

Impacts of the international economic crisis in Romania 2009-2010

In 2009 ‘only on TV’, in 2010 ‘kneeled us’

A panel study based on qualitative methods

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Foreword to Crisis Impact Report

Whenever a crisis strikes, children suffer. This is especially true of children and families who are already struggling on the margins of society. This report confirms that fairly obvious fact in charting the effects of the Romanian economic and financial crisis during the period mid-2009 to end 2010, when the crisis was at its peak.

The research found that 84 per cent of respondents said that the crisis had affected their households “much” or “very much”. Poverty increased, unemployment soared, work in the informal sector dried up and remittances from abroad were down. The middle class suffered and the poor got poorer. Families had to make do with a lot less just to survive. School attendance and performance was affected.

People turned to the State for assistance to help them through the crisis. But the State had no money to help because it was actually implementing an austerity programme, cutting jobs, wages, benefits and pensions in an effort to get its financial house in order. With the economy in serious recession, less tax money was coming into the Government coffers and the excesses of the good years had caught up, just like elsewhere in Europe. So Government spending was slashed, leaving large holes in a safety net which could no longer cope with the growing demands of families and children in crisis.

This report, which summarises four rounds of research conducted during the height of the crisis, looks at how families and children managed to cope with the combination of reduced household income and a weaker safety net. It shows that they first cut consumption of non-food items and then looked for cheaper food in lower quantity and quality. Some managed to get more credit and more extremely, others were reduced to searching in the garbage dump. Unsurprisingly, the Roma, already socially and economically disadvantaged suffered disproportionately: their risk of absolute poverty is 7 times higher than the population at large. Social networks of relatives, friends and neighbours helped compensate to some extent for the weakened state response.

The latest economic forecasts may indicate a return to modest economic growth in Romania, but people have no expectations of this translating into better circumstances for them anytime soon. For them, the crisis continues. For UNICEF it's a time to present the evidence in

this report to the authorities and to appeal for the prioritization of urgent action, backed up by expenditures, to ensure that all children go to school and have proper access to quality health and protection services in accordance with laws of the country and the principles of the Convention on the Rights of the Child. It is particularly important that the children most affected by the crisis are prioritised so that they manage to come through this difficult time with their right to equal opportunity undiminished.



Edmond McLoughney

Representative

UNICEF Romania

Acknowledgments

The *Rapid Assessment of the Social and Poverty Impacts of the Economic Crisis in Romania* was carried out at the initiative of UNICEF and the Social Development Department of the World Bank. The study included four rounds of research, of which the last three rounds were supported by UNICEF only. Without this support, the panel study would not have been possible. We thank them for constant support.

Special thanks go to Mrs. Voichița Pop, Programme Specialist, UNICEF, and to Mr. Edmond McLoughney, UNICEF Representative in Romania, who have guided and sustained this project with a lot of enthusiasm.

The four rounds of research cover a long period of time (2009, 2010, 2011), during which various people have contributed to the study. We would like to thank especially to Mr. Eugen Crai, Social Policy Advisor, who has coordinated the first three rounds of research on behalf of UNICEF. Eugen Crai and Lucian Pop, Senior Social Development Specialist (World Bank), initiated this project in the spring of 2009 and provided comments and observations on the research reports. Together with Carrie Turk (Social Development Department, World Bank), the initial research design was elaborated, in line with the World Bank rapid assessment studies from countries like Vietnam or Turkey. The sociologist Vlad Grigoraș, PhD candidate of the Faculty of Sociology and Social Work, University of Bucharest, participated as expert in the first round of research. We thank all these specialists who added value to the project.

The field research benefited from an energetic and diligent team of young research assistants of the Romanian Centre of Economic Modeling (CERME), including: Simona Anton, Cătălina Iamandi-Cioinaru, Bogdan Corad, Georgiana Neculau and Oana Popa. CERME regional coordinators recruited and organized the logistics of the focus-groups and interviews with community representatives.

Last but not the least we sincerely thank to all participants to focus groups and interviews who have shared with us the way the crisis was felt in their families and communities. We hope that this study expresses their voice accurately.

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1 EXECUTIVE SUMMARY

The Rapid Assessment of the Social and Poverty Impacts of the Economic Crisis in Romania was initiated and supported by UNICEF in collaboration with the Social Development Department of the World Bank. The research started in June 2009 and continued with other three rounds in October 2009, July 2010, and December 2010.

This exercise has been designed as a panel study based on qualitative research techniques (focus group discussions and interviews) for gathering information that illustrate the diversity of crisis impacts within households and communities.

All four rounds of the rapid assessment have been focused on the same channels through which the impacts of the crisis are more likely to be transmitted: (1) The contraction in demand for labour in both formal and informal sectors of the economy and (2) A cessation, reduction or growing unpredictability in the flow of remittances from family members working overseas.

The study has also considered the identification and analysis of various types of impact of the crisis on: (1) household consumption and (2) children's well-being.

The main findings of the research show, that in the period 2009-2010, in Romania, the impact of the economic crisis was transmitted on both channels of paid work in the domestic market and of remittances from migrants working abroad.

The economic crisis has had negative effects both on employment and incomes, both on public and private sectors, both for employees in the formal sector as well as for workers in the informal sector. The fall in the non-farming employment (employees) was much stronger than the fall in GDP. The number of employees has considerably declined, much more

than in the other European countries, especially in the private sector, particularly in manufacturing industries, constructions, retail trade and transportation. The economic crisis led to job loss, but also to an increase of work overtime for fear of not losing job. Consequently, in many households, children are exposed either to risk-of-poverty associated with parents' job loss or to reduction of the quality time with parents.

The opportunities of paid work have considerably diminished, especially for workers with a low level of education from the informal sector. Also, predictability and security of employment have significantly declined for Roma and unskilled workers, especially for those employed in the informal sector. The situation has however worsened in the formal sector too. In some companies, the crisis was used as an opportunity for introducing exploitative practices and, overall, the quality of work has substantially decreased both in private and public sector.

The contraction of the European economies resulted in the decline of remittances. Migrants working abroad have also suffered job loss, reduction of working hours, increase of employment insecurity and, consequently, a decline of earnings. Even so, 'it is better there than here, even if they don't send any money, even if they are not doing much.' Hence, the rate of return is very small and not likely to increase in the nearest future. Having children has not significantly influenced the migration behaviour, it has neither inhibited people to leave for working abroad nor has stimulated migrants to return. At most, having children determines more migrants to come home for holidays, even in times of crisis.

Migration for work abroad is a way to achieve economic security but at the cost of temporary or permanently abandoning own children. As result, an important proportion of children are deprived of growing up in a functional family. The economic crisis has added negative financial effects to the existent damaging effects upon the family environment.

Since the summer of 2009, the frequency, the amounts of money and the number of packages have constantly decreased. The households with children and parents/relatives abroad receive

remittances in a significantly larger share than childless households with migrants abroad (65% versus 58%). Households with children receive remittances more often and in amounts more important for the family well-being than those without children. Nonetheless, about a third (31%) of the households with children and parents/relatives abroad received neither remittances nor packages between September 2009 and August 2010.

The effects of the economic crisis have combined with those of the reforms from 2009-2010. Wages and earnings from labour decreased. Pensions have declined too. Some social benefits have been changed with respect to the eligibility criteria or the method of calculation. Other social benefits have been reduced, paid late or even eliminated. All in all, the erosion of all types of incomes, including remittances, led to a change in the consumption pattern for most households.

Reducing household consumption has been absolutely necessary the more so as a very low share of population saves spare money and, on average, the household savings represent less than two monthly incomes. Moreover, an increasing proportion of households have had loans or debts. In 2009-2010, the Roma informal workers and the households with two or more children experienced the highest increase in the share of households with loans/debts as well as in the total amount of loans/debts.

The institutional response to the crisis, especially of the governmental ones, was very weak and rather ineffective. 'I don't trust governmental institutions. They are not helping anyone. Eventually they take if they can and they increase the taxes' is the opinion shared by most of the population, but also by a large part of the community representatives from the studied localities.

Under these circumstances, in response to the crisis, an increasing share of households has started to buy cheaper and less food, buying informally on credit ('on the notebook') from shops eventually. The consumption of non-food products and services has been shrunk even more than the food consumption. Durable goods were cut off and the second-hand

items have been preferred against new ones, particularly by the Roma informal workers and by the households with two children or more. The poorest households (with children) returned to the urgency coping strategies developed in the years of drastic recession of 1997-2000, that is electricity theft or going to the garbage pit (sometimes even with children) where they search iron, bottles, paper and other recyclables for selling, but also clothes, shoes, food and other 'useful things'.

Most parents emphasized their efforts to protect their children against the drop in income and consumption. There are significant differences, however, according to the household financial resources, the number of children, but also to the adults' attitude towards their children. Therefore, the average amount of money spent per child in a regular month (2009-2010) has greatly varied from 131 euro, for the children from households of formal workers, to 9 euro, for the children of the Roma informal workers.

In the area of the expenditures for children, those for extracurricular activities (private lessons, trips or camps) have been progressively reduced. Even more drastically were cut the spending for anniversaries, gifts and celebrations. All households with children said that they have made efforts not to affect child's nutrition, in spite of the fact they have started to buy less and cheaper food. For child, say the parents, only the expenses with sweets, fruits and beverages, have been reduced. However, there are significant differences depending on the household's incomes. In a household with employees, the monthly average spent for food is about 40 euro per person, plus 35 euro per child as pocket money for food in school, sweets, fruits and beverages. Unlike, in the Roma households working in the informal sector, about 20 euro are allocated for food per person in a month and less than half of them use additional 5 euro per child.

School attendance and school performance have been negatively affected by the crisis. Number of school absences increased and school performance worsened, especially for some children with parents working abroad, children from poor households and Roma children. Precisely these three

categories are the ones considered with the highest risk of school dropout, according to the school representatives and social workers. Still, it is worth mentioning that school attendance and school performance are linked, besides poverty, with the poor education of parents and a general attitude of disregard toward education.

This study brings additional evidence that in Romania *free education costs*: 82% of the households with children included in the UNICEF panel allocate a monthly average amount of 30 euro per child for school related expenditures. Obviously, the sum varies from under 3 euro per child, in the Roma households, to 56 euro in the households with formal workers. Funds are needed for school supplies, books and special notebooks, school uniform, sport equipment, school and class funds, home tutoring, events, celebrations or other contributions paid to the school.

If in the summer of 2009 the economic crisis was perceived as being 'only on TV', in the autumn it became 'real' and until the spring of 2010 it has 'kneeled' a large part of the population, being associated with 'sadness', 'confusion' and pessimism. This generalized feeling has been exacerbated by the political crisis, the frequent political scandals and the anti-crisis governmental measures.

The only safe space away from the negative effects of the crisis, at least at the perceptions level, is the space of the family and networks of relatives, friends and neighbors on which the people can count. One can ask and get help, understanding and compassion. One can find a kind word, encouragement, or 'someone who knows someone' ... and so, perhaps some work. The family, friends and acquaintances represent the most important capital in an environment marked by uncertainty and furnished with institutions (perceived as) 'hostile', 'only for taking', which instead of offering solutions, are a source of problems for population.

2 ABOUT THE RESEARCH

The global economic crisis has undoubtedly affected various groups of population, public institutions and companies. For Romania, although neither the beginning, nor the end of the crisis is easily to be located in time, it is clear that the social impact has been differently felt at the level of various social groups.

The objective of the panel research presented in this book has been to identify the 'signs of crisis' and the corresponding coping strategies of several vulnerable groups. The exercise is based on qualitative research techniques (focus group discussions and interviews) that illustrate in-depth the diversity of crisis impacts within households and communities, with variations from 'it is getting harder and harder, money is fewer and fewer', 'we cannot even know how to count [number of working hours]', 'we just buy the cheapest and, usually, discounted', 'we turn off heating more often' to 'we see it (*the crisis*) in the garbage pit; the garbage is less and much worse quality'.

The present study is built around the following research questions:

- Who is being affected and through which channels? How are impacts different for different groups and individuals? How are impacts distributed within the household, as well as between households? Are there particular impacts on women or children?
- How are people responding to the labour market shocks? Which formal and informal institutions are they turning to for help? How useful, functional and how well-

targeted are these sources of assistance and where are the gaps?

- Are coping strategies that are being adopted by those affected likely to cause further harm in the longer term and how might this be prevented?

The *Rapid Assessment of the Social and Poverty Impacts of the Economic Crisis in Romania* was initiated and supported by UNICEF in collaboration with the Social Development Department of the World Bank. The research started in June 2009 and continued with other three rounds in October 2009, July 2010, and December 2010, with the last three supported by UNICEF only. This paper provides a synthesis of the perceived impact of the crisis along the four waves of the research, as collected in the wave of December 2010.

A team of junior researchers from CERME (Romanian Centre for Economic Modeling), carried out an extensive fieldwork research which has covered (in the fourth round):

- ⇒ 24 focus group discussions (FGD) with population
- ⇒ 132 participants to the FGDs, from various social strata and life cycles
- ⇒ 32 interviews with business and community representatives
- ⇒ more than 42 hours of discussions overall recorded
- ⇒ 12 communities, 8 cities and 4 communes, located in 8 Romanian counties.

All four rounds of the rapid assessment have been focused on the same channels through which the impacts of the crisis are more likely to be transmitted:¹ (1) the contraction in demand for labour in both formal and informal sectors of the economy and (2) a cessation, reduction or growing unpredictability in the flow of remittances from family members working overseas.

¹ In some instances, certain households and communities may be experiencing the effects of more than one transmission channel.

The study considered identification and analysis of various types of impact of the crisis on: (1) household consumption and on (2) children's well-being.

In the fourth round of research we modified the main instrument (the focus group guide) in order to capture the developments during the period June 2009 - December 2010 on each transmission channel. In addition, we carried out a case study in a ghetto-like community from Alba Iulia (the block G2-Turturica) for illustrating the impact on children and their school participation.

The objective of this panel study has been to gather qualitative information that supplement the available quantitative data on the impacts of the crisis. Thus, in 2009, the rapid assessment complemented data provided by two studies financed by the Agency for Governmental Strategies, namely the panel survey ² *The Impact of the Economic Crisis in Romania 2009* and the survey ³ *The Impact of the Economic Crisis on the Private Businesses*.

Such kind of data was no longer available for the year 2010. Consequently, the third round of research (from July 2010) drawn on various quantitative data available: official statistics, the Research Institute for the Quality of Life survey ⁴ *Quality of Life in Romania* (July 2010), the World Bank survey ⁵ *Financial Literacy in Romania*, and the Soros Foundation Romania exhaustive study ⁶ of municipalities *The Access of Local Authorities to European funds*.

In the fourth round of research, data from focus groups and interviews were accompanied by data from official statistics

² Carried out by TNT CSOP in June 2009 and October 2009.

³ Carried out by Metro Media Transilvania in August 2009.

⁴ Research coordinated by Mărginean, I. and Precupețu, I.

⁵ Conducted by the Institute for World Economy in May 2010.

