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PAPER TITLE

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Abstract

Romanian rural areas contain the highest level of agricultural workers in the European Union, resulting in the challenge of stimulating non-agricultural employment.

This paper uses the methodology of policy evaluation to analyse the influence of 3 measures the CAP. From an objectives tree to reveal the objectives of the programme to statistical analysis and field surveys, we analysed the pertinence, the coherence and the first results of those schemes. It was found that the targeted population was under estimated for one of the semi-subsistence schemes. Choosing activities (tourism and enterprise) which are open to all rural society leads to enhanced competition between beneficiaries. Due to the global context of economic crisis, co-financing can be met only by owners of strong capital, and the previous targeted population would then be only indirectly touched by the creation of jobs in rural areas.

Key-words : rural policies, policy evaluation, small farms, Romania

JEL Classification: R58, O21, H72, C13

Introduction

Rural areas in the European Union (EU) and more over in the New Member States (NMS) take a preponderant place in the needs, and therefore in the policies and budget of the Common Agricultural Policy (CAP).

Currently, in Romania, the economic functions of these areas depend, almost entirely on existing agricultural activity. Expected future restructuring activities at the farm level together with capital intensification of commercial farms and the inevitable trend towards part-time farming is likely to create a very significant fall-out of labour in the agriculture sector. This situation defines the need to find alternative employment and additional income sources from non-agricultural activities, together with a reorientation of the labour force towards productive non-agricultural activities and to the development of services for the rural population. Micro-enterprise development is viewed as being the most significant source of job creation/ income enhancement in rural areas. Therefore, the current major challenge for Romanian rural areas is to stimulate employment and especially non-agricultural employment, as the country currently presents the highest level of agricultural workers in the EU (30%) (NIS, 2007). This willingness to enhance rural employment was stressed in the National Strategic Plan (NSP) in 2005 and reemphasized in the National Rural Development Programme (NRDP).

Romania has been delayed in what economists of development call the agricultural transition towards a tertiary economy. On one hand, the communist period didn't manage to achieve a full industrialisation of the Romanian population. Due to food restriction, people maintained a strong link with their small garden plots to compensate for the lack of food available on the open market. In addition, when the communist regime collapsed, the choice was made for a large restitution and reclamation of land, creating a very large land ownership and fragmented farm structure. Today we face a very different macro-economic context from the ones faced by other countries when they lost their former agricultural characteristics. At the moment, the national economy is largely under globalisation influences and has been greatly affected by the international crisis in addition to national crises. More over, industry operating under the communist period did not survive the revolution and restructuring which occurred at the end of the 1990' s. Consequently, the industrial sector remains small and dependant on FDI (foreign direct investment).

In this context, a decrease in the agricultural population would be an attempt to move directly from the first to the tertiary sectors. In this paper we question the public intervention under this global framework. How can public intervention facilitate a transition from the agricultural sector to the non-agricultural sector in the current context? What kinds of policies would aid this transition? Which populations should be specifically targeted and which implementation direct or indirect?

To answer these questions we will use an evaluation methodology to fit an analysis under the institutional framework. A diagnostic framework will allow us to question the pertinence of public intervention and take into account the adequacy of offered measures with the stakes and needs of rural areas to fit the challenges of employment. This analysis allows us to study the joint (or the lack of joint) between rural development policy and the general objectives, and more precisely axis 3 objectives, with the whole policy.

We will firstly focus on the issues of rural areas and stakes for the future of those areas. Then we will deal with the framework of our research; finally we will study the National Rural Development Programme (NRDP) and 3 specific policies. We will analyse the first results of the implementation of the rural development global scheme in Romania for employment in rural areas.

1. Romanian rural areas context: larger and larger discrepancy

Romania is one of the former communist countries entering the EU with the second wave. Because of its large economic differences its admission was delayed, as was Bulgaria's, in 2007. From that point on, Romania applied European regulation and all the CAP subsidies. We will focus here on the second pillar of the CAP, known as "rural development pillar".

This integration appears when the Romanian rural areas are still facing large difficulties concerning infrastructure, economy and access to markets and information. A large body of literature has depicted Romanian rural areas as far behind with respect to all indicators (Duma and *al.*, 2005, Administrația Prezidențială, 2009, Marcours and *al.* 2008, Otiman 2001 and 2005) with a large discrepancy compared with the EU-15 and EU-10 (other New Members States entering in 2004 – NMS). Its specific context is due to the unique history of Romania, from the particularity of the communist period to the choices made during the transition period.

1.1. Rural development in Romania : an important challenge

An important area of the national territory but low standard of living

Romanian rural areas cover a very important economic and social territory, both in terms of size and in terms of significant human and natural resources. Rural areas, as defined by national legislation in Romania, cover 87.1% of the total land area and are home 45.1% of the population or 9.7 million inhabitants (NIS 2005a) but the discrepancy between rural and urban areas is one of the highest in Europe.

The high poverty rate observed in Romanian rural areas is linked with dramatic under-resourced at the village level, including inadequate water supply and sanitation, road network, and other services (Von Hirschhausen, 2008). At the beginning of the 1990s, only 7 % of rural roads were covered with asphalt (Guvernul Romanei, 2000b, p. 51). However, there is also a large discrepancy in terms of income level: in 2007, the richest quartile of the population distribution of available incomes was x5.3 more than the amount for the quartile of the poorest. (Administrația Prezidențială, 2009). Other source report a difference between incomes in rural areas as 27% lower than in urban areas whereas they were only 5% below in 1997 according to a political flyer (http://www.psdneamt.ro/documente/sat_ro.swf).

Table 1. Horizontal baseline indicators

Indicator	**Measurement**	**Romania**		**EU**	**Observations/sources**
		Total	**Rural**		
Economic développment	GDP/Capita (EU-25=100), in %	(34)		EU25=100	GPD(pps), 2001 EU25=20478 Euros (National Prognosis Commission 2005)
Employment rate	Employed persons as a share of total population of the same age class, in %	(57.7)	(61.6)	EU25=63.1	2004 (NIS 2005 Labour Force Survey)
Unemployment	Rate of unemployment (% active population)	(7.2)	(5.2)	EU25=9.2	2004 (NIS 2005 Labour Force Survey)

Source : Conditiile de viata ale populatiei, INS, 2005a

The first ten years of the transition period saw a drastic decrease in macro-economic resources and also in standards of living. As presented in "Anuarelor Statistice ale României", after 10 years, in 1999, GDP was at only 80% of the level it was in 1989. The former level was reached again only in 2003. But this was at the national level; when we observe rural areas, discrepancies remain large and the recent international crisis, which has also touched the Romanian economy, brings a lot of new budgetary constraints.

