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## THE AGRARIAN REFORMS AND THEIR IMPLICATIONS ON AGRICULTURE IN THE LAST CENTURY

### ABSTRACT

The present paper attempts to make an analysis of the agrarian structures based on an extensive bibliographic study in the period of the recent history of Romania. The 20<sup>th</sup> century is, in the history of the agrarian economy, dedicated to multiple endeavours to solve the social and economic rural problem. The solution consisted of agrarian reforms that sought to alleviate rural poverty, to decrease the small and medium-sized land property atomization, to counteract the persistence of large properties, to reduce the precariousness of rural living conditions. The European context in which Romania's agriculture developed in the 20<sup>th</sup> century was also generated by the pressures induced by the technical changes; in this sense, the land operation modalities changed, the cropping systems improved, livestock farming expanded, and advanced agro-technical measures were used.

**Key words:** agrarian reforms, agrarian structures.

**JEL Classification:** N54, O13.

### 1. INTRODUCTION

In the last century, agriculture went through periods of deep and contradictory changes, under the background of political changes that affected the entire country. In a period shorter than one century, not less than 4 agrarian reforms took place in Romania, which definitely changed the farm production structures, the rural world, deeply traumatised the peasantry and have finally changed the position of agriculture in relation to the other economic sectors, as well as its role in the society's economy. Our approach divided the investigated period into three parts, namely:

*The period 1919–1947: Transition of peasant farming to capitalism*, which includes the agrarian reform of 1920–1921 and its effects on the agrarian structure and peasantry, the crisis of 1929–1930, which quite severely impacted agriculture in Romania, due to its position as exporting country of agricultural products, in the context of rising protectionism and falling grain prices, the agricultural debt crisis and the solutions found to solve it, and the rural overpopulation problem.

*The period 1948–1989: Command economy in agriculture*, which presents the results of the agrarian reform of 1946, the forced collectivisation of agriculture, and finally agriculture evolution in the communist period, with its contradictory aspects in terms of production performance of state farms, cooperative farms and individual farms, as well as the rural population's living standard and the labour and value transfers between agriculture and the industry and construction sectors.

*The period 1990–2018: Agriculture integration in the market economy*, which focuses on agriculture transition to the private sector, following the agrarian reform of 1991 and the privatisation of state farms, agricultural market liberalization and finally the reforms meant to facilitate the Common Agricultural Policy adoption and the integration into the Single Market, since 2007. The summary of the agricultural policies implemented after 1990 highlights the hesitating and contradictory evolution of the agricultural sector towards the economy of capitalist type, and its final result materialized into the adoption of the Common Agricultural Policy with our country's accession to the European Union in the year 2007.

The final considerations at the end of the paper bring together the effects of the three periods, presenting a series of long-term evolutions of indicators regarding the agrarian structures, the production obtained on the state farms and the individual farms, the changing fluctuations referring to agriculture importance in national economy (as % in GDP and labour employment).

We think that part of the conclusions drawn from the analysis of these evolutions on the long term can provide some ideas for solving up the current problems of Romania's agriculture and we should mention here the problems of agrarian structures, of family farms, of rural poverty, of surplus labour and many others.

## 2. MATERIAL AND METHOD

This paper represents a synthesis of the efforts made by the team of authors to consult, study and extract relevant elements from the works of the most important economists, experts in social sciences and agronomy, on the evolution of agriculture in the inter-war period, in the communist period as well as in the thirty years of integration into the market economy. The authors tried to maintain a balanced and neutral attitude with regard to the various approaches and theories presented in the consulted bibliographic sources, mainly in the context in which certain topics were quite delicate and therefore debatable.

The source of information on the demographic, physical and economic indicators on the evolution of agriculture over time, is represented by the official statistics, scientific studies published by the Romanian Academy, the Academy of Agricultural and Forestry Sciences, the National Institute of Economic Research, the Agronomic Research Institute of Romania, by other organizations or reputed authors, experts in their field of activity. For the presentation of certain aspects

from the recent period (after 1990), we used a series of results extracted from the studies conducted by international organizations, which analysed the Romanian agri-food sector situation, and we must mention here the World Bank, the European Commission and OECD.

### 3. RESULTS AND DISCUSSIONS

#### 3.1. THE PERIOD 1919 – 1947: TRANSITION OF PEASANT FARMING TO CAPITALISM

Romania continued to be an agrarian country after the Great Union, with about 75% of the population working in agriculture; this economic branch provided staple foods for the population and significantly contributed to exports. At the same time, the village continued to be the source of labour force for the other branches of the economy. One can say that peasantry was “the main supplying source for modern Romania’s construction” (Axenciuc, 1996).

The rural and agrarian characteristics of the Romanian rural area at the beginning of the 20<sup>th</sup> century were extended to the period between the two World Wars. There was an imperious need for a new agrarian reform, as the basis of a serious option for the capitalist progress of the entire economy.

In the early 1920s, the agrarian reforms based on land redistribution measures focused on the agrarian ideal, i.e. independent peasants, owners of land, creation and economic consolidation of the middle class, capable of ensuring rural modernization (Maurel, 2011).

With the expropriation of large estates, the small-sized peasant holdings began to prevail in Romania’s agriculture. Thus, 60% of the country’s arable area was operated by holdings up to 10 hectares in size. At the same time, the development of the capitalist sector continued in the new conditions created after the reform of 1921, including rich peasant holdings (with 10–50 ha) and land holdings operated by landlords (with 100–500 ha), which both produced food commodities for the domestic and foreign markets. Thus, a parallel evolution emerged, i.e. the more dynamic capitalist segment alongside with the peasant, subsistence segment.

*The agrarian reform of the period 1917–1921* was inextricably linked to the fulfilment of the Romanian nation’s ideal of unity. Certain historians consider that the liberal initiators envisaged and achieved a limited agrarian reform, “*aimed at creating a class of peasants if not satisfied, at least grateful, politically serving those who empowered them*” (Fisher-Galați, 1998), arguing that the agrarian legislation was less generous than peasants expected. In historical-economic terms, the reform was considered a necessity, as it would contribute to the national state consolidation, facilitate the economic recovery of agriculture, strengthen the position of the bourgeoisie (to the detriment of landlords), with the desire to solve the agrarian-

peasant problem by creating a small-sized land property that would provide its owner with the possibility of a decent living, relatively independent from the economic point of view (Bozga, 1972).

In Romania, like in the rest of Eastern Europe, the agrarian reforms were broader and deeper, targeting the dismantling of the large estates and their social consequences, the deep transformation of the relations and status of agricultural holdings, of the economic, political and legal institutions, in order to avoid the bondage of peasants and agricultural workers to certain economic interests, the advantages thereof being alien to peasants. On the other hand, the agrarian reform of 1921 aimed at releasing part of the capital blocked into the large land property, which, once it became available, would be invested in accelerating the country's industrialization process.

