THE ADHESION CHALLENGE FOR ROMANIA RURAL ECONOMY

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SUMMARY

The year 2007, the data for Romania adhesion to European Union is coming quickly and the country has to adapt rapidly the rural economy to may integrate in the internal market of European Union and to adopt integrally the Common Agricultural Politics (CAP). The adhesion to EU is probably the most powerful pressing factor for rapid reforming of agriculture and Romanian rural economy, because of the necessity of integrating successfully in European rural economy.

The European agriculture model is based on a competitive sector and market oriented, also completing other public functions, as environment protection, offering residential settlements more convenient for population, as well as the agriculture integration with silviculture.

CAP is moving the accent from the direct accorded subventions to agriculture (I pillar of CAP) towards the integrated development of rural economy and towards the environment protection (II pillar of CAP).

Romanian rural economy is mostly dominated by agriculture, which predominant feature is the very high percent of subsistent farms, which are producing principally for self-consumption selling on market only marginally. Because of the agricultural sector dominance, the rural economy remains very low integrated in market economy. As a plus, the subsistent farms have very heavy access to other incomes sources and, for that, the wellbeing of a significant part of rural population depends considerably on profitability level of farms.

In the whole transition period, the agriculture played a very important social role, acting as an occupational buffer against the social-economic effects of transition, absorbing an important part of labor force dismissed by urban industries, but this social role condemned the agriculture to stagnancy, low performance and profitability, leading this way to increasing the poverty level in rural areas.

The actual situation of Romanian agriculture with low incomes and a significant contribution of agriculture to GIP (Gross Internal Product), inconveniences the achieving of a real convergence and the successful integration of Romanian economy into the Western one.

The efforts to consolidate the social and economic life in rural areas of Romania will be criteria which influences the political success of extension process, with implications not only for Romania, but also for the enlarged Europe.

BIBLIOGRAPHY