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Rural Households in Romania — Structure, Income, Consumption

That ten years after the revolutionary changes in Romania, the property restitution is not finished. The land law (18/1991) realized the property restitution till 10 ha of land, which replaced the small sized property. Instead of agricultural co-operatives 4 million proprietors appeared with an amount of 1–3 ha of land, divided into 5–15 pieces in the residence. As some statistics show, the present division of land properties is similar to the situation in 1948.

Table 1

Land properties in 1948 and 1998

Size (in hectares)	1948		1998	
	Number	%	Number	%
Above 0,5	901,016	16.4	445,405	11.2
0,5–1,0	1,100,852	20.0	1,017,494	25.6
1,0–3,0	2,311,071	42.0	1,355,695	34.4
Total 1–3		78.4		71.2
3,0–5,0	697,318	12.7	693,354	17.5
5,0–10,0	363,678	6.6	426,010	10.7
10 and more	126,203	2.3	12,374	0.3
Private associations		–	13,364	0.3
Total	5,500,138	100.0	3,973,696	100.0

The concentration of land was a generalized strategy for some socialist countries, in units of 700 to 1500 ha of land, in the Czech Republic (75% of land), Slovakia (70%), Hungary (55%), Germany (82%).

In Romania state property farms realized the concentration of land in units of 2000–3000 ha. These units were well equipped, used new technologies, scientific innovations.

Table 2

The structure of land property in Romania at the end of 1998

	Amount of land (ha)	Average size of an exploitation	%
1. Private sector of which	10,449,000	1.94	70.6
– agricultural companies	1,555,000	443	(10.5)
– family associations	1,000,000	105	(6.8)
2. State sector *	1,733,000	3,120	11.7
of which IAS	1,659,000	3,400	(11.2)
3. Public sector	2,659,000	475	17.7
of which pasture	2,293,000	760	(15.5)
Total	14,800,000	3.7	100.0

* Now state units are in the process of liquidation (according to law 169/1997).

Different Sources of Living in the Countryside

Analysing the individual conditions of entrepreneurship, the main conditions are connected with the rural family and the rural community. Entrepreneurial behaviour depends on the cultural background of the family. Mainly those who owned land or other property before 1948. These families have in their common memory certain ideas about entrepreneurial strategies. But this is only a minority of the population.

Another source of entrepreneurial behaviour is stronger and stems from the socio-economic status during the communist era. There is the case of those people who were in managerial positions in agriculture or elsewhere. The most important feature of the rural household is the existence of various sources of living. There are sources expressed in money and others in agricultural products.

A considerable percentage of the rural population is old, for these people an agricultural pension is their main source of living, but these pensions are very low. The state pension is higher. Most pensioner households work in agriculture for private consumption. This sort of work is very traditional (with animal force, cows or horses) and they sell whatever is not consumed by the family. 55% of rural households belong to this type of family. Half of the pensioners have agricultural pensions and half have other pensions. The poorest families are those on agricultural pensions.

30% of the rural active population had jobs in industry, mainly in cities, commuting daily to the urban workplace. Now this population is becoming unemployed, because the state industry is in deep crisis and these units must be reorganized. So a large part of the rural population is concerned about losing their jobs and becoming unemployed.

20% of the households produce more intensively for the market. Those households have a higher number of livestock or started working a bigger area of land.

Occupational Structure in the Countryside

As recent statistics show, in rural areas more than 55% of the heads of households are pensioners, 21.0% of the active population are employees, 0.2% are entrepreneurs, 2.4% are self employed outside agriculture, 16.1% are full time peasants and 3.8% are unemployed. In the next table, we present the occupational structure of the heads of households, comparing with the urban population (Table 3).

Table 3

Occupational structure of heads of Romanian households (1998)

Occupation	Total	Urban	Rural
Employee	35.3	50.5	21.0
Entrepreneur	0.6	0.9	0.2
Self employed outside agric.	2.4	2.4	2.4
Peasants	8.7	0.9	16.1
Unemployed	4.3	4.8	3.8
Pensioner	47.5	39.0	55.5
Other	1.2	1.5	1.0
Total	100.0	100.0	100.0

Source: *Aspecte privind calitatea vietii populatiei in per iulie 1997-iunie 1998*, CNS, 1998, Bucuresti, p. 7.

