

## EVOLUTIONS OF THE RURAL ECONOMY OF BIHOR COUNTY

Chișea Floare\*, Șișeștean Gheorghe\*

\* University of Oradea, Faculty of Social Humanistic Science, 1 Universitatii St., 410087 Oradea, Romania, , e-mail: fchișea@yahoo.com

### **Abstract**

*This article tries to capture the evolutions of the rural economy of Bihor county, whilst appreciating the matters within the broader context of the six region of economic development and socio-legal context in which to place economic and social life of the rural Romanian during the post-communist period. Although with a very important agricultural potential, both at the country level and also territorial, this potential has not produced economic development, but underdevelopment, on the background of a rural subsistence economy, and this economy tends to become chronic underdevelopment, as a result of diminishing in agricultural productions without the appearance of alternative strategies for the development of services of small rural industries, rural or agricultural farming or associative systems.*

**Key words:** subsistence economy, underdevelopment, rural small farm, the division of property, agricultural production, agricultural specialization.

### **SOME PRELIMINARY CONSIDERATIONS. RURAL ROMANIA AND ITS CHARACTERISTICS**

Post-communist Romania has remained largely a rural country. Some significant data can capture the complexity of Romanian rural problem, which has a long history and various post-1989 government did not pay sufficient attention to rural areas, a real social space of chronic underdevelopment and impoverishment. In 1996, 93.7% of Romania's territory was rural territory, and in rural areas there lived about 45% of the population<sup>1</sup>, a level that is still present, agricultural contribution to GIP was only up 13.4% in 2002 while in 1990 was 21.2%. These data indicate, on the one hand, the maintaining of a massive rural social structures, and secondly that the rural economy, during the Romanian transition, instead of its expected contribution to modernization has a lesser and lesser contribution to economic development but being rather an area of underdevelopment. In a previous study we characterized the agricultural situation as defined by "the return of agriculture to a archaic holding pattern" (Șișeștean, 2001, 57), such as technical endowment, and also a weak link to the modern market economy. As a result, the extremely low labor productivity will have, as a result, a lack of farm efficiency, reflected

---

<sup>1</sup> The evolutions of the rural population are around 45% of the population of the whole country and that in the conditions that after 1989 many towns have been transformed into cities, often without an adequate infrastructure. In 2004 the share of rural population was still 45% in 2007 of 44.8% and 44.9% in 2009 (percentages calculated by Gh Șișeștean after INS databases)

by the reductions in agricultural exploitation, materialized through reduced planted areas, reduced agricultural production, especially grain crops, but the decline in production per hectare in some cultures. Thus, in Romania, with some notable exceptions, about the genesis of farm sector, rural economy is characterized by the following dimensions:

1. a strong division of property and a predominance of subsistence farms, with small areas of land (67.4% of rural holdings were less than 3 acres of land, the average size of a farm of being 2.67 hectares, but these are highly dispersed, an exploitation holding back 4.14 lots on average in 1995 (Lazar, 1996, 10);

2. the specificity of restoring property rights in Romania, through the Law 18-1991 and the Law 1-2000, which was unable to recover ownership, but also to maintain the farm exploitation compact, through appropriate organization or association leasing scheme (Timaru, 2002, 12)<sup>2</sup>. The loss of social trust in the associative values, in a good measure, had also contribution (Hatos, 2006.) from the communist period, because of the characteristics of the Romanian communism the rural space. The land reform in post-communist Romania has generated three types of effects: disruption of modern agricultural production systems and return to the specific holding of small rural properties specific to the period between the two world wars, the destruction of technical equipment in agriculture (irrigation systems, silos, animal sheds, car parks) the sharp division of farmland as a result of putting into possession of the land.

