

**Food consumption and rural poverty in Romania during transition to market**

Florian V., Serbanescu C.

*in*

Mergos G. (ed.).  
Agricultural price reform under transition in Bulgaria, Romania, and Slovenia

Chania : CIHEAM  
Options Méditerranéennes : Série B. Etudes et Recherches; n. 22

1998  
pages 223-232

Article available on line / Article disponible en ligne à l'adresse :

<http://om.ciheam.org/article.php?IDPDF=CI010269>

To cite this article / Pour citer cet article

Florian V., Serbanescu C. **Food consumption and rural poverty in Romania during transition to market.** In : Mergos G. (ed.). *Agricultural price reform under transition in Bulgaria, Romania, and Slovenia.* Chania : CIHEAM, 1998. p. 223-232 (Options Méditerranéennes : Série B. Etudes et Recherches; n. 22)



<http://www.ciheam.org/>  
<http://om.ciheam.org/>

## **FOOD CONSUMPTION AND RURAL POVERTY IN ROMANIA DURING TRANSITION TO MARKET**

Violeta Florian and Camelia Serbanescu

### **ABSTRACT**

This paper describes food consumption and rural poverty in Romania at the beginning of the transition using household budget survey data. The paper indicates that poverty in general has increased as a result of the collapse in real incomes, with income gaps increasing between the poor and the rich, and a decrease in social transfers. The share of food in total consumption is high but remains at about the same level (52% in 1988 and 53% in 1992). Rural poverty is extensive and subsistence production for in-household consumption widespread. About 55% of total monthly expenditure of rural households represents the value of consumption from own resources. The average daily food consumption of rural households is about 2,500 calories.

### **Keywords:**

ROMANIA, RURAL POVERTY, FOOD CONSUMPTION, RURAL HOUSEHOLD

## **1. Introduction**

The structural change in food demand and the decline of the standards of living for most of the Romanian population are problems of great political and social sensitivity. Romania's transition to a market economy induced deep and contradictory changes to the standard of living. On the one hand, a diversification of the sources of income took place. In 1990 a law which permits accumulation has been in place, supplementary income has been generated from occasional activities, and substantial opportunities to gain income have arisen from business. On the other, the dramatic fall in production, as well as the rapid changes in income levels, structure and distribution, has led to an explosion of poverty with:

- i) The decline of the purchasing power of most sources of income, wages and pensions. The wages of many have been "replaced" either by an unemployment payment/support allocation, or by simply nothing if the persons concerned have become ineligible for unemployment payments
- ii) The rapid increase of income gaps between families. Income from low wages declined more quickly when compared to that from medium wages.
- iii) A decrease in social transfers. Social security decreased from the point of view of both the economic support and the services provided.

In the case of Romania, studies of food demand and rural poverty may be carried out for two phases. These are:

- a.) The period up to 1994, for which the income/expenditure of family budgets was studied through the monitoring of a sample consisting of 9,000 households
- b.) The period from 1995 onwards, in which the IHI (Integrated Household Inquiry) was carried out in 36,000 households situated in 501 research areas in urban and rural localities. The sample used guarantees the correct estimation of the main variables with a 97% probability and a 3% error.

The information provided by IHI during the period from July 1, 1995 to June 30, 1996 will be used to describe<sup>16</sup> the present aspects of the demand for agricultural and agro-food products and rural poverty.

## 2. Food Consumption

In general, the average size of a household is 2.9 persons, varying to between 3.6 persons in households of unemployed people and 2.3 persons in the households of retired people. The average total nominal income of a household is 486,000 lei, out of which 70.5% is cash money income, and 29.5% the value of free consumption or agro-food products from own resources. The main sources of the cash money income are: (i) wages (60.7%), (ii) pensions from social insurance (18.1%), (iii) cash money from sales of agricultural products, livestock and poultry (6.6%), and (iv) income from activities on own account (5.7%).

