

## STRATEGIES FOR SUSTAINABLE RURAL DEVELOPMENT OF THE NORTH-EAST REGION OF ROMANIA

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### Abstract

The paper aims to identify how to approach sustainable development in regional development strategies, having as a case study the North-East Region, and to evaluate how to implement strategic objectives, at regional and rural level. The document aims to identify new strategic proposals to ensure the sustainable development of rural areas, using a system of specific, quantifiable and representative indicators that allow, through econometric analysis, the evaluation of results and the projection of sustainable development developments. The approach of sustainable development and rural development in a strategic context had above all a theoretical character, the analysis being oriented towards: the delimitation of the different conceptual aspects regarding the sustainable development and the strategies of sustainable development; addressing rural development from sustainable development; regulations on sustainable development at global, European and national level, etc. The paper thus highlights, starting from the analysis of regional development strategies of the Northeast Region, solutions to improve the process of strategic implementation of development objectives, by providing viable tools for monitoring development, sustainable development at regional and rural level, eliminating their trends disproportionate. The target indicators proposed by this document and their justification allow such a realistic and accurate estimation of the strategic implementation and the measurement of the impact of the strategic objectives. At European level, concerns about incorporating the principles of sustainable development into Member States' development strategies emerged with Agenda 21, but the approach was fragmented and policy implementation was inconsistent in trade, investment, technology and sustainable development.

**Key words:** strategies, agricultural structures, development, sustainable

The aim of the paper is to identify how to approach sustainable development in regional development strategies, studying North East study and assessing how to implement strategic objectives at regional and rural level. The paper aims at identifying new strategic proposals for ensuring a sustainable development of rural areas by using a specific, measurable and representative system of indicators, allowing the econometric analysis to evaluate the results and the prognosis of the evolution of the sustainable development phenomenon.

The purpose of the paper is focus on highlighting the logic of strategic intervention by capturing priorities, strategic objectives, results and impacts. The analysis allows identifying the interconnection of the strategic objectives with the national sustainable development objectives and to identify the result indicators related to the strategic objectives needed to monitor the implementation of the strategies, all based on the different methodologies for the implementation of the two evaluation strategies.

### MATERIAL AND METHOD

In the research has used to traditional research methods and techniques: analysis of scientific literature, statistical data analysis, database use, surveys, polls, measurement techniques used in marketing research (semantic differential, Likert's scale, correlation method ranks, and so on). Data processing methods were used for statistical analysis and graphics.

### RESULTS AND DISCUSSIONS

The Regional Development Strategy for 2014-2020 period does not cover all aspects necessary for adequate monitoring of the sustainable development of the region and the rural environment, and in many cases the proposed output indicators are oversized compared to the real evolution of the region over the last 14 years. This overstimulation of results, such as reducing the 25% disparity or the risk and exclusion rate to

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3.5%, is in fact a negative aspect of how strategies are being implemented in our country.

Sustainable development strategies aim to mobilize and focus society's efforts to achieve sustainable development, providing a framework for formulating a vision for a sustainable future, as well as a framework for the processes of negotiation, mediation, consensus and institutional capacity building. The need to create sustainable development strategies at national level was brought to public attention by Agenda 21 (1992) when it was stated that such a strategy must harmoniously encompass sectoral economic, social and environmental policies and plans so as to ensure economic development, socially responsible

for protecting basic and environmental resources for the benefit of future generations.

### Sustainable development strategies at European level

The 2014-2020 IMF, approved in November 2014 (Council of the European Union, 2014), reveals a reduction in agricultural policy spending over the coming period. The amount allocated to the CAP amounts to 362.8 billion euro's, 37.8% of the total EU budget (less than 47.1% in 2007-2014). Thus, in 2020, the CAP budget will account for 35% of EU spending, 5% less than in 2014 (*table 1*).

