

THE ROLE OF SUBSIDIES IN THE RURAL DEVELOPMENT OF SOUTH-MUNTENIA REGION

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Abstract

South-Muntenia Region has a surface of 34,453 square kms and represents 14.45% of Romania surface. Spouth-Muntenia Region is formed of 7 counties: Argeş (6,826 square kms), Călăraşi (5,088 square kms), Dâmboviţa (4,054 square kms), Ialomiţa (4,453 square kms), Giurgiu (3,526 square kms), Prahova (4,716 square kms) and Teleorman (5,790square kms), with 16 municipalieis, 32 towns and 519 communes. South-Muntenia Region borders to the North with Center Region, to the North-East with South-East Region, to the South with Bulgaria, the limit being given by the natural border – the Danube river, and to the West with South-West Region. The presence in the South part of the region of the Danube river provides it the possibility to have communications with the 8 countries near the river, and by means of the Danube-Black Sea channel, to have access to the Black Sea and to the Constanta Harbour. Being included within the country capital – Bucharest inside the region, constitutes, by the existent infrastructure, including Henri Coandă International Airport, provides social and economic advantage. The present paper presents an analysis of the subsidies and their role in the rural development of South-Muntenia Region.

Key words: development, funds, program, region, subsidy

INTRODUCTION

Romania, as integral part of the European Union, applies the unitary strategic lines elaborated for all member states of the European Union, which take into consideration the structural and economic discrepancies, characteristic to our country. For the agriculture, the mechanisms of the Common Agricultural Policy (PAC) apply, which are combined with other policies of structural adaptation, to the community exigencies, taking into consideration the national particularities. [2]. The Common Agricultural Policy is among the first common policies adopted by the European Union. The agricultural policy of the European Union is built around two pylons: Pylon I to support the common market organisations and Pylon II, regarding the development of the rural area.

The subsidy is defined as the financial support provided under the Common Agricultural Policy, respectively The National Plan of Rural Development, natural persons and legal entities, which develop their activity in the

rural area, having as main purpose, the rural development, the improvement of the life quality, the reduction of the discrepancies at local, regional and national level.

Highlighting the role of the subsidies provided under the projects of SAPARD Program, until the end of 2011, was made based on the statistical data collected for South-Muntenia Region, which can be interpreted in correlation with the economic indicators.

MATERIALS AND METHODS

In this paper, the data were collected from the Statistical Yearbook of Romania, and also from the Divisions of Agricultural and Rural Development.

They were statistically processed accoreding to the well known modern methods.

The experiment was organized in the South-Muntenia region.

The main aspects taken into consideration have been the following ones; region composition, infrastructure, programs for the development of the rural area.

RESULTS AND DISCUSSIONS

At present the Common Agricultural Policy (PAC) is supported by two pylons: The European Fund for Agricultural Guarantee (FEGA) and the European Agricultural Fund for Rural Development (FEADR).

The creation of a complex mechanism of subsidies and guarantees of process for the farmers allowed the continuous increase of the productivity and agricultural production. [1]

The influence of Measure 2.1 „Development and improvement of the rural infrastructure”, regarding the county and commune traffic roads, the network of drinking water supply and the sewerage network in the rural area in South-Muntenia Region. Under this measure, in South-Muntenia, a number of 147 projects were approved, in the amount of 115,334,036.41 euro, with a funding level of 85.34 %, in the period 2006-2008.

Table 1. Measure 2.1 Subsidies impact on road infrastructure from rural areas South Muntenia Region during 2006 to 2011

Region/country	County, commune roads, km			
	2006	2008	2010	2011
South - Muntenia	9317	9788	9880	9916
Argeş	2459	2798	2861	2891
Călăraşi	797	820	820	820
Dâmboviţa	1398	1504	1504	1507
Giurgiu	829	832	832	848
Ialomiţa	803	803	803	803
Prahova	1896	1896	1903	1912
Teleorman	1135	1135	1135	1135

Processed according to: *the Statistic Yearbook of Romania 2007,2009,2011,2012* INS

The data in table no. 1, highlight the fact that projects were accessed under the measure 2.1 for the road infrastructure in the rural area, in Argeş, Dâmboviţa and Călăraşi counties, where it is recorded an increase of the length of the commune and county roads of 432 km, 109 km and respectively 23 km, recording an increase of the length of these roads at the

regional level of 599 km. Calculating the coefficient of variation of the roads density, on counties, in South-Muntenia Region, it is found out that there are very high, significant values, and this means that the roads density is very different between the region counties. This increase is highlighted also for the indicator regarding the density of the public roads on 100 square kms, for the counties Argeş, Dâmboviţa and Călăraşi. It is found out that, for the studied period, the coefficient variation has an increasing value, being high as significance [3].

This proves that the differences between the counties in South Region accentuated in this period. The increase of the road infrastructure will contribute on long and medium term, to the intensification of the economic activities, by the increase of agricultural products mobility in the rural area and to the urban area, inside and outside the region.