Practically, more than 6.4 million ha were expropriated (belonging to the large estates with over 100 ha and to the Crown domains), and they were appropriated to 1.6 million peasant households (of the participants in the war and of those with little or no land at all). The plots given into their property could not be sold. The land appropriated to households summed up 3.5 million ha, and other 2 million ha were assigned to the communes, in the form of communal grazing land (1.1 million ha) and pastures (0.8 million ha). The remaining land areas became reserves or were organized as state farms. However, about 30–35% of the 2.3 million peasants, entitled to receive land, got no land at all, because there was no sufficient land in their regions, while those who benefitted from this reform experienced numerous delays until they finally got the land in their possession. This uncertain land possession created difficulties in getting credits and inhibited the land improvement practices.

**Demographic and social evolution.** Romania's population increased by 9% in the first decade following the agrarian reform of 1921; rural population represented 78.9% of total population. The relative overpopulation phenomenon in agriculture grew worse over time, with numerous negative economic and social implications. In economic terms, maintaining such a large segment of the country's population in agriculture, in the conditions of a high birth rate, corroborated with the relative seasonality of agricultural works (it was estimated that the active labour force effectively worked 120 days/year) limited the growth possibilities of the living standard and capital accumulation not only in agriculture but also at national scale. These economic aspects had social reverberations, in the sense that the permanent "appetite for land" was maintained in the rural world, and the Romanian village became a factor of social discontent. The latter phenomenon was also sustained by the fact that in the period before the two World Wars, the Romanian village was an electoral manoeuvre field.

This period was characterized by social polarization phenomena. The agrarian reforms contributed, to a certain extent, to the attenuation of the extremely strong contrasts that existed in the social life. *The bourgeoisie of small towns and cities keeps running ahead, achieving and borrowing, relentlessly and without making a*

*selection, all forms of new and changing aspects of civilization; it always forgets to remember, to look back; and when it did that, it was only fast and superficial: it did not turn positively to the villages, did not get the village closer to it either, it did not narrow the distance of civilization between village and town, between the peasantry and the bourgeoisie.”* (Constantinescu, 1943)

The rural life quality, the daily life standard reached the limits of maximum frustration, being a manifestation of the basic characteristic of the rural world, i.e. social underdevelopment. The rural daily life was affected by the dramatic price decrease of agricultural products, by the price scissors between the agricultural and industrial goods.

**Prevalence of very small holdings** (Table 1), of holdings that provided insufficient basis for the proper subsistence of one family (as the experts of those times considered), worsened the agricultural overpopulation phenomenon, highlighting the rural property atomization.

Table 1

Distribution of peasant agricultural land properties

%

Category	1930		1941	
	No. of holdings (% of total)	Agricultural area (% of total)	No. of holdings (% of total)	Agricultural area (% of total)
without land	17.7	–	30.8	–
< 1 ha	15.4	2.4	16.1	2.7
1 – 3 ha	27.8	16.6	24.4	18.6
3 – 5 ha	19.0	22.4	12.8	20.0
5 – 10 ha	14.2	29.5	11.8	32.2
10 – 50 ha	5.9	29.1	4.1	26.5

Source: Marcu, 1969.

The complementary data on land fragmentation, collected during the survey conducted in the year 1938 (ISSR, 1941), reveal that the situation of peasant equalization created by the reform of 1921 had considerably changed, also favoured by the law of 1929 regulating the circulation of arable land. It was proved that the holdings of the new landowners were less resistant than of those who owned land before the reform. The possibility of selling/ buying the plots obtained by land appropriation “*resulted in the emergence of a thin layer, yet present in each village, of peasants who became proprietors of their own farms, with more than 10 ha, extremely energetic and enterprising*” (Gusti, 1968).

The results of the agricultural census of the year 1941 revealed the following situation:

- the first category of holdings was represented by the peasant holdings that totalled 1,009 thousand (44.7% of total), with an area of 4,667 thousand ha (45.8% of total area), operated only by the family, with an average size of

4.6 ha. Out of these, only 32% had sufficient land into their ownership to operate, and the remaining 12.7% of holdings leased in land to supplement their own reproduction needs. In other words, only one-third of total agricultural holdings of the country could be considered as having sufficient land, which provided them economic autonomy.

- the second category of holdings, accounting for 40% of total, was represented by those with an average size of 2 ha, operated only by part of the family members, mainly due to the insufficient land (a significant part of the active persons on these households worked outside the holding, in agriculture or other branches).
- the third category included holdings with hired workers complementing the family work; it accounted for 14.8% of total holdings, farming almost one-quarter of the agricultural land area. The average size of these holdings was 9.17 ha and they belonged to rich peasants, employees or certain landowners who had leased out a large part of their land and farmed the remaining land with their family and hired labour.
- the fourth category included 1.1% of total holdings, operating 11.7% of total agricultural area, mostly consisting of the capitalist holdings that farmed their land using hired workers. Their average size was 46.7 ha.

The 40 % of total holdings with an average size of 2 ha provided labour force to the large-sized holdings and at the same time represented the core of the agrarian problem in the year 1945.

*The agricultural production evolution* in the inter-war period portrays an agricultural sector where crop production prevailed, with cereals being the main crop; cereals were cultivated on the largest part of arable land areas; the share of maize crop in total cereal production was almost 50%, yet with modest yields in general (less than 11 quintals/ha). The evolution of agricultural output reveals the decline of the value of the livestock sector by about 10% in 20 years (1919–1939), to reach less than 40% of the total value of agricultural output by the end of the inter-war period. The livestock sector continued its historical trend: “...its dynamics was even lower than cereal production. The causes behind this situation were the diminution of livestock herds during the war and only its partial recovery in the two decades of the inter-war period. As Virgil Madgearu said, the main causes of the decline of livestock herds were the diminution of grassland areas, the insufficient increase of the areas cultivated with fodder crops and the diminution of average yields per hectare in these crops” (Murgescu, 2010). At the same time, the efforts to diversify crop production, mainly the expanding of areas under industrial crops, stimulated in the second inter-war decade, yielded certain results, the share of cereals in crop production value decreasing by about 5 percentage points throughout the period, yet remaining much higher than in all the other crops, i.e. around 60% of total.

*The world economic crisis of 1929–1933* also affected all the economic branches, but its most serious effects were in agriculture, due to this branch lagging

behind, both compared to the rest of the economy and to agriculture worldwide. Although worldwide the effects of crisis in the financial and industrial system were dramatic, if we consider the surprising bankruptcies and the explosion of unemployment, the effects on agriculture were long lasting and mostly experienced in the countries exporting agricultural products, among which Romania.

Beginning as early as 1928, with a sharp fall in the prices of agricultural products, the agrarian crisis extended over most of the fourth decade (Bozga, 1975). Generally, the reaction to crisis of the countries that imported agricultural products was to increase protectionism, while the reaction of exporting countries was to support the development of regional links (yet without success) and the intervention on the market to support prices, through export subsidies inclusively. In Romania, the crisis put a significant pressure on the balance of external payments, as generally the prices of exported products decreased (mainly in the case of agricultural prices), while the prices of imported products remained at relatively high levels. Compared to the period prior to crisis, the cereal prices experienced a spectacular decline, reaching values from one-third to one quarter of their level in 1928. For the peasant agriculture, where cereal crops prevailed, the evolution of prices generated a strong deterioration of the agricultural inventory, livestock herds and cultivation methods (with focus on the manual labour), but it also produced an exacerbation of the problem of repaying the debts contracted by peasants before the crisis.

