

The status of Romanian agriculture and some measures to take

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Abstract. *Romanian agriculture issues have been analyzed and discussed in numerous studies and professional articles. Agriculture is an important sector for Romania, given the large agricultural area owned; the sector can contribute to the qualitative transformation of the Romania's economy. Studies on agriculture and its role in the economic development of a country are numerous and highlight the importance of agriculture for any economy. Starting from the features of the Romanian agriculture and considering the current European context, this paper presents the situation of the Romanian agriculture and the main courses of action for rural development in order to improve work efficiency in the Romanian agriculture.*

Keywords: agriculture, rural development, labor efficiency, Romania, strategy.

JEL Classification: P16, P25, Q01, Q 10.

1. Introduction

The problems regarding agriculture, labour efficiency in agriculture have been analyzed in a series of studies, articles and researches. Nobel laureate in economics Theodore W. Schultz (1979) analyzed particularly the development of agriculture, explaining the main sources of labour productivity growth in agriculture.

Th. Schultz and W.A. Lewis condemn neglecting the agricultural sector in the favor of industry by treating agriculture as a branch with lower productivity than the industry. Schultz also rejects any explanation of poverty among the employed population in traditional agriculture based on the cultural inclination of the people towards non-work and on their lack of concern for labour productivity growth. He argues scientifically the relative stagnation of the traditional agriculture by the very low marginal revenue of the investment of reproducible capital or of labour input growth. At the same time, poverty reduces savings. Even investment in human capital through education and by increasing the dissemination of knowledge is usually hindered by the low price of agricultural production in developing countries and hence by the marginal revenue that can be obtained from any extra effort. (INCE-CRECC, 2006)

This research aims to highlight the status of the Romanian agriculture, especially in terms of labour efficiency and employment, to capture the causes of the main problems facing the Romanian agriculture and to outline several courses of action to improve the results of this sector, especially in the context in which Romania, as an EU member state that can benefit from the support of European funds for development and reducing disparities in development, so that to be competitive at the European level.

The research methodology involved both qualitative and quantitative research using analysis, synthesis, sonship of ideas, retrospective, perspective and statistical method. From a theoretical perspective it turned to books, studies and articles in the field; research and reports of specialized bodies were used for the interpretation of some indicators and case studies, internationally recognized (Eurostat, National Institute of Statistics, 'Costin C. Kirişescu' National Institute of Economic Research, European Environment Agency). There were also capitalized meetings and discussions with various experts in the country, in conferences and debates on the Romanian agriculture organized by the Romanian Academy and the National Institute of Statistics.

Some studies analyze the correlation between agricultural performance and poverty reduction in different countries. Thus, DFID study (2004) highlights the correlation between agricultural development and poverty reduction through four mechanisms: agricultural performance improves rural incomes, cheaper foods are an extra advantage for both rural as well as urban areas; agricultural development contributes to generating economic opportunities in the non-agricultural sectors and agricultural development can support the transition from subsistence agriculture to the extension of production and services towards other sectors. Bresciani F. and Valdes A. (2007) analyze this correlation between agricultural development and poverty reduction through three main channels: labour market, income of farmers and prices of agricultural products. They conclude that when both the direct and indirect effects of agricultural growth are taken into account,

such growth is more poverty reducing than growth in non- agricultural sectors. This research is deepened by the OECD study which shows that the relationship between poverty and food production can be analyzed by means of price and income. Since a large part of the poor farmers depend on the income from agriculture, we could say that an increase in farm income would reduce poverty and increase quality of life. On the other hand, the decrease in food prices would make us believe that it would contribute to poverty reduction because lower food prices would support consumption expenditure of the poor. Despite these arguments, studies show that these correlations are not always guaranteed.