Employment and crystallisation in rural areas of national socio- issues

Employment is something which can be only studied with difficulty in rural areas. We can underline the very low level of unemployment in rural areas, under 4% of active population. But this indicator is not as a good a one in Romania as in other countries. In Romania, it depicts the non-integration of formal work markets. Currently, only people who have already worked formally can apply for unemployment "payment".

Concerning the active population in those areas, we can observe that it accounts for just 38% of the total, of whom 3.5 million, or 34% of the total were truly occupied in 2002. Then, of the occupied population almost 69% work in agriculture and annexed services (Marginean, 2005). Nevertheless, occupied people are more represented in rural areas than in urban areas. This can be explained by the chronic under-occupation in agriculture due to a lack of work during part of the year or because of low work productivity linked with low equipment levels on a majority of farms (Marginean, 2005).

Finally differences are also observed in the level of education as only 55% of rural people reach secondary school, compared to 67% for the urban population (NIS, 2005a). But also in life expectancy, with a difference of one year between rural and urban with a life expectaation of 71.8 in urban areas to 70.8 years in rural areas (Anuarul Statistic al României, NIS, 2004).

The increase of inequalities is also apparent between regions. Regional fluctuations in population are due to migration, especially on the part of the young active population, towards urban areas or abroad (estimation point that almost 2.5 million people are working abroad from which 50% are from rural areas), in search of better jobs and a more attractive lifestyle. This is particularly the case of people between the ages of 20 and 39. Tudor (2009) underlines a high risk of substantial deficit of real available workforce as people remaining in rural areas will be old or/and with low level of qualification.

Migration towards rural areas is specific to the population aged 40 and over, mostly as a consequence of low incomes, insufficient for decent living. In general terms, these migrants are usually people who have been laid off, who did not manage to get retrained, and were forced to return to rural areas and live off subsistence farming. This is what we called '*delayed entry in agriculture'* which is likely to persist in the near future as a large part of the population didn't work formally during the 20 latest years of the transition and will not qualify for a full retired pension (Ghib, 2009). What could have be a refuge for certain became with the ageing process a trap as the re conversion to another activity become harder as human capital requirements evolve and more than 45 % of the population has low educational training (Tudor, 2009).

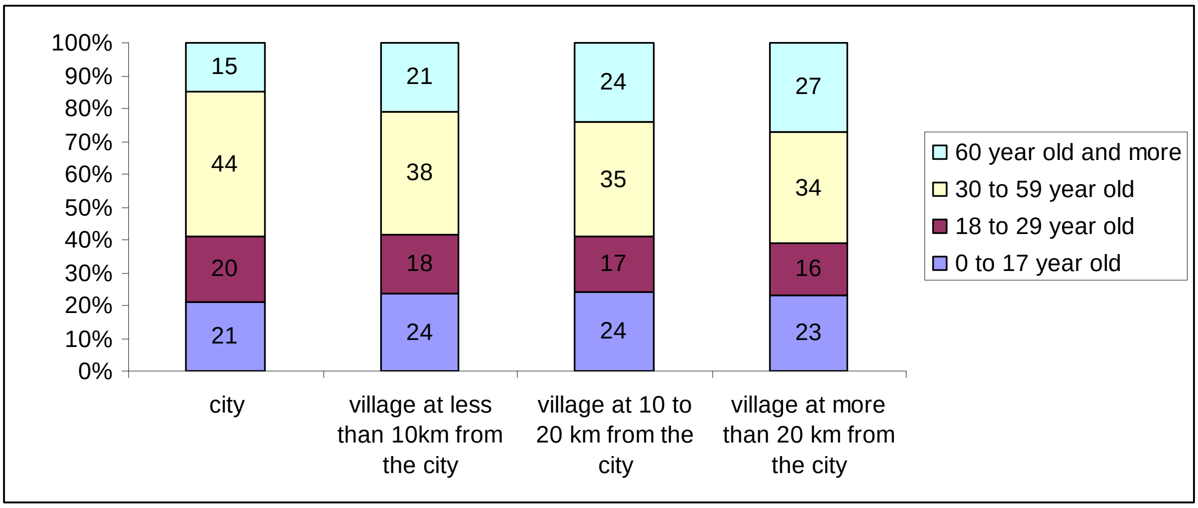


Figure1. Repartition of population by age and by place of living
Sources: Administratia prezidentiala, 2009 using general census 2002

The rural areas became with time a deadlock for a lot of people unless being a place for resources. This bring to a head the social issues at the national level in those place where extensification had made the resolution of these issues harder and harder.

1.2. ...only recently covered by public policies

In view of these facts we wonder which measures accompanied this great socio-economic transformation? What were the answers brought by public stakeholders to avoid this socio-structural differences?

The first result is a late reaction of the policies. For instance, according to Von Hirschhausen (2008), this situation can be explained by a delay in implementation of specific policy for rural development: *"policy appears only at the beginning of years 2000: the explosion of migratory movements from the poorest* *rural areas was another alert signal that the media seized on. This phenomenon abruptly led to a second plan, the image of refuge and feeder villages (...). Finally it was the negotiations with the EU had begun with funds specifically dedicated to rural development constrained the Romanian government to rethink its short term management of rural issues and to invest in the question of rural areas in all their complexity-social, economic and territorial."*

According to authors of the NPARD 2000-2006 (National Plan for the Agriculture and Rural Development) the rural development concept appears in the government's programme only in 1996 but was not applied until 2000. It is during this period that the first pre-adhesion programme appears. However, from the beginning of the transition, support to rural areas in general and to the agricultural sector in particular was reduced, except for the later years with the large contribution of SAPARD programme (Special Accession Programme for Agriculture and Rural Development) at the same time as national schemes in lower scale (Von Hirschhausen, 2008). Efforts made through the SAPARD programme were not enough, however, to change the perception and the conditions of the delay on the agricultural structure (Luca, 2009), nor to slow the increasing discrepancy between urban and rural areas, of which the origin is the state withdrawal during the first post-communist period (Von Hirschhausen, 2008).

Recently, the presidential commission for social issues, implemented to identify some long-term policies in this field, worked on social and demographic risks. It assembled a severe diagnosis of the Romanian social situation and its management up to now. The authors leave us a 380-page report judging social policies of the past 19 years as incoherent, in-efficient (...), which offer only ad-hoc solutions to the specific crisis, have contradictory objectives, have a lack of vision and strategic approach (...) and which are not based on the evaluation of former programs (Administrația Prezidențială, 2009).

