

From industrial holdings to subsistence farms in the Romanian agriculture. Analyzing the subsistence components of the CAP

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Abstract: In terms of the EU enlargement from 15 to 27 states, the need to reform the CAP mechanisms was felt more than ever. Reorientation towards rural development measures and not towards supporting agricultural production raised a whole issue in which the efficiency criteria of the agricultural policies are concerned. If until now the Union entire attention was directed towards industrial farms, the option to promote family farms, with lower returns but with a high social impact by mobilizing the human resources from the rural area towards this field and preventing migration towards the city and the industrial areas, raised fierce debates. This paper presents a brief analysis of the impact of re-focusing the CAP towards promoting family-farms, mostly of the subsistence type, in the Romanian agrarian economy, in the context of an increased globalization of the agricultural relations.

Key words: subsistence farming, Common Agricultural Policy, agricultural system, sub financing, rural population

The Common Agricultural Policy (CAP), from the beginning and until now, in the classic democratic spirit that characterizes the entire European structure, addressed all categories of farms, regardless of their size (small, medium or large), the practiced farming system (extensive, intensive or mixed), or the production structure adopted (with reference to vegetable, grain, oilseeds, pulses, vegetables, crops or livestock in cattle, sheep, pigs, poultry and others). However, it was and still is acknowledged and recognized, that the “family farm” should remain the cornerstone of the European agriculture (Popescu 1999; Marina 2006; Luca 2009), and the priority in supporting, as proved in the first three decades of the CAP activity, was given to those structures in which the dominant was the industrial system, system that, objectively, ensured the increase of its own supply in the agricultural products market. The growth in supply was the target of two of the five original CAP objectives. Many studies were targeted at this subject (Hudečková 2009; Střeleček 2009; Svatoš et al. 2010).

The Common Agricultural Policy is one of the oldest EU policies, with a major impact on the evolution of the farmers’ behaviour in the Community. The continued expansion of the community demanded reconsidering this policy, as a result of the changes of the paradigm in the Community. Thus, during the last 15 years, we have witnessed a series of profound reforms in this area, the 2003–2004, periods bringing with it the direct payments separation, through the unique payment system from the first pillar and the reconsideration of the rural development policy. In 2006, there came the sugar sector reform and a year later, the fruit and vegetables sector reform (Popescu 1999; Popescu and Constantin 2007).

In the context of a profound CAP reformation, including the paradigm shift, it must be ensured that “both the historical approach of separation as well as the regional one, meet the objective of enabling farmers to choose what to produce, without being influenced by a support related to production. However, in both approaches, the individual level of

support is currently based, although not as much as before, on past production levels and, in time, will become increasingly difficult to justify the differences between the granted aid, especially in the case of the historical model". (European Commission 2007). The solutions that evolve in this direction derive from the archaic, so-called simplified single area payment system that involves either granting payments based on the individual reference amounts and stimulating the increase of production, not always in the terms of efficiency, or the transposition of it into a regional model that involves the rights based on the regional reference amounts, or the option to combine the two systems previously mentioned into a third one, hybrid, that will harmonize the two dimensions.

The decision to focus the CAP attention on the industrial-farms of the family type was based, in the terms of doctrine, at least on two arguments:

- The first one finds its justification in the opinion of some German economists, which, in the early 20. century, argued that the manifestation of the industrial revolution in economy leads to the concentration of land, in agriculture, around the family of farmers.

Starting from this general consideration, considered by some economists as being an objective economic "law", in the European strategies from the field of agricultural policies, two distinct periods of time can be identified:

- (a) The period from the CAP launch (1962) until now, when family farms were considered a specific key element in shaping the personality of the socio-cultural model of the European agriculture, the model configured differently from the American one, where the main element is the large commercial farm, where, due to its powerful productive character, the farmer's or peasant's family cannot find its place.
 - (b) The period between 2014–2021, when, as the majority of the opinions from the field of agricultural policies anticipates, it will also start from the family farm, but, this time, with an accent on the subsistence segment, which will benefit the Central and Eastern Europe agriculture, which is less efficient, and especially the Romania, where, in the total ownership and exploitation structures, this type of exploitation is the most numerous of all Europe. Reconsidering the role of family farms, and re-orientating them to the market process, can offer competitive solutions in capitalizing the economic and agricultural potential.
- The second argument aims at the process in the branch that, naturally, has been integrated into

the industrial-type agricultural systems matrix. Symbiosis between the progress and industrialism was approached from the angle of a pure liberalism, which, doctrinally, represented the embryo of all economic policies in the EU.