⁶ Carried out by a consortium including the Romanian Centre for Economic Modeling, the National Centre for Training in Statistics of the National Institute for Statistics and the Research Institute for the Quality of Life, in November-December 2009.

and from the Friedrich Ebert Foundation survey *Romanian Migrants That Work Abroad During the Crisis*.⁷

This study presents the synthetic report of all four rounds of research of the *Rapid Assessment*. The book is structured into four parts. First part includes the executive summary of the main findings. Second chapter shows the research questions, data and the analysis model. Third section presents in detail the results of the research. Lastly, the annex includes additional information about the data.

2.1 FOCUS GROUPS

In order to capture a diversity of circumstances and impacts, the research on the impacts of the crisis in Romania was carried out with the following vulnerable groups:

Transmission channel	Group profile	
(1) Labour market		
Formal sector (6 FGDs)	Employees in industries heavily dependent on export	- Women - Men
	Unskilled workers	- Women
	Employees in the public sector	- Women and men
	Informal sector	
(8 FGDs)	Constructions	- Men
	Services to households	- Women
	Constructions and services	- Roma men and women
Unemployment (6 FGDs)	Unemployed	- Young 15-29 years - Men and women 30 + years
(2) Remittances (4FGDs)	Persons who returned from abroad as effect of the crisis or representatives of households receiving remittances.	- Men and women

⁷ Conducted by the Company of Sociological Research and Branding (CSRB), in August 2010.

All focus group discussions covered ten areas and asked people to assess, for each of these areas, the situation from June 2009, October 2009, July 2010, and December 2010 – altogether forming a data set of about 300 variables.

The ten areas cover the transmission channels of the impacts of the economic crisis: (1) contraction of demand for labour; (2) change of the flow of remittances from family members working abroad, but also the specific impact over (3) the household consumption and (4) children's well-being.

The first set of areas concern the changes in the areas of paid and unpaid labour, including work availability, predictability and security, wage/earnings, working conditions and the allocation of paid and unpaid work within household. The second set of areas focuses on the changes in remittances, including frequency, amount, predictability and the role played in the household consumption and production. The third set covers the impact of crisis on household consumption, including incomes and savings, loans and debts, coping strategies, relations in the household and relations in the community. The fourth set of areas refer to the impact on children, namely children's health and nutrition, school participation, as well as a section on child related consumption and expenditures.

In addition, the participants were asked to assess the global impact of the financial crisis over their households and how they expect it to change in the future.

In the fourth round of research 24 focus groups were carried out, which represent over 28 hours of recorded discussions. Out of these, 10 groups comprise only women, 4 groups only men, 2 groups comprise only young people (15-29 years) and 4 groups comprise only Roma people. In all focus groups, at least one participant has children (0-18 years).

Table 1 Number and composition of the Focus Group Discussions by research round

Transmission channel	Group profile	Number of Focus Group Discussions				Number of participants			
		Research round				Research round			
		1	2	3	4	1	2	3	4
		June09	Oct09	Jul10	Dec10	June09	Oct09	Jul10	Dec10
(1) Labour market									
Formal sector	Employees in industries dependent on export	3	3	3	3	18	20	18	18
	Unskilled workers	1	1	1	1	8	7	6	4
	Employees in the public sector	0	2	2	2	0	13	12	9
Informal sector	Constructions	2	2	2	2	12	12	9	10
	Services to households	2	2	2	2	11	13	12	12
	Constructions and services, Roma	2	2	4	4	17	16	26	26
Agriculture	Daily workers	1	0	0	0	5	0	0	0
	Business oriented farmers	3	0	0	0	18	0	0	0
Unemployment	Unemployed	6	6	6	6	44	36	33	29
(2) Remittances	Persons returned from abroad due to the crisis or representatives of households receiving remittances.	4	4	4	4	21	22	21	24
Total		22	24	24	24	154	139	137	132

The fourth round of fieldwork research was carried out in the following 12 sites, 8 cities and 4 communes, from 8 counties.⁸

Table 2 Fieldwork sites (4th round of research)

JUD	Residency	Locality	Focus Group Discussions	Interviews local business	Interviews community stakeholders
AB	Urban	Alba Iulia	2		1
CL	Urban	Oltenița	3	1	5
	Rural	Ulmeni	1		2
	Rural	Mănăstirea	1		3
NT	Urban	Piatra Neamț	2		4
	Urban	Roman	2		
MH	Urban	Drobeta Turnu Severin	5	2	3
	Rural	Eșelnița	1		3
AG	Urban	Câmpulung Muscel	1		2
BZ	Urban	Buzău	1		1
BC	Rural	Răchitoasa	1		1
SB	Urban	Sibiu	4	1	3
TOTAL			24	4	28

Note: Distributions of focus groups and interviews by type (transmission channel/ group) and location are shown in table 3.2 in Annex.

For documenting the perceptions of changes in the availability of work, wage/ earnings, working conditions, predictability and security of employment, for different types of work, we collected data regarding (a) the participants at focus groups, but also about (b) the main breadwinner of their households, and

⁸ The city of Alba Iulia was included only in the third and the fourth rounds of research. The other 11 settlements were in all rounds. In the first round, focus group discussions were also organized in communes Români, Urecheni (Neamț) and Gârcov (Olt), which were canceled in the subsequent rounds. In the same time, two interviews with community representatives from Slatina (Olt) were canceled after the second round of research, being replaced with interviews in Alba Iulia.

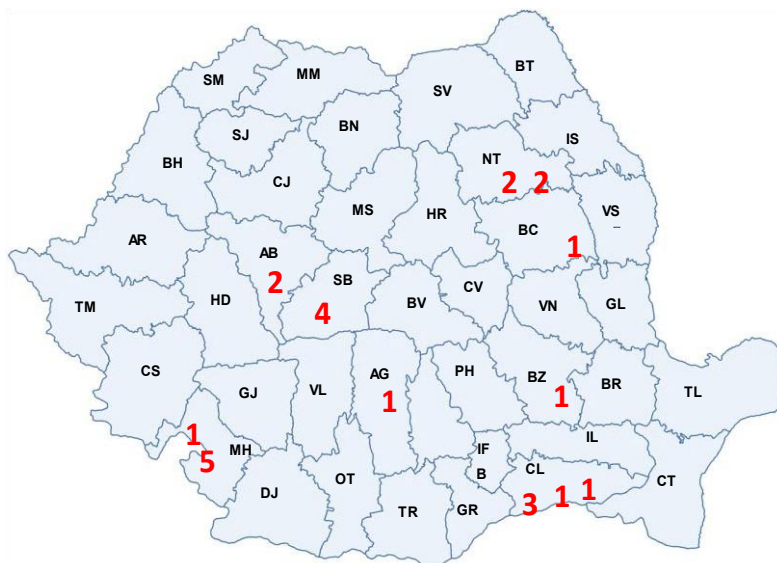
about (c) the persons who work abroad and send them remittances.

If the participant was the main breadwinner, then information was also collected about an additional member of the household who contributed significantly to the household budget.⁹

Predominantly, the main breadwinners are men, married and employed. Persons who send remittances included in our panel are young and predominantly employed either as blue collars or as unskilled workers, profile which is in line with the one resulted from the studies regarding the Romanian migrants for work abroad.

Table 3.1 (in Annex) presents the socio-demographic profile of the UNICEF panel used in the fourth round of research, which account for about 85% of the initial panel (from the first round).

Map of the fieldwork 2010 (4th round of research)



⁹ This additional household member was selected by each participant.

Table 3.1 (in Annex) shows also the changes the labour market position of participants to the rapid assessment panel, between June 2009 and December 2010. Thus, about a half (52%) of all participants did not change their employment situation, whereas 11% succeeded entering formal labour market (unemployed or informal workers that found a formal job), 6% entered informal sector (unemployed that found an informal job), 16% lost their job and became unemployed and 15% (particularly women) did not find any job, became discouraged and left the labour market. Therefore, only in the first round of research, participants fully complied with the selection criteria for focus groups. Until the last two rounds of research, the focus groups of informal workers had also included persons self-declaring unemployed or house-persons, the groups of unemployed had also included informal or formal workers, and a part of participants to the remittances groups were no longer receiving remittances from abroad.

2.2 INTERVIEWS WITH COMMUNITY STAKEHOLDERS

In addition to focus groups discussions, interviews with stakeholders able to locate the findings in a bigger picture and to describe community level changes were conducted.

In total 32 interviews, which cover about 14 hours of recorded discussions, have been conducted, out of which:

- 4 interviews with representatives of the local business
- 4 interviews with representatives of the local municipality
- 8 interviews with social workers
- 4 interviews with representatives of employment offices
- 6 interviews with teachers
- 4 interviews with representatives of community based organizations.
- 2 interviews with school inspectors

The distribution of interviews by type and location is provided in table 3.2 in Annex.

2.3 CASE STUDY G2-TURTURICA

For illustrating the impact of the crisis on school participation of children, we carried out a case study in a ghetto-like community from Alba Iulia, the block G2-Turturica. In this respect we collected data about all children who go to kindergarten/ school, from their teachers. Data refer to the number of absences from school and to the school marks from the period November 15 – December 14, 2010.

2.4 ADDITIONAL ANALYSIS: SURVEY DATA

The fourth round of the rapid assessment included four focus groups with people who receive remittances from abroad. From June 2009 till December 2010 remittances have decreased so that in the fourth round of research only about a half of the participants were still receiving remittances regularly.

Therefore, we used the Friedrich Ebert Foundation (FEF) survey *Romanian Migrants That Work Abroad During the Crisis* for analyzing the transmission channel related to a cessation, reduction or growing unpredictability in the flow of remittances. The survey was conducted in August 2010 by the Company of Sociological Research and Branding (CSRB).

The FEF-CSRB survey is representative for households from six counties from all country regions, namely Braşov, Călăraşi, Dolj, Maramureş, Neamţ and Vaslui.

The sample includes 2920 households from 30 cities and 71 communes.

These data allow a comparative analysis between:

- (1) households without children,
- (2) households with children and no migrants working overseas (including households with migrants returned in the country in the last year, due to the economic crisis), and
- (3) households with children and parents/ relatives working abroad.

Due to the survey methodology, the relationship between child and migrants cannot be identified so that households with children and migrants include both children with parents overseas and children with parents at home but with grandparents, uncles, aunts or other relatives abroad.

Table 3.3 (in Annex) presents the socio-demographic characteristics of the FEF-CSRБ sample.

Households with children are over-represented among Roma and among poorer households, poorer communities ¹⁰ and poorer regions. Particularly households with children and parents/relatives working abroad are over-represented in smaller communities (rural and urban) with underdeveloped local economy.¹¹

¹⁰ Commune Development Index, Sandu, Voineagu and Panduru (2009), and Social Development Index (IDSL), Sandu (2010). Methodology and data are available at: <http://sites.google.com/site/dumitrusandu>.

¹¹ The indicator is own income to the local budget per capita, according to the budgetary execution provided by the Ministry of Public Finance. This indicator reflects best the level of development of the local economy. A low value indicates underdeveloped local economy, with no business or companies other than bars and small shops.

3 MAIN FINDINGS OF THE RESEARCH

3.1 DEVELOPMENTS DURING THE CRISIS

3.1.1 ECONOMIC AND LABOUR MARKET DEVELOPMENTS

Romania suffered a strong contraction in economic output during the crisis. The recession started in the third quarter of 2008 and deepened sharply in 2009. Even though the economy has recently started to improve, economic output is still down due to the large fall in GDP compared to the previous year, of the order of 7-9%,¹² which is much higher than the EU-27 average.

Table 3 GDP growth rates for the EU and Romania, 2008-2010 (%)

GDP growth rates	2008				2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Quarter-on-quarter												
Romania	3,8	1,5	-0,4	-2,2	-4,1	-1,5	0,1	-1,5	-0,3	0,3	-0,7	0,1
EU-27	0,6	-0,3	-0,5	-1,9	-2,5	-0,3	0,3	0,2	0,3	1	0,5	
Year-on-year												
Romania	8,5	9,6	9,4	3,1	-6,2	-8,7	-7,1	-6,5	-2,6	-0,5	-2,5	-0,6
EU-27	2,1	1,5	0,3	-2,1	-5,2	-5,2	-4,3	-2,2	0,6	2	2	

Data: Eurostat, National Accounts. Data seasonally adjusted. National Institute of Statistics, *Monthly Statistical Bulletin* No. 5/2010 and 11/2010. Note: Colour of cells indicates first (in a sequence) of negative quarter-on-quarter growth rates (light blue), followed by quarters in which the country technically is in recession (dark blue).

¹² Other member states in the same situation Slovenia, Hungary, Bulgaria, Finland and Ireland. (EC, *Employment in Europe 2010*)

In the European Union, the fall in employment was much weaker than the fall in economic activity.¹³ Employment reacted to the recession with the usual lags due to the employment protection legislation and to the companies' decisions to avoid firing costs and future recruitment costs as far as possible. In some Member States the governments sponsored short-time working schemes which have contributed substantially to cushioning the effect on employment.

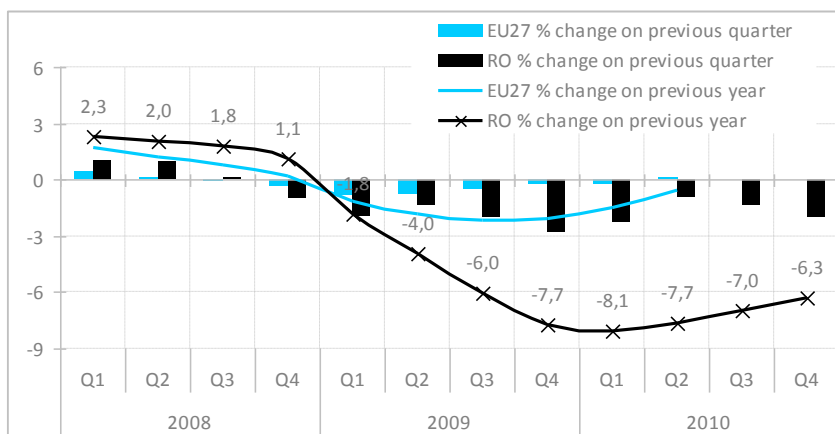
However, this was not the case in Romania. Firstly, the policy response of the government has been weak. Secondly, a large number of firms (particularly the SMEs) narrowed down their activity or even closed down due to the crisis. Thirdly, the downward reaction to the economic contraction was much more pronounced at the level of the non-farming employees than to the level of the total employment (non-farming employees plus farming employment).

Compared with the third quarter of the 2008, the total employment contracted by 3.5%, which has been low within the European context. Nonetheless, the situation appears much worse if we focus only on employees, which represent most of the non-farming employment in Romania. Thus, the number of employees declined by 14.4%, meaning almost 700 thousands persons, by the fourth quarter of 2010. Consequently, in Romania the fall in non-farming employment (employees) is much stronger than the decline in GDP. Furthermore, the contraction of non-farming employment in Romania is much larger than the EU-27 average (by -2.5% of non-farming employment).¹⁴

¹³ According to the EC report *Employment in Europe 2010*: 'The fall in employment in the EU and most Member States has been significantly less than the decline in economic activity during the crisis. For the EU as a whole, the peak-to-trough contraction in economic output (between 2008q1 and 2009q2) was a substantial 5.3%, while the peak-to-trough contraction in employment (between 2008q2 and 2010q1) was only 2.7%.' (p. 27)

¹⁴ According to the EC report *Employment in Europe 2010*, out of all Member States, Spain experienced the greatest decline in employment by 9.2% between the second quarter of the 2008 and the mid-2010.

