

Chapter 9

Prerequisites for Relaunching Economic Growth in Romanian Agriculture by Promoting Associativity

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ABSTRACT

The level of socio-economic development, the types of relations, and the existing legislation at some point in society represent basic elements in the operation of public-private partnership. In the post-revolution period, a series of difficulties and discontinuities in agricultural policies are manifested in the Romanian society, even after 27 years. It has affected the configuration and development of associative structures, including public-private partnerships from rural areas. Currently, the evolution of the representative associative structures in public-private partnership and the diversification of operation record more than the progressive process, a correlation with the local development plans. Also, concerns on behalf of the central public administration are recorded regarding the update of the legislative and institutional set-up of associative type, because it is one of the main tools for operating the common agricultural policy in accordance with the rules of the European Union.

INTRODUCTION

The realities of Romanian agriculture - even after 27 years after the removal of the communist regime - represented by high costs, lack of technology, the continued fragmentation of agricultural land, the three million of subsistence and semi-subsistence agricultural households, to which on added to aging and lack the experience of many new owners - some of them transferred from urban areas - are the main causes that affect the efficient functioning of the whole sector, production entities and services established in all these years.

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The main target of this analysis is the processes and phenomena of agriculture association and co-operation with extensions for the whole Romanian rural area.

In Romania, after 1989, the co-operative phenomenon, as well as the main public actions undertaken by the post-1989 governments, have been extensively analyzed in the book “Agricultural Co-Operation, from Historical Argument to the Transfer of Knowledge” (Popescu, 2014). The author of this book critically identifies the various processes and phenomena that have affected the functionality of agricultural co-operation and association, out of which: the absence of an integrated vision of the role, complexity and functionality of institutional structures in general; actions initiated by public decisions, which were sequential in character and strictly aimed at solving current needs; lack of experience of public decision-makers in the field of institutional building; the absence of a priorities agenda at the level of public decision-makers - on the one hand, at central and local level and, on the other on medium and long term; the poverty of the population and its main orientation towards immediate activities.

The evaluation of the Romanian rural state, namely the reconfiguration of the associative and cooperative structures specific to the new socio-economic system established after 1989, took into account the institutional instruments developed to support the public-private partnership through the two National Rural Development Plans from 2007-2013 and 2014- 2020, as well as the Local Development Plans initiated after Romania’s accession to the European Union.

The re-launching of economic growth in Romanian agriculture through the promotion of associative structures is strongly pointed by the difficulties faced by the Romanian Agricultural Policy after 1990, out of which we mention: the less developed co-operative culture of the Romanian peasants; excessive fragmentation of agricultural properties; the attitude of rejecting the cooperative system and any form of partnership by the whole society, especially by the rural population; the low level of information, of confidence and the weak training of farmers; fears of farmers’ participation within markets, etc. In order to highlight the role of the associative structures, including the public-private partnerships, this issue emphasis highlights, on the one hand, the institutional instruments for supporting the public-private partnership in Romania and, on the other hand, the drivers of economic recovery in the Romanian agriculture parallel with the special importance on the necessity of their correlation with the entire domestic and European legislative and institutional framework.

REDEFINING THE COMMON AGRICULTURAL POLICY BY TAKING INTO ACCOUNT THE COOPERATIVE SYSTEM

The Importance of the Cooperative Sector

After more than 150 years of the formation of the cooperative system, about one billion people are members of these entities. ”The World Co-operative Monitor 2016 Database: Exploring The Co-Operative Economy – Report 2016” and of the European Research Institute on Cooperative and Social Enterprises - EURICSE - which has a database within 2,370 cooperatives and mutual organizations, on can found this structures in 63 countries, with a turnover of over 100 million US dollars (The World Co-operative Monitor 2016 Database, 2017).

According to the already mentioned study on large geographical areas, the situation is the following: Europe has 68.5% of total number of cooperatives and mutual organizations and 61.6% of cooperatives and mutual organizations with a turnover of over 100 million US dollars; in North and South America

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