

Aspects of Poverty and Social Exclusion in the Romania's Development Regions

Gabriela Buşan

“Constantin Brancusi” University of Targu-Jiu

gabriela_busan@yahoo.com

Nicolae Ecobici

“Constantin Brancusi” University of Targu-Jiu

nycu2004ro@yahoo.com

Abstract

In Romania, poverty has a specific territorial distribution, almost half the population lives in rural areas, there are large gaps between the urban poor and undeveloped urban/developed, while a majority of the population is hampered in terms both of revenue and of infrastructure and basic services. This paper is analyzed the rates of poverty and the main risks of poverty and social exclusion in the eight Romania's development regions: North-West Region, Central Region, North-East Region, South-East Region, South-Muntenia Region, Bucharest-Ilfov Region, South-West Oltenia Region and West Region in the period 2007-2015, based on data offered by INSSE.

Key words: poverty, social exclusion, development regions

J.E.L. classification: I32, I38

1. Introduction

To contribute to the Europe 2020 strategy at European Union level [1] to reduce the number of people who are at risk of poverty or social exclusion with 20 million by 2020, the Government has set a national goal to reduce the number of people affected by poverty and excluded from socially with people 580.000 by the year 2020, compared to the year 2008 [2].

The main problems identified in the field of social inclusion and poverty reduction are [3]: large share of people with low income, insufficient a decent living, compared to the average of other Member States of the European Union, including poor persons placed in employment; major discrepancies between the residents of rural areas in relation to those of urban areas in terms of access to social services, employment, health, education and good living conditions; the existence of certain social categories, which due to factors related to ethnicity, health status, age, social environment or family of origin, the difficulties of social integration.

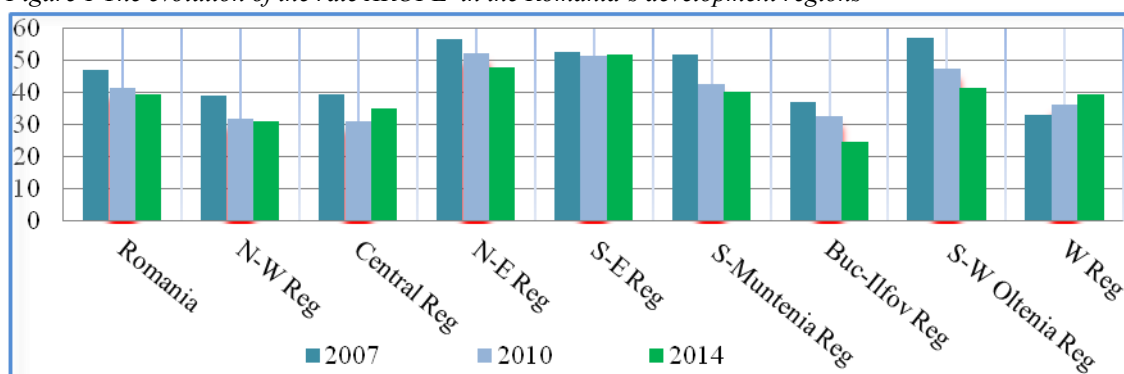
2. The rate of people at risk of poverty or social exclusion (AROPE) in the Romania's development regions

The rate of people at risk of poverty or social exclusion (AROPE) refers to the share of the population who is either at risk of poverty, or severely materially deprived or living in a household with low work intensity [5]. AROPE is a composite indicator adopted at European Union level in the context of Europe 2020 Programme, to promote social inclusion and poverty reduction, representing the share of the total population of persons in risk of social exclusion or poverty. Persons covered by the indicator are those in AROPE at least one of the following situations: the lower income threshold for poverty available; I'm in a state of severe material deprivation; live in a household with very low labour intensity [6].

Although in recent years there has been a decrease in the rate with AROPE with 9,70% from 47% in 2007 to 37,3% in 2015 (Figure 1), Romania is ranked no. 2 in the EU 27 in terms of the rate

of risk of poverty and social exclusion. An above-average level of poverty and social exclusion can be seen in the South-East Region (51,8%), North-Eastern Region (47,9%) and South-West Oltenia Region (41,5%).

