

The Current Needs of the Agrarian System in the South-East Region

Daniela - Lavinia Balasan
Dragoș Horia Buhociu
Cristinel Ferțu

"Dunărea de Jos" University of Galati, Romania

lavinia.balasan@ugal.ro

dragos.horia@uauim.ro

cristinel.fertu@ugal.ro

Abstract

Even if, after the integration into the European Union in 2007, Romania had a thriving economy, it ranks in the top of the underdeveloped countries, where the minimum wage is among the last in the European Union. Although the post-social transition and European integration have shown themselves full of benefits, there are major differences between the capital and large cities and rural areas in our country. This influences the population in the migration process.

The agrarian system has come up with a new concept, namely regional development, a concept that includes the set of economic activities taking place within a region, the investments made in the private sector, the reduction of the unemployment rate and, above all, the proposals initiated to increase the standard of living.

This article is based on an indication of the problems facing the South – East Region and the current needs of the agricultural system and involves the creation of a plan of measures and techniques to increase performance in rural areas.

Keywords: rural, pandemic, agriculture, region, system.

J.E.L. classification: O18, Q01, Q14

1. Introduction

Due to the major changes to which the agrarian system in our country is subjected, the economy must be prepared for the emergence of a crisis. Thus, it is necessary to carry out a set of methods and techniques that will help the economy not to collapse. The COVID-19 crisis is putting pressure on all development sectors, especially agriculture through the delay in agricultural transport and the lack of labor in some areas.

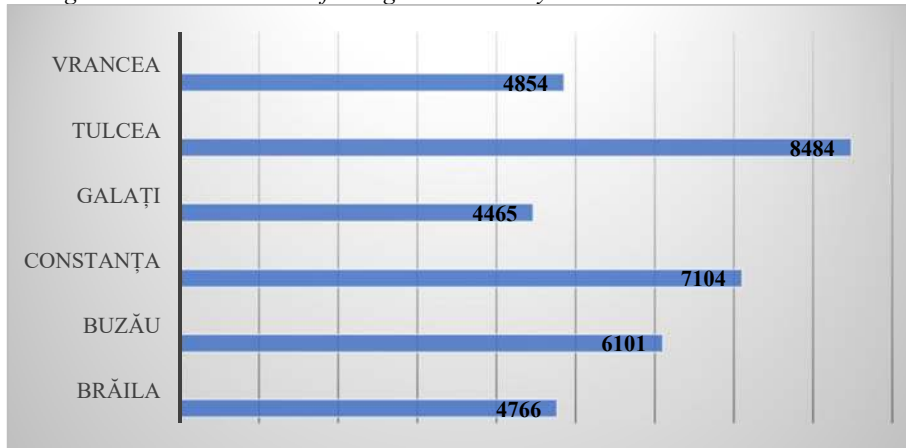
Following the census, the region has approximately 2.5 million inhabitants with ethnic and religious diversity, namely Russians, Turks, Greeks, Roma and Tatars.

In the South-East Region, agriculture holds a surprisingly important share, especially since after the area of fruitful vineyards, the region ranks first among regions.

This paper is based in the first part on the evaluation of the financing within the South-East Development Region, further on the need for digitization and the European development model are studied, and in the last part the provocations generated by the COVID-19 crisis are debated.

The South-East region is part of the 8 Development Regions of Romania, being the second largest among the regions and includes 6 counties, namely Braila, Buzau, Constanta, Galați, Tulcea and Vrancea. The total area of the region amounts to 35,774, 15% of the total area of Romania. In the figure below we see the area of the South-East Region by counties.

Figure no. 1. Distribution of se region counties by area



Source: Own processed data from the https://www.adrse.ro/Documente/Planificare/Studii/Rezumat_studiu_EDER.pdf accessed on 23.11.2021

2. Theoretical background

The rural area is facing more and more intense challenges more and more often (Stanciu S., 2007), thus, more and more researchers show an increased interest in the analysis and study in the agrarian field.

The improvement of the rural area is based on the analysis of the social and political challenges, but especially on the detailed analysis of the climate changes taking place and which are influencing more and more (Buhociu F.M., 2016). The literature presents focused the strategies used to improve the performance of the agricultural sector. The high-quality technological instruments used in the development of performance (Moga L.M., Buhociu F.M., Ion I., Vîrlănuță F. O., Antohi V., Zugravu A., 2009) are taken into account.

