

EVOLUTIONARY ASPECTS OF THE ROMANIAN RURAL ENVIRONMENT IN THE CONTEXT OF REGIONAL DEVELOPMENT AND EUROPEAN FINANCIAL INSTRUMENTS*

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Abstract: The present study captures aspects of the development of the Romanian rural world, which represents one of the priorities of national policies in recent years, in accordance with regional development and European financial instruments. The development policy, together with the European programs, with the structural and cohesion funds, represents an important effort for Romania, and for a correct and successful management, the administrative capacity of the national authorities must also be taken into consideration. For the development of the rural world, the focus was on the opportunities offered by the European context in which we find ourselves, and our research managed to capture, in broad terms, the fact that agricultural development and the modernization of villages are necessary and must take place as a continuous and complex process, with viable and concrete measures.

Keywords: rural, regional development, financial instruments, priority, operational programs.

Regional development has been on the agenda of European policies since the end of the 1950s, as an integral part of national policies. The implementation of cohesion policies within the development regions within the EU generated a sustained effort for all EU states, at central and local level equally, more so as the states had the obligation to consider their own administrative traditions and cultures. The strategy of regional policies refers to the reduction of regional socio-economic differences, as a whole, and the achievement of this objective is done by: (a) reducing regional discrepancies through balanced development and preventing new imbalances; (b) creating an institutional framework consistent with the criteria for integration into EU structures, which would facilitate access to structural and/or cohesion funds; (c) achieving the correlation between sectoral policies at the regional level and the valorization of local resources at the regional level; (d) stimulating cooperation between regions on the domestic and

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international level¹. The specialized literature analyzes regional development as a process in continuous evolution, which “imposes reforms as a result of which the regional level becomes more and more functional, at the same time when investments, combating unemployment and social exclusion represent challenges for governments what must be overcome”².

For Romania, regional development is more important as it has a direct impact on the institutional development framework. For an effective management of regional development policies, eight development regions were established³, designed to develop, implement, monitor, and evaluate regional development policies, but also as areas for collecting specific statistical data. They were created from the perspective of joining the EU, without being administrative-territorial units and without having legal personality, for the coordination of regional development and for the absorption of European funds, being a free agreement between county and local councils. The adoption of the Europe 2020 Strategy by the European Council also meant the request addressed to the member states to take measures to put into practice the priorities of European policies at the territorial level: “also identify the main obstacles to economic growth and indicate in their national reform programs how they intend to address them”⁴. At the end of the 2010-2020 period, the Union planned to achieve an employment rate on the labor market of 75% for people able to work between the ages of 20 and 64. The economic and financial crises increased regional imbalances and revealed a Union with large productivity and competitiveness gaps, with a rigid labor market. Thus, the Europe 2020 Strategy had difficulties in providing effective responses to shocks, as did the Lisbon Strategy, for that matter⁵.

Integration in the community space determined the consolidation of progress and reforms for Romania⁶, and for the definition of regional development policies, several aspects were taken into account: the establishment of development regions and sub-regions, the institutional aspects of the region, the use of regional development maps, regional development management, socio-economic aspects and

¹ R. Roșca (coord.), *Dezvoltarea regională în contextul integrării UE*, Bucharest, Economică Publishing House, 2006, p. 34.

² Mihaela Bărbieru, *Politica de dezvoltare regională a Olteniei după integrarea în UE a României*, in Anca Ceașescu, Ileana Cioarec, Georgeta Ghionea (coord.), *Comunități umane, modernizare și urbanizare în sud-vestul României*, Târgoviște, Cetatea de Scaun Publishing House, 2021, p. 262.

³ They were established in 1998 and represent statistical territorial units totaling 4–7 counties and the Bucharest-Ilfov Region.

⁴ Consiliul European, 2010. *Concluziile Consiliului European din 17 iunie 2010*, [on-line] available at http://ec.europa.eu/europe2020/pdf/1_ro_annexe_part1.pdf.

⁵ Daniel Dăianu, Ella Viktoria Kallai, Laurian Lungu, *Euro Plus Pact Adoption: Implications for Romanian Fiscal Policy*, Strategy and Policy Studies (SPOS), No. 2011, 2, Bucharest, European Institute of Romania, 2012.