The amount of the total expenses incurred by households clearly separates employers' households from all the other households categories, and in particular from those of the retired and unemployed. When compared with the average of total expenses (481,000 lei per month per family), the total expenses of employers' households are 587,100 lei higher, while the households of retired persons spend 108,000 lei less per month. The largest portion is represented by consumption expenses, taxes, dues and other compulsory payments.

Out of the total of consumption expenses, expenditure on food and beverages constitutes 57.6%, including both product purchases (51.5%) and the value of consumption from own production or household stocks.

Where food product purchasing is concerned, about 10 of the monthly total expenses of the individual is for meat and meat products; if bread and bakery products, potatoes, fresh and canned vegetables are added, these expenses constitute more than half of the total.

**Table 1 - Structure of cash expenditure on consumption (in %)**

	Expenses for:		
	Food products	Non-food products	Service payments
Total households	44.5	38.5	17.0
Wage earners	45.8	38.1	16.1
Employers	37.2	44.8	18.0
Agricultural workers	34.9	48.7	16.4
Unemployed people	46.1	40.9	13.0
Retired people	44.0	37.2	18.8

The average daily food consumption per member of a household in the sample is 2,579 calories, out of which 77.2% are of vegetable origin and 22.8% of animal origin. Food consumption varies according to the type of household. Thus, the monthly average consumption per person of meat and meat products is 4.9 kgs in employers' households, 3.6 kgs in wage-earners' households, 3.4 kgs in the households of retired people, 2.9 kgs in the households of the unemployed, and only 2.7 kgs in agricultural households.

On average, agricultural households consist of 3.3 persons, of whom those working on their own account in agriculture or as members of agricultural associations constitute more than a half. Households with 2-3 members exhibit nearly the same weighting as those with 4 or more members (42%), while those consisting of single persons constitute 16%.

The distribution of households according to the age of the household head is as follows: (i) 56.0%

<sup>16</sup> Comprehensive information about food consumption and rural poverty in Romania based on these surveys could not be included in this volume due to limitations of space; it is, however, available from the authors.

between 40 and 59 years of age, (ii) 23.7% 60 years of age or older, and (iii) 20.3% up to 39 years of age.

In terms of the level of education of the household head: (i) 26.9% have finished elementary school, (ii) 40.0% have graduated from secondary and/or professional (vocational) school, and (iii) 11.5% have graduated from high school.

The total nominal income derives from cash money sources (45.2%), most of which represent the value of product consumption from own resources.

**Table 2 - Main sources for cash money income**

	Monthly average per household, in lei	As % of total
Cash money income	198,784	100.0
out of which:		
- sales of agricultural products, livestock and poultry	79,960	40.2
- wages	36,806	18.5
- activities on own account	30,449	15.3
- social protection	32,191	16.2

It will be observed that consumption of own-produced commodities (activities on own account) and income from sales are the main features of the budget of agricultural households. Activities on own account as well as those paid through wages also contribute by 33.8% to cash money income.

The total monthly average expenditure per household in the sample is 432,200 lei, of which 55.6% represents the value of consumption from own resources. Cash money expenditure is mainly devoted to consumption (80%), 7% for investment (livestock, feed, land purchases, etc) and 5% for taxes, dues and other compulsory payments. Where the structure of cash money expenditure on consumption is concerned, the largest part is designated for non-food product purchases, followed by purchases of food products and service payments.

Cash money expenditure for non-food products is as follows: (i) clothing and footwear (34.5%), (ii) fuel (16.2%), (iii) cars (12.39), (iv) hygiene and cosmetic products, medicines (8.0%), and (v) furniture, carpets and appliances (4.1%).

Cash money expenditure for service payments is as follows: (i) payment for work concerned with household production (39.4%), (ii) transport and communication (18.0%), and (iii) electric power (11.8%).