The efficient exploitation of the South-East Region could rank the region in the top of the development regions in our country, especially since it has a real tourist potential (Kinga K., Bernadett P., Emese S., Eniko V., 2010). The concept of digitalization implies a strong strategic approach based on economic development through tools such as research and innovation.

The macroeconomic results could be stimulated by the existence of a process as accurate and complex as possible that would involve all the changes that occurred in a certain period of time (Constantin DL., 2000).

The literature promotes strategies that are based on competitiveness in the agricultural field. To draw up a solid development plan, it is necessary to identify the current state of the studied area, including the main areas where assistance is desired (Stanciu S., 2015). The countryside is in a continuous competition with the urban space although it does not enjoy the same fast-paced development process.

3. Research methodology

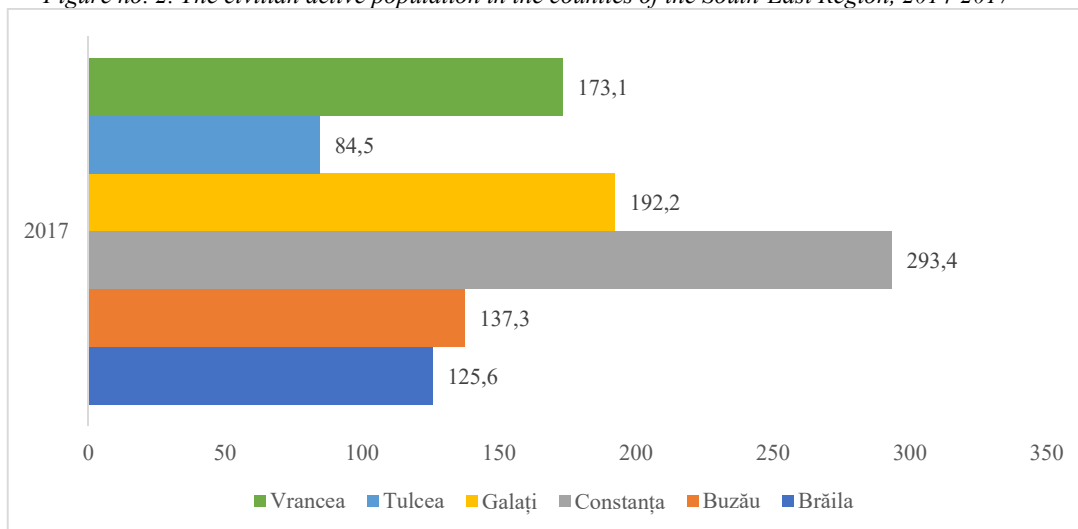
The data studied in this work are results from the analysis of quantitative and qualitative methods and techniques. The information is studied and analyzed from the National Institute of Statistics. In the present paper we have analyzed information since 2014 to provide a more accurate vision of the current situation in the rural area of the South-East Region.

Evaluation of funding under the South-East Region. To carry out the most accurate analysis, it is necessary to evaluate the following points, namely:

- Labor force evolution.
- Analysis of the main economic indicators.
- Entrepreneurial environment.
- The evolution of digitalization.

In recent years, the region has experienced a deficit in the working population, especially since most decreases have been recorded in agriculture. In the figure below we note the distribution of the civilian active population in the South-East Region in the period 2014-2017.