Figure 1 Employment growth rates for the EU and Romania, 2008-2010 (%)



Data: Eurostat, National Accounts. Data seasonally adjusted for change on previous quarter; data non-seasonally adjusted for change on previous year. National Institute of Statistics, *Monthly Statistical Bulletin* No. 5/2010 and 11/2010.

The number of employees has continuously contracted since the fourth quarter of 2008, from the peak of 4.83 million in September 2008 to 4.1 million in December 2010. The number of employees has considerably declined in the private sector, with more than a half of million, particularly in manufacturing industries, constructions, retail trade and transportation. In the public sector, the number of employees followed a different trend: increased until January 2009 and has started to decline only since February 2009. As consequence, the job crisis is perceived as generalized.

‘Where from comes the largest proportion [*of the unemployed*]? The highest share comes from the private sector ... yes, from the private sector. Many were laid out from the public sector too, but the private sector is the main sources, because there are 30 people coming from a company, 50 from another company, something like this; therefore, next month we have some 200 coming from just 4-5 construction companies.’ (Employment Office representative, Piatra Neamț)

'In 2010, due to the economic crisis, the large enterprises, which some other times were employing people, absorbing the work force, did collective layoffs; besides these collective layoffs there also are many current layoffs by the small and/or medium companies. The number of the people who lost their job due to collective layoffs exceeded 1,500 persons, plus the number of people who lost their jobs being fired from small/medium companies.' (Employment Office representative, Drobeta Turnu Severin)

The economic recovery is still fragile, conditions are generally set to remain weak for some time, and the deterioration in non-farming employment has not yet stopped. Nonetheless, the registered unemployment rate, after reached a peak (8.4% or 765 thousands) in March 2010, it has declined onward. In December 2010, the rate of registered unemployment was 6.9% (or 630 thousands persons), much lower than the EU-27 average of 9.6%.

The labour market for young people (15-24 years) is still depressed and shows worrying developments, in Romania as in most European states: youth unemployment has rising from 18.6% in 2008 to 22.9% in the third quarter of 2010.¹⁵

The job crisis has hit young (including faculty graduates) and people over 45 years hard. Particularly in rural areas and smaller cities the work opportunities for these two age categories is very scant. In many cases the only work available is in the informal sector. The *Social Inclusion Barometer*¹⁶ has also showed that in 2010 the young and people over 40 years have the highest difficulties in finding a job. Difficulties to find a job differ for men and women. Thus men under 25 years or over 40 years have significantly higher risk to being refused for a job compared to men of 26-39 years. In the case of women, the job refusals are motivated by age over 40 years, having minor children, request for commuting, or simply being a woman.

¹⁵ ILO Department of Statistics, *Romania: country profile*, February 2011.

¹⁶ Social Observatory, University of Bucharest, 2010, *Social Inclusion Barometer*, survey representative at the national level for employers and employees from Romania.

Due to budgetary constraints, the active measures of employment policies, such as wage supplement through employers, were not funded in 2009 and were delayed or only partially financed in 2010. As response, young leave (or plan to leave) abroad and people over 45 years old turn to subsistence agriculture (if available).

‘For young is nothing in here. Those who succeeded to find work have been security agents with low wages and without a work contract. [...] So they go away to Italy, Spain, or ... Bucharest.’ (Priest and Social assistant, Ulmeni commune)

‘Worst thing is that people over 50 years would need 10 more years for a full state pension. Yet, there is no work for them. Employers hire people in their 30s or sometimes in their 40s. Never people over 50. So they are getting increasingly desperate.’ (Priest, Oltenița)

The job crisis is related to a serious contraction in the number of firms. Compared to 2008, the number of cancelled firms (temporary or permanent) exceeded by far the number of newly registered firms in 2009. Whereas the number of registrations declined by 17.5%, the number of permanent cancellations increased by 2.5 times and the number of temporary cancellations raised by more than 11 times (or 133 thousands firms). In 2010, the downward trend continued: registrations grew a little but the permanent cancellations reached a peak of almost 179 thousands firms.

Table 4 Evolution of SMEs, Romania 2007-2010

Operations in the Registry of Commerce	2007	2008	2009	2010
New registrations	142,073	140,642	116,022	122,831
Permanent cancellations *	20,401	17,676	43,615	178,838
Temporary cancellations **	12,012	12,019	133,362	***

Data: National Office of the Registry of Commerce, *Statistical Synthesis*. Note: * According to the Law 31/1990, in case of insolvency, bankruptcy or at the initiative of the investors, shareholders or business associations. ** According to the Law 31/1990, inactivity can last three years at most. *** Not available.

The number of SMEs has drastically reduced in real estate, constructions, manufacturing and trade sectors and it has

enlarged in other services. Accordingly, the *Annual Report on the SME Sector in Romania, 2010*,¹⁷ describes the situation as a 'process of creative destruction' (Schumpeter) because the dormant and the non-competitive firms are cancelled while new firms are created in the developing market niches.

Cancellation was a response of firms to the economic recession but also to the annual minimum tax¹⁸ and the noticeable instability of the business environment related legislation.

The report of the National Council of the Small and Medium Enterprises for 2009 shows that the SMEs sector experienced a significant decline in the number of employees (7%), in investments (9%) and in turnover (in average, 9%). A large number of SMEs were forced to narrow their activity, particularly in rural areas and in smaller cities. The large part reduced wages and bonuses of their employees and/or laid off their personnel without a redundancy plan. Some SMEs suspended workers only 'on paper', keeping them as informal workers, fact which further deteriorated the economic environment. Other SMEs changed their legal status into self-employed or family association for reducing taxes.

The small shops account for the large majority of the Romanian micro enterprises. All rounds of rapid assessment showed that the 'success survival strategy' of the small retail firms includes 'prices cut at minimum', 'focus on basic and cheaper products', 'no debts or bank loans', 'no rent for space', 'no employee but work with family', and expand selling on credit ('selling on notebook').¹⁹ Accordingly, owners of the small shops which are still open, fired their employees and have started to work as sellers since 2009, particularly if s/he was 45 years or above and had no other formal employment.

¹⁷ Post-Privatization Foundation, www.postprivatizare.ro

¹⁸ The level of the annual minimum tax for small and medium enterprises varies between 2,200 lei (500 EURO, for inactive and zero profit) and 43,000 lei (10,000 EURO, for SMEs with annual incomes larger than 129 million lei). The Government introduced this tax in April 2009 and eliminated it with October 1, 2010.

¹⁹ People buy food and beverages for daily consumption and pay at the end of the month, when wages, pensions, or other social benefits are received.

The economic downturn has had negative spill-over effects both in terms of employment and earnings. On the one part, in the private sector, redundancies and wage cuts or cap has taken place since 2009. On the other part, the 'reform of the public sector' has translated into wage cuts and blockade of posts. The reform of the social assistance system has resulted in discontinued or diminished social benefits. Changes of the taxation policies issued new or increased taxes both for the population and firms. Consequently, all types of incomes eroded considerably and businesses as well as population have become vulnerable.

The absolute poverty has steeply declined since 2000. The number of poor reduced from 2.1 million persons in 2007 to about 982 thousands persons in 2008 (from 9.8% to 4.6% of the country population). Children (0-14 years) living in absolute poverty also decreased from about 407 thousands children (12.3% of all children) in 2007 to 208 thousands children (6.4%) in 2008.

The World Bank and UNICEF ²⁰ showed that absolute poverty would stop declining in 2009 as a negative effect of the economic crisis. Based on a scenario of 100 thousands persons who lost jobs due to the economic crisis, the WB and UNICEF estimated that, in 2009, the absolute poverty would increase to 6.2% of the population (more than 1.33 million persons) the least. ²¹

More than 370 thousands employees lost their jobs in 2009, nevertheless, according to the Ministry of Labour, Family and Social Protection the absolute poverty continued to decline

²⁰ Crai, E., Pop L., and Stănculescu M. S. and Grigoraş V., *The Impact on Children and Families of the Economic Crisis 2008-2009*, Working Paper, April 2009.

²¹ Thus, if 100 thousands employees lose their jobs during 2009, then about 82 thousands households including 350 thousands persons could fall into poverty, which together with the 982 thousands poor from 2008 would make a total of more than 1.33 million persons in absolute poverty (that would belong to 331 thousands households). The number of poor children (0-14 years) was expected to increase accordingly from 208 to 300 thousands (from 6.36% in 2008 to 9.17% of all children in 2009).

(from 4.6% in 2008 to 4.4% of the country population in 2009).²² Given the well documented elasticity of absolute poverty to the GDP growth in Romania and the large fall in GDP during 2009, the official estimates of absolute poverty must be cautiously interpreted.

Besides absolute poverty, the in-work poverty, that is risk of poverty of the employed population, is also problematic in Romania. Already in 2008, before the beginning of the crisis, Romania had the highest rate of in-work poverty in Europe, which means that 17% of the employed population was working poor that live below the poverty risk threshold (Frazer and Marlier, 2010).²³ In most Member States, the in-work poverty is strongly linked to the work intensity of household. Consequently, the in-work poverty is linked with having children, being a low-paid lone parent or being a couple with children with only one person employed on low pay. As a rule, the larger the number of dependent children and the smaller the number of employed adults, the larger is the risk of in-work poverty. Taking into account the developments of employment and earnings during the crisis in Romania, we can expect that particularly households with children have become increasingly vulnerable to in-work poverty.

All studies on poverty in Romania indicate the Roma as one of the most vulnerable groups of population. Their risk of absolute poverty is seven times larger, 31.1% of Roma compared to 4.4% of the country population. The main determinants of poverty

²² Ministry of Labour, Family and Social Protection, *Research Report on Social Economy in Romania From a Comparative European Perspective*, project *Social Economy – Innovative Model for Promoting the Active Inclusion of the Disfavored Persons*, financed from POSDRU, 2010.

²³ Frazer, H. and Marlier E, 2010, *In-Work Poverty and Labour Market Segmentation in the EU: Key Lessons*, Synthesis Report based on the national reports prepared by the EU Network of Independent Experts on Social Inclusion, December 2010. The definition of in-work poverty is based on the concept of relative poverty measured on income. Households at-risk-of-poverty have income per equivalent adult (OECD scale) lower than 60% of the median national income. In the EU, 8.6% of people at work live below the poverty risk threshold in 2008.

include one-earner large households with many children (thus, low work intensity), poor education of adults and prevalence of the informal work.

The most recent *Social Inclusion Barometer*²⁴ (2010) confirms the results of many previous studies²⁵ that, in Romania, the Roma people are the mostly exposed to the risk of social exclusion; they are discriminated and have unequal access to the education, labour market, social services and health systems. The employment rate is much lower among Roma. The risk of Roma of being fired is ten times bigger than for the entire population and 41% of the Roma job-seekers are refused to being hired specifically on the account of being Roma. That is why 55% of the employed Roma do not have a work contract and 45% hold only casual or temporary jobs (compared to 5% of the Romanian ethnics). Consequently, their total household disposable income is three times smaller than for the general population. In fact, 60% of the Roma households make a living with less than a minimum wage per month.

²⁴ Social Observatory, University of Bucharest, 2010, *Social Inclusion Barometer*, survey representative at the national level for employers and employees from Romania.

²⁵ E.g. Preda, M. and Duminičă, G., 2003; Zamfir, C. and Preda M. (coord.), 2002; Zamfir, E. and Zamfir C. (coord.), 1993.

3.1.2 IMPACT ON POPULATION: PERCEPTIONS AND EXPECTATIONS

‘This crisis kneeled us.’ (FG Unemployed Mânăstirea)

If in the summer of 2009 the economic crisis was perceived as being ‘only on TV’, in the autumn it became ‘real’ and until the spring of 2010 it has ‘kneeled’ a large part of the population, being associated with declining incomes and rising costs of living.

The crisis started some time in autumn, since the wage cuts, that was just about the time when the crisis sharpened. Until then it was more like a rumour, at perception level, but now you can feel dramatically this wage cut. Another effect of the crisis is that the price for food and for fruits and vegetables increased. (FG Public sector, Drobeta Turnu Severin)

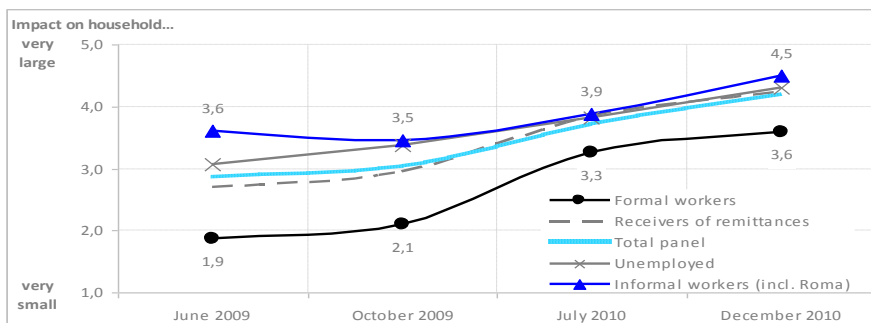
As the crisis deepened, more and more people have shared the belief that the economic crisis has drastically deteriorated the country economic situation and their household’s living conditions. In August 2010, more than 92% of population considered that the economic crisis hit seriously the Romania’s economy and 84% declared that their households were ‘much’ or ‘very much’ affected.²⁶ Households with children, particularly those with parents/relatives working abroad, appear to face larger negative effects than the households without children.

Over the years 2009 and 2010, the political crisis and poor governance aggravated the spill-over negative effects of the economic crisis as the successive Governments have not provided effective support to population. Consequently, people have associated the crisis with ‘sadness’, ‘confusion’ and ‘chaos’.

²⁶ FEF-CSRБ survey in six counties: Braşov, Călăraşi, Dolj, Maramureş, Neamţ and Vaslui, *Romanian Migrants That Work Abroad During the Crisis*, August 2010.

Middle-income groups of population have experienced the greatest impact of the economic downturn. Theirs were the jobs that were destroyed, theirs were the wages that were cut and/or theirs were the remittances that diminished. Accordingly, the perceived impact over the households of the formal workers and of the remittances receivers evolved from 'small'/'medium' (in June 2009) to 'large' (in December 2010). This 'large' impact refers to the worsening of the household's standard of living.

Figure 2 Perceived impact of the economic crisis over the household overall situation



Data: UNICEF Panel, December 2010 (N=132). Note: The graph presents the average values per group. Differences between groups are statistically significant according to a one-way variance analysis ($p=0.000$).

The more vulnerable informal workers, including the Roma ones, had insecure low-paid jobs even before the crisis. As the economy contracted their situation worsened and, consequently, the perceived impact of the crisis turned from 'large' to 'very large'. Their household standard of living was rather bad before the crisis and has become worse or very bad during the crisis. As a Roma informal worker puts it 'the crisis is very deep, we see it in the garbage pit; the garbage is less and much worse quality' (FG Roma informal workers, Alba Iulia).