3. Low share of wage labor type in agriculture. This indicator reflects the trend towards modern agriculture, capitalist or, conversely, trends to autarchy in the rural farm. In 2003 workers in agriculture from the total employment in agriculture accounted for 3.3% and agricultural workers to total employed persons in rural areas accounted for 7.36%. If we relate the number of employees to the total population employed in agriculture in the countryside then their share is 2.27% - in absolute numbers: 110,601 employees in agriculture from the 3,341,957 totally employed in agriculture, respectively from the 4,869,446 total population employed in rural areas (AMIGO, 2003, apud Badescu, 2009, 24). These data indicate that the bulk of the population employed in agriculture is the carrier on the form of subsistence economy, unpaid labor (although some of them also benefit from extra-agricultural income, especially in the form of pensions). As a result of specific rural subsistence economy, the purchasing power of rural

---

<sup>2</sup> Generally, the former socialist states restore the right to property has not been accompanied by destruction of the old communist associative forms of agriculture, they were maintained in the new historical frameworks as systems with a modern associative joint ownership of land, buildings and equipment, such grouping owners who no longer participate directly in the farm trials. This has been possible in other countries and through a small rural population.

population engaged in this type of labor is very low economic and agricultural production are small, both global as well as volume production per hectare and often are oriented only to self-consumption.

4. The lack of appropriate land legislation for the small rural properties, ie the specific of a large part of Romanian agricultural holdings. Such legislation should ensure consistency and continuity of agrarian policy of stimulating small farmer, or in post-communist rural land was the experimental agricultural policies change constantly depending on the political factor in power. The summary of agricultural policies should aim to stimulate the transformation of small farms viable economic structures, oriented from subsistence to market economy by establishing agricultural banks granting loans on favorable terms, to encourage the association, the establishment of agricultural cooperatives. Such characteristics will have consequences for the entire Romanian rural economy and will be reflected on the local dynamics, as is the case Bihor county.

#### SOME DIMENSIONS OF THE AGRARIAN ECONOMY OF BIHOR COUNTY

Bihor county's agricultural area is 3.37% of the agricultural area of Romania, the arable land (3.28%), representing 62.25% of the farmland in the county, ie less than 1.75% is arable land in the Romania's agriculture, because the share held in Bihor in May marked the meadows, orchards, vineyards. In terms of share of agricultural area in total area of the county, Bihor county, accounting for 65.84% is 4.17% above the national average in terms of share and arable farmland, Bihor county's situation is comparable with the average national values, which creates expectations for production situated in the national average.

Table 1

Share of arable farmland and Bihor county in Romania in 2008

<b>Fondul funciar</b>	<b>România</b>	<b>% from total</b>	<b>Bihor</b>	<b>% from total</b>
<b>Total Surface</b>	23839071	100	754427	100
<b>Farming Surface</b>	14702279	61,67	496765	65,84
<b>From which farmland</b>	9415135	64,03	309265	62,25

Source: Statistical Yearbook of Romania and the Bihor county, 2009

In terms of share of total arable area in the country (39.5%), Romania is among countries with a special agricultural potential, being exceeded in this regard by only few countries such as Hungary, 49, 4%, Poland with 39.9% shares of around 30% occupying France with 33.6%, and Germany with 33.3%.

Analyzing the evolution of agricultural production in the period 1995-2008 in the light of the growth indices compared to the previous year in Romania, compared with the North-West and Bihor County retains some aspects (fig. 1)

- At all three levels of analysis there are some periods of higher growth respectively in 2001, when the national growth index was 122.7% in the Northern - West region, 121.9%, the highest index recorded in Bihor county of 156.5%. Another period of growth, less pronounced, was evident in 2004, with higher values at the national level in 2008, especially after significant decrease from 2007 (121.2% nationally, 105.5%, North West and 119.3%, Bihor)
- The most obvious decreases in production, in the analyzed period signal during the 2000s (85.8%, Romania, 92.5%, North-West and 73.7%, Bihor county), 1998 (92.5% , Romania, 91.4%, North West and 88.6%, Bihor county), 2005 (86.9%, Romania, 92.6%, North West and 87.2%, Bihor county) and, especially 2007 (82.3%, Romania, 86.4%, North West and 95.5%, Bihor)
- With few exceptions (1997, 1998 and 2006), Bihor county recorded indices above average growth of national agricultural production and the Northwest region.