This is because lower food prices would reduce income and purchasing power of the poor farmers who could not remain on the market. In the end, this analysis also depends on other factors such as the system of government, the policies adopted in the economic field, the macroeconomic context, the management of agricultural activities, public spending on agriculture, investment in agriculture, which affects worker performance in agriculture and its contribution to GNP growth and poverty reduction. (Cervantes-Godoy and Dewbre, 2010)

As well as in the Romanian literature, the works of Dinu Gavrilesco (*Romanian agriculture from subsistence to efficiency*), Păun I. Otiman (*The contribution of agriculture and sustainable development to crisis mitigation and recovery of economic growth in Romania*) and Dobrotă Niță (*Government economic and social policies and agricultural product prices*) underline the importance of agricultural development for Romania and especially the increase in labour efficiency, particularly through investment in people and rural development.

Romanian agricultural development can be achieved through both infrastructure development and rural development, especially through investment in education and health of people living in villages. Thus there is an increase in quality of life and driving force for development and long term economic growth.

2. The status of Romanian agriculture

Agriculture has great importance in European economic development, being supported by a number of policies and specific strategies and by allocating the highest amount of the EU budget.

Given Romania's agricultural potential and the need to eliminate the existing gaps in relation to agricultural development in the European Union, Romania should pay particular attention to measures that support this area.

Agriculture is an important area that may be developed to the advantage of the qualitative transformation of the Romanian economy. This means restructuring the inefficient sectors in agriculture as well as making structural investments in order to achieve the quantitative level, and especially the one required by EU policy.

With an area of considerable arable land (9.4 million hectares, which is 0.45 hectares per capita) Romania ranks among the first places in the EU in terms of arable land (5th place after Spain, France, Germany and Poland), which shows great potential in gaining an important position in the European market for agricultural products.

Romanian rural areas hold two advantages: wealth of natural and human resources, but economic performance of the sector is very low.

The potential of our country remains unexploited because of poor organization of the agricultural land, of cadastral measurements that are not generalized, of reduced concerns for value-added for agricultural products and of the dependence of agricultural production on the climatic conditions.

Arable land decreased year by year, decreasing in 2012 by over 7315 hectares and perennial plantings decreased by over 8314 hectares compared to 1997 (year in which the reduction of arable and perennial land began). The cause of this situation lies in the fact that individual owners of agricultural land either not having the necessary technical and financial means, or disappointed by the lack of support received have cultivated increasingly smaller areas. The weather conditions also influence the Romanian agriculture, given the lack of infrastructure to achieve a modern agriculture, the Romanian agriculture is often dependent on weather conditions. (Anghelache, 2012)

According to World Bank studies more than a third of EU farmers live in Romania, but the value of agricultural production is only a tenth of the registered production in EU.

Employment in rural areas in 2009 reached 45.55%, almost half of the total employed population. However, Romania still has subsistence agriculture, 35% of agricultural land is owned by small and very small farms that have less than 5 hectares, and work in agriculture is mainly family type and involves the production of goods for own consumption. The products of these households are excluded from the market as they do not meet the requirements of the Community acquis on the marketing. They were attracted to the economic cycle by association and cooperation on a contractual basis to become viable, and market-oriented family farms sector is still underdeveloped. Also, the Romanian agriculture faces the following problems: land fragmentation, aging of active population, the existence of about 3 million hectares of uncultivated land, the lack of working capital for farmers, difficult access to credit. After the regranting of land started in 1990 and the lack of coherent policies to encourage the associative forms of land use, property fragmentation became a feature of the Romanian agricultural sector, thus making land use at an optimal level almost impossible.

In 2009, statistics showed a downward trend of the active population in agriculture and also an aging workforce, half of it being over 45 years. Aging trend is more pronounced in the rural areas. As 1st January 2010 the average age for total population was 39.6 years (38.1 years for men and 41 for women) while for rural areas the average age was 40.2 years. Unfortunately, most of this population is employed in subsistence agriculture, having fewer opportunities to get out of this situation and calling for increased resources to be supported. (Serban, 2012) According to demographic projections this trend will

persist due to declining birth rates and increased aging population of Romania as well as the amplification due to of migration.