⁶ Gabriela Motoi, Mihaela Bărbieru, *A Comparative Analysis on the Regional Policy and Coordinating of Structural Instruments before and after Romania's Accession to EU*, in “Is There Enough Europe and union in the European Union?”, Sofia, Bulgaria, 2016, pp. 264–273.

the allocation of funds for development programs development⁷. Also, the legislation appeared in accordance with the provisions of the community purchase, and the revised Constitution, by art. 148, ruled that the internal legislation must correspond to the Treaties and constitutive acts at the community level⁸. Based on the among of the normative acts issued, the author mentions one of the most important regional development laws in Romania, law 315/2004, which regulated the territorial classification status of the NUTS type. As a fundamental law, it established the objectives, the institutional framework, the competences and the tools necessary to promote the regional development policy, and the most important provisions refer to the reduction of existing regional imbalances – the method of reduction is achieved by stimulating a balanced development, a more alert pace for recovering the delays in the development of disadvantaged areas and preventing new imbalances; the organization of the institutional framework in order to meet the integration criteria in the structures of the community space and to access structural funds and FC; the correlation of sectoral activities and policies at the level of the regions, with the aim of a sustainable economic-social development; stimulating inter-regional, internal and international cooperation, cross-border cooperation, as well as the participation of regions in European structures and organizations, with the aim of realizing projects of common interest⁹.

As a less developed territory, one of the problems Romania has faced and continues to face is rural underdevelopment. In recent years, the development of the rural world has become a vital and priority concept for the economic-social development program in the context of an economic, cultural, and educational diversity. As a result of the Romanian countryside situation, the development and capitalization of the opportunities offered by the European context fell to the public administration, through the financial instruments made available by the policies of the European Union, especially the structural funds within the regional policies. The public administration reform ensured the managerial-institutional transformation in the rural area as well, and the institutions, such as the Central Unit for Public Administration Reform, the General Directorate for the Development of Administrative Capacity, the Directorate for Fiscal Policies and Local Budgets, the National Institute of Administration, the National Agency of Civil Servants, contributed to ensuring an integrative decision-making system for rural development.

One of the major problems faced by the Romanian countryside over the years was identifying financing opportunities, finding sources of co-financing, developing projects suitable for development options in the context of developing a sustainable development strategy, which it also includes the development of human resources

⁷ Daniela Antonescu, *Dezvoltarea regională în România*, Bucharest, Oscar Print, 2003, p. 67.

⁸ Claudia Ionescu, Nicolae Toderaş, *Politica de dezvoltare regională*, Bucharest, Triton Publishing House, 2007, p. 37.

⁹ For more details, see Law no. 315 of June 28, 2004 regarding regional development in Romania, published in the Official Gazette of Romania, Part I, no. 577 of June 29, 2004.

and the promotion of partnerships in areas of interest with neighboring territories¹⁰. On the other hand, the reverse migration, from urban to rural, specific to periods of crisis, affected especially the counties with a low standard of living, contributing to underdevelopment as an effect of the excess of labor in the conditions of a low demand. We note one of the consequences of the phenomenon of migration, which is the considerable number of elderly farmers, aggravated by the educational level that does not allow redistribution to other sectors¹¹. The slow rate of development is also explained by the specific role of agriculture, perceived by most of the population as an “employer of last resort”¹² or by the unemployment rate generated by the loss or abolition of jobs in other sectors and the orientation towards agriculture. At the level of 2011, among all the EU states, the highest increase in the level of agricultural income was observed in Romania (+56.8%)¹³. A real problem was also represented by the commercialization of agricultural products, the sector needing a series of support measures, including the amendment of the market law; the use of guaranteed minimum prices; supporting the development of agricultural products markets; expanding the network of wholesale markets, etc. The economic reform had in mind the development of the territorial infrastructure at the same time as the national one, the establishment of units in public/private partnership providing services for the commercialization of agricultural products, supporting the non-agricultural sector, protecting the environment by combating pollution, by executing land improvement works, by regularizing the courses of running water and by planting trees¹⁴.

The unitary and coherent context of rural development was supported by local development strategies. In this sense, Council Regulation EC 1698/2005 was transposed, into Romanian legislation by Order no. 243 of April 2006, the European Agricultural Fund for Rural Development being structured on financing axes that contained a series of measures aimed at promoting specific projects to achieve the general objectives of the Common Agricultural Policy. Through the ERDF, the aim was to increase the competitiveness of the agricultural and forestry sector, the development of physical capital and transitional measures, specific to the new

¹⁰ I. Mihăilescu, *Factori de risc în evoluția mediului rural din România*, in “Sociologie Românească”, vol. III, no. 4, 2005, pp. 5–6; Ilie Bădescu, Ozana Cucu-Oancea, Gheorghe Siseștean, *Tratat de Sociologie Rurală*, Bucharest, “Mica Valahie” Publishing House, 2009; Gabriel Nicolae Pricină, *Effects of leader approach in the reconfiguration of socio-economic structures in the rural area*, in “Journal of Community Positive Practices”, no. 2/2020, pp. 3–10.