The explanations of these evolutions can be identified in the policies provided sporadically support for the Romanian agriculture, as follows: 1996, through the government order no. 598 and 564/1996, on bank interest subsidy for livestock farm organization, in 1999, GO 142 and 177/2009, establishing payment system voucher-based for diesel, 2004, GO 61/2004 on granting the 2004-2005 crop year, a direct state support of 2.5 million ha of agricultural producers to farm land, up to 5 hectares, including GD 141/2004 - to establish the level of support farmers to perform agricultural mechanized for 2005 Norms and procedures for granting financial support verification and payment for the purchase of diesel to perform agricultural mechanized in 2008, HG 804/2008, support for a grant in the amount of 0.65 RON for mechanized farm work, GD 174/2008 on the provision of support amount of 100 RON for mechanized agricultural work, GD 1153/2008, grant direct support of 200 RON / ha.

As shown in the chart below, higher productions are associated with government support measures.

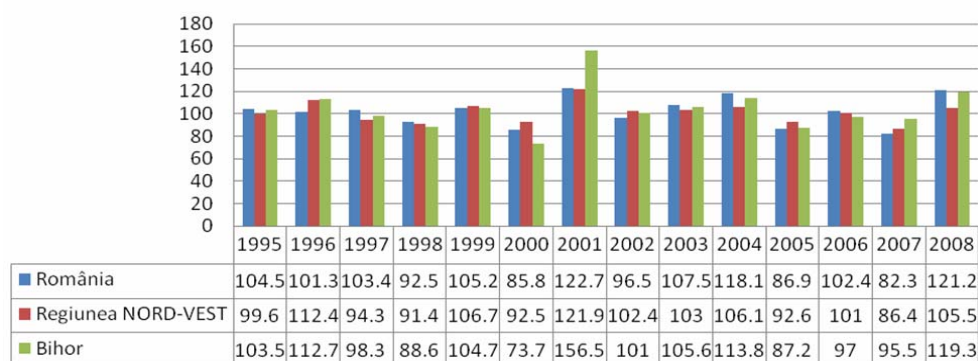


Fig. 1. Indices of agricultural output growth in the period 1995-2008

On the other hand, some developments can be generated also by the variable weather conditions, affecting agricultural production, especially vegetables. Obviously in the context of explanatory factors the quality management in general, human resources can not be ignored, as one of the major resources of development.

Table 2

Indices of agricultural output growth in the period 1995-2008

Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
România	104.5	101.3	103.4	92.5	105.2	85.8	122.7	96.5	107.5	118.1	86.9	102.4	82.3	121.2
NORD-VEST Region	99.6	112.4	94.3	91.4	106.7	92.5	121.9	102.4	103	106.1	92.6	101	86.4	105.5
Bihor	103.5	112.7	98.3	88.6	104.7	73.7	156.5	101	105.6	113.8	87.2	97	95.5	119.3

Source: INS Data Basis Tempo, 2009

**Vegetal agricultural production in Bihor County** follows the trend of agricultural production, generally. The growth indices higher than the previous year have been achieved in the same period, namely 2001, the most significant increase of 175.6%, in 2008, 133, 4%, in 2004, with increases of 130, 4% and the period before 2000, 1996, the index increased by 116.8% and 1999, with 110.5%. We believe that the explanations of the increases can be identified only by association with the policies adopted by the governments of Romania to support agriculture through subsidies or other forms of support mentioned above.

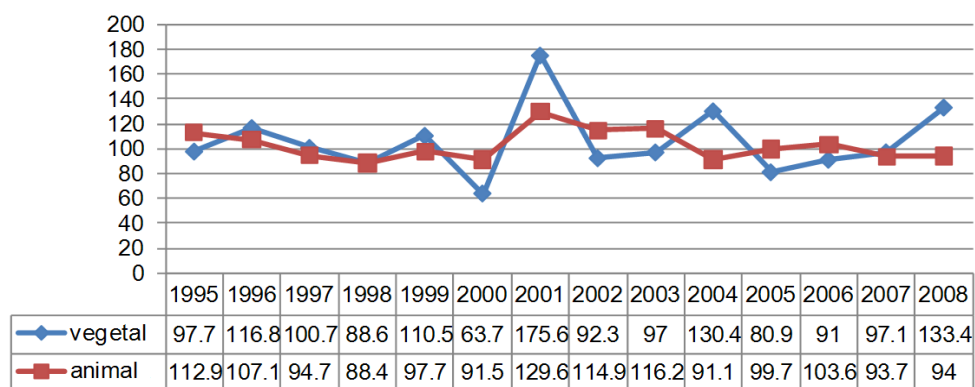


Fig. 2. Indices of crop and animal production, in Bihor county, in the period 1995-2008

