

## THE QUALITY LIFE FROM ROMANIAN RURAL AREA UNDER THE INFLUENCE OF ECONOMIC GROWTH

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### Abstract

Romanian rural area is subject of significant socio-economic challenges and after 1990, the Romanian rural economy obtained decreases with a negative influence on life quality. The quality life in Romanian rural area is far from EU standards and realities of the world's developed countries. From a study realized in 2008 on a sample of 1100 people from rural areas is observed that the village remains a space with a low quality of infrastructure and many young people are unhappy that the village don't offer jobs; them not showing very optimistic about the development perspectives of the village, even in conditions of accession to European Union. The most satisfaction of Romanian rural population are their own health and social area in which they live and the biggest dissatisfactions are fewer opportunities for gain, the roads and rural services quality. Rural population of Romania does not aspire for a rapid economic growth, preferring the maintenance of the moral and spiritual values and tradition conservation in terms of ensuring a decent living standard, thus the fulfilling the socio-eco-economic objectives.

Keywords: development, life quality, rural area.

JEL classifications:

E-Macroeconomics and Monetary Economics; E2-Macroeconomics: Consumption, Saving, Production, Employment, and Investment; E24-Employment, Unemployment, Wages, Intergenerational Income Distribution, Aggregate Human Capital.

O-Economic Development, Technological Change, and Growth; O1-Economic Development; O18-Regional, Urban, and Rural Analyses.

### Introduction

The current situation of Romanian countryside is characterized by multiple economic and social problems, all of which are associated with the precarious state in which the agriculture - the main occupation of the rural population - finds itself. In rural areas non-agricultural activities also take place (rural tourism, agro-tourism, small industry, trade, transport, etc.) having a positive impact on rural communities, and contributing to additional income and to an increase in the use of labour.

The restructuring of the Romanian economy after 1990 caused profound implications on the rural area and the life quality: the reduction of the work productivity in the basic economic activity, limiting of the rural economy and its poor diversification, decrease, instability and insecurity of the incomes, positive internal migration balance, accentuation of population ageing tendency in the peripheral rural areas, poor endowment of localities with public utilities services.

Although potential and tradition have placed the countryside on a very important place in Romanian society, the increase in attractiveness of this type of lifestyle has failed, and rural migration trend was maintained, regardless of political regime.

This demonstrates that the measures taken, fail to achieve a requisite level of living in modern society. On the one hand, rural living facilities (general and health infrastructure, cultural and educational ones) are inappropriate, and at a lower level than those in urban areas and on the other hand, other compensations (natural environment, preserving the traditions of village and agricultural occupations, income levels, etc.) are not sufficient to compensate for the lack of these facilities.

An analysis of general living conditions of rural population in Romania shows that, compared to other European countries, Romania is not situated on an advantageous position in this regard. Studies show that we are ranked last or second to last place in many indicators characterizing living conditions of rural population [1].

A significant part of the rural population is still deeply attached to village values, which is characterized by settlement in rural areas, maintaining ties with their native rural villages or even return there after a longer or shorter period of exodus to other media. This type of behaviour with psychological and moral influence exists and it often cannot be explained by science.

Therefore, at the level of the economic theories, these factors can be included in growth models only under the form of derived elements (such as externalities from other factors) or residual influence difficult to quantify [16]. As the principal forms regarding the impact of economic theories on life quality, we remark some negative effects of economic growth and we identify some key problems faced by the inhabitants of the Romanian rural area and the positive elements of life quality from the Romanian rural area in the context of economic theories of growth.

## **2. A descriptive analysis of life quality in Romanian rural area**

Romania is situated in the South-Eastern Europe at the crossroads of major European communication routes North-South and East-West. Romania's area is of 238.391 sq.km, ranking 12<sup>th</sup> in Europe (5,49% of the EU 25), with a population of 21.537.563 dwellers, representing 4,77% of total EU population. In 2007, of the total population of Romania, 55,1% lived in rural areas and 44,9% in urban areas (NIS, 2008).

**Romanian rural area** comprises 2,727 communes that gather 13,042 villages. Romanian countryside related area is 87.1% of total territory. The preponderant activity of the Romanian rural areas consists in agriculture, land cultivation and breeding (NIS, 2008).