If for the future, as shown above, the CAP will focus on subsistence farms, logically we can conclude that we are witnessing a dilution of the industrial model of agriculture, **the model that led the European agriculture** to obtaining unprecedented results in the history of this continent.

RESEARCH OBJECTIVES

The objective of this study is to analyze the impact of the CAP reform on the Romanian agrarian economy, in the terms of an increased need for the sustainable financing of the local agricultural production in order to reduce the dependence on agricultural imports. The mutations occurring in the Common Agricultural Policy represent a big challenge for the Romanian agrarian economy. Rethinking the support mechanisms for the agricultural production and their reorientation towards the subsistence farms, although at a first glance it would benefit the national economy, would in the end, regarding the effects of applying such a policy, lead to the deepening of the imbalances in the Romanian agricultural sector. This issue is of particular importance for all the States that joined later the Union and that cannot overcome the gap between them and the traditional Member States, with an agricultural sector excessively developed for their needs.

Basing our analysis more on descriptive methods than on the statistics related ones, we tried to underline the defining elements with a significant impact on the CAP elements implementation with the aim of capitalizing the Romanian agriculture potential. Until now, there have been various studies about using the econometric variables of the Romanian agriculture based on the statistics and econometrics, like Ionita and Blidaru (1999) or Zaman and Goschin (2007). In this context, we considered a descriptive approach more to the point, closer to the actual identification of efficient solutions for its potential capitalization.

Taking into account the significant impact which agriculture has on the Romanian economy, we tried to identify those determinants, specific for an agrarian economy where the stress is put mainly on family properties. The defining trait of this type of the family based agriculture is oriented more on our own consumption, difficult to quantify, rather than towards a capitalization by the means of market instruments which gives the possibility of measurement.

In this analysis, we used the documents regarding European policy belonging to the European Commission, the European Parliament, Economic and Social Committee and also the statistical data and the EUROSTAT publications, for the analysis at the European level, and from the National Institute of Statistics of Romania (Statistical Yearbook of Agriculture 1990–2009 and Structural Survey 2007) for local analysis.

ANALYSIS AND DISCUSSIONS

In the XXI. century, the European agriculture, including the Romanian one, faces new challenges, its classic role of ensuring food production for the population being complemented with new objectives such as ensuring the rural sustainability, maintaining and promoting its traditions and valuing the local potential. To all these issues, there adds the problem of maintaining the regional identity in the context of the accelerated globalization process. Valuing the agriculture potential should take into account these considerations especially because the farm, through its size and its economic and social role, is a crucial factor in harnessing the national agricultural potential by mobilizing and redirecting the resources necessary to reach a high productivity and the growth of the rural solidarity. In this context, the European philosophy in the field of agriculture, by shifting towards small

subsistence farms, mostly finds its materialisation in the Romanian agrarian structure.

The evolution of the main components of the Romanian agricultural output reflects the deconstruction of agricultural enterprises, respectively the breakdown of the great governmental farms and the consolidation of the individual agricultural property capable of economic performance. Having a reduced or nonexistent agrarian inventory, the capacity to produce some profit at this level is considerably reduced. Until an aggregation of the agricultural properties is performed, the chances of the quality augmentation for agricultural enterprises are reduced. In the first two graphs, we have presented the relative evolution of the main components of agricultural output, that is the Crop Output, Animal Output, and the Gross Value Added of the agricultural industry and the Total Output of the agricultural industry.