For the future, the large majority of population expects the economic output to continue falling in 2011, their household

standard of living to decline further and the crisis to prolong for two or more years.²⁷

3.2 TRANSMISSION CHANNELS OF THE EFFECTS OF THE ECONOMIC CRISIS

3.2.1 CHANGES IN THE PAID LABOUR

This section is based on the UNICEF panel of the rapid assessment, which is not statistically representative. For documenting perceptions of changes in paid labour we collected data about the focus groups participants and also about the main breadwinner of their households and about persons who work abroad and send them remittances (see table 3.1, Annex). The analysis presented here does not include data about persons who work abroad and send remittances.

For describing the diversity of crisis impacts on paid labour we did a comparative analysis of five groups with very different types of work and positions on the labour market. The analysis focuses on the changes in a set of areas that refer to work availability, predictability and security of employment, wage/earnings from paid labour, and working conditions.

Five groups of people provided information about the changes in paid labour that took place between June 2009 and December 2010: formal workers, informal workers, Roma informal workers, unemployed and receivers of remittances. The socio-demographic profiles of the five groups are presented in table 5.

- **Formal workers** group includes women and men (focus groups participants and their partners), the majority aged 30-49 years, married, graduates of high school and university, employed predominantly as skilled workers in industries heavily dependent on export (in garment industry or in a shipyard) or specialists in the public sector.

²⁷ 79% of the population, according to FEF-CSRB (August 2010) and 71% of the UNICEF panel (December 2010).

Most formal workers included in the UNICEF panel come from small cities (Oltenița, Roman and Câmpulung Muscel).

- **Informal workers** is a mixed group of women in their 50s working on the side in services to households (mainly cleaning or caring for children/old persons), younger men working in constructions, and their life partners. The large majority of the informal workers registered in the UNICEF panel live in larger cities (Alba Iulia, Buzău, Drobeta Turnu Severin, Piatra Neamț and Sibiu).
- **Roma informal workers** group consists in Roma from ghetto-like neighbourhoods from larger cities or from a medium-developed commune (Eșelnița), men and women, aged 18-39 years, married with children, poorly educated (gymnasium at most), the majority of whom alternate periods of paid labour as unskilled workers in constructions or cleaning services with periods of living from the garbage pit (wherefrom they collect iron, paper, bottles etc. for selling) and periods out of the labour market when rely only on social benefits.
- **Unemployed** group includes more men than women, of all ages, mostly from households without children and with at least one adult employed and/or a retired member. The majority of unemployed included in the UNICEF panel are located in small cities.
- **Receivers of remittances** group comprises more women than men, the majority aged 50 years or more. Besides the older people from rural areas who make a living from agriculture, the group includes university graduates from larger cities who are employed and have at least a family member left abroad for work.

Table 5 Who assessed the changes in the paid labour (Socio-demographic profiles of the five groups) (%)

		Focus group type				
		Formal workers	Informal workers	Roma informal workers	Un-employed	Receivers of remittances
Number of cases		55	31	41	50	34
%		100	100	100	100	100
Gender	Male	44	55	50	58	31
	Female	56	45	50	42	69
Age	18-29 years	11	*	30	22	16
	30-39 years	31	34	45	14	*
	40-49 years	40	*	15	38	34
	50 years or more	18	41	*	26	41
Marital status	Unmarried	11	*	23	20	*
	Married	85	79	63	62	75
	Divorced, separated, widow(er)	*	*	15	18	19
Children (0-18 years)	No child household	45	48	32	68	44
	Household with children	55	52	68	32	56
Education	Gymnasium at most	*	28	68	*	24
	Vocational school	24	24	20	26	29
	High school	44	38	13	42	15
	University	29	*	0	24	32

Table 5 (continuation) (%)

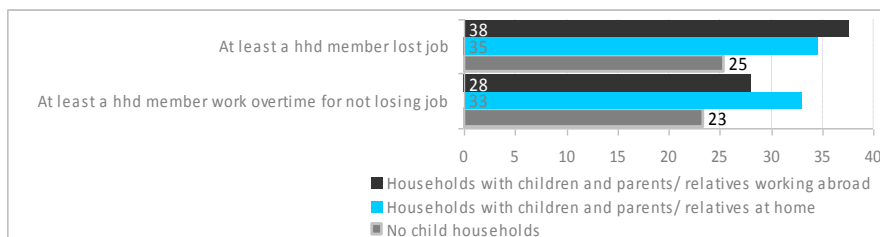
		Focus group type				
		Formal workers	Informal workers	Roma informal workers	Un-employed	Receivers of remittances
Number of cases		55	31	41	50	34
%		100	100	100	100	100
Employment	Employed out of which:	95	74	66	62	65
In December	- white collars	24	0	0	10	24
2010	- grey collars	9	16	*	20	*
	- blue collars	53	26	*	26	18
	- unskilled/ day labourers	9	32	56	*	18
	Unemployed	0	*	*	18	18
	Out of labour market	*	19	32	20	18
Residency	Rural (commune)	0	16	29	20	24
	Small cities	65	0	0	46	0
	Medium/ Large cities	35	84	71	34	76

Data: UNICEF Panel, December 2010. The five groups do not include migrants who work abroad and send remittances. Notes: * Cells with less than five cases. Coloured cells indicate values significantly higher than average (adjusted residuals higher than two in absolute value). 'White collars' include managers, employers, legislators and professionals. 'Grey collars' refer to foremen, assistants and similar, clerk as well as non-manual occupations in service sector. 'Blue collars' refer to manual skilled occupations.

Let us first say that at the level of the general population, previous surveys showed that the proportion of households in which at least an employed member suffered job loss due to the crisis has noticeably increased. In 2009, it was less than 10% at the national level.²⁸ In 2010, it peaked almost 30% of all households, at least in six counties: Braşov, Călăraşi, Dolj, Maramureş, Neamţ and Vaslui.

The proportion is much larger among households with children. Thus, in 35% of the households with children and parents at home and in 38% of households with children and parents/ relatives working abroad at least a person experienced unemployment during the crisis (figure 3). In addition, in one in every three households with children and parents/relatives at home, at least one member works overtime for fear of not losing job.

Figure 3 Job loss and work overtime in time of crisis (%)



Data: FEF-CCSB survey in six counties: Braşov, Călăraşi, Dolj, Maramureş, Neamţ and Vaslui, *Romanian Migrants That Work Abroad During the Crisis*, August 2010 (N=2,973).

So, children are exposed either to risk-of-poverty related to job loss or to reduction of the quality time with parents, in many households.

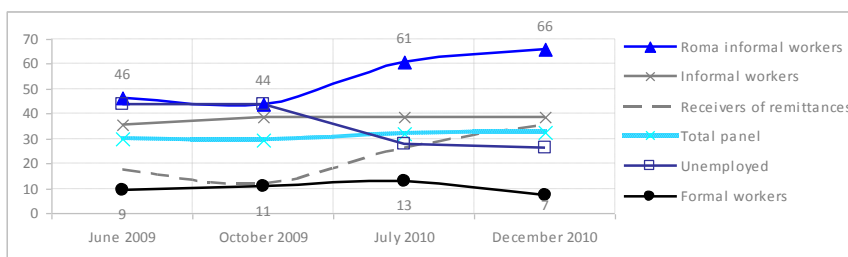
Within the rapid assessment panel, 28% of all households experienced job loss, in other 8% at least one member lost job and find job a few times, and in 18% of households at least a

²⁸ Agency for Governmental Strategies, panel research *The Impact of the Economic Crisis in Romania 2009*, national survey carried out by TNT CSOP in July and October 2009.

member found a formal or informal job.²⁹ Job loss hit 80% of the households of Roma informal workers and significantly less the other types of households.

Accordingly, when we shift from households to individuals we find that between June 2009 and December 2010 the share of job-seekers has widely varied across the five groups (figure 4).

Figure 4 The share of job-seekers during the crisis by group (%)



Data: UNICEF Panel, December 2010 (N=211).

The share of job-seekers has constantly been low for the formal workers, it has decreased for the unemployed and it has sharply increased for the beneficiaries of remittances and especially for the Roma informal workers. The share of the unemployed seeking work followed a descending curve as, in the first half of 2010, a part of them found a job (formal or informal) and another part exited labour market by becoming house-persons.

On the contrary, the share of the Roma informal workers seeking work increased in 2010 from less than a half to 66% in December. Usually, during winter, the segment of informal activities available for the Roma workers is extremely limited hence many Roma rely solely on social benefits. Cancellation of various social benefits and increasingly difficult access to family benefits or to the guaranteed minimum income pushed more and more Roma to seek any work opportunity, however with little success. For instance, participation in our focus groups was considered such a great opportunity to earn some money

²⁹ In the other 45% households the members' employment situation remained stable.

that in the last two rounds of research there were fights for being accepted. This was not at all the case in the first two rounds of the rapid assessment.

The job-seekers assess the availability of work as problematic. For the groups of formal workers, unemployed and receivers of remittances the availability of work changed from 'medium' in summer to 'bad' in winter, whereas for the groups of informal workers it has invariably been 'very bad'. Available opportunities for the skilled informal workers (in constructions, medical services, caring services) have been however more frequent and diverse than those for the unskilled manual services. Also, due to the lay offs in the formal sector, the competition in the informal sector increased.

'So, now in December, it is really bad, broken ... so, July, it was minimal, so it moved a little, it was less, very little ... in October, November, it was already dead still. *So, you didn't find anything to work?* No. There are three months since there is nothing.' (FG Women employed in the informal sector, Piatra Neamt)

Employed people see the availability of work problematic too, but in a different sense. The employed informal workers reported a decline of the days and hours worked; in average, the number of hours worked per day decreased from 8 (in June 2009) to 6 hours (in December 2010) for the informal workers³⁰ and from 6 to 4.4 hours for the Roma informal workers respectively. The largest fall in the working hours was registered in the rural areas both for women and for men, with or without children.

By contrast, particularly women employed in the formal sector bring into discussion exploitative practices and the balance between work and family. For instance in the case of formal workers in the garments industry both hours and days worked have increased. In the context of the crisis, the demand for their products has increased. So did the number of contracts but with smaller prices than before the crisis. As result, they started

³⁰ This trend is partly determined by the seasonal pattern specific to work in constructions.

working ten hours per day, including weekends. Nonetheless, they work long hours for the same (low)³¹ wage because in 2010 employers increased the working norm. 'Therefore, for the same money, we work more and see our family less'. (FG Women employed in garment industry, Oltenița)

'You asked us how many hours do we work every day ... Well, we can not even know how to count 11-12 hours every day and half an hour break ... we don't have a fixed schedule, to know that you come at that hour and leave at that hour. And we are also coming on Saturdays. This year they are asking us to come between the celebration days too, come to work... you feel like revolting a little ... but they tell you to stay home, they sack you on the spot, even if you have 17 years of work here, in this field. You don't like it, you are free to go, nobody keeps you here forcefully. You go, talk to the boss ... and finally it is like he says, and you have to accept. We have no other choice.' (FG Women employed in garment industry, Oltenița)

Alike, women employed in the public sector explain that due to the redundancies and blockade of posts in the public institutions the work load per employee has increased. Because they are afraid of being laid off, they accept to work long hours. 'And so, for a wage cut with 25%, I spend more time and energy in my job and, consequently, much less with my family'. (FG Public sector employees, Drobeta Turnu Severin)

'It is very bad that we lost people, 20 people... very much overwork. You are really busted. If some colleague happens to go on vacation ... we keep wondering every day <today on how many positions do you work?>. It is really very difficult.' (Employment Office representative, Sibiu)

On average, however, the number of hours worked by the group of formal workers has remained constant at eight hours per day, because unlike in the garment industry, other industries had to shrink their activity, hence fired a part of their employees and for the others reduced drastically the hours worked (e.g. people work only two weeks per month).

³¹ Less than 250 euro. Only very few receive wages of 350-450 euro.

Changes in predictability and security of employment vary significantly depending on the position on the labour market (figure 5). People in formal employment have perceived their job security as 'good' during the entire period. There is a feeling of competition and a fear of being laid off but overall the situation is rather secure. The groups of unemployed and of remittances receivers tend to assess their job security as 'medium', while the Roma informal workers declare their jobs as plainly 'insecure'. Finally, the group of skilled informal workers has emphasized the decline in predictability and security of the available jobs, the majority of whose are only casual or temporary (3-4 weeks).

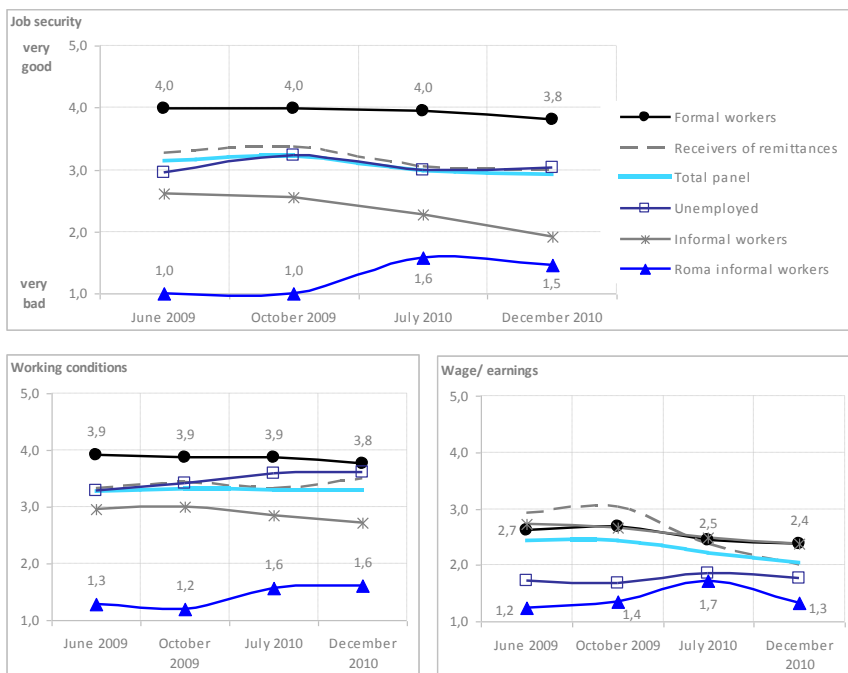
'This thing with the fear of losing the job, it is a daily matter...you are facing an accomplished fact. You get to the gate of the factory and the guard takes you to the office and they tell you that you are sacked, that they don't need you anymore. They don't even wait to finish the three months contract, or whatever, the contract you signed.' (FG Unemployed due to the crisis, Câmpulung Muscel)

The working conditions, on average, have not drastically changed during the crisis (figure 5). They have been 'medium' to 'good', except for the Roma informal workers. However, during the focus groups discussions various worsening aspects were mentioned: increase of workload, delay of payments, cancellation of bonuses and benefits, cut of the transportation subsidies for workers, weakening of the work protection rules and equipments. Regarding fringe benefits, many employed mentioned as a problem the reduction of meal vouchers due to the new taxation regulations.

The belief that the crisis is rather used as an excuse for cutting or not increasing wages is widespread.

'Job safety? Well, if you say something they tell you it is crisis and that there are people waiting outside. So they [*the employers*] say: it is crisis we can pay only x millions, even if they are prosperous.' (FG Women, informal workers in services, Sibiu)

Figure 5 Perceptions of job security, working conditions and wage by group of employed



Data: UNICEF Panel, December 2010 (N=155). Note: The graph presents the average values per group. Differences between groups are statistically significant according to a one-way variance analysis ($p=.000$).