Figure 1 The evolution of the rate AROPE in the Romania's development regions



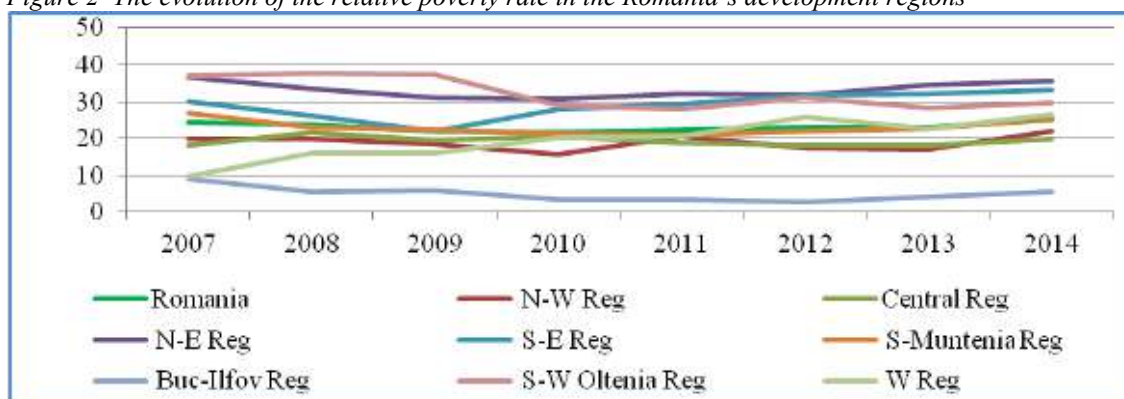
Source: Our processing after data provided by INSSE

3. The relative poverty rate in the Romania's development regions

The relative poverty rate represents the share of poor people in the total population. It is considered poor, individuals in households who have a disposable income per equivalent adult-lower than the poverty threshold level (Table 1) [7].

In Romania, poverty is deep space, located at both regional and intra-regional [5]. In 2015, the incidence of relative poverty (Figure 2) is higher than the national average (25,4%) in the North-East Region (35,6%), in in South-East Region (33,3%), in the region of South-West Oltenia (29,7%), in the West Region (26,7%) and in South-Muntenia Region (25,5%).

Figure 2 The evolution of the relative poverty rate in the Romania's development regions



Source: Our processing after data provided by INSSE

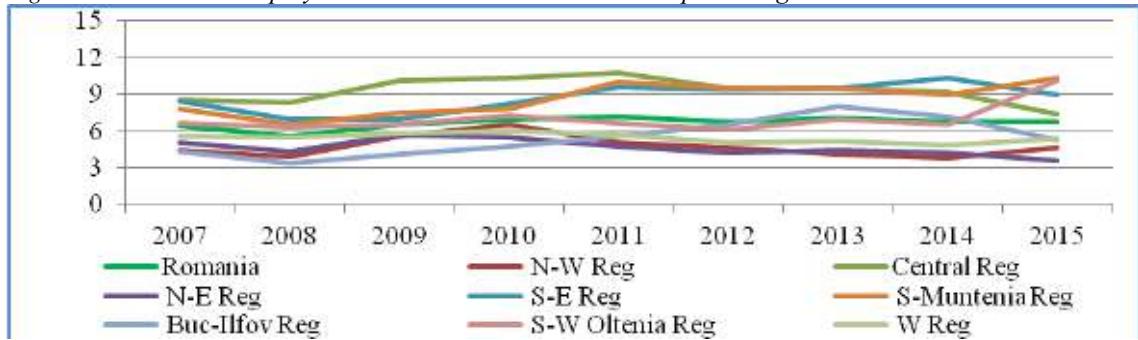
Table 1 The relative poverty threshold

Year	2007	2008	2009	2010	2011	2012	2013	2014
Lei / person	3.393	3.906	4.800	5.180	5.284	5.212	5.393	5.713

4. The main causes and poverty risks in the Romania's development regions

One of the main causes of poverty is determined by lack of employment (Figure 3), the rate of unemployment being above average in South-Muntenia Region (10,3%), South-West Oltenia Region (10,1%), South East Region (9%) and Central Region (7,4%).

