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ANALYSIS THE POTENTIAL OF THE RURAL ENVIRONMENT IN ROMANIA

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Abstract: *The process of transition from the super centralized economy to the market economy has generated, in the agriculture and rural development of Romania, multiple economic and social problems. Therefore, it is normal for concerns about identifying solutions and methods to solve them to mobilize more and more specialists in the field (Dona, Dobre, Georgely, 2005). In this context, the experience of other countries could not be ignored, among which a special place is occupied by the member countries of the European Union. At present, agriculture and rural development in Romania continue to be in a state of crisis, and the economy is far from stable in order to sustain it. On the contrary, the declining ratio of rising prices for agricultural products to those of industrial products bought by farmers deepens price shifts, leading us to the conclusion that agriculture is declining compared to other countries, especially those in the EU, which represents the model and the target it aims at. In this context, we mention that Romania is in the process of implementing the European model of agriculture and rural development. Starting from the general (principles, mechanisms) and reaching the particular (the case of the European Union countries and the situation in Romania), by analysing the rural area, the paper tries to formulate solutions and proposals according to the concrete conditions regarding the creation of a favourable economic environment. development, in the sense of consolidating a sustainable and multifunctional development of the rural space (Patriche, n.d.).*

Keywords: *rural potential, rural environment, rural tourism, sustainable development*

JEL Classification: *Q11, Q13, Q16, Q24, Q32, R14*

1. Introduction

The first and most common terminological inaccuracy refers to “rural area” and “agricultural area”; “rural activity” and “agricultural activity” or more simply “rural - agricultural activity”. It should be noted from the outset that the two notions, although relatively appropriate, cannot be confused or considered synonymous. The scope of the notion of rural space, rural activity, of rural in general, is wider, more extensive, including within it the notions of agrarian space or agrarian activity or, simply, agrarian. Analysing in evolution the rural-agrarian correlation, a certain modification of it is found. In predominantly agricultural societies, the highest share of activities in rural areas is held by agricultural activities¹.

Over time, the rural area has diversified both structurally and functionally, in the sense that more black structures and activities have emerged. The rural area is a very complex concept, which has generated a great diversity of opinions regarding the definition, the scope and its components. To understand the complexity of this concept it is necessary to define, even briefly, the main specific notions and its components, such as:

- The rural includes all the activities that take place outside the urban and includes three essential components: the administrative communities made up of relatively few members and who have mutual relations; pronounced dispensation of the population and collective services; the special economic role of agriculture and forestry.

Although, from an economic point of view, agriculture and forestry have an important place, the meaning of the word “rural” is broader than that of agriculture or forestry, which includes other activities such as: industry specific to rural areas; handicrafts, productive services on agricultural production and unproductive on the rural population².

- The rural area is a notion that, due to its complexity, has generated numerous opinions, which differ from one author to another, but in essence almost the same conclusions are reached.

According to some opinions, it is considered that “rural space” can be defined according to the notions that characterize it, it includes everything that is not urban. This general definition often creates confusion between the notion of rural and the notion of agricultural, which does not correspond to reality. The rural space is not a concrete and heterogeneous space. Heterogeneity can be viewed in two ways: the first refers to the terrain - topography, subsoil, soil and microclimate; the second aspect refers to demography - density, polarization

1 <https://www.scribub.com/management/ORGANIZAREA-SI-AMENAJAREA-SPAT22575.php>

2 <https://www.scribub.com/economie/agricultura/SPATIUL-RURAL-ORIENTARI-METODO42165.php>

from small settlements to large urban agglomerations. A more complete definition of the rural area appears by taking into account the following criteria: morphological (number of inhabitants, density, type of environment), structural and functional (type of activities and relationships).

From this definition of the rural space are highlighted at least the following elements (Dona, Dobre, Georgely, 2005):

- the rural area is characterized by a low population density;
- the forms of human settlement are the villages and communes, characterized by the individuality and discontinuity of the built space;
- productive activity is predominantly agricultural and forestry but does not exclude the processing industry and rural trade;
- relationships between people are mainly based on mutual knowledge from all points of view;
- the environment is much less polluted than in urban areas, etc.