Demographic measurements are multiple and profound both at the level of the entire economic system and at the regional and sectoral level because the performance of an economic system is strongly influenced by demographic structures. Therefore, the age of workers in agriculture influences the degree of openness to innovation, occupational mobility and retraining.

Aging population in the Romanian agriculture increases the risk not to renew the future workforce and have a low degree of openness to innovation, to requalification.

Even if employment in agriculture declined in 2000-2010, it remains high compared to the values of other European countries and in relation to the efficiency recorded.

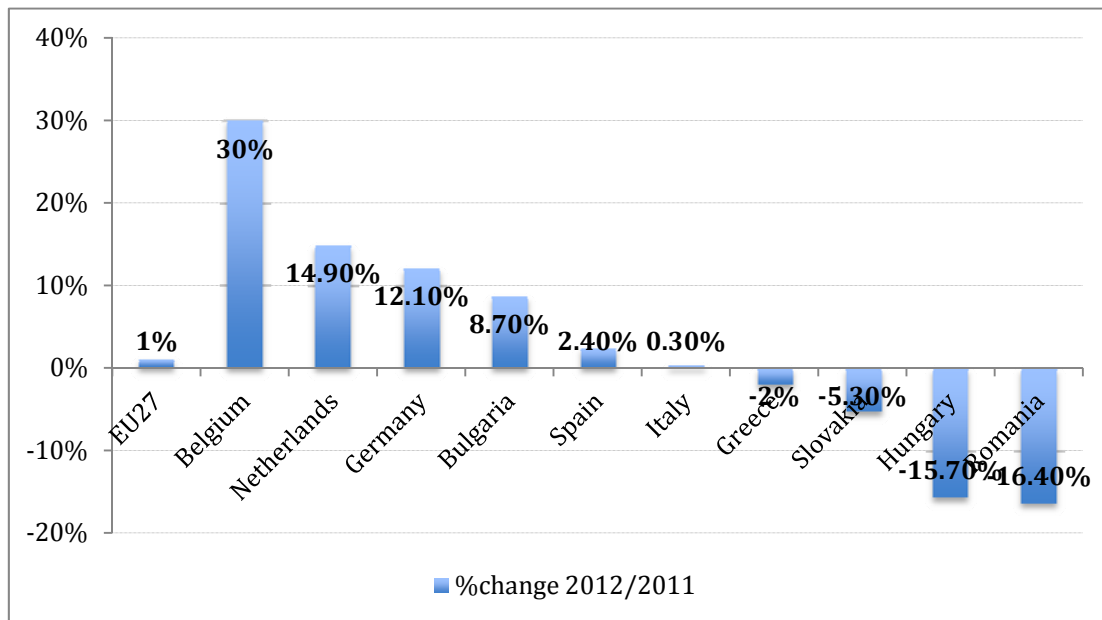
In 2010-2012, following the effects of the economic crisis there is a slight increase in employment in agriculture as a result of the redundant movement in different areas towards agriculture. In response to the current financial and economic crisis, the agricultural sector has become an occupational damper, it as happened in the 90. This is explained by the tendency of those made redundant because of the crisis to integrate among those who produce goods for own consumption, or by registering them in agriculture, given that they are performing illegal work.

In terms of labour efficiency in agriculture, we can analyze the differences between Romania and the EU at the level of the indicator *Change in real agricultural income per worker* (in the year 2012 compared to 2011).

EU27 real agricultural income per worker increased by 1.0% in 2012, after an increase of 8.0% in 2011. The increase in EU27 real agricultural income in 2012 is mainly the result of a rise in the value of the output of the agricultural sector at producer prices in real terms (+1.8%), while input costs in real terms grew (+1.6%). (Eurostat, 2012)

This indicator increased in 16 EU Member States and decreased in 11 states. The largest increases are recorded in Belgium (+30.0%), the Netherlands (+14.9%), Lithuania (+13.6%) and Germany (+12.1%), and the biggest decreases are in Romania (-16.4%), Hungary (-15.7%) and Slovenia (-15.1%).