Analyzing the productions obtained in 2008 in Bihor county, compared to 2004, we find some relevant issues. First it shows a decrease in production of cereal grains, which in 2008 represent only 84.1% of that achieved in 2004, while decreasing productions per hectare. For example, wheat production fell from 3951 kg per hectare in 2004 to 3741 kg, which represents a decrease of 94.6%, production per hectare, if the maize crop is

in 2008, 95.2% of that achieved in 2004, the oats, 90.9%, 94.9% rye. Significant decreases were seen in terms of total production (in 2008 it represents 61.8% of that achieved in 2004), but production per ha, when grain vegetables. Representative increases were registered instead on potato production (from 149,686 tons in 2004 to 173,909 tons in 2008, an increase of 116.2%) and productions per hectare, with 120.9% in the same period, the productions obtained for sugar beet crop from 58,540 tons to 73,575 tons during the same period, an increase of production per hectare of 102.3%, of sunflower production, from 42,031 tons to 57,602 tons, an increase of production per hectare of 125.2%. During the same period there were increases of 111.3% of the production of vegetables, especially the production of onions and cabbage, in the same time with the decreasing production and productivity of tomatoes (from 36,792 tons in 2004 to 33 864 tons in 2008, accompanied by a decrease in productivity from 56.4%). Significant decreases occurred in the compound annual growth while the perennial fodder.

It is interesting to note is that the same trends also were concluded by the tests carried out before the year 2000. Compared with 1997, in 1998, the county has achieved a higher production of sunflower by 5.1 thousand tons, more soy beans 1.0 thousand tons, sugar beet, 35,200 tons, and potatoes 28.7 thousand tons, but production fell to 36,500 tons of cereal grains and vegetables and fruit, to 46 600 tons. Production per hectare has decreased in most cultures: the barley crop with 691 kg / ha, maize, with 157 kg / ha, but it was higher in sunflower, with 213 kg / ha, sugar beet, with 1048 kg / ha and potatoes, with 1257 kg / ha.

This situation is explained by reducing areas planted with crops, while increasing the cultivated soybean, sunflower, sugar beet and potatoes, but also by changes in productions per hectare which increased, as I mentioned earlier analysis.

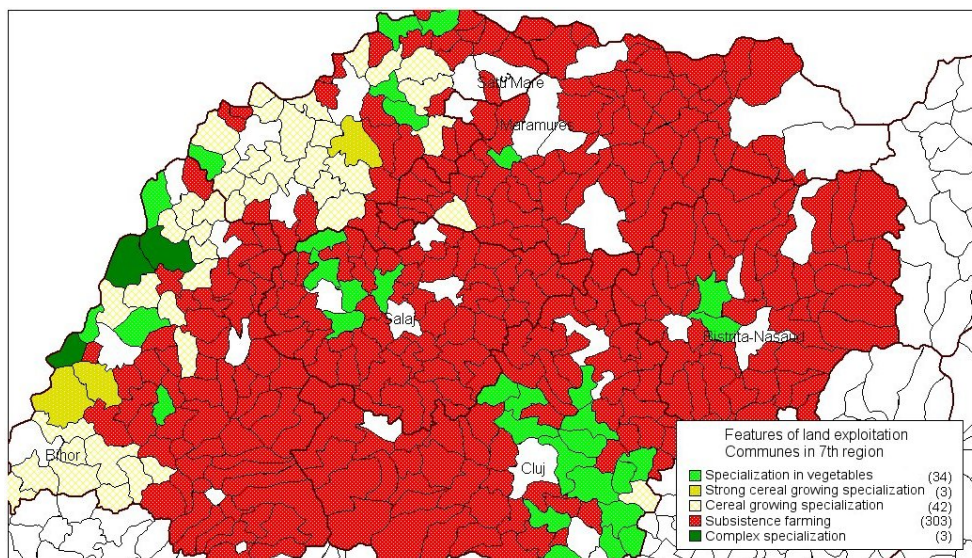
Using a data base (2004) National Institute of Statistics, based on variables of areas planted with different types of cultures, we developed a map of cultivation throughout the 6<sup>th</sup> region<sup>3</sup> (the cities not only as spots mapped white).