¹¹ Roxana Radu, Cristian Neamțu, *Difficulties and Priority Objectives of the Romanian Agricultural Policy as Part of Social Policy*, in “International Journal of Agriculture: Research and Review”, no. 1(4)/2011, p. 153.

¹² D. Dăianu, L. Voinea, B. Păuna, M. Stănculescu, F. Mihăescu, *Câștigători și perdanti în procesul de integrare europeană. O privire asupra României*, in “CRPE”, 2001.

¹³ Eurostat, *Agriculture, fishery and forestry statistics. Main results 2010–2011*, 2012 edition, Eurostat, p. 61.

¹⁴ I. Mărginean, I., *Izolarea, factorului inhibitor al dezvoltării satelor*, in “Sociologie românească”, III (4)/2005, p. 69.

member states. Local Action Groups have become necessary in the implementation of local development strategies. Thus, the regional policy of the European Union, through its instruments and procedures, facilitated the development of localities in the Romanian countryside.

Based on the 2007-2013 fiscal year, Romania had the opportunity to access considerable amounts of money from the European Union through the common agricultural policy and through the regional policy. The management of financing through the structural and cohesion funds (FEDER, FSE, FC) allowed the development of operational programs such as the Operational Program for the Development of Human Resources, the Operational Program for Increasing Economic Competitiveness, the Operational Program for Transport, the Operational Program for the Environment, the Operational Program for the Development of Administrative Capacity, the Operational Program Regional and Technical Assistance Operational Program. Romania received approximately 30.7 billion euros from the EU, of which approximately 18.43 billion euros were absorbed by the end of 2013, and the rest of the amount by the end of March 2016. From table 1 we note that 50% of the money were directed to rural development and fisheries, 45.8% to structural and cohesion funds, and 5% went to other destinations.

The European funds accessed in the 2014-2020 fiscal year were involved in carrying out a reform of the local public administration, in attracting substantial investments in infrastructure and in the sustainable development of the rural environment. At the same time, they made it possible to increase social spending, taking into account the use of resources for the development of the country. The realization of the cohesion policy required the development of documents that included the objectives of the Common Strategic Framework and the Europe 2020 Strategy and, in this case, we refer to the Strategic Development Framework of Romania (CSDR 2014–2020), the Partnership Agreement with Romania (PA) and Operational Programs.

Table 1
Amounts received by Romania for the financial year 2007-2013

mln. euro

Denumire	until 2013	2014-2015	March 31, 2016	total 2007-2016
FSC (Structural and Cohesion Funds)	7.335,61	6.223,17	520,89	14.079,67
EAFRD+EFF (Rural Development and Fisheries Funds)	5.123,38	2.088,37	405,19	7.616,94
FEAGA	4.643,39	2.746,08	0,00	7.389,47
Other	1.324,72	319,62	9,67	1.654,01

Source: data provided by MFE

Through the Strategic Development Framework of Romania, the intervention priorities for the structural funds were established for the purpose of intelligent, sustainable, and inclusive growth and for the consolidation of institutional capacity and the efficiency of public administrations.

The Partnership Agreement with Romania (PA) is the document developed by Romania as a member state that establishes defining elements for the structural funds in the period 2014-2020: strategy, priorities, and the institutional implementation framework. Adopted in August 2014 by the European Commission, it created the context for the funds allocated to Romania of “approximately €22.4 billion within the cohesion policy (ERDF, ESF, Cohesion Fund), to which is added another €106 million from the Employment Initiative youth workforce (along with an identical allocation from the ESF). The funds allocated for the development of the agricultural sector and rural areas will be supplemented with €8 billion from the European Agricultural Fund for Rural Development (EAFRD). The allocation for the European Fisheries and Maritime Fund (EMFF) amounts to approximately €168 million”¹⁵.

