

THE EVOLUTION OF RURAL SPACE AT THE END OF THE RURAL DEVELOPMENT PROGRAM 2014 – 2020. CASE STUDY: THE IMPACT FOR THE YOUNG FARMERS

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RESEARCH ARTICLE

Abstract

The current paper presents the problem of the demographical challenges the Romanian rural space faces in a European context. It presents the historical situation of the population involved in the agriculture with a focus on the period after 2007, the accession year in the EU. Romania's rural population has been in a constant decline, in line with the European evolutions, but with some local specificities due to the intense migration. The paper would present those measure taken already with the help of the EU funds to support the settlement of young farmers. A special focus would be given to the National Rural Development Programme 2014 – 2020 and its effects to clarify and present the envisaged measures. NRDP 2014 – 2020 proved to be a successful programme measured by the indicator of a high level of demand.

Keywords: agriculture, demographical challenges, EU Funds, rural, NRDP 2014-2020.

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INTRODUCTION

The rural space is of outmost importance in Romania, especially given our past agricultural experiences as well as the present. In fact, Romania has been one of the most prominent agricultural countries in our region having in 1989, the year of reference before the transition toward democracy a 28% of the population occupied in agriculture. This percentage only increase, due to the difficulties of economic transition to 29% in 2012 (even though the population in total numbers declined) (Murgescu apud Mihai et al., 2014).

In fact, this generated a series of specific constitutional provisions directed more or less toward the rural areas and their specific problems, such as the obligation to apply the regional development policies in accordance with the objectives of the European Union (art 135, letter g) (Constitution of Romania, 1991, revised in 2003)

In that context Romania joined in 2007 the European Union and fully embraced the regional and agricultural policies of the Union

addressed to the rural areas. It was a long and complicated process as the „agriculture and rural development have been sensitive issues in the process of Romania's accession to the European Union (EU).” (Rusu et al., 2006).

After joining the European Union, in Romania began the implementation of the National Rural Development Programme 2007 – 2013. In the programming period 2007 - 2013, Romania received about 14 billion euros from the EU budget through CAP. It came up with a whole bunch of setbacks due to the structure of the Romanian agricultural system, which partially explains the evolutions of the following programmes (see Table 1) (Ciocîrlan et al., 2017).

As Table 1 shows we have had a lower starting point than some of the other new Member States that explain some of the changes and challenges of the following NRDP that is the subject of our analysis.

Already a series of initial studies have shown that Romania had to solve simultaneously two main challenges: both how to stimulate the retreat of the old farmers while also stimulating the installation of young

farmers' trough means such as installation prizes, other facilities, etc. that should not favor the sustainability of agricultural exploitations while also encourage a soft form of associative cooperation (due to the traumas of the communist past forced associations) (Chis et al., 2008).

MATERIAL AND METHOD

This research is mostly based upon desk research literature as it analyses the official reports and documents available. It is meant to provide a preliminary analysis, filtered by the experience of the authors, which would serve as a possible stepping stone and foundation for future researches. It is not an exhaustive research, given the limited technical specifications of this research paper. The authors also focused on policy documents, on intermediary analyses and other relevant data.

The key period analyzed is the 2014 – 2020 period as mentioned in the name and scope of the National Rural Development Programme 2014 – 2020.

RESULTS AND DISCUSSIONS

As mentioned earlier it is important to clarify the starting situation. First and foremost, given the time frame of the analysis we define the “young farmer” as the farmer “of no more than 40 years of age who are setting up for the first time an agricultural holding as head of the holding, or who have already set up such a holding during the five years” (EC, 2018).

As a result of past lesson in 2015 we have had the approved version of National Rural Development Programme 2014 – 2020 as of 26 May 2015.

It was a Programme that was also centered around young farmers through a series of both direct and indirect measures meant to support them.

What is important is also to have in mind the initial situation in order to see whether the progress was real or not. Thus education and training were of utmost importance with an initial positive starting point as concerns the graduates in agricultural studies, with an increase of 27% in 2012 compared with 2005, that was a signal of the possibility to assist to the rejuvenation of generations of farmers with higher education (see Table 2) (NRDP 2014 – 2020, 2015 approved version).

The above mentioned data as well as those mentioned in Table 2 show before our eyes a complicated situation where the aging of the rural population and the increase of age disparities is important. Things would have to be done in order to try, if not to reverse this trend at least to correct some of these misbalances.

One consequence of these misbalances is the very high gap between young farmers and the 65 years and older farmers in Romania, as compared with the European Union average, almost a 2/3 higher differences according to the official data at that time. This creates at the end of the day a problem of sustainability of the rural areas on the medium and long term: how can the rural area survive and flourish if the demographic difference is so big? How can we ensure a continuous flow of agricultural products and goods if there are fewer and fewer young farmers able to provide the required services? (Eurostat, 2018)

These challenges have also been addressed by a series of national academics that underlined the need to ensure a smooth generational exchange in the Romanian agriculture, with the support of both national and European funds (Chereji et al., 2022).