This dramatic decrease in real agricultural income per worker in Romania can be explained by the decrease in farm income generated by the current financial and economic crisis, which has reduced the demand for some agricultural products or raw materials in agriculture and some agricultural activities as well as the low attraction of European funds, temperature dependence.

Figure 1. Change in real agricultural income per worker in 2012/2011

Source: Eurostat, <http://ec.europa.eu/eurostat>

On the other hand, Romanian agricultural prices increased substantially in 2005-2010. According to an EU report, they increased by 40% during this period in Romania, with the highest growth in the European Union (IEU-27). This is explained by the increase in prices of inputs, especially under the conditions of poor agricultural industrialization and reduced organization of producers in branch organizations for food products.

These organizations interprofessional allow a comprehensive approach to the product and to the product market and are based on a system of functional relationships that creates connections among producers, processors, transporters, storer, distributors and retailers. Other causes of rising agricultural prices are the result of a combination of structural and conjunctural factors. Structural factors include increasing global demand generated by increasing incomes. At the same time, agricultural supply has not developed at the same pace, there is a large gap between the demand and supply availability. Agricultural supply is limited mainly by low yields per hectare and is under the process of decline in agricultural productivity in the long term. The action of the structural factors is amplified by cyclical events such as production shortfalls due to adverse climatic conditions, speculative actions in agricultural markets. (Alexandri, 2010)

Thus the agriculture practiced in individual holdings in Romania has not had development opportunities similar to those in most European Union countries, even if there were potential comparative advantages offered by the natural potential. Among the major problems of institutional and real convergence facing Romanian agriculture should be mentioned: the small number of commercially oriented holdings; low productivity and

quality in production; large number of farmers operating small areas, fragmented into numerous plots and which correlate to inhomogeneous production unresponsive to the quality standards required by the market; the lack of suitable and affordable investment; foodservice channels poorly consolidated or inexistent to certain products, a significant gap between agricultural imports and export; the predominance of the export of low value added products in the structure of foreign trade of agri-food products. (Otiman, 2010)

3. Asynchrony and Incompatibilities Inherited from the years of "socialism".

Causes of Romanian agriculture involution

Many of the problems in agriculture have occurred due to the inability of Romanian agriculture to adapt to the requirements of the free market.

In the second half of the twentieth century (1945-1989), Romania and the other Central and Eastern European former socialist countries followed a different path of agricultural development, different from the way it was adopted by the western European countries. In fact, both groups of countries aimed at increasing agricultural production, agro-food independence and modernization of production processes in agriculture by learning the new achievements of agricultural science and technology. So both Western countries and the Central and Eastern Europe ones were mostly preoccupied with what experts call modernization of agriculture.

Regarding the defining elements of modernity of society and modernity of agriculture, the two groups of countries chose and acted for about 45 years on opposite paths. Western European countries continued the capitalist path of development with all its defining elements. In contrast, central and eastern European countries adopted the Soviet socialist model as the benchmark of transformation of agriculture.

Without going into political-ideological issues we mention here only the fact became historic landmark at the end of the twentieth century: the socialist way of agricultural development in Central and Eastern Europe proved to be an ephemeral historical loop. Thus, we can say that the main cause of the current state of Romanian agriculture has consisted and consists of the transition from the great socialist agriculture (state and cooperative) to the small agricultural production (farm) which is extremely broken and weakly supported by the public power. We specify that the transition from the so-called socialist forms to the capitalist agriculture was a historical necessity that can not be questioned. The way in which this process took place was not the most suitable for the specific conditions of our country. (Molanescu et al., 2012)

Many analysts in agriculture wonder if Romania's EU accession has positive effects on agriculture or, if this can influence the perpetuation of the involution of this main branch of economy.

It is known that, independent of temporal circumstances in the global economy plan, the beneficial influence of U.E. did not manifest itself either in the past as social assistance to those economically left behind. We can not expect such uncompetitive help either now or in the future.