As priorities, AP aims at competitiveness and local development for a stronger sustainability of economic operators and for the improvement of regional activity, the development of human capital by increasing the employment rate and by increasing tertiary education graduates, at the same time offering solutions to combat poverty, development physical infrastructure with the aim of making the regions of Romania attractive for investors, the sustainable use of natural resources through energy efficiency and economy with low carbon emissions, through environmental protection and through adaptation to climate change, a modern and professional public administration through a systemic reform¹⁶.

It includes five structural funds ERDF, CF, ESF, the European Agricultural Fund for Rural Development (EAFRD) and the European Fisheries and Maritime Affairs Fund (EMFF), important for the development of our country in the medium and long term. The direction of investments is towards innovation activities, the competitiveness of enterprises in order to increase added value, growth and job creation, research and innovation, increasing the quality of university education, the business sector and private investments. A very important part of the funds was directed to the expansion and modernization of the transport infrastructure, in accordance with the objectives of the general plan for the future, extending until the year 2030. Through FEADR, the aim was to increase innovation and competitiveness for the agri-food sector and assistance for farmers in the development and restructuring of own enterprises. The purpose of these measures was to create a diversification of economic activities to reduce dependence on agriculture and increase the number of jobs in rural areas. Integrated territorial investments are used to combat territorial discrepancies¹⁷.

¹⁵ Rezumatul Acordului de parteneriat cu România, 2014–2020, p. 4, available at https://por2014-2020.adroltenia.ro/wp-content/uploads/2015/12/2qkce_RezumatacorddeParteneriat20142020RO.pdf.

¹⁶ *Ibidem*, p. 1.

¹⁷ *Ibidem*, p. 2.

European funds represent the chance of rural communities, in general, and of disadvantaged ones. The Management Authority of the Regional Operational Program in partnership with the World Bank developed the project Developing integration strategies for poverty areas and disadvantaged communities, with the aim of substantiating investments aimed at improving the quality of life of these communities. Were established poverty maps with the most affected and marginalized areas and the localities at risk of social exclusion. Also, some pilot projects were conducted for Brăila, Slobozia and Tg. Mureș, the World Bank experts analyzing in depth the causes that contributed to the creation of these areas and the degradation of the quality of life. There were concrete solutions regarding property rights, fiscal rules, or development priorities¹⁸.

The Regional Operational Program for the 2014–2020 fiscal year highlights the direction of local authorities' efforts towards the economic and social regeneration of rural communities. The accountability of local initiatives to implement strategies measures the effectiveness of local autonomy. The reform of the public administration in Romania provides us with a process of transformation of rural localities, which were proved by the normative acts that have already brought important structural and organizational changes in the management of the resources of Romanian villages.

To improve the absorption of European funds, there were also discussions about regionalization. The idea of establishing new, regional administrative structures was circulated, the counties being considered too small administrative-territorial units, which do not correspond to the needs of project implementation¹⁹. We do not believe that such a theory is the best solution in increasing the absorption rate of European funds, on the one hand, and we do not analyze a new administrative-territorial reorganization in this study, on the other hand. Observing the absorption rate in the states of the community space, we do not have a definite conclusion on a close connection between administrative decentralization and the absorption of structural and cohesion funds, and referring to Romania, we believe that for a better absorption, better trained personnel are needed, greater administrative capacity and, last but not least, effective prioritization of objectives.

To support their development strategies, we note that in the fiscal years 2007–2013 and 2014–2020 rural communities benefited from considerable amounts. The programs specific to the rural environment were correlated with regional, environmental, educational, health etc. policies, and the Romanian economy was based in its development on the absorption of European funds, the economic and social indicators being clearly positive during the mentioned period. in this study.

¹⁸ D. Surdeanu, *Fondurile europene, o șansă pentru comunitățile defavorizate*, in “Revista Regio”, 30 / July 2014, pp. 8–9.

¹⁹ Mihaela Bărbieru, *With or Without Regionalization? Realities, Challenges and Prospects in a European Union of the Regions*, in “Revista de Științe Politice. Revue des Sciences Politiques”, no. 47/2015, pp. 72–83.

In conclusion, we are of the opinion that the development of the Romanian rural world was based on the opportunities offered by the European context and on community financial instruments. Agricultural development and the modernization of Romanian villages, in addition to being necessary and topical, must be processes with viable measures and continuity, especially for the more sensitive sectors of the field. Economic development and territorial cohesion cannot be achieved without a viable agriculture closely linked to the reform process in all sectors.

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