As a reminder, during the communist period there was a programme of planning for the villages. The plan was intended to destroy more than half of the villages to achieve small towns in which there were supposed to be built some housing blocks in the socialist image, to host people from the rural areas coming to town for the great industrialisation. At the same time, in the rural areas infrastructure programmes were the main intervention (electrification in the 1950's, gas development...). Apart from the school and cultural, the state did not really invest in rural areas (Von Hirschhausen, 2008). Economic activities in rural areas were not sustained except for agriculture but only the public agricultural sector was really supported through the state farms, and not so much for the cooperatives where the majority of people were employed.

On the other hand, the industrial field was strongly supported by the government. At that time, the percentage of people involved in this sector, 45%, was higher than in the industrialized countries in western Europe. Although the communist government did its best to try to industrialize as much as possible an obviously rural territory, the percentage of the population employed in primary activities was still rather large, about 28%, much more than in the EU states, where that value was below 10 or even 5%. The tertiary industries (27%) were quite underdeveloped, also illustrating the population's low purchasing power (Horea-Serban, 2005).

After the revolution and during the first 10 years of the so-called « transition » period, a massive process of re-structuring had as its final output the collapse of a large part of the Romanian industrial sector and thousands of people were dismissed from their urban jobs.

Thus there took place a reversal of the rural exodus of the communist period. To survive, many of people have returned to the villages they originally came from, causing the primary sector to increase by about 42% in the first years of the 21th century. But the type of agriculture they practise is minimally productive over medium and long periods of time, for this reason, many of them choose to seek work abroad, mainly in Spain, Italy, and Germany especially after 2000 when border restrictions were loosened.

If we also take into consideration the insufficient development of the tertiary industries (whose percentage, although it has increased by almost 8% is much smaller than the average of 60-70% characteristic of the developed countries), we can observe an economic structure of the employed population that separates Romania from the EU states (Horea-Serban, 2005).

In order to avoid this migration of the rural population towards the cities and other countries, farm restructuring has been one of the objectives of state policies, as an alternative to job creation, mostly in non-agricultural activities. The population aged 65 years and above, increased by 1.5% during the reporting period, representing 1.82 million inhabitants (18.7% of the total population) in 2005. This increase illustrates a long-term phenomenon which that affects rural areas, the ageing of the rural population. (NIS, Anuarelor Statistice ale României 1999/2006.)

In this context, the agricultural question is predominant as the agricultural population still accounts for almost 30% of the total population and because the agricultural production of home-consumed foods (42.4% for the farmer) kept a majority of households from falling from poverty to deprivation/destitution. On the other hand, this "refuge" effect in agriculture leads to a large number of subsistence farms, too small to be efficient according to the economy of scale theory and they are therefore a hindrance to re-boosting the economy for Pouliquen (2001).

The government advocates a reorientation of this population to non-agricultural activities but still stabilized in rural areas, since migration to the cities and to other EU countries is already high.

After a presentation of the tools, we will analyse and evaluate how the government managed to approach its objectives. As the National Strategic Plan highlights the huge importance of rural areas for Romania in terms of land area, population, and the crystallisation of social issues but also in terms of their great environmental value. We will address how the national government took these main issues into account.

2. An evaluation approach

Evaluation is often linked with administration capacity to prove its efficiency and to highlights public decision (Patton, 2008). Presently, a large range of evaluation methodologis exist as well as a range of objects on which evaluation can be done: public programmes, public policy, projects etc.

We will focus here on public policy evaluation and explain the particular choices made with regards to the methodology.

This research is not connected with EU formal evaluation (ex ante, in itinere or ex post) but could be a contribution both to conceptual or methodological issues and to political recommendations.

2.1. From institutionalism framework to evaluation as scientific approach

Our general theoretical framework is that of the so-called "old institutional economists", namely in the line of Veblen and Commons. This framework makes endogenous the role of institutions, law, behaviours, rules, and norms in the construction of agents' choices and in the richness repartition. The process of social change is not only mechanical, it is the product of human action, but in the end, action is modelled and limited by the society in which it is inserted. For Ostrom (2005), there are action arenas, which exist in the home; in the neighbourhood; in local, regional, national, and international councils; in firms and markets; and in the interactions among all of these arenas with others. Outcomes feed back onto the participants and the situation and may transform both over time. Over time, outcomes may also slowly affect some of the exogenous variables. Institutional economics presents a large range of methodologies as described by Wilber and Harisson (1978). Thus they present through Veblen, Commons, Galbraith, Myrdal, Gruchy, Kapp and Samuels' work, the three main characteristics in the institutional approach: being holistic, systemic and evolutionist. In this methodology observation plays a great role as it makes it possible to identify recurrent terms that highlight all the system. The reflection of gradual construction using story telling brings us to propose in the most experimented research a "pattern model" at a larger scale. They also remember that the main assignment of a modern scientist is to understand, interpret and explain the surrounding reality. Controversy occurs not so much because of the former definition but because of the way to do it. Mainly, the opposition is between formalism used in the standard economy and the holism prized by institutionalists. Nevertheless, institutionalism is more a common methodology for investigation than a theoretical corpus.

Inherently, holism expresses the belief that a change in the object implies a change in the methodology with the implication of moving from a micro-economic approach to an enlarged social approach. This is a common point with the evaluation in the sense of knowledge (Perret, 2001) which recommends the used of a large range of social sciences in order to depict the reality of evaluated the object. Such a scientific position is defended by critical realism authors as well (Pawson and Tilley, 1997). The objective is to highlight the object of the study under complementary angles (in our case: rural economy, geography, sociology, and political science). For that we mobilize in a complementary way quantitative statistical techniques and case studies. The central point is the in-depth understanding of the mechanism implemented in the studied programme. The Rudi programme makes the same conclusion in the methodology recommendation endorsing the need to include requirements for thematic, territorial case studies and qualitative approaches (Rudi, 2010). They also recommend a diagnostic work to understand why and how things work, with an emphasis on stakeholder / beneficiary experiences (Rudi, 2010).

Our main objective is obviously « understanding » our research object (Berriet-Solliec and *al*., 2008). We point out the importance of theory in evaluative process (Shadish and *al.*, 1991). What is central in our evaluation approach is the comprehension of mechanisms of implemented programme. That's why we mobilise the theoretical contribution in social sciences to precise theory of action of the studied programme BEFORE proceeding to developing indicators. Contrary to strict theoretical models and participating evaluation, this form of evaluation enables us to avoid using too unrealistic assumptions and to reveal causal relationships (Berriet and *al.* 2008).

It's consist in the mobilization of an evaluative approach to understand and to build adequation between objective of rural development policy (and its operational translation) with the main socio-economic issues in Romania. The objective is to reveal the causality relationship between adopted schemes, effects, and the displaying of expected and non-expected effects (when we are under ex-ante evaluation). Then it is possible, when the policy analysis is done, to build indicators *ad hoc* to measure the intensity of produced effects. Unlike too many evaluation works it consists to produce *per se* indicators, we offer to examine, structure and organize programme objectives into a hierarchy in order to build, in a second phase, pertinent and useful indicators for decision makers (not presented here but will be the object of futures works).

