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Adapting the Romanian rural economy to the European agricultural policy from the perspective of sustainable development

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Introduction

The new European rural economy model focuses on sustainable development of the agricultural sector which implies the natural environment protection, food security, competitiveness, accelerating the economic development of the rural space. In order to realize the proposed objectives within the European Union Agricultural Policy, it becomes necessary to take financial and organizational efforts, legislative actions and also changes the attitudes and mentalities of the agricultural producers and consumers.

The successive reforms of the Common Agricultural Policy, especially those after 2003, have improved the competitiveness and sustainable development of agriculture within the European Union.

Romania, a country recently integrated in the European Union has got various particularities of the sustainable development in the farming sector, concerning poverty in the countryside, scarcity of productive technologies, practicing subsistence agriculture, excessively cutting of the farm land estate. In the same time, there are also some advantages concerning the old traditions of Romanian rural economy, which are based on the ecological technologies and the high productive potential of the agricultural lands. In this context, the experience of the European Union illustrates that organic agriculture (part of sustainable agriculture) was the most successful in the less favorite agricultural areas (Dabbert, 2004).

Depending mostly on the rural economy sector (10 % by GDP in 2006) (Romanian Yearbook, 2006), adopting sustainable practices within the Romanian agricultural holdings, could lead to an increase in Romanian economy competitiveness and also, the sustainable development of the rural space. But it is not very simple, most of the regions having a poor infrastructure and rural farming performs still in an extensive manner. However, in the last years, it could be observed that Romanian farming has accelerated dynamics of ones of the elements which express the orientation towards the sustainable agricultural principles and the agricultural holdings form their capacity to adapt their production technologies in order to obtain organic products according to European standards. The analysis of the main indicators allows suggesting some necessary actions for transforming the entire Romanian agriculture according to the European sustainable farming model.

The aim of the paper is to analyze how Romanian rural economy adjusts to the European agriculture policy from the perspective of sustainable development and to identify some concrete actions in order to implement the strategy for realizing this objective.

The paper is an integrant part of a research project developed by the "1 Decembrie 1918" University of Alba Iulia (Burja, 2007). *The research methods* used are: concept analysis of the scientific literature, comparative analysis during time and space.

Elements of the Common Agricultural Policy on sustainable farming

During the last decades, Europe has experienced a new manner in which production activities are organized and carried out, which has implied the adopting of a new economic and ecological vision at the regional level, but especially at the level of national economic operators who have a direct responsibility for the effects of their activities. The effort to include the environment into the economic development strategies, begun in the 1960s, and is nowadays an important necessity of any activity or sector.

Due to its specificity, agriculture is an activity which uses mostly natural resources and puts a great pressure on the environment. It is responsible for numerous kinds of pollution like: water pollution with nutrients, heavy metals (such Cu and Zn), use of chemical substances for soil fertilization; pollution of atmosphere by increasing NH₃ emission, through the intensive systems for animal breeding and irrigations; problems resulting from neglected agricultural sectors such as infrastructure degradation, abandoning lands, chemical and physical erosion of the lands; soil pollution and decrease of its productive capacity and lower water resources quality; destroying natural habitats through various works of soil improvement that are irrationally applied; practice of wide irrigation systems which contribute to strong soil erosion; affecting the landscapes and biodiversity by abandoning fields from economic reasons etc.

Initially, the Common Agriculture Policy (CAP) had as its main aim to impose the new European agricultural model in all the EU member states in order to create an adequate framework to implement very important economical and social objectives: food security, improvement of the work and living conditions in the rural areas, poverty eradication, and lowest prices of agriculture products. The intervention mechanisms used to maintain prices at a low level and to support farmers, have produced in the EU countries and not only, both favorable economic consequences and various adverse effects: overproductions, not optimum allocation of productive resources (only economic criteria), market mechanisms distortion, higher budgetary expenses,

negative effects on the environment. In these conditions, beginning with 1990s the CAP reform has been a continuously process which has aimed in principal, changing the agriculture towards a competitive sector which can perform in accordance with the market mechanisms.

Although, the actual policy promoted by CAP clearly formulates objectives which defines the essence of the new European agricultural model – reducing and controlling the environment level pollution –, the environment component of the Common Agricultural Policy became stringent only since 2003, at the same time with the long term review of CAP (EC 1782, 2003). With this occasion it was decided that aspects concerning environment protection, conservation, preventing pollution etc, are an integrant part of all community policies (not only in agricultural sector) an evaluation of the ecological impact of whole economic decisions being necessary.