Computed as an index number with a mobile base as well as an index number with a fixed base (1999 = 100), the agricultural output variable from Romania marks a time evolution which is mainly determined by natural conditions and not by the seasonal character of the agricultural market demands. According to the description from Figures 1 and 2, the Romanian integration into the EU has not been, as expected, an incentive factor in the augmentation of the agricultural capitalization. Both grain crops and animal output have registered after 2007 massive decreases. As it is shown the Figures 1 and 2), the agricultural output,

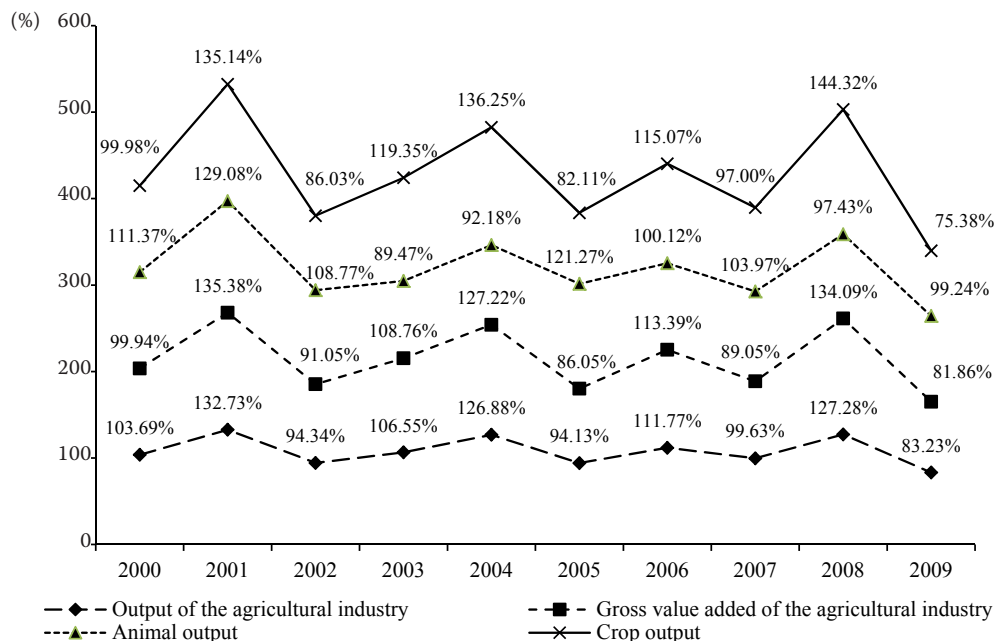


Figure 1. Evolution of the main agricultural output components 2000–2009 multiyear base

Source: prepared by authors, based on datasets from National Institute of Statistics Romania (2010) and the EUROSTAT database (2010)

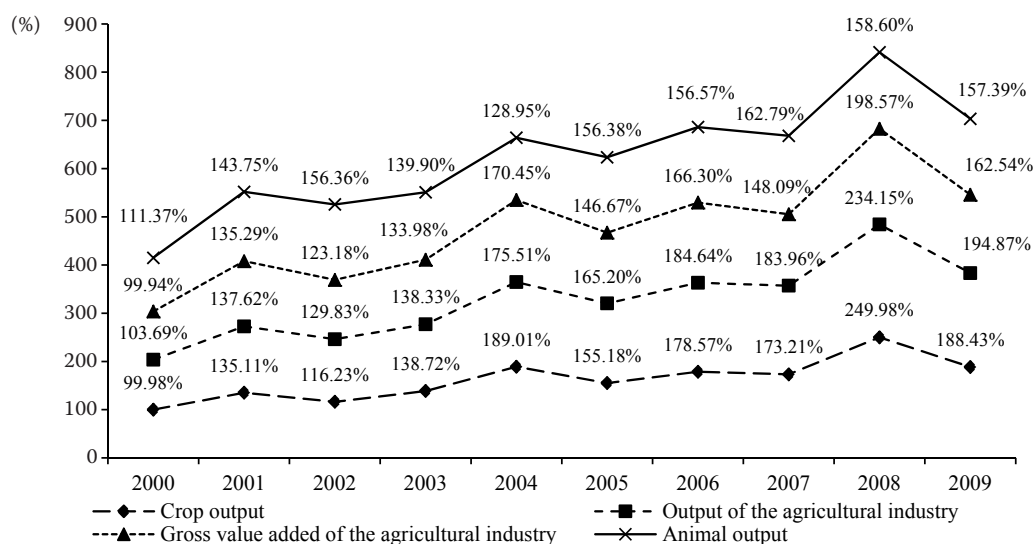


Figure 2. Evolution of the main agricultural output components 2000–2009; 1999 = 100

Source: prepared by authors, based on datasets from National Institute of Statistics Romania (2010) and the EUROSTAT database (2010)

both plant and animal, has a falling tendency especially after 2007. If we take into consideration the **Output of the Agricultural Industry**, as the exponent of a superior capitalization of agricultural raw material, the same situation can be inferred. Therefore, the problem is not in the industrial capacity of processing agricultural products, which is oversized, but in the lack of interest towards the capitalization of the agricultural land and the disappearance of aggregated production means in Romania.