The daily food consumption per person is about 2,500 calories, out of which 77.5% are of vegetable and 22.5% of animal origin. The caloric intake from the main products is as follows: 55% from cereals and cereal products, 13.4% from fats, 8.8% from milk and dairy products, 6.9% from meat and meat products, 3.9% from vegetables and fruit)<sup>17</sup>.

### 3. Evolution of Food Consumption

Analyses of the evolution of consumption, which was mainly concerned with that of the rural population and its impact on the rural poverty phenomenon, was based on other samples utilised by the National Commission for Statistics (11,000 households in 1989 and 9,000 households in 1990). The samples are subdivided according to the main social categories: 5,900 wage earners' families, 2,700 agricultural families and 400 families of people retired on State social insurance. The survey was carried out in 325 localities, both urban and rural.

<sup>17</sup> "Population income, expenditures and consumption", National Commission for Statistics - Operative Statistical Information, no. 1-2/1996, pp.3,4,28.

It is of interest to note the decrease in the size of the families surveyed, regardless of socio-occupational category, i.e. for wage earners' families from 3.54 members (1990) to 3.50 members (1994), for agricultural families from 2.58 members (1990) to 2.51 (1994), for the families of retired people from 1.70 members (1990) to 1.61 members (1994). Agricultural families exhibit a reduction in the number of women within the category 16-54 years of age.

In the case of agricultural families, the evolution of employment identified by this survey is as follows:

- i) The number of students is decreasing, while the number of retired people is increasing
- ii) The number of seasonal or daily wage earners shows a slight increase, while the number of permanent wage earners showed a slight decrease
- iii) The number of unemployed people increased continuously, although the level of the values recorded is not an impressive one.

The macro-economic changes in Romania had some negative effects on the income of the population. The evolution of the income of agricultural households is characterised by conflicting social and economical phenomena:

- i) The pluriactivity of agricultural family members is on the increase. Income from non-farming activities exhibits an obvious increasing trend, with 4.9% (1990) and 8.3% (1994) as the weights in the total income of agricultural families.
- ii) The weight of cash income in total income decreased from 46% (1991) to 43% (1993). This significant reduction has been caused by the fall in the weight of wages in cash income (from 43% to 24%), as well as by the drop in the amount of cash money from agricultural societies from 5.8% to 2.0%.
- iii) Sales income also showed a slight increase from 19.8% in 1991 to 20.4% in 1993 of the total income. The weights in cash income were 43.0% (1991) and 50.0% (1994). The structure of sales income is the following:

	1991	1993
Income from agro-food products, and livestock and poultry sales	96.4%	97.7%
To public and cooperative units	31.4%	24.0%
To private units and to the population	68.6%	76.0%
Income from buildings, land and sales of other assets	3.6%	2.3%

- iv) Income from social consumption funds was only 8.4% of the total cash income in 1991 and 8.9% in 1993. The following should be noted within this income category:

	1991	1993
State allowances for children	10.0%	5.2%
Indemnities for children of agricultural families	3.9%	0.8%
Indemnities from the social insurance fund	2.5%	2.2%
Indemnities from the farmers' social insurance fund	0.7%	0.1%
State social insurance pensions for agricultural workers, social assistance	19.6%	34.5%
Agricultural households' social insurance pensions	53.4%	48%
Scholarships	9.9%	9.2%

- v) The increase of minimal investment effort strategies; the weight of expenses for purchasing livestock and poultry, and necessary equipment for agricultural and handicraft production decreased from 8.6% in 1991 to 7.1% in 1993.
- vi) An obvious evolution of the income trend is that exhibited by the size of the gap between agricultural workers' and wage earners' incomes. The ratio between them decreased during 1991-1994; the average nominal income per person in an agricultural family was 87% of the corresponding wage earner income in 1991, and 77.5% in 1994.

The evolution of consumption exhibited an increase of food expenditure. In 1993, agricultural families with a net monthly income per person of 16,111 lei - the lowest - were spending 81.5% of it on food; this percentage is very close to that of families with the lowest income for 1992, which had an average net monthly income per person of 4,652 lei and spent 81.3% on food).