The final form of the definition of the rural space is found in Recommendation no. 1296/1996 of the Parliamentary Assembly of the Council of Europe on the European Charter for Rural Affairs in the following form: the expression (notion) of “rural area” includes an inland or coastal area containing villages and small towns for:

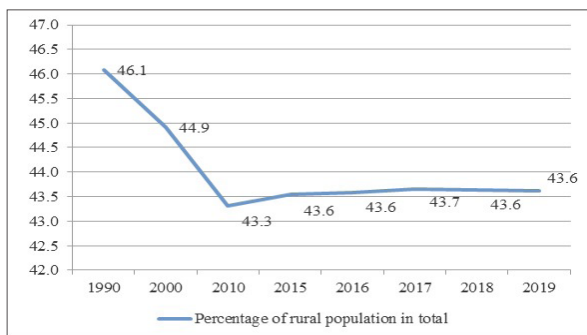
- a. agriculture, forestry, aquaculture and fishing;
- b. the economic and cultural activities of the inhabitants of these areas (crafts, industry, services, etc.);
- c. the arrangement of non-urban areas for leisure and entertainment (or nature reserves);
- d. other uses (excluding living)”.

2. Analysis of the Demographic Potential of the Rural Environment

With the political events of December 1989, the rural environment in Romania underwent massive structural transformations. The CAPs and IAS were abolished, the lands of the peasants were returned, the agriculture practiced here was transformed into subsistence agriculture. Another decisive phenomenon for that period was the return of a fairly large mass of people, who lost their jobs in the city, with the abolition of large factories and factories, which amounted to a large mass of employees.

However, the rural population decreased as a share of the total population (Figure 1), due to the massive emigration of labor from the rural area. The villagers went abroad in search of a job.

Figure 1. Evolution of the rural population after 1990

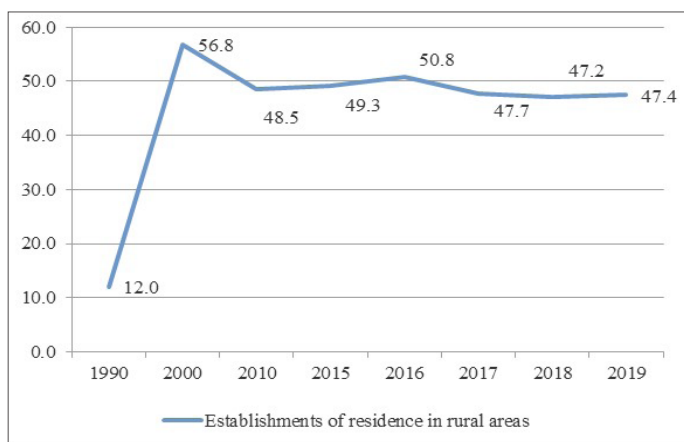


Source: Own calculations based on TEMPO database data online, <http://statistici.insse.ro:8077/tempo-online>

It can be seen that after a sharp decrease in the percentage of the rural population in total from 1990-2010, this percentage tends to stabilize around 43.6%. Analysing the evolution of residences in rural areas (Figure 2), we find that the evolution changed radically after 1990. If until 1990, the changes of residence were almost exclusive from rural to urban (in 1990, only 12% there were changes of domicile with settlement in rural areas), this process was reversed, registering continuous increases, thus in 2000 this percentage reached 56.8%. After 2010, this percentage stabilized around 48%.

So, there is still a tendency for people to settle in rural areas, which are considered cleaner, less polluted and of course with lower living expenses.

