

STIMULATING THE ECONOMIC AND SOCIAL DEVELOPMENT OF THE ROMANIAN RURAL AREA BY IMPLEMENTING FINANCING MEASURES FOR YOUNG FARMERS

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Abstract

The article analyzes the role of Sub-measure 6.1 of the PNDR 2014–2020 in supporting young farmers in Romania, in the context of the demographic and economic challenges faced by the agricultural sector. Starting from the declared objectives of the program – increasing competitiveness, revitalizing rural areas and supporting the installation of young people as farm managers – the research evaluates the degree of access, territorial distribution and socio-economic impact of the intervention. Based on a mixed methodology, combining statistical analysis, thematic maps and case studies, both the achievements and the limitations of the measure are highlighted. The results indicate a high absorption of funds and an increased interest in investments in developed agricultural regions, but also an unequal distribution at national level. In conclusion, recommendations are made for improving public policies dedicated to young farmers, with a focus on sustainability, innovation and territorial equity, in view of the new CAP programming period 2023–2027.

Keywords: young farmers, non-reimbursable funds, Common Agricultural Policies, sustainable development

Introduction

Strategic support for Romania, sub-measure 6.1 of the NRD 2014-2020 aimed to install young farmers as farm managers, directly contributing to the revival of the Romanian village and to the maintenance of the agricultural workforce. In a context marked by the aging of the agricultural workforce and the migration of the young population to urban or external areas, but also in a context of sharp demographic decline, supporting the young generation of farmers is not only a measure of social cohesion, but also an economic bet with major stakes for the future of Romanian agriculture.

Young farmers are a vital resource for the modernization and sustainability of Romanian agriculture. By accessing new technologies, by a greater openness to forms of sustainable agriculture – such as organic farming or regenerative practices – and by adopting modern methods of capitalizing on production (online sales, local markets, cooperatives), they can become vectors of the transformation of the national agricultural system. Looking ahead, the continuation and diversification of these forms of support could make a decisive contribution to the development of a competitive, resilient agriculture adapted to the climate and economic requirements of the future. The investments supported by European funds have made it possible to revitalize and recognize on a national and European scale some traditional agricultural products, with high added value such as; the apples of Voinesti, the melons of Dabuleni, the cheese of Ibanesti, etc., contributing not only to the preservation of the Romanian agri-food heritage, but also to the orientation of agriculture towards ecological and sustainable agricultural practices.

The Stage of Knowing the Problem

Generational renewal in agriculture is one of the priorities of the Common Agricultural Policy (CAP), in the context of the accelerated ageing of the agricultural population in the European Union and rural abandonment. Interventions dedicated to young farmers are considered essential to increase the resilience and competitiveness of the agricultural sector, as well as to stimulate the transition to a sustainable development model. In this regard, Submeasure 6.1 – "Support for the installation of young farmers" – within the National Rural Development Program (NRDP) 2014–2020, was designed as an operational instrument with a dual role: supporting agricultural entrepreneurship among young people and revitalizing rural areas in demographic and economic decline.

At the national level, the data provided by the Agency for Financing Rural Investments (AFIR), the institution responsible for implementing the NRDP, indicate a particular interest in this sub-measure, both in terms of the number of financing applications submitted and the high level of absorption of available funds. Sub-measure 6.1 was noted, in several sessions, by overcontracting, reflecting the acute need for support among young farmers, but also the attractiveness of this form of public intervention.

The literature and evaluation reports – national and European – generally reveal the effectiveness of the support mechanisms for the installation of young farmers, but the emphasis is in most cases on quantitative indicators: number of projects approved, level of payments made, areas exploited or types of investments made. On the other hand, the qualitative dimensions of this intervention are less explored, such as the sustainability of farms in the medium and long term, the ability of young people to adopt ecological or digital practices, or their integration into local and regional value chains.

There is also insufficient documentation regarding the real social and economic impact of these measures in rural communities – especially in terms of retaining young people in rural areas, creating jobs and contributing to economic diversification. There is also a knowledge gap on how this support has contributed to the development of value-added agri-food products, such as Voinești apples, Topoloveni jam or Ibănești cheese – products promoted in part through entrepreneurial initiatives supported by young farmers.

