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EVOLUTION OF CURRENT INCOME AND CONSUMPTION OF POPULATION IN A RURAL COMMUNITY

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This paper refers to the recent evolution of income and consumption in a rural village.

Keywords: income, consumption, expenses

1. REVIEW

What was the economic and social status of the village on the verge of major change in the end of 1989?

The people in the rural areas searched within a period of 40 years, during the decades of industrialization, to migrate toward the city.

What have been the causes of this migration?

In a brief list of those we could include the following:

-The village was considered a pole of the poverty, because the country life is lacking some features of employment and wages, but also because of the comfort that the city could offer;

-In the rural areas the population density is lower compared to the urban areas, which led to a reduced both the interest for infrastructure investment and their speed;

-In consequence the rural residents have had some difficulties with the gas and water supply (in the past even the electricity could miss), sewerage system rarely entered into the discussion, thus the country houses usually assured a little comfort;

- The transport was difficult because the roads were in poor conditions, the fuel was lately

rationalized and for many localities the roads were the only access way;

- Public transportation, although less expensive than the private one, was inconvenient, both because of the schedule, in which the buses were being rarely programmed and because of the crowded buses;

- The low density of rural population, especially of the school age has led as well to difficult access to education. Children couldn't follow more than 10 grades in their village or in a neighboring one, even since the ninth grade or the fifth grade;

-The distance from the cities, where they could attend high school and further academic studies, made the education of these young people harder and expensive;

-Human resources employment opportunities were modest and mostly confined to agriculture. The income obtained from farming has always been modest, so people had to move their working places to the city;

-It was tiring to commute in the difficult transportation conditions we have mentioned above;

-There still were some concerns of the communist authorities to diversify the occupations in the countryside and to

increase the number of working places, for example in the units of the handicraft and agricultural cooperatives;

-Collectivization led to the loss of the agricultural land ownership rights in the communist era and it reduced the possibility of obtaining significant revenue from the agricultural activity; by default, the zootechnic was less profitable being unable to use the feed from its own production;

- Health services were also poor in the countryside compared to the city, doctors were not motivated to practice in rural dispensaries and the hospitals were too few and had poor equipment.

We see that the life in the countryside as a whole was considered difficult and undesirable. That is why so few were those who resisted the temptation of the city, which had schools, comfortable habitation on the block of flats, with hot running water (even if it was provided according to a strict timetable) and especially at a short distance from the workplace.

The real values of rural culture and tradition were only officially recognized, without being appreciated like they deserved.

A fraction of the rural population which was somewhat privileged was represented those who chose (when the choice was possible) to work in the city but to live in the countryside and to profitably manage a rural household.

These people have benefited from:

- The ability to obtain the necessary food from their own work, plentiful and healthy, while in the city the food was rationed and already being obtained by industrial processing;

- Lower costs for providing meals;

-The possibility to obtain substantial revenue from the sale of the surplus of crop and animal production.

Let us remember some details, some unnatural aspects, some of them even strange, about the countrylife and about the lives of those who chose to move to the city:

- Both the disproportionate level of wages from the industry or from the other occupations in comparison with that from

the agriculture and the added comfort of those who lived in the city, have generated contempt for choosing to live in the countryside and for the peasant condition;

- Although not everyone in the town has cherished and valued the easy access to education and culture, it was assumed that villagers were uneducated;

- The uncorrelated prices for bread and grain or fodder have determined the animal breeder's choice to buy bread to feed them, that being a cheap and convenient option;

- Offently those who recently moved to the block could not get used to it, they chose to keep the old strengths, such as raising animals and arranging a garden, if it could be placed right around the building;

- In order to simulate the comfort of the city, but also to use as much land as possible in the agriculture, the authorities have built some apartment buildings in the village, but poorly equipped and in apparent discordance with the environment;

- Children and even adults lose the feeling of belonging to the group and corrupt their behavior because the negative events may pass unnoticed;

- The dimensions of the phenomenon of migration to urban areas have become alarming, and so the authorities tried shutting off the access to the major cities in the 80's.

The last 20 years have induced some significant changes in the Romanian village life.

The Romanian economy has entered a process of transformation, restructuring and reorganization. The market has forced change. Some enterprises have ceased to exist. The private investments appeared.

The labor market has been transformed. The official unemployment appeared. Persons under the age of 50 who were fired or restructured and who were coming from rural areas chose to move back to the countryside, primarily for the financial reasons.

Those living in the villages had not anymore to commute to the city, hardly finding a new job. The restitution of land



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owned by the population gave rise to the resumption of agricultural activities.

Which are the coordinates of the evolution of population revenues in the rural area today?