*The magnitude of the debt problem* and the tensions that accompanied it captured the attention of numerous experts, and several debt relief plans were debated, in an attempt to save both the peasant holding and the banking system. The result was to solve the agricultural debt problem by extra-economic means. Thus, under the pressure of peasants' opposition to the forced executions for non-payment of debts, in the years 1931–1932 measures were taken to suspend and postpone payments. Then various conversion formulas were prepared, and the suspensions were extended until the final law of 1934 was adopted. This law on agricultural (and urban) debt settlement provided for the reduction by 50–60% of the debts of agricultural debtors and payment rescheduling over 17 years, at 3% interest rate, for the remaining debt. The conversion eased the situation of peasant holdings, relaxed the tension at village level and revigorated the domestic market for industrial products, yet it almost fully compromised the idea of agricultural credit, for quite a long time (Kirişescu, 1967).

Under the pressure of prolonged agrarian crisis that impacted the evolution of Romanian agriculture in the period between the two world wars, the researchers focused their attention on the structural drawbacks identified in the organization of agricultural holdings, the crop production methods, the situation of debts and the rural overpopulation. The close interconnection between these deficiencies made it difficult to separate the causes from the effects, yet the overpopulation issue lay at the core of concerns for reforming agriculture. The agrarian thinking inspired by Alexander Chayanov, to which the Romanian thinkers related to the peasant doctrine

also contributed, linked the scourge of overpopulation to the underdevelopment of agrarian economies, considering that the problem of the peasant economy is mainly a population problem.

*State interventionism in agricultural production* materialized towards the end of the fourth decade in stimulating the production of sugar beet and sunflower (following the orders from Germany) and in the development of a cereal storage system (in the period 1938 – 1940, 34 out of the 77 silos approved for construction were built) as well as of silos for fruit storage.

The losses of territories in the year 1940 (Basarabia and Northern Bucovina, Northern Transylvania and the *Cadrilater* in Southern Dobrugea) had consequences on agriculture, not only by the diminution of cultivated areas, but also by the population exchanges that followed. Subsequently, the concentration of troops and the requisition of traction means, imposed by the war preparations, created another problem, i.e. that of the labour force in agriculture. After Romania entered the war, all these problems were exacerbated, and the solutions to these problems (imports of German agricultural machinery, prisoners' work) were only partial. The unfavourable war evolution (1944) resulted in extremely difficult situations in the regions near the front line, which led to land remaining uncultivated. It is not an exaggeration to state that by the end of the Second World War "*Romania's agriculture was almost a total ruin, as a result of the military operations carried out on part of the country's territory, by the plunders committed by the German army in retreat, then by the Soviet army on the offensive*" (Șandru, 2000).

After August 23<sup>rd</sup>, 1944, the Romanian Communist Party's propaganda exacerbated the theme of a new agrarian reform, urging the peasants to occupy the great estates. The agrarian reform was legislated by the *Decree-Law of March 23<sup>rd</sup>, 1945* of Petru Groza's government. The authorities of that time made the agrarian reform with the declared objective of increasing the arable land areas owned by the peasant holdings with less than 5 ha, of allocating land plots to peasants with no land, of using certain agricultural areas for other destinations, i.e. for agricultural schools and experimental farms. Yet the political purpose of the reform was to abolish the great land estates and the semi-feudal forms of agricultural land operation (Axenciuc, 1996). The land properties of persons considered undesirable according to certain political and ethnical criteria were also confiscated, for instance the agrarian properties of physical or legal entities of German origin, of those who took refuge from Romania after August 23<sup>rd</sup>, 1944, or those properties that were not used in the previous 7 years. The land taken over mainly belonged to natural persons, the size of which exceeded 50 hectares, regardless of their category of use, arable, orchards, pastures, small lakes and ponds. The agricultural inventory of these properties was also confiscated, i.e. tractors, threshers, harvesters and combines, which passed into the property of the state, with the purpose to set up agricultural machinery renting centers in each county.



Table 2

Agricultural property by categories of size and number of owners in the year 1948

%

Category of size	% of properties	Category of size	% of properties
up to 0.5 ha	16.4	up to 10 ha	91.5
0.5–1 ha	20.0	10–20 ha	1.6
1–2 ha	26.8	20–50 ha	0.4
2–3 ha	15.2	Over 50 ha	0.3
3–5 ha	12.7		
5–10 ha	6.6		

Source: Golopenția & Onică, 1949.

Following the implementation of reform, 1,444.9 thousand hectares were expropriated by the year 1948, out of which 1,057.7 thousand hectares were distributed to peasants, and 359.4 thousand hectares were established as state reserve. As a result of the reform of 1945, land fragmentation increased, and in the year 1948, about 5 million holdings (85% of the total number of farms) cultivated areas smaller than 5 ha on the average.

The agrarian reform of 1945 had mainly a political goal, namely the attraction of the poor peasantry by the new communist power, installed on March 6, 1945. A detailed analysis of this “*provides a lot of evidence that shows that land expropriation and appropriation were part of a larger plan of measures initiated by the communists, aimed at seizing the political power*” (Șandru, 2000). The period after 1945 was marked by the predominance of the small peasant holdings and the silence of the authorities in relation to the collectivization of agriculture, whose programme was suddenly launched in 1949, with the declared goal of socialist transformation of agriculture.

### 3.2. THE PERIOD 1948–1989: COMMAND ECONOMY IN AGRICULTURE

The agrarian reform of 1945 laid the basis of the *state sector in agriculture*, through the land reserve from the expropriated land that remained at the disposal of the state. In the year 1948 some other land areas of 50 hectares that had remained to former owners were taken over. All the goods under the incidence of the law (land and agricultural inventory) were confiscated, i.e. they were transferred into the state ownership, immediately and with no compensation. This practically meant the “liquidation of the class of great landowners” in economic terms.

In the year 1946, the Public Administration of agricultural, livestock, industrial holdings and agricultural machinery was set up, which was transformed in the year 1947 into the Administration of state farms and agricultural machinery stations (Popescu, 2001). After the collectivization of agriculture, the agricultural machinery stations were separated from the state farms, resulting in two types of

entities that existed until 1989, namely the agricultural state farms and the agricultural mechanization stations. In the year 1989, the state farms operated a total agricultural area of 2,055.5 thousand ha. The area of state farms increased gradually since 1960, when they totalled only 1,720.1 thousand ha, due to the inclusion of certain areas belonging to cooperative farms, which made the process of agricultural land restitution much more difficult after 1990.

The role of state farms was to put into value the advantages of socialist agriculture, practised on large areas, with the application of modern technologies and scientific results. At the same time, they were going to have an important role in the establishment of the central fund of agricultural products. The agricultural mechanization stations had the role to provide agricultural mechanization services for the cooperative farms. By the year 1989, the number of agricultural mechanization stations had reached 573, these having 116,653 physical tractors in total, as well as other agricultural machinery (mainly combine harvesters, sewers, mechanical harrows, machinery for the application of phyto-sanitary treatments).