The **Gross Value Added of the agricultural industry** does not differ from the other components. Agriculture and its related industries have an increasingly smaller contribution to the Romanian GDP. If we consider the Gross Value Added of the agricultural industry, this marks a dramatic decline after the integration. In this context, it can be said that the implementation of the EU policies and especially the CAP does not constitute an advantage for our country. This situation can be explained by the fact the reticence of our entrepreneurs upon the CAP mechanism is great and our agricultural enterprises are family based. In order to augment the agricultural output, it is more than ever necessary to rethink the mechanisms of mobilizing the existing rural resources, by orienting towards the agricultural products market and the making of a gross value added multiplier at the rural community's level. The family based farms, do not have a large-scale production competitive at the market price, but the support should not exclude the market as a stimulating factor in the agricultural production orientation, and even if they receive help from the

state or the European structures, they cannot handle the massive competition.

Understanding the CAP functioning mechanisms in the new European context will lead to a better understanding and application of the social and philosophical principles with their reverberations in the agricultural field, to the disadvantage of the economic efficiency. As stated in one of the documents of the European agricultural policy, belonging to an organism with an advisory role as is the ESC, "*farms are now forced to take part in all possible developments in terms of productivity, in order to survive from an economical point of view. Trough rather insidious processes, the EU slowly steps away from the European agricultural model, and so we can observe a trend of agriculture industrialization. On one hand, we can observe emerging forms of holdings that go towards using the American model in the European agriculture, while on the other hand, it is needed to abandon many farms whose existence would be important in maintaining the multifunctional agriculture*" (European Economic and Social Committee 2009).

Developing the mechanisms and especially acknowledging the principles of the European agricultural model, makes Romania, a country with a significant agricultural population (approximately 47% of the population is in the rural areas and has a modest contribution to GDP of only 18% in 2008) to rethink its whole strategy (Figure 3).

If previously the idea was to merge all the small agricultural holdings into holdings of industrial type, the reorientation of the community financial resources makes this strategy outdated. Accepting

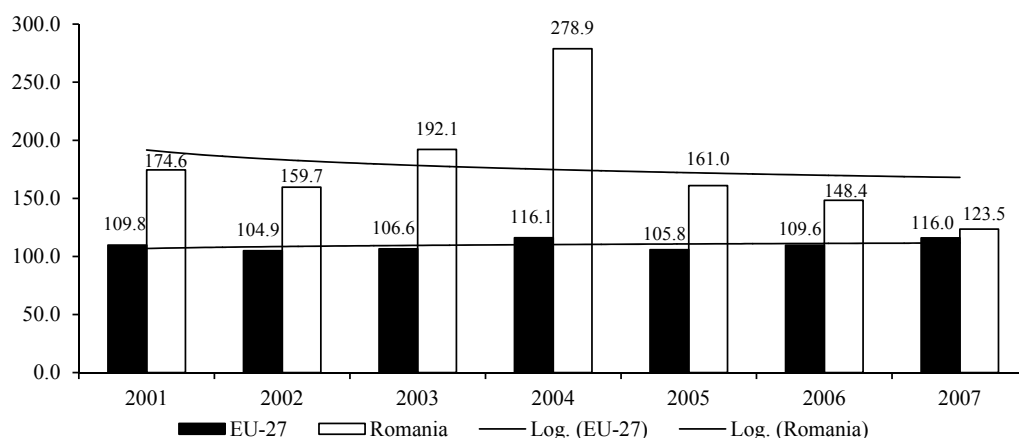


Figure 3. Evolution of the Index of Income from Agricultural Activity from 2000–2007 in Romania and the EU-27 (2000 = 100%)

Source: author's calculations based on the EUROSTAT database (2010)

a lower productivity as the fundamental feature of the EU agricultural model has as a compensation the strict policy in what the quality of agricultural production is concerned, as there is the well-known aversion of the Europeans to apply genetic engineering in agriculture.