Indicators presented in Table 1 show important gaps between Romania's agriculture, compared with the average EU-27 values. Several issues arising from the table data, which show weak competitiveness and the extensive nature of Romanian agriculture, are:

- Romania holds 7.97% of the agricultural area of EU-27 and 28.69% of total farm holdings;
- 89.8% of farms in Romania have a size of less than 5 hectares, the average physical size of a farm is 13.5 hectares, compared to 12.6 which is the EU-27 average;
- the average economic size of holdings in Romania is 11.3 times lower than the EU-27 average productivity;
- 47.96% of the total number of semi-subsistence farms in the EU are Romania;
- 30% of the working population of Romania is employed in agriculture, compared to 6% EU-27 average;
- labour productivity in Romanian agriculture is about 5 times lower than the EU-27 average productivity;
- the training of the agricultural population is very low in Romania (7.4% of total farmers) compared to the EU-27 average (20%);
- the share of elderly farmers is very high in Romania compared to EU (a large proportion of young people in the Romanian villages have migrated to urban areas or migrated to more developed EU countries with a hope of higher incomes);
- gross fixed capital formation in Romanian agriculture is very low (about 1.8% from the total value of EU).

**Table 1 Agricultural development indicators for Romania in comparison with EU-27**

No.	Development indicators	Measurement unit	EU-27	Romania
1	Usable agricultural surface (2007)	Ha.	172485050	13753050
2	Agricultural farms (2007)	No.	13700400	3931350
3	Average size of an exploitation (2007)	ha	12.6	3.5
4	Average economic size (2007)	ESU	11.3	1
5	Weight of exploitations on size categories (2007)	< 5ha.	70.4	89.8
		>=5 ha. - <50ha.	24.5	9.8
		>= 50 ha	5.1	0.4
6	Semi-subsistence farms (2007)	< 1ESU	6389390	3064670
7	Population occupied in the primary sector (2006)	thousands of pers.	12985	2850
8	Weight of population occupied in the primary sector (2006)	%	6.0	30.6
9	Farmers who have another income source (2007)	%	35.3	36.3
10	Labour productivity in agriculture	Euro/AWU	12089	2659,58
11	Training and education in agriculture (2005)	% farmers	20	7.4
12	VAB in the primary sector (2006)	Millions of Euro	179427,9	7614,1
13	Weight of primary sector in VAB (2006)	%	1.7	8.8
14	Raw formation of fixed capital in agriculture (2007)	Millions of Euro	56185	1015
15	Internet infrastructure (2008)	% DSL coverage	na	34
16	Internet connectivity (2008)	% population	18	3.1

Source: Processing by European Union - Directorate General for Agriculture and Rural Development in the European Union. Statistical and Economic Information, Report 2009

In rural areas non-agricultural activities also take place (rural tourism, agro-tourism, small industry, trade, transport, etc.) having a positive impact on rural communities, and contributing to additional income and to an increase in the use of labour. In what concerns small and medium enterprises, most were created in rural trade (48.6%), manufacturing (19.6%), agriculture (9.8%), tourism (7.2%), transport (5.9%), construction (3.3%), services (5.3%), mining (0.2%).

While analyzing the quality of life in rural areas, a variety of indicators is used (for the last 5 years, 2005-2009), of which the most representative ones were retained for the current approach [21]. In Table 2 is presented a situation regarding the indicators of life quality in Romanian rural area.

**Table 2 Romanian rural area - indicators of life quality**

Indicators of life quality	U.M.	2005	2009
<b>Population</b>			
Total population	Persons	9,743,952	9,646,443
Weight of rural population of the total population	%	45.1	44.9
Average life length	Years	70.78	72.23
Internal migration in the rural area	Persons	115,227	137,552
Persons with academic qualifications	%	1.7	2.6
Persons with medium qualifications	%	39.6	49.6
Persons with a low level of training	%	58.7	47.8
<b>Labour</b>			
Persons occupied in agriculture	%	34.7	28.7
Employment rate	%	61.6	60.7
Active population	Th. of persons	4,490	4,449
Activity rate	%	65.3	64.6
Occupancy rate	%	62.9	61.5
Total expenses of farmers' households	Lei	693.93	1103.67
<b>Technical and administrative infrastructure</b>			
Number of dwellings in the rural area	Inhab.	3,757,855	3,743,296
Running water distribution networks	Km.	18,428	24,868
Sewage networks	no.	3,647	5,881
Heating devices with thermal independent boilers	no.	2,215	5,568
Heating devices with liquid petrol stoves	no.	11,571	14,600
<b>Telecommunications infrastructure</b>			
Post offices and telephone-telegraph units	no.	6,488	6,120

Source: calculation based on data from the Statistical Yearbook of Romania (NIS, 2010)

**Structure by age and sex:** the aging phenomenon is made clear given the increase in percentage by 6.3% in the population aged 65 and over.

