



ORIGINAL PAPER

Analysis of EAFDR Payments at the Level of Romania's Development Regions

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Abstract:

The general objective of the research is to analyze Romania's possibilities to achieve economic growth in rural areas by attracting non-reimbursable funding sources to rural areas, to understand the necessary adaptation to economic changes, while maintaining the highest possible level of economic growth. The research of European and national financial allocations for rural development in Romania and the research of payments for rural development and the identification of ways to increase development through non-reimbursable funds allowed us to identify the mechanism of propagation of EU rural development policy actions on Romania's rural economy.

Keywords: *rural areas; EAFDR; rural development; RDP; absorption.*

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Introduction

The twentieth century is characterized by profound technical and technological changes, political and economic that have left their mark on the rural economy, the way of life of rural communities. In some directions, rural development is proving to be the way to achieve the inevitable changes, achieved in an economically, rationally environmentally responsible and socially equitable way. Village communities are successful in using the local values and skills they have, while adopting new rules for the development of modern technology and technology at the local level. Changes in agriculture have encouraged rural communities to become better organized locally, and community development has allowed local residents to pay increasing attention to expanding infrastructure.

Due to the high share of the rural population and the territories owned by the rural area, to which is added the importance of the economic and spiritual life of the rural area, the problem of rural development has not only national but also international connotations. complex and topical, being approached in terms of ensuring the balance between the requirement of preserving and conserving the material and spiritual values of the rural space and the tendency to modernize them.

Rural development must be considered from the perspective of the future, including agriculture in a broader socio-economic and ecological context, and the involvement of information and communication technology has the role of disseminating knowledge, information and know-how. The concept of rural development is meant to annihilate the four types of obstacles identified, namely:

- a) "barriers to distance" from the location of government structures;
- b) "economic barriers" folded to the business sector (suppliers - potential customers);
- c) "social barriers" encountered by the villagers in access to education, services medical;
- d) "information barriers", which make the village not visible to other central areas

urban.

Under these conditions, the national and international concerns of political and governmental actors, economic and social bodies, civic organizations, scientists in various fields of activity, have become increasingly intense in order to develop the rural, material, spiritual space. In this context, in many territories of the Earth, especially in those consolidated in economic and social terms, the national strategies for economic and social development integrate, in their structures, the sustainable development of the countryside (Pîrvu et al., 2018).

Recalibrating urban requirements with the reconstruction of the rural resource base is an important area for development - which the political community concerned with rural development must consider, not only in terms of environmental protection or conservation, but also in redefining social and ecological utility.

Clearly, these emerging but potentially volatile forms of vulnerability pose threats as well as opportunities for the rural development process. There is a theoretical need to start studying the complexities of such forms - through the analysis of rural development financing, as well as through a more interdisciplinary perspective, which integrates different approaches to global issues of unequal development, welfare and socio-ecological security.

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Rural development efforts have become more complex over time than in the initial phase, for the following reasons:

- disparities have increased and are generally not in favor of rural areas;
- Continuing structural adjustments in agriculture has called for more effective policy instruments than traditional agricultural structural policies, and also aims more at diversifying rural economies, not just focusing on one sector;
- experience has shown many times that rural development needs a political approach characterized by innovation, community participation, cooperation, networking, multilevel governance, etc. These ingredients are in stark contrast to the strengthened approach to structural policy taken by many countries, which have used it to deliver funds to rural areas;
- New environmental challenges have arisen over time, requiring cross-border solutions, policy tools and resources that each Member State cannot best achieve.

These emerging trends have provided new reasons for an EU rural development policy, which may seek to achieve a consistent degree of action across the country (Pirvu et al., 2011). The lack of a common rural development policy would probably widen the performance gap between those Member States and regions, on the one hand, which are not in a position to establish their autonomous policies, on the other hand, and those Member States and regions which have designed and implemented appropriate policies.