Moving its tasks from direct producers subsidies (pillar I) to the aspects which concern integrated development of the rural economy and the environment protection (pillar II) CAP is in deeply accordance with the sustainable development principles formulated in the Lisbon Strategy (2000) and the Kyoto Protocol as well as with the international initiatives for a economic liberation indicated by World Trade Organization.

To the EU level, since 2005, CAP has gated new dimensions and began the fundamental transformation of rural development policy, referring to the 2007-2013 period. The goals of the Common Agricultural Policy reform concern in principal, *the agricultural sustainable development* by economic, social and environmental point of view.

Especially, important are the influences which the agricultural sector has had on the natural environment and its implications in the social and economic life of villages. The development of some viable rural areas and some communities with sustainable traits must be integrated in a large regional development vision. Including the own needs of villages in the territory arrangement strategy, will generate a diversification of activities in the agrarian sector and also, a diversification of all economic sectors in the rural area, with direct implications in life's quality. Under these circumstances, agriculture and territorial restructuring became important conditions for implementing sustainable development.

In the entire European Union, a general frame of Good Agricultural and Environment Conditions (GAEC) was created with common rules for all EU countries, according to which the EU states could define their own code for good practices of agriculture and environment, depending on the local conditions. The Common Agriculture Policy has obtained new dimensions, imposing through legislation and using cross-compliance, considerate the environment demands by the agricultural producers (eligibility condition for subsidies).

In order to obtain the direct payments according to a single subsidy scheme (from 2005 it replaced numerous forms of direct subsidies) EU legislation imposed a strict control of the consequences issue from agricultural activities on the environment to limit the pollution level and environment protection (EC 1689, 2005). The legislative demands related to the environment focus on wild fauna, flower and natural habitat preservation, water protection against pollution with dangerous substances and also, with nitrites resulted from agricultural sources. Sanctions for farmers were introduced if non-compliance with the GAEC standards starting with a 5 % decrease of their agricultural subsidy, up to the total exclusion from the subsidy program for several years.

In this context, the current European model of agriculture receives the principal features of the economic sustainable systems, in which the actions intend to keep or build the balance between social, economic and ecological aspects implied. The agriculture - environment relation will better express the characteristic traits of sustainable development. The essence of agricultural sustainable strategies consists in agro-environment measures and its implementation depends of agricultural practices change in every country of the EU, on the transformation of environment legislation, starting of rural development programs, and development of strategies to stimulate knowledge of the agricultural sustainable development area.

The Code of Good Agricultural and Environment Conditions in Romania

In Romania, the development of the sustainable rural economy is one of the strategic objectives of agriculture policy concerning the rural development and the possibility of adapting it to the demands of European agricultural policy. To the holdings level the modality of managing the resources reflects in practice, the economic reasonable and efficiency principle with taking into consideration its impact to the natural environment.

The implementation of the specific framework of the EU Common Agricultural Policy implied adopting the Code of Good Agricultural and Environment Conditions with follow the main objectives:

- fight against and prevent soil erosion: prohibit weeding crops (maize, sunflower, potatoes, sugar beet) on the arable lands that have an inclination more than 12 % or if slopes have still been cultivated, the GAEC indicates to cover the soils in the winter time with autumn cultures (wheat, barley) or with plants (clover, lucerne); the soil could be covered by natural vegetation, not ploughed after harvesting;
- preserve the uncultivated arable land in good conditions for production (no weeds, no undesired vegetation) cultivating plants, natural regeneration of grass;

- maintain grassland upkeep at a minimum level to avoid spreading of the weeds and unwished plants which are not good to feed animals (vegetation must be cut once a year or more times).

In the circumstances in which the framework of sustainable agriculture was finalized, the agricultural holdings will form their capacity to adapt their production technologies in order to obtain organic agricultural products according to European standards. An indirect effect of GAEC application in Romania is stimulating the gathering of small surfaces of farms, taken into consideration that the minimum dimension necessary of an agricultural holding (than as obtains sustainable features) eligible for support, is 1 ha for parcels more than 0.3 ha; in 2002 the farms with surfaces less than 1 ha occupied 86000 ha (Romanian Yearbook, 2006).

After the legislative framework for the development of organic agriculture was initiated (2000), the interest to convert the conventional practices of culture plant growing animals and processing products has increased towards organic agricultural ones, many organic agricultural producers associations being born: Agroecologia, Romanian Association for Sustainable Development, Bioterra, Society for Organic Agriculture, Ecorural.

Using the sustainable practices in Romanian agricultural holdings is not very simple. Most regions have a poor infrastructure, there is no domestic market for organic products where farmers could sell their products at better prices, the possibility of financing the agricultural exploitations investments are reduced and concerning this aspect, up until now it, the opportunities to stimulate sustainable development were the pre-accession SAPARD funds and beginning with 2007, the rural development funds specific of the EU Agricultural Policy are in operation.