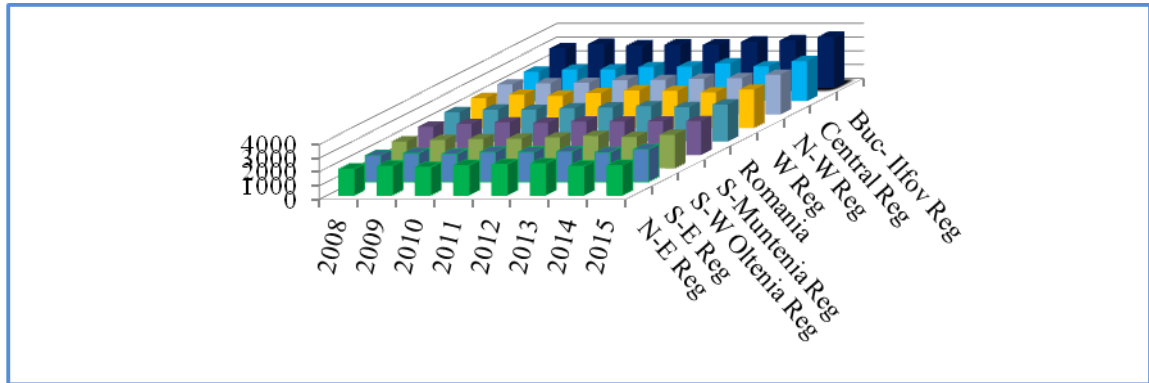
Figure 3 Trends in unemployment rate in the Romania's development regions



Source: Our processing after data provided by INSSE

In some cases, poverty can intervene in the case of employees when revenue does not cover basic needs. In Figure 4, it can be observed that, in 2015, the lowest total average monthly income per household are in the North-East Region (2176,76 lei), South-East Region (2373,2 lei), South-West Oltenia Region (2448,02) South-Muntenia Region (2466,29 lei).

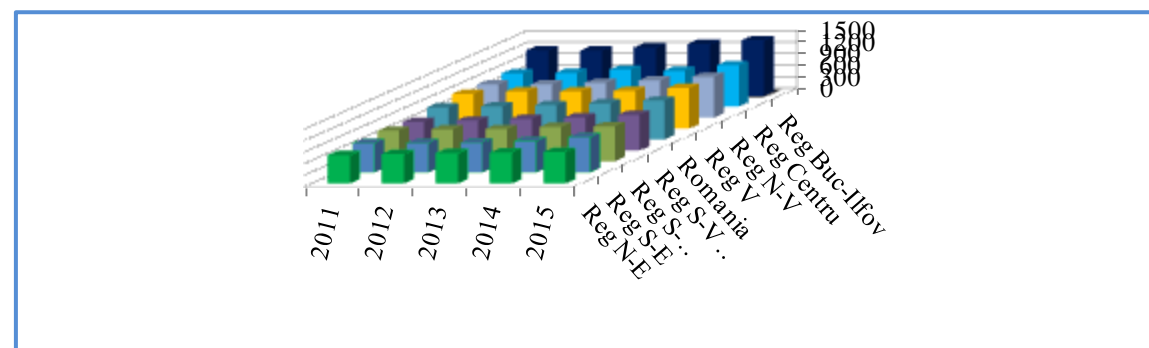
Figure 4 Trends in total average monthly income per household in the Romania's development regions, between 2008-2015



Source: Our processing after data provided by INSSE

Also the lowest total average monthly income per person (Figure 5) are recorded in the year 2015 in the North-East Region (812,61 lei), South-East Region (911,15 lei), South-Muntenia Region (911,3 lei) and South-West Oltenia Region (928,88 lei).

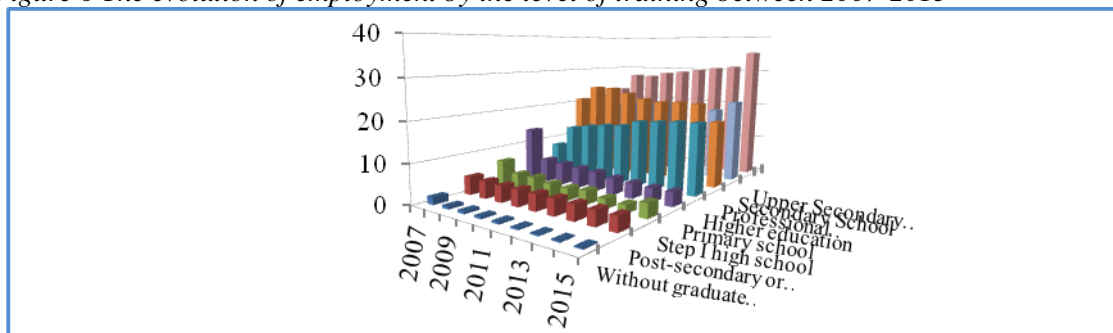
Figure 5 The evolution of average monthly total revenue per person in the Romania's development regions, between 2011-2015



Source: Our processing after data provided by INSSE

For active categories, the risk of poverty is closely linked to educational level (Figure 6), population with a low level of education (secondary school, primary school, without graduate school) being 25,27% in 2015, lower 11,66% compared with 2007.