Table 4

Persons in households by occupation (1998)

Occupation	Total	Urban	Rural
Employee	25.5	36.4	15.5
Entrepreneur	0.3	0.4	0.1
Self employed outside agric.	1.5	1.4	1.6
Peasant	11.0	0.8	20.7
Pensioner	24.9	20.7	29.0
Pupil, student	17.7	21.4	14.2
Housekeeper	5.2	5.5	4.9
Total	100.0	100.0	100.0

In the same research we find the occupational structure of the persons in households. Comparing the two structures, between the persons the percentage of employees has diminished by 5%, the share of pensioners is lower than 25%, but is 4% higher than the peasants.

Different Types of Rural Households by Nominal Income

Different socio-economic status is linked by differences in income, there are also differences in the share of money and products in these sources. We present these percentages by different types of household (Table 5).

Table 5

Structure of nominal income by type of household (1998)

Type of household	Type of income		
	in money	in products	total
Employee	79.9	20.1	100.0
Entrepreneur	86.7	13.3	100.0
Self employed outside agric.	71.0	29.0	100.0
Peasant	41.4	58.6	100.0
Unemployed	64.1	35.9	100.0
Pensioner	58.6	41.4	100.0

Source: *Aspecte privind calitatea vietii populatiei...*, p. 12.

Table 6

Money income structure of different household categories (1998)

Type of income	Total households	1	2	3	4	5	6
1. Salary	55.8	85.4	27.1	14.5	13.2	28.0	21.5
2. Income from association	0.1	0.1	—	0.1	1.1	0.1	0.1
3. Income from selling	7.0	2.1	0.8	10.6	43.7	13.6	8.6
4. Self employment	5.1	1.7	63.1	62.1	14.0	7.9	2.1
5. Leasing dividend	0.9	0.6	4.0	0.3	1.6	1.2	0.9
6. Social service, pension	26.8	7.2	3.8	9.5	18.8	30.8	62.0
7. Other	4.3	2.9	1.2	2.9	7.7	18.4	3.9
Total income	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1. Employee, 2. Entrepreneur, 3. Self employed, 4. Peasant, 1. Unemployed, 6. Pensioner.

Source: *Aspecte privind calitatea vietii 1998...*, p. 51.

Peasant households have the lowest amount of money entering the budget and the highest share of natural products. The next category is the pensioner type of household. The lowest share of products is in the entrepreneur households and the highest percentage of money.

Analysing the incomes of households besides wages and incomes realized by selling products, there are other sources of income, such as taking part in associations, income from self employment, income from leasing or social services. In the next table we present different sources of money by type of household (Table 6).

Peasant households earn 43.7% of their income from selling their own products. The most important part of self employment is outside agriculture. Two social categories, entrepreneurs and self employed people have a high income from this type of activity. Social services include services for unemployed people.

Differences in the Structure of Consumption by Type of Household

The economic differences between households can be measured not only by the source of income but also by the structure of consumption. The type of household influences the consumption structure. Most (58.5%) is spent on food, around 20% on housing; 7.1% on clothing, 6.2% on transportation and communication, 2.8% on education and culture, 2.1% on medical care and 3.6% on other personal needs. Self sufficiency is interesting in this consumption structure, because 30% or half of the food needs are produced by home production. Naturally these are average values, because the highest home production is in peasant families (44.7%), the lowest in entrepreneurial households (17.3%). The cost of consumption by type of household is presented in table 7.

In the home production of food and drink three social categories are very important: peasants, pensioners and unemployed families. This production is not easy to measure. Food consumption from self resources can be added to this data. Table 8 shows different types of food and their consumption from self resources by household categories.

All sorts of food have the higher per cent from self resources in the peasant households. Except for bread, all food sorts the average per cent of self resources are above 50%. This is a sign of the high level of self sufficiency.

Differences in quality of life may be expressed by the quality of housing. Table 9 shows differences in housing in different types of household.

As far as quality of housing is concerned peasant households are the poorest while entrepreneurial households are the best equipped.

The deterioration of rural life is expressed by the data which compare two periods regarding equipment in rural households. Four products grew in number after 1990: freezers, colour television sets, video-recorders and cars.

