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## PERCEPTIONS OF THE CURRENT ECONOMIC CRISIS DIMENSIONS IN A RURAL COMMUNITY

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*This paper treats the main aspects of specific symptoms of economic crisis and how it is felt in rural areas, analyzing the situation of a certain local community.*

*Keywords: economic crisis, price, market, unemployment*

### 1. Introduction

For us, who recently came back to the capitalist society, the appearance of the economic crisis meant a new unique experience.

A proverb says that "the poor man is in trouble because he has no money, but the rich man is as well in trouble because he is rich." Some of them miss money and the others have to take care of their money.

Assuming this approach, we may consider that where there is almost nothing, there is nothing to lose.

This is how we expect the economic crisis effects to occur and be perceived differently depending on the level of economic and social development of a population group:

- From a developed country and from a poor one,
- From an urban or a rural group,
- In a trance of rich or poor people etc.

In fact, we can even predict that different people would have different perceptions both in terms of the wealth or living standards, and of the economic crisis. In one way we can perceive the imminent miss of our mansions, luxury cars and holidays and in a different way we accept to confine ours expenses, which are already modest.

Of course, the poorer you get, there is less you can lose. But what can we do, when the loss makes you unable to provide at least your minimum requirements?

### 2. Features of the economic crisis

The economic and financial crisis is the economic stagnation for a period of time, disturbing the economic and financial activity. It is considered that the appearance of economic crises is cyclical. The interval, duration, area and intensity of economic crises vary.

The general phenomena which are characteristic to the economic crisis are: the reduced sales of goods and supplying services, the increasing or decreasing prices, lower wages, unemployment, the decreasing of the stock transactions, the stagnation of the credits, and the reducing investments.

In a cross-border economy the effects of the crisis can not be limited to a small area or a certain region. They import and spread quickly, so they affect in various forms the entire world.

The more a country is depending on the world market it is natural that many crisis events occur. Also, the adoption of solutions in order to resolve the crisis is more difficult in the absence of a concerted action of many national economies.

The damage of the market generates insolvency in chain for many operators.

The decrease in revenues of the population modified the structure of the consumption of goods and services. Depending on their education and material possibilities, consumers have taken on new guidelines and they adapted their needs to the new conditions.

Many enterprises, manufacturers have been hit by tougher competition conditions, the crisis came under the conditions of the relatively new EU membership status.

The population was forced to postpone the purchase of properties and that of the durable goods or at last to reduce their consumption expanses in general, in the order of the difficulty of the access to those goods.

In the few years before the crisis, the acquisition of properties was considered in Romania to be a convenient way to invest. That way property sales were higher than in the case that there would be sold only buildings / land that are really necessary to their buyers for living or for their economic activity. It is interesting that in the accounting of economic agents the choice to make real estate investment is not obvious yet as long as they are not used any separate accounts to those we generally use for tangible assets.

The prices of the Romanian vegetable production have been sensitive in the recent years, not only on the annual amount and the costs of their production, but the also on the price of the imported similar products.

It is also interesting what happened to the zootechnic activity. In the periods in which they could buy cheap feed, people have decided to raise lots of animals. This increased the local meat offer and so the selling price did not motivate the producers for more efforts in the next period.

That decrease of production generated a price increase, which made the domestic offer uncompetitive against imports.

The banks have suffered the effects of the non-efficient loans and of the declining of the savings of their customers. The appetite for the credit has fallen because of the

uncertainty of the future revenue and wages and because of the interest rate instability.

Being aware of the continuous presence of these systematic risks, lots of the small local producers pay attention and caution and avoid exposing themselves, so they rarely seek bank financing support to expand, develop and modernize their bussiness.

Impoverishment of people and the lack of perspective for the young people to find a job generate their lower interest for education. On the other hand those who can finance their studies try to complete them in order to become more competitive in the labor market.

### 3. Specific aspects in the studied case

We got used to the idea that the countryside is disadvantaged compared to the urban, in various aspects, and not only economically.

