

## COMPARISONS BETWEEN NATIONAL RURAL DEVELOPMENT PROGRAMMES OF ROMANIA – BULGARIA

*Mihai Dinu*<sup>1</sup>

### Abstract

In this article is a brief analysis between the National Programmes for Rural Development of Romania and Bulgaria. In introduction are presented some aspects of rural development policy of the European Union, its importance, why is necessary such a common rural policy. The following is a brief statement of the rural development problems that exist in Romania, Bulgaria and then illustrated some similarities and differences between rural development programs of both countries. The article ends with some conclusions on this issue.

**Keywords:** rural development, Common Agricultural Policy, European funding, rural

### INTRODUCTION

The European model of agriculture sector is based on a competitive, market oriented, performing also other public functions such as protecting the environment, providing more convenient residential settlements for the population in rural areas and the integration of agriculture with the environment and forestry. CAP moves its focus from direct subsidies to agriculture (Pillar I of the CAP) to the integrated development of rural economy and to protect the environment (pillar II of the CAP).<sup>2</sup>

More than 56% of the 27 Member States of the European Union (EU) live in rural areas, which cover 91% of European territory. This makes the rural development policy to be an area of vital importance. EU rural development policy aimed at solving the problems facing rural areas and their potential exploitation.

Each Member State may decide and implement rural development policy completely independent. But this approach would not work well in practice. Not all EU countries could afford the policy they need. Moreover, many of the issues addressed by rural development policy is not strictly limited to national territory or a particular region (eg, pollution knows no borders and the fight for environmental sustainability has become a

---

1 Mihai Dinu, PhD Student, Bucharest Academy of Economic Studies, Str. Piata Romană nr. 6, Bucuresti, Romania , mihai.dinu@ymail.com

2 Romanian Agriculture, Ministry of Agriculture and Rural Development, February 2010  
EP 2012 (59) SI - 1 (113-120)

European and international concern). Also, rural development policy relates to a series of policies developed at EU level. Therefore, the EU has a common rural development policy which, in a fairly large extent, is controlled by the Member States and regions. This policy is partly funded by the EU central budget and partly from national and regional budgets of the Member States.

The main rules governing the rural development policy for 2007-2013, and policy measures available to Member States and regions are covered by Regulation (EC) no. 1698/2005. Under this act, rural development policy for 2007-2013 focuses on three themes (known as „thematic axes”). These are:

- Improving the competitiveness of agriculture and forestry;
- Improving the environment and rural areas;
- Improving the quality of life in rural areas and encouraging diversification of rural economy.

For a balanced approach to policy, Member States and regions are required to allocate available funding for rural development based on three thematic axes. An additional requirement is that some of the funding should support projects based on experience gained through the Community Initiatives Leader. Rural development, „Leader approach” involves highly individualized projects developed and implemented by local partnerships to address specific local problems.

Before 2007, all Member States (or regions where powers are delegated to regional level) have established a rural development program, clearly stating which measures will be funded in 2007-2013.<sup>3</sup>

## **2. Rural Development in Romania**

With a total of 238,000 km<sup>2</sup> and a population of over 21 million inhabitants Romania is as size the second new EU member state after Poland. From administrative point of view Romania is organized at NUTS 5 level, in 319 municipalities (out of 103 municipalities) which forms the common urban and 2851, which is rural (31 December 2005) according to Law 350/2001 on spatial planning and urban and Law 351/2001 on approving the National Plan for Territorial Planning. In turn communes are mostly made up of several villages (there are a total of 12,946 villages) who have administrative responsibilities. Towns and villages are grouped into counties (NUTS3 level) with administrative functions. The 42 counties are grouped into eight development regions (NUTS2). without administrative functions. Rural areas cover 87.1% of Romania in the country, comprising 44.9% of the population (July 1, 2010, as indicators of the National Institute of Statistics<sup>4</sup>), 9.63 million inhabitants in 2010.<sup>5</sup>

Having an agricultural area of 14,741.2 thousands hectares (or 61.8% of

---

3 [ec.europa.eu/agriculture/rurdev/index\\_ro.htm](http://ec.europa.eu/agriculture/rurdev/index_ro.htm)

