

Rural Social Enterprise in Romania

Rural Issues and Opportunities

- decline in rural population, particularly in small rural villages and disadvantaged areas;
- unemployment and a few opportunities for employment in the region;
- lack of rural services; poor infrastructure, access and utilities: poor access to the main network of roads and poor quality of roads is often accompanied by the absence of specialized transport services, which seriously affects the access of rural population to education, healthcare services and to urban markets;
- long distances to healthcare services and to urban markets; transport challenges / isolation from modernized roads;
- opportunities to encourage active citizenship, partnership and local resource sharing and to promote local entrepreneurship;
- challenges regarding the impact of the COVID-19 pandemic: access to IT infrastructure for online education and necessary training, access to online markets, remote work, safety issues, etc.

Rural Financial Opportunities for 2021-2027

- Tangible and intangible investments that contribute to: improving market orientation and increasing competitiveness, digitization; improving the position of farmers in the value chain; attracting young farmers and facilitating the development of enterprises in rural areas; and promoting the bioeconomy.
- Support for: the installation of young farmers; the new establishment of a rural enterprise related to agriculture and forestry or to the diversification of incomes; the agricultural household; and the new establishment of an enterprise with non-agricultural activities as part of the local development strategies.

Social Enterprise as a Response

Small farmers, micro-cooperatives, community foundations and schools located in distinct rural geographic areas who need support to develop farming activities and are willing to consider social enterprise approaches to tackle local issues (some issues that are considered problematic for micro farmers are: access to credit, qualified labour, advice of extension services and access to insurance).

Support needed for revitalizing the living and working conditions in rural communities by: developing skills and knowledge, partnering, networking, diversifying and better exploiting community resources, products and services.

Opportunities for creating social enterprises in agriculture, commerce, food industry, construction (infrastructure).

Policy Context

The development of the Romanian Agriculture is mainly directed by the National Plan for Rural Development (PNDR - <https://www.pndr.ro/en/>), which is in itself a tailored enactment of the European Common Agricultural Policy (CAP). The National Plan for Rural Development (PNDR)

is conceptually enforced by the Romanian Ministry of Agriculture as a merger between the registered past evolutions of the Romanian agriculture, the long-term directives of the European Common Agricultural Policy (CAP) and the current policy context. The organization who is actively mediating between the Ministry of Agriculture and farmers is the National Rural Network Development (RNDR).

Thus, all the initiatives for developing farmer-individual agricultural activities as well as rural social activities are subsumed to specific measures of support listed within this program¹. More in detail, analyzing the list of the investments/activities eligible for financing, the specific measures under which the rural social enterprises can be supported are

- sM6.2 (sub measure M6.2) -Support for the development of non-agricultural activities in the rural zones;

The objectives for this measure concentrate to the creation of non-agricultural activities, especially for farmers of low dimensions or the members of their families and in general for the small-scale entrepreneurs in the rural environment.

- sM6.4-Investments in the creation and development of non-agrarian activities;

The objectives for this measure are the enforcement of the business environment in the rural areas, contributing to the increase of the non-agricultural activities developed in the rural areas. Also, it is supported the development of the non-agricultural existent activities, the creation of the new working places, the increase of the rural population's revenues and the diminishing of the rural-urban disparities.

- sM7.6-Investments associated with the protection of the cultural heritage

Under this measure can be financed rural social enterprises who support the restauration , the investments and the conservation and accessibility as well of the existent cultural heritage. Also, are supported the activities which add value to the local rural tourism, thus conducing to a general increase in the life quality in the rural areas.

- sM19.2-Actions in the local strategy for development.

Support for rural social enterprise

Rural Social Enterprises can act as Groups for Local Action (GAL) and these are supported under the LEADER program, also implemented by the Romanian Ministry of Agriculture and Rural Development (MADR) with the intermediation of the National Rural development Network (RNDR). The list with the selected groups for local action selected by the MADR and

¹ <https://madr.ro/pndr-2014-2020/implementare-pndr-2014-2020/situatia-proiectelor-depuse-2014-2020.html>

RNDR with the contact details was published on 25th of January 2019(see ²).Under measure 19 are supported rural social enterprises as particular GAL's for reducing economic and social disparities between the urban-rural environments. The local development under the LEADER program is in general placed under the community's responsibility and it takes advantage of the support of the program "The European Agricultural Fund for Rural Development" (FEADR -Fondul European Agricol pentru Dezvoltare Rurala). Cooperation of the rural social enterprises under the LEADER program is dynamic, in the sense that activities within similar groups in the region or EU's member states in similar LEADER programs are encouraged. For the Romanian GAL's , trans-national cooperation is an excellent opportunity to share similar experiences in other European countries and to connect to the LEADER community. Eligible activities should contribute to the Local Strategy for Development (SDL-Strategia de dezvoltare rurala).

Among the general activities of the GAL's eligible and supported for financing under the LEADER program, those more specific to the rural social enterprises are

- the activities which support the vulnerable groups
- cultural common activities which are contributing to the SDL's objectives
- collective approaches of the environmental projects
- any pilot projects with respect to the above-mentioned activities.

Also, similar structures to Gal's are the DLRC partnerships (Local Development placed under Community's Responsibility-Dezvoltare Locala plasata sub Responsabilitatea Comunitatii), like for instance a group of public and private partners on a rural/urban territory which are implementing a strategy of local development (SDL)-the scope of these activities need to be similar with the scope of a GAL

² <http://www.madr.ro/comunicare/4963-procentul-de-absorbție-pentru-pndr-2014-2020-a-ajuns-la-48.html>