2.2. Evaluation methodology and its mobilisation in this paper

To enter more concretely into our methodology, lets begin with a decomposition of evaluation times (see graph 1 in the appendix). The first step in evaluating a policy is to question it (Perret, 2001). "Works in evaluation developed in the CESAER observe a low use of policy analysis by the evaluators (action theory break down) before proceeding to the evaluation *stricto sensu* (indicators construction, value judgement)" (Daucé, 1998). We can notice that evaluators are used to building logigrams (or logic models, logic diagram) as recommended by EU (2003) but this exercise is often formal and doesn't precisely reveal the cause and effect chain as recommended by EU (2003). "It appeals to the development of an analysis grid concerning policy-inherent mechanisms. Particularly useful are works concerning causality and « theory of action » (Toulemonde, 1995, Berriet-Solliec and *al.*, 2009). A policy analysis must imply the proposition of a potential link between an observed effect (a socio-economic transformation) and the general public intervention implemented. This link is difficult to establish in human sciences generally, but more particularly in an evaluation context" (Berriet-Solliec and *al.*, 2009).

Thus, before beginning any policy or programme implementation, we locate the ex ante evaluation which deals with an in-depth observation of the context before implementation, in other words of the conditions in which the policy will be implemented through a diagnosis. This diagnosis will help to drive the forth coming evaluation and highlight the choices made by a significant analysis of the policy and implementation conditions, and allowing the action theory inherent to the policy description to be brought into play.

The in itinere evaluation can be carried out during the implementation, it deals with the pertinence and coherence of the schemes more than with the question of its efficiency. The middle term evaluation differs from the in itinere one as it is more a summation. It will take into account the first results and is likely to allow a re orientation of the policy if needed. Finally, the ex post evaluation will examine the impact of the policy as all necessary data should be available at this date. The policy analysis, as for in-itinere evaluation, should be implemented at each level of the evaluation (European Commission, 2003).

In this paper we will use ex ante and in-itinere evaluation tools and approach to examine the researched questions as presented earlier. We will focus particularly on the pertinence and coherence of the schemes chosen and their capacity to meet the initial objectives (see appendix 2).

Objectives are not a normative construction but are the result of policy analysis. In order to determine the objectives as seen by the stakeholders, we will build an objectives tree which will be used as the reference for the last part of the evaluation. The researcher will judge the objectives, but will also evaluate the extent to which these objectives were attained. Our research ends with the mobilisation of theory of action and main intervention levers (table 2) in order to describe the economic background on which the choices carried out during the implementation of the schemes are constructed.

Table2. Classification of incentive levers based on Aubert and *al* (2005) and Faivre (2009)

Diminishing the cost of productive material investment	
Diminishing the cost of productive material investment for goods and services	For permanent or seasonal population
	For enterprise
Diminishing the cost of immaterial investment through reductions training costs	
Diminishing information imperfections	To develop supply of goods and services
	To stimulate the demand
Covering transaction costs between actors	To a sector
	To a territory
	Non specific
Payment for environmental services	

The analysis of incentive levers helps us better to understand the economic background. Policy development is, however, the theatre of extensive debate within political lobbying and is subject to administrative constraints and inter-level negotiation. Levers allowing for the analysis of these influences on the policy development do not yet exist, but we will nevertheless apply criteria of consistency and pertience to understand these constraints at the stakeholders' level.

In the strict sense of the word, action theory designates "the causal hypothesis on the problem to solve" (Trosa, 1992). More globally action theory designates « a set of assumptions made by the subsidiser and the administrator of the programme to explain how the public intervention is supposed to produced impacts and reach its global objective. Action theory is built by a chain of cause and effect chain that links realisations, results and impacts (Toulemonde, 1995).

"The Theory of action language comes from action research and organizational development traditions where the focus is typically on some specific solution to a specific problem; that action may not be a full-scale intervention, program, policy or theory _ but an action taken within some concrete time period or specific purpose " (Patton, 2008, p.338). As we are working here on precise stakes and three measures from the second pillar, not all the policy, we are actually in this configuration, dealing with action theory and not a whole programme theory.

Action theory is often implicit, at least partially (European Commission, 2003). This is why the Scientific Council of Evaluation (CSE) defines action theory as a set of idea concepts which inspire its designers and/or stakeholders with respect to its mechanisms, its cause and effect chains between the measures chosen and the expected social impact. (CSE, 1996 quote by Aubert and *al*., 2005).

2.3. Objective referential: the tying point of the evaluation

Evaluation even if contains subjective part, is managed on a solid base built before the beginning of any judgement. We call this point the objective referential as we analyse the objectives of the stakeholders as they developed the policy. Using our case study, we will illustrate this point by re-building the objective tree for the question of the re distribution of farm employment in rural areas.

At the end of 2006, the National Strategic Plan aimed to prepare the National Rural development

Programme to implement the second pillar of the CAP in Romania. Based on a large diagnostic of rural areas by analysing the social, economic and environmental situation on the basis of available statistical data, it specified the major priorities and directions for those areas and oriented the means brought by the CAP.

According to this document the overall finalities of the national rural development strategy are to:

- increase the economic dynamism of Romanian rural areas including the development of a sustainable agriculture;
- and the development of the forestry sector;
- preserve, protect and consolidate nature, the environment and natural resources;
- enhance the social dynamics and the quality of life in rural areas.

The regional inequalities are largely described in the Romanian Regional Development Programme which underlines the efforts of the RMARD to aim in the NRDP, to take a more balanced approach to rural development by targeting rural areas that have a relatively high incidence of poverty and low levels of economic activity (Von Hirschhausen, 2008).

Referential construction for rural development programme allows us to question the plan from the initial implementation. Consistency is actually a condition of efficiency of the research programme. This depends foremost on the adequation between expected effect and the objectives of the policy. Action theory analysis thus seeks to examine the assumptions that can be made relative to the potential effects of the measures and to make explicit a priori causality relationships between the actions and the effects which could be observed throughout the implementation (after and on-going) of the programme (Toulemonde, 1995).

We will focus here on objectives and schemes linked with the reorientation of the active population in the farm sector. We will leave aside environmental, forestry and fishery issues, and we will more concentrate more on Axis 1 and 3, even if in terms of funding amounts axis 2 would have an impact on semi-subsistence farming, as their extensive practice is promoted in those schemes (Huband, 2007). In the same way, the scheme for the improvement of quality of life in the village is essential to ensure the attractiveness of rural areas, but will not have a strong impact in the short term on the employment in rural areas, nor on the availability of cash. We will not treat this question in this paper, but deal rather only with those participating to the change from agricultural to non-agricultural activity.