Numerous researches as (Iarca et.al. 2010) argue that promoting investments in the

agricultural areas as animal breeding or hunting may represent another dimension for the agricultural potential capitalization in the context of family agribusiness or there is required another method in cost calculation for agricultural exploitation as Vasilescu et al. (2010) present in their study.

Determined and influenced by natural factors, agricultural production, as the recovery factor, is restricted by the holding size, which, in turn, claims a specific way of using resources. As can be seen in

Table 1, there is presented the Romanian farm structure, taking in consideration the used agricultural area and its legal status in 2007, according to the Structural Survey in Agriculture (2007).

As can be seen from the data presented in the table above, small holdings are defining the structure for Romania. The family is the main force that mobilizes and focuses its efforts in harnessing the agricultural potential, not for economic reasons, but rather for the everyday needs. The sense of property is highly developed and sensitive to changes where Romanian farmers are concerned.

Agricultural enterprises, although due to their nature and role they are supposed to provide not only the food safety but also the alimentary comfort of the population, are more perceived as social organizing forms when talking about subsistence, because they unite not only the family members, but there are also

Table 1. Farms and used agricultural area, according to the classes of size of the utilized agricultural areas (UAA), according to the farm legal status and land ownership type in 2007 (in ha)

	Under 0.1	0.1–0.3	0.3–0.5	0.5–1	1–2	2–5	5–10	10–20	20–30	30–50	50–100	Over 100	Total
Owned	270 782	509 457	267 991	591 222	775 611	946 379	292 889	67 941	8 982	5 648	3 340	2 255	3 742 497
Concession	410	1 108	373	1 660	1 141	1 792	1 007	252	145	691	327	205	9 111
Leased	581	1 314	1 235	4 069	8 791	18 291	8 721	6 624	1 708	2 008	1 616	1 580	56 538
Taken in part	34	3 399	5 420	15 237	24 345	27 851	10 608	3 851	917	1 176	476	292	93 606
Free used	786	7 508	7 108	19 085	27 805	34 374	10 799	3 174	738	392	238	122	112 129
Other means of ownership	961	5 000	4 150	8 077	13 589	16 749	6 244	1 869	572	467	331	334	58 343

Source: Structural Survey in Agriculture (2008), Statistical Yearbook for 2009 (2010)

participating the neighbours. Therefore, we witness a new form of capitalizing the economic potential, that is a form of social efficiency which exceeds due to its nature the economic efficiency criteria in their classical form. The reorientation of agricultural policies towards family farms, usually small sized, has to consider these criteria of social efficiency, which have a profound effects on the community. Although the enterprise size can be considered an important factor of economic efficiency, this does not have to be limited exclusively to these criteria. Farms can produce and deliver biological products of high quality, which cannot be produced in an industrial system.

To all of these, there is added the character of the relations generated in the communities by the family based agricultural enterprises. According to Done et al. 2009, economic development means the existence and development of agriculture, because due to its nature, it has contributed to the birth and consolidation of the basic values and ideas for the existence of every nation.

The CAP reform and its orientation towards subsistence farming raises a serious problem in Romania, as this type of structures mobilizes a significant labour and especially natural resources. Approximately 60% of the agricultural area and 69% of the livestock are organized in such holdings. The problem of using efficiently the resources from agriculture becomes stringent for Romania.

There have been made many studies regarding the farm structure in Romania, but in this context, we consider more appropriate the data supplied by

Martins and Spendlingwimmer (2009), which supply the major aspects of subsistence farming in our country and especially the year of 2007, when we have accessed the EU, and they cover the decreases for all the major Romanian agriculture components.

According to the data presented in Table 2 (Martins and Spendlingwimmer 2009), about 82.6% of the farms with the ESU < 1 produce for their own consumption, while only 17.4% of those with an area ≥ 1 ESU have this output destination. If we consider the owners of these entities, we can see that most of them are owned by people at least 65 years old, respectively 77.7% for the ESU holdings with the ESU < 1 and 22.3% of those with the ESU ≥ 1 .

In this context, the efforts are oriented towards encouraging different forms of association in order to exploit the agricultural area, this being one of the key elements in exploiting the national agricultural potential. Harnessing this potential is considered to be more efficient inside a holding organized and structured on the main economic outlines, where the trust between participants should represent the main form of manifestation. By adding the agricultural holdings which used agricultural areas and/or owned livestock, by the legal status of agricultural holdings, we obtain an integrated picture of the existent situation in the Romanian agriculture.