Wages/earnings have been considered 'medium' to 'bad' by nearly all employed for the entire period (figure 5). Nonetheless, we know from the official statistics that the real average wage in the economy has declined and we know from previous surveys³² that in about 15% of households one or more employed members suffered a reduction of wage/fringe benefits (in 2009).

³² Agency for Governmental Strategies, panel research *The Impact of the Economic Crisis in Romania 2009*, national survey carried out by TNT CSOP in July and October 2009. This kind of data are not available for 2010.

The university graduates perceived the greatest decline in wage, irrespective gender or age; their average assessment decreased from 2.7 ('medium') in June 2009 to 1.9 ('bad') in December 2010. Beyond perceptions, the wage analysis shows that, in absolute terms, the average drop of wage is much higher for the university graduates than for the poorly educated employed. Nevertheless, in percentage points, while the average net wage of the university graduates declined by 17%, for the poorly educated employed, the fall was by 29%.³³

3.2.2 ALLOCATION OF LABOUR WITHIN HOUSEHOLD

Labour is allocated within household according to a highly stable pattern. Between June 2009 and December 2010 the only visible change in the allocation of labour within household is a decrease of the share of households in which the main breadwinner is a man (figure 6).

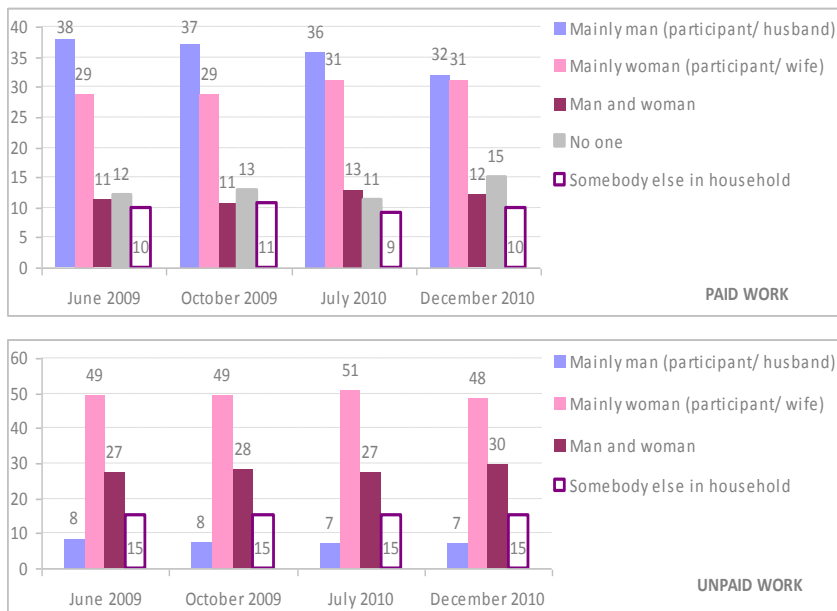
Men and women share the paid labour and women are in charge with the unpaid domestic work is the prevalent pattern of allocation of labour within household. Even households in which men lost their jobs or suffered a significant decrease of their working hours and women worked full-time have still respected this pattern. Cooking, washing, ironing and, especially, caring for children are simply 'woman's job' irrespective of how paid work is allocated.

'What does the man do? He sleeps. What does the woman do? She works. What does the elder child do? He is carrying. And the little one scolds him because the elder has taken more. What can you say... Well, if you ask him [*the husband*] he will deny.' (FG Unemployed due to the crisis, Câmpulung Muscel)

³³ In the UNICEF panel, people with gymnasium at most declared an average net wage of 566 lei in June 2009 declining to 400 lei in December 2010; graduates of vocational schools or of high school declared average wages of 750-850 lei (a little bit higher than the minimum wage in the economy) and the university graduates reported an average wage declining from 1500 lei in June 2009 and 1230 lei in December 2010 respectively (close to the average net wage in the economy).

In 27-30% of households, however, men and women share the unpaid labour. The majority of these are either couples with no children or young couples of university graduates with children.

Figure 6 Allocation of labour within household (% of households)



Data: UNICEF Panel, December 2010 (N=132).

In multigenerational households, retired grandparents provide a 'vital' contribution to the household budget, particularly in the households of unemployed and of informal workers. On the other hand, grandparents are in charge with the domestic labour and the care for children.

3.2.3 CHANGES IN WORKING ABROAD AND REMITTANCES

A recent Friedrich Ebert Foundation report (Stănculescu and Stoiciu, 2011) presents an extended analysis of the impact of the economic crisis on the emigration for work from Romania. It shows that during the crisis emigration for work have slowed and in the same time the returns have been much lower than expected.³⁴ In the six considered counties, 26% of all households have at least a member left for work abroad and 4.5% of households have at least a migrant returned due to the crisis. Surprisingly, the return rate is not higher in areas with high economic potential but in the poor North-East region (7% of households in comparison with only 1.7% in the more developed area of Braşov).

People leave to work abroad first and foremost for money (for 'better incomes'), irrespective gender, age, education, marital status and number of children.

The majority of all migrants working abroad were married when they left Romania for the first time. More than a half of the married migrants, women and men, left children (0-18 years) at home. Nonetheless, 28-30% of the married migrants (with or without children at home) remarried (legally or consensual union) abroad.

³⁴ Emigration for work abroad from Romania is circular, which means that migrants alternate periods of working abroad with periods at home. The highest rates of leaving Romania for the first time were recorded in 2005. Since 2006 the share of people leaving for work for the first time has continuously declined. Most returned migrants left Romania during the economic crisis in 2008-2009 when the demand for new workers was strongly declined. Thus, the migrants returned due to the crisis are predominantly among the migrants who left Romania for the first time later than those who succeeded to stay abroad.

Table 6 Effects of emigration for work over family: opinions and facts (%)

	Household type		
	No child	With children and parents/ relatives AT HOME	With children and parents/ relatives WORKING ABROAD
Number of cases	1856	778	286
%	100	100	100
Opinions about migration (<i>agree the statement</i>)			
Migration for work abroad have negative effects on Romania	64,6	61,3	52,1
Migration for work abroad breaks families apart	88,5	89,1	87,1
Facts about migrants' marital behaviour			
Migrants working abroad			
... were married before leaving RO for the first time and married(remarried) or consensual union abroad	66,1	*	74,1
... had children before leaving RO for the first time and married(remarried) or consensual union abroad	26,6	*	44,4
	16,8	*	29,5

Data: FEF-CSRБ survey in six counties: Braşov, Călăraşi, Dolj, Maramureş, Neamţ and Vaslui, August 2010.
Notes: * Households with children and parents/ relatives at home include only returned migrants and no migrants abroad. Coloured cells indicate values significantly higher than average (adjusted residuals higher than two in absolute value).

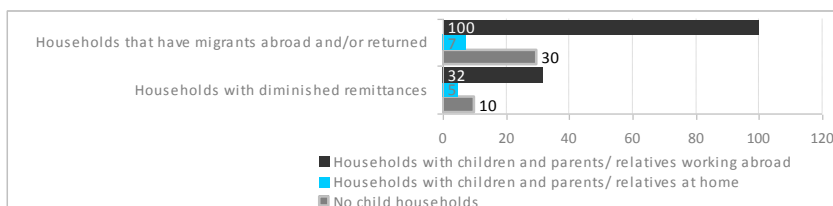
Having children has not significantly influenced the migration behaviour to leave the country or to return. This means that having children neither inhibit people to leave for working abroad nor stimulate migrants to return. At any given age (life-cycle), people with children and people without children tend to behave in a similar manner in relation to emigration for work. Among the returned migrants do not predominate people with children but young people (18-29 years) who did not find overseas a partner and persons aged 45-64 years without children (0-18 years) who succeeded to achieve their objectives (build/buy a house, save money etc.).

As result, an important proportion of children are deprived of growing up in a functional family; out of all children living in the six counties, 27% belong to households with migrants

abroad,³⁵ 5% are in households with returned migrants due to the crisis, and the other 68% have both parents at home. Thus, migration for work abroad is a way to achieving economic security but at the cost of temporary or permanently abandoning own children.

The economic crisis has added negative financial effects to the existent damaging effects upon the family environment. Almost one in every three households with migrants abroad has experienced a fall in remittances (figure 7). Thus, 10% of all childless households, 5% of the households with children and parents/relatives at home and 32% of the households with children/parents working abroad declared in August 2010 that the money received from overseas have decreased due to the crisis.

Figure 7 Remittances fell (%)



Data: FEF-CSRБ survey in six counties: Braşov, Călăraşi, Dolj, Maramureş, Neamţ and Vaslui, *Romanian Migrants That Work Abroad During the Crisis, August 2010*.

Let us now focus on the households with migrants abroad (table 7). People are rather reluctant to provide details about remittances. However, the FEF-CSRБ survey data shows that there are significant differences according to the type of household. The households with children and parents/relatives abroad receive remittances in significantly larger share than childless households with migrants abroad (65% versus 58%). Households with children receive remittances more often than

³⁵ Due to the survey methodology, the relationship between child and migrants cannot be identified so that households with children and migrants include both children with parents overseas and children with parents at home but with grandparents, uncles, aunts, siblings or other relatives abroad.

those without children. Remittances sent for households with children are more important for the household well-being than for the households with no child.

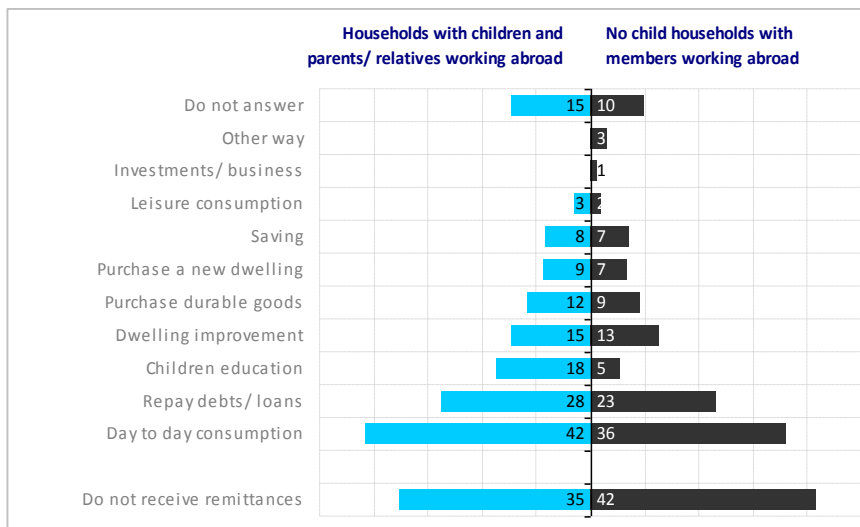
Table 7 About remittances (% of households with migrants working abroad)

	Household type	
	NO CHILD and members working abroad	WITH CHILDREN and parents/ relatives working abroad
Households with at least one migrant abroad		
Number of cases	478	286
%	100	100
Households that received remittances in the last year	58.4	64.7
In the last year the household received remittances		
Often and very often	31.0	43.4
Rarely and very rarely	27.3	21.3
Out of the household income, remittances account for ...		
A small part, the household can manage without it	25.5	17.5
A big part, it helps considerably	25.5	33.6
Do not answer	7.4	13.6
In the last year the household received:		
Remittances and packages with goods	24,3	23,8
Remittances but no packages	34,0	40,9
Packages with goods but no money	5,5	4,2
Neither remittances nor packages	36,3	31,1

Data: FEF-CSRB survey in six counties: Braşov, Călăraşi, Dolj, Maramureş, Neamţ and Vaslui, *Romanian Migrants That Work Abroad During the Crisis*, August 2010. Notes: Coloured cells indicate values significantly higher than average (adjusted residuals higher than two in absolute value).

Nonetheless, about a third (31%) of the households with children and parents/relatives abroad received neither remittances nor packages between September 2009 and August 2010. Furthermore, among households that received remittances, only in about a half the money from overseas contribute significantly to the household well-being.

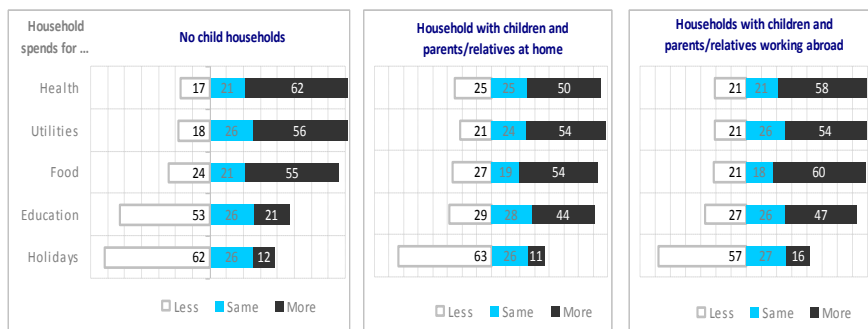
Figure 8 How remittances are used (% of households with migrants working abroad)



Data: FEF-CSRB survey in six counties: Braşov, Călăraşi, Dolj, Maramureş, Neamţ and Vaslui, *Romanian Migrants That Work Abroad During the Crisis*, August 2010. Notes: Based on a multiple response question.

Figure 8 shows that, as expected, the households with children and parents/ relatives abroad use the remittances for children's education and for daily consumption in a significantly larger share than the childless households. It is highly relevant, however, the fact that only 18% of the households with children and parents/ relatives abroad invest remittances in children's education, compared to 28% of them that use the remittances for repaying debts/ loans and other 27% that invest in dwelling (purchasing a new one, renovating the old one and/or endowing it with durable goods).

The decrease of remittances, the erosion of all types of income and the increasing prices resulted in a change of the household consumption pattern (figure 9). As the crisis deepened over 2009 and 2010, households have had to spend more on food, health and utilities, while holidays have been drastically cut. Expenditures on education were severely cut in the households without children but also in 27-29% of the households with children (with or without migrants working abroad).

Figure 9 Change in household expenditures by categories and by groups (%)

Data: FEF-CSRБ survey in six counties: Braşov, Călăraşi, Dolj, Maramureş, Neamţ and Vaslui, *Romanian Migrants That Work Abroad During the Crisis*, August 2010.

The decrease of the expenditures for holidays was less severe for households that receive remittances. Thus, if we focus strictly on the households that receive remittances we find that only 39% of the childless households and 23% of the households with children and parents/ relatives abroad allocated less money for holidays between the summer of 2009 and the summer of 2010.³⁶

This means that in a large part of households with children and parents/relatives abroad, irrespective if they receive remittances or not, the migrants reduced the number of visits at home.

The UNICEF rapid assessment identified the same changes with the ones presented above. Starting with the second round of research (November 2009), the majority of the receivers of remittances has declared that, due to the crisis, their relatives working abroad suffered job loss, reduction of working hours, increase of employment insecurity and, consequently, a decline of earnings. Even so, they have emphasized that: 'It is better

³⁶ These percentages are considerable lower than 62% of all childless households (with or without remittances) and 57% of all households with children and parents/relatives working abroad (with or without remittances) included in figure 9.

there than here, even if they don't send any money, even if they are not doing much.' (FG, Remittances, Răchitoasa)

Since the summer of 2009, the frequency, the amounts of money and the number of packages have constantly decreased. In the same time, the number of visits at home in Romania has continuously diminished since Christmas 2008. Only migrants who have left their children in Romania or whose parents had 'big troubles' (serious illness, action at law or large debts) have been more likely to keep sending every month 50-100 euro.