The incidence of an increased number of members in the agricultural families had no influence on total food expenditure:

<b>Weight of food and beverage expenses in total consumption expenditure</b>			
	1990	1991	1992
- agricultural families with 3 members	65.5%	69.6%	72.3%
- agricultural families with 6 or more members	60.6%	65.6%	70.0%

However, no such pattern is observed for the year 1993, where the difference between the two categories of family types is 3.5%; families with 3 members spent 71.0% on food, while those with 6 members or more spent 74.5%.

The evolution of the structure of food expenses is as follows:

	1990	1994
Cereals and cereal products	30.4%	27.6%
Meat and meat products	16.5%	12.9%
Fish and fishery products	2.3%	3.5%
Fats	5.4%	11.8%
Milk	3.2%	2.0%
Cheese and cream	5.0%	4.0%
Eggs	0.6%	0.7%
Sugar	3.2%	7.0%
Beans and other pulses	0.4%	0.3%
Potatoes	1.6%	1.1%
Vegetables	7.1%	6.7%
Fruit	4.2%	3.9%
Alcoholic beverages	20.1%	18.5%

Regardless of the type of family, i.e. whether one of retired people, wage earners, or agricultural workers - non-food expenditures diminished. In the case of agricultural families, the weight of non-food items in total expenditures was 19.3% in 1991, 16.6% in 1992 and 15.4% in 1993. Expenditure on dwellings represented only 6.2% (against 11.9% in 1992). Expenditure on medicines and health care continued at a very low level, constituting only 0.1% of total expenditure in both 1991 and 1993, and only 2.0% of total expenditure on services in 1991 (2.1% in 1993). Expenditure on culture and education shows a decreasing trend, at 3.1% in 1990. Non-food expenditure decreased from 19.3% in 1991 (weight in total expenditure), to 15.5% in 1993. The expenditure for medicines, transport, culture and education decreased.

Consumption by agricultural families shows a decrease in the case of cereals and cereal products (mainly for pasta and rice), meat and fish. The rural model of food consumption exhibits a relatively constant structure where caloric compounds are concerned, with a high imbalance in the protein intake (of animal origin).

#### **4. RURAL POVERTY**

The rural population of Romania, as that of the member states of the European Union and Central and Eastern European countries, is declining. It should be noted that, after 1990, a certain phenomenon of asymmetry was observed, in contrast to the tendencies of the 20th century. Against the background of a decrease in the rural population in recent decades, the number of people engaged in agriculture increased after 1990. This process is the result of the synergetic interaction of

land restitution, lack of equipment in agriculture and the decline in industrial employment.

The image provided by the age structure of the population engaged in agriculture is one of an aged population, which closely resembles that in almost all EU countries.

The rural population of Romania is characterized by :

- i) An on-going process of decline which exhibits different rates of change according to geographical zone, while the provinces of Banat-Crisana and Transylvania are marked by strong rural depopulation. In Maramures and Moldova rural depopulation is less severe.
- ii) A phenomenon in which the aged population is increasing, with an intensification of the pressure by the elderly population (i.e. 60 years of age or over) on the young population (0-14 years of age).

**Table 3 - Evolution of the rural population, distribution by age group (in %)**

Age group	1966	1977	1992
TOTAL	100	100	100
Young (0-14 years old)	28.7	27.1	20.9
Adults (15-59 years old)	58.1	56.2	57.0
Old (60 years of age or over)	13.2	16.7	22.1

The number of persons "60 years of age or over" for every 1,000 in the "0-14 years old" age group increased about 2.3 times during the period from 1966-1992 (from 460 to 1,057). The ratio of aged: adult population exhibited an upward tendency and increased 1.7 times in the same period. The ageing process affects the female population in the rural areas to a larger extent; in the age structure, women in the "0-14 years old" group account for 20.25%, and those "over 60 years of age" for 24.5%. The distribution of the male population comprises a share of 21.5% of men "0-14 years of age", and one of 19.5% of men "60 years of age or over".

