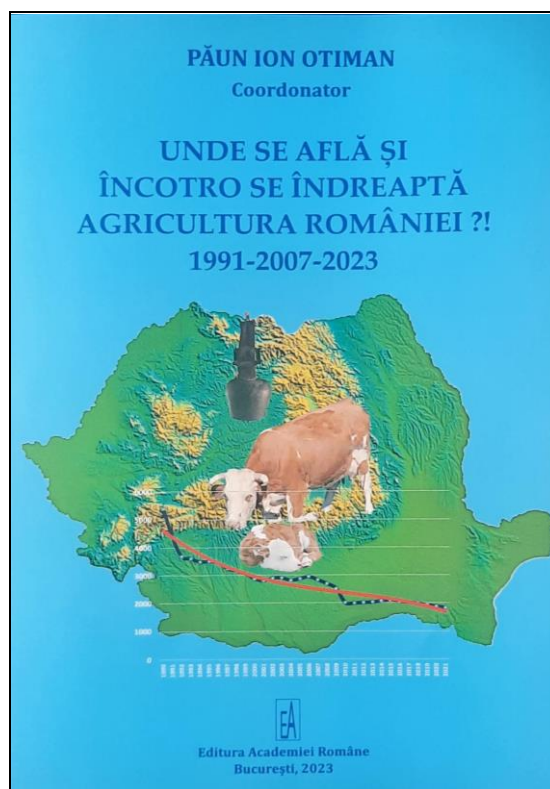


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**BOOK REVIEW:
ROMANIA'S AGRICULTURE – WHERE DOES IT STAND
AND WHERE IS IT HEADED? 1991–2007–2023**



The volume **Romania's agriculture – where does it stand and where is it headed? 1991–2007–2023**, authored by a group of economists from the Research Centre for Sustainable Agriculture from Timișoara coordinated by Acad. Prof. Dr. Păun Ion Otiman, member of the Romanian Academy, is a lucid, sound, factual analysis of the evolution of Romanian agriculture after the fall of communism, highlighting the complex and interconnected reasons that led to the current situation of the sector, totally atypical in the EU context.

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The analysis highlights major structural problems of a sector that failed to modernise, a sector that, after more than 30 years, is increasingly characterised by two speeds, by a dual structure (i.e., large farms, genuine capitalist agricultural companies, and, at the other end of the spectrum, subsistence farming), situation comparable to that of 1921 (p. 91). The analysis mainly attributes this evolution to the land reform implemented after the anti-communist Revolution, that progressively led to a landscape dominated by extremes and characterized by the “missing middle” – as commercial family farms, working 10–100 ha (which prevail in the EU), while in Romania cumulate only 10.2% of total UAA and 60,000 holdings respectively (or, otherwise put, 1.5% of total farm operations registered at national level). Such an extreme polarisation of the farm structure is unique within the EU (p. 95).

Comparisons in time (based on long statistical time series), but also in space (between different regions of Romania, as well as between Romania and other countries in the region) are made with the help of numerous and varied economic, financial, social and technical endowment indicators. Thus, even though the authors infer that Romania’s agriculture today is going through “a deep structural, economic and social crisis” (p. 49), the volume is rather meant to inform by providing abundant facts and figures and often inviting the reader to draw his own conclusions. A striking image highlighted several times is that of a map where pockets of rural poverty are geographically clustered in those regions where farming is dominated by *latifundia*, mostly in the crop sector (p. 43).

But, in authors’ opinion, land policies are not the only errors that have perpetuated structural imbalances in agri-food production over time. Directly linked to land tenure has been the unbalanced financial support, that favoured large crops like cereals and oilseeds, to the detriment of value-added activities like livestock and food processing. The result today is a country with a large agricultural sector (with the highest contribution in GDP and in total labour) that chronically runs high trade deficits in agri-food products, resulting from substantial exportable surpluses in cereals and oilseeds and important deficits in animal products, fruits and vegetables and processed products, against the background of a low processing degree of domestically produced raw materials (p. 131).

These two types of fundamental errors also explain the failure of Romanian agriculture to reform after the country’s accession to the EU, which makes the current sector *non-performant* and *precarious*.

Typically, EU integration should have been an engine of convergence between agrarian structures, catalysing structural reforms through significant capital injection. Let us recall here that, at a conference held in 2008 in Bucharest, supported by the World Bank, attention was drawn to post-accession challenges that Romania has to face, including in agriculture. At the time, there were already fears expressed that the decoupled Pillar 1 EU subsidies may deepen the gaps between large and small farms and that there was a need to address structural imbalances by better targeting Pillar 2 money (rural development investments).¹

¹“Farm Income Support and Investment Incentives – Key Factors in Agricultural Sector’s Economic Convergence” (C. Cionga, L. Luca).

Yet, 15 years later, figures show that subsidies were directed excessively to the crop sector and, specifically, to large arable crops, which triggered the consolidation of some capitalist holdings that capitalised on the EU membership and captured the main share of the accession benefits. Transfers from the CAP budget, mostly in the form of direct payments related to agricultural area, have led, in this farm segment, to significant jumps in efficiency and productivity. However, other policies (including Pillar 2 funding and non-agricultural incentives, like taxation), that could have mitigated the imbalance between large and small farms, were not employed to stimulate commercial family farms and other sectors apart from large-scale crop production. In fact, by comparing the values of Romania's various economic indicators with those of the various member states and with the EU average, the authors conclude the absolutely atypical condition of the country's agriculture.

As for the prospects, the National Strategic Plan for the 2023–2027 programming period is looked at from the perspective of its declared aim to shift the focus on performance and results (p. 142). Reviewing the allocations proposed to the different interventions, the analysis shows that the claimed aim to improve the performance of the domestic agri-food sector remains unsubstantiated, because of, again, the large imbalances in funds allocation and the disproportionate attention given to the crop production, that will only perpetuate and reinforce the current production pattern rather than reform it.

As proposals for breaking this vicious circle and accelerating the convergence towards European agri-food models, the authors recommend “the massive – but rational – allocation, if possibly optimal, of investment capital in rural infrastructure, equipping the agricultural territory (...), modernizing agricultural holdings (...), as well as increasing the working capital...”.

In conclusion, a deep reform “of the financial support policy of Romanian agricultural holdings in accordance with the current state and the evolution requirements necessary to ensure the important function of agriculture: guaranteeing Romania's food security” is imperative. Adequate agricultural policy, regulations and well-functioning legal and administrative institutions are needed, especially those that ensure the way property rights function and regulate both the manner in which farms are financed and the natural monopoly elements of land and infrastructure networks.

The paper coordinated by Prof. Otiman is a high-resolution x-ray of the current status of the agri-food industry of Romania, looking back without anger at the evolutions from the recent past, but without any hesitance raising an alarm signal about the need to urgently change the paradigm. That would eventually fuel a balanced development of the sector, increasing the chances for generational renewal, for closing the gaps (including in terms of productivity between Romania and the other MS) and for capitalising on its remarkable potential in a European setting that has other needs, other principles and other expectations.