

Social inequalities and poverty in current Romania

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Abstract. *Social inequalities and poverty are realities of all societies, but there are differences of degree between them. Looking at some Eastern countries that joined recently European Union, especially Romania and Bulgaria, article shows that both countries have extreme poverty and social inequalities. The explanations come from past and recent history, but also from the economic measures taken after 1990. The result is pessimism of the population of the two countries because of the poverty and a lack of confidence regarding the future.*

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The social inequalities and poverty are realities inherent to any human society with a minimum degree of diversification, because assets (material or symbolic) are not, and cannot be distributed equally to the society members. The inequality of estates makes a small percentage of the population own a disproportional percentage of the wealth of a given society, while at the opposite end of the social scale there is always a bigger or smaller percent of people that have insufficient resources to survive or who survive in precarious conditions. Poverty has negative effects on all the societies, but it influences to a different degree the rich and poor countries, this statement being almost axiomatic, being proven by the economic, social, political, cultural evolutions, etc., different from them. Moreover, in the contemporary societies, we are dealing with a localization of poverty in certain areas of the world, areas that have been striving, in the last centuries, to find solutions to come out of the „periphery” of the modern world system (Wallerstein, 1992), but these efforts have been, in most cases, in vain. The countries from Eastern Europe have been, on their turn, preoccupied to reduce the existing gaps compared to the Western half of the continent. Romania has not constituted an exception from this point of view. Unfortunately, the states in this area of Europe have not succeeded in making the necessary leap to reach the development level of Western-European States, the uniformization of the economic, social, political and continental development of the European continent remaining a desideratum even after the extension of the European Union by including the states from this part of the continent.

The negative effects of social polarization, namely of the existence of a gap between the rich and the poor, are known from ancient times, the Greek thinkers being the first to warn us that the inequalities are especially dangerous for the stability of a society, especially of its political institutions. Analyzing the main forms of governance of the citizens of his time, Aristotle (Aristotle, 1996, pp. 196-198) considers that, at the level of each society, three classes may be identified: a class of the wealthy people, one of the poor people and one intermediate class between the two extremes, this latter one being that which, by its moderation, provides political stability. The other two classes constitute a permanent danger for the stability of that society: the wealthy class is formed of persons who, due to their situation owned by birth, are accustomed to ordering to other persons and not obey, but to a very small extent, to the discipline that must rule in any civilized society; at the other extreme, the very poor persons are deprived of very many things from a very early age, which determines the habit to obey like slaves and live in promiscuity.

Modern societies have developed much more complex forms of inequality than the ancient societies, three of them being important here: it is obvious that

we are dealing with a material, economic inequality, determined by wealth or by the incomes obtained by individuals, which reflect on their life style, living conditions, etc., then we may notice a social inequality (of prestige or of social status) and, obviously, we are dealing with a political inequality, namely with a different potential to influence the decisions made at the level of the society. Without minimizing the importance of the other two forms of inequality, we consider, the same as Weber (Weber, 1978), that the material inequality is the most important for the societies undergoing a quick transformation, which is also proven, as we shall see during the article, by the perceptions of Romania's population. The same author operates a clear differentiation between what he calls a class of the possessors, dependent on the material properties, and the class of the producers, formed of those who do not own such properties, and are forced, in order to survive, to use their skills, abilities, qualifications, etc. The distinction of the economic class in the class of possessors and that of producers makes Weber believe that, for the first, the property is essential, while for the second, it is the income that matters.

The inequality of incomes is mostly due to the occupation that each individual carries out, because the contemporary societies reward in a much more differentiated manner the existing occupations, since they are more and more dependent on the introduction of advanced technologies, which require the need to increase the training level. This last assertion, which reflects the reality of the contemporary societies, makes us think of arguments pro and against the functionalist theory drafted at the middle of the 20th century in the United States of America (Davis, Moore, 2001, Tumin, 2001). It is obvious that each society must properly, and in a differentiated manner, reward those occupations that suppose a higher degree of qualification, compared to those that do not require such thing, but we must also consider, at the level of any society, the criteria used when creating hierarchies of the social importance of certain professions, because negative effects may occur if these hierarchies are not correct. This is in fact the most important critique brought by the adversaries of the functionalist theory (Tumin, 2001, p. 67): how and who establishes what is important, from the functional point of view, in a society; moreover, the unequal distribution of rewards determines the lack of motivation for the less rewarded, which determines the inefficiency of the educational systems, based, to a great extent, on the individuals' motivation to climb up the social ladder. If it does not exist, then we have serious problems as regards the possibility of an efficient recruitment of the most appropriate persons for certain social positions, which can be easily noticed in the current Romanian society.