Noting the state of underdevelopment and nonperformance of the Romanian agriculture, as well as its generalized involution in the last 10-15 years, noting the expectations of some Romanian politicians, and the firm demands of E.U. leadership, a well known economic analyst postulates harshly: „However, it is not certain that the development of agriculture and of the Romanian village prosperity will ever come (someday, it is not known when), but it is certain that if they come, they will not come from E.U., but from the changes within the economy of Romania.” (Șerbănescu, 2009)

Two other specialists make some calmer considerations regarding the beneficial influence of E.U. on the evolution of our country's agriculture in the future. "Clearly, they say, there will be a driving effect coming from the EU agricultural policy in the future. But the substantive change to the Romanian village and agriculture can not be made under pressure and with funds from the EU and therefore we should not expect something like that. The effort of the internal factors is that it can change the current state of our country's agriculture.” (Dinu and Socol, 2006)

Moreover, these views show that the development of Romanian agriculture and economy are linked to national policies and measures, to the implementation of these policies and targeted strategies, any policy or European support not having the desired effect as long as there are implementation issues and their implementation at national level.

A group of experts, led by Academician Ion Paun Otiman, has built a system of social and economic indicators by which compared the status of Romanian agriculture, since the EU accession, with the agriculture of EU founding countries, and also with the agriculture of the EU (15) for 2006-2007. (Otiman (coord.), 2011)

We present below several indicators that emphasize the level of the post-revolutionary Romanian agriculture compared with that of the EU countries. (6 as well as 15 or 25):

- The value of primary production per hectare obtained by Romanian peasants was 2.5 times lower than the one obtained by European farmers, respectively 300-350 euro/ha compared to 750-800 euro/ha.
- Gross value added in Romanian agriculture is at the half of the one of EU. (15). This value is 900 euro/ha in Romania and 2,000 euro/ha in EU countries.
- Food self-consumption in subsistence and semi-subsistence farms represented 50-52% of their production, compared to 10-12% of farms in the EU countries (15).
- The irrigation systems in 1989 and largely destroyed were restored only to an extent of 30-35%, but only about 250,000 hectares were put into service, i.e. 8% of the area designated for that purpose before 1989.
- The poor state of the living conditions extends to approximately 38% of the rural population; more than half of the rural population does not benefit from water supply from the public network etc.

The most general conclusion that can be drawn from the foregoing is that, at present, Romanian agriculture and rural state fall somewhere at the existing level in the six founding EU countries in the years 1957-1962.

Moreover, as distinguished Professor Mircea Bulgaru said „the agriculture in our country became, in fact, a market for agricultural products in Western Europe. Not protected by

the state through economic or fiscal policy, Romanian agriculture could not fulfill its function of offering the basic food and agriculture products to the population.” (Bulgaru, 2007)

In the first decades of the European Economic Community, the agricultural policy of this regional organizations were focused on the following objectives: labour productivity growth in the agriculture of member countries through the introduction of technical progress and widespread use of new discoveries in the biological science; ensuring a fair living for the rural population; ensuring security of supply of food and agriculture products for consumers in each of the member countries; ensuring reasonable selling prices to agro-food products intended for domestic consumers.

Three principles of the CAP were designed to contribute to achieving the objectives laid: a) growing and maintaining a single agricultural market; b) respecting Community preference; c) community financial solidarity.

By following these principles, CAP contributed not only to increase agricultural production in member countries, but also to maintaining a balance between urban and rural life in Western Europe in sustaining a balance between the interests of farmers and consumers. The overall effort of these measures was continuing the process of modernization of the agricultural sector and of the rural environment.

In recent decades, in the context of changes happening around the world, of the powerful trend towards globalization of the economy and of the manifestation of social-economic crisis with global touch, the objectives of the CAP have become more complex and more rigorous, as it can be seen in the following list: a) increase of agricultural products competitiveness both on the domestic EU market as well as on the global markets; b) improving food security by increasing food quality; c) ensuring social balance based on agricultural income stabilization and creating new revenue sources; d) practising European agriculture; e) health insurance in livestock farms; f) ensuring financial resources by establishing the single farm payment.