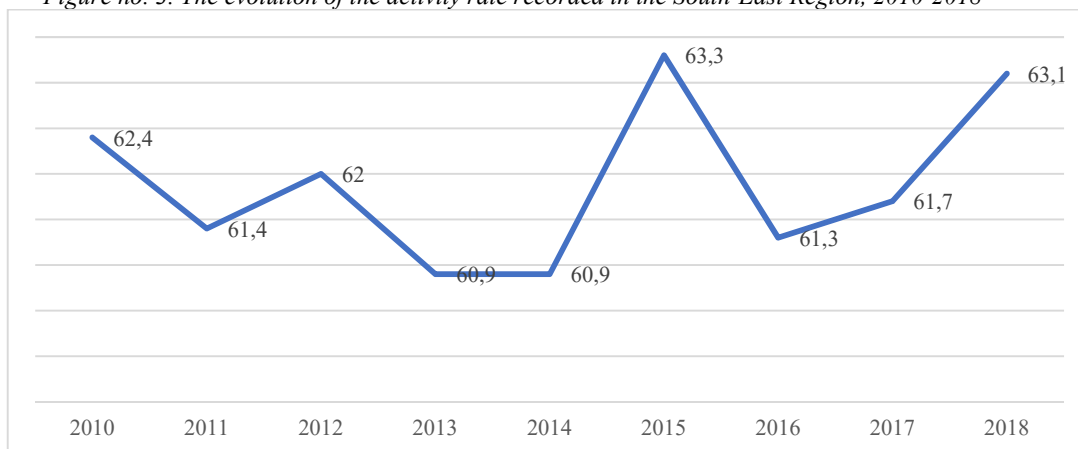
Figure no. 2. The civilian active population in the counties of the South-East Region, 2014-2017



Source: Self-processed data from https://www.adrse.ro/Documente/Planificare/Studii/Rezumat_studiu_EDER.pdf accessed on 23.11.2021

The activity rate has fluctuated in recent years, and the county with the highest activity was in 2017, Vrancea, and the lowest activity rate was recorded in Galati, 59.2%. In the following figure we see the activity rate recorded in the South-East Region in the period 2010-2018.

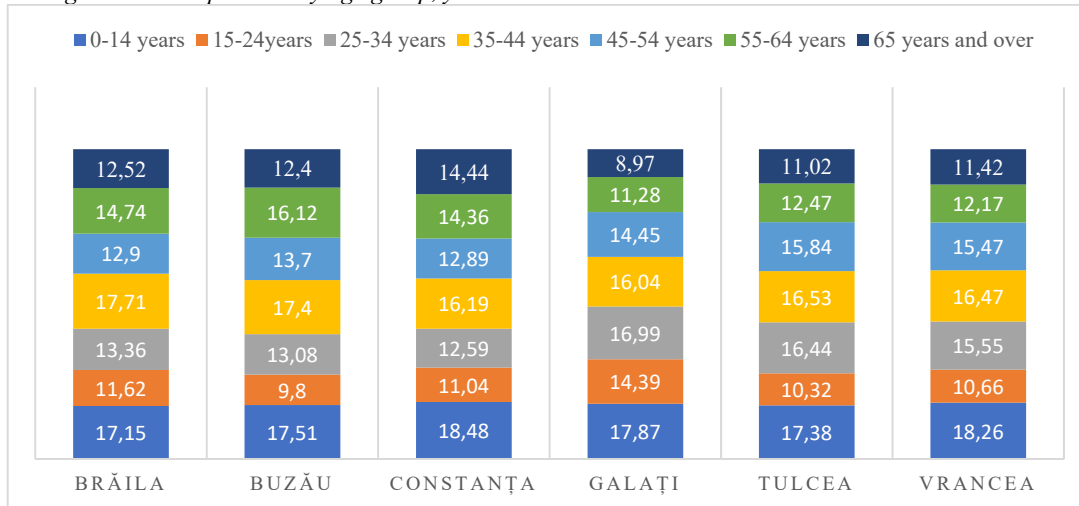
Figure no. 3. The evolution of the activity rate recorded in the South-East Region, 2010-2018



Source: Self-processed data from https://www.adrse.ro/Documente/Planificare/Studii/Rezumat_studiu_EDER.pdf accessed on 23.11.2021

Below we will see the population of the South-East Region by age group in 2018.