The examples given by the developed states of the world come to support our previous assertions: the children of middle or higher class families have access to schools with much higher quality of the educational process (regardless whether these schools are public or private), compared to those belonging to poor families, although their access has been improved in the last decades. For instance, among the first 200 best schools of the United Kingdom, only 22 were public and, although at private schools were registered only 7% of the total of the school-going population, they represented more than half of the future students of Cambridge or Oxford. The American system of education is even more unequal than the British one: if we look at the universities graduated by the American presidents of the 20th century, we may notice that most of them have come from Harvard or Princeton. On the other hand, there is the tendency to set the grounds of a high-quality public education system in numerous European States, France and Germany being two of the most well-known examples (Crompton, 1998, pp. 221-222).

The analysis of inequalities at the level of current Romania depends on the discussion of the historical evolutions which determined, to a very large extent, the social reality of our times. From this point of view, we must be aware that, for our country's specific case, the inequality and poverty have been two constants ever since the modern Romanian state was formed, and all the attempts to reduce them during the 19th and 20th century have only managed to diminish them, which makes Romania, at present, together with Bulgaria, occupy the first places in the European classifications of poverty.

If we analyze the beginnings of the Romanian state, we will see that it has begun its journey with a lag of one century behind France and two times behind England (Manoilescu, 1942/2002). Manoilescu uses the numbers provided by Dobrogeanu-Gherea (Dobrogeanu-Gherea, 1910/1977, pp. 320-330), who was the first to calculate the degree of poverty of Romania's population at the beginning of the 20th century: Romania annually created a wealth of 1,200,000,000 lei (700,000,000 lei from agriculture, the large industry contributed with 140 million lei, and the small industry with approximately 290 million lei). Deducing the expenses of the Romanian state, of approximately 400 million lei, for population's expenses, 800 million lei remained, which meant, for the population of 6.5 million persons, that each inhabitant was entitled to, in average, approximately 123 lei per year, namely 10 lei per month, which explains for the extreme poverty of most of Romania's population of that time, that amount being able to cover only the survival of a person at that time. A similar amount to that to which a Romanian was entitled to (around 120 lei per year), at the beginning of the 20th century, was given to a British man around the year 1,700, and to a French man around the year 1800. The annual

incomes of an inhabitant of the Romanian rural space were, in average, of 8,000 lei per year, while in the France of the same era a peasant obtained the equivalent of 60,000 lei, and in England of 80,000 lei (Scurtu, 2001).

Beyond the low level of these average incomes, the Romanian reality shows us that there is a very strong unequal distribution of national wealth. The analysis of the distribution of the successions made by Lucrețiu Pătrășcanu (Pătrășcanu, 1925/1978, pp. 39-41) showed that, for the interval 1900-1903, the number of deaths was of 165,000 per year, and the number of testators, of 21 years old, was of 250,080 persons, for the four years. In this interval of time, the number of testators earning over 500 lei was of 15,090 (approximately 10%), which means that 234,990 deceased persons left no inheritance at all, or only a small one. What is also interesting, according to the quoted author, is the distribution of the 15,090 cases, summing up a value of 333,364,463 lei: in the range between 500-10,000 lei there are 12,521 cases, with the total amount of 43,000,000 (an average of 3,444 lei); in the range between 10,000-100,000 there are 1,951 successions with the amount of 53,000,000 (in average, 27,800 lei); in the range between 100,000-1,000,000 there have been 491 successions in the amount of 113,000,000 lei (average of 230,800 lei); with over 1,000,000 lei were 42 successions of 3,000,000 lei each. As you can see, the polarization of the Romanian society was extreme, having, on the one hand, 235,110 persons who leave almost no inheritance, and, on the other hand, there are 42 persons who leave, each, in average, an inheritance of 3,000,000 lei. Compared to the other categories, the very rich left as inheritance 100 and even 1,000 times' bigger fortunes.

The communist regime installed at the end of the Second World War tried to level the immense inequalities that existed at the level of the society between wars. However, the means used for these purposes were not the most appropriate ones, because, especially towards the end of the communist period, a leveling of the Romanian society occurred, which only smothered any individual initiative. The outcome was a pronounced economic stagnation and a social structure uniformed up to the extreme. The failures of the politics of the communist period became obvious after 1985, so that the collapse of communism in our country left behind a non-performing economic structure, whose transformation generated numerous convulsions, both at the economic, and at the social level.