These EU objectives as a whole in the field of agriculture and rural areas are not only necessary but also feasible, as a natural continuation of the successes achieved by the Western European countries in the last half of the twentieth century.

The current situation of the Romanian agriculture and village fits better with the EU measures used in the past decades. Therefore, almost all programs and projects supporting agriculture aimed the concept of sustainable rural development, making this concept a reality requires massive internal investments that EU subsidies can only complement.

Such a development requires national efforts sustained for creating a modern rural infrastructure; for developing proper technical equipment of the rural territory (environment) and dwellings in villages; for setting a certain standard of living of the rural population comparable to the Western European one; for increasing the use of renewable natural resources in the economic cycle; for encouraging environmental and landscape protection etc.

For all of these requirements and demands to turn into tangible realities in a reasonable time (as soon as possible) sustained national effort is needed, well correlated through a strategy founded and implemented in life with perseverance and science, so as to generate simultaneously performance, competitiveness, safety and agrifood security of the population.

4. Further Steps to Encourage the Development of Romanian Agriculture

Programmes, even strategies to stop the involution of the Romanian agriculture were adopted before the EU accession and after the accession (Constantinescu, 2000). Nevertheless, results were insufficient or insignificant. Not just because of the adopted programmes and strategies, but rather because of the lack of measures to be put into practice.

Developing a strategy in agriculture must take into account several aspects.

a) **Supporting education and training** a mentality of the **Romanian peasant**, to overcome the transition from the socialist agriculture, from the cooperatist peasant to the agricultural market, to the modern agricultural farmer.

Change of agrarian structure and transition to market economy were sources of serious problems for farmers, especially for the small ones, with poor technical endowment. Most of their production is aimed for self-consumption and very little, if any, for market. (Sin, 2013)

Even if workforce recorded in the Romanian agriculture has a high share, qualified agricultural workforce has a low share. In this regard Romanian agricultural legislation has not yet introduced professional certificate in farm business nor has established structures and mechanisms to promote them. At the same time banking and financial legislation does not connect granting loans for farmers to their skill level (similar to the green certificate of EU farmers), but only according to the system of collaterals.

Human capital is crucial for the economic development potential of a region. Diversification of the rural economy also depends on the level of education, skills and qualifications of the rural employment.

The modern vision on European agriculture gives an important role to the modern farmer, a fact defined by Frenchman Bertrand Hervieu (former president of the Institute for Agricultural Research in France), as being a farmer practicing work of synthesis which is complex and specialized. This function requires new skills that are not inherited, but are rather learned. From this point of view, the farmer is a modern entrepreneur. Rural development, improving quality of life and diversification of the rural economy dependent on the modern farmer. All requirements and obligations imposed on the new type of farmer converge to achieving a higher level of professionalism. This requires a systematic, continuous and multidisciplinary education from the farmer's side. (Hera, 2009).

The professional scope of the modern farmer must exceed the field of agriculture that is needed to be mastered in depth, he also has to know the environment, both in terms of its conservation and in terms of the current challenges regarding global climate change.

b) **Rural development** - Romanian agricultural development depends on the development of a new type of village economy which involves not only the development of agriculture, but also the development of non-agricultural activities, development of industry, services and infrastructure in rural areas.

Thus, rural development is one of the most complex contemporary economic concern, because on the one hand it involves achieving a balance between the requirement of preserving a rural, economic, environmental and cultural area of a country and the trend of modernization of rural life on the other hand.

At the European Union level rural development is a priority policy, covering areas such as: agriculture and forestry, land use, natural resource management, and economic diversification in rural communities. Rural development is important for the European economy because, in addition to providing raw materials and food, it also provides recreational activities, tourist activities. (Eurostat, 2013).

In terms of the economic structure, agricultural activities occupy the largest areas in the countryside, but the development of services, particularly the agrotouristic ones, is also very important for the development of the Romanian rural area.