4 Currently Romania has a database containing relevant indicators of rural areas, as defined under national law.

5 Annual progress report on implementation of National Rural Development Programme in Romania in 2010, the Ministry of Agriculture and Rural Development, 2011

total land area) in 2005, Romania has significant agricultural resources in Central and Eastern Europe. Of the 4,256,152 farms 4,121,247 used an agricultural area of 13906.7 thousand hectares. The average agricultural area of farms in Romania is of 3.37 ha and is divided into approximately 3.73 parcels, which places it well below the average size of a European farm. Small farms are mainly represented by individual farms. Of the 4,121,247 working on individual holdings 65.45% (or 9,102,018.22 ha) of the usable agricultural area, while 18,263 farms operating with legal difference 34.55% (4,804,683.06 ha). Individual holdings on average 2.15 ha divided into 3.7 parcels, while farms with legal personality operating on average 269 ha divided into about 9 parcels.<sup>6</sup>

Romanian rural economy has as its dominant feature very high percentage of subsistence farms, producing mainly for own consumption, selling only a small market of the products obtained. In addition, subsistence farms are difficult to access other sources of income and therefore a significant welfare of the rural population depends greatly on the level of profitability of farms.<sup>7</sup>

### **3. Rural Development in Bulgaria**

The Republic of Bulgaria is situated in the South-Eastern Europe and has a total area of 111,000 km<sup>2</sup>. Bulgaria is divided into 6 planning regions (NUTS 2), 28 administrative regions (NUTS 3) and 264 municipalities (LAU 1). The national definition of rural areas defined as rural municipalities (LAU1), where population density is up to 150 inhabitants per km<sup>2</sup> and have a population of over 30,000 people. Under this definition, 80% of Bulgarian territory is classified as rural and where 41% of the population lives.

Structural adjustment in agriculture since 1989 and the Bulgarian government's lack of support led to various forms of land abandonment - to close or discontinue their use. Agricultural Census results of 2007 on agricultural structures shows that the number of farms in Bulgaria has continued to decline. During 2005 - 2007 has reduced the number of holdings (all types) and increased the average size of farms. Depending on the economic size of holdings, the group of small farms predominate of Bulgaria which have a size of up to four units economic size (more than 96% of the total number of holdings). The existence of a significant proportion of small farms is explained by: a significant portion of these holdings is operated as an activity generating additional income for pensioners and employees in other sectors of the economy and also some of the holdings are used by people forced to work in agriculture in the absence of other employment opportunities.

During 2003 - 2007, the total number of farms decreased by 26.4%, while the average size of farms increased by more than 42%. Is a substantial decrease in cooperative (41.4%), followed by civil associations and others (39.7%). Despite the

---

6 National Program for Rural Development of Romania 2007 - 2013 consolidated version July 2011, Ministry of Agriculture and Rural Development

7 Romanian Agriculture, Ministry of Agriculture and Rural Development, February 2010

predominance of small number of farmers, producers cultivate a large scale during this period (2005) more than 60% of arable land, production and most agricultural products. Agriculture and rural residents are faced with structural problems in production: low productivity, product quality and difficulties of competition with imported products. Support is urgently needed to modernize the sector.<sup>8</sup>

#### **4. Comparisons of rural development programs Romania - of Bulgaria**

4.1. Title of rural development program in the two countries is the National Rural Development Programme 2007-2013 of Romania respectively the Rural Development Programme of the Republic of Bulgaria 2007-2013. Each program is unique and covers the entire territory of each State.

4.2. Both in Romania and in Bulgaria whole country is classified as Objective „Convergence”.<sup>9</sup>

4.3. The two programs have the same thematic axes which are laid down in Regulation (EC) no. 1698/2005. However, there are some differences in the measures will be financed.

In Romania, the National Rural Development Programme for the 2007-2013 programming period, are financed in a first stage 21 measures<sup>10</sup>, followed in 2010 with 6 other measures and sub-measure.

