

## ROMANIAN RURAL AREAS TODAY: FROM UNDERPERFORMANCE TOWARDS SUSTAINABLE DEVELOPMENT

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### Abstract

*EU cohesion policy measures aim to overcome interregional disparities and strengthen backward regions, while rural development policy should contribute to the better standard of life of rural inhabitants. To achieve synergy between these policies (and many others), a stronger linkage is needed between the development strategies of regions and the strategies of development formulated by component localities. Competitiveness has become a key term in economic theory in general, and in the EU in particular.*

*The problem of the sustainable development of the rural areas constitutes a high priority for Romania as a new member of the European Union. This can be entailed by implementing a coherent strategy that can realize a balance between the need to preserve the economic, ecologic and socio-cultural area on one hand, and the tendency of country life modernization, on the other side.*

*Although the Romanian rural area hosts a rich culture with a strong traditional character, with regional differences, this cannot fully put into value its resources, and a paradoxical scarcity is maintained, due to the lack of attractiveness and promotion of rural areas.*

**Key words:** rural area, competitiveness, rural policy, sustainable development

### Introduction

The economic, social, political and ecological dimensions of the rural environment are complex and have multiple implications, starting with theoretical and practical reasons. The process of urbanization that takes place at world-wide level has become one of the global problems of mankind, because of the disparities created

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between the countryside and the city, which are materialized in the cultural, economical and social aspects that are synthesized in the terms of urban and rural civilizations, which define the different realities of the geographical space.

On the other hand, there have been deep changes in the rural area, therefore the traditional image of the village with its specific cultural array is going through a profound transformation, tied to the contemporary technical progress which firstly influences the rural economy, but also the elements of comfort, civilization, cultural traditions, education, spiritual life, etc., in the rural world.

The practical implications of the rural space notion are related to the legal elements, to the strategic and operative actions tied to the implementation of the regional development policy, which imply the preferential use of resources in order to achieve the economical-social cohesion and other priority objectives of the European Union.

The stipulations of the Council of Europe recommendation no. 1296/1996 regarding the European Charter for Rural Areas define this notion as being determined by those areas that belong to townships and outer-urban regions where the economic activities that take place are related to the vegetal and animal agricultural production, forestry production, fishing and water-crops, the industrial processing of the agricultural, forestry, fishy, and water-crops products, as well as handcraft and small industries activities, and rural tourism and recreation services. This definition of the rural area takes into account the occupational identity of its population, to which is necessary to add the cultural identity and the identity tied to the specific social relations.

According to the reasons mentioned before, the complex approach of the rural area offers the possibility to identify the specific functions performed by the rural space, such as:

- the economic function – has as a main objective the production of agricultural products and other goods from the productive branches of upstream and downstream the agriculture, as well forestry, handy-craft, etc;

- the social-cultural function – keeps in sight the preservation and development of traditions, customs, cultural creations and social relationships specific to the rural area;

- the ecological function – pursues the achievement of a sustainable development, in full accordance with the elements of the natural environment.

From the perspective of the EU directives and community regulations, as well as the strategies and the national regional programs, thenceforth we'll display the present features and action direction towards a sustainable development of the rural region in Romania.

### **The current features of the rural region in Romania**

The rural area consists of approx. 12,000 villages that house around 44.9% of the entire Romania's population. 67% of the rural population is involved in agriculture, 17% work in food industry and the other 16% practice non-agricultural activities; 30% of rural inhabitants work on subsistence and semi-subsistence exploitations of 1.17

ha and respectively of 3.3 ha, representing about 97% out of the total of approx. 4 million agricultural exploitations; one of the major problems of the rural areas is that its population grows older.

According to the national legislation, the Romanian rural area covers 87.1% of the territory and 44.9% of the population. Considering that Romania accounts for 6% of the European Union's surface, and the population makes up for 4% of the EU's population, we can assess the major development potential the Romanian rural space has in the national and international context. According to the data supplied by the National Institute of Statistics for the year 2007, the agriculture's contribution to the Gross Domestic Product (GDP) was 6.6% and although the population working in agriculture has dropped, it still holds a high weight of 29.5%, but the number of employees in this branch of the economy doesn't exceed 3%. From the active population's total, about 45% comes from the rural area, which shows the human resources potential the rural region has. The unemployment rate in the rural environment was 4.9%, under the average of the national economy, which was 6.4%, but those numbers don't include the disguised unemployment that is more acute in the rural region.

The rural population has a continuous lowering tendency because of the aging process which leads to a negative natural increase of population, to which the international migration is added. The internal migration rate from the urban to the rural is positive for the last the years, but it can't compensate for the down-fall caused by the two tendencies and is representative for the population over 45 years old, the younger population being attracted towards urban areas. The stabilization of the population in the rural region is one of the fundamental problems of the sustainable development.