Another important stage, which defined the economic framework in which agriculture evolved in the communist period, was the collectivization of agriculture. This was initiated following the decision of the Plenary Session of the Central Committee of the Romanian Workers' Party on March 3–5, 1949; practically, this was an option imposed by the Soviet economic model and ideology, which did not trust individual peasants and wished to create collective agricultural holdings in which peasants and agricultural production could be kept under control and used for the purposes arising from the objectives of centralized socialist planning.

**The collectivization of agriculture** started in 1949 and ended in 1962, marking an extremely traumatizing period for the Romanian peasantry. Although at declarative level, the membership in a cooperative farm was based on free consent, "*in practice extra-economic means were also used, constraining and forcing peasants to join such association forms, which distorted both the content of the process as such and the cooperative property*" (Popescu, 2001). The cooperative farms in the communist period were far from the current standards of a cooperative, being characterized by the infringement of important principles such as autonomy in decision making and management, democratic leadership and mainly the correct and fair distribution of the results of peasants' work. Practically, they were a modality by which the communist state imposed its political and economic control over the peasantry. At the end of the collectivization process, there were 5,398 collective farms, with a total agricultural area of 9,084.7 thousand ha. Their number decreased later on, due to land consolidation. At the same time, the sector of individual household farms diminished accordingly, and they continued to exist mainly in the hilly and mountain areas. In the year 1989, there were 411 state farms with an average area of 4,900 ha and 3,776 cooperative farms with an average area of 2,557 ha.

**The main types of farms in the communist period**, i.e. the state farms and the cooperative farms, benefited from a different treatment from the state, both in terms of investment, endowment in fixed assets, in agricultural experts, as well as

in terms of labour force rewarding. Thus, out of total fixed assets of agriculture in the year 1989, the state farms had 31.7%, the agricultural mechanization stations 20.8% and the cooperative farms 22%. This system, by which the state property and the state farms enjoyed a preferential regime, actually disadvantaged the cooperative farms, which operated most of the land and where the majority of the population employed in agriculture worked. After the integration of agriculture in the socialist planned economy, various coordinating institutions such as the territorial agricultural councils were established, and since 1974 the unique state agro-industrial and cooperative councils.

In the year 1989, the cooperative farms cultivated 58% of the agricultural land. This percentage did not include the small parcels that the cooperative members were entitled to cultivate for their own use. On the average, the privately cultivated area (by the law this not being into private ownership) was estimated at 10% of the land of the cooperative farms. Almost half of this area belonged to the agricultural research network and to the local councils. About 14% of the agricultural land area was privately farmed, by the small farms that existed mainly in the mountain area and on the households that cultivated small parcels that belonged to cooperative farms. Unlike the cooperative farms, the state farms were operated under intensive system, using a large amount of capital. The capital/labour ratio (fixed assets/employee or member) was 10 times higher in the state farms than in the cooperative farms. The state farms had a relatively good endowment in agricultural machinery, tractors, agricultural equipment and transport means, while the fixed assets of the cooperative farms mainly consisted of orchards, vineyards and animals.

Structurally, the rural society and the agrarian system were completely transformed due to the new communist policies. In this period, other economic and social evolution frameworks were imposed, which led to deep changes in the rural area, in its relations to global society: *"...it is worth noting that the rural structure before the cooperativization was impossible to preserve in the post-war world... Romania in the post war period needed to concentrate its agricultural holdings and to develop economic activities that would provide a mostly productive outlet for the surplus of labour force released from agriculture"*(Murgescu, 2010).

The new structural characteristics were generated by the intrinsic need for the rural area to change and at the same time by the political requirements of the period: *"Cooperativization started in 1949 and ended up in 1962... The result was the radical change of the land ownership structure... In 1962, there were 5,398 cooperative farms with a total area of almost 9.1 million hectares and over 4.5 million members."*

Table 3

Share of different agricultural ownership forms in socialist Romania (% of agricultural area)

	State farms	Cooperative farms	Private ownership
1960	11.8	62.5	25.7
1989	13.9	60.7	25.4

Source: Constantinescu, 2000.

At the same time, a particular attention should be paid to the *production obtained on the household farms of peasants that were not cooperatized* and on the individual plots of the members of cooperative farms, who although had only 12.1% of the agricultural land, obtained 32% of the production of vegetables, 54% of the meat production and 53% of the milk production in the year 1989. Similar conclusions on the high economic efficiency of the individual household farms compared to the entities of the socialist agriculture are also revealed by V. Axenciuc (2018): comparing the global agricultural production per employed person by the three types of holdings, the author found out that compared to the relative level of 100% country average, in the state farms the percentage was 139%, in the cooperative farms 39%, while on the individual household farms 332% in 1989.

Analysing this period from the perspective given by the passage of time, it cannot be denied that in the period 1960–1980 *sustained efforts were made to modernize the Romanian agriculture*, mainly in terms of endowment in mechanization means for agricultural works (tractors, combines, other types of equipment), application of most modern agricultural technologies, use of chemical fertilizers, of chemical substances for pest and disease control, of quality seeds and crop varieties. By the year 1989, as against 1950, the number of tractors increased 11 times, the amount of applied chemical fertilizers 196 times, while the number of agricultural experts increased 6 times (compared to the year 1960).

Since 1966, lots of investments were made for the *enlargement of the irrigation system*. The area equipped with irrigation facilities increased from 42.4 thousand hectares in 1950 to over 3 million hectares in 1989, much beyond the economic efficiency threshold of this type of land improvement works. According to a report from the year 1991, the enlargement of irrigated areas was many times made by “*ignoring the technical requirements of design and execution*” (GR, 1991), which led to significant water losses. Although part of the irrigation systems received World Bank financial support, their economic viability was doubtful from the very start, the level of water subsidisation being 75.7% in the period 1971–1975, to reach 66.9% in the period 1986–1989 (Lup, 2017).

Under the background of these technological improvements adopted mainly in the 1970s, *production increased* significantly. As an illustration, in the year 1989, as compared to 1950, cereal production increased twice, sunflower production 3 times, sugar beet 4 times and fruit production 3 times. Cereals continued to be the main crop in Romania, but the yields per hectare maintained significant gaps compared to those from Western Europe, despite the efforts that were made in these three decades. Efforts were also made to develop the livestock sector, the industrial crops, the fruit-tree and vine plantations, and agricultural production diversification increased. The *share of livestock production* in the agricultural output increased to 46% in the period 1986–1989, from 29% in the period 1951–1955, while meat production increased 3 times in the same period.

The increase of agricultural production was also partially reflected in the increase of population’s food consumption, until 1975–1980. After 1985 in particular,

population's food consumption decreased in quantitative and qualitative terms, due to production decline and the forced export of agricultural products to pay the foreign debt. Due to domestic supply diminution, population's *consumption was rationalized in many staple foods*. In a retrospective analysis of what happened in this period, two essential processes that took place in those years that adversely affected the socio-economic situation of agriculture and rural area must be brought to attention.