One of the most important transformations after 1990 aimed at the transformation of the private property regime. Almost inexistent in the fifty years of communism, in the nineties we had to deal with a rapid accumulation of property, especially acquired by retroceding of the properties seized during

the instauration of the communist regime, but also by transferring the state property into private possession, following the privatization of Romania's industrial capacities. Consequently, the property started to play a determinant part as regards the social inequalities in our country.

In parallel with the changes in the nature of property and as a consequence thereof, in the last two decades we saw a change at the level of occupations in Romania. Significant at the level of the entire country is the fact that employees still predominate, although the weight of persons with professional status specific to a market economy, respectively self-employed workers and owners, registered a constant but modest growth. According to official statistics, self-employed workers have the biggest weight in agriculture (48%), owners are present especially in trade (8%) and in the hotel and restaurant network (over 4%), and employees are present in 82% in trade and over 90% in the other activity fields. An expression of the development of the private sector is also the increase of the employees' weight in this sector: in 1995, the weight of the employees of the private sector was of 12%; in 2000, their weight reached almost 40% of the total of employees; simultaneously, the weight of the employees of the public sector dropped from 83% in 1995 to 47% in 2000.

As regards the inequality of money incomes in Romania, it has become among the highest in the European Union (Stănculescu, 2007, pp. 63-64): for instance, in 2004, the money incomes of the richest 20% were in average 7.1 times bigger than those of the poorer 20%, while in the European Union this ratio varied between 3.3 in Slovenia and 7.2 in Portugal. The winners of the post-communist transformations are, according to the quoted author, the younger persons, with high education or with a qualification sought for on the market, especially in the urban environment, and the losers are mainly persons with low level of education, lacking certification, especially in the rural environment. Children, young people, Roma people, persons with a low level of education, unemployed and persons used in the informal sector have had, during the entire interval, and still have a significant risk of poverty.

The study of inequality supposes the analysis of the income percentage owned by the upper level of 20% of the population (percentage of the upper quintile), compared to that of the lower level of 20% of the population (lower quintile). The ratio called S80/S20 varies between 3.4 and 7.3 at the level of the European Union, with significant differences between geographic areas: the lowest rates are in some new Member States (Slovenia, Slovakia, the Czech Republic and Hungary), as well as in Austria or in the Northern States, while at the other extreme are Bulgaria, Romania and Latvia, with over 6.5 (Atkinson et al., 2010, p. 109).

The ratio, however, is very small, if we insert into the equation, as you may see in the table below, the United States of America.

Table 1

**Inequality of incomes, lower and upper percentage of the 20%
of the population, at the end of the XXth century**

Country	Percentage of the national income owned by:	
	The first 20%	20% of the upper part
Austria	10.4	33.3
Denmark	9.6	34.5
Belgium	9.5	34.5
Sweden	9.6	34.5
Italy	8.7	36.3
Germany	8.2	38.5
Spain	7.5	40.3
The Netherlands	7.3	40.1
France	7.2	40.2
United Kingdom	6.6	43.0
United States	3.5	50.1

Source: Kerbo, H., 2006, p. 29.

As we can see from the shown data, the percentage of national income held by the lower quintile is smaller than the upper-owned. Differences vary obviously from country to country, but it is evident that wealth is unequally distributed in all societies. In the United States, we are witnessing a huge difference of over 10 times, which is not met in any of the EU Member States. Even with the general increase of the level of income, the polarization in the United States widened due to rising income levels (including financial benefits) of the managers of large companies, a phenomenon largely specific to the American economy. As shown by the data provided by Kerbo (Kerbo, 2006, p. 30), the salary of executive heads of major US companies is double compared to that of business managers of any other developed country in the world economy: thus, in the US, the average salary for the managers is \$ 901,200 annually, while in Belgium it is \$ 470,000 in France \$ 233,500, in Germany \$ 423,900, and \$ 470,700 in the United Kingdom. What should be stressed is that the salary is just the tip of the iceberg, because most people in the top large companies receive incentives in the form of shares at the end of the year, which double or triple the salary income. The economic justification is that these people will be more interested in increasing business productivity to increase their own income, but the practice seems to contradict, at least in recent years, economic theory (it suffices to look at the economic crisis of the United States, determined largely by waste and inefficient leadership of large companies).

