

SUMMARY

of the doctoral thesis “ RESEARCHES REGARDING THE COMMUNITY IMPLICATIONS CONCERNING THE ROMANIAN AGRICULTURE IN THE CONTEXT OF EUROPEAN ECONOMIC INTEGRATION” elaborated by BRÎNARU AURELIA IOANA under the supervision of Univ. prof. Dr. DONA ION

Key words: agriculture, systems’ and mechanisms of support, CAP, instruments, Community financial allocations, European funds absorption, The *European Agricultural Guarantee Fund* (EAGF), The European Agricultural Fund for Rural Development (EAFRD), the National Rural Development Programme (NRDP), Measure 121, the performances of the agricultural exploitations, technical efficiency

The theme of the financial support mechanisms for the Romanian agriculture, in its capacity as a Member State since 2007, is very important in the effort our country to become competitive on the European agricultural market. The particularities of the Romanian agriculture are almost the same as in the pre-accession (divided agricultural structures, low technical and economic yields, old technical equipment, etc.), and the main question is whether the Community support mechanisms are leading to the increasing of the performances of the Romanian agricultural exploitations or are, still, measures for mere survival of them on the market.

Looking at the level of the Romanian agriculture, the funds allocated starting with the year 2002 have not achieved their goal. The majority of the subsidies were guided to the big exploitations and had the role of social protection for millions of subsistence exploitations. The problems that rose during time about the payment of subsidies to the Romanian agriculture were many: the subvention for raw matter raised the prices; the subvention of interests for equipment purchasing were limited and low; the subvention on the product was an advantage for the big producers; the support for every ha for those who had more than 5 ha had a social role, etc.. Apart from this, the lack of viable ways for the market making had the impact of a breakdown in the culture basins for some products (tobacco, sugar beets) and the rise of auto consumption.

In the pre-accession period the support mechanisms were made out of: direct support from the state budget for producers with less than 5 ha; support for the production of market production; vouchers from the state budget for input (seeds, chemical fertilizers, pesticides, oil); buying; payment schemes on animal species; the “Farmer” Programme establishment, etc.. The most important thing is that the majority of the measures were orientated to the formation of the commercial and family farms, yet all the measures to maintain the production capacity, culture creation, and support for the production of market production had no clear targets regarding productivity and competition, which lead to failure in achieving the restructuration of the Romanian agriculture.

Since the year 2007 we apply the mechanisms of support of the European Union, granted by Pillar I and Pillar II. The market measures and the support for rural development have become the main elements of support for the agriculture. After seven year of implementation, the agriculture in Romania has yet acute structural problems. The reduced dimensions of the exploitations prevent their development, without any support from national level policies, having difficulties in accessing credits. Since the majority of the agricultural exploitation are supporting themselves through the diversity of activities and with the help of the subsidies, we cannot speak of a sustainable economic growth, which is reflected in the high expenditures for the imports of food and in the high percentage of the imported food in the food consumption at the national level. We still have difficulties in the creation of middle size family, exploitations, which should be the backbone of the commercial sector of agriculture, being this way closer to the European Union exploitation structures. In this context, the theme of agricultural support mechanisms is a complex one, the quantification of the effects of these mechanisms on agriculture being very difficult.

This PhD thesis emphasizes a series of instruments of evaluation of the implications of Community support at the macro and micro level, capable of presenting an aggregate view on the influences, direct and indirect, that have resulted from the process of accessing European funds.

In this context, the PhD thesis “Researches regarding the Community implications concerning the Romanian agriculture in the context of the European economic integration” aims to identify the implications of Community support on the results, performances and technical efficiency of agricultural exploitations in Romania, especially in Sud-Muntenia Region. The results obtained are at the basis of understanding the way in which the Community financial support has an impact at the macro and micro levels on the performances of every sector and allow for the identification of the way in which the support needs to be orientated so it can lead to a long-term development of the Romanian agriculture.

In order to achieve this aim, the main objectives of the thesis were: evaluation of systems and mechanisms of Community support at European and national levels; analysis of the evolution of the Romanian agriculture during 2007-2013, including the allocations of fund through CAP (Pillar I and Pillar II during 2008-2014; analysis of the performances of the agricultural exploitations at the national and regional level and on exploitations typologies based on RICA data (during 2007-2012); analysis of the evolution of agriculture in the Sud-Muntenia Region during 2007-2013, including the allocations of funds from CAP (Pillar I and Pillar II) during 2008-2014, analysis of the performances of the agricultural exploitations from Sud-Muntenia region on exploitation typologies based on RICA data (during 2007-2012); analysis of the support mechanisms of Pillar I on the agricultural exploitations results through evaluation of the effect of changing the subvention over the inequality of revenue

distribution at regional level and on exploitations typologies; analysis of the support mechanisms of Pillar II on the performances of agricultural exploitations by doing nine case studies of evaluation the evolution of the results and financial and economic performances indicators with and without project during 2005-2014, by setting the correlation between the financial support and the result and performance indicators and by evaluating the technical and scale efficiency of exploitation, taken as case studies in the context of Community subsidies.