In the first place, the control exercised by the political power on the agricultural units had the implicit goal of supporting the *policy of capital accumulation in industry through the transfer of value created in agriculture*. The main modality to achieve this was through the system of controlled prices for agricultural products. The main "flaw" of the system "related to the fact that the agricultural products were always similar, so that they were practically valued at the same prices, while the industrial products benefitted from the advantage of new products, which included price recalculations. Thus, the price scissors operated continuously and clearly to the detriment of agriculture" (Gavrilescu, 1996). At the same time, the low prices of agricultural products, maintained year after year, made those products extremely competitive at export, which resulted in significant foreign currency receipts for the Romanian state at that time.

As the agricultural prices (procurement or contracting prices) were established at central level, below the production cost level, this led to important economic losses for the cooperative farms in particular, as well as for the state farms. This phenomenon became endemic mainly in the 1980s, when the losses of cooperative farms increased from 7,600 million lei in 1980 to 20,973.8 million lei in 1989 (Ionete, 1993). The number of cooperative farms with losses ranged from 2,900 to 3,600, out of a total number of 3,776 cooperative farms in 1989. The state farms administered by the Ministry of Agriculture also had great losses, with yearly values ranging from 9.3 billion lei to 23.5 billion lei.

As their financial situation grew worse, the cooperative farms gradually decreased peasants' remuneration for their work, and these began to receive very small amounts in cash; they managed to survive due to the incomes in kind that they received from different sources, and mainly from the individual plots that did not exceed several hundreds of square meters. The financial situation of the cooperative farms was much more difficult than that of the state farms, which eventually benefitted from financial support from the state budget.

Secondly, agriculture represented the main *labour "supply source"* to the other branches, mainly to industry. The rural – urban labour migration was generated by obvious socio-economic causes, namely the unstable and generally low incomes obtained from agriculture on the one hand, and the advantages provided by jobs in the urban area: stable wages, child allowances, direct access to the healthcare system, possibility to obtain a dwelling from the state funds, town amenities and generally a different quality of life, on the other hand. The population employed in agriculture decreased by 3,196 thousand persons in the period 1950–1989, while the population employed in the sector of industry and constructions increased by 3,749 thousand.

In conclusion, the production system based on large-sized holdings, which characterized the communist agriculture, together with the investments that induced technical progress, led to agricultural production increase, mainly in the first decades of the communist period. Yet the centralized management and decision system, mainly oriented towards the transfer of value from agriculture to industry, the transfer of young labour force from the rural area to industry and constructions, as well as the forced agricultural exports to cover the foreign debt drained the resources of agriculture and led to slowing down the development of this economic sector. As a result, since the 1980s, agriculture, like the other economic sectors of the country, showed signs of slowing development and even regress. At the same time, the communist state policy had adverse effects on the peasantry and the countryside, both in economic and social terms, and even in terms of identity. After all, the peasantry was a strongly traumatised social class in the communist period, and the effects of this situation are felt to this day in the farmers' behaviour. It is worth noting the current reluctance of small farmers to get associated, to set up cooperatives for selling their production together, in those sectors where production is mainly obtained on small farms, like in the case of vegetables, fruit and milk.

### 3.3. THE PERIOD 1990 – 2018: AGRICULTURE INTEGRATION IN THE MARKET ECONOMY

The year 1990 marked the end of the centralized planning in Romania's agricultural sector and the beginning of the transition period. For agriculture, the first important moment of the period was the year 1991, through the *restitution of the cooperatized agricultural land* in the communist period to the former owners and their heirs (according to Law 18/1991). The law provided for the restitution of a land area up to 10 hectares in arable equivalent per household and the possibility for the former cooperative members who had not had land into ownership, as well as for the local civil servants to receive land in the situation when there was surplus land. "*As it was designed, the land fund reform passed most of the land (two-thirds) into the ownership of elderly people, former owners forced to join the cooperatives in the period 1949–1962 and to a very low extent to the young people from the rural areas.*" (Gavrilescu & Giurcă, 2000). Subsequently, the land area that could be legally restituted was increased to 50 hectares (Law 169/1997 and Law 1/2000).

Although the private land ownership was preserved during the 45 years of communism, the inheritance situation did not follow the same course, which increased land fragmentation. The application of the post-communist agrarian reform laws resulted in the emergence of more than 4 million individual household farms, with an average size of 2.35 ha, divided into parcels with areas under 1 ha. Romania became the country with the most fragmented agriculture system in Europe. As a result, following the implementation of the 1992 reform, the agrarian structure in

Romania became more fragmented than that in the inter-war period: out of total farms, those with under 1 hectares accounted for 18.6% in the year 1930 and 49.5% in the year 2002. The other assets from the patrimony of the former cooperative farms were either divided according to questionable criteria (animals, in particular) or sold or demolished (buildings). The providers of agricultural services (agricultural mechanization centers), which had the agricultural machinery and tractors, were transformed into Agromec units, which were subsequently privatized, starting with 1998. In late 1992, there was a dual structure of agriculture: on the one hand, about 3.8 million private farmers, who operated about 8 million arable land and produced mainly for self-consumption, and on the other hand about 1.8 million hectares arable land that remained on the state farms, that produced for the market needs. In early 1998, there were 490 state farms, 109 pig and poultry farms, 71 Comcereal and Cerealcom units and 1682 Agromec units.

The period 1992–1996 was characterized by the attempt to perpetuate a certain approach specific to the communist period, i.e. the “strong hand of the state” in agriculture and food industry. Practically, a *control of agricultural prices in the main products* was maintained, the differences between the fixed prices and costs being covered through subsidies that were paid from the state budget by the so-called “integrators” within the chains. The integrators, generally economic operators from the storage and processing sector, favoured the large agricultural producers, the former state farms and the associations established in the place of former cooperative farms, being less interested in the small private producers. At the same time, the consumer prices were liberalized in several stages, and by the end of the year 1996, four products were still subsidised (milling wheat, milk, pork and poultry meat).

The evaluations made at the end of the year 1996 revealed that agriculture used important funds from the state budget, the support being achieved both through relatively transparent transfers (price subsidies for basic agricultural products, interest rate subsidies, allocations for inputs), as well as through less transparent transfers, the so-called quasi-fiscal transfers (e.g. credits with preferential interest or write-off of debts to the state budget of state enterprises). The subsidised credits granted to agriculture mainly went to the state sector (92%) and only 8% to the private sector, out of which only 3.6% to the 3.9 million peasant household farms. These data reveal the lack of equity of the crediting system in agriculture, which excessively supported the state farms, many of which were inefficient and had losses.