Even between different rural areas, serious gaps occur due to the action of many factors. These are: the distance from the city and the difficult access to the labor market, the area, the destination and the quality of land, the soil type, the climate, the access to the utilities, the pollution, the access to education and culture.

The analyzed case is a village located in the Carpathian region in Prahova County with a population of round 1000 inhabi-tants.

In the table below we present the dimensions of the living standards of the villagers in terms of suitable indicators.

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

**Table 1 Data on living standards**

	%	
INDICATORS	2008	2010
<b>Household features</b>		
Bathroom	20	24
Central heating	4	8
Hot water supply system	20	26
<b>Community Services</b>		
Local health care services (medical clinic)	90	90
Local Pharmacy	60	80
Garbage collecting (the late 3 years)	80	84
Local post services	100	100
Telephone	86	94
Television	94	96
Internet	20	24



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Cultural/entertainment center	80	80
<b>Durable goods</b>		
Car	40	50
Oven	94	96
Refrigerator	90	92
Washing machines, of which automated	76	78
Diswasher	8	12
	-	4
<b>Infrastructure</b>		
Methane gas	-	-
Running water	34	38
Direct access to paved road	68	82
Sewerage	-	-
Running Electricity	100	100

Source: interview, compilations

In a village where residents have average or poor living conditions, the crisis was felt later. It attacked the wealthy people more perceptible when their wages decreased or when they remained as unemployed people.

The decrease of wages reduces the access to durable goods, the construction or renovation of buildings etc. Even if in the table before we saw the apparent stability, we must know that many young people postpone their plans for marriage due to the lack of perspectives. They do not have their own place to live and they do not have enough money to buy a house. We also observed that the young families live together with their parents, helping each other.

Our subjects were questioned about the investments they made in the last 3 years.

The table below presents the situation.

**Table 2 Data on living standards**

Investments	Number
New home	1
House renovation / house improving	2
A new car	2
A used car	8

Source: interview, compilations

The villagers bought more used cars because their price was lower and some people felt the need to spend their money. In else way this maney was insufficient for a serious investment in land or house or even for a new car.

Regarding the daily food and clothing shopping, along with the lower incomes the prices fell as well. In addition, the subjects have adapted their shopping to the new lower possibilities.

They continue to have a priviledged access to healthy food, either from their own production, or by purchasing it on the local market. The price is still relatively cheap, comparing to the supermarket.

Unfortunately, cheap and poor quality food invaded the market and entered the shopping cart since 20 years ago. The economic crisis has increased their share.

However, the reduction of the number of animals in the village is obvious especially that of the cattle. If 5-6 years ago, the villagers grew about thirty cattle, they have no more than five today.

The cattle breeders are not stimulated by the low price and especially by the recently imposed regulations on the sale market.

Those variables, which normally entitles them to hope they could sell their production convenient, now they do not offer to the villagers any financial security. So they waste a lot of their important available resources of non-polluted food for animals.

We observed an unequal distribution of the poverty through the villagers. There is an area in the village more crowded and poorer than the other areas. The access to a convenient workplace and their different inheritance of land created these differences.

#### 4. Conclusions

Apparently in this community there are not felt any significant effects on the living standards yet. This fact is visible through the image of data concerning the ownership on household features and those concerning the access to major services and infrastructure.

The real situation is that they live in the same old houses, some of them being maybe even more crowded than other times. They bought cars, but mainly used cars.

They postponed their plans, waiting for a better time.

The saddest image we could think about this village is that of a quiet place, too quiet to be real, or so we thought. Where are the noisy parties, where is the joy? Even in the holiday it is still silence.

The village is not out of a better future. There are smart and intelligent children in that community. Lots of them understood the meaning of school. Their families made efforts and tried to keep them in good schools.

Some young people proved they love their place and chose to commute to the city. They are still creating new families having children. The oldies say that what comes around goes around. They did not lose their hope.

Despite the poverty, this world is a modernized one: they have telephones, cable television, hot water and especially the computers which are access points to knowledge.

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