In this context, this paper aims to contribute to deepening the knowledge on the impact of Submeasure 6.1 not only from the perspective of the installation of young farmers, but also from the angle of their potential contribution to the transformation of Romanian agriculture into a sustainable, innovative sector connected to the requirements of the market and the European Green Deal.

Research Methodology

For the elaboration of the methodology of the present study, classical instruments of observation and analysis were used, based on procedures specific to applied research and on the extensive documentary investigation of the specialized literature in the field of support provided to young farmers. The proposed methodology is based on the factual analysis of official data and on the critical interpretation of the information provided by relevant public institutions in Romania, such as the Ministry of Agriculture and Rural Development (MADR) and the Agency for Financing Rural Investments (AFIR), through the implementation and evaluation reports related to the PNDR 2014–2020 (MADR, 2021; AFIR, 2022).

The methodological process was also supported by the consultation of academic and European reference sources, such as the European Commission's reports on the impact of the CAP on generational renewal (European Commission, 2021) or the evaluations carried out by the European Court of Auditors on the coherence of national strategies in supporting young farmers

(ECA, 2017). The documentation also included the analysis of recent academic studies, published in Scopus indexed journals, which address the challenges and opportunities of generational renewal in agriculture, both in the Romanian and comparatively European contexts (Smith et al., 2015; Roman & Petrescu, 2021; Blumberg de Moor et al., 2024).

By combining primary sources, official statistical data and recent theoretical contributions, the adopted methodology aims to provide an integrated and rigorous picture of the efficiency of Submeasure 6.1, in relation to the declared agricultural policy objectives and the sustainability requirements of the new European rural development paradigm.

Analysis and Results

Sub-measure 6.1 aimed to support the installation of young farmers, facilitating their access to resources to become heads or managers of agricultural holdings. It aimed to improve farm management, increase the competitiveness of the agricultural sector and encourage young people to settle in rural areas, thus contributing to the revitalization of rural areas.

This type of investment aimed to stimulate the development of agricultural competitiveness and encourage the formation of sustainable professional partnerships.

A total budget of 100 million euros was initially allocated for this intervention, of which 30 million were directed exclusively to support farmers in mountain areas. Until the 19th version of the PNDR 2014-2020, the amount was supplemented due to the interest enjoyed by this measure.

Eligible beneficiaries were young people up to and including 40 years of age (no more than one day before their 41st birthday), who have appropriate qualifications and who take over the management of an agricultural holding for the first time; legal entities in which a young farmer has effective and sustainable control over decisions related to the management of the holding, assuming the financial risks and resulting benefits.

Through this sub-measure, the beneficiaries had the opportunity to refurbish the farms through the purchase of machinery, equipment and irrigation systems, carry out conditioning and processing activities for agricultural products, implement organic farming practices, integrate the farm into an associative form, transform subsistence farms into viable economic units by increasing the economic size (SO), completely take over small farms, with low economic value, cultivate native varieties or breed local breeds, improve their level of professional training in the agricultural field and last but not least adapt their farms to quality requirements and environmental standards.

The non-reimbursable support was a maximum of 70,000 Euro granted as a premium in two tranches, respectively 75% of the amount of support upon receipt of the financing decision and 25% of the amount of support within a maximum of three years from the receipt of the financing decision.

1. Territorial distribution of projects financed by S.M. 6.1

From the existing data, the interest in this sub-measure was enormous – about 21,000 young people submitted applications for funding. Thanks to the additional funds (including the Danube Delta ITI and EURI), 13,420 installations could be financed, of which 10,671 were approved standard projects, 201 in the ITI area and over 2582 with EURI funds according to the report "Status of implementation of PNDR 2014-2020 as of 13.02.2020". Basically, Romania managed to help over 13,000 young people to become farm managers, a very good result compared to the initial target of 12,000 young people. As a result of the analysis, significant differences were found between counties in terms of accessing and approving this measure, indicating varying levels of involvement, accessibility and perhaps even technical advice or interest among young farmers.