In Bulgaria, Rural Development Program objectives are met through a number of 30 measures. Implementation of the program began with 23 measures that will be implemented over the period 2007-2013 (except the measure 143, sub-measure 2 to measure 431 and 611 of which were funded by the end of 2009). The other seven measures will be introduced in a subsequent period, after a change in the Rural Development Programme for the introduction of measures under Article 6 (c) of Commission Regulation no. 1974/2006.

Under Priority Axis 1, the main differences are found in the following measures: Measure 113 - Early retirement of farmers and farm workers (insert only in Romania after 2010), 125 - Improving and developing infrastructure related to the development and adaptation of agriculture and forestry (in Bulgaria this measure is implemented in a later stage), 124 - Cooperation for development of new products, processes and technologies in agriculture and food and 126 - Restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention measures (are introduced only in Bulgaria since 2009).

In Axis 2 shows differences in the measure 221 - First afforestation of agricultural land (as adopted by Romania), 223 - First afforestation of non-

---

8 Mid-Term Review of Programme for Rural Development of Bulgaria, Period covered: 2007-2009, December 2010

9 Convergence objective refers mainly to those regions whose GDP per capita is less than 75% of the Community

10 Including Measures 511 Technical and 611 Complementary direct payments

agricultural land (in Romania is implemented in the second stage), 226 - Restoring forestry potential and introducing prevention actions (as they enter only in Bulgaria).

Under Axis 3, Bulgaria 2 measures are implemented more than in Romania, ie: measures 311 - Diversification of agricultural and non-321 - Basic services for rural economy and population.

In terms of Axis 4 Leader is not the difference in the programs. 4.4. Large differences appear in the budget for rural development. If the Romania has allocated an amount of EUR 8,022,504,745 and the total public contribution is 9,970,795,600 euros<sup>11</sup>, for Bulgaria funds have a value of 2,609,098,596 euros and the total public contribution reaches 3,241,938,392 euros<sup>12</sup>.

**Table 1. Financial plan by axis (in EUR total period) - the initial allocation for Romania**

Axis	Public contribution		
	Total public	EAFRD contribution rate (%)	EAFRD amount
<b>Axis 1</b>	3.967.311.581	80.00%	3.173.849.264
<b>Axis 2</b>	2.293.413.375	82.00%	1.880.598.967
<b>Axis 3</b>	2.473.739.880	80.00%	1.978.991.904
<b>Axis 4</b>	235.074.871	80.00%	188.059.896
<b>Technical assistance</b>	376.119.793	80.00%	300.895.834
<b>Complements to Direct Payments</b>	625.136.100	80.00%	500.108.880
<b>TOTAL</b>	<b>9.970.795.600</b>	<b>80.46%</b>	<b>8.022.504.745</b>

(\*)Romania receives additional funds only for European Economic Recovery Plan

Source: National Rural Development Programme 2007 - 2013, consolidated version July 2011, Ministry of Agriculture and Rural Development

11 According to the initial allocation of National Rural Development Programme 2007-2013 Romania

12 According to the initial allocation for Rural Development Programme 2007-2013 of the Republic of Bulgaria

**Table 2. Financial plan by axis (in EUR total period) - the initial allocation for Bulgaria**

Axis	Public contribution		
	Total public	EAFRD contribution rate (%)	EAFRD amount
<b>Axis 1</b>	1 204 866 983	80.00%	963 893 586
<b>Axis 2</b>	777 394 110	82.00%	637 463 170
<b>Axis 3</b>	877 666 684	80.00%	702 133 347
<b>Axis 4</b>	76 988 306	80.00%	61 590 645
<b>Technical assistance</b>	123 181 289	80.00%	98 545 031
<b>Complements to Direct Payments</b>	181 841 021	80.00%	145 472 817
<b>TOTAL</b>	<b>3 241 938 392</b>	<b>80.48%</b>	<b>2 609 098 596</b>

Source: Rural Development Program of the Republic of Bulgaria 2007-2013, prsr.government.bg / index.php / en /

As shown by the data presented, Romania has allocated more funds than Bulgaria, respectively, a financing of over three times higher. But should be taken into account both area and population difference that exists between the 2 countries, and especially the area and employment in rural areas).