Table 1

Sustainable development strategies at European level

Indicators	2013	2014	2015	2016	2017	2018	2019	2020	Total
Competitiveness for growth and jobs	18.0	15.6	16.3	16.7	17.7	18.5	19.7	21.1	125.6
Economic, social and territorial cohesion	52.4	44.7	45.4	46.0	46.5	47.0	47.5	47.9	325.1
Sustainable growth: natural resources	59.6	55.9	55.1	54.3	53.4	52.5	51.5	50.6	373.2
Security and Citizenship	2.5	2.1	2.1	2.2	2.2	2.3	2.4	2.5	15.7
Global Europe	9.1	7.9	8.1	8.3	8.4	8.6	8.8	8.8	58.7
Administration	0.0	8.2	8.4	8.6	8.8	9.0	9.2	9.4	61.6
Compensation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grand total	141.6	134.3	135.3	136.1	137.1	137.9	139.1	140.2	960.0
CAP spending in the EU budget - %	<b>40.3</b>	<b>40.5</b>	<b>39.6</b>	<b>38.8</b>	<b>37.9</b>	<b>37.0</b>	<b>35.9</b>	<b>35.0</b>	<b>37.8</b>
<b>EAGF - %</b>	<b>72.4</b>	<b>74.4</b>	<b>74.4</b>	<b>74.5</b>	<b>74.5</b>	<b>74.5</b>	<b>74.4</b>	<b>74.4</b>	<b>74.5</b>
<b>FEADR - %</b>	<b>23.3</b>	<b>23.0</b>	<b>22.9</b>	<b>22.8</b>	<b>22.7</b>	<b>22.7</b>	<b>22.6</b>	<b>22.6</b>	<b>22.8</b>

Source: Dona *et.al.*, 2014

### The Commission's Multiannual Financial

Designing sustainable development indicators related to strategic measures for the period 2014-2022.

We will project the evolution of the selected strategic indicators for the period 2014-2022 based on the trend of the periods 2000-2013 and 2007-2013 and we will compare the results obtained with the result indicators proposed in the Regional Development Strategy of the North-East Region. In this context, we will focus in this analysis on the sustainable and additional development indicators for which we have a comparison basis for the 2020 horizon and we will base our proposals including indicators for which the strategy does not propose monitoring indicators. If we look at the world, however, the issue is much more complex, because a multitude of negative trends have been identified: economic disparities between regions and deepening poverty in developing countries (while most countries in the world have experienced economic growth, there are many more countries

that have suffered economic declines and declining incomes per capita, disparities between people within the same nation, between rich and poor nations or between the incomes of multinational companies and gross domestic product in the countries in which they operate continues to and politics lead to violent conflicts affecting entire regions and nations); poverty; malnutrition; the development of diseases with a major impact on national economies (eg malaria); overconsumption of resources in industrialized countries; increasing energy consumption (by over 70% in the last 30-40 years); major climate change; deterioration of environmental conditions and damage to habitats and biodiversity, etc. The 2014-2020 IMF, approved in November 2014 (Council of the European Union, 2014), reveals a reduction in agricultural policy spending over the coming period. The amount allocated to the CAP amounts to 362.8 billion euro's, 37.8% of the total EU budget (less than 47.1% in 2007-2014). Thus, in 2020, the CAP budget will account for 35% of EU spending, 5% less than in 2014 (*table 2*).

Table 2

**Sustainable development strategies at European level**

Country	The year of the first strategy	Updated versions	Other revisions	Other revisionsNo. Establishment /	Predominant size (economic, social, environmental)	Other dimensions
Austria	2002	2011	-	159 (5/23/131)	Equal	International
Belgium	1999	2010	2000,2004	230 (6/31/193)	Social	
Bulgaria	2007 (draft)	-	-	-	-	-
Croatia	2009	-	-	-	-	-
Czech Republic	2004	2010	-	167 (6/17/144)	Equal	International Education Research
Danemark	2002	2009	-	200 (21/87/92)	Equal	International households
Estonia	2005	-	-	32 (4/12/16)	Equal	Culture
Finland	1998	2006	-	186 (6/26/154)	Equal	International Education Research Comunity
France	2003	2010	-	75 (9/50/16)**	Equal	International Education Research

The Commission's Multiannual Financial Framework confirms that the structure with two

2020, the CAP budget will account for 35% of EU spending, 5% less than in 2014 (table 3).

