surface
North – East	36.8	2216.8	62.1	497	94.0	56.4
South – East	35.7	1283.1	39.5	350	90.8	44.5
South	34.4	2003.3	63.0	509	91.8	58.6
South– West	29.2	1294.0	49.7	408	89.1	52.8
West	32.03	748.3	26.9	276	86.8	36.3
North - West	34.1	1346.4	44.9	398	88.4	47.2
Centre	34.09	1047.8	36.8	354	83.4	40.0
Bucharest	1.8	246.2	164.1	35	84.3	9.4

Source: Statistical yearbook, 2006 Edition.

A particular case is the Bucharest region, in which there is also the municipality Bucharest-the capital of Romania. It concentrates 88.8% of the entire population in the region. The rural population surrounding the capital represents only 9.4% of region's population. From this analysis one notices the fact that Romania's population has a more pronounced level of rural compared to other EU countries, where rural settlements are less populated and on a smaller scale, as an alternative to the urban concentrations.

By the enforcement of the Land Fund Law, at the end of 1991, 92% of agricultural land was privately owned which caused radical changes in rural area, expressed as a high-level division of agricultural land, the allocation of significant agricultural land areas to people who do not work in agriculture, and who are in most cases domiciled in urban areas, as well as elderly people.

The processing industry in Romania is still poorly connected with the vast majority of farmers and it remains, therefore, sensitive to fluctuations of supply and to the unstable quality of raw materials, compared with the competing processing sectors of other member states. Strengthening the link between producers and processing factories by jointing some raw materials of uniform quality, in parallel with the support of technical advice and management services, could help overcome these problems. A better integration of these factors within food industry would lead to the increase and stabilization of farmers' incomes.

The craft and handicraft work faces problems regarding: the lack of financial resources to modernize production; the lack of apprentices who learn and take over home village traditions; the poor representation of public service- the maintenance and repair of items and household and domestic equipment; troubleshooting Radio-TV, hairdresser's, shoemaker's shops, tailor's shops, house works and chemical cleaners, etc.

The diversity of components in the physical and geographical environment justifies the presence of a natural tourist potential very varied and complex, grounding on which one can carry out a variety of tourism activities. This tourist potential is localized mainly in the mountainous area, on the Black Sea coast and in the Danube Delta, but also in areas of hills, plains and plateaus.

Conclusions

The presented elements draw a less optimistic "portrait" of the Romanian agriculture at the beginning of the millennium and after a short period from being a member in the European Union.

Romanian rural economy is to a large extent dominated by agriculture.

Forestry may contribute to the growth of the national economy and to the development of the rural space due to the wood covered area making out 32%.

Nonagricultural activities in the rural space may be directed towards increased attention for the natural potential through efficient, restructured and diversified activities and by creating the needed framework for developing small and medium size private capital businesses.

Building links for isolated locations may be done by improving their technical equipment and by integrating the area in major infrastructure networks (road transport routes, train and air transports, electricity and communication means).

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