In Romania, manifestations of regional development policy began to take shape in 1996, with the entry into operation of the PHARE program. It is the moment when the regional development becomes one of the 4 priority programs that were included in the National Indicative Program Phare 1994-1997. It has been approved by the Romanian Government and the European Community (Antonescu, 2003:23; Antonescu, 2013). However, in 1997, the Commission expressed its views on our country's application to become a member of the Union, stating that "Romania does not have a specific regional development policy" (Avram, 2007: 47). Starting with 1998, the legal framework was established, which established the objectives of the national policy, the institutions involved in the regional development policy, the competencies, as well as the specific tools for promoting this policy (Pirvu et al., 2019).

Although it has long been recognized that rural areas owe much of their development and trajectory to their particular regional contexts, and that they have not only economic but also social and political dimensions (Pirvu, 2011), it is also clear that this regional context has important ecological and eco-economic flows, which interact with economic, social and political aspects. At the same time, rural development must meet the growing variables and expectations of the public about the function and purpose of rural areas - for example, consumer demand for quality food, landscaping, tourism and environmental conservation areas. In this sense, rural areas are facing increasing pressure from urban populations to maintain and expand the rural economy.

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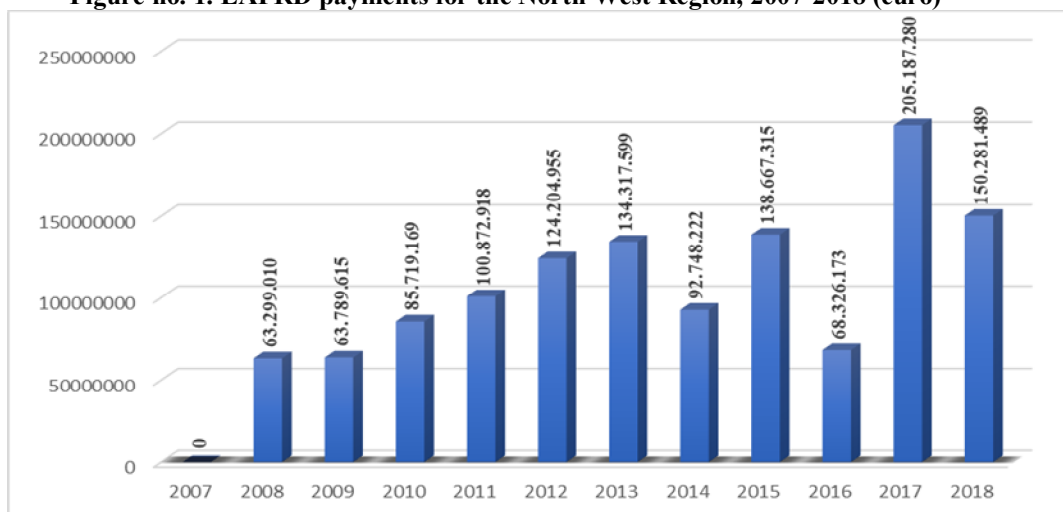
In order to obtain a more complete picture of Romania's performance in attracting European funds for sustainable development, it would be advisable to analyze

the payments made from the EAFRD in the development regions of Romania, for the last two allocation periods, respectively 2007-2013 and 2014 - 2020.

It should be noted that the inclusion in the analysis of the previous period for the 2007-2013 multiannual framework is relevant to be able to observe the changes that have taken place in terms of the performance of attracting European funds for rural development, as well as the impact that these investments have on had at the level of the development regions (NUTS2) of Romania (Figure 1-8).

An important observation regarding the payments made during the analyzed period is that the amounts that appear paid on account of 2015 are not related to the multiannual financial framework 2014-2020, but to the previous programmatic period, respectively 2007-2013. This was possible due to the one-year extension that Romania received regarding the mechanism of spending European funds up to the N + 2 limit (disengagement rule), thus making it possible to settle payments up to N + 3. For all development regions analyzed, the payments for 2015 from the 2014-2020 budget were zero.