The county with the most approved projects is Dâmbovița, with 1,245 projects, followed by Bihor with 956 and Dolj with 946. These high figures may suggest a well-developed support infrastructure, a greater presence of young farmers or an effective county strategy to promote European funds.

Other counties with a significant number of projects are Brașov (799), Bistrița-Năsăud (703), Timiș (823) and Olt (565), which shows a strong concentration of absorption in certain regions of Transylvania, Banat and the south of the country.

On the other hand, Harghita registers only 9 approved projects, followed by Neamt with 10, Prahova with 15 and Ilfov with 25. These very low values may indicate a lack of interest or eligibility, poor information to potential beneficiaries, or an insufficiently developed administrative infrastructure to support these initiatives.

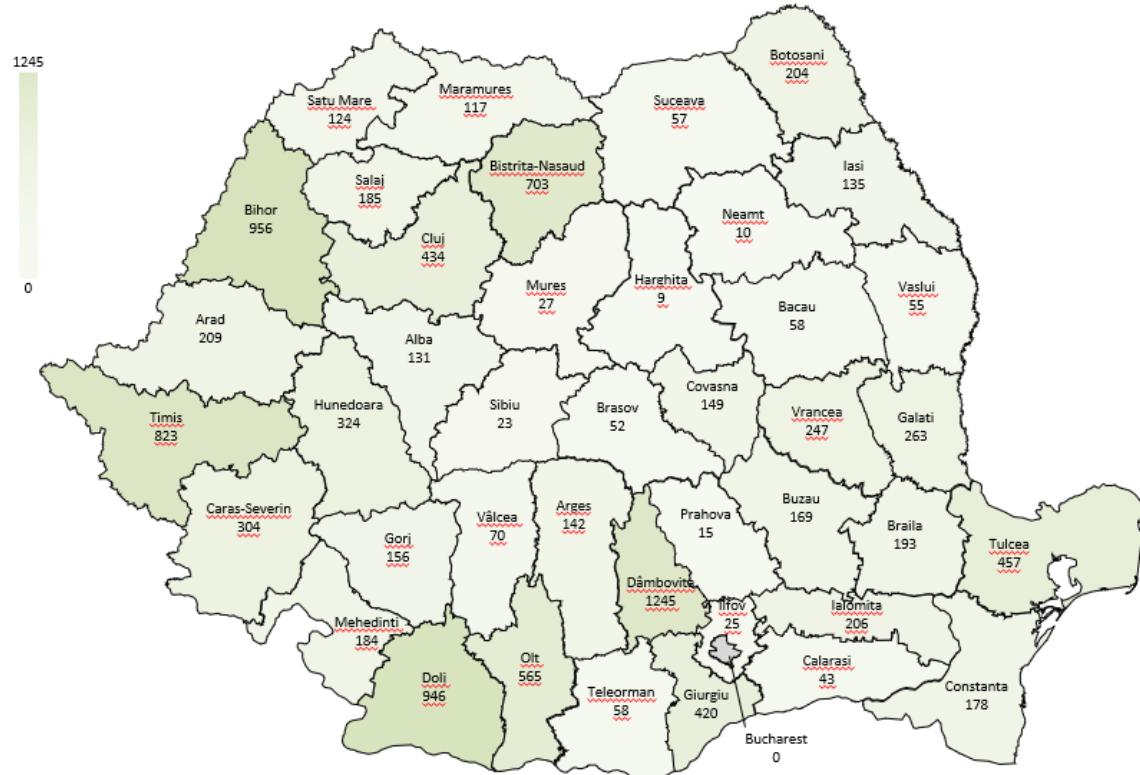
It can also be seen that counties in developed urban areas (such as Ilfov) generally have a lower number of projects, which corresponds to the logic of the measure, which targets young farmers in rural areas.

Counties with a moderate number of projects, located between 100 and 400, such as Cluj (434), Hunedoara (324), Caraș-Severin (304), Giurgiu (420) or Arad (209), seem to have benefited to a significant, but not maximum, extent from the support of this measure, possibly due to a combination of agricultural potential, the structure of the young population in rural areas and the efficiency of local mechanisms for accessing funds.

