



DOI 10.2478/sbe-2018-0026

SBE no. 13(2) 2018

DURABLE RURAL DEVELOPMENT THROUGH THE 2014 - 2020 NATIONAL RURAL DEVELOPMENT PROGRAM

LUCIAN Paul

Lucian Blaga University of Sibiu, Romania

Abstract:

Rural Development Policy is a priority for the E.U., as half of the Union's population lives in rural areas. This policy is focused on society's durable development, under all its aspects: economic, social, cultural, and so on. The challenges which rural areas of member states face must be addressed, while at the same time applying European norms and standards for rural development. After Romania became a part of the E.U., rural areas here were supported through several national rural development programs, so as to create a durable and sustainable rural economy. Major changes are required to achieve this kind of development, such as replacing old agricultural structures, modernizing the village, while at the same time maintaining cultural and local identity. Rural areas in Romania are often affected by natural disasters. During the last 17 years, national rural development programs implied contracts worth billions of Euros. For instance, through the 2020 NRDP, a budget of 9.5 billion Euros was allocated, 8.1 billion Euros coming from E.U. funding and 1.34 billion Euros as national co-financing. At the moment, Romania's absorption degree for the 2020 NRDP is of 20% and is expected to surpass 50% by 2020. Another regional program includes the concept of Spatial Development - Romania - 2025. Spatial planning supports the avoidance of rural dispersion. The betterment of infrastructure is supported, such as access roads, expanding base utilities, consolidated works to prevent flooding or landslides, and so on.

Key words: *Rural Areas, Durable Development, Direct Payments, Financial Support, Spatial Planning*

1. Introduction

At the moment, the Common Agricultural Policy (CAP) is built around two major pillars: Common Market Organizations and Rural Development. Current CAP reforms support the supplementation of financial resources for rural development, based on reducing direct payments or by transferring resources from the first pillar to the second one.

Romania's Rural Development Program includes a budget of 9.5 billion Euros for 2014 - 2020, with 8.1 billion Euros coming from the E.U., 112.3 million coming from transfers from direct payments from the CAP and 1.34 billion Euros coming from national funds.

An element of the CAP reform consists of eliminating the link between production and direct payments, which will be replaced by a unique form of assistance, per individual farm, so as to support small farmers. These measures highlight the fact that the CAP's weigh within the E.U. budget was reduced from $\frac{2}{3}$, as it was initially, to less than half. Under Romania's presidency and the supervision of the E.U. Council, CAP financing is expected to become a priority again, along with the Cohesion Policy.

In a paradoxical manner, the reduction of E.U.'s financial assistance paves the way for an expansion of CAP objectives, namely: increased product quality, food safety, environmental quality and rural development. Individual producers must respect minimal environmental standards, so as to gain financial support. These standards include food safety, plant and animal health and well being, and keeping harvesting fields in proper functioning conditions.

The Rural Development Policy is a priority of the European Union, considering half of the E.U.'s population lives in rural areas and occupies 91% of all European territories. In Romania's case, 87% of the country's total area consists of rural areas, 57% of which consists of agricultural areas and 30% of which consist of forest areas, and the rural population accounts for 45% of the country's total population. As such, rural development is a priority for Romania as well as for other member states.

The E.U.'s Rural Development Policy implies finding solutions to the challenges which rural areas face, namely: a lack of competitiveness for businesses which are active in livestock or forestry; a low per capita income as compared to urban areas; poorly developed services sector; poorly developed rural infrastructure; considerable disparities in the European Rural Space regarding local, unmodernized roads; insufficient water networks; inexistent sewerage and water treatment network; rural areas affected by natural disasters and so on.

Due to these challenges, common objectives to develop rural areas have been formulated across member states. These common objectives are: increasing the quality of agricultural harvesting, the guaranteed quality of agricultural goods, the stability of farmer income, environmental protection, the development of additional activities which generate jobs, the increase of the quality of life in rural areas.

The current E.U. Development Policy focuses on the durable development of today's society.

Before Romania became a part of the European Union, measures were undertaken to ensure the targets agreed upon within the U.N. concerning the global and durable developments have been met. One of the main elements of durable development which is included in the Rural Development Strategy is the preparation against natural disasters, considering Romania consistently registers huge material losses as a result of prolonged drought or floods.

2. Materials and Method

The first method of research consists of analysing the existing literature, built of European and national strategies, regarding durable and rural development. We have studied the U.N. Framework Convention on Climate Change, as this is a global issue. Also, we analyzed the national programs concerning rural development, both for 2007 - 2014 and 2014 - 2020. To complete the study, we also researched European and national laws and regulations in this field. Another research method was comparison, with the purpose of finding new elements introduced in the implementation of rural development measures.