Figure no. 1. EAFRD payments for the North West Region, 2007-2018 (euro)



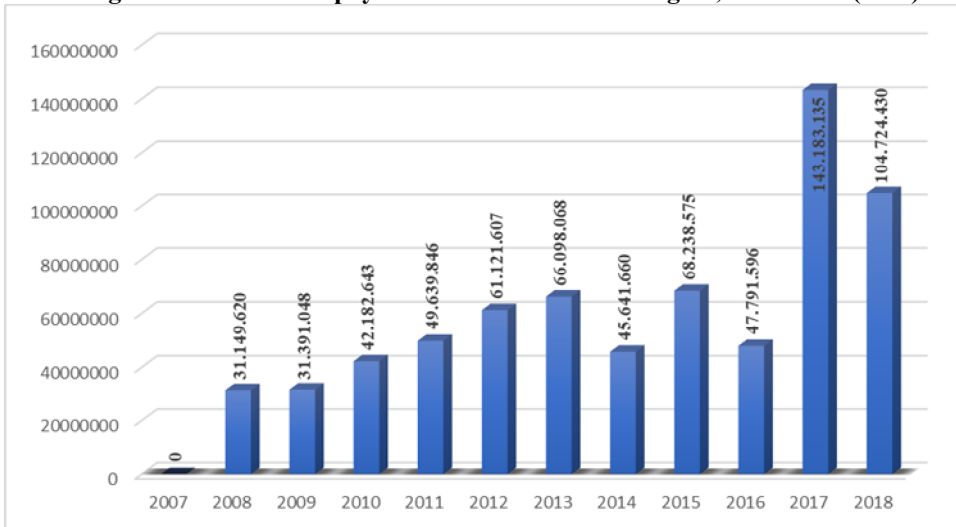
Source: European Commission, August 2021, edited by the authors

The evolution of EAFRD payments in the North-West Region in the period 2007-2018 has been progressively increasing, with local authorities and beneficiaries gaining more and more experience in attracting and spending these funds, as evidenced by the increasing amounts spent and reimbursed for rural development projects. .

The best year in terms of attracting funds for rural development in the North-West Region was 2017, when payments totaling € 205.19 million were recorded (Figure 1).

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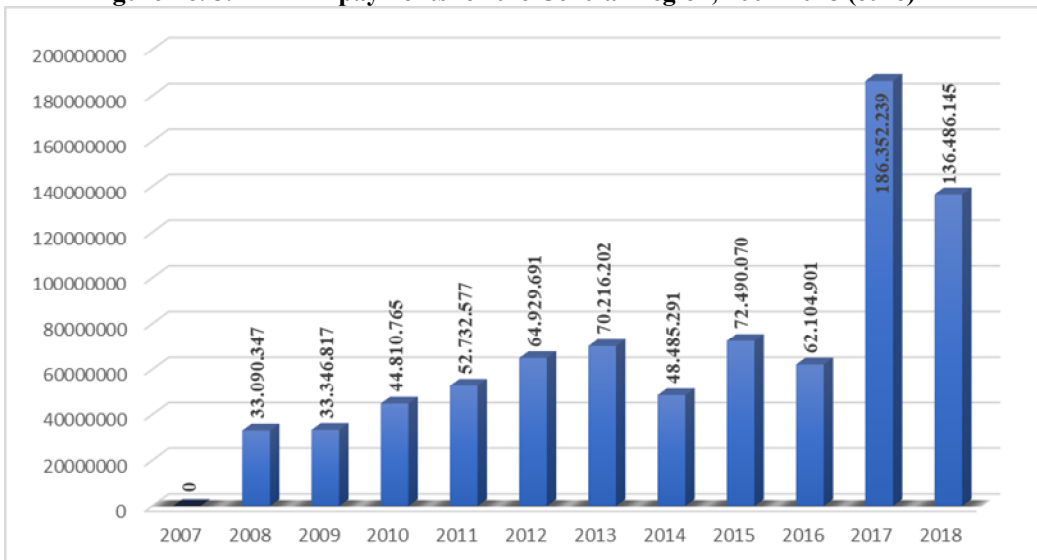
Figure no. 2. EAFRD payments for the Western Region, 2007-2018 (euro)



Source: European Commission, August 2021, edited by the authors

The evolution of payments made for projects dedicated to rural development in the West Region has registered, similarly to the North-West Region, an increasing evolution since 2008, when payments totaling 31.15 million euros were recorded, culminating in the amounts paid in 2017, when a maximum of 143.18 million euros was registered (Figure 2).