The uneven distribution of approved projects reveals territorial disparities that can be further investigated to understand the root causes and adapt future policies so as to increase the accessibility and attractiveness of support measures for young farmers in underrepresented counties.

The analysis highlights the need for a differentiated regional approach, taking into account the socio-economic realities of each county. (Figure 1)

Figure 1 Territorial distribution of projects financed by Sm 6.1.



Data source: Processing based on AFIR data

2. Distribution of projects by type of agricultural branch

At national level, most projects were oriented towards "Field crops" (3,314 projects), followed by "Mixed crops and animal husbandry" (2,455 projects) and "Horticulture" (1,504 projects). These three categories account for over 67% of the total approved projects, suggesting

that young farmers have relied on diversified activities that are relatively well adapted to the pedoclimatic conditions of the respective regions. The category "Mixed - crops and animal husbandry" is particularly interesting, because it involves a combination of activities that can ensure better economic resilience in the face of seasonal risks.

The counties with the most projects in horticulture are Dâmbovița (712 projects), Brașov (149), Bihor (102), and Dolj (28), which indicates areas with tradition or significant potential for vegetable and fruit production. Dâmbovița clearly stands out, being an example of strong specialization in this sector.

For field crops, the leaders are Timiș (615 projects), Dolj (410), Giurgiu (65), and Botoșani (112). This orientation is natural, considering that these counties are known for their extensive and fertile agricultural lands, suitable for such crops.

In the livestock sector, the number of projects is significantly lower, but with certain regional concentrations. For example, Bistrita-Năsaud is a clear leader in dairy cattle breeding (322 projects), suggesting an area with tradition and milk processing infrastructure. Sheep and goat breeding is relevant in counties such as Bihor (18 projects) and Bistrita-Năsaud (49). For pigs and poultry, the number is low (14 and 8 projects at national level), which may reflect both the regulatory challenges, and the sanitary-veterinary risks associated with these types of farms.

Viticulture, with only 3 projects at national level, is almost absent, which can signal significant barriers in accessing funds for this sector – either related to eligibility or the level of investment needed. At the same time, "Others" and "Bees" are marginal in terms of national weight, but appear in almost all counties, suggesting a punctual but inhomogeneous interest.

The counties that stand out for their great diversity of project types are Bihor, Brașov, Cluj and Dâmbovița, which could indicate a more complex agricultural ecosystem, a well-organized local support for accessing funds, or simply a larger critical mass of young active farmers. (Table 1).

In conclusion, the detailed analysis by counties and sectors highlights not only the strategic orientation of the beneficiaries of sub-measure 6.1, but also the important regional differences in terms of agricultural specialization, access to information and development opportunities in rural areas.

Table 1 Top 5 counties by total number of funded projects (sub-Measure 6.1 PNDR) vs. last 5 counties (least funded projects)

County	Total number of projects	County	Total number of projects
Dâmbovița	1,245	Ilfov	25
Bihor	956	Sibiu	23
Dolj	946	Prahova	15
Timiș	823	German	10
Brasov	799	Harghita	9

Data source: Processing based on AFIR data

3. Distribution of projects by agricultural branch, total value and average value

Analyzing the data, it is found that, for beekeeping, 666 projects were approved, which benefit from a total eligible value of 26.71 million euros, which translates into an average value of 40,105 euros per project. These data suggest considerable support for beekeepers in a sector that benefits from significant subsidies.

For cattle breeding for meat, 34 projects were approved, with a total eligible value of 1.41 million euros. The average value per project in this case is 41,470 euros, indicating an important financial support, but smaller compared to other branches. In the case of dairy cattle breeding, the situation is similar, with 672 projects approved and a total eligible value of 27.39 million euros.