It may be noted that most of the localities of the 6th region are carriers of the rural subsistence economy. At the same time, around major

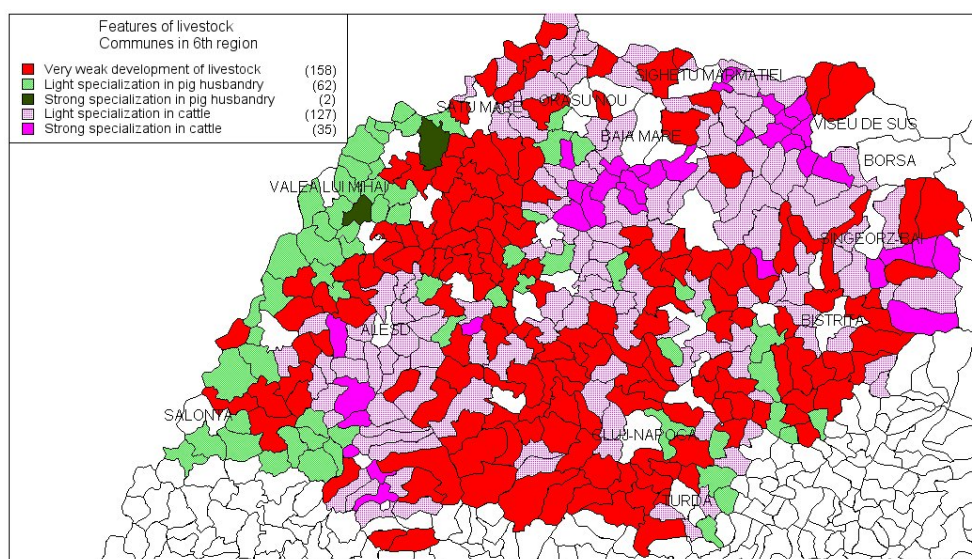
---

<sup>3</sup> Cultivation variables are numeric, representing areas with different types of crops grown. On this basis we proceeded to factor analysis (with z-scores), after which we obtained two relevant factors that explain the phenomena of agricultural specialization, the whole region: factor 1, consisting of surface grain (wheat, corn and sunflower) and factor 2, consisting of vegetable cultivation. Depending on the factorial scores I then proceeded to the formation of clusters (resulting factors as variables). Beyond these specializations on two factors, with different intensities of the factorial scores, the cluster results and subsistence agriculture, which we called-range crop cultivation in this case is based on the principle "all a little bit."

cities (Cluj Napoca, Oradea, Zalau, there are suburban areas, rural-oriented market economy through specialization on growing vegetables and if Bihor on complex agricultural specialization (vegetables, but also cereals). Subsistence farming is concentrated in hilly and mountainous areas of the region, while the plain (Bihor, Satu Mare less) begins to emerge from subsistence economy, the majors on cereal crops.



**Livestock production** trends are related to the plant, noting that growth indices are lower in some periods (2004 and even 2008) as opposed to the evolving trends in crop production. In Bihor county, in 2008, compared to 2004, animal production, measured by the number of heads of livestock is decreasing in the case of cattle, with 22 764 heads and pigs, with 89,860 head. But in the same period, increases were recorded for sheep, 49,618 head of goats, with 575 heads, horses, with 1133 heads, birds with 533,020 head, and bees with 4948 families. Meat production decreased, the total in 2008 compared with 2004 to 82.4%, with declines recorded in all categories. Regarding livestock production, measured in specific products is recorded with milk production increases (to 88 000 hl) and wool, with 93 tons during the same period, showing that livestock production has been maintained at the expense of slaughter. Production of eggs in the period under review, declined by 259 million pieces and the honey has been reduced by 138 tons, although, as mentioned before, the number increased, suggesting that in both cases decreased specific productivity. Analog (statistical technique described in footnote 3) I made the map of the region livestock in the 6<sup>th</sup> region.



