

THE CONVERGENCE POTENTIAL OF ROMANIAN ZOOECONOMY

POTENȚIALUL DE CONVERGENȚĂ AL ZOOECONOMIEI ROMANEȘTI

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In European Union, the sustainable development is a priority of action and policies are dealing with securing a healthy, long lasting growth in all sectors. The essence of economic evaluation in zoo-economy refers to the amount of necessary subsidies, and European economic policies pay a special attention to this. In 2008, our government directed 600 millions lei financial support to the live-stock farming, and also the amount per activities. It is reasonable for Romania to get even higher subsidies for rural development in general and for its' zoo-economy especially, because this subvention is objectively directed to raising qualitative aspects of live-stock production, mainly the productivity, according to the environmental parameters regulated by the European and national strategies of long lasting development. The convergence potential of the Romanian zoo-economy and the expected performances, measured by index, depend on the European mechanism of financing activities.

Key words: development, subvention, efficiency

Introduction

The development of the human needs in quantity, diversity, complexity and quality, entails the global economic growth, and as a basic sector of it, agricultural production records a continuous and steady augmentation.

In order to obtain and sell the goods and services offered on agriculture markets, enormous amount of resources are under use and control, beginning with the land exploitation (estimations display up to 70% of the terrestrial areas owing agricultural purposes), continuing with human and capital resources.

In European Union, the sustainable development is a priority of action and policies are dealing with securing a healthy, long lasting growth in all sectors.

The Romanian authorities undertake and promotes democracy, market economy and the European strategies, for the purpose of Romania's durable economic development, for increasing the citizens' welfare.

Being a specific public policy, the agricultural and rural development policy in Romania pursues the achievement of the following objectives: finalization of land property reform; stimulation of the transformation of peasant

households into family agricultural farms with commercial character, creation of the middle class within the rural space; efficient allocation of budgetary resources by supporting the agricultural producers; supporting the capitalization of the agricultural production by market measures; development and modernization of villages; development of fishery; durable management of forests; institutional reform in branch.

Materials and Methods

In rural and farm-economics, the index which feed the analysis shows us the trend. There could be used environmental index to compare performances, such as cropland intensity, irrigation, subsidies, productivity, prices, pesticide regulation, burned land area, and so on.

The essence of economic evaluation in zoo-economy refers to the amount of necessary subsidies, and European economic policies pay a special attention to this, as it is shown by the European Strategy of Development.

Results and Discussions

Romania is connected to the European Strategy of Development and since its membership, 2007 there have been made more systemic efforts to coordinate the national economic activities and structures with the EU levels.

“The Romanian National Development Plan, 2007-2013” is a component part of The Romanian National Strategy of Economic sustainable development, aiming to optimize the integration of our country from economic, social, technological and environmental points of view in the European Space.

This document was designed as a sustainable development strategy of post-accession, grounding the macroeconomic administration of specific tools for raising the productivity and efficiency (maximum effects per unit of consumed resources), for increasing the quality of life for the large mass of citizens.

“The National Development Plan” was created as a part of the European Cohesion Policy, meant to display a coherent view regarding the development of the member states, organized in development priorities, programs, projects, according to the principle of planning the structural funds.

During the present post-accession period “The National Development Plan” is functioning in its basic role of aligning the national policy to the common development priorities of the European Union. It is mainly promoting those measures considered to entail the long lasting development on the whole European Union area.

Pragmatically speaking, it is the allocation instrument of public investments to development, mainly oriented towards the priorities and objectives compatible with the intervention domains of the Structural and Cohesion Funds.

This instrument is founding, among other things, the priorities and the strategic negotiated objectives with the European Commission, in the purpose of

financing them from the Structural and Cohesion Funds during 2007-2013.

“The National Development Plan” grounds “The National Strategic Framework 2007-2013” – adopted in 2006. This document re-takes the designed directions of the National Development Plan 2007-2013, adding some specific tasks for the implementation, because the rural development is confronted with a series of local Romanian problems connected to:

- The presence of a quasi-large number of non-profitable farms, having a 1.7 ha. Area.
- A lower productivity and quality of products, compared to the average of the European Union.
- A gap between the import and the export of farm products, because the Romanian exports owe less added value.
- The lack of an organized commercial (supply) chain allowing a huge discrepancy between the small producer price and the high selling price.
- The rural precarious infrastructure.
- Exposure of rural activities to natural risks such as earthquakes or floods.

Since 2006, Romania must elaborate “The National Program of Reformes”, this being considered to be Romanian action plan to practically transpose the Lisbon Strategy implementation.