The jobs lost in agricultural activities can be reallocated in industrial activities, social activities and services in rural areas. In countries where there were implemented specific policies to maintain the non-agricultural population in rural areas, a number of non-agricultural activities developed smoothly. They should complement agricultural activities.

At the level of the Romanian rural area, non-farm economy (industrial enterprises in rural tourism or services) has a low share. Unlike the EU, where non-agricultural rural economy accounts for almost 60% of the rural economy, in Romania it has a share of about three times lower (21.8%).

c) **Infrastructure development.** Creating and maintaining adequate infrastructure is essential for the economic and social development of rural areas and for achieving a balanced regional development.

Romania presents discrepancies between urban and rural both in terms of physical infrastructure, as well as socially speaking. Infrastructure for transport services, telecommunications, electricity, water and waste management is essential for business development and attracting investment in rural areas. The development of public infrastructure could support the creation of new economic activities and could generate new jobs.

d) **Overcoming the low performance** of the agricultural sector, **caused, firstly, by the weather-dependent agricultural production.** This dependence increased considerably

as a result of degradation and non-functionality of the irrigation systems built during 1969-1989.

Therefore, investment in the rehabilitation of irrigation systems and equipment should be a priority investment in Romania's agriculture. Feasibility studies are needed for newly landscaped areas, that can establish technical solutions for pumping water, the cost of work, profitable investment for farmers and sources of funds needed.

e) **Consolidating small and medium land holdings in modern agricultural holdings of optimum size.** Competitiveness of Romanian agriculture is closely linked to the quality of agricultural space. Therefore, the Romanian village must be removed from closed natural economy and placed in business. The rural economy should gradually be transformed from subsistence economy to commercial economy.

From the concrete aspects of the current state of Romanian agriculture has resulted the conclusion that in the last 20 years extreme fragmentation of land, not only it has not diminished, but it has rather become bigger and more anachronistic. This fragmentation emphasizes the differences from Western European countries, where there has been a significant increase in the average area of farms.

Romania needs a competitive agriculture in the European and International market. For this it is necessary to make the transition from the state of agriculture dominated by subsistence households, to agriculture composed of private-commercial family farms possessing technical, economic and financial performance.

Efficient private family farm is not sufficiently developed, because of inadequate technical facilities and low investment capacity. Eventually profitability and yield of agricultural land do not depend so much on its size, but rather on the quality of production, farm management, and on the agricultural holding as company and its participation in market competition.

On the other hand, a strategy for consolidating agricultural land is necessary to improve the agricultural performance, aimed at mitigating the degree of fragmentation of Romanian agriculture, at concentrating land in agricultural holdings, whose average surface to reach about 30-45 ha in the next 15-20 years, that is more than 10 times higher than that currently existing in Romania. In fact, this is the average size of an agricultural holding in Western European countries like France, Holland, Denmark. Let us note that the concentration of land in Romania would be a great change, if it is envisaged that during 1991-2011 the average size of a farm increased from 2.6 ha to 3 ha. So, an increase of only 0.4 ha in the past 20 years.

f) Another strategic objective of high economic significance refers to **improving the cost structure of agricultural production.** The current cost structure and their multiannual fluctuations generate largely poor performance of the Romanian agriculture. It is about excessively high share of fixed costs in cereals. Thus, about 48% to wheat and 53% to corn are fixed costs per hectare, relating to: basic mechanical work, preparing the ground for planting, crop maintenance, harvesting. These works are carried out by autonomous economic agents (usually former machine operators) who were directly in charge of

agricultural production. They are service providers and hold the monopoly of the works in the village or community where they operate.

g) **European funds.** Attracting European funds is very important. In recent years, the most advanced countries in attracting European funds were Latvia and Estonia and the less efficient were Romania, Poland, Slovakia, Hungary and Slovenia. (Trașcă et al., 2012) Attracting EU funding in rural areas is an opportunity to develop agricultural activities, a chance for investments needed to modernize farms and support the process of rural development. But change background of the Romanian agriculture and village can not be made only through the support of European funding. The effort of the internal factors is the one that will be able to change the current state of our country's agriculture.

h) **Development of organic farming.** Organic farming in Romania is beginning playing an important role in the development of Romanian agriculture and economic development.