Figure 6 The evolution of employment by the level of training between 2007-2015



Source: Our processing after data provided by INSSE

Most of the people at risk of poverty and social exclusion to live in rural areas and in small towns. Poverty is associated with lack of modernisation and with a predominantly agricultural economy. Also, in the context of infrastructure and services in under developed areas, urban areas include poverty, communities with limited access to the labour market, services and utilities.

An increased risk of poverty and social exclusion of vulnerable groups and records: children, unemployed and people with very low income, elderly, Roma population, people with disabilities, those suffering from addictions, victims of domestic violence, victims of trafficking in human beings and persons deprived of liberty or released.

From 2007 to 2012, poverty among children has been consistently higher than the overall national rate of poverty (about 10%) (Table 2). While the overall poverty rate decreased (2,3%) in these years, the poverty rate among children has increased by 5,10%.

Table 2 The relative poverty rate (%), by age group, between 2007-2015

Age \ Years	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total people	24,6	23,6	22,1	21,6	22,3	22,9	23	25,1	25,4
0-17	33	33,3	31,9	32,1	33	33,3	34,7	39,3	38,1
18-64	20,7	19,8	19,4	19,5	20,9	21,9	21,7	23,4	23,3
65 years and over	29,4	26,5	21,4	17,6	14,8	14,4	14,5	15,7	19,3

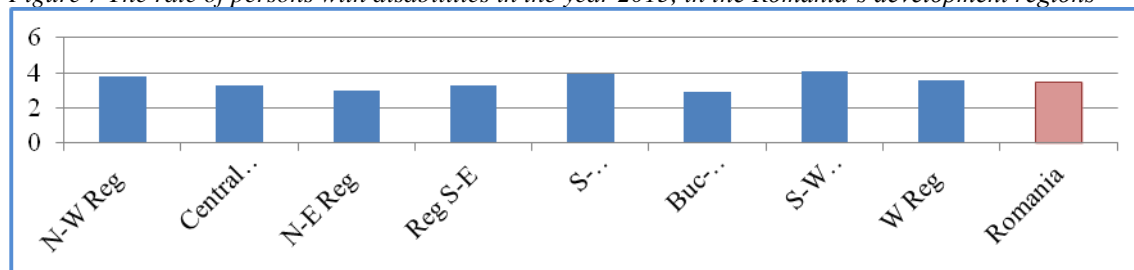
Source: INSSE

The older people have experienced a significant reduction in poverty in the period 2007-2015. In 2007, people are equal to or older than 65 years have registered the second largest rate of poverty after children (29,4%). Due to the increase of the level of pensions, contributory and social poverty rate among the elderly has fallen below the level of any other age groups (19,3%).

Roma pose a much higher risk of poverty, regardless of age, education or the environment of residence. Analysis of data from the family budget survey reported that Roma are exposed to a higher risk of poverty ten times higher than other ethnic groups, 33% of them were living in absolute poverty on the basis of the national poverty threshold in 2013 [9].

On 31 December 2015, the rate of persons with disabilities at the Romanian population was 3,44% [4], differentiated by region (Figure 7):

Figure 7 The rate of persons with disabilities in the year 2015, in the Romania's development regions

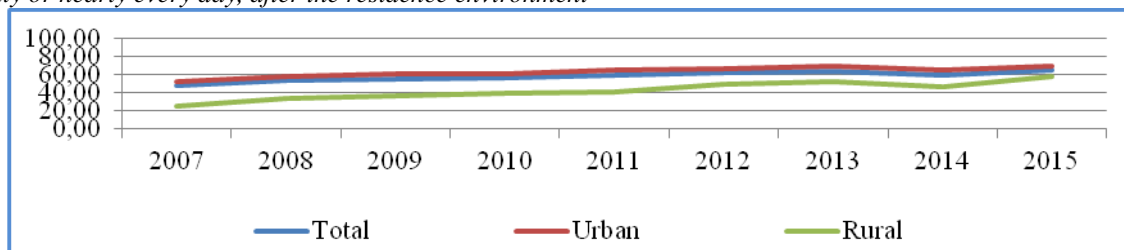


Source: Our processing after data provided by INSSE

The highest rates are recorded in South-West Oltenia Region (4,05%), Sud-Muntenia Region (3,91%) and the North-West rEgion (3,80%).