Nevertheless, through the general distribution of funding by axis (as shown below in table 3) we can observe that the first and third axes are the most important in term of funding.

Table 3. Funding distribution by axis (in percentage) for the 2007-2013 programming.

Axe 1	Axe 2	Axe 3	Axe 4
~45%	25%	~30%	2,5%

Sources: RMARD, NRDP 2009

Objectives reveals that the changes from agricultural to non-agricultural employment has been seen in complementarity between the first and the third pillar (see objectives tree in appendix 3): *« Thus, the Young Farmer scheme together with the Early Retirement and Semi-Subsistence measures should facilitate the transition out of agriculture of a large number of producers and agricultural workers dependent on subsistence production. This group will either benefit from social assistance payments funded under national programs (in the case of retirees) or from non-farm rural economic development stimulated under Axis 3 measures (for subsistence producers and under-employed agricultural workers not of retirement age, but also who are not likely to become viable commercial farmers given their levels of skill and experience). As a result, measures such as the Young Farmer scheme, Semi-Subsistence Support and Early Retirement working in tandem with Axis 3 measures are likely to result in a more rational, restructured, productive and modernized commercial farm segment on the one hand, and a dynamic rural non-farm economy for those moving out of agriculture on the other »* (p62 RMARD, NRDP, 2009). It is worth noting here that the national life annuity scheme implemented in 2005, ended in 2009 after a derogation period because it was considered to be non-conforming state aid rules by the European commission (for more details concerning this scheme see Ghib, 2009).

We can also observe that the funding allocation is not linked to the targeted population. Indeed the first axis covered only commercial farms, the area in which the most added value was expected to be found, as can be seen in the eligibility and threshold criterion (almost 20 000 units) and in a lesser measure, the semi-subsistence farms (budget for 76 000 units). We can therefore suppose that commercial lobbying influenced this distribution of funds but administrative imperatives also played a role, as the management of a large number of applications seems to be the main fear of the Romanian government.

3. From agriculture trap to rural employment: evaluation of the implementation under the second pillar in Romania

3.1. Implementation of the 141 measure on semi-subsistence farms: sectoral and regional disparities

As we saw above, this measure is the most significant one that applies to semi-subsistence farms. It is targeted to the farms between 2 and 8 ESU, economic size being calculated with national coefficients in 2000. The subsidy amounts to 1500 € per year during 5 years for investing in the farm. After 3 years, objectives are to increase by 3 ESU and to sell 20% more products on the market. There is no verification on the means used to achieve this objective, as only the results are considered. If these objectives are not fulfilled, the farmer will not receive the last two years of the subsidy, although he will not be required to refund the subsidy given for the first 3 years.

As the amount is quite low, this pilot measure aims to simplify the administrative process for the small farms that are so numerous in Romania.

As presented in the methodological part, we analyze this measure by the application of different grids. The first one is the incentive lever and the action theory which motivates this scheme.

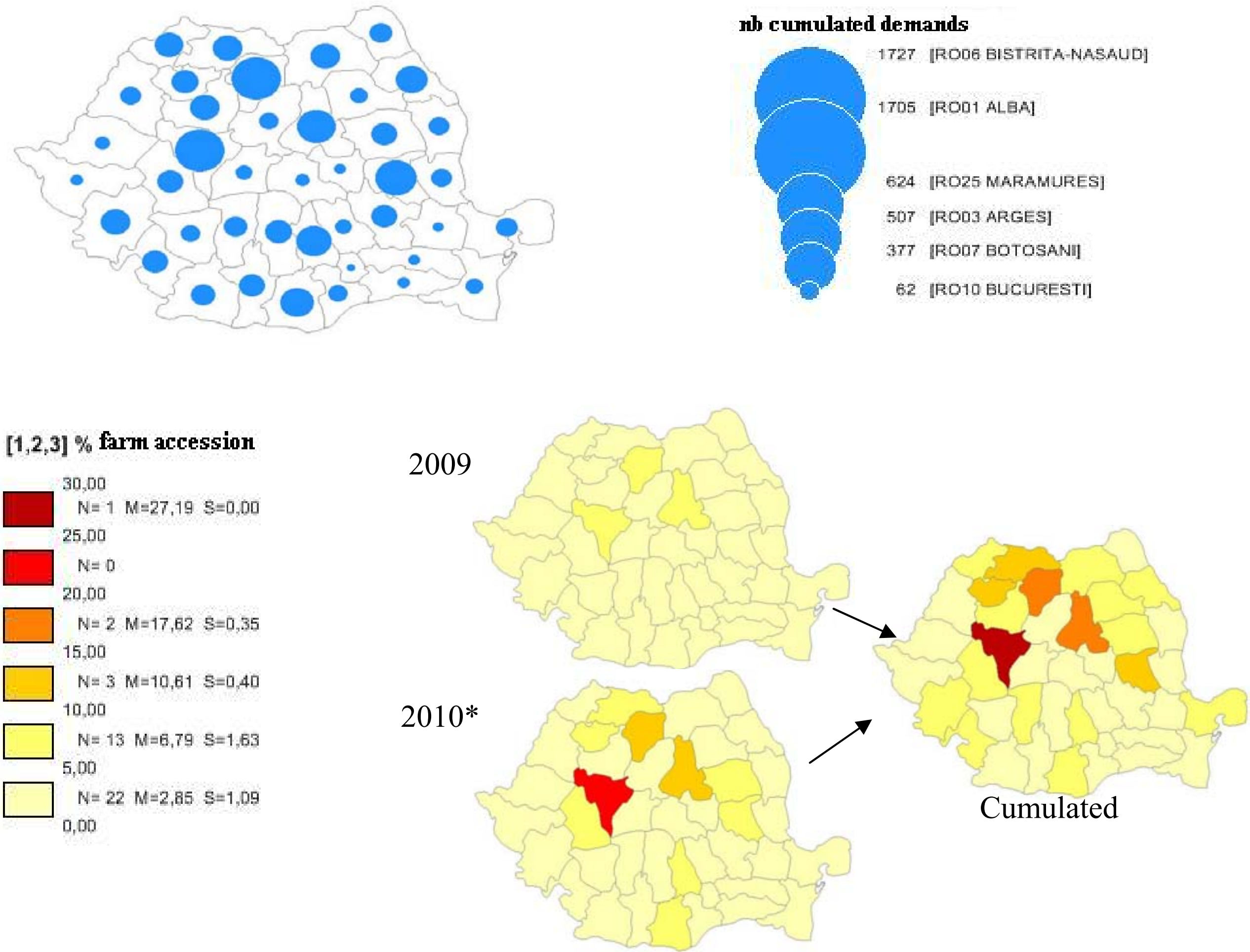
Incentive lever: allocation of a simplified and annually fixed rate subsidy to stimulate investment in small farms