The specific demographic phenomena of the rural population are:

- i) A slight tendency towards "feminisation"; the women's share of the total rural population was 50.4% in 1992 as opposed to 50.8% in 1977 and 51.8% in 1966.
- ii) There was an improvement in both the quality and the amount of education offered during recent decades; the number of illiterate people was reduced by about 27% in 1992 (when compared to 1977). The average level of education of the rural population was 2.32% in 1994 (as compared to 2.65% for the urban population). The degree of participation in education at all levels during 1994-1995 was 88.0% for urban areas and 51.6% for rural areas; the education index in 1995 was 0.95 for urban areas and 0.80 for rural areas. The percentage of the adult population able to read and write was 99.0% in urban areas and 94.7% in rural areas<sup>18</sup>.
- iii) The degree of participation in secondary education by women of 15-18 years of age was 10.5% (115.9% in urban areas) in 1992, and the percentage of women with secondary or higher studies among the female population of "12 years of age or over" was 51.9% in the rural areas and 79.9% in urban areas.
- iv) The birth rate exhibits a decreasing trend; in 1967-1974 it was 22.9‰, falling to 12.9‰ in 1992 and 12.7‰ in 1994. The general mortality rate was 14.8‰ in 1994. The child mortality rate is decreasing, but it is higher compared to that in urban areas. The total for Romania is 23.9‰, with 20.1‰ in urban areas and 27.2‰ in rural areas.
- v) Where occupational diversity is concerned, according to the social category to which the head of the family belongs, the grouping of rural households at the time of the latest Census is as follows:

<sup>18</sup> Human Development Report for Romania, 1996, p. 99.

	%
Agricultural workers	15.0
Wage earners	32.0
Retired people	44.0
Non-agricultural workers	4.5
Others	4.5

Generally, where rural households are concerned, 30.6% consist of inactive persons (retired people), 26.3% have only one active member, 27.6% have two active members and 15.5% have three active members.

In most agricultural households (76.4%) there is one active non-wage earning member or more; only 17.6% of the households have only one wage earning member and 6% two or more wage earners. Out of those headed by a retired person, about 17% have only one wage earner and 12% have one or more active non-wage earning members.

The evolution of consumption during the last decade was marked by the increase of expenditure on food products, with the exception of 1990 when the real income of the population increased.

During the period 1980-1990 purchasing power declined continuously, in correlation with the more rapid price increase for food products compared to that of other goods<sup>19</sup>. Regardless of the type of family - whether wage earners, agricultural workers, or retired people - the expenditure on clothing, footwear and dwellings registered the lowest levels:

	in 1990	in 1995
- for wage earners' families	17.3%	11.5%
- for agricultural families	11.9%	8.7%
- for the families of retired people on social security	8.6%	7.8%

**Table 4** - Share of expenditure on clothing, footwear, dwellings and equipment in total consumption expenditure (in %)

	1980	1985	1990	1991	1992	1993	
Wage earners' families							
a.	Clothing and footwear	17.2	16.6	17.3	16.8	13.7	11.7
b.	Dwellings and equipment	19.0	17.4	15.3	12.3	12.0	13.0
Agricultural families							
a.	Clothing and footwear	12.6	11.8	11.9	9.9	7.3	6.2
b.	Dwellings and equipment	14.2	13.1	12.7	10.6	10.5	11.2
Families of retired people on social insurance							
a.	Clothing and footwear	9.3	7.9	8.6	7.4	6.9	5.3
b.	Dwellings and equipment	18.0	17.6	15.8	12.9	12.0	14.6

Source: Family Budgets, 1980, 1985, C.D.S., Bucharest. Family Budgets, 1990-1993, N.C.S., Bucharest.