This is why, at least in the US, there has been a serious debate regarding the income level of the managers of large companies, which experienced a reduction in recent years.

The reality of reducing inequalities in times of crisis is demonstrated by data from TOP 300 established by *Capital* Magazine for 2011: the aggregated wealth of the 300 richest businessmen in Romania is around 26.5 billion Euro, down three billion from the 2011 edition, which includes information for 2010. Moreover, the top entrance threshold in 2012 dropped to 15 million, a million less than the previous edition. The share of their wealth in the Romanian Gross Domestic Product fell to 19.4% from 23.6% as it was in the previous year. According to data, more than 50% of the millionaires have seen decreases in assets, more than 30 have come out from the top, and only two managed to preserve wealth over a billion Euros. Another interesting conclusion resulting from the study is that it tends to concentrate wealth in times of crisis, the number of family wealth held increased from 38 in 2011 to 46 in the latest edition of top.

Another aspect highlighted by the study, which is also demonstrated by data on poverty, as we shall see below, is that the wealth is concentrated in certain areas of the country, while poverty is more present in others: thus, Bucharest-Ilfov region still ranks first in the number of millionaires in Euro (110, worth almost 12 billion Euros). In second place comes Constanța County (with 23 people and a combined value of assets of more than 1.9 billion Euro), followed by Cluj County (20 persons and aggregated possessions of 700 million Euros). Fluctuations caused by the crisis and the relocation of the economy are obvious: a large number of millionaires kept their real estate investments, leading, in most cases, to a lower value of their wealth, so that they were forced to shift to other areas: green energy, pharmaceuticals and healthcare, agriculture (mainly livestock) are some of the areas where they have shifted their investment and which increased their wealth.

In regard to the territorial distribution of poverty, it is sufficient to see that on the list of 20 poorest regions in Europe, Romania is part with six areas, covering almost the entire country (except for the Bucharest-Ilfov). In Romania and Bulgaria, the GDP per capita (expressed in purchasing power standard) was, in 2010, approximately 55% lower than the average GDP per capita in the European Union (Eurostat, 2011). In 2008, the poorest region in the EU was Severozapaden, Bulgaria, with a GDP per capita of 28% of the EU average GDP per capita. In second place was the Northeast region (which includes the counties of Suceava, Botoșani, Neamț, Iași, Bacău and Vaslui), where purchasing power was 29% of average GDP per capita of the EU. After another

three regions belonging to Bulgaria the South West region is ranked sixth place, with Dolj, Gorj, Mehedinți, Olt and Vâlcea, where purchasing power was 36% of average GDP per capita in the European Union. In 2011, Oltenia rose among poor regions of Europe, where purchasing power became lower than in the Bulgarian Severoiztochen. South East Romania (Brăila, Buzău, Constanța, Galați, Tulcea and Vrancea) ranked eight. Also the poorest area in Poland, ranked ninth, with 39% of the average purchasing power of EU countries was surpassed by South-Muntenia region of Romania, including Argeș, Călărași, Dâmbovița, Giurgiu, Ialomița, Prahova and Teleorman. 15th place is North-West of Romania, with Bihor, Bistrița-Năsăud, Cluj, Maramureș, Satu Mare and Sălaj counties (Eurostat, 2011). The financial crisis has not prevented some of the poorest regions of Europe, such as those in Poland and Spain, to intensify efforts to surpass poverty, using European funds, which unfortunately was not the case in other countries, such as Romania or Bulgaria.

Moreover, in the case of Romania, through the excessive austerity measures adopted by the Government in 2010, the purchasing power of Romanians decreased dramatically (with more than 9%) from March 2010 to March 2011. In the intervening period, the price increases caused by the increased VAT rate caused an even more significant decrease in the purchasing power of the population and, consequently, the percentage of people at high risk of poverty has also increased.