Usually, when talking about the capitalization of agricultural potential and implicitly about an increase in agricultural efficiency, one takes into consideration the size of the agricultural area, agricultural production methods and techniques, emphasizing

Table 2. Subsistence farming in Romania (2007)

Analysis components	Measurement unit	Absolute figures			% of total	
		total	< 1 ESU	≥ 1 ESU	< 1 ESU	≥ 1 ESU
Regular labour force	(1000 pers.)	6 467.6	4 535.4	1 932.1	70.1	29.9
Regular labour force	(1000 AWU)	2 044.0	1 167.3	876.7	57.1	42.9
Holders with:	(1000)	3 913.7	3 057.9	855.7	78.1	21.9
at least 65 years		1 761.8	1 369.1	392.7	77.7	22.3
another gainful activity		1 404.4	1 156.4	248.0	82.3	17.7
Number of sole holdings	(1000)	3 931.4	3 064.7	866.7	78.0	22.0
producing mainly for own consumption		3 172.3	2 621.9	550.4	82.6	17.4
Producing mainly for direct sales		723.6	423.3	300.3	58.5	41.5
SGM	(1000 ESU)	3 789.7	1 190.9	2 598.8	31.4	68.6
Agricultural area	(1000 ha)	13 753.0	4 254.9	9 498.1	30.9	69.1
own farmed		10 071.4	4 024.5	6 046.9	40.0	60.0
Livestock	(1000 LSU)	6 041.7	1 844.8	4 197.0	30.5	69.5

Source: Farm Structure Survey in Romania 2007, Statistics in focus 80/2009, Martins and Spendlingwimmer (2009)

Table 3. Agricultural holdings which used agricultural areas and/or own livestock, by their legal status

Legal status of agricultural holdings	Agricultural holdings – total			Agricultural holdings with agricultural area in use and livestock			Agricultural holdings only with agricultural area in use		
	2002	2005	2007	2002	2005	2007	2002	2005	2007
Total	4 484 893	4 256 152	3 931 350	3 399 906	3 318 329	3 254 242	899 455	802 918	597 548
Individual agricultural holdings	4 462 221	4 237 889	3 913 651	3 396 310	3 315 797	3 252 011	881 005	787 607	582 396
Units with legal status	22 672	18 263	17 699	3 596	2 532	2 231	18 450	1 311	15 152
Agricultural companies/associations	2 261	1 630	1 475	333	212	185	1 891	1 402	1 276
Commercial companies	6 138	4 824	5 147	1 416	955	908	4 290	3 608	4 039
Units of public administration	5 698	4 818	4 177	944	589	376	4 674	4 161	3 759
Cooperative units	87	108	71	7	12	10	70	77	60
Other types	8 488	6 883	6 829	896	764	752	7 525	6 063	6 018

Source: Structural Survey in Agriculture 2007 (2008)

less the agricultural resources reorientation (fields, infrastructure, tools, people) towards the activities like rural tourism.

If we take into account the agricultural holdings' evolution, although they register a decreasing trend from 4 484 893 in 2002 to 3 931 350 five years later, in 2007, according to the INSSE (2008), it describes an adjustment to the realities of the Romanian agrarian economy. In the perspective of the CAP reorientation, as presented at the European level, towards family farms, Romania would rather have a comparative advantage, because most of its agricultural holdings forms are organized as individual agricultural holdings, which correspond to this philosophy. However, the problem which still remains is that whether these individual holdings meet the criteria of high economic efficiency in order to create the added value within the overall national economy or whether they focus their resources only to achieve a minimum level of subsistence. There can be seen, however, with the return of the private initiative in agriculture, the number of business companies reaching 5147 companies in 2007, while two years ago it was of only 4824 units. However, in the case of the agricultural holdings only with agricultural area in use, during 2002–2007 we can notice a dramatic decrease from 899 455 in 2002 to only 597 548 units in 2007, agricultural land use not being an option anymore for the Romanian entrepreneurs. Orienting towards individual holdings in agriculture can have negative effects on ensuring the food security for the

population, because the production obtained inside the holding would be no longer oriented towards the market, but in most cases, it will be directed towards the family's own consumption.