For Romania's transition to an economy based on knowledge are essential computer skills. There is a clear gap in relation to the computer skills between generations and education levels correlate positively with age, education level and environment of residence [9].

Figure 8 The evolution of the structure of persons between 16-74 year olds having used the computer daily or nearly every day, after the residence environment



Source: Our processing after data provided by INSSE

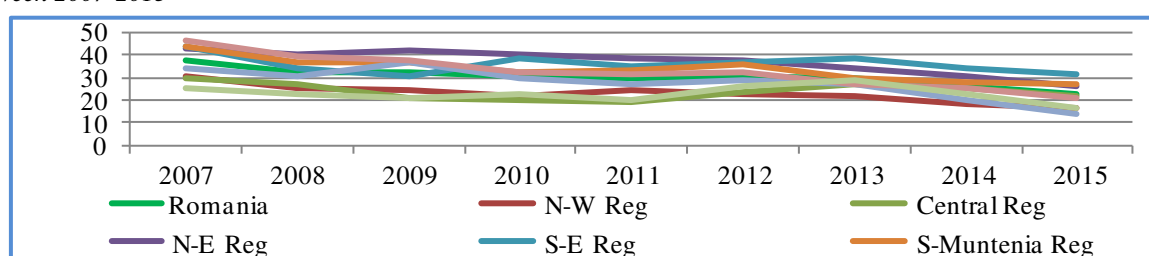
Structure of persons between 16-74 year olds having used the computer daily or almost everyday (Figure 8) increased by 16,6% in urban areas, from 52,9% in 2007 to 69,5% in 2015, while in rural areas increased by 31,9% from 26,1% in 2007 to 58% in 2015.

For most of the health indicators, Romania presents substantial disparities compared with the average of the European Union and record the performance of the lowest or almost worst. The main barrier is the cost too high for health services. Community care services and the health of vulnerable groups mediation are unevenly and insufficiently territorially spread out [9].

People in rural areas, people with a lower level of education, as well as children face higher risks of severe material deprivation. Romania is characterised by large differences associated with the levels of urbanization: while urban areas 24,8% of people are affected by material deprivation, 36,9% is in the rural areas.

Between 2007-2015, the incidence of severe deprivations of multiple materials (Figure 9) decreased from 38% to 22,7%. Although declining in recent years, the value of this indicator is maintained above average in South-East Region (32%), South-Muntenia Region (26,8%) and North-East Region (26,7%).

Figure 9 The evolution of the rate of severe material deprivation, in the Romania's development regions, between 2007-2015



Source: Our processing after data provided by INSSE

The social economy is underdeveloped, but with potential to generate jobs and to implement social inclusion measures. The main factors underlying the poor development of the social economy sector are [8]: the experimental nature of social economy activities developed with the support of EU funds, reduced emphasis on direct intervention and rigidity of approach interventions intended for disadvantaged groups.

In order to reduce poverty and promote social inclusion, in the period 2015-2017 are implemented a series of policies and interventions [3]:

- ✓ increasing employment among poor and vulnerable population by enlargement of activation programmes in the labour market;

- ✓ increase income support for the poor population and introducing incentives for proactive work programmes;
- ✓ developing integrated social services at the community level;
- ✓ improving instruments for identifying disadvantaged schools to ensure that all children enjoy equal opportunities;
- ✓ strengthening social services child protection;
- ✓ developing a tool to identify poor villages and marginalized rural communities;
- ✓ investments in improving the current IT system to build an electronic system of social assistance;
- ✓ developing a modern payment system;
- ✓ strengthening coordination mechanisms and the development of a monitoring and evaluation system to ensure the achievement of the objectives of the Strategy of social inclusion and poverty reduction.

In conclusion, an above-average level of poverty and social exclusion can be seen in the South-Eastern Region, North Eastern Region and South-West Oltenia Region. The main causes of poverty are determined by: the lack of a place of employment or in the case of employees when revenue does not cover basic needs, level of education, membership of certain vulnerable groups (children, young people and children from institutional system for the protection of the child, the unemployed and people with very low income, elderly, roma, people with disabilities); poverty being associated with lack of modernisation and a predominantly agricultural economy. For combating poverty and social exclusion should be developed and multi-dimensional implemente interventions for increasing social inclusion (education, employment, housing, social and medical assistance and actions directed towards combating discrimination) targeting the needs identified at Community level and the development of a pro-active, participation and accountability in the population, through partnerships, and by involving citizens in initiatives in the field.

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