“The National Program of Reformes” directs the medium term priorities which are going to be supported and surveyed for the implementation of the National Strategic Framework. This Program proposes:

- An economic growth of 6.2 – 6.3% out of the GDP, in 2008,
- A decreasing of the current account deficit from 10.5 in 2007 to 9.7 in 2010,
- A budgetary yearly allocation of 6% for education,
- A budgetary yearly allocation of 0.7% for research,
- Cutting 6% of the Social Insurance Contribution tax in 2008,
- The improvement of collecting with 1% in 2007 and 0.5% yearly, during 2008-2011.
- Maintaining the flat tax system.

This legal frames assures the convergence of the national economy with the European one and all the main directions have a large impact in rural and agricol field, as basic economic sector.

In Romania, the administration of budgetary expenses has some objective conditions, enherited from the former regime and from the reshaping economy towards the market system. For instance, there are 4.5 milion of farms and smallholdings, which is almost a third of all the farm holdings in the EU.

Most of them are subsistence farms, with a cow or two, plus horses for ploughing and transport. Still, in spite of this particularity, there are subvention mechanisms able to re-inforce production, especially in the zootechnical (live stock) and food industry, branches expected to export more and more, to re-embalance the current foreign trade defficits.

The Romanian agricultural sector gets from European funds a financing of 4.5 milliards of euro, in 2008, while in 2005, the sums were about 800 millions of euro. Out of this, the government directed 600 millions lei financial support to the zoo-technical (live stock) farming, and also the amount per activities.

These subventions are allocated for the amelioration of the animal populations, as follows:

- Conducting the genealogical registers: bovine– 7.5 lei/head, ovine/goats– 3.68 lei/head;

- Official control of milk production at sheep and goats – 5.18 lei/head;

- Official control of wool production at ovine – 0.50 lei/head;

- Official control of skin production at ovine- 1.0 lei/head;

- Official control of mutton meat production at ovine and goats: - 0.80 lei/head;

- Introducing at farm-level, the techniques, biotechnologies and modern reproduction practices from animal species, irrespectively to buy recipients to preserve the frozen seminal material owing more than 20 liters capacity and with a dynamic autonomy of more than 90 days - 3.500 lei/piece;

- Subvention the reproduction male testing expenses: young bulls - 1000 lei/head, rams/he goats - 50 lei/head;

- Subvention for expenses directed for doing the national dissection test for authorizing the equipments of classification of porcine carcasses - 800 lei/head.

Also, this Order refers to the subvention of the quality improvement of animal origin products, by financing the implementation of the European carcasses classification system EUROP (ex.: E porcine carcasses - 120 lei/carcass, U porcine carcasses - 100 lei/carcass; bovine carcasses - 100 lei/carcass).

Another direction is raising the quality and the production parameters of the effectives by subventions for meat productions and consumption eggs: farm sows – 150 lei/head, chicken meat- broiler -1.6lei/head.

Raising quality of honey production will get a subvention of 20 lei/ bee-family.

Improving the quality and hygiene of cow milk directed to processing, in order to meet the European quality standards, respectively the milk should be delivered having less or equal 100 000/ ml. total number of germs, and a number of somatic cells less or equal to 400 000/ml.: - 0.3 lei/kg.

European funds are used for producing and trade of apicultural products:

- Subventions for purchasing medicines to treat bee- disease - 6 lei/bee-family;

- Subventions for re-population in beehives on national territory, by purchasing bee-queens of local species- 15 lei/ bee-queen.

Conclusions

Among the economic policies of the European Union, the agricultural one is the oldest, ever since 1957 subsidies have been allocated to the activities of this

sector. Taking in consideration this large perspective, we understand why, after such a historical period, the amount of agricultural subsidies in the total European budget have decreased, from about 75% as it was at the beginning to about 50% in 2008, including connected rural activities: the systemic and periodically financial injection succeeded to raise the farming productivity, this higher productivity generating more competitive product-prices for the delivered merchandise in this domain, compared to the world prices for similar goods, simultaneously sold on global markets.

Being a young member state of EU, our country has to adapt to this given business environment, and to commit its-self to even higher efforts in order to diminish zoo-economical (live-stock) gaps compared to other European national productions.

It is reasonable for Romania to get even higher subsidies for rural development in general and for its' zoo-economy especially, because this subvention is objectively directed to raising qualitative aspects of live-stock production, mainly the productivity, according to the environmental parameters regulated by the European and national strategies of long lasting development.

Also, a specific of inside live-stock farms production is the dispersion of raising animals in small units, and from the doctrinaire view, there are social and profitability arguments for and against preserving this situation: authorities owe financial levers enabling to reduce or enlarge the farm number.

The convergence potential of the Romanian zoo-economy and the expected performances, measured by index, depend on the European mechanism of financing activities.

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