Figure no. 4. Population by age group, year 2018



Source: Data processed by itself from the National Institute of Statistics, TEMPO Database, accessed on 17.04.2021

4. Findings

The need for re-digitization the model applied in Europe

To make an extensive analysis, we went through the following directions:

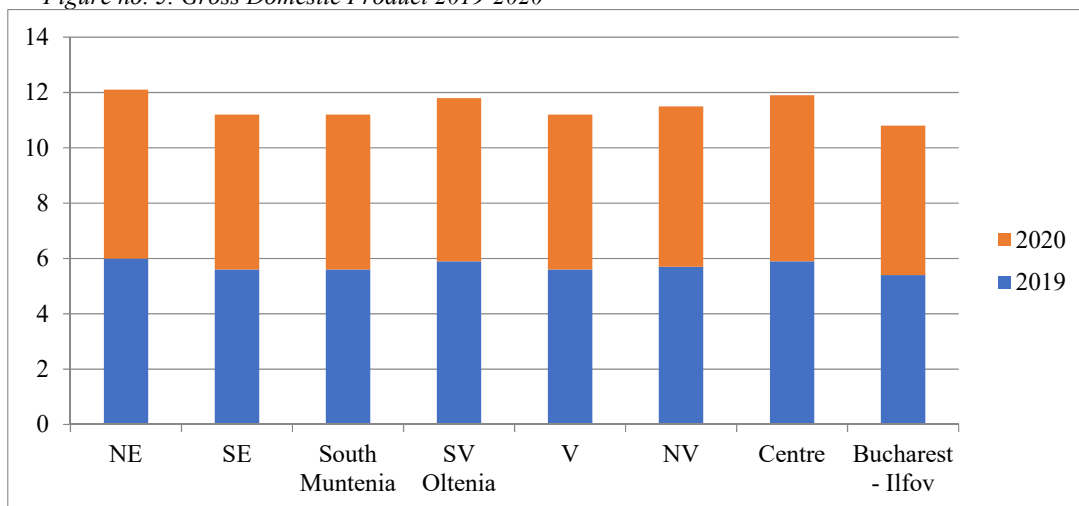
- Economy and need for development in the South-East Region.
- Analysis of the labor force and the necessary indicators.
- Prioritizing needs.
- Applying a set of methods and techniques that consider the medium and long-term development of the region.

For a long time, there has been talk about the need to transform the digital in our country to position Romania among the developed states in the old continent. The emergence of the pandemic caused by the COVID-19 virus emphasizes the need for digitization in our country.

The need for digitalization is based on the discovery of sectors in which the region excels, or their potential is profitable in the future.

The emergence of the virus has caused major changes in all economic sectors. The labor market sector has suffered the most. In the figure below we note the evolution of gross domestic product in the period 2019-2020.

Figure no. 5. Gross Domestic Product 2019-2020



Source: Self-processed data from INSSE, 2020

Increases in gross domestic product have been identified in most of the development regions of our country. The main branches of development of the South-East Region are the following:

- Development of infrastructure and telecommunications.
- Development of public services.
- Environmental conservation.
- Development of local tourism.
- Creation of new housing and residential areas.
- Attracting new investors to underdeveloped areas.
- Supporting the economy.

5. Conclusions

The main purpose of creating a vision of smart specialization is to plan future actions by using appropriate techniques in the development of areas with high potential for innovation.

In Romania, agriculture is an important pawn in the rural economy. As the demographic analysis shows decreases annually, the most populated counties being Constanta and Galati, the labor force also registers large deficits. Below we will list some aspects that can help create new jobs, namely:

- Transition from quantitative productions to qualitative productions.
- Creation of new education programs and qualification courses.
- Modernization of agricultural holdings.
- Adoption of innovative ideas and development of technology.
- Participation in Erasmus programmed involving the exchange of experience.

The realization of new jobs requires a significant positive effect for rural economic development.

The main advantage of the South-East Region is the geographical location. In this article, the current needs of the region's rural development have been addressed, especially under the pandemic shadow in which we are currently located. The pandemic has affected the entire planet with a negative impact on the labor market.