3. Discussions and Results

The main objective of durable development is the quality of life for the inhabitants of both cities and rural areas. On a European level, there is a set of economic indicators which place rural areas in Romania on an inferior level when compared to the majority of E.U. member states. The most important indicators are the structure of agricultural property; access to drinking water and sewerage, transport infrastructure, resource consumption as a part of GDP and the quality of professional training, among others.

Concerning the structure of agricultural property in Romania, an in-depth analysis reveals it is polarized, meaning 7% of total agricultural holdings manage over 70% of the total available area, whereas the remaining 93% manage just over 30% of the total available agricultural areas. The latter includes subsistence and semi-subsistence farms, each of which have a total area of less than 5 ha. Another challenge which rural areas are facing is the ageing population crisis and the depopulation of villages. The remaining, ageing population practices an agriculture which is poorly mechanized, full of chemicals and with few irrigation systems in place. It consumes energy and resources, which in turn exhaust the fields.

All developed economies excessively use natural, energy, material and informational resources; these destroy the environment through pollution. Considering this, accent is currently placed on the rational use of available natural and energy resources.

Another fundamental objective pursued by the Durable Development Strategy is the increase of GDP in such areas by at least 6.5% per year, by 2025. This can be achieved through an important investment effort, supported by high efficiency and a low usage of primary energy.

We believe major changes in rural areas are required to boost GDP output. For instance, replacing ageing agricultural structures, renewing production practices, modernizing the Romanian village while keeping its local and cultural identity alive. A sustainable growth is defined by the average rates of GDP evolution by 2030, as the National Strategy for Durable Development mentions. Moreover, this involves the implementation of an economic policy which must be in accordance with the objective agreed upon through the Lisbon Strategy and the Europe 2020 Strategy.

The national objective implying GDP output by 2030 refers to completely adapting Communitarian practices concerning agriculture, forestry and finalizing the restructuring of rural areas. This is why it is essential to involve local communities in greening and conservation actions, along with involving them in protecting historically relevant monuments. At the same time, it is critical to involve young people in productive activities within rural areas, to eliminate poverty and migration towards urban areas.

Rural areas are the most affected by climate change, which pollutes the air, water, soil, reduces forest size through chaotic clearings, the extinction of an important number of plants and animals and the exhaustion of non regenerable energy sources. These elements impact people's lives.

Another challenge which influences the quality of life in rural areas are the colossal damages caused by floods or droughts. The amount of rain which fell in a single day was estimated to be of 100 liters per square meter, however, this amount has not been measured because there are no measuring equipments, either at Regional Weather Centers or at the Romanian Waters Agency. These damages are permanently produced in the same rural areas. Considering this, county roads are affected, as well as forestry bridges, ditches, houses, gardens and household annexes. These damages must always be paid for from one's own resources.

Non-reimbursable E.U. and Government funds are granted through the National Rural Development Program 2014 - 2020, to assist in the social and economic development of rural areas. This program answers 3 rural development challenges set forth through the Partnership Agreement, namely: competitiveness and local development; people and society; resources.

This Program supports the strategic development of rural areas by approaching three objectives: Strategic Objective 1 - Restructuring and growing the viability of agricultural holdings, Strategic Objective 2 - Durable management of natural resources and combating climate changes and Strategic Objective 3 - Diversifying economic activities, creating jobs, improving the infrastructure, creating jobs and boosting infrastructure and services by growing the quality of life in rural areas.

The NRDP finances the following categories of intervention through its Strategic Objective 1: the establishment, expansion and modernization of farms, investments in processing and commercialization, including energy efficiency, marketing, warehousing, conditioning, standard adaptation, support for restructuring farms, particularly small ones, managing risks within the sector, formation and counselling activities, including those conducted through producer groups.

The Program will also finance the following activities through its Strategic Objective 2: actions of afforestation for agricultural and non-agricultural holdings, as well as the creation of forest curtains, compensation payments for farmers who willingly accept afforestation, compensation payments for farmers who volunteer in adopting and maintaining practices in line with ecologic agriculture, compensation payments for farmers who accept to continue their activity in areas designated as being with natural constraints or other specific constraints.

Lastly, the Program will also finance the following activities through its Strategic Objective 3: support for the development of non-agricultural, small enterprises operating in rural areas, improving the local infrastructure, educational, social and medical infrastructure, restoring and conserving cultural heritage, support for locally generated strategies which ensure an integrated approach towards local development.