Figure no. 3. EAFRD payments for the Central Region, 2007-2018 (euro)



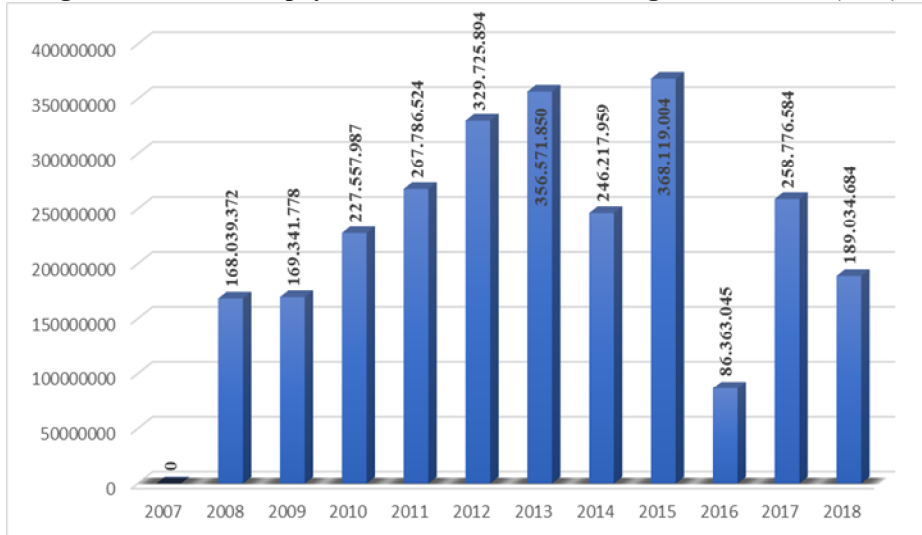
Source: European Commission, August 2021, edited by the authors

In the Central Development Region, the same upward trend of reimbursements related to the implemented rural development projects was registered, proof of the

increase of the experience and expertise of the parties involved in the whole process related to the implementation of the rural development projects in this region.

In the first year when payments from EAFRD funds were made, respectively 2008, 33.10 million euros were paid in the Central Region, the amounts increasing year by year up to a maximum of 186.35 million euros which were settled in 2017 (Figure 3).

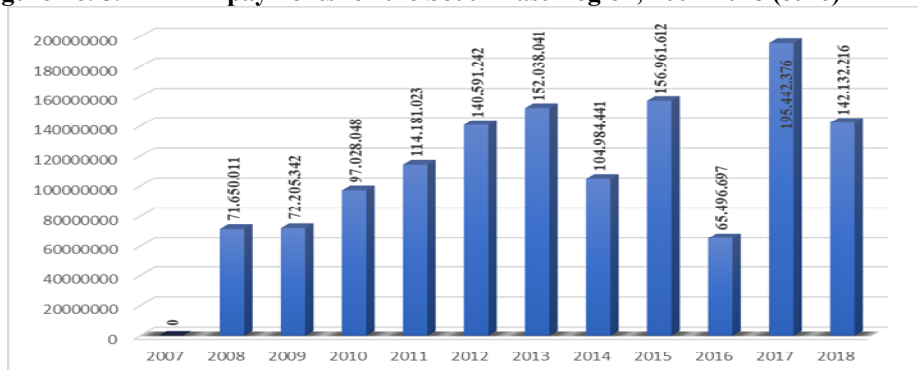
Figure no. 4. EAFRD payments for the North East Region, 2007-2018 (euro)



Source: European Commission, August 2021, edited by the authors

The analysis carried out for the North-East Development Region for the period 2007-2018 indicates that the payments settled for rural development projects in this region were much higher than in the other development regions, in the same general upward trend observed throughout the territory. Romania.