The education level of the population in the rural area is lower than the urban populations. This is a factor that attracts towards cities young families who want to ensure a future for their children through a more performing education.

The majority of the active population in the rural area (64.2%) works in agriculture where low productivity is recorded, and as a result the incomes are lower than in the urban. The income per capita in the rural for the year 2003 was only 77.6% from the income per capita in the urban, and the gap is continuously growing. Agriculture represents the main income source in the rural area (it generates over 40% of the total incomes), but the incomes from the farmers' housework are regularly lower than the ones recorded in the rural households that also have incomes from salaries, obtained by doing other activities. In order to have a sustainable development, diversifying the activities that bring incomes is a must-solve problem.

As a result of the low incomes, the poverty rate in the rural region has been higher than the rate in the urban area throughout the years and, although both rates decreasing, the gap became relatively more significant (47.8% rural poverty compared to 25.9% urban poverty in year 2000, 38% rural poverty compared to 13.8% urban poverty in year 2003, 22.3% rural poverty compared to 6.8% urban poverty in year 2006). The most vulnerable persons to poverty are the ones who work in agriculture on their own, their poverty rate being 22%.

Regarding the economic activities run in the rural environment, agriculture is

still the main occupation of the inhabitants. Although Romania has a high agricultural potential, the agriculture remains a non-performing sector because of its organization manner, tied especially to the structure of the rural fund, developed after the privatization process. In 2005, from the total of 4.256.152 agricultural holdings, 4.237.889 were individual agricultural holdings (99.6%) and only 18.263 were units with legal status (0.4%). The individual agricultural holdings use an area of approximately 2.2 ha, and the medium size of the areas used by the units with a legal status is 269.2 ha.

Considering the average size of the used areas by the individual agricultural holdings, which are usually plotted (an average of 3.7 ha/holding), it is practically impossible to implement efficient agricultural technologies. That's why in Romania most agricultural holdings practice sustenance agriculture, which is non-competitive and unsuited to competitive market conditions. In the European Union the average size of a farm is 12 ha and in the Czech Republic it is 80 ha.

The agricultural production is vulnerable to the natural conditions and especially to drought. The farm equipments owned by individual agricultural holdings are insufficient and outperforming. The population which works in sustenance agricultural holdings is generally old and its technological knowledge is empirical.

The sustenance agricultural holdings maintain the general agricultural efficiency to a low level and will have to cover a restructuring process that especially targets the improvement of the land structures, which will lead to viable exploitations. This can be achieved through specific actions of agglomerating the land, such as: selling-buying, lease, associations, land swopping.

The agro-food industry is one of the main ways to capitalize the agricultural products. The development of this industry as closer as possible to the place where the products are obtained is necessary for improving the economic efficiency and the diversifying of the economic activities within the rural region. Although the production capacity of the agro-food industry in Romania is relatively developed, it still confronts with many problems tied to obeying to the EU standards regarding food safety and the quality of the production. The rational use of the production capacities and their optimum dimensioning, the adequate technical endowment and the supply with raw materials are problems which must be solved in order to increase the enterprises' competitiveness. The production of traditional products also constitutes an opportunity for the economic growth in the sectors of dairies, meat, bread manufacture and drinking products.

The handy-craft activities and services could become a more important segment of the rural economy. However, these activities are still poorly developed, although there is a potential which could contribute to improving the quality of life and increasing the attractiveness of the rural area.

The rural tourism and agro tourism represent activities that generate alternative incomes in the rural area, which can be developed by taking into account the natural and ethnographic potentials, the folkloric traditions, the agricultural practices and the architecture specific to the Romanian countryside. In Romania this form of tourism has been developed in areas with a special natural potential and around sightseeing spots.

Another important potential for the tourism practiced in weekends is represented by the rural areas outside cities. Although the number of agro-boarding-houses has grown from 343 in the year 2001 to 1753 in 2007, the tourism infrastructure still doesn't cover the demands of the tourists from the quantity and the quality point of views.

Despite all the efforts put into accessing European pre-joining and structural funds, the transport infrastructure is still poorly developed in the rural region. The length of the roads in counties and townships was 63970 km in 2005, which represents about 80% from the total. Only 6774 km (about 10.6%) from the counties and townships roads were modernized.

The public infrastructure which ensures the water, sewage and marsh gas supplies is still very rare in the rural area. In 2005 from a total of 2851 townships, only 742 (26%) were connected to the natural gases, 1620 (56.8%) had running water and 693 (24.3%) had sewages. Not all the villages that are a part of those townships have the mentioned utilities.