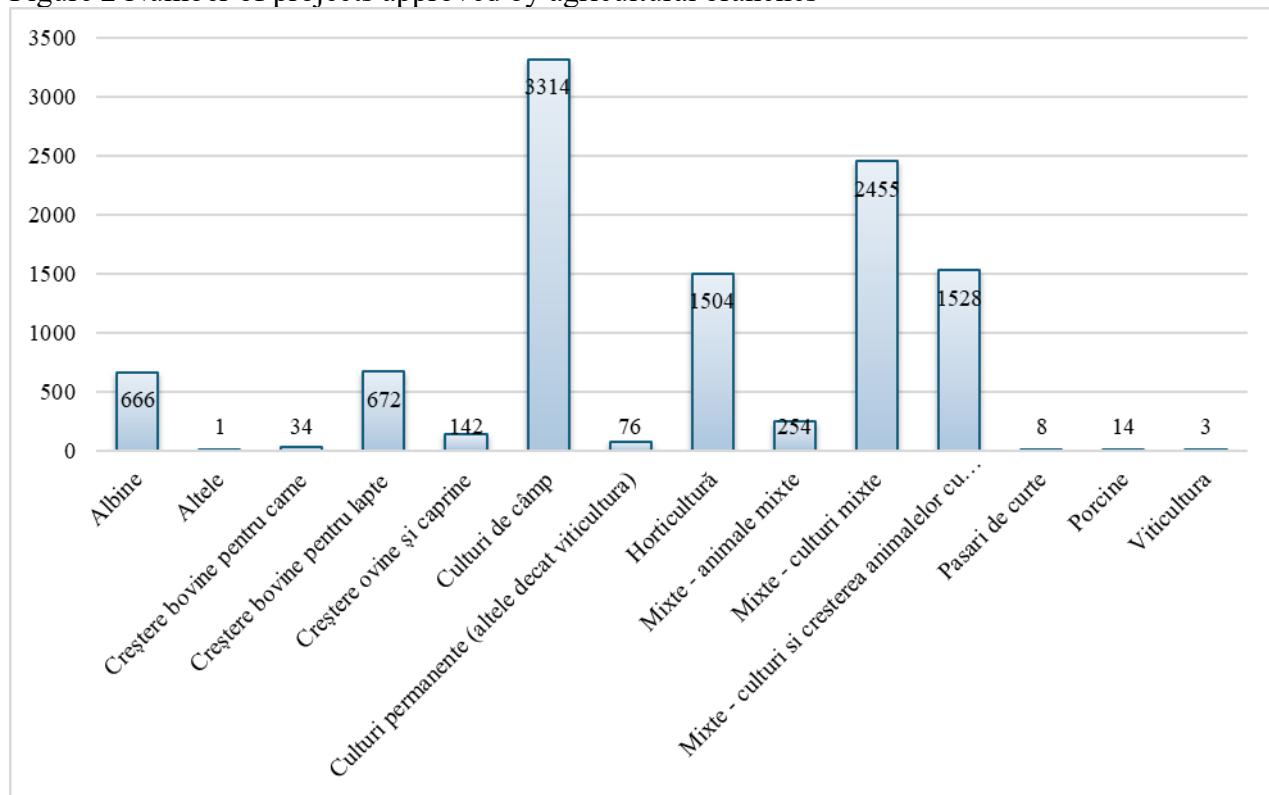
The average value per project in this branch is approximately 40,759 euros, which reflects a significant interest in the development of dairy farms.

The field crops branch is distinguished by a much higher number of approved projects, namely 3,314, with a total eligible value of 137.14 million euros. In this case, the average value per project reaches 41,382 euros, indicating ample financial support for farmers who grow cereals, vegetables and other field plants. Horticulture also benefits from considerable attention, with 1,504 projects approved and a total eligible value of 61.07 million euros. The average value per project in this sector is approximately 40,605 euros, which suggests a balanced support between the number of projects and the value of the funds allocated.

In terms of mixed projects, which involve both agricultural activities and animal husbandry, there are 1,528 approved projects, with a total eligible value of 63.06 million euros. The average value per project in this category is 41,270 euros, showing a combination of support for farmers who practice both agriculture and animal husbandry. Likewise, crop mixes and animal husbandry (except bees) total 2,455 projects and a total eligible value of 100.71 million euros, which makes the average value per project 41,022 euros.