The market for organic products (bio) is estimated at 40 billion dollars worldwide, representing 2.5% of the global food products. Romania could benefit from this trend. Environmentalists could develop a strong agricultural sector by using organic farmland and forestry and by the advantage of using a low level of fertilizers and pesticides in the Romanian agriculture. (Tudose et al., 2011).

Thus, Romania has also got great potential to develop organic farming because it uses inorganic fertilizers significantly below the EU average. This fertilizer helps plants grow, but their excessive use can affect the environment, especially because these substances infiltrate into groundwater.

Even though the development of organic agriculture involves major efforts, both managerial and financial. This is an opportunity for Romania, especially in the current conditions when demand of organic products is growing, and markets in this area are not yet saturated.

All these measures can contribute to the development of the Romanian agriculture and can also reduce the disparities compared to the European countries and support a competitive and efficient agriculture.

5. Conclusions

The recently literature highlighted that the dominant realities of the Romanian village are marked by serious socio-economic and cultural phenomena, which Păun Ion Otiman Academician names and categorizes into six groups. (Otiman, 2011)

- 1) Deagriculturalisation, i.e. inactivity of arable land, destruction and non-use of the irrigation systems built and used before 1989, massive decay of the arable land etc.
- 2) Extreme dezootechnisation of agriculture by destroying the existing production areas and by the loss of genetic potential of animals.
- 3) Depopulation and accentuated growing aging of rural population, but especially the reduction of skilled labour among all active agricultural population.

- 4) Severe physical and social desertification of the Romanian village as a whole.
- 5) Villagers leaving their houses have led to the self-demolition of many villages, especially agricultural areas.
- 6) Severe poverty as a consequence of the foregoing processes, this impoverishment being the synthesis vector of all these.

The problems facing agricultural producers are serious and complex, with long-term implications. That is why, solutions and measures to be taken must be well grounded and organically integrated into a national transpartinic, comprehensive and long perspective strategy (Crăciun et al. 2012). The whole creative - productive capacity and all forces of this country should participate in developing this strategy, but mostly in transposing it into real life. "Romania - postulate some specialists - has a historic opportunity to exit the periphery where is located and enter the process of the second modernity, represented by the EU integration, only if it applies the strategy of burning some development stages, especially in the development of agriculture and rural economy." (Dinu and Socol, 2006)

But for the tough application of such a strategy it requires a different management to address the problems facing Romanian agriculture and especially, a concerted effort of all active forces of the country to transform agriculture into a basic branch of the Romanian economy - modern, prosperous, competitive.

Hence, a balanced conclusion of all considerations mentioned above is that among the measures promoted in the scientific literature, for the development of the Romanian agriculture of rural areas and for improving employment and labour efficiency in agriculture, we should also include new measures like: stimulation of land consolidation, infrastructure development, development of irrigation system, investment in research and innovation, professional training, diversification of rural activities, development of organic farming, supporting young farmers, attracting European funds.

In this context the pillars of Romanian agriculture should focus especially on using natural resources (agricultural land, renewable energy, climate), human capital (R & D units, vocational and higher education), attracting financial resources (credit system, subsidized), stability and long term strategies from the political and administrative decision makers. On the other hand, stimulating investment in developing agricultural and non-agricultural activities should be both considered so as to contribute to the development of rural economy.

Any development strategy in the medium or long run, aimed at increasing competitiveness and regional convergence of the Romanian economy, can not ignore the presence and future of the agricultural sector, as an important subsystem of the national economy. Any strategy targeting rural economic development must also take into account all economic and social aspects that characterize the rural areas and should take into account the macroeconomic and European strategies.

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