'Money is not sufficient either for themselves. If you are in Italy to work and it rains for a week ... they sit there, cannot do anything but to wait. Then they work one-two days enough just to pay for food. What can they send here? Can we ask more? [...] My husband is working in Italy. It rained so he has not had a mere 100 euro to send to me at home.' (FG, Remittances, Răchitoasa)

'I do not know if he comes home for holidays [Christmas 2010]. He has a lot of debts, two bank loans here ... a 700 euro payment request has just arrived ... There in Italy he bought on account from mini-market. He also borrowed some money from his Italian employer. He said, mama I do not know how I can come home ... He spent it all. Now, it is difficult to handle. Since summer he has not sent me anything.

Will your children come home for Christmas? No. [answered all FG participants] ... No. If you go on holiday, you don't know if you have where to return.' (FG Remittances, Piatra Neamț)

In the research rounds from 2010, issues related to children with parents working abroad were more frequently brought into discussions, namely (1) difficulties of (grand)parents in providing basic necessities for their (grand)children, (2) difficulties of parents employed abroad in finding working arrangements that would allow them to care for their children and (3) difficulties related to the visits either of migrants in Romania or of their children to going abroad.

In addition, community representatives have expressed concerns regarding the 'home alone' children related to their declining school attendance, worsening school performances and, less frequent, to emotional and behavioural disorders.

'Does the fact that the parents go abroad affect in any way the school performance of the children? It depends on each single case. There are situations when a single parent goes abroad - the father - and the child stays with the mother and the results are good, because he is not directly affected; I may say that they are stimulated because father promises various material rewards. There are situations when the mother goes abroad and the child feels somehow lost, confused; the overall term is, disorderly. And there also are the situations when both parents go abroad. They abandon their children and the children remain either in the care of the grandparents, or in the care of another relative ... but actually they are quite by themselves ... and most such cases end in school dropout.' (Teacher, Eşelnița)

'The school performance is determined by several factors...we can not reduce it all to the crisis. At least at the school where I am teaching there is a significant percentage of children whose parents went abroad...they were left home with the grandparents and the grandparents can't monitor them, don't have the necessary authority.' (Teacher, Drobeta Turnu Severin)

All data indicate that emigration for work abroad will not diminish in the future. Nor will a large number of migrants return in Romania at least not for many years from now. For example, only one recruiting platform ([www. Tjobs.ro](http://www.Tjobs.ro)) reported that in 2010, there were 592,183 online applications and 138 thousands working contracts abroad were concluded. In January 2011 more than 64 thousands persons searched for work abroad through the same platform.

The survey FEF-CSRБ³⁷ shows that more than a half of the migrants returned due to the crisis are willing to leave the country again in 3-12 months or after the crisis will be over. Furthermore, 12% of the adult population of the six counties has plans to emigrate for work until the summer of 2011 and other 10% intends to do the same sometimes later.

³⁷ FEF-CSRБ survey in six counties: Braşov, Călăraşi, Dolj, Maramureş, Neamţ and Vaslui, *Romanian Migrants That Work Abroad During the Crisis*, August 2010.

The intention to work abroad is significantly higher among the adults from households with children, particularly if at least a household member is already working abroad. Thus the overall share of population that intend to emigrate abroad increases from 18% of people from childless households to 26% of people from households with children and no migrants, and to a high of 41% of persons from households with children and parents/relatives working abroad. As result, a rough estimation shows that migration for work overseas could affect in 2011 over 16% of all children from the six counties on the top of the 27% of children already affected.

It is useful to reiterate here that in our analysis, given the FEF-CSR methodlogy, the group of households with children and parents/relatives abroad is just a proxy for the children with one or without parents at home. Thus, our results overestimate the number of children with parents left for work abroad. According to the most recent official estimates provided by the General Directions for Social Assistance and Child Protection, 63,283 families had children at home and one or both parents at work abroad, in June 2010.³⁸ In Romania, 88,868 children (or 2.2% of all children aged 0-18 years)³⁹ have parents overseas. Thus, there is a sizeable gap between the official estimates and the ones based on survey.

However, besides numbers, the problem of children without parents at home is critical and it has a high probability to intensify in the near future so that a policy addressing this issue is definitely needed.

³⁸ Both parents in 30% of these families, one parent in 57%, and a single-parent in 13%. (www.copii.ro)

³⁹ In the official estimates, the number of children with parents working overseas reported for June 2010 was: Braşov – 1,191; Călăraşi – 138; Dolj – 1,892, Maramureş – 2,805; Neamţ – 6,852; Vaslui – 3,497. A total of 16,375 children that represent 18.4% of all children with parents abroad.

3.3 IMPACT OF THE ECONOMIC CRISIS ON HOUSEHOLDS' CONSUMPTION

3.3.1 INCOMES

In the UNICEF panel, the data regarding households' monthly incomes follow a curve (figure 10) rather similar to the one of wages/earnings. The average household monthly income per capita stayed rather constant between June 2009 and December 2010, with significant variance between the group of Roma informal workers, at one extreme, and the groups of formal workers and households that receive remittances, at the other extreme.

Nonetheless, in subjective terms, only the group of formal workers reported a stressed decline of their household income from 'enough to cover bills and daily needs' to 'enough to cover only bills but with restrictions in other consumption areas'. The other groups have invariably perceived their income as 'not enough to cover basic needs', in the case of Roma informal workers, or as 'enough to cover only bills but with restrictions in other consumption areas', for the other groups.

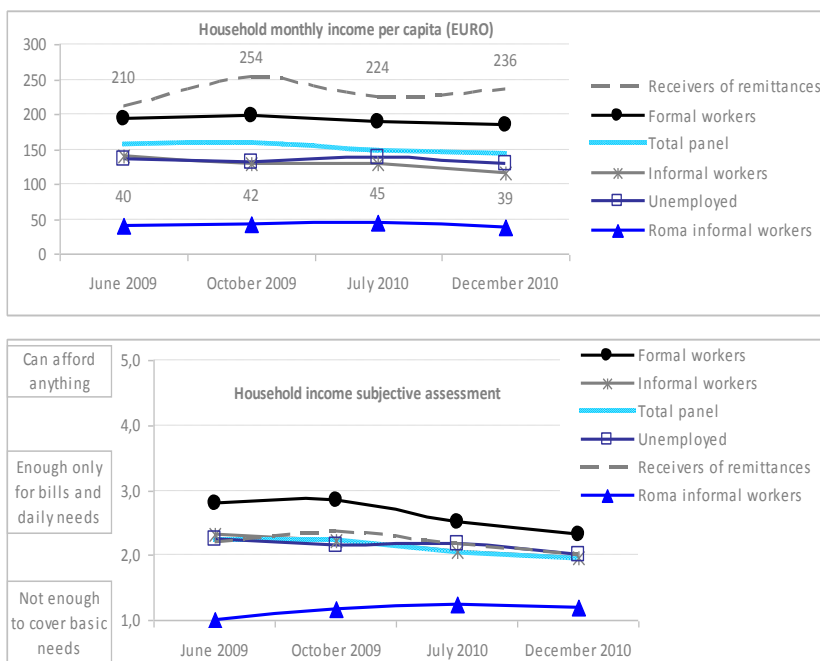
'It is getting harder and harder, money is fewer and fewer. ... Now the crisis is getting stronger, we are feeling it harshly'. (FG Formal, Women employed in garment industry, Oltenița)

At the level of the overall UNICEF panel, the share of participants with incomes that are 'not enough to cover basic needs' has increased from 30% in June 2009 to 46% in December 2010.⁴⁰

⁴⁰ Just for comparison we draw on a recent World Bank survey from May 2010, representative at the national level: 25% of the country population (with an average household income per capita of 90 euro) has difficulties in covering bare necessities; another 40% (average income per capita of 140 euro) succeed only to cover basic needs; 25% (average income per capita of 200 euro) can afford food and keep up with bills but have difficulties in purchasing durable goods; only 5% (average income per capita 250 euro) can afford also durable goods and mere 2% (average income per capita of 320 euro) have enough money for anything (Stănculescu, M. S. and Arahamian, A., 2010).

On the one hand, this perception has been influenced by the generalized belief that prices grew excessively, particularly for food and utilities. On the other hand, this perception is strongly associated with the number of children in household. Thus, between June 2009 and December 2010, the share increased from 18% to 29% in the households without children, from 20% to 35% in those with one child, and from 50% to 63% in households with two or more children.

Figure 10 Average household income per capita: objective and subjective measures



Data: UNICEF Panel, December 2010. Notes: The graph presents the average values per group. Differences between groups are statistically significant according to a one-way variance analysis ($p=0.000$). The scale for the subjective assessment were: 1 – not enough to cover basic needs; 2 – enough to cover bills but with restrictions in other consumption areas; 3 – enough to cover bills and daily needs, but can afford neither durable goods nor savings; 4 – enough to cover needs and can save monthly a little; 5 – can afford anything.

3.3.2 SAVINGS

In the rapid assessment panel only 15% of the households had savings in June 2009. Until December 2010 less than five households still had savings. Thus, the households included in the panel have lived salary to salary, struggling to manage day-to-day needs and commitments in the absence of savings that could be used during the hardship.

'Do you have savings? Do you know what we can save? A bottle of oil from one month to the next. Sometimes there is some sugar, some rice. It is zero all along.' (FG Women, informal workers in services, Piatra Neamț)

'Now, regarding the savings part, I want to tell you that I didn't save anything...there was a period when I could, I had the means to save, resources. We had the means, but also by restrictions, I mean, not that we were having everything...but now, even if you want to, you don't have the means. We are now at the chapter of loans, debts ... included is the bank installment.' (FG Unemployed due to the crisis, Oltenița)

Lack of savings is, however, widespread in the Romanian society in time of crisis. As we have seen, the FEF-CSRB survey⁴¹ showed that only 8% of the households with migrants working abroad use remittances for savings (figure 8). Also, a World Bank survey⁴² brought evidence that in Romania only 49% of the population saves spare money and the households' savings represent less than two monthly incomes.

⁴¹ FEF-CSRB survey in six counties: Brașov, Călărași, Dolj, Maramureș, Neamț and Vaslui, *Romanian Migrants That Work Abroad During the Crisis*, August 2010.

⁴² Stănculescu, M. S. and Aprahamian, A. (2010).

3.3.3 LOANS AND DEBTS

Loans and debts are well represented within the rapid assessment panel as well as at the level of the country population. In the UNICEF panel, the share of households with loans/debts has increased from 50% in June 2009 to 62% in December 2010.⁴³ The households of unemployed and those with one child had had significantly higher shares of households with loans/debts at the beginning of the research. This difference has attenuated and lost its statistical significance as the share of households with loans/debts has increased within the other groups, particularly in 2010 (figure 11).

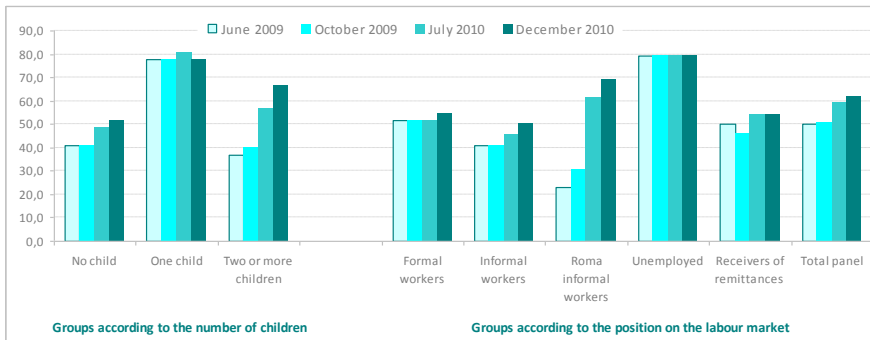
The Roma informal workers and the households with two or more children have experienced the highest increase in the share of households with loans/debts (from 23% to 69% and from 37% to 67% respectively). Smaller but important increases were also registered by the group of informal workers and by the households with no child (from 41% to 50% and from 41% to 52% respectively).

The total amount of loans and debts had also increased, irrespective group; the average amount of loans/debts was equal with the household income in June 2009 and increased to 150% of the household income over 2010.

Whereas participants from the group of Roma informal workers and those from households with two or more children concentrate on their debts to utilities and/or small shops (wherefrom they buy on credit), the others refer mainly to consumer loans (from banks or from non-banking financial institutions) and/or to money borrowed (with no interest) from relatives and friends.

⁴³ According to the World Bank survey on *Financial Literacy in Romania*, during the period June 2009 - May 2010, 39% of population had to borrow to pay back other debts, either regularly or from time to time. The amount of most debts did not exceed double their monthly income. In addition, in the last three years, for dealing with unexpected income drop 51% of the population borrowed money from relatives and friends.

Figure 11 Evolution of the share of households with loans/debts by group (%)



Data: UNICEF Panel, December 2010 (N=132).

3.3.4 SUPPORT FROM INSTITUTIONS

Community representatives and participants to the rapid assessment have had the same perception according which the general standard of living has continuously declined and, consequently, poverty has spread over 2010. In the same time, in the dominant perception, the institutional response was very weak and rather ineffective. In fact, the majority has been highly critical regarding the support provided by institutions.

‘I don’t trust governmental institutions. They are not helping anyone. Eventually they take if they can and they increase the taxes. [...] The state does not help ordinary people like us. They are only for themselves. Or else how they can have those fancy cars and villas?’ (FG Informal sector, Men employed in constructions, Sibiu)

The large majority of the participants to the rapid assessment think that the public institutions (mainly the central ones) should provide support to the vulnerable groups of population, in particular to the no-earner families with three children or more, to the households with disabled or very sick persons, to the Roma people, to the beneficiaries of guaranteed minimum income, to the homeless people, to elderly with small pensions and to people over 50 years who lost their jobs due to the crisis.

The anti-crisis measures taken by the Romanian authorities, however, have neither improved the living conditions, nor made people to feel secure. Accordingly, the central institutions itself are perceived a ‘problem’.

Dissatisfied with the performances of the central institutions are also a part of the local authorities as well as the NGO representatives. The NGO representatives have been very critical with respect to the delay of payments from the central budget and the ‘aberrant new regulations in the field of social assistance’. The local authorities have mentioned budgetary constraints, difficulties regarding human resources given the blockade of posts and politically biased budget allocations. If in 2009 the municipalities included in the rapid assessment had no difficulties to cover the community needs, in 2010 a part of

them had to operate cutbacks in social assistance and social services provided to the community.⁴⁴

The social networks of relatives, friends and neighbours have represented the most important safety net for most people, only small proportions of population asking support from institutions, be it governmental or nongovernmental.⁴⁵

'Do you receive any help? Which help? We are not helped by anyone. What institutions? ... Only our parents ... they helped us when we were young and had nothing. Even now they help us with something though they are old. But we are not able to do this for our children.' (FG Women, informal workers in services, Sibiu)

Nevertheless, the majority of the population receives at least one social benefit. Accordingly, most households included in the rapid assessment panel have had at least a social benefit (other than pension): guaranteed minimum income,⁴⁶ family allowances, heating subsidies, food aid from the European Union, disability compensations, and the universal child allowance which has been by far the most prevalent.