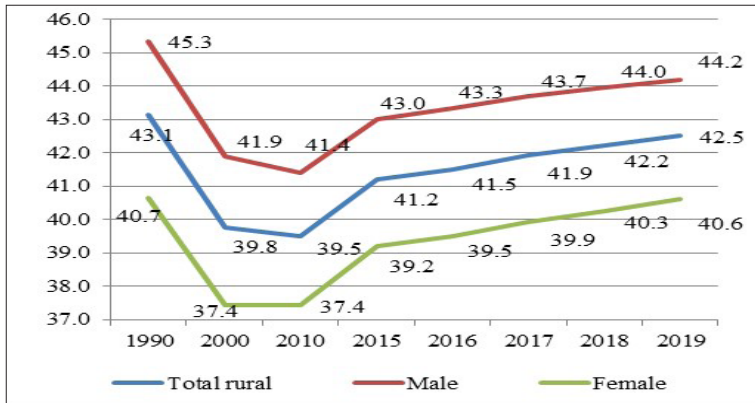
Figure 2. Evolution of the percentage of changes of residence in rural areas (calculated as a percentage of the total changes of residence at national level)



Source: Own calculations based on TEMPO database data online, <http://statistici.insse.ro:8077/tempo-online>

Regarding the evolution of the working age population in rural areas (Figure 3), the evolution is different.

Figure 3. Evolution of the percentage of the working age population in rural areas, by total and by sex after 1990



Source: Own calculations based on TEMPO database data online, <http://statistici.insse.ro:8077/tempo-online>

After the sharp decrease recorded in the period 1990-2000, the evolution of the working age population has an upward trend, especially after 2010. We find that the predominant rural population is the male population throughout the period analysed, in 2019, 44.2% of the male working age population in our country was in rural areas, and 40.6% of the female working age population in our country was in rural areas. This means that on average we get a figure of 42.5% of the working age population, existing in rural areas.

The rural population has a higher average age than the existing population at national level (Table 1), both in total and by sex. From here we can conclude that, in general, the rural environment in Romania has an older population than the national population.

Table 1. Average age of the resident population on July 1 by sex, total and in rural areas

	2012	2013	2014	2015	2016	2017	2018	2019
Total	40,8	41,0	41,2	41,4	41,6	41,8	42,0	42,2
Rural	41,1	41,3	41,5	41,6	41,8	41,9	42,1	42,3
Male-total	39,1	39,4	39,6	39,7	39,9	40,1	40,3	40,5
Male -rural	39,4	39,6	39,7	39,9	40,1	40,2	40,4	40,6
Female-total	42,3	42,6	42,8	43	43,2	43,4	43,6	43,8
Female-rural	42,9	43,0	43,2	43,3	43,5	43,6	43,8	44,0

Source: TEMPO online base, <http://statistici.insse.ro:8077/tempo-online>

If in total, the differences are not significant in terms of the rural population, analyzed by age groups (Table 2), we find the real problem of the rural population in Romania.

Table 2. Distribution by age groups of the population living in rural areas

	1990	2000	2010	2015	2016	2017	2018	2019
Total	45,9	45,0	43,3	43,6	43,7	43,6	43,6	43,6
0- 4 years	44,9	53,2	45,6	45,7	45,8	45,5	45,4	45,2
5- 9 years	44,9	53,2	45,6	45,7	45,8	45,5	45,4	45,2
10-14 years	40,3	43,9	51,7	50,6	49,8	48,9	48,2	47,6
15-19 years	39,9	50,6	49,7	46,4	46,4	46,4	46,4	46,4
20-24 years	47,3	41,8	41,6	48,7	49,9	50,6	51,0	51,3
25-29 years	40,3	43,9	51,7	50,6	49,8	48,9	48,2	47,6
30-34 years	34,5	40,6	39,2	38,5	38,8	39,3	39,5	39,9
35-39 years	47,2	40,1	49,1	52,4	52,6	52,6	52,4	51,9
40-44 years	37,6	33,3	39,5	43,5	43,3	42,7	42,0	41,5
45-49 years	47,3	41,8	41,6	48,7	49,9	50,6	51,0	51,3
50-54 years	51,4	41,9	34,9	38,6	39,5	40,5	40,3	40,8
55-59 years	41,3	45,3	38,0	41,2	42,2	43,0	44,1	45,2
60-64 years	58,3	54,0	43,1	37,4	36,8	36,4	36,3	36,6
65-69 years	34,5	40,6	39,2	38,5	38,8	39,3	39,5	39,9
70-74 years	61,6	59,5	53,0	49,4	48,8	47,9	46,6	45,2
75-79 years	31,9	37,0	42,6	40,1	39,7	39,5	39,3	39,1
80-84 years	64,2	60,1	56,1	54,8	54,5	53,9	53,1	52,3
85 years and over	37,6	33,3	39,5	43,5	43,3	42,7	42,0	41,5