In order to achieve this aims, the PhD thesis has the following structure:

Chapter 1, titled: „General approaches regarding the Community support of the agriculture,, was realized mainly by using the theoretic and legislative approach of the Community systems and mechanisms. The research on the bibliographic sources has been focused on the period before the accession of Romania in the European Union, on the provisions between 2007-2003 and the recommendations for the 2014-2020. For understanding the European support system comparative analysis with other support mechanism around the world have been made. The second part of the Chapter is focused on the working and implementation of European support mechanisms and instruments in our country before accession and during 2007-2013 (Pillar I and Pillar II).

Chapter 2, titled „The Research Methodology concerning the Community implications over the Romanian Agriculture” emphasizes the scope, the objectives, the sources, the methods and the indicators used. In this research we used the methods of analysis, synthesis and statistic processing specific to the structural and in dynamic analysis, especially the statistic-economic analysis. The chapter presents: the indicators used for evaluating the evolution of agriculture; the indicators used for evaluating the allocation and the form of Community support; statistical methods for evaluating the influence of the mechanism of Pillar I and Pillar II of CAP on the performances of agricultural exploitations.

The research methods applied in this thesis are specific methods of research of the efficiency of agricultural exploitations, meant to emphasize the phenomenon's from the analyzed field: statistical research methods (collecting and processing quantitative data); methods of evaluation (quantitative and qualitative determinations using as instruments deduction, induction, comparison and statistics calculus); methods of calculation specific to the descriptive statistics; econometric methods (Gini, regression and non-parametric functions DEA-data envelopment analysis)

Chapter 3, titled: „The analysis of the Romanian agriculture within the period 2007-2013,, consists of an analysis at a macroeconomic level of the evolution of the Romanian agriculture within the period 2007-2013, an analysis of the financial allocations within the period 2008 – 2014 and a micro-economic analysis of the economic performances of Romanian agricultural exploitations within the period 2007 - 2012 (RICA).

The macroeconomic analysis shows the role and place of the agriculture in the national economy, focusing on the evolution of main indicators concerning the agricultural real estate, agricultural production, technical equipment and human resources in agriculture, as well as aspects linked to agro environment. The analysis of financial allocations shows the evolution of Community support on type of measures, calculating the projects, the sums and the result indicators. Also, a comparative analysis was made at the level of NRDP measures (Pillar II) with estimated realization and result ex- indicators for each measure in order to show the achievement of envisaged targets, especially in Measure 121. The analysis of performances of agricultural exploitations, based on RICA data, shows the efficiency and the distribution of subsidies at a national level, as well as regional one, on exploitation typologies (classified by standard value, type of agriculture and the degree of specialization).

Chapter 4, titled „Sud-Muntenia Region Analysis” contains the regional level analysis of the evolution of agriculture during 2007-2013, the analysis of the financial allocations during 2008-2014 for the region and member counties, as well as the analysis of the economic performances of agricultural exploitations in this region during 2007-2012. This chapter analyses in the beginning the main indicators of the evolution of agriculture at the regional level such as: gross added value in agriculture, the cultivated surface, the irrigated surface, the value of the obtained production, etc. As concerns the Community support here are presented the elements of financial execution at the regional level and on component axis, as well as the situation of financing requests based on Measure 121. The support mechanisms are also analyzed at the regional level and based on RICA data, strongly connected with the evolution of profitability of agricultural exploitation with or without subsidies.

In Chapter 5, titled „The Analysis of Community implications on agriculture in Sud-Muntenia Region” was realized, on a macro and on a micro regional level, the evaluation of the influence of Community support mechanisms on the performances of agricultural exploitations.

At the regional level, an evaluation of Gini coefficient was realized on categories of exploitations, by identifying the level of inequality of revenue distribution and, on the other hand, was realized a decomposition by statistical methods of the revenues from agricultural exploitation on sources of revenue. This analysis allowed us to see the influence of the modification of the sources of revenue (especially subsidies) on the modifications of inequality of the revenue distribution and to show the importance of subvention allocated through Pillar I to the revenues. Apart from that, it allowed us to show the contradictory comportment, leading to the raise in in the inequalities between farms of different dimensions, but reducing the differences between farm form different sectors of activity or specialized on certain products.

The implications of accessing NRDP 2007 - 2013 funds on the performances of agricultural exploitations was shown through the evaluation at the level of case studies of the economic and financial efficiency and technical efficiency in the post-project period, in comparison with the year of the request deposition. The analysis had shown the pressure of the fund accession on the general activity of agricultural exploitations, especially on financial performances, most of the farm taken as case studies seeing a drop in financial profitability. As well, a drop of technical efficiency was observed (the capacity to transform inputs into outputs) of the activity of exploitation and of the general activity, especially in the big farms.

Chapter 6, titled „Conclusions and recommendations” presents in an abbreviated form different aspects of the researches done and the elements proposed to evaluate the implications of the Community mechanisms on the Romanian agriculture.