The sustainable rural economy in Romania

A dynamic analysis of the main agricultural sector indicators points to the actual stage of farming in Romania (table 1 and 2).

Table 1 Agriculture in Romania

Indicators	2006
Rural population, % (2004)	46
Agricultural labor force, % (2004)	12
Fertilizers used, kg nutrs/ha (2003)	35
Tractors, number for 1000 ha arable surface (2003)	18
Import of agricultural products, million euro	2424,8
Export of agricultural products, million euro	854,0
Contribution of agriculture to GDP, %	10

Source: Romanian Statistical Yearbook 2006

Romanian agriculture is still an extensive sector of economy and it has very important tasks to produce the necessary means of living for a big part of population; almost 46 % of the inhabitants live in rural areas (Romanian Yearbook, 2006). The high percentage of labor force employed in agriculture can suggests the extensive feature of agriculture and using of those technologies that have big agricultural labor consumption, as so together with promoting the restructuring investments to realize organic practices, could be a chance for developing sustainable farming in Romania. Another unfavorable aspect is poor agriculture productivity; it ensures only a small part of agro food products that are necessary to the population. The value of total agricultural imports needs a big financial effort (2424.8 million euro) that is 3 times greater than agricultural exports and contributes to unbalance the country's payments balance. The high share of agriculture in GDP (10 %) shows an increasing dependence of economy on agricultural activities, that suggests also its outdated feature, the same indicator being in the majority of EU integrated countries much below 10 %: Czech Republic 3 %, Estonia 4 %, Hungary 4 %, Latvia 4 %, Lithuania 6 %, Poland 5 %, Bulgaria 9 %, Slovenia 3 %, Slovak Republic 3 %, Croatia 8 % (Eurostat Yearbook, 2006-07).

Table 2 Indicators of sustainable agriculture in Romania, 2000-2006

Indicators	2000	2006	2006/2000
Organic farms, number	-	3676	3676
Ecologic surface, ha	17400	170000	10
Number of cows in ecologic agriculture	2100	9900	5
Number of sheep in ecologic agriculture	1700	76100	45
Number of poultry in ecologic agriculture	-	7500	7500
Ecologic crops, thousand tons	13,5	131,9	10
Milk ecologic production, thousand hl	58,4	100,0	2
Apicultural ecologic products, to	-	600	600
Contribution of exports in entire ecologic production, %	-	95	-

Source: MAPDR; GAIN Report RO6023/2006 (processed dates)

In order to successfully implement organic agriculture in Romania, a very necessary phase is to stimulate the increase of ecological areas managed by agricultural producers. The legislative transformations that reinstated agricultural property resulted in numerous small agricultural holdings, which in proportion of 91.6 % from private arable soil have surfaces less than 5 ha and it represents only 54.5 % from the entire arable land (Crowder, Bull102). Compared to 35.1 ha which is the average dimension of ecological surfaces of EU-15 farmers, one could say that Romania is still at the beginning of organic agriculture.

The total surface cultivated in an ecological way is of 170000 ha and although it increased about 10 times since 2000, it represents only 1 percentage from the whole agricultural surface, while in EU-15 it counts for an average of 4 %. The largest area devoted to organic crops in 2004 was recorded in Italy (708000 hectares) and United Kingdom (635000 hectares). Other countries like Germany and Austria have extended agricultural areas under conversion (Rohner-Thielen, 2005, Eurostat Yearbook, 2006-07).

However, the efforts made by Romania in the last years to encourage sustainable agriculture development are highlighted by an accelerated dynamic of specific indicators. Nowadays, there are about 4000 farmers organized in a sustainable manner, situated mostly in Transylvania (Bioterra owns 67 % from total of organic farms and 6.8 % from total of ecological surfaces of Romania) whose interest in developing organic agriculture is the high percentage of their export production (95 %) and advantages of higher prices on foreign markets (GAIN Report, 2006). The small segment of population with higher incomes keeps the domestic organic market at a low level. We can notice the increase about 10 times of crop production obtained in organic system but specially, very accelerated dynamic of agricultural products which are most exclusively sold to exports.