The issue of making farms more productive is quite delicate especially due to the orientation towards own consumption and not to the market. Although the market should orient and encourage production, the market is not present or it is closed for the products of family farms. Therefore, a solution would be the process of being aware of the market role in rural economy, prevalingly agricultural.

This dynamics is also reflected in the case of the gains from agriculture. A special situation is represented by the evolution of the real factor income per 1 annual work unit. Analysis of this indicator for the period between 2000 and 2009 in the EU is of a significant importance in understanding the impact agriculture has on the productive activities as a whole (Figure 4).

This indicator evolution over the 2000–2009 period shows two significant trends. First, the EU-15 countries place themselves below or near to the European average, but with expressive decreases regarding Germany and France. Moreover, second, it is the case of the newest members of the EU-27 which have accepted the influence of the European agricultural policy with all the strategic requirements imposed by reconsidering the CAP dimensions.

Concerning Romania, the evolution of this indicator does not follow the trend described by the states such

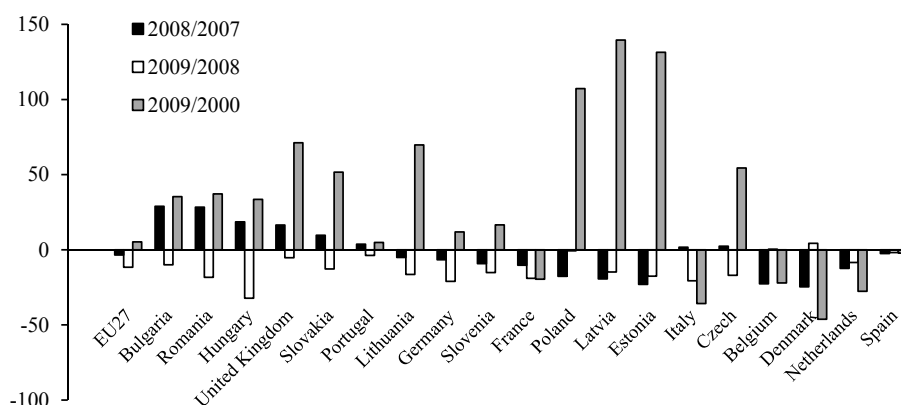


Figure 4. Change in real agricultural income per 1 worker in 2008

Source: EUROSTAT database (2010), Olsen (2010a, b)

as Latvia, Lithuania or Poland and it shows increases for this period. Despite the evolution by 37.2%, in 2009/2009 Romania offers an interesting agricultural earning scenario, borrowing the EU-27 mode of behaviour. Nevertheless, making from agriculture the means of income for those engaged in this sector remains, for Romania, only at the stage of a potential and it accomplishes the role of offering the means of subsistence for the rural households.

To that effect, there contributes also the study of Stejskal and Stávková (2010), who were analyzing the living conditions of Czech farmers according to the EU statistics on income. Although they do not reach a definite conclusion, they describe a similar situation to the one of Romania when considering the income made from agriculture.

Giving up the direct financing mechanisms and orienting the EU financial resources towards rural development will deepen even more this trend for the new states integrated into the EU, which will not be able to cover the existing gaps, but on the contrary, these gaps will deepen.

The probability to substitute the classical model (Giurca et al. 2004), which gave preference to the market and emphasized the yield on the supply side, by introducing a new one (of which we do not know yet how it will be defined), focused on the social and cultural segments, can be seen as a natural result if we consider the effects induced by the main steps in the CAP evolution, started at the threshold of 1992 until today, through which it was intended to slow down the growth rate of the output and not to accelerate the productive activity of the branch.

Here there are some of these actions, maybe the most important ones, from the content of the Agricultural Policies, after the MacSharry reform until now, that led to a new structural model in the European agriculture. Studies like Popescu (1999), Done et al.

(2009) and Dusmanescu et al. (2010) reveal the characteristics as:

- Continuing development, often with accents of aggression, of the extensive agricultural systems, with a special reference to organic farming;
- Removing from use larger agricultural areas in the set-aside system;
- Decoupling financial support from production, by channelling the funds towards farmers' incomes;
- Volatilization and even abandonment of the agricultural market support actions;
- Decreasing funds allocated to Pillar I in favour of Pillar II.