Action theory	Public aid designed to stimulate semi-subsistence farms to invest and to take risks to increase their insertion in the market with a simplified implementation scheme: decrease of cost unit for investment and diminishing in risk taking – increase of short term profitability, increase of capacity of formal selling at middle term _ development of a middle size farm sector inserted to the marked
Expected effects	Improvement in production standards Increase in production quantities Increase of quantities sold on the market Maintain employment by making the activity profitable or compensate for job loss in rural areas Contribute to employability of people leaving farms
Non-expected effects	Windfall effect: a part of the investment would have been made by the potential beneficiaries even without the subsidy. Moreover, in some cases the increase in production is artificial, as much as a part of the production formerly was sold through the black market, the scheme allows the formalisation of this hidden production without sustaining the production over the long term. Furthermore, the amount of public aid is higher than the amount that is paid back through taxes and contributions. Diversion of the fund use through consumption assets Bad investment due to the externalisation of the business plan or due to its over-evaluation The necessity to change the juridical status to legal personality and thus become tax payer, which in fact reduce the profitability of activity and weaken it, compared to that which was carried out by an individual and which was therefore non-taxable

The programme is designed for the period 2007-2013 but will be implemented in several steps called campains. The first campain occurs in 2009. 6262 applications were filled as the number of application did not exceed the budget devoted to the programme or the number of subsidies open for this call. However, as is the case of start of each scheme, we can assume that targeted farmers were either prudent or not yet very well informed of the administrative elements of the process. Furthermore, public entities for agricultural consultancy (OJCA, which will be renamed the Agricultural Chamber) offer free consultancy to fill out the forms and to carry out the requested business plan. Private consultants did no participate very actively in this scheme as the amount remains quite low for them.

The second campaign happened in the beginning of 2010 and gathered more than 13 000 applications for 12 000 spots. Face with this large success, the ministry of agriculture will implement third campaign for the Fall of 2010. Several simplifications and adaptations to the Romanian context were put in place. For instance, proof of ownership is no longer required by property title but rather through a tax certificate from the town council. A first reading of the documents implies that the agricultural administrators in charge of the implementation of the scheme, require that the land owner and the person soliciting the subsidy bear the same name. The Romanian land context is quite peculiar, however, with long delays in the restitution of land, combined with delays in familial transmission due to notarial and cadastral costs. Consequently those working at a piece of land are often not the official owner. For the second campaign, other modifications were also added, such as the possibility to count land rented for free from a neighbour, the town council or the church.

Results form this first campaign show a great diversity in the number of applications by county (figure 2) both in absolute value and in the percentage of eligible farms in the county. Surveys conducted by the agriculture office at county level, public consultancy offices and with farmers in Mures, Cluj and Harghita counties revealed that the disparities are partly due to differences in the dynamism of different local offices but also the dynamism of certain associations, as bee-keepers and Hungarians associations participated on a large scale into the funding arrangement and the filling of administrative documents, and particularly in the preparation of the business plan requested. In the county of Alba, both the bee-keeper association and the Alba Afroda association could have a great role in this strong adherence to the programme.



* for 2010 it is question of applications before verification

Figure2. Maps of the distribution of applications to the 141 measure: absolute measure value and percentage of total eligible farms accessing the programme

Analysis of the first set of applications (available on line for 2009) allows us to clarify another disparity in the applications, namely a sectoral disparity: bee-keepers are over-represented in this first campaign with more of one third of the applications (at least 2500 demands out of 6000) while bee-keeping is not a major activity in Romania, despite the fact that every region has a few bee-keepers.

Table 4. Occurrence of sectoral orientation of the project among 6262 projects validated for the semi-subsistence measure in 2009.

Researched terms	Occurrence present in the document
Apicol / Miere(honey)/ Stup (beehive)	2505
Zootech/ Vaci(cows)/ Porc/ Animal	499
Legume (vegetable)	242
Horticol/ Pomicol/ viti	201

Source: author from on-line data on the MADR site: www.madr.ro

To explain this over- representation we can advance several hypotheses:

- The over- representation of bee-keepers is linked to their dynamism, since unlike most other sectors bee-keepers are already associated, well organized and spread out throughout the national territory. They associate to purchase various inputs such as medicines and manage the wax at the association level, and are thus obliged to meet frequently. We can thus assume that information circulates better in this sector.
- The lack of a necessity to own land or the possibility to get by on a very little land allowed bee-keepers to get around administrative constraints on proof of land ownership, which would demonstrate the importance of the land factor in Romanian agricultural structures.
- The existing organization in this sector made it one of the most integrated in the market, which means that the condition requiring an increase in sales is more easily surmountable for bee-keepers than for other groups soliciting the funding.

Next, we asked some more questions concerning the coherence of this scheme. As we have seen the major objective of this scheme is too allow farm development for the category situated between 2 and 8 ESU. This category counts 350 000 persons (statistic NSI (ASA 2005)). But the amount budgeted for this scheme allows the programme to support only 76 000 farms for 5 years (2007-2013). The calculation made by the ministry is based on the age eligible criteria, namely those who are over 62 years old. They limited the number of subsidies to this category of age based on statistical data. Research on farm demography (Ghib, 2009) and field surveys alert us, however, to the difficulties involved in determining the farm holders in the statistic. A regular bias results from the confusion between farm holder and farm owner[1], and in reality, children or grand-children can be more implicated in the farm activity and at least being more implicated if a perspective for farm development appears.

3.2. The micro-enterprise and tourism measures: a real way to escape from the agricultural trap?

The first axis aims to improve the competitiveness of the farm by increasing the surface area and employing less labour, but a lot of people are trapped in agriculture having no alternative. One of first challenges of the third axis is therefore to provide this alternative employment in rural areas in order to absorb additional labour from the agricultural sector.

The analysis of micro-enterprises from rural areas presented in NRDP (RMARD, 2009) reveal the

[1] The land imbroglio in Romania bring to the fact the older parents, or sometimes even the already dead ones, remain the official land owners, as there is no perspective for the development of the activity at short term and face to high notarial costs.

inability of these to respond to the necessity of providing jobs for the rural population (an average of less than 3 jobs per micro-enterprises); at the national level in 2005, micro-enterprises of rural areas accounted for only 13 percent of the total number of micro-enterprises, a level of about 4.2 micro-enterprises per thousand inhabitants. (NRDP, RMARD 2009). Most of the micro-enterprises have been reoriented towards trading (about 70% of the total of micro-enterprises of the service sector) due to the fast repayment rate on investments and due to the minimum level of experience needed for such activities, while the processing industry holds only 16% from the total number of micro enterprises from rural areas (NRDP, RMARD; 2009, p 296).

