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Economy in Romania and the Need for Optimization of Agricultural Production Structures
Introduction

To identify solutions meant to value the agricultural potential under optimal conditions as one of the fundamental issues in emphasizing the role of agriculture in the context of national economy by means of improving the results in this field and enhancing stability, predictability and sustainability of agricultural production.

In order to set and carry out a plan for vegetal agricultural production it is necessary to take into account a series of various endogenous and exogenous factors that production depends on, such as the availability and structure of land, crop plans and rotation, the capital and willingness to invest money, the labor force, the demand and supply for agricultural products, the environmental conditions, and not at least the production costs.

Valuing the potential of Romanian agriculture involves a comprehensive effort to develop coherent and perspective strategies by which to identify factors that may contribute to the sustainable development of this sector. Romania’s integration in the European Economic Area and its adaptation to the subsequent changing demands imply a redefinition of the entire national agricultural sector, but also the ways and means to exploit the available agricultural potential by referencing the appropriate national food policies to Common Agricultural Policy (CAP).

It is necessary to understand the current realities through which the CAP transforms itself, in the last time, in the object of political negotiations between the old and new members, assisting in a reorientation of its agricultural production to rural development, mutation that obviously not all members benefit especially the new states that have a significant, but weak and not adequately capitalized agricultural sector.

Agriculture is a vital sector of the national economy with wide influences on macroeconomic outcomes, contributing significantly to Gross Domestic Product (GDP) and Gross Value Added (GVA), while being a potential source of improbability value of these macroeconomic indicators.

Development of agriculture, over the 23 years of transition has highlighted the major role it has in the national economy, both in terms of contribution to the GDP, but by high levels of self-consumption. Evolution
of agricultural GDP reflects statistical reality specific to transition process, the high proportion of this is not based on sustainable growth in agricultural production, but rather sharp decline and collapse of other sectors. Sizing artificial agricultural GDP share defines a specific reality of the Romanian economy, a disarticulation of economic sectors, and agriculture is a strong resonance box of instabilities generated by the mechanisms of formation the GVA in the economy.

Significant reduction in the contribution of agriculture to GDP over the analyzed period is the result of a lack of agricultural policies articulated, characterized largely by the dissolution of agricultural production structure and reduced accumulations in agriculture based on the lack of investment and inadequate use of available capital in this sector. In this respect, the share of agriculture in capital investment in fixed assets is significantly below the level of its contribution to GDP. Assessment of the contribution of agriculture to GDP in the Romanian economy is the result of significant failures of macroeconomic statistics. In fact, we can say that the role of agriculture in achieving GDP is somewhat flawed, and its contribution is far superior level highlighted, even if we take into account the evolution of the share of consumption of agricultural products from own resources, the monthly expenditure of households rural households and the farmers in particular.

Agriculture is the main activity in the rural communities of Romania, representing the only source of livelihood for a significant proportion of the rural population.

The transition to a market economy in Romania and implementation of strategies emphasized the sector reform and downsized national agricultural sector, contributing significantly to the creation and accentuation of serious economic and social imbalances that rural areas had either corrected or absorbed them.

Agriculture significantly transformed under the pressure of reform effects from a significant economic sector in a social shock absorber or rather a safety net for people in rural communities has faced with high unemployment and increased migratory flows from de-industrialized urban areas.

The observed effect represents a significant increase in the degree of ruralization trend. Although this level tends to stabilize in the last period,
the share of rural population in total population in not the same of 44.9% after 2007, the value confirms not only the ruralism stressed of the Romanian society, but a distancing from the European socio-economic model.

Agriculture is equally an alternative employment of labor available in the economy, if we take into account that we find about 30% of the country’s working population in agriculture. Increasing the use of available labor in the agricultural production mechanism can actively contribute not only to improve the living standards of rural communities, but to reduce urban-rural disparities in Romania.

Equally, agriculture is the main element in supporting self-consumption and subsistence population, ensuring a minimum and precarious level of food security. Agricultural production is mostly geared towards meeting their needs for households and not for sharing and recovery in the market, such as is natural for a functioning market economy. Increasing proportions of counter food consumption highlights the precariousness of the stability and sustainability of the Romanian economy as a whole. Share equivalent value of agricultural products from own resources monthly expenditure of households is doubled by the share of agriculture participation to GDP, which is specific to other European economies in the eighteenth and nineteenth centuries.

Romanian agriculture, despite its economic potential above the average community space, continues to be one of subsistence, low-efficiency that cannot meet the guidelines of convergence with the European agricultural model, distinguishing some incompatibility to it.

Agriculture is a fundamental economic sector in the national economy through the high potential of the resources available in terms of agricultural land, population and traditions of rural communities.

Romanian agriculture is facing a strong systemic imbalance and recent developments in the sector, complemented by price instability and identity crisis of production structures, and scarce use of resources.

Although, according to European statistics, agriculture has significant potential (on average approx. 0.41 ha/capita of arable land compared to the European average of 0.212 ha/capita, superior to some countries United Kingdom 0.10 ha/capita, France 0.29 ha/capita, Germany 0.14 ha/capita and Poland 0.30 ha/capita), Romanian agriculture results are modest compared to those registered in the Community.
Lack of high performance in Romanian agriculture is due to a combination of factors, among which we can mention:

- High dependence on natural conditions (rainfall) due to destruction of the irrigation system functionality (in 2011 were only 3.2% irrigated surfaces of total area arranged for irrigation); Poor fitting of equipment and the use of outdated production technologies;
- Allocating insufficient, ineffective and discretionary financial resources without selecting priorities, targets etc.

It can be argued that subsistence agriculture in Romania is a modus vivendi not only for farms, but for the economy, which deepened the gap to the European agricultural model, which is open to market.