

PROPOSALS REGARDING THE FOCAL POINTS OF A FUTURE STRATEGY FOR THE DEVELOPMENT OF RURAL SPACE AND OF AGRICULTURE IN ROMANIA

Gabriel POPESCU

Faculty of Agro-Food and Environmental Economics, Bucharest University of Economic Studies; email: popescug2004@yahoo.co.uk, Str. Mihail Moxa 5-7, Sector 1, Bucharest, Romania

Abstract

Agricultural holdings that are currently functional in Romania are contrasting in terms of economic performance and ability to secure a harmonious rural livelihood. Moreover, agriculture is unable to value the tremendous economic potential of land leaving most of the rural population in the shaded corner of poverty. A closer look to facts and figures regarding cropping, agricultural holdings, and rural population reveals that the current status and trends are not acceptable. Building on this we outline a number of proposals grouped in several categories, which are relevant for the main economic and social relations and processes, toward a future strategy for the development of agriculture and rural area. These proposals highlight strategic interventions that will improve the functionality of the whole system. A special focus is granted for cooperation, since this creates a favourable ground for the harmonious merger of commercial and civil interests toward an increased resilience of agriculture and rural areas against the volatility of economic system and the interference of disturbing short term political interest that are favoured by this.

Keywords: agriculture, property rights, family, land market, cooperation

Introduction

Romania's agriculture is one of the country's most important economic sectors that is supporting, first of all, the rural population representing a significant part of the total population, but also the national economy. The disintegration of the economic relations established during the previous political regime left room for uncoordinated processes resulting in major dis-functionalities that are deepened within vicious circles developed in a volatile economic and political framework (Popescu, 2007). Taking in account the current status and its causes, historical background, but also major doctrinaire lines based on verified theoretical knowledge (Popescu, 2013), there are outlined a number of proposals for the focal points a future strategy in this field. These proposals are organized in several categories that are relevant for the main economic and social relationships from agriculture and the rural area and build on a vision of a performing agriculture deployed within a multifunctional rural space with a meaningful contribution to sustainable development.

1. Family

In the rural area and consequently in agriculture the socio-economic and political focus should be on the family, instead of the individual. The work in the household claims the presence of the entire family, men and women, youth and elderly. That is why it cannot be considered statistically as individual work (MacAskill, 2013; Small, 2000).

The responsibilities for specialization by labour division are generic, determined by custom, that are built, in most cases, on experience, power, physical stamina and others. Therefore, in some circumstances, woman can replace man or elder the young (and vice versa). This

obviously results in a lower effectiveness and takes longer, but the task or tasks are completed.

2. Property over land

Firstly, agricultural policy should pursue, as priority, the maturation of property relationships. There are a number of ideas that could lead to the strengthening of land property regime. It is necessary to establish at the level of commune, as public body, of an office of agricultural cadastre that will have the role to accelerate and to improve the effectiveness of the works.

Transferring land books under the authority of judges to reduce the risks of recognizing proprietorship by documents and facts that are contrary to the rule of law. Realizing a standardized model system for outlining (by using landmarks) land patches in order to create a stable and formally recognized regime of patches that takes in account their size and position relative to relief and neighbourhoods. Homologating models for landmarks that will mark the limits of properties (patches) since this would make possible the homologation should be made at national level, by a commission that will comprise topographers, jurists, IT specialists, architects, and others. The landmarks should contain identification elements referring to the region, patch, owner and they should have colours and shapes that are easily seen and could be identified by GPS systems.

A body of surveillance at commune level should be established, under the authority of municipalities with responsibilities in the defence of properties, crops and yields against attacks of wild and domestic animals, robberies or damages. Elaborating and applying a responsible rule of law, even a harsh one, that defence property from any external interference that could damage the boundaries, surroundings, crops, vineyards and orchards, quality of the soil and others. Ruling the economic assessment of agricultural and forestry land in order to substantiate economic categories that will be negotiated on the land market (price, dividends, rent, royalties, rents). Establishing a body of assessment experts specialized in the economic valuation of agricultural and forestry lands.