Source: Own calculations based on TEMPO database data online, <http://statistici.insse.ro:8077/tempo-online>

The lowest share of the population by age groups in rural areas is the population under 19 years (whose shares vary around 45% of the total population of the same age nationally), but also the population between 30-34 years (whose share varies around 39% of the total population of the same age nationally).

On the other hand, we find that the rural population far exceeds the national average in terms of the population aged 80-84. Surprisingly, the population aged 85 and over accounts for only 41.5% in rural areas, which confirms that the rural population, although much older than the national population, does not have as high a life expectancy. as the urban population. This is due to the difficult access to medical services, endowments with

precarious medical units in this area, as well as the more difficult education and work that the inhabitants provide in agriculture.

3. The Economic Potential of the Rural Environment

– The agri-food sector

Represents the basic sector in rural areas. It produces the main crops that form the basis of human and animal nutrition. The surface of the land fund in Romania which is assimilated with the surface of the country (Table 3) consists of arable land, natural pastures and meadows, vineyards and orchards, forests and other lands with forest vegetation, constructions, roads and railways, waters and ponds, other surfaces.

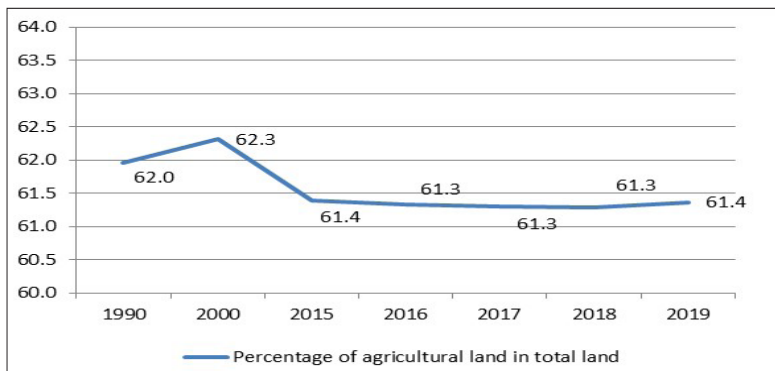
Table 3. Total land area in Romania by agricultural use
(thousands of hectares)

	1990	2000	2015	2016	2017	2018	2019
Total land area	23839,1	23839,1	23839,1	23839,1	23839,1	23839,1	23839,1
Area used for agricultural purposes	14769,1	14856,8	14634,4	14621,4	14615,1	14611,9	14630,1

Source: TEMPO online base, <http://statistici.insse.ro:8077/tempo-online>

Regarding the evolution of the share of land for agricultural use in the total land area (Figure 4), we find that it evolved from 62% in 1990, increased to 62.3% in 2000, after which decreased until 2015. After 2015 we are witnessing a situation of this share around 61.3 - 61.4%, agricultural destination of the areas, as a percentage of the total land area.