When referring to poverty, it is important to first note: the European Union has a constant concern, at least the last three decades, in reducing the percentage of population at risk of poverty and in creating a uniformity of economic and social development on the European continent. The first concerns started in 1975, when the European Council gave a definition of poverty: "... people are said to be living in poverty if their income and resources are so inadequate as to preclude them from having a standard of living considered acceptable in the society in which they live. Because of their poverty they may experience multiple disadvantages through unemployment, low income, poor housing, inadequate health care and barriers to lifelong learning, culture, sport and recreation. They are often excluded and marginalized from participating in activities (economic, social and cultural) that are the norm for other people and their access to fundamental rights may be restricted". At the World Summit on Social Development in Copenhagen in 1995, absolute or extreme poverty has been defined as "a human condition characterized by severe deprivation of basic necessities, including food, access to clean water, sanitation facilities, health, shelter, education and information". The relative poverty threshold in

the European Union is set at 60% of median/average income available to individuals/households, and for the absolute poverty threshold is used the limit of 40% of median/average income.

In 2007, only 6% of the European population had income below 40% of EU median income, being therefore in a situation of absolute/extreme poverty. One out of 10 people had income below 50% of median income of EU and about 24% of the population had income below the 70% of median income (the most relaxed poverty line in the EU). In 2011, around 81 million people in the EU (17% of population, 19% of children) lived in poverty, material deprivation and social exclusion, making income below 60% of the median income in the EU (European Commission, 2011).

Recent sociological research (Stănculescu, 2007, pp. 63-64) have shown that in our country the income inequality has the opposite dynamics of poverty: income inequality declined during periods of economic recession in the ninth decade of the last century and increased with revitalizing the economy after 2000, while the deep economic crisis that affected Romania after 1990 caused poverty to “explode” in the early years of transition, increasing from 4% of the population living at the limit of poverty in 1989 to 20% in 1993. In 2000, it reached the upper limit (35.9% of the country’s population). Between 2000 and 2006, poverty has experienced a major setback as a result of continued growth, stimulated by the proximity of Romania to the European Union, which resulted in an increased attractiveness to foreign investors and an increase in Gross Domestic Product by an average of 5-6 % per year. Absolute poverty rate was reduced to 13.8% of the population in 2006 (from 8 million people in absolute poverty in 2000, Romania managed to reach about 3 million in 2006). With all these developments, Romania still has a poverty rate particularly high in the European context, comparable only with the countries of the former Soviet Union.

European indicators in terms of material deprivation (material deprivation) include nine positions: the ability to deal with unexpected expenses; a week of holiday away from home; the ability to pay expenses (rent, debts, utilities, etc.); a meal with meat, chicken or fish every second day, the ability to heat the house; owning a washing machine; owning a color TV set; owning a telephone; owning a personal car (Fusco et al., 2010, p. 136). However, these indicators cover only the material aspects of deprivation, not the aspects of access to education, health, social inclusion, and so on, which are also strongly influenced by material factors. The European analysis undertaken by Eurostat for the year 2010 revealed that within the EU there are notable differences, especially between the newcomer states and the ones that were part

of the EU-15. As can be seen from the table below, the differences are notable, and in terms of our country, we can see that we have the highest percentage among people at risk of poverty that cannot afford a telephone (43% of them) or private car (75%), we ranked second after Bulgaria regarding the lack of color televisions at the level of this group of people (9% versus 20% in Bulgaria) and we stand together with Bulgaria on the last place regarding the possession of a washing machine (55% of people with high risk of poverty cannot afford it). Also, a high percentage of them would not afford adequate housing heating or be able to deal with unexpected expenses, while those at high risk of poverty are unable to pay rates/rents for their housing (0%), this being due to the conditions imposed by banks for mortgages that are virtually inaccessible for the persons with no income or for those with modest incomes.

Table 2
Lack of durables and economic strain among that at-risk-of poverty
(% of population)

Country	Lack of durables				Economic strain				
	Tele- phone	Colour T.V.	Wash. mach.	Pers- onal car	Capacity to afford...		Mort- gage/ rental arrears	Ability to...	
					Meat/ fish every 2nd day	One week annual holiday		Keep home adeq. warm	Face unexp- ected expenses
EU-27	6	2	7	22	22	65	7	21	62
Belgium	1	1	7	25	12	58	8	33	57
Bulgaria	39	20	55	67	88	98	5	17	96
Czech Rep.	6	3	2	43	33	73	14	18	82
Denmark	0	2	6	24	9	23	5	18	40
Germany	1	1	1	17	26	55	4	15	70
Estonia	5	2	10	39	16	87	2	8	57
Ireland	2	1	2	24	8	42	13	10	70
Greece	2	1	6	19	27	76	13	29	55
Spain	1	0	1	10	5	58	4	15	49
France	2	1	3	11	18	63	13	11	66
Italy	3	1	2	8	14	71	9	24	59
Cyprus	1	1	3	8	21	82	6	62	80
Latvia	10	5	19	47	55	91	4	42	89
Lithuania	11	5	15	29	40	89	2	34	74
Luxembourg	1	0	2	9	6	39	7	2	64
Hungary	10	2	8	42	48	90	10	24	88
Malta	2	1	1	9	15	83	2	15	50
Netherlands	0	0	1	20	4	35	9	5	50
Austria	1	1	2	20	24	58	6	9	66
Poland	6	2	2	33	45	89	2	39	81
Portugal	12	1	9	28	10	89	7	65	43
Romania	43	9	55	75	47	97	0	44	69