In total, sM 6.1 approved 10,671 projects for payment, with a total eligible value of 437.83 million euros. The average value per project amounts to 41,029 euros, and these data reflect a significant and diversified support for farmers from different branches of agriculture, underlining the importance of this measure in the development of the agricultural sector in Romania. (Figure 2).

Figure 2 Number of projects approved by agricultural branches



Data source: Processing based on AFIR data

4. Distribution of projects by gender and legal form

In total, 5,876 men, 4,012 women and 783 legal entities benefited from support, which suggests a significant interest from men and women in the agricultural sector, but also a considerable presence of legal entities, which can be associations or agricultural firms.

Dâmbovița stands out as the county with the largest number of beneficiaries, with 719 men, 495 women and 31 legal entities. The total eligible value contracted in this county is 50.23 million

euros. This is an indicator of intense agricultural activity and significant support for farmers in the area.

Dolj follows with 482 men, 400 women and 64 legal entities. The total eligible value is 38.5 million euros, which indicates that the county has a diversified agricultural activity, including both individual farmers and legal entities that benefit from support to develop their business.

Also, Bihor County has a large number of beneficiaries: 542 men, 325 women and 89 legal entities, with a total eligible value of 39.02 million euros. This shows a combination of young farmers and already existing agricultural businesses that are developing by accessing European funds.

On the other hand, Harghita County has only 4 men and 5 women, with no legal entities that have accessed funds through this sub-measure, and the total eligible value is only 370,000 euros. This suggests that while there are funding opportunities, there is less interest or limited accessibility in this county.

Also, Neamt County has 4 men, 3 women and 3 legal entities, with a total eligible value of 410,000 euros. The low number of beneficiaries and the relatively low eligible value indicate that, in this county, farmers or agricultural businesses did not have a significant involvement in accessing funds for sub-Measure 6.1.

In terms of gender, men are generally the ones who benefit the most from the funds, with a total of 5,876 beneficiaries, compared to 4,012 women. This may reflect a greater trend of male involvement in agricultural activities or a greater distribution of them in the agricultural sector in Romania.

Overall, the data reflect a varied distribution of beneficiaries on this measure, with a higher concentration in counties with a more developed agricultural sector.

5. Conclusions

From the analysis of the existing data at AFIR level for sub-measure 6.1. Significant differences were found between counties in terms of accessing and approving this sub-measure, indicating varying levels of involvement, accessibility and perhaps even technical advice or interest among young farmers.

The counties with the most approved projects may suggest a well-developed support infrastructure, a greater presence of young farmers or an effective county strategy for promoting European funds. On the other hand, the counties with the fewest approved projects may indicate a lack of interest or eligibility, a poor information of potential beneficiaries or an insufficiently developed administrative infrastructure to support these initiatives.

Counties with a moderate number of projects seem to have benefited to a significant, but not maximum, extent from the support of this measure, possibly due to a combination of agricultural potential, the structure of the young population in rural areas and the efficiency of local mechanisms for accessing funds.

The uneven distribution of approved projects reveals territorial disparities that can be further investigated to understand the root causes and adapt future policies so as to increase the accessibility and attractiveness of support measures for young farmers in underrepresented counties.

Moreover, the analysis highlights and specifically proposes the need for a differentiated regional approach, taking into account the socio-economic realities of each county. As such, the detailed analysis by counties and sectors highlights not only the strategic orientation of the beneficiaries of sub-measure 6.1, but also the important regional differences in terms of agricultural specialization, access to information and development opportunities in rural areas.

In terms of gender, men are generally the ones who benefit the most from the funds, compared to women. This may reflect a greater trend of male involvement in agricultural activities or a greater distribution of them in the agricultural sector in Romania.

Overall, the data reflect a varied distribution of beneficiaries on this sub-measure, with a higher concentration in counties with a more developed agricultural sector.

These discrepancies justify the need for a differentiated approach in future support programmes, in order to balance rural development in the territory.

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