Defining and making operational, in the normal sense, the pre-emption regime for the transaction of patches in the favour of co-owners, neighbourhoods, and state. The tasks of responsible and effective defending, maintenance, execution and exploitation of land improvement works that are on the property should be compulsory. A register in the responsibility of each mayor should be established. This will regard the litigations on property regimes determined by robbery, damages, harvest losses, boundary damages, entrances on land and others.

Increasing the responsiveness of local public authorities especially of municipalities and police in the operative solving of property related litigations and punishment of the culpable. Increasing the responsibility of local authorities for land that is not cropped or is abandoned by owners and transforming them in state owned farm models that will be established and operated following the example of the farms existing in the inter-war period in the Romanian agriculture.

Secondly, the agricultural policy should shape the land market. This process is compulsory toward performance agriculture by the intensification of cropping. The proposals related to the land market are the following:

- Elaborating a legal framework that will build in a coherent and united manner on the actions occurring on the land market (selling-purchasing, cooperation, association, rent, land-lending, life annuity) toward increasing the size of agricultural holdings;

- Enforcing the rule of law on the merging of patches by including this action in the category of land improvement. It should be established a local land exchange market for exchanging patches and recognizing the exchange based on a value equivalence;
- Enforcing the rule of law for land purchasing by the state in order to establish farm models as entities that promote technical progress for local farmers and further for their selling to young people (there will be preferred professionals with higher education in agriculture and with entrepreneurial skills) after they are functional within financing programs with national support.

Thirdly, the agricultural policy should define its positions from doctrinaire and legal points of view, regarding the relations between the small and large agricultural holdings. In Romania the small land proprietorship is prevailing from the point of view of the number of holdings and of the land that is owned, but it is outperforming in terms of effectiveness and economic efficiency. Its advantages are social in nature, including job opportunities and providing food for the family of the farmers. Further, the large land proprietorship is represented by a small number of holdings (around 31 thousands), it is performing as effectiveness and economic efficiency, covers 45% of the country's arable land, but generates and will generate major socio-economic unbalances. In some areas these are already exist with repercussions that are difficult to be estimated on the country's stability and independence.

3. The market

Focusing of agrarian and agricultural policies on commercial family holdings is necessary (Popescu, 2013; Râmnicăanu, 2002). In this respect it should be created a modern market, in complete accordance with the European type, but that is taking in account the behavioural specificity of the peasant holding.

Research resources should be used for the creation and expansion of functional local market models, having as departing point the already existing transaction centres that belong to the distribution chains. Research also should outline a national system, which is flexible, dynamic and adapted to local specificities for the collection and storage of exceeding products of peasant holdings. This system should also make the linkage between these entities and the urban agri-food markets and with the industrial processing capacities.

4. Research

There is necessary to outline a knowledge market that will host operative and efficient linkages between producers (researchers) and consumers (agricultural holdings) of new information that generates added value (Popescu, 2007). Currently the knowledge market is not available for the most of the peasant holdings. An important role should be played in this model by the cooperative structures, which are the most appropriate representatives of farmers market interests for the information producers (researchers).

5. Cooperation

The future architecture of the cooperative sector should be outlined taking in account a number of theoretical milestones.

Implementation and making dynamic of a real and functional cooperative sector of the economy, necessitates, firstly, a re-launch of growth in the industrial sector. The cooperative ownership against with the other two forms of ownership determined by economy, individual private ownership and public ownership, is not in alternative or substitutability relations, but in an active partnership relation. The power of cooperative is

not a result of its property's size or the one belonging to the associated members. The power is expressing, firstly, the intensity of the relations between the cooperative and its members, and secondly, the intensity of the relations between the cooperative and its external market partners.

The cooperative must not be linked to the land. This will repeat the mistake of the communists or will fall in the sin of communists. The cooperative must not be subordinated to political power. In other terms it should be kept as far as possible from political interest, despite its strong attractiveness. The cooperative system naturally has a larger capacity to adapt to the public command compared to other private structures from the economy. The prioritization of activities in a cooperative should consider only the economic, social, and cultural interests, and disregard the political interests. The cooperative system's major challenge is to preserve its neutral, equidistant position against economic policies and through them against doctrines, legal institutions and public.