Table 7

Structure of consumption by type of household

Cost of consumption	Total households	1	2	3	4	5	6
1. Food and drink	58.5	57.3	49.8	56.9	59.3	63.5	59.3
a) buying food	29.6	35.0	32.5	31.5	14.6	31.6	26.8
b) home production	28.9	22.3	17.3	25.4	44.7	31.9	32.5
2. Clothing	7.1	9.1	11.4	8.6	6.1	6.7	5.1
3. Housing and install.	19.7	15.1	11.6	17.7	27.2	16.6	23.7
4. Medical care	2.1	1.7	1.7	1.3	0.8	1.6	3.0
5. Transport, communic.	6.2	8.4	16.8	7.9	3.1	5.6	4.3
6. Education, culture	2.8	3.9	3.6	3.7	1.2	2.1	1.8
7. Other personal needs	3.6	4.5	5.1	3.9	2.3	3.9	2.8
Total consumption	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1. Employee, 2. Entrepreneur, 3. Self employed, 4. Peasant, 2. Unemployed, 6. Pensioner.

Source: *Aspecte privind calitatea vietii populatiei...*, p. 55.

Table 8

Food consumption from self resources by type of household

Food	Total households	1	2	3	4	5	6
Bread	20.4	10.9	7.3	14.5	50.6	14.3	25.0
Fresh meat	53.5	44.0	43.4	49.7	82.5	56.3	57.9
Processed meat	48.7	33.3	30.4	46.1	77.8	52.2	58.6
Milk	58.4	46.0	22.5	53.0	87.9	62.4	60.3
Cheese, cream	55.9	44.6	33.8	54.2	87.2	59.3	58.3
Eggs	63.9	49.7	40.5	61.2	93.0	62.3	72.5
Potatoes	58.8	50.0	51.7	55.7	82.4	57.1	63.0
Vegetables	63.7	54.6	54.8	58.0	84.0	62.0	68.5
Fruit	54.9	44.2	36.5	53.7	85.6	62.3	60.1
Alcoholic drink	68.8	55.8	53.2	51.3	77.9	65.9	77.4

1. Employee, 2. Entrepreneur, 3. Self employed, 4. Peasant, 5. Unemployed, 6. Pensioner.

Source: *Aspecte privind calitatea vietii populatiei...*, p. 27.

Table 9

Equipment by type of rural household

Equipment	Total households	1	2	3	4	5	6
Gas-range	61.3	78.6	95.1	51.4	48.4	61.5	59.1
Refrigerator	52.7	72.7	92.7	49.1	39.1	50.5	49.7
Freezer	8.9	18.5	56.1	9.2	4.8	6.4	6.4
Washing machine	24.0	42.9	78.0	26.1	14.1	23.8	19.7
Sewing machine	17.9	19.3	22.0	18.7	15.3	12.9	18.6
Vacuum cleaner	7.0	16.1	48.8	10.2	2.6	7.2	4.5
Tv black/white	53.4	50.3	17.1	44.2	55.5	58.5	54.5
Tv colour	23.8	47.4	97.6	31.7	16.4	25.2	16.2
Radio	53.6	60.0	61.0	55.8	49.2	50.3	52.9
Video-recorder	1.6	4.4	19.5	2.8	0.9	1.1	0.7
Car	11.5	24.6	75.6	16.6	7.4	12.6	7.3
Bicycle	19.6	28.6	26.8	18.9	17.3	20.3	17.0

1. Employee, 2. Entrepreneur, 3. Self employed, 4. Peasant, 2. Unemployed, 6. Pensioner.

Source: *Aspecte privind calitatea vietii populatiei...*, p. 71.

Table 10

Equipment of rural households in the period 1981-1990

Equipment	1981-1990	After 1990	Difference
Gas-range	34.9	20.8	-
Refrigerator	45.9	20.3	-
Freezer	38.4	56.1	+
Vacuum cleaner	46.6	29.3	-
Sewing machine	18.1	5.6	-
Tv white-black	50.4	16.3	-
Tv colour	16.7	82.5	+
Video-recorder	23.5	75.0	+
Car	35.5	52.0	+
Bicycle	38.9	19.3	-

Source: *Aspecte privind calitatea vietii populatiei...*, p. 33.

Survival Practices, Entrepreneurial Possibilities

In the last ten years the survival practices have grown in the Romanian countryside. This is an expression of macro-economic pressure. Heavy industry is collapsing and a very high percentage of workers with rural residence

have been forced to return to their homes. For them the most accepted solution is to work the land. In the last five years the peasant occupation has grown. In order to encourage entrepreneurial activities a macro-economic strategy, laws and new social models of production are necessary. The data demonstrate the socio-economic success of the new class of entrepreneurs, but this 'class' is very weak.

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