For Romania, this model generates, or should generate, both in the scientific field but also in what the agricultural policy makers are concerned, a number of uncertainties that we will try to decode, in what follows, without claiming to offer recipes for solving the issues.

Undoubtedly, the Romanians have been among the most ardent supporters of the European integration. The presence of Romania among the EU countries, beyond the pride that we are equal with the other people of the continent, offered a credible solution to our problems which made us hope that we will enter an era of stability and economic growth and of a better life (Otiman 2002; Ramniceanu 2004).

But the results were wrong, unanticipated even by the most pessimistic economic analysts, especially because:

- The dematerialization and delocalization of the local industry continued, but without any changes in increasing the economic efficiency.
- Farmers found out that they can get money even if they do not farm the land, and, because of that, more than 3 million hectares of the most fertile land were abandoned, as a result of the most fertile Governmental subsidies allotment.

- The segment with the highest employment potential of people of in the economically active age, those between 25–40 years, be they men or women, workers, peasants and intellectuals, poor or less poor, left the country. So a number of almost 4 million people, according to the statistics (Romania in data 2010), went to work and, implicitly, to produce abroad, which pleased the ones “poor in spirit” where economy is concerned, because they argued that this segment of workers would bring money into the country.

This is the context in which we are driven to adopt the European social model in agriculture. This means to “take” not the “highway of progress”, set up by the Europeans for their farmers more than fifty years ago, but our traditional “narrow paths”, full of holes, and shaken in our carts, on which, with patriotic pride, we planted the “Good year” tires and which are driven by what resulted from crossing a collectivist mare with the “stallion” belonging to the one that makes bricks from clay and hay at the end of the village in order to build a house.

How can we interpret or, better said, decrypt such a policy line?

To be closer to the truth, we will develop below some logical constructions, with a double meaning – either question or answer – which, however, cannot claim to catch what the decedents of agricultural policy meant with their strategies:

- Europe is in the crisis of identity, which naturally causes it to return to its traditional values. In this context, the subsistence household, which, according to the sociologists view, is the main depository of traditional values in the rural areas, can become the core of the Common Agricultural Policy.
- The Europe of the rich either is not so rich anymore, or it cannot, or simply does not want to help its neighbours from the poorer states.

On this issue, the disputes between Britain and France are well known. The United Kingdom, under the status of a country with an industrialized super-economy characterized by an indisputable general well-being, true to its conservative position - which becomes almost a principle and also has a metaphorical value, being known under the slogan the “Ms. Teacher’s purse” – is less generous to the Eastern states, which determines them to sustain the reduction of aid to support agriculture, hoping for their total elimination. In these circumstances, farmers, in the British’s opinion, should obey entirely the laws of the competitive capitalist free markets.

France counterattacked vigorously, arguing that the farmers cannot be yet left without support, because

they are not ready to face the hostile laws of the free market, and the farmers from the East, except for some Polish and Czech farmers, are not, in their majority, prepared for a direct confrontation.

- Europe is simply not interested in the results of production of the countries entered after 2004, because the agriculture of the first 15 Member States is very well able to provide food for the welfare of all people from the united Europe.

CONCLUSIONS

In conclusion, approaching the subsistence farming as a key element in assessing the actions of the Common Agricultural Policy for the period 2014–2021, we will definitely not solve the serious problem of the underdevelopment of the Romanian agriculture. This is the way we cannot bear with those who support such a perspective, because they are, above all, either economically illiterate or unconscious, or (even if some alleged citizens from Europe will condemn me) anti-Roman.

Although promoting family farms as the form of capitalizing the agricultural potential would, on a first impulse, look like an advantage for Romania, the situation is much more complex. Based on the consumption needs of one family or a small community, the family farm in the best case would not succeed in realizing economic performances, which will provide welfare to its entrepreneurs; it will at the best satisfy their consumption needs. Therefore, it is a “must” to trim Romanian agriculturalist towards biological agriculture, the only one able to provide the performance levels which will also fulfil the efficiency criteria when talking about family based enterprises.

The only viable solution for the Romanian agriculture is, as I stated from the ’90 until present, connecting it to the market. In other words, setting it in conformity with the market requirements. In fact, we do not ask anything else than what the Europeans asked for their agriculture from the verge of 1996 and until the year 2000: support, especially by sustaining the price, of the production destined for the market. This is the only guarantee for progress in the branch.

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