

BUCHAREST ACADEMY OF ECONOMIC STUDIES



Doctoral School Economics II

DOCTORAL THESIS

**ASSESSMENT OF THE ECONOMIC-SOCIAL IMPACT OF THE
ALLOCATION OF EUROPEAN AND NATIONAL FUNDS FOR
AGRICULTURE 2014-2020**

Scientific coordinator: *Prof. Univ. Dr. Nicolae Istudor*

Doctoral student: Oprea (Constantinescu) Iulia Alexandra

***EVALUATION OF THE ECONOMIC-SOCIAL IMPACT OF THE ALLOCATION
OF EUROPEAN AND NATIONAL FUNDS FOR AGRICULTURE 2014-2020***

SUMMARY

In the context of European integration and the accelerated modernization of Romanian agriculture, European funds have become an essential instrument for supporting the sustainable development of rural areas and for reducing economic and social disparities. The Common Agricultural Policy (CAP), the main support mechanism in this field, has offered Romania the opportunity to finance strategic investments, support farmers, and foster territorial cohesion. The 2014–2020 programming period represented an important stage, during which substantial funds were available for reforming agriculture, developing infrastructure, and improving the quality of life in rural areas.

This thesis is based on the premise that evaluating the impact of European funds should not be limited to analyzing the absorption rate, but should also include the real effects generated at the economic and social levels. In an agricultural system marked by fragmentation, deficient infrastructure, and demographic challenges, it is essential to assess how financial resources have been transformed into concrete results, visible at the level of farmers, rural communities, and local economic structures.

The choice of this topic is justified by the strategic importance of agriculture in the national economy, as well as by the need to improve the efficiency of public policies and financing mechanisms. Despite the progress achieved, dysfunctions persist, such as bureaucracy, unequal distribution of funds, and limited administrative capacity in certain regions. In this context, the research aims to provide an objective, empirically grounded analysis of how European agricultural funds have contributed to socio-economic development in Romania during the analyzed period.

The main objective of this thesis is to evaluate the economic and social impact of European funds allocated to agriculture in the 2014–2020 period. To this end, the research focuses on:

- identifying relevant financial instruments and the implementation framework;
- analyzing the absorption rate and distribution of funds;
- measuring the impact on farmers, infrastructure, employment, and social inclusion;
- highlighting the main challenges and formulating recommendations for future policies.

Agriculture is a strategic sector of the national economy, with direct implications for food security, employment, and rural development. The European funds allocated during 2014–2020 represented the main support mechanism for modernizing farms and reducing regional disparities. The analysis of the socio-economic impact of these resources is essential for assessing the efficiency of public policies and for substantiating recommendations aimed at strengthening the sustainable development of rural areas.

The purpose of this thesis is to evaluate the impact of European funds on Romanian agriculture and to outline development directions, with an emphasis on rural areas, based on the analysis of statistical data. The research objectives target the identification of the current situation regarding access to Submeasure 6.1, as well as the analysis of the balance between completed projects and the causes of their low completion rate. The methodology includes comparative analysis, techno-economic analysis, and graphical methods, with the calculation of descriptive statistical indicators, including Chi-square, Pearson, and Cramer tests.

The thesis is structured into five chapters, preceded by an introduction and concluded with a series of conclusions and proposals.

Chapter I, entitled “Theoretical Approaches to the Common Agricultural Policy”, addresses the theoretical and historical foundations of the CAP, analyzing its evolution from the Treaty of Rome to the present. The main objectives of the CAP are highlighted, along with the significant reforms that have influenced the structure of support granted to farmers. A clear distinction is made between the two pillars of the CAP – direct support and rural development – and the role of common market organizations, subsidies, intervention prices, and customs protection in stabilizing the European agricultural market is analyzed.

Chapter II, entitled “Socio-Economic Analysis of the Rural Environment in Romania”, provides a detailed diagnosis of the Romanian rural space, starting from its geographical and historical characteristics to its current social, economic, and demographic aspects. The main challenges in rural areas are emphasized: population aging, poverty, lack of infrastructure, and migration, as well as the significant agricultural potential. The chapter analyzes the structure of employment, the level of education, and access to public services, in a comparative context with EU regions.

Chapter III, entitled “Analysis of Accessing Funds Allocated to the Agri-Food Sector and Rural Development in Romania”, aims to evaluate how European and national funds were

accessed and used to support the agri-food sector and rural development in Romania during 2014–2020. The general importance of funds is analyzed in depth, along with the results obtained through specific programs within the NRDP and national initiatives.

The first part of the chapter emphasizes the crucial role of the CAP in modernizing Romanian rural areas. Following Romania's EU accession, the CAP represented one of the most consistent sources of financing for agriculture and rural development. The focus is placed on its two fundamental components: agricultural subsidies (Pillar I) and rural development support (Pillar II), through which investments were made in infrastructure, environmental protection, human capital, and support for young farmers.