The activity of the cooperative should be comprised within the scope of the market (agri-food, financial, knowledge transfer) and not of the land market. The cooperative company should fill the intermediate segment between the civil society organizations and the commercial company. Thus, the first will be supported by the affirmation of civil rights and freedom, while the second by increasing incomes and reducing expenses for farmers. The cooperative principles should be applied in their completeness and unity for individualising the system. That is why none of the principles recognized by the cooperative doctrine and enforced by law should not be omitted or neglected.

The cooperative ownership is a private ownership, but is not an individual ownership. Is a community ownership with rules that are subordinated to the interests of the group that holds them. Is the property over that the only decision that is counting is the group decision, not of somebody else's. Not even the state can interfere in the cooperative ownership.

Enrolling in a cooperative group should be based on criteria and procedures that are underpinned by scientific foundation and act as selection and recruiting rules. These will pursue unity of profiles, size, but also attitudes that demonstrate entrepreneurial spirit, generosity, tolerance, desire for knowledge, aspiration for innovation and others. The homogeneity of cooperative members, from the point of view of their size and economic power, is a condition that guarantees the good functioning of the entity. Therefore a cooperative that intends to be functional should not be made out of a mixture of large and small farmers, but either of large or small farmers.

In a volatile economic system, fiscally unstable and that leaves room for abuses, as it is the one in the rural area, there is the risk that the cooperative system will not proliferate or develop appropriately. As effect of economic and social policies being in the responsibility of public power, the current legal framework envisages mainly horizontal issues, focusing on management and less on vertical relations.

The associations and cooperatives value exceeding agricultural yields. That is why they are of no relevance for small land owners or individuals with no land. By association peasants acquire power. Without this the current status will be perpetuated, meaning poverty and autarchy. Association is sought for and accepted in extreme economic situations and not in the intermediary ones. This is then poverty reaches unacceptable levels or then the market enables fertile conditions for attractive gains.

The core of our reasoning for cooperation and association could be presented in a nutshell in the following statement: both association and cooperation should not support labour (there are not a supplementary labour force), but its outcomes (its gains), either it are shaped as monetary incomes, important for the involved actors, or as profit, as ultimate goal of commercial structures.

Conclusions

The development of agriculture and rural space in Romania is a high priority goal that is underpinned by strong economic and social reasoning. Coordinating actions at various levels within the framework of a future strategy is essential in order to overcome major dis-functionalities that continued to deepen during the last decades. This strategy should be elaborated by considering the following focal points: family, land property, market, research, and cooperation. Thus, interventions should consider as unit of labour the rural family, instead of rural individuals due to the patterns of labour division in agriculture. Further, the agrarian and agricultural policy will have to pursue the maturation of land ownership, the development of the land market, the establishment of its position regarding the ratio between large and small farms, the support of commercial agricultural holdings, the development of the agricultural knowledge market, and the promotion of cooperation. The later should deserve a special focus since it could be a key process for establishing a proper ground for the harmonious interplay of commercial and civil interests toward an increased resilience of agriculture and rural areas against a volatile economic system triggering the interference of disturbing short term political interests.

References

1. MacAskill, J. 2013. Rurality – the impact of social capital, *Competitiveness of agro-food and environmental economy*, G. Popescu, N. Istudor and D. Boboc (eds.), p. 9-13.
2. Popescu, G. 2007. *Cooperarea în agricultură – de la piața funciară la transferul de cunoaștere*, Iași, Terra Nostra.
3. Popescu, G. 2013. *Probleme vechi, relații noi în agricultură*, Bucharest, Academiei Române.
4. Râmniceanu, I. 2002. Probleme structurale ale agriculturii românești în perioada aderării la Uniunea Europeană, *IER*, 6.
5. Small, G. 2000. *An Aristotelian Construction of the Social Economy of Land*, Sydney, University of Technology.