Expenditure on medicines and health care exhibits features according to the type of family. It constitutes a constant share of the budget in wage earners' families as well as a decreasing share in the budget of retired people and agricultural families (in the context of which the incidence of new infectious and parasitic diseases has increased). Expenditure on culture, education and instruction registered a maximum weight of 7.1% in 1991 and has diminished since. The expenditure allocated for these purposes by agricultural families and those of retired people was very low - 2.2% in agricultural families and 1.6% in the families of retired people in 1995. The consumer behaviour of the rural population in Romania exhibits a certain trend in which it focuses upon the consumption of food products, a specific characteristic of under-developed countries.

The evolution of Romanian agricultural family income has brought to light contradictory economic

<sup>19</sup> Household welfare in a transition economy: growth, equity and poverty in Romania, 1989-92, April 1996, p.30.

phenomena, of which those concerned with the member-structure of agricultural families and a preference for polyactivity among rural households should be stressed. While the income from non-agricultural activity is registering a clearly increasing trend (in 1990 it constituted 49.9% of the total family income, and 8.3% in 1994), the weight of income arising from agriculture and wages decreased. This phenomenon is accompanied by another one which is specific in the case of a subsistence economy, consisting of an increase in the degree of subsistence; self-consumption reached 62.8% in 1994 as compared to 48.7% in 1989<sup>20</sup>.

A trend in the evolution of income is the persistence of the gap between the incomes of agricultural workers and other wage earners; here, the ratio fell during the period 1991-1994. The nominal average income per member of an agricultural family was 87% of the nominal average income of a wage earner in 1991, and 77.5% in 1994. Another structural feature<sup>21</sup> is the small difference between incomes in the villages and those in the towns (except in the case of agricultural families). The similarity of the socio-occupational structure from both the latter residential categories, with the exception of the agricultural households, explains the relatively close similarity between the values for the villages and towns. In the case of agricultural households, the total average income is 30% lower than that of the average sample.

**Table 5 - Source of total family income (in %)**

	Rural (excluding-agric. workers)	Agric. workers	Urban	Rural
I. Money income				
- wages, pensions and social transfers	65.1	27.3	49.6	66.3
- value of livestock sold and poultry and crop products	9.2	17.5	1.7	4.1
II. Consumption of own agro-food products	25.7	43.2	3.7	29.6

Source: Zamfir, C. - "Dimension of Poverty '94", Expert Publishing House, Bucharest, 1994, p.121.

The geographical distribution of income size is marked by high values for Banat and Transylvania, followed by a decrease in Muntenia, Oltenia, Moldova and Dobrogea.

The ratio between the income of the poorest families and that of the richest families (10%) is: (i) 1: 12.6 in the villages (excluding agricultural households), (ii) 1: 12.9 for agricultural households, (iii) 1: 10.2 in rural areas, and (iv) 1: 8.1 in towns<sup>22</sup>. The sociological study illustrates the fact that the impact of poverty is less severe in villages than in towns if agricultural families are excluded.

**Table 6 - Positions relating to the poverty threshold, (in %)**

	Rural (excluding agric. workers)	Agric. workers	Urban	Rural
under L.M.	12.5	23.4	13.8	6.7
between L.M.-S.M.	16.6	20.2	17.0	29.8
between S.M.-D.L.M.	34.2	37.1	34.6	42.3
over D.L.M.	35.0	18.5	33.0	18.9

Source: Zamfir, C. - "Dimension of Poverty '94", Expert Publishing House, Bucharest, 1994, p.124.

Note: L.M. = Life minimum, calculated by the Ministry of Work and Social Protection. This is lower than the subsistence minimum and includes the poorest agricultural households.

D.M.L. = Decent life minimum

S.M. = Subsistence life minimum

The socio-economic status of the agricultural worker induces him to behave differently to those in

<sup>20</sup> Romania - Present Stage of Economic and Social Development, N.C.S., April 1995, p.59.