**The education level:** there is an upward trend in the number of people with higher education in rural areas. Thus, in the age group 15-64, the number of persons with higher education in total population in 2009 reached to 3.3%, the share of persons with secondary education to 57.2% and the share of people with low education at 39.5%.

**The occupancy rate** of working-age population in rural area is 61.5% (compared to 56.8% in urban area) and the **unemployment rate** in rural areas was 5.2% in 2005 and 5.4% in 2009 (a slight increase).

**The state of the infrastructure** is still inadequate because only 33% of the inhabitants of the villages are connected to the current water supply systems (compared to 87% in EU-15) and only 10 % to modern sewerage systems. The share of Internet users in rural areas is significantly below the EU average (3.1% of the total rural population in Romania, compared with 18% EU average 27).

Relative (1.01%) and absolute (97.509 persons) decline of rural population in 2005-2009 compared with the urban population is recorded amid a shrinking population of around 1% of total and reflects a decrease in the living standards in rural areas.

### 3. The youth rural population: opinion related to the future of life quality

Given the fact that the young population represents the future of a nation, we will briefly present an overview of the quality state of youth life in rural areas and the prospects for economic and social development, from which they benefit.

The information is focused on the results of studies and researches made by Youth and Sports Ministry, according to the opinion barometer of in 2008 [23]. Thus, 52.2% of rural youth consider their village life good or normal and 44.8% appreciate it as having too many shortcomings.

In terms of the *level of satisfaction / dissatisfaction* concerning the town and area in which they live, the greatest satisfaction is their own health and social environment in which they live and the greatest dissatisfaction is the reduced earning opportunity, road conditions and quality of municipal services (Figure 1).

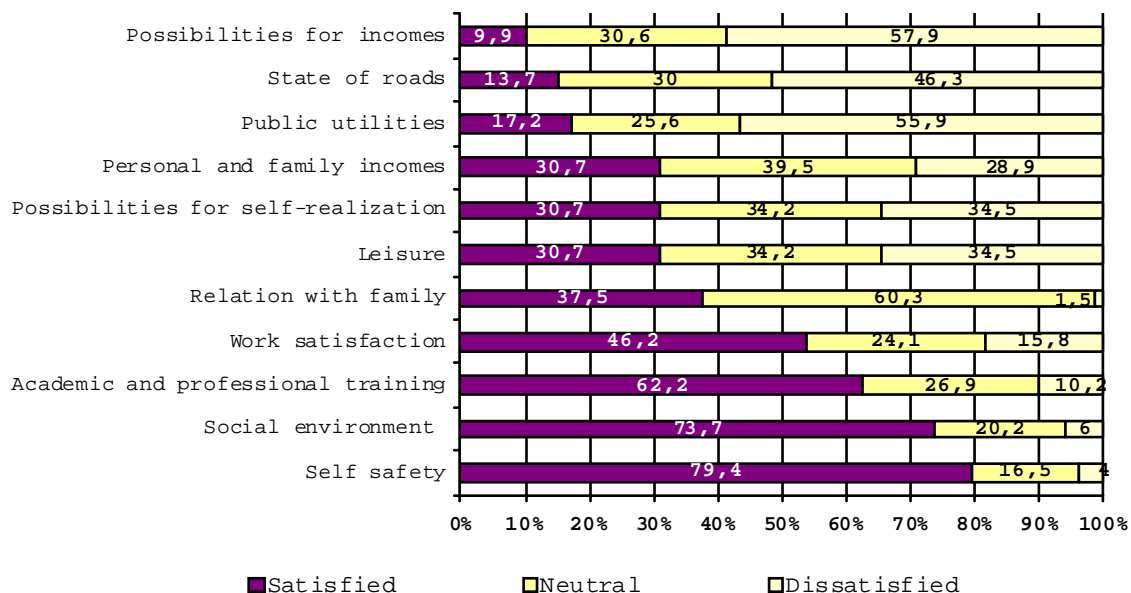
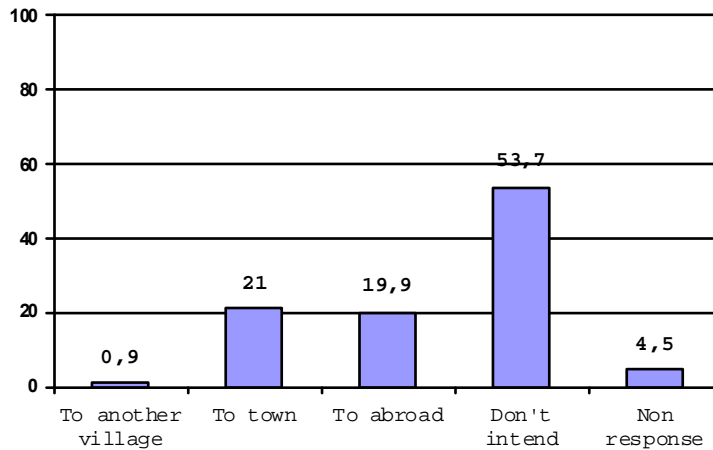


