

THE IMPACT OF NATIONAL RURAL DEVELOPMENT PROGRAM ON INVESTMENTS IN THE AGRICULTURAL SECTOR

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Abstract

Investment, as a material support of economic development, is an important factor in achieving the transition to a successful agriculture. In the most common cases, investments in agriculture ensure a technical increase in production by including fixed assets. This process is a form of manifestation of technical progress in agriculture to ensure economic growth and higher productivity.

This paper aims to present the impact of National Rural Development Program (NRDP) measures on the economic development of the agricultural sector. In this sense, the net investments made on financing sources and the net investments made in agriculture, forestry and fishing in Romania in the period 2015-2019 were analyzed, using the statistical data presented by National Institute of Statistics (INS), thus noticing an increase of 23%, respectively 1,04%. Growth was supported by investments made through the European Structural Funds granted in the two operational financing periods, respectively 2007-2013, 2014-2020. From the data presented in the most recent report on the state of absorption within NRDP 2014-2020 published by Ministry of Agriculture and Rural Development (MADR), it was noted that Romania had allocated structural funds totalling 10,968 million euros, of which 60.73% were payments to beneficiaries, the degree of absorption of European funds being 57.56% of the total allocation.

Keywords

European funds, absorption, NRDP, Romania.

JEL Classification

Q13, P25, R15.

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