Figure 4. Evolution of the share of land for agricultural use in total land area

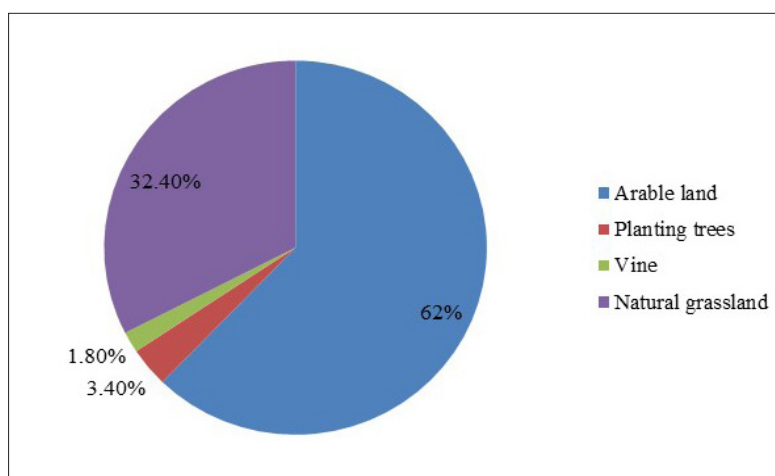


Source: Own calculations based on TEMPO database data online, <http://statistici.insse.ro:8077/tempo-online>

Regarding the destination of these agricultural lands, by main crops (as a percentage of the total agricultural area - Figure 5), we have the following existing structure at the level of 2019:

- 9365 thousand hectares are represented by arable lands, these representing approximately 62% of the surface of the lands with agricultural destination of the country (14811 thousand ha);
- 501 thousand hectares are represented by tree plantations, these representing approximately 3.4% of the surface of the lands with agricultural destination of the country;
- 265 thousand hectares are represented by vineyards, these representing approximately 1.8% of the surface of the lands with agricultural destination of the country;
- 4945 thousand hectares are represented by natural meadows, these representing approximately 32.4% of the surface of the lands with agricultural destination of the country.

Figure 5. Agricultural land use structure



Source: Own calculations according to the Statistical Yearbook of Romania 2020

– Vegetable production

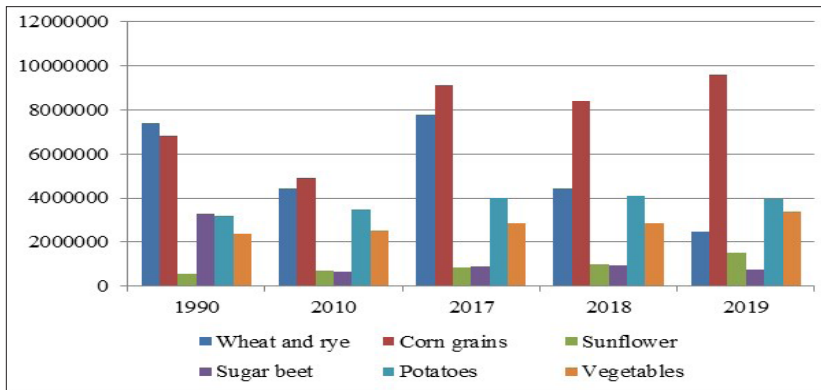
Analysing the evolution of vegetable production by main crop categories (Figure 6), we find that the highest vegetable production obtained in Romania is the production of corn grains. The production of grain maize, after a decrease registered between 1990 and 2010, had spectacular increases, so that in 2019, with a production of approximately 98,000,000 tons, it exceeded by approximately 66% the level of production registered in 1990.

On the other hand, wheat and rye crops, which had a higher production than corn grains, recorded massive decreases after 2018, although in the period 2010-2017 these crops also recorded increases in production in 2017, the level of production being higher than in 1990.

A crop that has experienced massive declines is sugar beet, after 2010 the crop stabilized at a production of about 900,000 tons per year (in 1990 the production of this crop was over 3,000,000 tons per year).

The production that registered permanent increases after 1990, is represented by the vegetable crop, a crop that came to deliver annually about 3,800,000 tons in 2019 (compared to 2,100,000 tons in 1990).