We will focus here on the re orientation of labour to non-farming activities through the two measures designed to the development of tourism activities and to micro-enterprise creation. The cut-out of the measures through their in-depth analysis was completed with surveys at the administrative level in 3 counties and by farmer/potential beneficiaries in these counties (10 people) in order to understand the major barriers to implementation.

Action lever	Investment in small firms and tourism activity in rural areas
Action theory	Public aid for investment for potential entrepreneurship (private, association or local collectivity) – decrease of costs per unit of investment – increase in the short term profitability _ surplus of investment – enhancing or creation of economic activities in rural areas
Excepted effects	Increase in the territorial attractivity Increase in the number of direct or indirect jobs Increase in the wealth level in rural areas Stabilisation of the rural population
Non-excepted effects	Bad analysis of the market and fragility of the new activity Windfall effect as the potential business holder would have carried out the investment even without the subsidy Eviction effect, access conditions favour a part of the population that is already dynamic, those who have the capacity to present guarantees for the co-financing and to reach the targeted population

Although these measures are still in their infancy, it is clear that they are focused on the necessity of co-financing. According to Marginean (2005), only 7.4% of with rural holdings held loans (70% from the bank), and the majority of the credit was not dedicated to investment. By overpassing this low level, the measures are likely to provide respectively, 23 596 full time jobs and 33 493 net additional full time equivalent jobs. These targets, although significant, are however low relative to the 9.7 million people living in rural areas in Romania [(10: RMARD, 2007) quote by Huband, 2007].

Even if these two measures are likely to be complemented by training and social programmes at the national or European levels, we can however question their pertinence and consistency. As we have seen with the high poverty risk present in rural areas of Romania, the targeted population is characterized by its fragility and the the lack of financial resources remains a significant barrier to those wishing to access the programme but also a significant risk for those who do. For this specific population, the project size is very relevant and needs to be better taken in account when setting funding thresholds. Furthermore, the construction of a project on an existing basis at it should have been done through the 311 measure for diversification on-farm, would have been better. Nevertheless this measure was not chosen by Romanian government for the present programme.

Conclusion

The rural population is the core target of the rural development programme. Through support to agricultural activity or to non-agricultural employment facilities, rural inhabitants should benefit in a great measure of the massive amount of money coming from the European Union (Romania theoretically gains 8 billion € for the 2007-2013 period). However, the real benefits will be conditional on the absorption capacity. Due to the difficulties in the implementation such as communication concerning the details of the programmes, co-financing capacities of the potential beneficiaries and lack of administrative capacities to implement the measures, Romania seems focused on absorption priorities rather than on the penetration of the public intervention in rural areas.

As we have seen, the three schemes studied are intended to lead to the restructuration of small farms through investment by increasing the market insertion of semi-subsistence farming, but also to provide alternative jobs for additional workforce from agriculture. But pillar 1 and a part of pillar 2 address only a small proportion of the rural population: commercial farms, notably those with co-financing capacities despite the fact that the percentage of the public contribution is substantial (70%).

For the major part of the rural population, the poorly-educated, those who are sick, and the pensioner, benefit from European money can only be indirect through employment enhancing or training. We can however ask ourselves if this is pertinent for retired people, as in the current work context, finding a job is difficult and many (pre)retired people are disqualified by health capacity tests.

Finally, this evaluation brings out the paradoxes and contradictions of the Romanian implementation of the rural development programme. With the exception of the scheme, which seems to be pertinent even if it is not very efficient due to the under estimation of the potential beneficiaries, the others schemes attempt try to offer non-agricultural employment, thereby providing little real support to the agricultural sector. Rather than consolidating current employment by assisting farms to diversify on farm, the programme prefers to push this fragile population to risk another activity creation without a security net. While programmes such as this are doubtless necessary, it may have been better to begin with a small and secured step.

Furthermore, the disappearance of the life annuity programme led tot the disappearance of the only way to escape from the agricultural trap for this specific part of the population. For the youngest, it is also illusory to think that diversification schemes will create enough jobs to solve the unemployment difficulties in the rural areas. Nevertheless, despite this bleak portrait of the future of the rural population, we can hope that structural funds will have a major role to play, especially through social funding through pertinent training facilities.

Lowering the threshold amounts could also be a solution if paired with micro-credit facilities. We also wonder if the implementation of the 311 scheme could have been a better way to proceed, as farming could have been a start stable pedestal.

This evaluation leads us to paradoxes in the current rural development programme. At basic level the paradoxes and contradiction comes from stimulation of activity for senior citizen as advocated by the Lisbon council, while simultaneously seeking to increase employment for all sectors except agriculture.

Concerning methodological aspects, we can highlight the importance of building stronger bridges between research and evaluation practices (Rudi, 2010).

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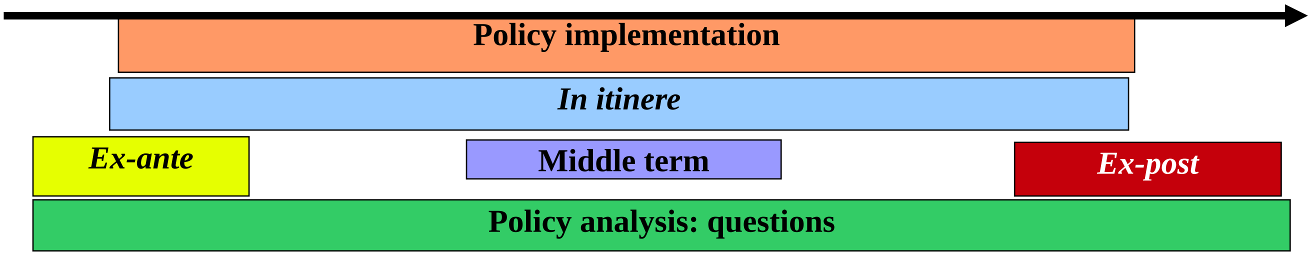
Appendix:

