

HARNESSING AGRICULTURAL SUBSIDIES IN HARGHITA COUNTY, ROMANIA

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Since joining the European Union new types of agricultural subsidies have been made available in Romania. This was an era characterized by new EU programmes aimed at the reform of rural development policies, the streamlining of grants, the rationalization of agricultural systems, and their diversification.

The Harghita micro-region differs greatly from the European Union average in many aspects of agriculture. The proportion of agricultural land to the total land surface is about 1.5 times that of the EU average; the workforce employed in agriculture is about five times larger, the mean size of a plot is one sixth of the size in the EU; and the agricultural proportion of GDP is 3.5 times as much as the average in the European Union. 29% of the agricultural centers and 20% of the agricultural workers of the EU are located in Romania. Romania is thus a key player in the shaping of the future of agriculture in Europe.

The regions of the country face a great number of challenges. Some are demographic – low employment rate, low level of education, dwindling employment opportunities available for women and youths; some are economic – low income, slow pace of development and lack of skill both in areas of agriculture and in food processing industries. The rapid improvement and modernization of agriculture in Europe will pose severe challenges for many regions. In the 15 original member countries of the Union approximately 2 million full-time agricultural employees will leave their jobs by 2014. In the ten countries that joined the Union in 2004 the workforce expected to leave the industry is estimated at 1-2 million people, in addition to another 1-2 million in Bulgaria and Romania. Thus, about 5 million unemployed people are hidden in the segment of agriculture. In areas of largely rural settlements the biggest challenge is to avoid unemployment resulting from lack of necessary skills and of low income rates. In rural areas where agricultural employment is wider spread, designing the process of reform will profoundly impact the development of the economic region as an entity. In this study I am assessing the level and method to which farmers have been and propose to take advantage of local subsidies and grants available to them. By contrasting the various settlements and micro-regions, I compare the size of farmland units and the number of farmers, to correlate them with the number and amount of various regional subsidies that they have applied for and been granted.

In addition, I propose to study the impact of these grants in the agricultural context of the region. Applications for regional grants have shown close ties to local idiosyncrasies. Among these important factors are the particular demography of the settlement, its employment structure, the ratio of active and inactive inhabitants, the distribution of active workforce among industry sectors, in addition to geographical characteristics: topography, soil quality, size of lots, number of livestock. We have also studied the possible correlation with local ventures, municipal infrastructure, institutional ties, source and ease of information as well as personal, familial aspects – level of education, motivation and access to monetary funds. Of all these aspects recent information is scant and unorganized. I believe that by providing a solid assessment of the background of applications for and use of regional subsidies, a better foundation for their usefulness can be laid.