At the same time, the main reason why the basic agricultural products were subsidized, i.e. to have accessible prices for consumers, did not reach its goal. This indirect subsidisation of consumption provided support mainly to richer population categories, emphasizing the higher incidence of subsidised products in the richer population’s diet, rather than in the diet of poorer population. Summing up the evolutions from that period, the evaluations (Gavrilescu & Teşliuc, 2000) revealed that the *“agricultural policy applied until late 1996 strongly distorted the incentives to*

*farmers, was costly both for consumers and producers, and it did not solve the major structural problems in agriculture and food industry”.*

With budgetary costs difficult to bear, at the end of 1996 this financing system was abandoned, and the newly installed government took important steps for an agricultural reform in which the market was to play the main role. The reform, implemented in the period 1997–2000, ***by applying the measures provided for in the ASAL programme***, agreed with the World Bank, had in view to privatize, restructure or liquidate the state farms in agriculture, the downstream enterprises (cereal warehouses, silos) and upstream enterprises (units providing mechanization services, producing certified seeds or chemical fertilizers and pesticides), to liberalize and improve land market operation, to create equal conditions for all agricultural producers from Romania. The reform of support mechanisms in agriculture focused on the full liberalization of prices, a transparent and more reduced support to agriculture (also due to the difficult macro-economic situation in that period), and mainly through direct transfers (vouchers), transparent budget credits and stopping the preferential financing of state agriculture. At the same time, the foreign trade with agricultural products was liberalized, by giving up certain protectionist measures, reducing import duties and eliminating export restrictions. However, these restructuring measures were applied with delay and sometimes only partially.

***The evolution of the terms of trade*** between agriculture and the industry supplying inputs for agriculture during that period is worth discussing. The 1990–2000 decade was characterized by a high inflation rate, mainly in the first part of the period. In the year 1993, the inflation rate reached 250%, but it fell sharply by the end of the period (59% in 1998). The agricultural input market got aligned faster with the international prices, as many products were imported, these being technologically superior to those from domestic production. At the same time, the prices received by farmers for their products remained relatively low due to the control on the supply chains. In this context, in many publications from that period, the “price scissors” issue was debated, namely the worsening of the ratio of agricultural price index to the price index of industrial products destined to agriculture (considering 1990=100), “with the input prices increasing by a factor of 3,200 and the prices of agricultural production by 1,200 in the last decade” (WB, 2005). The comments on these calculations bring to attention that the respective indicator should be analysed in the context of the high inflation that existed in that period and of the control exercised over the agricultural prices during those years, which led to distortions on the markets. At the same time, the comparisons with other countries reveal a general phenomenon: “worsening the outputs/inputs price ratio was produced in all the countries in transition at the beginning of the reform process, and the relative price changes placed Romania, together with the Czech Republic and Lithuania among the countries where the price/cost scissors was not extremely wide” (OECD, 2000).

***The agricultural production indicators*** in the decade 1990–2000 were lower than those from the period 1986–1989, both in terms of average yields per hectare



and of total productions and labour productivity, in the context of unstable economic situation, of the land reform of the year 1991 (which led to excessive fragmentation of agricultural land), destructuring of the input supply chains and of the marketing chains of agricultural products, and last but not least, as a result of the increase in number of the population working in agriculture after 1997, when the reverse migration phenomenon began, i.e. from towns to the countryside, due to the closing down of some industrial and mining units. In the year 1998, for instance, labour productivity in Romania's agriculture was 10 times lower than the European average (Popescu, 2001).

After 2000, the *accession negotiations* were initiated and agriculture began to receive support through assistance measures and programmes meant to prepare it for implementing the Common Agricultural Policy (CAP). The SAPARD Programme (2000–2004) was a key instrument, funded from EU funds with co-financing from Romania, which helped the Romanian farmers to develop investment projects according to EU rules. This programme was well received by farmers and was continued by the Farmer Programme (2005–2006), funded from Romanian funds. The Treaty of Romania's (and Bulgaria's) Accession to the European Union was signed in April 2005. The provisions on agriculture were similar to those benefiting the countries that had joined the EU in the year 2004, i.e. granting direct payments per hectare, established on the basis of the reference average yields from the period 2000–2002. The minimum size of farms eligible for payments was 1 hectare, and the minimum parcel size 0.3 hectares, these limits being adapted to Romania's fragmented agrarian structure.

The level of direct payments gradually increased after Romania's *accession to the European Union*, from 25% of the average calculated for Romania in 2007, to 100% in the year 2016. To compensate the gradual implementation of direct payments, the New Member States could provide payments from national funds, which did not have to exceed 30% of the payments of the Old Member States. Romania granted these complementary payments throughout the period 2007–2016, to support both crop production (arable crops) and livestock production (for the bovine and sheep species). The CAP financial package also included significant amounts for rural development, which were received for investment projects in farm modernization, investments in the processing sector, market integration of semi-subsistence farms, rural infrastructure, development of non-agricultural activities in the rural areas.

Looking back on the ten years since Romania's accession, it can be said that for Romania's agriculture and rural area, the implementation of the Common Agricultural Policy in the period 2007–2017 produced many positive effects, but also some less satisfactory effects. First of all, Romania's accession to the European Union brought *a predictability of the value of the support for agriculture*, due to the multiannual financial programming of the European funds, with a positive impact upon agricultural production and farmers' incomes growth. EU contribution was decisive in the continuous increase of total public funds destined to support

agriculture, which exceeded 3 billion euros annually, in the period 2013–2016, cumulating the support provided through the CAP Pillar 1 measures (from the European Agricultural Guarantee Fund), through the Pillar 2 measures (European Agricultural Fund for Rural Development, with national co-financing) and under the form of state aids (from national funds exclusively). In this context, farm incomes significantly increased in this period (by 50% in the period 2007–2016), mainly as a result of subsidies received under the form of direct payments, which reached up to 40% of farm incomes. The average yields increased in certain crops, mainly in cereals and oil crops.

Yet a secondary effect of direct payments was the *increase of agrarian structure polarization*, the disappearance of many small farms and the consolidation of the large farm segment. The way in which the direct payments were distributed reflects the polarization of the agrarian structure in Romania. Thus, in the year 2015, 97% of farms received only 40% of the total amount of direct payments, while the remaining 3% received 60%. In the period 2005 – 2013, the total number of farms decreased, the total area operated by the farms under 10 hectares decreased by about 2 million hectares, while the areas operated by the large-sized farms increased by about 1 million hectares. The average farm size increased from 3.3 ha in the year 2005 to 3.6 ha in 2013, very great differences being maintained in terms of average farm size between the farms without legal personality (with an average size of 2.2 ha/farm) and those with legal personality (with an average size of 207 ha/farm).

Another undesired affect was the decline of animal production year by year, both in terms of total production and of share in agricultural output. This evolution contributed to agriculture orientation towards low value-added products and increased dependency on meat imports.

Another category of negative effects, mainly manifested in agriculture and the countryside, originates in the opening of markets and the free movement of commodities, labour and capital. Farmers had to suffer due to the low competitiveness in certain products, mainly animal products, but also fruit and vegetables that could not face the competition of similar products from other countries. Broadly, the entire rural area had to suffer due to young *labour force migration* for better paid jobs in Italy, Spain, Germany or other EU countries. Young labour force migration, the depopulation of villages correlated with the strong ageing of the population working in agriculture represent a phenomenon manifested not only in Romania, but also in the other Eastern European countries that got integrated on the European Single Market. At the same time, due to the free movement of capital condition, an important part of Romania's farmland (about one million hectares according to certain estimates) passed into the ownership of foreign farmers or are operated by foreign farmers.