The natural environment, the airy landscape, the flora and fauna specific for the rural area represent its irresistible attraction and a priceless treasury for humanity. The natural resources are well preserved, the variety of the traditional landscapes and the biological diversity are the main characteristics of the rural environment in Romania. In many areas, however, certain industrial agriculture practices made their mark on the environment: soil pollution, especially by using synthesis chemical substances for plant-health treatments, the artificial fertilization of soils, slopping vegetal and animal residuals; the air pollution through treatments applied to crops; water pollution, etc. The abandonment of arable areas after 1990, narrowing the pasturage, the lack of land improvements have led to soil erosion, the degradation of meadows and of the landscape and other phenomena with negative consequences on the environment.

The cultural and spiritual life of the habitants in Romanian villages is an important segment of the rural space's European treasury because of its richness and authenticity. Traditions, customs tied to different family events or religious celebrations, art and other folkloric creations constitute elements that round up the real dimension of the rural area. The Romanian rural space includes many anthropic spots that have an intrinsic value, such as: archaeological sites, historic centres, churches, memorial houses, museums, libraries, community centres, buildings with an architectural value, etc.

The mentioned realities of the rural region make apparent the need for a new approach regarding the policies meant to promote sustainable development by making use of the economic, social, cultural and environmental aspects of the Romanian village.

### **Sustainable Development of Rural Areas**

The new philosophy of rural area development is based upon the concept of sustainable rural development, which entails the harmonious blending of the agricultural (and forestry) component and the non-agricultural rural economy component, based upon the following principles:

- harmony between the rural economy and the environment (economy – ecology equilibrium), with a medium and long term approach;
- rural area naturalization, by preserving the natural environment mostly intact and designing the man-made environment in accordance to the natural environment;
- the use of local natural resources, mainly of renewable resources, in the rural economic activity;
- diversification of the agricultural economy structure through plural-activity, firstly by developing sectors of non-agricultural economy and services.

The new philosophy of rural area development, in its essence, is based upon its characterization from the European Charter as “a precious landscape space, fruit of a long history, whose preservation is a vivid concern of the society”. The rural area can carry out its supply, recreation and equilibrium functions, as long as it remains an attractive and original living space, equipped with good infrastructure, a viable agricultural and forestry sector, local conditions favourable to non-agricultural economic activities and an intact environment with a well-cared landscape.

The promising qualities of the Romanian agricultural space are the natural, ecological premise for our products’ competitiveness. The basic agricultural products (wheat, maize, sunflower, soybean, vegetables, fruit, meat, milk, etc.) obtained under medium technical conditions, can be perfectly competitive with the products from other countries, while the quality provided by the soil and weather factors to many Romanian agricultural products may be even higher.

A new rural strategy for Romania, by implementing the sustainable rural development tools, should result in the Romanian rural structures getting compatible with the EU rural structures in a short period of time provided that the need for a modern infrastructure, correlated with the present needs of life in the countryside and with the complex rural economic activity, is not overlooked.

Romania presents great differences between the rural area and the urban area both from the point of view of physical infrastructure and the social infrastructure. The lack of basic equipment and modern utilities from the rural homes should be one of the first issues on the agenda as it is a serious health hazard, increasing the risk of sickness among inhabitants.

We propose that improving the quality of life for the rural population can start by its income increasing, through:

- stimulating the emergence of small and middle enterprises for the primary agricultural products processing or other non-agricultural profiles, leading to the integrated use of human resources from the rural communities, to the increase of rural production value and the gradually decrease of the percentage of the agricultural production value in the total rural production structure;
- encouraging holders of capital and know how to invest in the rural development, bringing better management based on adequate organization and equipment and thus increasing the agricultural efficiency.

Joining the European Union has put on the line for our country new challenges and objectives. One of these objectives is the sustainable development of the rural



region and it constitutes a priority for the agricultural policies. This objective can be achieved by defining a few political options and adequate strategies that will meet the consensus of the involved authorities, economic agents and population. Taking into account the human, natural and cultural resources and the implicated technical capital synthesizes the road to a sustainable development of the rural region.

### **Conclusions**

The analysis presented in the previous chapters has emphasized the socio-economic, natural and cultural potentials of the Romanian space, its current features and the future development directions. 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 improving the quality of life.

Our study of the present agricultural structures (with their underperformances) presented the structural difficulties that need to be overcome: the predominantly primary character of the rural economy and of the consumption of resources by the rural population, the Romanian countryside facing a high poverty rate, with the tendency to become chronic poverty which makes the rural economy shift towards the natural, subsistence economy and get isolated from the market economy.

Stimulating the complex and sustainable development of the Romanian village economy could start by gradually shifting from subsistence economy to a competitive, commercial economy immersing into the competitive contemporary European business environment, through an infusion of capital, making the cohesion funds and other European instruments accessible to the rural population, educating the older generation to the new way of relating to their environment and the younger generation to embracing the opportunities the rural areas embody.

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