The chapter also presents concrete results, such as the number of submitted, selected, and paid projects, as well as the direct effects on infrastructure, job creation, and local economic development. For instance, the Tomato Program and the Apiculture Program, financed from national funds with EU co-financing, contributed to supporting local producers, modernizing the sector, and increasing the competitiveness of Romanian agricultural products.

Chapter IV, entitled “Analysis of the Absorption Rate and Financial Efficiency within Submeasure 6.1”, represents the core of the thesis and presents the results obtained from applying statistical and econometric methods. The correlations between variables such as the value of financial support, farmed area, project status, and applicants' characteristics are analyzed. The positive impact of funds on farmers' incomes, rural infrastructure, and employment is highlighted, along with system dysfunctions such as regional disparities, bureaucracy, implementation difficulties, and unequal absorption of funds.

The final chapter synthesizes the research findings, confirming the positive effects of funds on rural development, while also underlining the need to reform allocation and monitoring mechanisms. Clear proposals are formulated for improving policies: digitalizing processes, simplifying guidelines, supporting young farmers, strengthening local administrative capacity, and encouraging farmer associations. The author's personal contribution is emphasized in integrating European and national funds into a coherent analytical framework, with practical value for future public policies.

Keywords: rural development, rural areas, agricultural activities, non-agricultural activities, sustainable developmen

TABLE OF CONTENTS

Summary.....	15
CHAPTER I THEORETICAL APPROACHES TO THE COMMON AGRICULTURAL POLICY	18
1.1 Pillar I: Common Market Organizations	21
1.1.1 Prices	21
1.1.2 Market intervention (storage)	22
1.1.3 Financial subsidies	22
1.1.4 Production quotas	23
1.1.5 Customs protection	24
1.2 Pillar II: Rural Development	24
1.2.1 Rural development in the period 1994–1999	28
1.2.2 Rural development in the period 2000–2006	28
1.3 European Funds for Rural and Regional Development Policy (2000–2020)	32
1.3.1 Period 2000–2006	33
1.3.2 Period 2007–2013	34
1.3.3 Period 2014–2020	36
CHAPTER II SOCIO-ECONOMIC ANALYSIS OF THE RURAL ENVIRONMENT IN ROMANIA	41
2.1 Perspectives on Social and Economic Relations in the Evolution of the Romanian Rural Space	42
2.2 Socio-Economic Analysis of Rural Areas	47
2.2.1 Social analysis.....	47
2.2.2 Economic analysis	60
2.2.2.1 Gross Domestic Product	60
2.2.2.2 Agriculture.....	63
2.2.3 Industry.....	74
2.2.4 Services.....	76
2.3 The Impact of European Funds on the Development and Modernization of Romanian Infrastructure	80
CHAPTER III ANALYSIS OF ACCESSING FUNDS ALLOCATED TO THE AGRI-FOOD SECTOR AND RURAL DEVELOPMENT IN ROMANIA.....	83
3.1 The Importance of Non-Reimbursable European Funds for Romania’s Rural Development	83
3.2 Implementation Status of Projects through NRDP 2014–2023	85
3.3. Analysis of the financial support for the Romanian agro-food sector through national programs	114
CHAPTER IV. ANALYSIS OF THE ABSORPTION RATE AND THE EFFICIENCY OF THE USE OF EUROPEAN FUNDS WITHIN SUBMEASURE 6.1.....	125
4.1.1 Comparative analysis method	125

4.1.2 Techno-economic analysis	126
4.1.3 Graphical representation method	128
4.1.4 Descriptive statistical indicators	129
4.1.5 Pearson correlation coefficient	130
4.1.6 Coefficient of variation (CV)	131
4.1.7 Simple linear regression	131
4.1.8 Multiple linear regression	132
4.2 The Importance of Simple and Multiple Regression in Analyzing Correlations under Submeasure 6.1	133
4.3 Analysis of the Impact of Submeasure 6.1 on Rural Development in Romania	142
4.3.1 Comparative Analysis of the Young Rural Population (18–44 years) between 2013 and 2024	145
CHAPTER V. IMPROVING THE PERFORMANCE OF YOUNG FARMERS THROUGH ACCESS TO EUROPEAN FUNDS IN ROMANIA	148
5.1 Current Challenges in Accessing Funds by Young Farmers in Romania	149
5.2 Best Practice Models in the European Union – Relevant Lessons for Romania	150
5.3 Solutions for Increasing Young Farmers’ Access to Structural Funds in Romania	152
5.4 The Importance of European Funds in Enhancing the Socio-Economic Development of the Romanian Rural Environment	158
5.5 Recommendations for National Policies and National Strategies for rural development	159
Conclusions and Proposals	164
Bibliography	170