<sup>21</sup> Shown by a sociological study carried out by the Institute of Life Quality Research on a representative sample of 2,504 units, with a sub-sample of 1,037 rural families (41.4%), in July 1994.

<sup>22</sup> Zamfir, C. - "Dimension of Poverty '94", Expert Publishing House, Bucharest, 1994, p.122.

other categories. It should be mentioned here that the agricultural population of the sample studied had an aged demographic profile:

- up to	40 years old	8.9%
- between	41-50 years old	16.9%
- between	51-60 years old	39.5%
- between	61-65 years old	14.5%
- between	66-70 years old	8.9%
- between	71-75 years old	8.1%
- over	76 years old	3.2%
<b>Structure of division of property (%)</b>		
- under 1 hectare		27.2
- 1-2 hectares		29.6
- 3-5 hectares		15.3
- 5-9 hectares		6.7

There is an obvious lack of technical equipment in the rural towns. Most of the population (75.2% of agricultural families) do not possess any kind of agricultural machinery. Only 0.8% have a tractor, and about 11.0% have a plough which uses animal traction. Given these conditions, the living standard of the agricultural family is determined by all the "material availability", i.e. by property held, goods, and all cash money income.

**Table 7 - Source of total family income % of total)**

Source	Agric. h/holds	Rural ( excl. agric. h/holds)	Urban
- Wages	12.0	35.9	62.0
- Products sold on the market	17.5	9.2	1.7
- Consumption of agro-food products	43.5	25.7	3.7
- Income from production capacity	14.8	4.3	2.2
- Other cash money income from work	-	8.2	12.4
- Social transfers	12.5	16.7	18.0

Source: Zamfir, C. - "Dimension of poverty '94", Expert Publishing House, Bucharest, 1994, p.129.

A more detailed re-evaluation of the position of agricultural households in relation to the poverty threshold reveals that from the economic and social point of view of this occupational category, the situation is critical.

**Table 8 - Position of agricultural households and the other socio-occupational categories in relation to poverty thresholds ( %)**

	Agric.	Rest of the sample
under S.M.	44.4	34.3
between S.M.- D.L.M.	37.1	40.1
up to D.L.M.	81.5	74.1
over D.L.M.	18.5	25.6

Source: Zamfir, C. - "Dimension of Poverty '94", Expert Publishing House, Bucharest, 1994, p.129.

The overall picture can be completed by an appraisal of data concerning people's perceptions of their own situation.

**Table 9 - The ratio between income and needs (%)**

	Agric. h/holds	Rest of the sample
It is not enough, even for the bare necessities	33.4	28.7
It is only enough for the bare necessities	47.2	40.0
It is enough for a decent life, but we cannot afford to make other special expenses	12.8	22.1
We can make other special expenses, but with an effort	5.6	8.0
We manage to have all that is necessary	-	1.2
AVERAGE	1.89	2.12

58.1% of agricultural households answered quite categorically that, at present, they consider themselves poor, while 45.8% of the remainder of the sample answered the same.

It is obvious that many subsistence/survival strategies are being practised at agricultural household level. The Romanian agricultural worker is being forced to engage in agriculture which is orientated towards autarchy. However, this conclusion is based mainly upon income evaluation; the following facts should also be noted:

- i) The agricultural family is at the beginning of the process of its recovery as an autonomous economic unit.
- ii) There is limited production from economic units (due to the small size of property and the lack or obsolescence of agricultural equipment).

## **5. Conclusion**

The analysis is based on household survey data which covered both rural and urban areas. The main conclusion is that rural poverty is extensive. This holds for both periods, both before 1994 when the income/expenditure situation of family budgets was established through the monitoring of a sample, and after 1995, when an Integrated Household Inquiry covering a comprehensive household sample was conducted. An important finding is that the population engaged in agriculture has increased since the beginning of the reform; also, own-produced commodities constitute an important share of consumption. Finally, large income differences are observed between urban and rural areas.