Given the past results of the pre-2014 support programmes as the NRDP 2014 – 2020 was discussed the importance of young farmers was stressed out in the official governing programmes in Romania, such as the Romanian Government Governing Programme 2013 – 2016 who spoke about the need to identify new measure to support of the young farmers; providing support through the agricultural chambers for the young farmers in the rural areas (Governing Programme, 2013 – 2016).

It was also a provision in another transversal national document dedicated to the national defence, which stipulated that the adoption of coherent measures aimed at reducing the degree of deterioration of the demographic situation and the reduction of development disparities at the territorial level was a crucial aspect. It was a positive aspect as it forced the relevant stakeholder to take all the measures in concertation in order to solve these aspects, including the support dedicated to the young farmers in rural areas through all the available means at their disposition (Romania's Defence Strategy, 2015).

The identified solution was the creation in the NRDP 2014 – 2020 of the sub-measure 6.1 - Support for the installation of young farmers.

This sub-measure was intended to support the establishment of young farmers for the first time, as sole heads/leaders of an agricultural holding. The support granted was meant to contribute to the improvement of the management, to the increase of the competitiveness of the agricultural sector and supporting the modernization process and compliance with environmental protection requirements, animal hygiene and welfare, workplace safety. The financial support was to be granted on the basis of a business plan for the development of the farm. The measure wanted to create the opportunity for young resident farmers, with a minimum of basic knowledge, to install themselves as heads/leaders of the holding.

This sub-measure 6.1 was supposed also to address the problem of the old farmer and of the transfer of their properties to younger ones. The intervention through this sub-measure was supposed to lead to an increase in the number of young farmers who start for the first time an agricultural activity as farm heads/managers, who are encouraged to make investments, to associate, to participate in short supply chains.

This sub-measure also aimed to take over the agricultural holdings in full from the farmers in age, increasing the income of holdings led by young farmers, encouraging young families to stabilize, with a positive effect on the national economy as a whole. A total of 12 709 young farmers were supposed to be the beneficiaries (NRDP 2014-2020, the official version).

A series of intermediary analyses were done upon how the funds allocated to sub-measure 6.1 were used with some interesting findings. For instance at 20.5.2021 out of the 466 million euros allocated for this sub-measure a total of 438,120,00 euro were used, for a total of 10 674 selected fundings applications out of a total of 12 709 young farmers initially selected. There are also counties variances as regards the success of this sub-measure, that is measured in total successful applications, with Dîmbovița county the most successful one (a total of 863 projects) with the least successful between Harghita and Neamț (each with 8 successful applications). The best performing regions, North West with 23% of projects and South West also with 23% of projects, bring together the best performing counties (Chiurciu, 2021).

Of interest it is also the particularization of the assistance provided for young farmers in the mountain areas. For the purposes of this paper it is worth mentioning an analysis done on the mountain areas of Bihor County for the period 2015 – 2020. Thus of the 36 localities in Bihor, 19 localities are eligible as mountain areas and they seem to have attracted a great deal of interest. Thus the Bihor County mountain zone localities have attracted approximately 10% of the total projects dedicated to the installation of young farmers in the mountain area for the period 2015 – 2020 (see Table 3) (Cuc et al., 2022).

A similar analysis was done for Hunedoara County, where 65.21% of its territorial administrative units are located in the mountain area. Hunedoara County had received during 2015 – 2021 funding for 285 selected projects in the mountain area, a number bigger than those allocated for the non-mountain area. It held the second place in Romania for the total number of projects selected in the mountain area, after Bistrița – Năsăud County and before the counties Bihor-3th place, Caraș - Severin 4th and Cluj 5th (Chiurciu et al., 2023)

The latest numbers from the state institutions in charge with monitoring the NRDP 2014 – 2020, show on 25.5.2023 a series of important breakthroughs in this project as the results have shown a high interest for the main measure as well as a high rate of success of the projects submitted that show (see Figure 2) (MADR, 2023).

The below numbers are of interest as it shows a tendency toward moving into rural areas of the young farmers. We are seeing new generations getting ready to take up the difficulties of the rural living as well as having the mindset needed for projects submission. The young farmers seem to master thus the science of management and project based agriculture and they pay attention not only to technical aspects of the farming but also to the management ones, a situation that may prove beneficial on the long term.

This is even more important as we need to have a prepared generation of young farmers able to deal with the digital and green transition as well as with the challenges of the fight against climate change that would put supplementary pressure on Romania's agricultural system (Vaș et al., 2023).

Added to this there is the analysis to be done on other sub measures such as 6.2 meant

to create small enterprises in the non-agricultural sector, by developing entrepreneurial competences and skills. Together this mix can be a powerful one and generate a successful approach toward the future of the rural areas (Vușca et al., 2021).

Romania, in its capacity as a member state of the European Union and a net beneficiary of structural and cohesion funds, needs a series of complex measures that will lead to the reversal of demographic trends and the balancing of rural areas and national agriculture.

Although Romania's economy is a market economy based on free initiative and competition, one of the state's obligations is to

apply regional development policies in accordance with the objectives of the European Union.