Figure no. 5. EAFRD payments for the South East Region, 2007-2018 (euro)



Source: European Commission, August 2021, edited by the authors

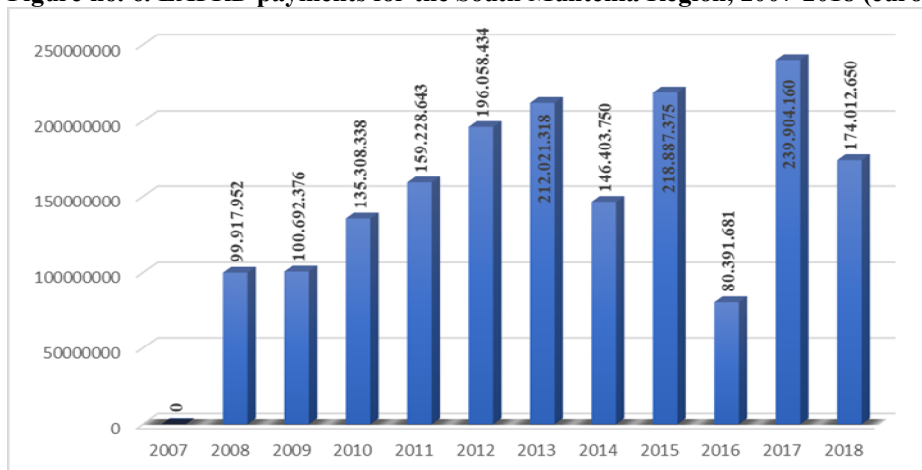
In contrast to the other development regions analyzed, in the North-East Region the total value of payments recorded in the first year when amounts related to the implemented rural development projects were settled, respectively in 2008, was 168.04

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million euros, with much for what the other regions have attracted. The maximum amount paid from the budget of European funds dedicated to rural development in Romania was registered in 2015, with a value of 368.12 million euros, but a very close value (respectively 356.51 million euros) was paid in 2013, this This proves the concern of the beneficiaries to attract as many European funds for rural development in this region (Figure 4).

The analysis of the evolution of EAFRD budget payments in the South-East Region for rural development projects suggests an evolution similar to that of the North-West and West development regions. Thus, the value of payments was in an upward trend, from a minimum value recorded in 2008 when total payments of 71.65 million euros were made and reaching a maximum value of payments made for rural development projects in 2017 , amounting to 195.44 million euros (Figure 5).

Figure no. 6. EAFRD payments for the South Muntenia Region, 2007-2018 (euro)



Source: European Commission, August 2021, edited by the authors

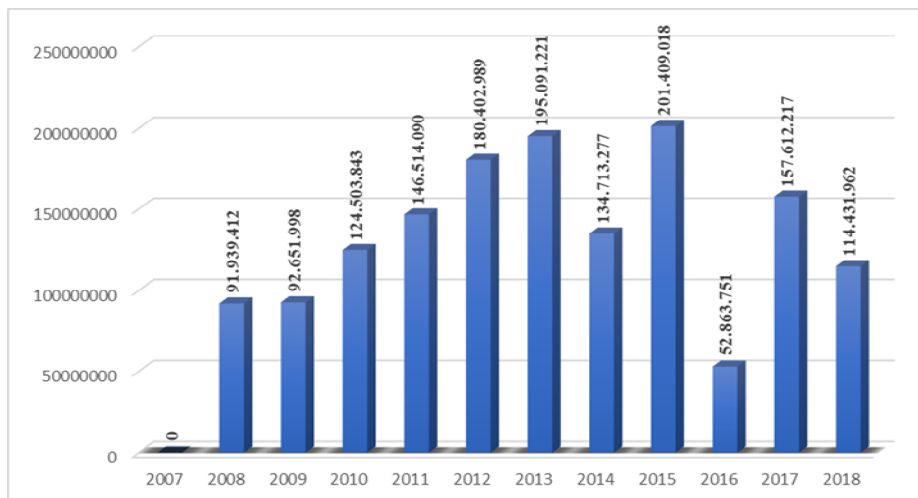
In the South-Muntenia Region, the analysis of the situation of payments made from European funds for rural development indicates an evolution rather close to the evolution of the amounts paid in the North-East Region, given the fact that the first payments made in 2008 were at a level quite high compared to the other development regions, respectively 99.92 million euros.