6. References

- Botti S., McGill A. L., *The Locus of Choice: Personal Causality and Satisfaction and Utilitarian Decisions*, Journal of Consumer Research, 2011
- Buhociu F.M., *Territorial resources to support sustainable rural development in a European context*, Europlus Publishing House, Galați, 2016
- Clarles R., *Handbook of cross-border cooperation for the use of local and regional authorities in Europe*, 3rd Edition, Bucharest, 2000
- Constantin D.L., *Regional economy. Theories, models, policies*, ASE Bucharest Publishing House, 2000
- Kinga K., Bernadett P., Emese S., Eniko V., *Rural development. Employment in rural areas*, Cluj-Napoca, 2010
- Balasan D. L., Buhociu F. M., *Tourism Evolution in Region 2 SE*, Annals of “Dunărea de Jos” University of Galați, Fascicle I. Economics and Applied Informatics, 2020
- Buhociu F.M., Moga L.M., Vîrlănuță F.O., *The Quality of Health Services – new instruments for the evaluation*, Revista Quality – acces to succes, an 10, nr. 1-2, 2009
- Buhociu F.M., Antohi V.M., Moga L.M., *The Common Agricultural Market and its Effects Upon European Union Countries Agriculture and Budget*, Annals of Dunărea de Jos University, Fascicle I, Economics and Applied Informatics, nr. 2, 2009
- Lupașcu I., *The role of European Union funds in stimulating investments in Romania*, International Conference “EFINV- 2005”, ASE Bucharest, May 27-28, 2005
- Lupașcu I., *Analysis and Challenges Regarding Eomen Contribution to the SME Development in Romania*, International Conference “Risk in Contemporary Economy”, XIVth Edition, 2013, Galati, Romania, “Dunărea de Jos” University of Galați – Faculty of Economics and Business Administration, Galati, 2013
- Stanciu S., Rotaru G., (2017) *Appreciation of food quality*, Academic Publishing House, Galați
- Stanciu S., *Security, Safety and Continuity on Agri food Chain*, Lambert Academic Publishing OmniScriptum Publishing Group, 2015
- Stanciu S., *The Foreign Direct Investment in The Romanian Agrifood Production*, SEA-Practical Application of Science, 2016

- Stanciu S., *A comparative Study Regarding the European Agricultural ALLOCATION OF Funds for Rural Development 2007-2013 and 2014-2020*, Advances in Science, Innovation and Management – Sea 11 International Conference, (April 27-28, 2017, Iași, Romania), Plenary Conference
- Stanciu S., Bylge H., Danaci T., *Business and Financial Strategies*, LAP Lambert Academic Publishing Imnisciptum Publishing Book, 2017
- Zugravu A., Neculiță M., Turek Rahoveanu M. M., *Information System for Financial Analysis and Economic Planning within Fish Farms*, The XVIIth International Conference IBIMA (International Business Information Management Association), Business Transformation through Innovation and Knowledge Management, Proceedings ISI, clasificată B ERA 2010, 23-24 June, Istanbul, Turkey, 2010
- Zugravu A., Man O., Neculiță M., *The Management Information System FOR fish farms*, *International Symposium Competitiveness of Romanian Agriculture in the European Integration Process*, ARS Publishing House, Bucharest, 2009
- Manual by Cooperación Transfronteriza, European Association of Border Regions (AEBR), Berlin, 2014
- Moga L.M., Buhociu F.M., Ion I., Vîrlănuță F. O., Antohi V., Zugravu A., *The Internet as a Business Environment in Romanian Agriculture*, Journal of Food, Agriculture & Environment (JFAE) Vol. 7 (2), 2009
- Onea F., Rusu E., *An assessment of the wind and wave power potential in the island environment*, Volume 175, 15 May, 2019
- Stanciu S., Rotaru G., *Appreciation of the quality of food goods*, Academic Publishing House, Galați, 2007
- Strategy of intelligent specialized of the South-East Development Region, elaborator SC ACZ Consulting SRL, Project co-financed by ERDF through POR 2014-2020, Brăila, Romania
- <https://www.cjgalati.ro/images/stories/formulare/potential-turistic.pdf>
- <https://www.galati.insse.ro/comunicate-de-presa/turismul-in-judetul-galati-luna-iulie-2019/>
- http://www.adrse.ro/Documente/Planificare/RIS3/SRSI_SE_2021-2027.pdf
- <http://www.madr.ro/docs/dezvoltare-rurala/programare-2014-2020/strategia-de-dezvoltare-rurala-2014-2020-versiunea-I-nov2013-update.pdf>
- http://www.fsesudest.ro/PDR_2009.pdf
- <http://infraed.ro/wp-content/uploads/2017/10/PRAI-SUD-EST-2016-2025.pdf>