Figure 1 Degree of satisfaction regarding what the rural area has to offer to its youth

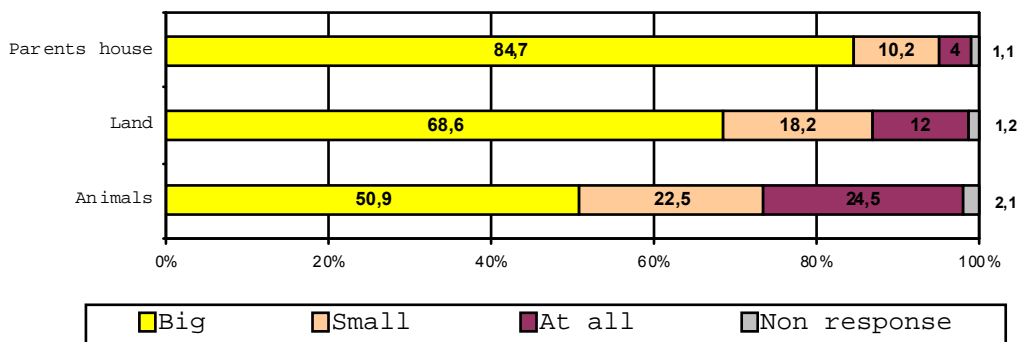
Regarding the *level of education* suitable for youth in the countryside, educational aspirations are high, most of them believing that youth should have university degrees or at least high school diploma, but most are not interested to start their own business or have little interest emerged.

In what regards *the intention to leave the village* most young people do not intend to do it (53.7%), and the proportion of young people who want to leave to the city is equal to those wishing to go abroad (21%, respectively 19.9%). Only 0.9% wants to go in another village and 4.5% not responded. (Figure 2).



**Figure 2 Intention of leaving the village**

*Attachment and affectivity to their native places* is a well-supported factor, as for most young people the village is an appreciated place where they like to live and the proportion of those who like to live in the village is higher than that of young people who do not intend to leave the village. Thus, the biggest is on parent's house (84.7%), land (68.6%) and animals (50.9%). The small attachment: 10.2% by parents house, 18.2% by land and 22.5% by animals. (Figure 3).



**Figure 7 Attachment to family goods**

As the principal forms regarding the impact of economic theories on life quality, we remark the next most important aspects: negative effects of economic growth and some obstacles and negative effects equitable development. Furthermore we identify some key problems faced by the inhabitants of the Romanian rural area and the positive

elements of life quality from the Romanian rural area in the context of economic theories of growth.

In Table 3 are presented the principals negative effects and obstacles of economic growth related to rural life quality.

Table 3 *Negative effects and obstacles of economic growth on life quality from rural area*

Negative effects	Obstacles
<ul style="list-style-type: none"> <li>• decrease in life quality: unemployment, daily stress, pollution;</li> </ul>	<ul style="list-style-type: none"> <li>• risk of appearance of some disequilibrium on welfare ensuring and on the growth of life quality;</li> </ul>
<ul style="list-style-type: none"> <li>• the consumerist movement: encouragement of false, artificial needs;</li> </ul>	<ul style="list-style-type: none"> <li>• risk of disparities accentuation between rich and poor countries;</li> </ul>
<ul style="list-style-type: none"> <li>• mutations in the basic principles of peoples' cultures, cultural non-sustainability (traditions abandonment, non-conservation of cultural and historical heritage);</li> </ul>	<ul style="list-style-type: none"> <li>• inequity between generations;</li> </ul>
<ul style="list-style-type: none"> <li>• the ecological footprint of economic growth: non-sustainable exploitation of land's resources, rapid waste of non-regenerative resources;</li> </ul>	<ul style="list-style-type: none"> <li>• human nature, characterized by egoism, greediness, cupidity and non-acceptance of losing the satisfaction, the welfare, the comfort;</li> </ul>