Two factors are relevant for the 6th region: Cattle in some hill and mountain towns (the area of Beiuș Aieș of Bihor county, the area of Maramureș Tara Chioarului, Iza Valley, also from Maramureș, Bistrița Nasaud, the Bârgăului area) and the breed of pigs in the plains area of Bihor and Satu Mare counties. Sheep are well represented regionally and birds cover the whole area a relatively homogeneous region, so it does not constitute a specific factor. It prevails in this case too, the livestock for subsistence, with a small number of animals for their own consumption, mainly small rural households.

#### A BRIEF CONCLUSION

Based on Romania's agricultural potential would have been expected that agriculture would be a source of stability and territorial development (Chipea, 2010), while the industry has entered a period of crisis after the revolution. Adopted reform policies based on political and ideological reasons and not based on a pragmatic economic and agricultural crisis deepened. The agricultural reform was thus a rather primitive, with no clear goals outlining the long term, leading to decline of agriculture and did not restart them. The restoration of property without the association of this action with economic incentive policies for small rural household, without adequate financial support, the resulting chronic economic inefficiency and corruption in the redistribution of agricultural goods. Most rural households have worked and operate at subsistence level, many people who have lost their jobs in the industry have found the practice of primitive agriculture, the possibility of survival. Romanian agriculture is currently "peasantless"



(Mendras, 1984), as a result of complex changes in rural social structures, occurred during the communist period, after collectivization and increased in post-communist period. Rural economic crisis is associated with regional variability in a demographic crisis and (Badescu, Șișeștean, Abraham, Buruiană, 2003) manifested by an aging population, the drop in birth rates in some areas and even physical disappearance of certain localities (Șișeștean, 2000) process reminiscent of the phenomena that accompanied the disappearance of the French peasantry in the seventh decade of last century (Mathieu, 1990, Șișeștean, 1996) The Romanian rural area, its present characteristics, is an important factor in maintaining poverty and underdevelopment.

#### REFERENCES

1. Bădescu, Ilie, Șișeștean, Gheorghe, Abraham, Dorel, Buruiană, Claudia, 2003 - *Țăranii și noua Europă*, Ed. Mica Valahie, București
2. Bădescu, Ilie, Cucu-Oancea, Ozana, Șișeștean, Gheorghe, 2009 - *Tratat de sociologie rurală*. Ed. Mica Valahie, București
3. Chipea, Floare, 2010 - *Dezvoltare socială teritorială. Premise conceptuale și date empirice*, Editura Universității din Oradea
4. Hatos, Adrian, 2006 - *Colectivism după colectivism? Forme asociative de organizare în agricultura românească de tranziție: 1990 -2002*, Lumen, Iași
5. Lazăr, Traian, 1996 - Fărâmițarea suprafețelor agricole, ca factor de criză, în *Adevărul economic*, nr.35, 30 aug-5 sept.
6. Mathieu, Nicole, 1990 - La notion de rural et les rapports ville campagne en France. Des années cinquante aux années quatre-vingts, *Etudes rurales*, nr. 197, Paris
7. Mendras, Henri, 1984 - *La fin des paysans. Suivi d'une réflexion sur la fin des paysans vingt ans après*, Ed. Babel, Paris
8. Șișeștean, Gheorghe, 2001 - Autarhizarea agriculturii, în *România Socială, Revistă de cultură socială și politică*, Nr. 1/ sept.
9. Șișeștean, Gheorghe, 2000 - *Economia rurală și sfârșitul țăranimii*, Institutul Național pentru Civilizație Rurală, București
10. Șișeștean, Gheorghe, 1996 - Criza lumilor țărănești, *Analele Universității din Oradea*, seria filosofie-sociologie, Oradea
11. Timaru, Gheorghe, 2002 - Experiența Germaniei reunificate ne arată calea reconstrucției agriculturii românești, în *Agricultura României*, nr. 48(621), an XIII, 29 nov.-5 dec. 2002