The progress made in the amounts paid to beneficiaries for the reimbursement of expenses incurred in rural development projects has been steadily increasing, culminating in payments made in 2017, when 239.90 million euros were paid for implemented projects. Even if the maximum amounts were paid in 2018, the years 2013 or 2015 were not much below the maximum threshold either, being settled total expenses of 212.02 million euros and 218.89 million euros respectively for the implemented projects (Figure 6).

In the case of the South-West Oltenia Development Region, a slightly different evolution was noticed compared to the evolutions registered in the other development regions in terms of the amounts attracted and paid for rural development projects, only the North-East Region showing a relatively similar evolution. Thus, analysing the data obtained, we notice a fairly good start of the implementation of rural development

projects in the South-West Oltenia Region, in 2008 payments were made for these projects in a total amount of 91.94 million euros.

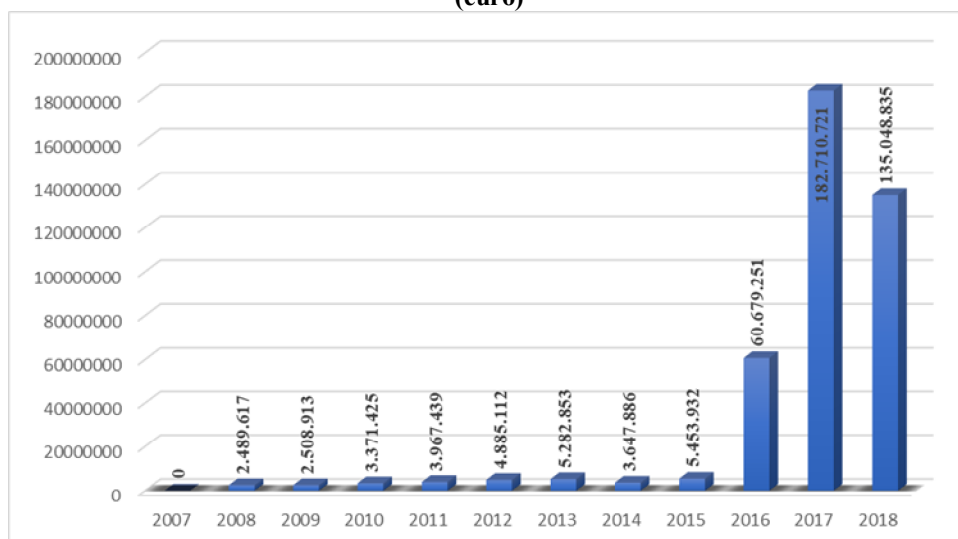
Figure no. 7. EAFRD payments for the South-West Oltenia Region, 2007-2018 (euro)



Source: European Commission, August 2021, edited by the authors

The amounts paid to project beneficiaries increased progressively, from year to year, reaching a maximum of payments in 2015, when total expenditures of 201.41 million euros were settled. However, we must also highlight the very good evolution of the payments made in 2013, when total amounts of 195.09 million euros were paid, a value quite close to the maximum recorded in 2015 (Figure 7).

Figure no. 8. EAFRD payments for the Bucharest-Ilfov Region, 2007-2018 (euro)



Source: European Commission, August 2021, edited by the authors

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Continuing the analysis of the payments made from EAFRD in the period 2007-2018 with the Bucharest-Ilfov Development Region, we notice a completely different evolution of the amounts transferred to the beneficiaries compared to the other development regions, only starting with 2016 a significant increase of amounts attracted. These differences in evolution can be explained by the fact that the Bucharest-Ilfov Region, on the one hand, is considered a well-developed region, above the European average of NUTS2 regions, and on the other hand, the geographical and administrative-territorial structure is completely different. compared to the structure of other development regions, thus diminishing the potential for attracting European funds.

However, we note that since 2016 there have been increases in the amounts paid from the EAFRD budget for rural development projects, reaching a maximum of 182.71 million euros paid in 2017 (Figure 8).