Source: *personal processing after synthesis of specialty literature*

The key problems faced by the inhabitants of the Romanian rural area:

- the big number of subsistence and semi-subsistence farms which are not viable from an economic perspective;
- the lack of financial resources, namely the insufficient and inefficient use of available resources and the lack of trained personnel for the practicing of a modern agriculture;
- the poor state of the basic infrastructure;
- the existence of significant land surfaces (approx. 1/5) deeply affected by natural risk factors;
- the inadequate state of culture institutions from the rural area and the decrease in the number of libraries and of readers;
- a reduced number of development projects of local infrastructure and a scarce intention of involvement in small and medium enterprises;
- reduced intention to change the status of individual household into that of family farm;
- the economic growth from the agro-alimentary sector has not been fulfilled, the rural economy facing a major and continuous decrease in the last 20 years;
- the human capital has known a continuous degradation from the point of view of professional training and of education, as well as of demographic ageing;

The positive elements of life quality from the Romanian rural area:

- extension of duct networks for water provision;
- electric power used in almost all villages;
- settlement of rural population in its origin areas;
- existence of some powerful cultural traditions;

- the tradition that the teacher and the priest of villages should be main promoters of cultural values;
- existence of information sources: cable television, Internet, newspapers, etc;
- reduced industrialization and extensive agriculture have led to the reduction of the pollution level which allowed the preservation of natural factors;
- favourable state of conservation of the natural phenomenon (biodiversity, landscapes, ecosystems).

Even if the young of the rural area are deeply attached to their birth place and to the Romanian village traditions, the poor life conditions, the limited possibilities of occupancy in other sectors than agriculture, and especially the poor quality of jobs, represent factors that determine them to migrate to urban localities or abroad.

## 5. Conclusions

The quality of life in Romanian rural areas is still far from the requirements of modern society. The current level of living is inferior in rural areas compared to that of urban areas and much lower compared to the rural areas of developed European countries.

Although currently living standards in rural areas are still relatively small, the dwellers of Romanian villages are still attached to the general values of this area, as attested by the stability of many of the rural population, the coming back home, investing in the village lifetime savings which were made in other domains/areas and permanent preservation of spiritual links with "the village". These issues are due to traditional features of the Romanian people, evidenced by a strong bond with the natural environment and specific rural activities.

For a better quality of life in rural Romania, substantial efforts should be done on multiple levels, in order to recover and reach the EU average level. The main problem remains the economic development of rural areas, while maintaining balance socially, through sustainable development of agriculture, forestry and fishery, including the related processing industries, in order to meet the optimum food needs of the population and to ensure the conservation and improvement of natural resources.

In Romania's case, in order to enhance the life attractiveness in rural areas and to reduce the disparities from the developed countries, the problem of adopting some de-growth models cannot be taken into account. The economic policy should be oriented towards economic growth models that could comprise both sustainable principles and economic growth based on the capital flow, stimulation of technological progress, stimulation of innovation progress, promotion of human resource development.

The development model applied in the Romanian economy should harmoniously merge positive experiences and prevent negative effects of models, stability and economic decrease theories, promoted by the economists of the developed countries.

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For the aftermath, the economic backdrop is not put into question. The essential objectives of rural development in our country, in conjunction with EU directives and community regulations, national strategies and sector programs in Romania are:

- the development of the competitiveness in agriculture, forestry and fishing based on knowledge and private initiative;
- the reduction of the population involved in agriculture in conjunction with the creation of viable holdings;
- the reduction of fragmentation of agricultural area and the stimulation of concentration of small farms;
- the maintenance of the quality and diversity of rural landscape and forest, seeking a balance between human activities and the conservation of natural resources.

In conclusion, we believe that economic and social policies should be reviewed and harmonized with effective and equitable rural policies according to the requirements of modern society regarding development. All these are required in order to improve the human potential of the countryside, believing that it is able to ensure the requirements of a sustainable development.

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