On the other hand, although the rural area and the farmers received significant funds for production and investments, in the rural communities *poverty* continues at an alarming rate, 55% of the rural population being at poverty or social exclusion risk, alongside with a high share of monetary poverty (71%). A precarious endowment in transport and technical infrastructure, with poor healthcare and education services

add to population poverty, complementing the overall picture of living conditions in the rural area.

A synthesis of the essential elements of the agricultural policies after 1989 (Table 4) highlights the diversity of approaches from the transition period, leading to the conclusion that “*in the first 10 years of transition, Romania’s agri-food economy had made its way to a capitalist-type economy slower and worse than most former socialist countries, due to incomplete and oscillating reforms*” (Cioloş *et al.*, 2009), as well as the continuity and coherence imposed by the preparations for the accession to the EU and subsequently by the implementation of the Common Agricultural Policy.

Table 4

Defining elements of the agricultural policies in Romania (1990–2018)

	<b>Structural policy</b>	<b>Pricing and trade policy</b>	<b>Financial support</b>	<b>Strategic vision</b>
1990–1992	Land reform implementation	Low consumer prices, low protection	Consumer and state farm subsidies	Agriculture, “social buffer”
1993–1996	Development of integrators	Chain control and protectionism	Support to production of industrial type	Reaching self-sufficiency
1997–2000	Privatization of industrial agriculture	Internal and external liberalization	Targeting the small farms, through the voucher scheme	Promoting family farms
2001–2004	SAPARD Programme (European funds prevailed)	Stimulating prices, low protection	Support to production marketing	Enlargement of big farms
2005–2006	SAPARD, plus Farmer Programme	Getting prices closer to EU prices	Double support, for investments and production	Development of family farms
2007–2011	Launch of NRDP 2007–2013 (Axis 1: competitiveness)	According to Common Market Organizations (CMO)	According to CAP, plus transitory measures for 3 years	Accommodation with CAP institutions
2012–2015	Running the NRDP 2007–2013 (Axis 1: competitiveness)	According to CMO, with milk market modifications	According to CAP, plus notified state aids	Farm consolidation
2016	Launch of NRDP 2014–2020 (priorities 2 and 3)	According to CMO, with support to pork sector	According to CAP, by the new rules for direct payments	Development of middle class
2017–2018	Running the NRDP 2014–2020 (priorities 2 and 3)	According to CMO, with the sugar market modifications	According to CAP, plus de minimis aids (tomatoes, sheep, pigs)	Attaining food security

Source: adapted from Cioloş *et al.*, 2009 completed with authors’ appreciations for the period 2010–2018.

The current agrarian structure of our country is the result of the superposition of all these measures that have shaped not only the distribution of land property between the social actors but also their way of thinking and acting. The 50 years of communism preserved the small peasant property at the level of the year 1948, while in the post-communist period, the village and the small farm around the rural household represented a safety net in the face of transition shocks: the acute and

perpetual lack of jobs generated by the communist industry restructuring and by the poor capacity to develop non-agricultural occupational alternatives; decreasing incomes and implicitly, lowering access to resources, for meeting the basic needs (Tudor, 2017).

The social buffer role (Dumitru *et al.*, 2004) of the small farms made it possible for Romania to go through the difficult period after 1989 without major social upheavals. The negative effects of unemployment on long term, resulting from deindustrialization, were mitigated by subsistence farming. Furthermore, if we take into consideration the high self-consumption level, as share in the agri-food consumption of an average household in Romania (30% according to the family budget survey data – NIS 2014), it results that these farms have a significant contribution to the food security of the country's population overall. Small farms have had a significant contribution to food security both for the rural and the urban population, based on the family relationships and the agri-food networks created on their basis, through which the agricultural products obtained on the small household farms in the countryside are transferred to the relatives who live in the urban area. Thus, while in a rural household 50% of the household members' food consumption is covered by their own-produced food, in the case of urban households this percentage can reach 20%.

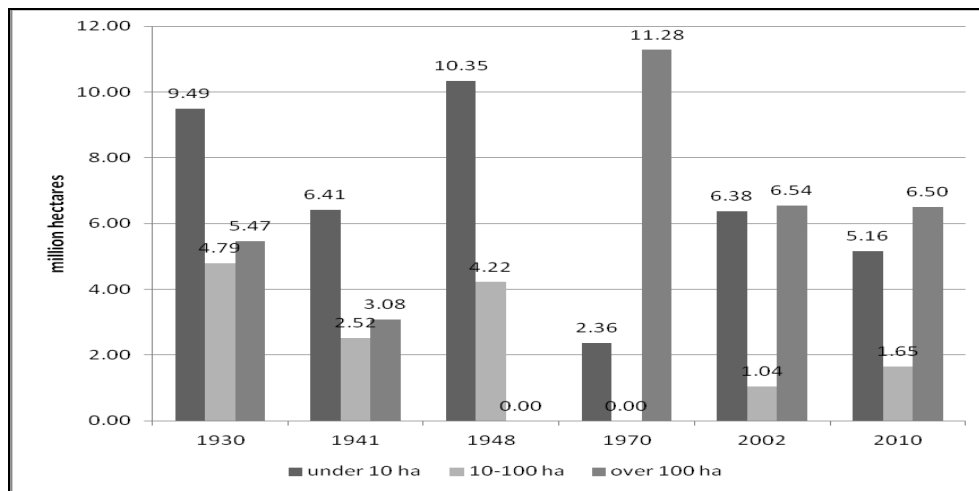
The allocation of land resources in Romania has maintained its bipolar structure: numerical concentration in the area of small and very small farms (under 5 ha) and concentration of land on the very large-sized farms (over 100 ha).

Many analysts consider that small-scale farming (on small household farms) represents a loss of economic potential for Romania's agriculture (Oțiman, 2012), arguing that the small peasant farm is a form of inefficient allocation of land resources (Gavrilescu & Gavrilescu, 2007) by the removal from the agricultural circuit destined for market production of about 30% of the country's agricultural land; the small farms maintain land fragmentation, which leads to low agricultural yields (Steriu & Oțiman, 2013). The same authors draw the attention on the need to reform the agricultural system from Romania for an economically efficient operation of land resources, which should represent, in their opinion, the primary objective of agricultural policies.

#### 4. FINAL CONSIDERATIONS

The transformations of the Romanian agricultural sector in the last century were the result of the combination of the natural evolution of the economy and the distorting administrative interventions from the socialist period. The evolution of the farm structure (Figure 1), expressed by the way in which the agricultural area is divided between small farms (under 10 ha), medium-sized farms (10–100 ha) and large-sized farms (over 100 ha) highlights the contrast between the farm structure

in the market economy and the farm structure in the command economy. It is worth noting the relative similarity between the farm structure in the inter-war period (1930–1941) and the farm structure in the post-communist period (2002–2010), even though the medium-sized farms in the latter period did not reach their share from the former period. Compared to these, the farm structure in the early socialist period (1948), when there were no large-sized farms any longer, or that after at the end of collectivization (data from the year 1970), when there were no medium-sized farms, provides an indication of the difficulty of transition to the market economy.



Source: based on data from (Axenciuc, 2018).