Table 2. Measure 2.1 subsidies Impact on water distribution infrastructure network from rural areas South Muntenia Region during 2006 to 2011

Region/country	Localities with drinking water supply installations in the rural area				Differences 2011 compared to 2006	
	number				nr	%
	2006	2008	2010	2011		
South - Muntenia	289	307	378	385	96	24,9
Argeş	69	71	75	83	14	16,9
Călăraşi	34	35	50	47	13	27,7
Dâmboviţa	46	51	82	62	16	25,8
Giurgiu	15	16	15	17	2	11,8
Ialomiţa	41	43	59	57	16	28,1
Prahova	64	67	69	84	20	23,8
Teleorman	20	24	28	35	15	42,9

Processed according to: *The Statistic Yearbook of Romania, 2007,2009,2011, INS*

The data of table 2 highlights for the year 2011 an increase of 33.21% of the number of localities with installations of drinking water supply in the rural area. At the level of the

region, from 289 localities in 2006, to 307 localities in 2008, 378 localities in 2010 and 385 localities in 2011, that is, an increase with 96 localities which benefit by drinking water supply network, thus increasing the living standard at the level of the urban area and complying with the funding purpose.

The highest number of localities with which the activity of drinking water supply increased, recorded in 2011 in Prahova county, with 20 localities, followed by Teleorman county with 15 localities and Argeş county with 14 localities.

Tabel 3. Measure 2.1 subsidies Impact on sewerage network from rural areas South Muntenia Region during 2006 to 2011

Region/cou nty	Localities with public sewerage installations in the rural area				Differences 2011 compared to 2006	
	20 06	200 8	201 0	201 1	no	%
South Muntenia	40	42	47	9	56	58,3
Argeş	11	12	13	2	12	52,2
Călăraşi	1	1	2	6	5	83,3
Dâmboviţa	4	4	5	1	9	69,2
Giurgiu	1	1	1	3	2	66,7
Ialomiţa	0	0	0	7	7	100,0
Prahova	22	23	23	3	14	38,9
Teleorman	1	1	3	8	7	87,5

Processed according to: *The Statistic Yearbook of Romania 2007,2009,2011*, INS

At the level of South-Muntenia Region the subsidies regarding the sewerage network infrastructure in the rural area (table no. 3), caused the increase of the number of localities with sewerage network, from 40 localities, in 2006, to 96 localities, in 2011, thus in Argeş county increase with 12 localities, in Călăraşi county with 5 localities, in Dâmboviţa county with 11 localities, in Giurgiu county with 2 localities, Prahova county with 14 localities and Teleorman county with 7 localities in 2011 compared to 2006. And in Ialomiţa county until the year 2010, there were no localities with sewerage network, in 2011

there are 7 localities, thus contributing to the increase of the living standard of the inhabitants in the respective rural localities.

The influence of the subsidies provided under the measure 3.1 „*Investments in agricultural farms*” regarding the activities of the agricultural farms.

This measure shows the following distribution of the subsidies and projects finalised in the vegetal and animal sectors: Filed crops–1,197 projects, from which 27 projects were damaged; Horticulture–76 projects; Viticulture – 62 projects; Fruit crops –71 projects; Greenhouses –42 projects; Animals for milk –163 projects, from which 3 projects were damaged; Increase and fattening of cattle –13 projects; sheep/goats breeding –15 projects; Lamb fattening – 8 projects; Pigs–73 projects; Poultry –73 projects; Other types of vegetal, animal farms, and poultry –14 projects, from which 1 project was damaged [4].

Referring to South-Muntenia Region, measure 3.1 recorded a number of 366 projects approved from a total of 1,921 projects submitted, with a share of 19.05% with a total value of 191.34 million lei, representing 23.08% of the total value of the measure [5] From the 366 projects contracted until 31st December 2008, 354 projects were contracted on 31st December 2006, that is a share of 96.72%, with a funding with a total value of 185.06 million lei. These projects influenced directly the activity of the agricultural farms, on specialization sectors in which the projects were submitted, respectively the cultivated surfaces, agricultural productions, animal stocks. A direct quantification of the influence of the subsidies on the activity of the agricultural farms, which are beneficiary of funding, cannot be mentioned.

CONCLUSIONS

The rural development of the South-Muntenia Region expressed the result of the interaction between the material, human and financial resources, on the one hand, and the factors which act in the rural area, at the level of the economic processes, on the other hand;

the development imbalances and discrepancies between the South and North part of the region must be diminished, until they are eliminated, by applying some corrective measures, contained in an integrated way, in the Sustainable Development Strategy of South-Muntenia Region, which included also the Rural Development Strategy of the region.

The subsidies, which were ensured from the funds from the national budget and from the European funds, contributed to the improvement of the reference indicators for the objectives under the developed projects.

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