Conclusion

In order to obtain a more complete picture of Romania's performance in attracting European funds for sustainable development, following the analysis of EAFRD payments at the level of Romania's development regions, for the last two allocation periods, respectively 2007-2013 and 2014-2020, we identify the following:

- o The evolution of EAFRD payments in the North-West Region in the period 2007-2018 has been progressively increasing, with local authorities and beneficiaries gaining more and more experience in attracting and spending these funds, as evidenced by the increasing amounts spent and reimbursed for rural development projects. . The best year in terms of attracting funds for rural development in the North-West Region was 2017, when payments totaling 205.19 million euros were recorded;

- o The same upward trend in reimbursements related to the implemented rural development projects was registered in the Center Development Region, as evidenced by the increase of the experience and expertise of the parties involved in the whole process related to the implementation of rural development projects in this region. In the first year when payments were made from EAFRD funds, respectively 2008, 33.10 million euros were paid in the Center Region, the amounts increasing year by year up to a maximum of 186.35 million euros which were settled in 2017;

- o In contrast to the other development regions analyzed, in the North-East Region the total amount of payments recorded in the first year when amounts related to the implemented rural development projects were settled, respectively the year 2008, was 168.04 million euro, much for what other regions have attracted. The maximum amount paid from the budget of European funds dedicated to rural development in Romania was registered in 2015, with a value of 368.12 million euros, but a very close value (respectively 356.51 million euros) was paid in 2013, this This proves the concern of the beneficiaries to attract as many European funds for rural development in this region as possible;

- o The analysis of the evolution of EAFRD budget payments in the South-East Region for rural development projects suggests an evolution similar to that of the North-West and West development regions. Thus, the value of payments was in an upward trend, from a minimum value recorded in 2008 when total payments of 71.65 million euros were made and reaching a maximum value of payments made for rural development projects in 2017, amounting to 195.44 million euros;

- o In the case of the South-West Oltenia Development Region, a slightly different evolution was noticed compared to the evolutions registered in the other

development regions in terms of the evolution of the amounts attracted and paid for rural development projects, only the North-East Region showing a relatively similar evolution. Thus, analyzing the data obtained, we notice a fairly good start of the implementation of rural development projects in the South-West Oltenia Region, in 2008 payments were made for these projects in a total amount of 91.94 million euros. The amounts paid to project beneficiaries increased progressively, from year to year, reaching a maximum of payments in 2015, when total expenditures of 201.41 million euros were settled. However, we must also point out the very good evolution of the payments made in 2013, when total amounts of 195.09 million euros were paid, a value quite close to the maximum recorded in 2015.

o The evolution of payments made for projects dedicated to rural development in the West Region has registered, similarly to the North-West Region, an increasing evolution since 2008, when payments totaling 31.15 million euros were recorded, culminating in the amounts paid in 2017, when a maximum of 143.18 million euros was registered.

o In the South-Muntenia Region, the analysis of the situation of payments made from European funds for rural development indicates an evolution rather close to the evolution of the amounts paid in the North-East Region, given that the first payments made in 2008 were at a quite high compared to the other development regions, respectively 99.92 million euros. The progress made in the amounts paid to beneficiaries for the reimbursement of expenses incurred in rural development projects has been steadily increasing, culminating in payments made in 2017, when 239.90 million euros were paid for implemented projects. Even if the maximum amounts were paid in 2018, the years 2013 or 2015 were not much below the maximum threshold either, being settled total expenses of 212.02 million euros and, respectively, 218.89 million euros for the implemented projects;

o In the period 2007-2018 for the Bucharest-Ilfov Development Region, we notice a completely different evolution of the amounts transferred to the beneficiaries compared to the other development regions, only starting with 2016 there was a significant increase in the amounts attracted. These differences in evolution can be explained by the fact that the Bucharest-Ilfov Region, on the one hand, is considered a well-developed region, above the European average of NUTS2 regions, and on the other hand, the geographical and administrative-territorial structure is completely different. compared to the structure of other development regions, thus diminishing the potential for attracting European funds.

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Authors' Contributions:

The authors contributed equally to this work.

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