⁴⁴ The Soros Foundation census of municipalities on *The Access of Local Authorities to European Funds* showed that 16% of municipalities had given up some social protection measures between January and October 2009. Such data are not available for 2010. The official data released by the Ministry of Public Finance regarding the execution of the general consolidated budget for the period of 01.01 – 31.12 2010 pointed out that, at the country level, the social protection expenditures were 7.3% higher in 2010 compared to 2009 (http://discutii.mfinante.ro/static/10/Mfp/buget/executii/anexa2_bgcdec2010.pdf).

⁴⁵ The Agency for Governmental Strategies panel research *The Impact of the Economic Crisis in Romania 2009*, carried out by TNT CSOP in July and October 2009, showed that 11% of the country population asked support from the governmental institutions; 4% asked support from nongovernmental institutions.

⁴⁶ From 1st of July 2009, the financing of this type of social benefits (according to the Law 416/2001) is insured entirely from the state budget and the level of the benefit has increased with 15%.

In the UNICEF panel the majority of the beneficiaries of **guaranteed minimum income** belong to the Roma informal workers (with and without children). This is in line with the situation at the national level. A recent analysis⁴⁷ of the Ministry of Labour, Family and Social Protection (MLFSP) shows that 31% of Roma benefit of the guaranteed minimum income compared to only 4.9% of the other ethnic groups. Also, the guaranteed minimum income is an effective measure in fighting poverty since it decreases the absolute poverty rate from 54% before social transfer to 29% after social transfer.

Consistently, the participants to the rapid assessment who have received guaranteed minimum income have assessed it as 'small but very important', particularly during winters when opportunities of paid labour drastically decrease. It is considered important because it includes also other benefits such as health care insurance, heating subsidies, food aid and, in urban municipalities, social canteen.

On the local authorities' side, mayors, deputy mayors and social assistants mentioned that over the crisis the demand for the guaranteed minimum income as well as for social canteen had increased, being high even during the seasons when usually it declines (spring and summer). However, the dominant institutional response combined the public discourse about 'undeserving poor who cheat the system' with administrative controls for reducing the number of beneficiaries and with reduction or delay of the benefit due to insufficient budget. Furthermore, in 2010, new regulations were issued regarding the application procedure and the income calculation method. Thus, according to the new regulations, the application file should include official evidences for various income sources, fact which increases significantly the application costs. In addition, all types of family benefits have been included in calculation of the total income. As most applicants are families

⁴⁷ Ministry of Labour, Family and Social Protection (MLFSP), *Research Report on Social Economy in Romania From a Comparative European Perspective*, project *Social Economy – Innovative Model for Promoting the Active Inclusion of the Disfavored Persons*, financed from POSDRU, 2010.

with children (that receive at least the universal child allowance), the number of eligible persons decreases significantly. As a social worker explained in an interview: 'the number of beneficiaries of social aid was about 350 in 2009, now (in 2010) is around 200 and we expect to be less than 100 in 2011. One could think that the standard of living would have grown so much that the poor would have reduced more than three times in less than two years. Nothing like this, not here (*Piatra Neamt*). It is just the social protection which is fading away while the poor are mushrooming.' In a similar manner, other interviewed community representatives expect to a substantial shrinkage in the guaranteed minimum income program in 2011, in spite of a growing number of poor, particularly among the families with children.

Child allowance is seen as a child right. For the household budget, it is 'vital' only for the poor, whereas for the large majority it provides rather 'pocket money' for the child. However various studies⁴⁸ showed that among all family benefits, the universal child allowance has had the highest impact on absolute poverty alleviation. Other family benefits such as complementary allowance (for families with children and modest income), allowances for single-parent families, family placement allowance or newborn allowance have had a much lower number of beneficiaries and an insignificant impact on poverty reduction. For instance, the MLFSP analysis shows that the complementary allowance and the allowances for single-parent families reduce absolute poverty only from 22% before social transfer to 18% after social transfer.

The **heating subsidies** were received by one in every five households included in the rapid assessment panel both in October 2009 and in December 2010. In the winter of 2008 more households received this benefit and, consequently, in the first round of research it was assessed as 'the most important' social program for the population well-being. Subsequently, the program has lost its perceived importance as the eligibility

⁴⁸ e.g. Teșliuc et al., 2001; Zamfir, 2005; Stănculescu and Pop, 2009.

threshold was reduced and the number of beneficiaries decreased.

'I feel like laughing because, for instance, the heating subsidy, for heat, marsh gas, we expected to be 20,000 persons or a large number of beneficiaries, but because a lot of documents have been requested, the number is now only two-thirds of last year'. (Social worker, Piatra Neamț)

Food aid from the European Union was distributed by the local authorities both in 2009 and 2010.⁴⁹ The local authorities mentioned a series of dysfunctions and difficulties (particularly with storage and distribution) related with this program, but the beneficiaries appreciated the aid and stayed in line to receive it, and many others expressed willingness to get it.

Unemployment benefits were received by only 25% of the unemployed selected in the initial round of rapid assessment. In over a year and a half after the beginning of our research, the selected unemployed either found a (formal or informal) job or were no longer eligible for the benefit. Consequently the perceived importance of this type of benefit has strongly diminished.

Regarding the support for the unemployed, the community representatives listed a large number of active measures programs: (re)training courses, counseling, job fairs, wage supplement through employer etc. From the point of view of the unemployed, these active measures are 'rather on paper' and rather irrelevant for entering labour market, even more so in a context perceived as 'corrupt'. As a matter of fact, the *Social Inclusion Barometer*⁵⁰ brought evidences that at the national level, in 2010, only 14% of unemployed and job-seekers

⁴⁹ The program is part of the European Plan of Food Aid for the Disfavoured People and has been implemented in Romania since 2008. In 2010, the eligible social categories (HG 600/2009) were: beneficiaries of guaranteed minimum income, unemployed, pensioners with pensions below 400 lei/ month and severely disabled adults and children. The food aid consisted in flower, biscuits, pasta, sugar and powder milk.

⁵⁰ Social Observatory, University of Bucharest, 2010, *Social Inclusion Barometer*, survey representative at the national level for employers and employees from Romania.

followed (re)training courses and only 7% took part in counseling or other types of activities helpful for finding a job. Consequently, 'asking all friends and acquaintances', sending applications and 'looking anywhere' represent the prevalent job seeking strategies.

'For instance I would definitely need a training course. I would be interested in something like a project manager, or a pisciculturist, which are posted there but they don't really do it'. (FG Unemployed, Oltenița)

The officials are also rather critical. They spoke about the budgetary cuts or delays for various active measures and pointed out that the quality of services has dramatically declined since the number of the registered unemployed increased and the number of the Employment Offices personnel was reduced.

'We are providing services, poor quality. I am ashamed. It is butchery, a slaughterhouse for people. You don't have time to talk to the person, I can't even look into their eyes. I am like a robot. And we all are this way. What mediation? There is no mediation anymore, mediation is history. (...) You can realize now...we are telling them, please check the list of open jobs, if you are interested, we will provide you with a recommendation... and it is all done in a hurry... nothing more.' (Employment Office representative, Piatra Neamț)

Other types of social benefits or of social protection programs were mentioned only by few participants or community representatives or only within a single round of research. Some are provided in all communities, including the *Croissant and Milk* program (considered 'very important' for children from poorer families), scholarships ('too few and too little'), *Money for High School* ('very important' for children from rural areas), allowances and personal assistants for disabled persons, and emergency aids (especially money for very sick children and aid for funerals). Others are provided only in some communities, including care centers for elderly, day care centers for children, *School After School* program ('very important', particularly those with meal), temporary accommodation for homeless persons, measures for the social

inclusion of the Roma ethnics, centers for the victims of domestic violence, presents for Christmas and/or Eastern for families with low incomes,⁵¹ aid in construction materials, medical and financial support for persons with mental disorders, subsidies for agriculture and others.

Health care has been mentioned as a major concern in all rounds of research: 'the medicines and medical services are so expensive that sickness could ruin our budget'. Most participants to the panel have health insurance, but the need for informal payments, the new regulations in the field, various dysfunctions presented in mass media have made more and more people to give up going to the doctor, to adopt self-treatment and to consider the health care system one and the same with 'total irresponsibility'.

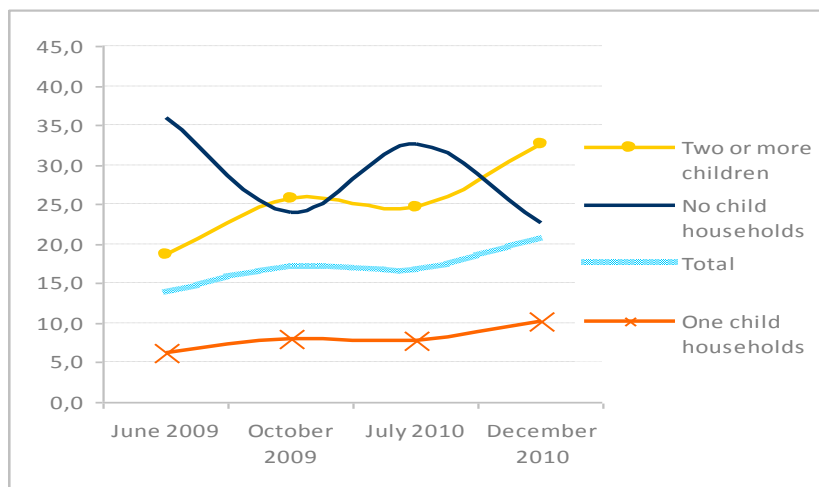
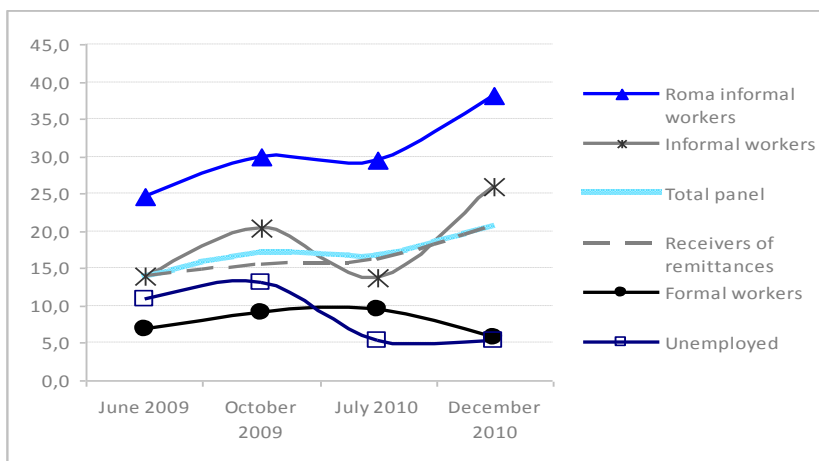
Taking into consideration **all social benefits other than pensions**, the proportion of the panel households that have had at least one social benefit has varied between 55% during summers and 63% during winters.

In December 2010, the total monthly amount from social benefits accounted for about 5% of the total household income in the case of formal workers and unemployed, 20% for the receivers of remittances, 25% for informal workers, and as much as 38% for the Roma informal workers (figure 12).

The contribution of social benefits to the household income increased from the first to the last research round. This upward trend is nevertheless the result of the seasonal variation between summer and winter (for all informal workers) besides the result of the economic crisis since it has been recorded in both years although with a larger amplitude in 2010 than in 2009.

⁵¹ For example, in Piatra Neamț, the municipality provides food of 50 lei to the elderly with pensions less than 500 lei as well as to the unemployed and jobless people.

Figure 12 Contribution of social benefits (others than pensions) to the household income (%)



Data: UNICEF Panel, December 2010. Note: The graphs present the average values per group of the monthly amount from social benefits as percentage of the monthly household income. Differences between groups are statistically significant according to a one-way variance analysis ($p=0.05$).

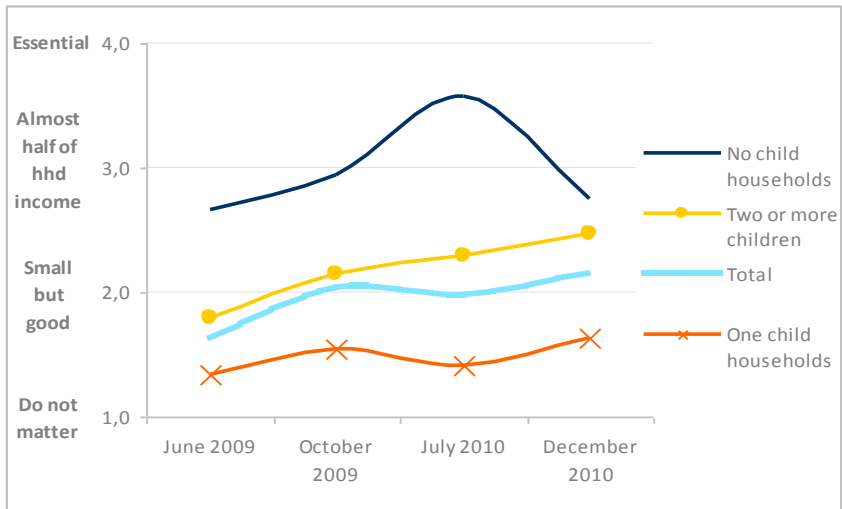
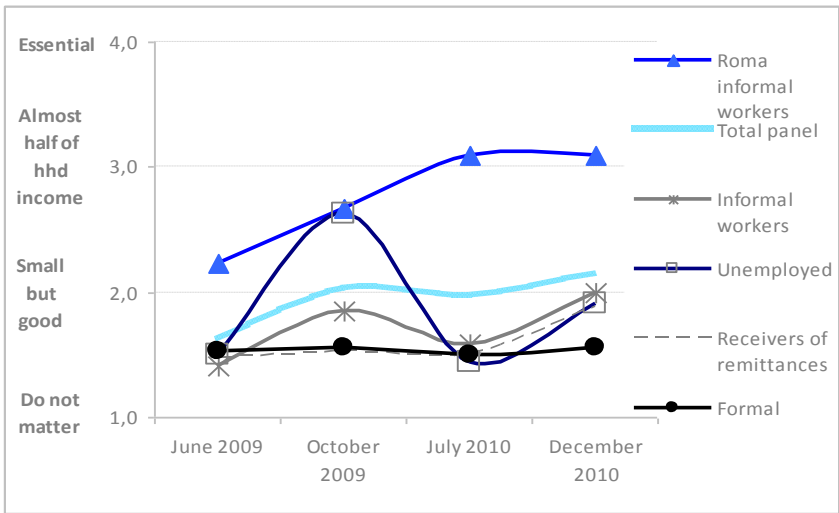
The contribution of the social benefits to the household income is significantly higher for the households with two or more children, particularly compared to the households with one child, which mostly receive only child allowance. Noticeable, the households with one child receive from social benefits on average 19 euro/month, which represents 10% of their household income, whereas the households with two or more children receive on average 50 euro/month, which makes 33% of their household income.