The demographic problem also relates to the resilience of the agricultural system in these troubled times. It is it's about resilience understood as the ability not only to face challenges, but also to make transformations sustainable, equitable and democratic. The resilience of the agricultural system has both a green and digital dimension, as well as a socio-economic and demographic and, more recently, geopolitical dimension (Chereji apud Vaș, 2022).

Table 1

Economic and social needs which underpin the granted support (2007)

<ul style="list-style-type: none"> • Romania's rural areas cover 87,1% of the country's territory, and according to data provided by the National Institute of Statistics on 1st January 2007, rural population represented 44,55% out of the sheer population of Romania, aspect that highlights a pronounced rural character of the country. • The aging process of population, manifested not only at national but also at European level, is more pronounced among rural population, where a downward trend is noticed among young people, along with an increase of people aged over 65. This tendency is also driven by the migration phenomena, in rural areas being noticed the migration of youngsters to urban areas or even abroad, and the migration of population aged over 35, from urban areas to rural areas. • In what concerns the employment rate, this was higher in rural areas (56,7% in 2007) compared to urban areas (51% in the same year), but most rural residents were employed in agriculture (67,7%). • At the level of 2007, there were 3.931.350 agricultural holdings, out of which 3.851.790 were using agricultural area. Of these, 3.451.160 agricultural holdings (representing 89,6% of the total holdings) were of small size, under 5 ha and only 400.630 were over 5 ha. Of the latter, only 14.399 holdings were larger than 50 ha and could be classified as large farms.
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Table 2

The initial starting data concerning the young farmers in Romania as mentioned in the NRDP 2014 - 2020

<ul style="list-style-type: none"> • Increase risk of unemployment amidst young people between 15 – 24 years old – from 13,9% in 2005 to 15,9% in 2012 • 7.27% of the farm managers were young (as of 2010) • Increase interest of young farmers for beekeeping • Negative demographic trend for young people • Decrease of the young rural population

Table 3

Situation centralizer projects sub measure 6.1 Installation of the young farmer, mountain area, 2015-2020

<ul style="list-style-type: none"> • No of selected projects • No of Bihor projects • % of Bihor projects / total 	<ul style="list-style-type: none"> • 1 943 • 213 • 10,96%
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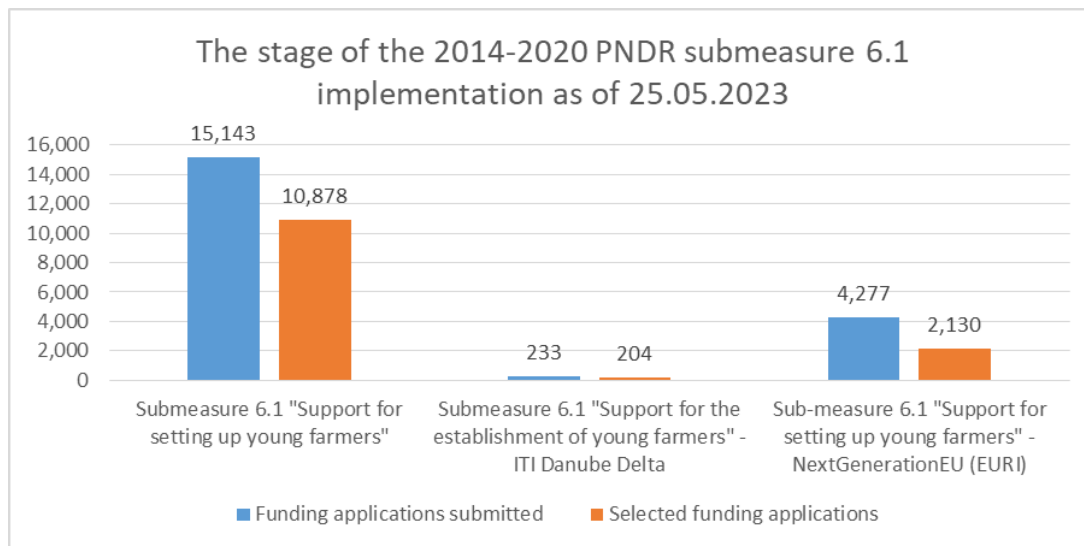


Figure 1 Submeasure 6.1 as of 25.05.2023

CONCLUSIONS

We need to realize that the support for young farmers should not be limited to such specific sectoral programs such as the National Rural Development Programme 2024 – 2020. Although an important and essential programme for the rural areas it cannot supplement a whole range of other politics and policies that need to have a continuous and transversal effect.

Increased rural disparities as well as an increase age gap represent a structural risk to Romania and to our future. This also generates a reduced resilience and social stability as the farmers would be unable to keep up to present or future shocks.

A better rural area is an area where the environment is protected and the infrastructure is adequate. For that an active generational support of the transition from older to younger farmers is essential.

As the time passes and more in-depth analysis are available it reveals that the NRDP 2014 – 2020 and especially the sub-measure we have analyzed proved itself a success. It has attracted a high number of interested individuals and had a high success rate. This proved therefore an invaluable financing source that correlated with other measures seems to have reached its intended destination.

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