Country	Lack of durables				Economic strain				
					Capacity to afford...		Mort-gage/ rental arrears	Ability to...	
	Tele- phone	Colour T.V.	Wash. mach.	Pers- onal car	Meat/ fish every 2nd day	One week annual holiday		Keep home adeq. warm	Face unexp. expenses
Slovenia	3	3	2	16	25	64	7	11	71
Slovakia	6	3	4	48	62	84	13	14	76
Finland	1	5	6	28	8	47	11	3	59
Sweden	0	3	0	14	10	35	7	4	41
United Kingdom	1	0	1	14	10	43	9	9	50
Iceland	0	0	0	6	8	28	12	13	47
Norway	1	1	2	20	8	18	12	2	29

Source: Eurostat, 2010, p. 56.

The data gathered in the 27 Member States (at the level of 2007) emphasize the fact that, at the level of the European Union, a percentage of 16.6% of the inhabitants (namely one person out of six or a total of 80 million persons is at the limit of poverty). The most affected are the developed States of the Union, where the cost of life is much higher (Atkinson et al., 2010, pp. 105-106).

This is the reason why such an ambitious objective was set at the level of the *Agenda Europa 2020*, namely the decrease of the number of persons threatened with the risk of poverty by 20 million persons, which means a reduction by 4% compared to the present days. From this point of view, an essential part is played by large States of the Union (they own $\frac{3}{4}$ of the total number of persons situated at the limit of poverty at EU level), without whose contribution the set targets cannot be achieved. The *Strategy Europe 2020* includes the following social indicators: persons who live below the national poverty threshold, persons severely deprived from material needs, and persons in households with low level of employment. EU's social actions orient towards the following directions: eradicate poverty among children by breaking the vicious circle of the inheritance from one generation to the next; promote an active social inclusion into the society and on the employment market for the most vulnerable groups; provide decent housing for everyone; eliminate the discriminatory practices and increase the social integration of persons with disabilities, of ethnic minorities, of immigrants and of other vulnerable groups; smoothen the financial exclusion and the social consequences of over-debt.

Beyond concrete economic strategies and measures, we must also consider a subjective aspect, but which is not less important, namely that of the

perception of population. It should provide an important indicator of the manner in which the economic and social evolutions of a certain time are perceived, and they should provide political leaders with clues of what they are supposed to do. In the *Eurobarometer* of September 2009, Romania situates third in the classification of the weight of citizens' perception regarding the spreading of poverty in their country; 90% of the Romanians state that poverty is widely spread in their country, while for Bulgaria the weight was of 92%, and for Hungary, of 96%. At the average European level, 56% of the population states that the unemployed are most exposed to poverty, while 41% believe that the most vulnerable persons are the elderly.

Beyond the pessimism shown towards the economic situation of this moment, the sociological studies have emphasized a lack of confidence of the population as regards the future, the main fears of the population being of economic nature (safety of the working place, unemployment, incomes, etc.). The Romanians' self-identification regarding their social belonging preponderantly takes into account indicators such as wealth (38.6%), household goods (22.9%) and incomes (16.1%), namely the economic capital, as you can see from the data shown in the table below (Stănculescu, 2007, p. 67).