Figure 1. Distribution of agricultural land area by types of farm size categories.

In terms of agricultural production, the values of certain significant indicators for the reference years of the investigated periods (Table 5) reveal a certain continuity in production specialization (high share of cereal production nationwide), as well as the decisive contribution of individual household farms to the potato, fruit and vegetable production. On the other hand, the incentivisation of animal production (meat and milk) in the socialist period is worth noting, even though the peasant household farms had an important share at that time as well. The introduction of high-performance technologies yielded good results both in the socialist period and after Romania's accession to the European Union, one example being the increase of average wheat yields.

Besides the organization forms in agriculture, the secular evolution of Romania's economy modernization is briefly illustrated (Figure 2) by the diminution of the share of this sector in total gross value added. Thus, Romania (with the share of agriculture below 5%) seems to have been definitely inscribed on the evolution trajectory of developed (industrial) countries, with a low share of agriculture in

gross value added, although this sector has a strategic importance in the economy, by ensuring food security.

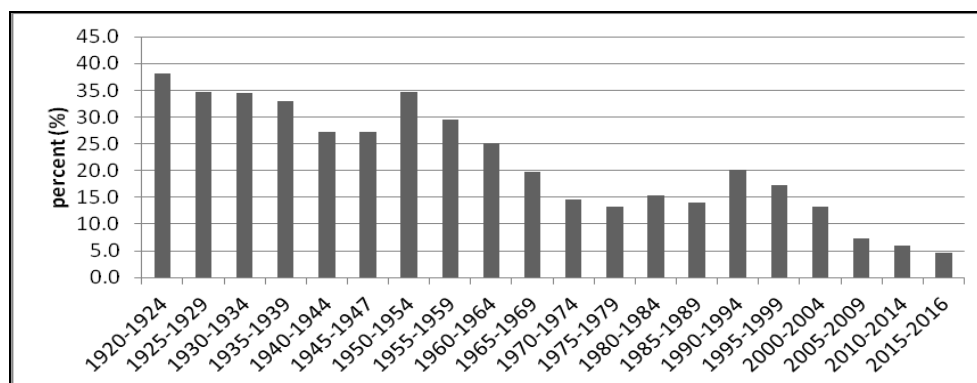
Table 5

Agricultural production indicators in the reference years of the three investigated periods

Indicator	UM	1938	1989			2016			
		Total	Total	State farms	Coop. farms	Pop. household farms	Total	Farms with legal person.	Indiv. farms
Cultivated area	000 ha	<b>9420.0</b>	<b>9846.8</b>	2107.1	6548.8	1190.8	<b>8409.2</b>	3426.3	4982.9
Cereal production	000 tons	<b>8982.5</b>	<b>18379.2</b>	4109.9	12276.5	1992.8	<b>21764.8</b>	10343.8	11421.0
Potato production	000 tons	<b>1331.2</b>	<b>4420.3</b>	465.7	1992.1	1962.6	<b>2689.7</b>	153.1	2536.6
Vegetable production	000 tons	<b>541.0</b>	<b>3726.6</b>	1474.1	1063.7	1188.8	<b>3358.4</b>	144.8	3213.6
Fruit production	000 tons	<b>1380.9</b>	<b>1580.2</b>	572.0	233.0	775.1	<b>1241.5</b>	79.6	1161.9
Meat production	000 tons live weight*	<b>763.0</b>	<b>1910.6</b>	618.2	261.3	1031.1	<b>1464.6</b>	829.2	635.4
Cow milk production	000 hl	<b>21575</b>	<b>45254</b>	7621	13487	24146	<b>48133</b>	3427	44706
Avg. wheat yield	kg/ha	<b>1310</b>	<b>3364</b>	4093	3274	2504	<b>3937</b>	4448	3310

\*live weight of animals to be slaughtered for consumption

Source: Romania's Statistical Yearbook 1990 (NCS) and Tempo online database (NIS).

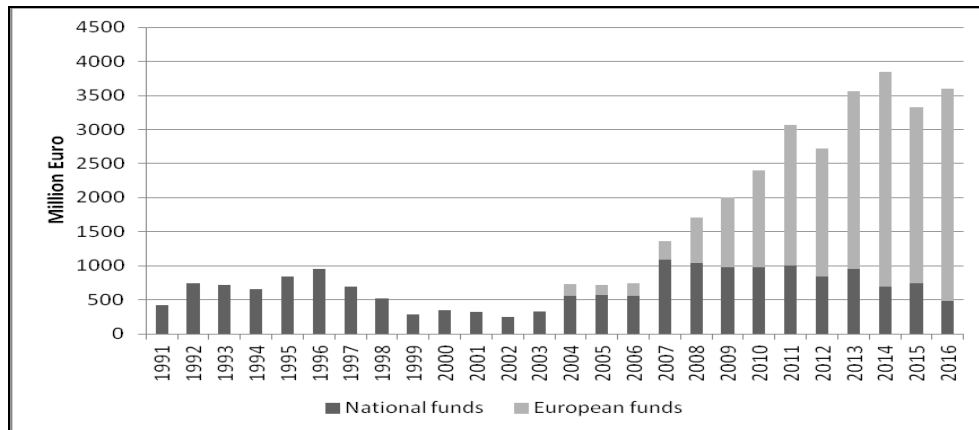


Source: based on data from (Axenciuc, 2018), completed by authors.

Figure 2. Share of agriculture in gross value added per total economy.

From the perspective of agricultural policies, it can be also noted that Romania has followed the so-called development pattern, according to which the

more advanced a nation is, the more it favours agriculture, which is a pattern followed by all the developed countries. Thus, with the accession to the EU, Romania could make the transition to this pattern, with the contribution of EU funding, whose level reached twice the national level (Figure 3).



Source: based on data from the Ministry of Agriculture and Rural development, processed by authors.

Figure 3. Financial support to agriculture and rural development in the period 1991–2016.

The last agrarian reform in the years after the collapse of the communist regime had common characteristics with the previous agrarian and land restructuring processes from Romania's modern history:

- focused mainly on land, i.e. on only one of the agricultural production factors and neglected the other factors, mainly mechanization. This approach forced farmers (and mainly the new owners of agricultural land) to use traditional, non-efficient land farming methods;
- created significant disequilibria in relation to the human factor – labour force in agriculture – by disparities between the land owners and the number of people who can farm the land (only 40–50% of the agricultural land area into private ownership after the post-communist agrarian reform was actually in the possession of farmers);
- generated significant economic costs: drastic diminution of the purchasing power of landowners, extended and deepened monetary poverty on the basis of the state control over the prices of basic agricultural products in the first part of Romania's transition and agri-food market dysfunctionality;
- led to the fragilization of rural social structures by the emergence and increase of unemployment and rural-urban migration (and subsequent migration to foreign countries) of the younger and better educated rural population.

The difficulties currently faced by peasant households and agriculture in general largely derive from the shortcomings of the land ownership restructuring process, which in their turn result from the deficient way in which the agrarian reform process was conceived and from the lack of a medium and long term coherent strategy with regard to the organizational restructuring of agricultural holdings.

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