Figure 6. Evolution of crop production by main vegetable production categories



Source: TEMPO online base, <http://statistici.insse.ro:8077/tempo-online>

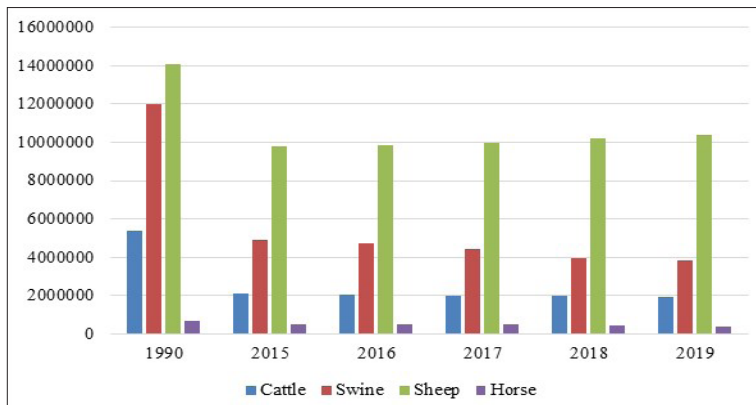
– Animal production structure

Comparing the number of animals with that existing in 1990 (Figure 7 and Figure 8) finds that in 2019 it was considerably lower in all animals. The biggest discounts were:

- for cattle with 48%
- for birds with 44%,
- for pigs with 36%
- for sheep with 27%.

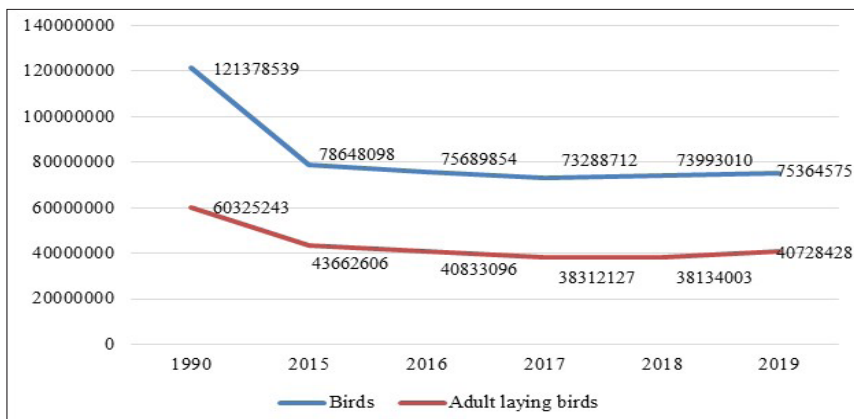
It is found that after 2015, the number of animals in the 4 categories remained approximately constant until 2019.

Figure 7. Livestock, by animal categories



Source: TEMPO online base, <http://statistici.insse.ro:8077/tempo-online>

Figure 8. Evolution of the number of birds by total and by categories



Source: TEMPO online base, <http://statistici.insse.ro:8077/tempo-online>

4. The Potential Offered by the Production in Rural Environment in Romania

Products made in rural areas are the basis of the food industry. This industry produces the food needs of a country as well as a number of foodstuffs and not only that go for export. The most representative industries that are supported by rural production are:

- Meat industry
- Dairy industry

- Milling industry
- Oil industry
- Sugar industry
- Wine industry
- Vegetable and fruit industry
- Fish farming and aquaculture

Many of the industries listed above are based in rural areas, exploiting the products of their place of production, while others are located in cities. Over 90% of these industries have private capital, so we can say that the rural environment, with the products obtained here, have led to the development of a very large number of companies that exploit these products.

I can say that there is still a market segment that is not yet fully exploited, there is still plant and animal production that is being discarded due to the lack of storage and processing capacity. Private initiative is certainly taking place in these areas. Moreover, all kinds of programs and projects are offered for the development of rural areas and disadvantaged areas, projects that can be accessed by investors in these areas. So, the rural environment can continue to offer alternative activities for interested investors.

– Rural tourism

Another sector that offers alternative activities in this environment is rural tourism. Our country has beautiful areas, not yet exposed to their real capacity, and rural tourism can help exploit this potential. After 2010, the evolution of the number of accommodation places in tourist units in total and in agritourism pensions registered significant increases. If in 2010 the share of places in these accommodation units was 6.5%, in 2019 this share reached 13.8%, that is a doubling of places.

Our country has a vast tourist potential, still untapped to its full capacity, and rural tourism is attracting more and more attraction, both for tourists from Romania and for tourists from abroad, who are attracted by the culture and ancient customs.