Table 3

The economic capital of self-identified social classes, 2007

Components of the economic capital	Lower class	Middle class	Upper class	Total population
Average money income per capita, Sept. 2007 (RON)	271	466	773	
Quintiles of money income per capita (%)				
The poorest 20% of the country (with the smallest incomes)	54.6	39.5	*	100
21 – 40%	37.8	56.5		100
41 – 60%	34.9	59.0	*	100
61 – 80%	21.8	75.9	*	100
The richest 20% of the country (with the largest incomes)	12.9	83.1	*	100
Main source of income in Oct. 2006 – Sept. 2007 (%)				
Income from capital. properties. business	*	3.5	13.5	3.1
Income from salaries	37.7	65.4	56.8	56.2
Income from the informal sector	11.7	5.9	*	7.9
Pensions	44.0	22.9	27.0	29.7
Social transfers other than pensions	5.4	2.2		3.1
Total	100	100	100	100
Subjective appraisal of income (%)				
Not enough not even for the primary necessities	59.9	19.1	16.7	32
Enough only for the primary necessities	31.8	39.7	13.9	36.9
Enough for a decent living, but we do not allow to buy	7.4	29.4	33.3	22.5
We manage to buy more expensive goods, but with restrictions	*	10.7	22.2	7.6
We manage to have all that we need, without restraining ourselves		1.0	13.9	1.0

Components of the economic capital	Lower class	Middle class	Upper class	Total population
Total	100	100	100	100
Household goods (% of households which have...)				
Motor vehicle	18.0	44.6	59.5	36.6
Fixed phone	27.2	52.9	67.6	44.9
Mobile phone	44.7	80.3	89.2	69.2
Cable/parabolic aerial	66.4	91.2	89.2	82.6
Computer (PC)	16.4	47.1	59.5	37.4
Access to the internet	8.7	33.6	45.9	25.9
Properties/estate (% of households which do not have...)				
Land	56.7	65.4	54.3	62.1
Land of maximum 2 ha	31.6	22.7	14.3	25.7
Land over 2 ha	11.7	12.0	31.4	12.2
Houses/apartments apart from the one they live in	9.0	14.4	32.4	12.9
Workshop, factory, commercial units	*	2.5	10.8	2.1
Bank account	5.2	22.4	40.5	17.3
Weight of social class in the total of the population (%)	29.9	64.1	1.9	100
Number of cases	599	1283	37	2000

Source: BOP FSR 2007; weighted data, pp. 69-70.

* Less than 5 answers.

The same study (Stănculescu, 2007) emphasized the fact that the population's perceptions concerning the social structure are contradictory: the data show that the majority of the population believes that the situation in Romania is described by (60%) "a small elite on top, very few people in the middle, and most people at the base" or by (24%) "a society like a pyramid, with a small elite on top, several people in the middle and most people at the base", but when it comes to self-identification, the majority (74%) is placed on the middle social layers (including middle-up and middle-down). The middle class is significantly more numerous in the urban environment, mostly in the big cities (over 200 thousand inhabitants), while the lower class is significantly better represented in the rural environment. The persons who self-identify themselves as belonging to the lower class are predominantly localized in the poor areas and in the underground areas, especially at the border of localities. There are, however, significant differences as regards the life strategies specific to them. In the lower class, households are mainly based on traditional-defensive survival strategies, they produce their own food (greens, vegetables, fruits, eggs, etc.) and also develop small additional informal activities. Middle-class households predominantly adopt positive adaptation strategies. Unlike the traditional-defensive strategies (specific to the lower class), the positive adaptation strategies are centered on diversification, which leads to the mitigation, in time, of the household's vulnerability, therefore to sound conditions of growth. In the upper class, the positive adaptation strategies are

combined with accumulation strategies. Apart from salaries and pensions, the upper class households obtain profit from the business (24%), incomes from capital and properties, money from abroad (51% have or have had at least one member working abroad). Over one third practice agriculture, but 13% do it as a business, to sell the products.

As we could see from the shown data, the Romanian social structure has been very stable in the last decade. Although in the day-by-day life the economic situation suffered numerous fluctuations, from the fast economic growth of 2000-2008 to the strong economic contraction of the following years, the population continues to wish for a social model similar to that of the developed states of the European Union, with a strong component of the middle class, with whom half of Romania's population tends to identify. This self-identification is mostly based on a wish of the majority of the population than it is an appropriate economic and social reality; an important percentage of the population (among the biggest in the European Union, next to Bulgaria) lives in poverty or at its limit, while the average incomes of the population are very low, at least compared to the European citizens of the developed states. The polarization, although reduced, following the economic crisis, is a very intense one, being geographically distributed: thus, Bucharest and the large cities have known a very intense development, while the small, isolated rural communities fight in poverty, without a real chance of economic development. Their population is reduced and becoming older, we are dealing with a pronounced migration of the young population of these areas to work in other European states, so that the picture expresses two Romania: one poor, without chances for development, and one dynamic, with potential to recover the gaps from the advanced European states.

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