4.5. Both countries joined the European Union in 2007 and had before accession SAPARD program, which was meant to create the necessary implementation of a competitive agriculture and sustainable development of rural areas and promote the candidate taking the acquis Community's gradual adaptation to the principles of market mechanisms governing the Common Agricultural Policy. At the same time, gave the candidate SAPARD full responsibility for the management of investment projects, from the selection stage and to make payments to acquire experience in implementing EU standards and practices for proper management of post -membership.<sup>13</sup>

<sup>13</sup> Final Report on the Implementation of SAPARD Programme in Romania, the Ministry of Agriculture and Rural Development, SAPARD Programme Managing Authority, June 2010

## CONCLUSIONS

Romanian rural economy has its dominant feature a very high percentage of subsistence farms, producing mainly for own consumption, selling only a small market of the products obtained. Depending on the economic size of holdings in Bulgaria, dominated by small farms that group size to four units of economic size.

National Rural Development Programme Romania included 27 measures (a first step to start funding for 21 of them and after 2010 was launched the second phase which contains 6 measures), while in Bulgaria Rural Development program objectives shall be implemented through a series of 30 steps, beginning in 2007 with 23 measures, followed by 5 measures promoted in 2009 and continued by the other two measures in 2010. In most of the two countries have implemented the same measures with the following exceptions: Measure 113 - Early retirement of farmers and farm workers and 221 - First afforestation of agricultural land that is entered only by Romania and measures 124 - Cooperation for development of new products, processes and technologies in agriculture and food, 126 - Restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention measures, 226 - Restoring forestry potential and introducing prevention measures, 311 - Diversification into non-agricultural and 321 - basic services for rural economy and population promoted by Bulgaria.

In 2007-2013, Romania will receive EU funds for rural development worth about 8 billion euros, while Bulgaria is allocated an amount of 2.6 billion euros. This difference is explained by the fact that in Romania, rural areas<sup>14</sup> is covering 207.300km<sup>2</sup> (87.1% of the country), employment in rural areas is 9.63 million inhabitants (44.9% of total), while in rural Bulgaria covers an area of 88.800 km<sup>2</sup> (80% of the country) and where there are 3.2 million inhabitants (41% of the population). The highest value of funds for rural development both in Romania and Bulgaria are granted for Axis 1 „Improving competitiveness of agriculture and forestry”, followed in descending order of Axis 3 „Improving quality of life in rural areas and diversification of rural economy” Axis 2 „Improving the environment and the countryside” and the Leader Axis.

---

14 As is defined in national legislation  
EP 2012 (59) SI - 1 (113-120)

**BIBLIOGRAPHY**

1. **Mid-Tem Programme for Rural Development of Bulgaria, Period covered: 2007-2009, 2010**
2. **Istudor, Nicolae (2006):** Rural and regional development of Romania in the perspective of the European Union, ASE Publishing House, Bucharest
3. Istudor, Nicolae (2006): Efficient use of funds for rural development, Economic Tribune v. 17, no. 49, p. 97-99
4. **Paun, Ion, Otiman (2006):** Sustainable Rural Development, Romanian Academy, Bucharest
5. **National Program for Rural Development of Romania 2007 - 2013,** consolidated version July 2011, Ministry of Agriculture and Rural Development
6. Rural Development Programme of the Republic of Bulgaria 2007-2013, the European Agricultural Fund for Rural Development, 2011
7. Annual progress report on implementation of National Rural Development Programme in Romania in 2010, the Ministry of Agriculture and Rural Development, 2011
8. **Final Report on the Implementation of SAPARD Programme in Romania (2010)** the Ministry of Agriculture and Rural Development, SAPARD Programme Management Authority,
9. **Regulation (EC) no. 1698/2005 of 20 September 2005** on support for rural development by European Agricultural Fund for Rural Development (EAFRD)
10. [ec.europa.eu / agriculture / rurdev / index\\_en.htm](http://ec.europa.eu/agriculture/rurdev/index_en.htm)
11. [eur-lex.europa.eu/ro/dossier/dossier\\_40.htm](http://eur-lex.europa.eu/ro/dossier/dossier_40.htm)
12. [www.madr.ro](http://www.madr.ro), Practical Guide, Ministry of Agriculture and Rural Development