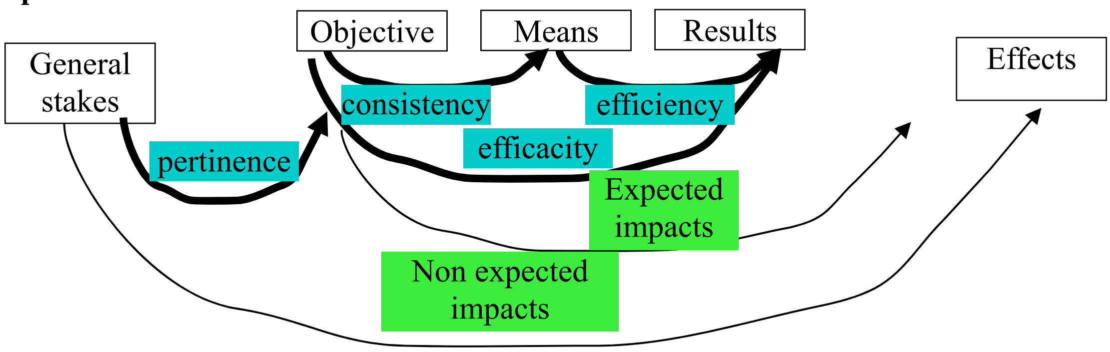
Appendix 1:

Graph 1: Evaluation times



Appendix 2:

Graph 2: Main evaluation criteria



Sources: Berriet-Solliec, 2006

Global finality

Address and mitigate the structural disadvantages in the agricultural sector, to modernize, to consolidate and to restructure in order to ensure a high level of competitiveness and sustainability from an environmental point of view

Address needs of two broad groups in : rural areas: the population beyond retirement age, and the active but under-employed or unemployed population. Transfer from old farmers currently holding 31% of the land to younger farmers. For the active but under or unemployed Axis 3 and 4 in particular, will play a vital role in facilitating the diversification of the rural non farm economy and the development of part-time [13] farming.

General objective

Improving the competitiveness of the agri-food and forestry sectors

Encouraging diversification of the rural economy and improving the quality of life in the rural areas

Strategic objectives

Skills for managment

Improving competitiveness of farm and their association

Restructuring and modernizing the agricultural processing and marketing sectors,

Maintenance and development of economic activities through the increase of number of jobs

Increasing the attractiveness of rural areas

Specific objectives

Supporting people for human capital and adaptation

Accelerating the structural adaptation and encouraging semi-subsitence farm to enter the market

Modernizing agricultural holdings

Increasing farms' adaptation from an economic point of view

Diversification of non agricultural economic activities within agricultural households and the encouraging the small entrepreneurs in the rural areas.

Creation, improvement and diversification of tourism facilities and attractions.

Specific measures

Vocational training, information actions and diffusion of knowledge Providing farm advisory

Setting up of young farmers Early retirement of

Modernisation of agricultural

Supporting semi-subsistence

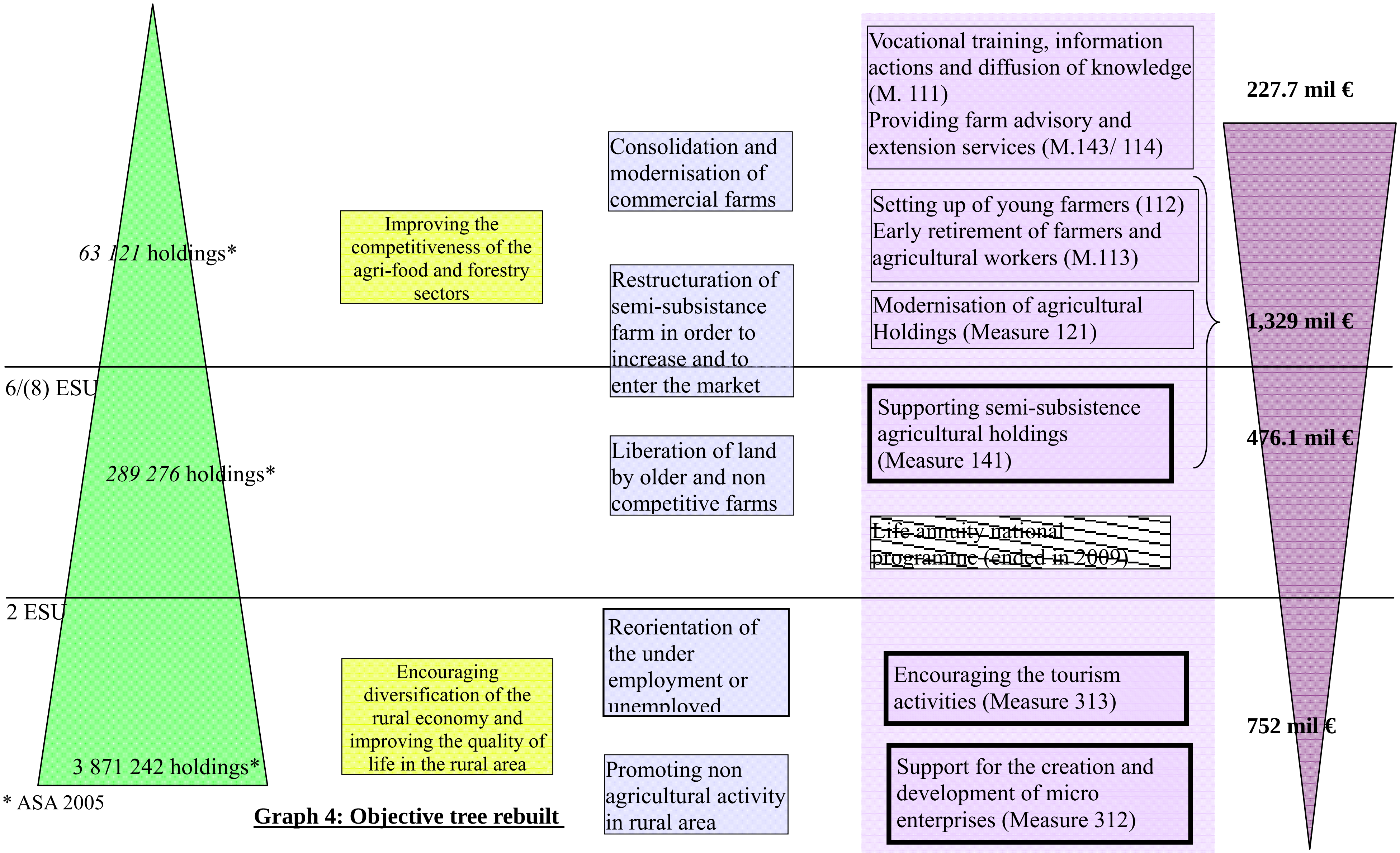
Adding value to agricultural and forestry products

Support for the creation and development of micro enterprises (Measure 312)

Encouraging the tourism activities (Measure 313)

13 Category comprising a group of farmers who most likely will remain in subsistence agriculture, but whose income will be mostly derived from non-farm (rural and urban) sources, but who may contribute to the volume of production-commodities. (NRDP, RMARD 2009, p 58)

Graph 3: Objective tree adapted from the NRDP



Graph 4: Objective tree rebuilt