Actions for implementing the sustainable farming strategy

In Romania, the implementation of the sustainable agriculture concept has taken important steps and has focused especially, to develop the rural economy and rural area. It aims to contribute to increase life quality and environment preservation by practicing a suitable management of natural resources. In the future, in Romania as an EU member country, a lot of actions are necessary to implement sustainable development strategy of the rural economy which refers to the economic, social and ecological aspects:

- create the sustainability of agricultural producers promoting the investments strategies in farms or in region in which they are will led to develop the sustainable agricultural practices, sustainability of agro food production, realizing the food security, increased the quality of life and rural sustainable development (storage facilities, agricultural equipments, irrigation systems, roads etc.);
- develop agro food industry, identify various effects that it produces in from the agricultural producer to the end user (added value must increase, evaluation of agro-economic impact of processors);
- expand the certification actions for the quality of agricultural products in order to protect consumers and in the mean time, stimulate the conversion of the traditional agricultural practices into organic agriculture ones. Presently in Romania there are 12 certification agencies for organic products (GAIN Report, 2006);
- stimulate the sustainable rural development policies whose implementation produces many effects in sustainable farms;
- improve European cooperation using institutional network and programs which refer to agro-economic or research activities;
- facilitate transfer of sustainable agricultural know-how and also, experience of this specific domain of some countries.

The decision of transforming the traditional agriculture towards the organic agriculture belongs of the farmers and it depends by the existence of the interest in exploring the alternatives to the current farming practices, also by the perspectives which organic agriculture has it (Lampkin et al, 1999). Implementing the EU new policy of rural economy in Romania now, stringently implies actions to some strategic directions.

First, the problem which has to be solved is the need of increased competitiveness of the rural economy. The restructuring of agricultural sector, absolutely indispensable for implementing the sustainable development of rural space, implies a permanent preoccupation for improvement of the economic performances of agricultural holdings, in the same time with introducing the environment protection measures and the social development measures in the rural areas. For realizing these objectives cost reducing measures have to be stimulated, the size of farms increased, sale techniques oriented towards the market promoted, investments in material and human capital, use less polluting technologies. Obtaining quality and ecological products which have a certain market on the Western European market could be the best way for increasing competitiveness (Crowder, Bull 102).

The growth of life quality in the rural space and the stimulation of economic diversification of activities are also requirements for adapting the Romanian rural economy to the European agriculture model. The investments concern the development of extended rural economy through creating and improving infrastructure, renewing and developing villages, protect and preserve the rural patrimony. Realizing an attractive rural space - in that sense, the local development strategies will have an important role -, could promote rural economy sustainable development.

Professional training of local labor force is very important, people like active production factor, could contribute to modify the conventional agricultural structures into ecological structures or diversify the activities in the rural areas.

Intensively preoccupations to implement the EU agricultural principles will generate various advantages which in fact represent the sustainable development concept philosophy, that means, obtaining the productive systems which are economically efficient, acceptable socially and not aggressive for the environment.

The debates of the specific literature reveal that only organic farming practiced in a sustainable system can offer the solutions for a lot of problems of the rural space, like natural environment protection, employment, obtaining incomes, product quality (Semos, 2002). In this context, the European model of agriculture became a necessary condition for better management of all resources and Romania has extended its structural transformations on this line. Maintaining efficient, competitive and sustainable farm systems will remain one of the key objectives of EU agricultural policy and influencing Romanian farm production is only part of the overall challenge of the countryside management. Environmental standards, conservation objectives and the requirements of the rural population will also need to be taken into account for contributing to develop an integrated countryside policy, which combines agricultural and environmental objectives.

Conclusions

The presented analysis within the paper demonstrates the necessity and the opportunity of the sustainable development of the Romanian rural economy, that being an important direction to adapt it to the Common Agricultural Policy requirements. In the meantime, the sustainable development of the rural economy constitutes a modality of increasing the Romanian agriculture competitiveness on European Union market and also, a direction for sustainable development of the rural space.

The actual situation of the Romanian rural economy does not correspond to the sustainable farming demands but the efforts made in the last years indicate the farmers preoccupies in this sense.

The needed actions for implementing the sustainable development of the agriculture sector are related to the complex objectives which concern promoting the ecological farming technologies, perfection the production structures, improving the professional training of the labor force, growing the life's quality in the countryside. All these have to represent options of the producers, integrated in an adequate farming policy.

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Summary

One of the major objectives of the Common Agricultural Policy is the sustainable development of the agricultural sector and of the rural area. Romania, as a country recent integrated in the European Union, has to pass an adapting process to the CAP, in order to achieve sustainable farming development.

The analysis presented in the paper refers to the actual development stage of the sustainable agriculture in Romania and demonstrates the important efforts made on this line, also the very necessary actions for implementing the sustainable development strategy of the rural economy. Realizing this objective is a real chance for Romanian agriculture in order to increase the competitiveness on the EU market, valorizing in this manner its agricultural potential.

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