The three strategic objectives contain various categories of intervention for rural areas, which follow risk management, natural constraints, repairing the local infrastructure, integrated approaches for local development, without exactly mentioning the need for investments to prevent and diminish the huge losses as a result of floods and droughts, which constantly occur in the same rural areas. For such interventions, a portfolio of projects has to be built, including analyses, professionally built pre-feasibility and feasibility studies which should gain the support of decisional factors within rural communities and for the absorption of non-reimbursable E.U. funds, but also investments from additional funds. The documents for such projects have to be written by landscaping specialists who should track the spatial development of villages, so as to remove the negative damage which natural disasters produce.

Landscaping and spatial planning are durable development tools for rural areas. The modernization and durable development of rural areas involves the active and responsible involvement of central and local public institutions, of the private sector, of professional associations, social partners and the local community.

Moreover, a special legislative and technical framework is required for rural areas which come under specific risks. This framework must be written by landscaping and spatial planning specialists, and could include moving human settlements from the base of mountains from which flowing waters could cause floods or households which are situated close to river beds and thus, prone to being flooded, as well as peasant households which are situated on slopes where landslides could occur. At an European level, territorial cohesion involves the alignment of all territories to the necessities of durable development, so as to remove dysfunctionalities and disparities among different rural areas. For such areas, often affected by natural disasters, strategic development plans are required. These plans must be actualized according to principles of integrated and sustainable development for rural areas. Also, it must be considered that rural areas must be polarized around urban centers, so as to boost the degree of accessibility for the rural population in those areas to quality medical, social and educational services.

4. Conclusions

Rural development occupies an important role in the economic and social areas of both Romania and the European Union. Since 2000 up to the current moment, investments made with E.U. financing contributed to the growth of agricultural production, modernized infrastructure in villages and increased the quality of life for the rural population. Over 120,000 contracts were signed through development programs,

worth over 9.5 Billion Euros. Over 8,700 km of communal roads were rehabilitated, rural infrastructure was developed, sewerage, for the benefit of 6.2 million inhabitants. Also, over 68.000 farmers, of which 13.000 were young farmers, benefited from these funds. Between 2015 and 2018, 44.062 projects were submitted, tallying over 6.98 billion Euros; 23.368 projects, tallying up 3.38 billion Euros, were selected for financing. Up to this moment, 35% of this amount was absorbed, and the percentage is estimated to reach over 50%. The fundamental objective of the program is to provide subsidies.

For this year, the effort to pay subsidies is 2.7 billion Euros, money which will be recovered from the European Commission. The projects which were submitted must be evaluated, selected and submitted for approval by the 2020 NRDP Monitoring Committee. Members of the European Commission will attend the Committee's meetings. At the moment, over 1.921 requests for financing are submitted, tallying up over 1.9 billion Euros. These funds involve the rehabilitation of road, educational and social infrastructure. All these projects will improve the quality of life, thus reducing the departures of young people, a real problem considering the almost total depopulation of some villages or areas.

We believe these investments are essential, not only to improve working and living conditions, but also to eliminate the damages done by flooding and other natural disasters in rural areas.

5. References

- Andrei, L.C. (2011), *European Economy*, Economic Publisher, Bucharest
- European Commission (2015), *Young farmers and the CAP*. Brussels: Publications Office of the European Union
- EU Regulation nr.1307 / 17.12.2013
- Feher, A., Gosa V., Stanciu, S.M., Raicov, M., Pentea, O.A. (2012), *Rural development financing. The new E.U. Multiannual Financial Framework 2014-2020*, *Lucrări științifice Management Agricol*, Seria I, vol. XIV(3), pp. 299-304, ISSN: 1453- 1410
- National Rural Development Programme for the 2014 – 2020 ... - MADR www.madr.ro/...rurala/programare-2014-2020/PNDR_2014_EN_-_2020_01.07.2014
- Otiman, P.I. coord., (2006) *Sustainable Rural Development in Romania*, Romanian Academy Publisher, Bucharest
- Otiman P.I., Gosa, V. et al. (2013) *National Rural Strategic Framework*, Romanian Academy Publisher, Bucharest
- Otiman P.I., Toderoiu F., Sima E., (2014) *Durable Development of agricultural economy and of the rural space. Evaluations and strategic directions*, Romanian Academy Publishing House, Bucharest
- Popescu Ion A., Bondrea A.A., Constantinescu M.I. (2005) *Sustainable development*, Economic Publisher, Bucharest
- Rural development 2014-2020 | Agriculture and rural development https://ec.europa.eu/agriculture/rural-development-2014-2020_en
- Rural development 2014-2020: Country files | Agricultură și dezvoltare ... <https://ec.europa.eu> › ... › Dezvoltare rurală 2014-2020
- www.madr.ro - online support of the Ministry of Agriculture and Rural Development.