Table 3

**Sustainable development strategies at European level**

Country	The year of the first strategy	Updated versions	Other revisions	Other revisionsNo. Establishment /	Predominant size (economic, social, environmental)	Other dimensions
Austria	2002	2011	-	159 (5/23/131)	Equal	International
Belgium	1999	2010	2000,2004	230 (6/31/193)	Social	
Bulgaria	2007 (draft)	-	-	-	-	-
Croatia	2009	-	-	-	-	-
Czech Republic	2004	2010	-	167 (6/17/144)	Equal	International Education Research
Danemark	2002	2009	-	200 (21/87/92)	Equal	International households
Estonia	2005	-	-	32 (4/12/16)	Equal	Culture
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For the Rural Development Funds - Pillar II of the CAP, the amount of payments made amounted to 1973 million Euros in the year 2015, representing an absorption rate of almost 19% of the allocation for the whole program. If we report payments made at the indicative amounts for 2007-2015 and EUR 5569.62 million respectively, the absorption rate is better, about 34%. From the total amount paid, the area payments related to the Axis 2 measures "Improving the environment and the rural area" and the measure 611 "Direct complementary payments" carried out by the

Paying and Intervention Agency for Agriculture amounted to 948 million Euros.

If we sum up the funds paid for agri-environment measures with less favored areas (LFA) and those for complementary direct payments (CNDP), it results that for the period 2007-2015, the expenditures made for some implemented projects are quite low. This is a serious cause for concern as it is essential to implement as many projects as possible for the development of rural areas in Romania and the reduction of the gaps towards the developed EU Member States.

Since we are in the sixth year of application of the rural development program it can be said that the absorption rate is low. Romania is ranked among the EU member states (along with Bulgaria) from this point of view. It should be noted that in the first three years since the accession, Romania has been able to use the European funds allocated to rural development to top up the payments. Specifically, this means that out of the 30% that can be used to supplement

direct payments from the EU budget, 20 percentage points have been allocated from rural development funds.

The Paying and Intervention Agency for Agriculture also made payments under the National Rural Development Program for less-favored areas and agri-environment measures, respectively those for top-ups (plus the payments made from the national budget for complementary national payments).

Table 4

**Estimated level of European budget allocated to Romania for agriculture and rural development in 2014-2020**

EXPLANATIONS / YEARS	2014 (-80%)	2015 (-90%)	2016 (-100%)	2017	2018	2019	2020	Total 2014-2020 (mil. Euro)
Direct payment (Euro / ha)	162.2	182.5	202.8	202.8	202.8	202.8	202.8	
Annual total amount of direct payments (million euro)	1.576	1.774	1.971	1.971	1.971	1.971	1.971	13.205
Market measures (million Euros)	100	100	100	100	100	100	100	700
Rural Development (million Euros)	1.160	1.160	1.160	1.160	1.160	1.160	1.160	8.120
Total funding of the Common Agricultural Policy 2014-2020. (million Euros)	2836	3034	3231	3231	3231	3231	3231	20.025

Source: Processing based on APIA data

We can conclude that for the first pillar, € 3.28 billion allocated by the EU for the period 2007-2015 has so far been spent € 2.444 billion, so a 74.5% absorption rate. Taking into account the penalties of about 128 million euros, which must be reimbursed and borne from the national budget, the rate of absorption of direct payments in Romania for the years 2007-2014 is reduced to about 70%. However, it can be said that in comparison to other EU funding, the absorption in agriculture is a very good one.

## CONCLUSIONS

The work has resulted in farmers' decision analysis as a result of the CAP policy, the effects of payment schemes on farms in Romania and performance optimization to increase their economic efficiency.

Producers will find valuable information in the paper regarding the importance of optimal sizing of farms according to the profile and its need to seek rational and production chain, the optimal structure of crops, crop rotation and identifying the main sources of financing FEADR (EAFRD) funds.

This study must be extended by performing an analysis on a sample of a representative sample of the Romanian agricultural exploitations. Building such a database is not a goal. The traditional means to that is called in other scientific approaches, such as example the RICA base, are in present in Romania only in an early stage of development.

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