Here is a brief list of them:

- The accelerated aging of the rural population, due to the natural demographic decline and the migration of the old population towards the village having the hope of a cheap and quiet life, and due to the international movement of the rural active population;
- The general decrease of salaries and pensions in the last two years;
- Reducing the number of jobs;
- Loss of interest for the work in agriculture and zootechnic, recognized as being unprofitable for the producers;
- Generally weak and uneven development of the rural tourism.

As expected, the demographic decreasing and aging generate more pronounced decrease of the attraction for the investment in a rural area. Some factors can act in opposition: the natural resources, human resources.

2. SOME ASPECTS IN OUR STUDY

The village we'll see is peculiar for our area, being situated under the Carpathians, near some former industrial small cities.

The land was never collectivized in this village. Properties are relatively small. Predominant crops are grass fields and orchards of apple and plum, suited to the climate and hilly terrain. Gardens are at small capacity and serve strictly the needs of householders. Planting of solariums and greenhouses are very rarely present.

Villagers have raised animals (increasingly less) and poultry. But we note the constant presence of the beekeeper and the

quality of the honey they obtain. The area is unpolluted, surrounded by forests and rich in herbs, acacia and wild cherry trees.

The local economy is limited to a bakery, a rural location, eight general stores, three bars and a lounge for festive occasions. There are four carpenters and three tailors.

The mainly active population is commuting to the close cities and chooses to work in industries like mining, constructions, wood processing, transportation, education, health and even electronics.

It's difficult to quantify the income of the rural population, because it does not restrict about wages or pensions.

The families we studied have gathered a monthly household income in the past three years as shown in the table below.

The study took into account a group of 50 families in the village.

Table 1 Data on monthly income

- % -

| TRANCHE OF INCOME (lei) | 2008 | 2009 | 2010 |
|-------------------------|------|------|------|
| 0-500 | 36 | 38 | 38 |
| 501-1000 | 24 | 28 | 36 |
| 1001-1500 | 18 | 16 | 12 |
| more than 1500 | 22 | 18 | 14 |

Source: interview, own processing.

The data is heterogeneous, including families of pensioners, employees (one or both of the adults), unemployed and old widows.

How do the interviewed subjects use their money?

Educated through years of experience of inflation and providing in general modest funds, the subjects chose to use quickly the

amounts they had, avoiding to make savings. Moreover, the lack of financial education made them choose loans that were not suitable and which later proved to be difficult for them.

In the table below we present the usual destination of the funds that a family allocated for the main monthly current needs.

Table 1 Consumption data

- lei -

| DESTINATIONS MONTHLY EXPENDITURE | 2008 | 2009 | 2010 |
|----------------------------------|---------|---------|---------|
| Food | 120-140 | 120-140 | 140-160 |
| Clothing | 80-100 | 100-120 | 100-120 |
| Feeds | 60-100 | 60-100 | 60-100 |
| Transportation | 80-100 | 100-120 | 100-120 |
| Utilities | 100-120 | 100-120 | 100-120 |
| Drugs, health | 40-60 | 40-60 | 60-80 |
| Education | 20-60 | 20-60 | 20-60 |
| Holiday | 40-60 | 60-80 | 40-60 |

Source: interview, own processing.

They provide the food consumption mainly from their households (pork, chicken, lamb) and buy the rest from other people (milk, meat) and also from the market (bread, sugar, oil, rice, a.s.o.). Junk food invaded the market and it has been adopted in here naturally.

The decrease of wages affects less current consumption needs, which are relatively inelastic. Sometimes the consumption is necessary and that made them seek a credit for general needs, then another one and another one, almost at the limit.

Young people tend to downplay the necessity, usefulness and importance when it comes about their studies. The access to education is almost prohibitive, because it is expensive, so the families of young people have not invested in their careers.

Over 90% of the working population operates in Ploiesti, Campina, Valeni de Munte.

The access to the labor market is an advantage. We know that the rural population in other areas doesn't have it, such as:

- The lower density areas in the central Transylvania - Alba, Hunedoara, Salaj;

- Economically weak areas in Moldova, Baragan and Oltenia.

Some village residents have chosen to work in Italy, Spain, Germany, where they did not settle, but chose to leave and come back regularly, taking care of their families and rising up their households.

3.CONCLUSIONS

An obvious loss of income from pensions and salaries was manifested in the recent period of 3 years. This has not resulted in lower consumption, but rather in lower savings and investments.

The evolution of income and expenditure indicators does not clarify the issue of the living standard or of the life quality.

The village was in decline long before the crisis, not only economically but also socially.

The gradual death of industrial enterprises in the area, in which there were employed usually either one or both adults in the family seriously affected the population of the village.

The phenomenon is even more visible if we detect in addition to the data above also the image of the rising unem-ployment, of the acute aging process of the population, of the lack of hope hereaby and of the desire to go to work somewhere else, in town or abroad.

Patients who can not afford quality health services, children too poor to attend school, and children being separated by one or both of their parents which are gone away at work – these are the victims of the current times.

But life still goes on.

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