Following the pandemic that made us radically change our habits and destinations, the small rural tourist boarding houses, located far from the big urban agglomerations, have become more and more sought after by both our tourists and tourists from our country. abroad.

5. Conclusions

The important structural changes and the essential mutations that have taken place in the last decades in Romania, have profoundly affected the state of the Romanian countryside. Over time, there have been many changes in the

countryside, which has led to a profound transformation of the traditional image of the countryside. In response to two phenomena, urbanization and industrialization, nineteenth-century Europe underwent a change of direction, in the sense that interest in rural areas began to grow, with rural potential beginning to be exploited.

The countries of Eastern Europe have experienced a slightly atypical evolution in terms of the urbanization process. The communist regime and the historical heritage are two important factors that contributed to the shaping of the urban space. Central and Eastern Europe was a peripheral area, where the urbanization process was characterized by significant stagnation (Neamțu, 2012). In this context, the case of Romania is a particular one, the urbanization process started before the transition period, but nevertheless, the effects were not as visible as in Hungary or Poland. The conditions in which the Eastern European countries were in the 1990s forced the operation of some changes, the rural regeneration being urgently needed (Holland, Burian and Dixey, 2003) as a solution to problems such as: industrialization process, falling markets, weak agricultural sector high performance, low standard of living. In addition, rural areas have experienced high unemployment rates amid large-scale privatization of agricultural cooperatives and the possibility of migrating to urban centres.

All these changes have had an impact on rural areas, which are severely depopulated. In the same vein, Sandu (2011) stated that during the transition period, agriculture played a key role, acting as an “occupational buffer” against the socio-economic effects of the transition, but this role condemned the rural to stagnation, low performance, thus contributing to the thickening of rural poverty. In this context, a vicious circle was created, subsistence generating poverty, poverty which in turn perpetuates subsistence, which is why this vicious circle must be broken.

For a long time, rural development policies focused exclusively on measures to improve agricultural practices, considering that the countryside was seen only as a favourable place for farming. The enlargement of the European Union has changed the map of rural areas, so the approach needs to be diversified. Rural areas cover 90% of the entire area of the European Union, 60% of the total population living in rural areas (Dorobanțu and Nistoreanu, 2012). According to the OECD (2007), rural area accounts for about 87% of the country’s total area, while 45% of the total population lives in rural areas, double the European average. In 2011, Romania recorded one of the lowest urbanization rates in Europe (Mursa and Paraschiv, 2013). On the other hand, the least developed regions are extremely ruralized - 6 of the 15 poorest regions in Europe are regions in Romania, given that Romania is divided into 8 regions, 6 of which are among the poorest regions of the EU.

For a long time, agriculture played a key role in the development of rural areas. However, it was not enough, “agriculture is no longer the backbone of rural economies” (OECD, 2020). Rural development involves more than just the development of the agricultural sector. Measures taken to develop the rural sector have so far focused on supporting agricultural farms, but despite the subsidies granted, these policies have failed to significantly improve the fate of the rural environment. Under these conditions, new measures are needed to restore the countryside, with an emphasis on local specifics, and not on sectors of activity, investments that will take the place of subsidies. Rural tourism seems to be a viable alternative (Bogan, 2012), in recent decades, policies promoted at European level in terms of regional development, together with Member States’ national policies, have encouraged positive social implications.

Regarding the proposals identified after the analysis:

- there is still a market segment still untapped to its full capacity, there is still plant and animal production that is discarded due to the lack of storage and processing capacities. Private initiative is certainly taking place in these areas. Moreover, all kinds of programs and projects are offered for the development of rural areas and disadvantaged areas, projects that can be accessed by investors in these areas. So, the rural environment can continue to offer alternative activities for interested investors.

- Our country has a vast tourist potential, still untapped to its full capacity, and rural tourism is attracting more and more attraction, both for tourists from Romania and for tourists from abroad, who are attracted by the culture and ancient customs. Following the pandemic that made us radically change our habits and destinations, the small rural tourist boarding houses, located far from the big urban agglomerations, have become more and more sought after both by the tourists from our country and by the tourists from abroad.

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