The subjective assessment of the importance of social benefits for the household well-being is in accordance with their contribution to the household income (figure 13). Thus, only the Roma informal workers declare the social benefits as 'almost half of the household income', while formal employers say that 'do not matter' and the other groups see them as 'small but good'. Also the households with two or more children consider the social benefits as being increasingly important for their well-being.

'So, to make it straight and clear, the only income you have is this one which you receive from the municipality? Yes, for as long as they will pay us Well, why shouldn't they pay you anymore? Why? Isn't it that financial crisis!?! And what if the money is not enough? Ouch!...the town hall will not let us down. If they let us down ... we will starve to death.' (FG Roma informal workers, Eşelnița)

'Well now tell me about your work? I am working at the mayoralty, I am cleaning some toilettes. Now I see. And you? Social aid. [...] I am housewife with children. So you are housewife, you take care of the children, and you are not receiving any benefit? Yes, minimum guaranteed income. We cannot live without it.' (FG Roma informal workers, Alba Iulia)

Figure 13 The perceived importance of social benefits (others than pensions)



Data: UNICEF Panel, December 2010. Note: The graphs present the average values per group. Differences between groups are statistically significant according to a one-way variance analysis ($p=0.005$).

3.3.5 COPING STRATEGIES IN RESPONSE TO THE CRISIS

National surveys carried out in 2009 and 2010 provided evidence that most people cut down expenditures in response to the crisis.⁵² This is a fact well described also by our participants.

‘We are buying cheaper things, we are monitoring the promotions from PLUS, BILLA... First you look to see where it is cheaper and only then you buy... Now that the winter holidays are coming...I am calculating exactly for the Christmas dinner, for the New Year dinner...it is not like before when we were buying enough to last from Christmas until after Saint John (6th January). Our good luck is that we have parents living in the country side and they are helping us with flour, eggs, a hen.’ (FG Formal, Women employed in garment industry, Oltenița)

‘Most people just want to survive from one month to the other; they don’t have any kind of plans for the future. About consumption...I don’t know ... most of the population first pays the bills and what is left use to buy food; it is now a luxury to buy clothes, cosmetics or something like that...a luxury they cannot afford.’ (Teacher, Eșelnița)

Over the crisis, an increasing share of households has started to buy cheaper and less food, irrespective group and number of children. In the UNICEF panel, this proportion has persistently increased from 66% in the summer of 2009 to 86% in the winter of 2010.

Buying informally on credit (‘on the notebook’) from shops has been progressively used more for providing daily food,⁵³ particularly by the Roma informal workers, unemployed and

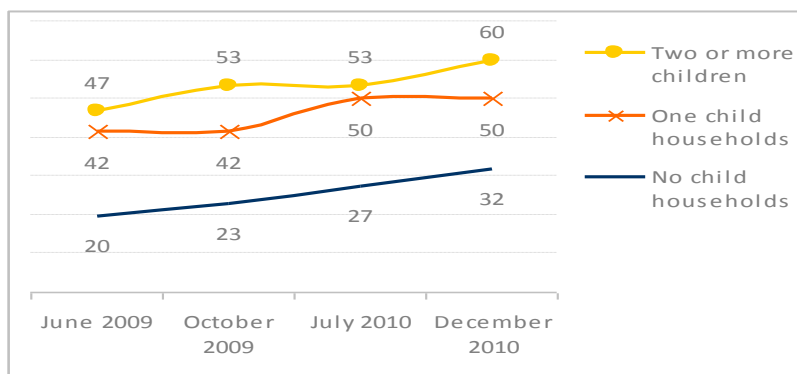
⁵² We refer to the AGS panel research from 2009 and to the World Bank survey from 2010, which both showed that more than 85% of the country population had drastically cut their expenses. As a matter of fact the aggregate data on consumption reported by the National Institute for Statistics indicate the same downward trend.

⁵³ Most participants in this situation mentioned bread, sugar, oil, butter, potatoes, soap and detergents.

the households with two or more children.⁵⁴ By contrast, the households of formal workers and those of (skilled) informal workers have not had to buy on credit because 40-50% of them have been helped with food products by their relatives/friends located in rural areas.⁵⁵

Compared to the childless households, significantly larger proportions of households with children ask help from relatives and friends with money, food, non-food items and services for making ends meet.

Figure 14 Support from relatives and friends (%)



Data: UNICEF Panel, December 2010.

The consumption of non-food products and services has been shrunk even more than the food consumption. Durable goods were cut off and second-hand non-food items have been preferred against new ones, particularly by the Roma informal workers and by the households with two children or more.

⁵⁴ In the UNICEF panel the share of households buying on credit increased from 21% in June 2009 to 27% in December 2010. According to the World Bank survey on *Financial Literacy in Romania*, in May 2010, 33% of the country population was using this coping strategy.

⁵⁵ The ASG panel research showed that at the national level 39% of the population borrowed or received food from relatives or friends in 2009.

'Well, first they cut down the consumption...Don't buy clothes, footwear...they are wearing the ones they have...I can see them buying from second hand stores, two more second hand stores were opened in the town ...I am not speaking of other goods for the house ... refrigerator, washing machine...They only buy the bare necessities...They are buying on credit, which allows them to survive...which is the same for the small shop owners from the neighbourhood. Many people don't pay the taxes, utility fees...and their outstanding debts rise, particularly now in winter.' (Teacher, Oltenița)

The large increase in utility prices (gas, water, telephone, heating etc.) has been mentioned by more and more participants as a major source of concern and dissatisfaction. As result, the reduction of the expenditures for utilities has been the main pillar of the dominant coping strategy in households without children. In households with children, particularly with smaller ones, reducing the consumption of utilities was avoided, fact which caused a serious increase of the households indebted to utilities. Thus, while in the childless households the proportion of households indebted to utilities increased from 15% to 29%, in those with children it enlarged from 15% in June 2009 to 41% in December 2010.⁵⁶

'We gave up the cooking gas. We are using less the stove, a lot of money, we also have to pay the energy, the phone and the cable TV ... all the money goes. Gave up. We were heating two hours in the morning and two hours in the evening. It was warm, not too warm; what can you do, we turn on the light and then turn it off, turn on the TV, not all day long like other years, less, that's it. [...] We didn't give up food, but we look in the newspapers, and when there are discounted items we buy, put them in the freezer. But not with the fruits; when the fruits are expensive we don't buy, when they are cheap, we buy, some apples.' (FG Informal sector, Women employed in services to households, Piatra Neamț)

The dominant strategy of the childless households include, firstly, severe reduction in expenditures for utilities, secondly,

⁵⁶ In 2009, 31% of the country population had debts to utilities, according to the ASG panel.

drastic cut in non-food goods and services and, thirdly, a partial cutback of food expenditures by buying cheaper and less food. By contrast, in households with children, the reduction of utilities has been lower because children need heating, water, electricity and so on. Similar, the consumption of non-food products, specifically clothes and shoes, has been decreased mainly by turning to the second-hand shops. Finally, the food consumption was diminished only for adults and, as long as possible, has been kept constant for children.

The most common sequence of payments starts with the utilities followed by debts (bank loans, debts to small shops etc.), medicines and 'last but the most important' food. The health is considered the most important asset and therefore when money is too few, the medicines and, especially, food are the last to be cut. However, during the crisis, 35-40% of the panel households made fewer visits to the doctor and 25-33% diminished the necessary medicines due to insufficient money.

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'Yes [we cut down], in absolutely everything. At food too, no more bacon or salami of I don't know what brand. We just buy the cheapest and, usually, discounted. The wife is buying second hand clothes, particularly for the children. We don't buy any more clothes for us, at all. We change the shoes only they broke down.'
(FG Informal sector, Men employed in constructions, Sibiu)

The poorest households have specific coping strategies. In our panel, particularly the Roma informal workers are in this situation. Their main incomes come from low-paid and insecure jobs in the informal sector, 'whatever and wherever we find'. Consequently, for providing 'the day to day bread' they end up to heavily rely on social benefits, especially on the guaranteed minimum income and child allowance, but also on informal credits from shops. As last resort, they go to garbage pits where they search iron, bottles, paper and other recyclables for selling, but also clothes, shoes, food and other 'useful things'.

⁵⁷ The ASG panel research showed that at the national level 29% of the population reduced medical and the necessary medicines in 2009.

Also making ends meet involves electricity theft. Electricity is the main utility accessible to the poor. All daily activities cooking, washing, heating etc. depend on electricity. During winters the electricity consumption is the highest so that the energy bill is so big that exceeds household income. They do not pay and the energy company disconnects them. And thus stealing (either after disconnection or, preventive, before it) becomes the only way to cook for children or to heat their houses. In some cases their children stop going to school as a solution to reduce expenditures. In extreme cases, during winter, they place temporarily their children in a hospital 'at least is heated and they get something to eat' (FG Informal sector, Roma, Alba Iulia).

'What we do? We go to the garbage pit. We have nothing else .. Children come from school and I have nothing to put on the table. So we go to the garbage pit, we search for iron, bread, wood for heating, then sell the iron or whatever and we buy one kilo of potato and a bread. And so lunch is done.

Do you go by your own? No, we all go together, sometimes we take also the kids. It depends on the garbage if it's good or not. Everybody goes there ...

Every day? Yes, daily, day or night, sometimes both, it depends when the good cars [*with garbage*] come.' (FG Informal sector, Roma informal workers, Alba Iulia)

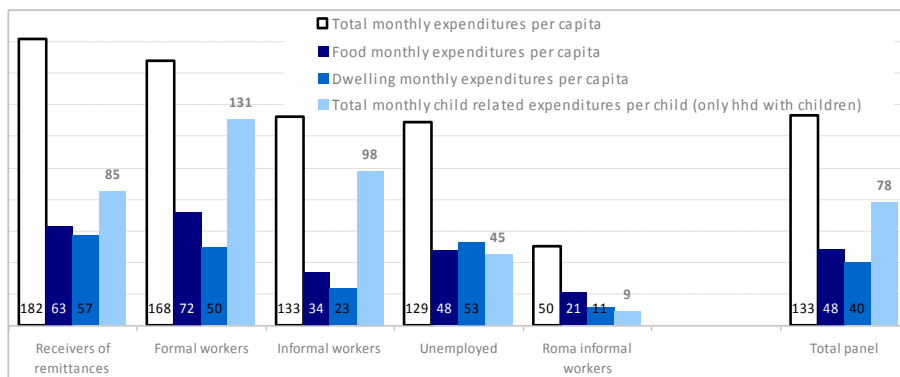
3.4 **IMPACT OF THE ECONOMIC CRISIS ON THE CHILDREN'S WELL-BEING**

In all four rounds of rapid assessment, people described how the impact of the crisis is distributed within household. The economic crisis put pressure on all household members but in different ways. While the main breadwinner, mostly men, has to face psychological pressure caused by the insecurity of income, the 'household manager' in charge with shopping, housekeeping and carrying for children, mostly women, has to cover daily needs under conditions of decreasing income and increasing prices.

'When it comes to children you don't really have a choice. No matter how hard it would be, we are doing our best so that they won't feel anything, any hardship'. (FG Informal sector, Women employed in services, Sibiu)

Most parents described their efforts to protect their children against the drop in income and consumption. There are significant differences, however, according to the household financial resources, the number of children, but also the adults' attitude towards their children. We illustrate this difference based on the budget data collected within our panel. Thus, over the crisis, in a regular month, the households of formal workers have spent, on average, about 170 euro per member and have dedicated about 36% of total expenditures to their children. Unlike, the households of Roma informal workers have had average total expenditures of only 50 euro per person and have allocated to their children less than 10% of total expenditures, although they have more children in household. Therefore, the average amount of money spent per child in a regular month has greatly varied from 131 euro, for the children from households of formal workers, and 9 euro, for the children of the Roma informal workers.

Figure 15 Household expenditures per capita in a regular month during the crisis (EURO)



Data: UNICEF Panel, December 2010. Note: The graph presents the average values per group. Differences between groups are statistically significant according to a one-way variance analysis ($p=0.000$).

In the area of the expenditures for children, **spending with extracurricular activities** such as private lessons, dance lessons, trips or camps have been progressively diminished from June 2009 to December 2010, particularly in the households of Roma informal workers and in those with migrants working abroad.⁵⁸

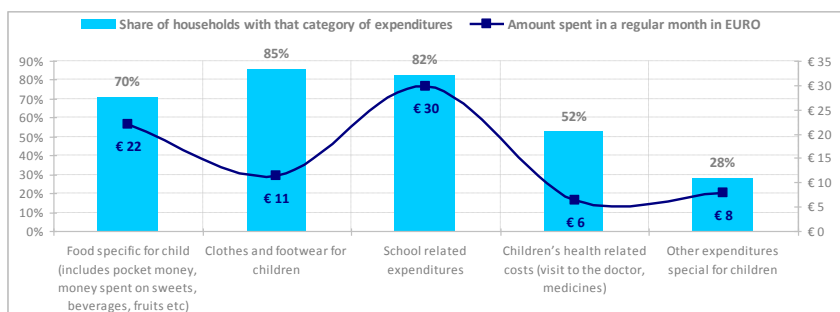
‘We see what it’s happening now with the theatre plays that come all the time, we have requests for all kind of shows. It’s not like in the past, many parents come and tell us that it’s hard to get around, I am glad if I have something to give him as food, I cannot afford to buy him a theatre ticket’. (Teacher, Piatra Neamț)

‘You can imagine that I can’t afford a trip, a camp, within the range of possibilities. I don’t deprive him of food, at school, I can’t afford to send him without food; he needs clothes, shoes. They are not like those of the children with much money, but he has what he needs.’ (FG Women workers in garment industry, Roman)

⁵⁸ Reductions of expenditures with extracurricular activities were reported in 17% of the household with one child in June 2009 and 28% in December 2010. Within the households with two or more children, the corresponding shares were 23% and 40% respectively.

Even more drastically cuts were recorded with the **spending for anniversaries, parties and celebrations**, particularly in the households with two or more children. For instance, compared to 2009, the amount allocated for the Christmas presents has decreased in 2010 by 60 percentage points, irrespective of group. As result, in December 2010, the average spending for the Christmas presents per child was 7 euro for the Roma informal workers, 12 euro for the informal workers, 26 euro for unemployed and migrants working abroad, and 62 euro for the children of formal workers.

Figure 16 Expenditures for children in a regular month by category: coverage (% of households with children) and average amount in EURO



Data: UNICEF Panel, December 2010 (N=66 households with children).

Let us now focus on the **expenditures for children**. In our panel, the average expenditures per child has amounted about 78 euro in a regular month during the period June 2009 – December 2010 (see figure 15). Figure 16 shows how this money is distributed among five categories of expenditures. On average, for each child, in a regular month, about 30 euro are school related, 22 euro are spent for specific food (pocket money, sweets, fruits, beverages etc.), 11 euro go on clothes and footwear, 6 euro cover the health related costs (visits to medic, medicines) and 8 euro go to other special items or activities.

Figure 16 gives also an idea about the coverage of each category of expenditures for children. Expenditures with clothes and footwear for children as well as with school are reported by the large majority of households with children. Seven in every ten households with children make also expenses with food products specific to children.

Nearly all participants consider that their children are in 'good' or 'very good' health. However, in a regular month, about a half of the households with children have to consult a doctor or buy medicines for children.

Of course, the results of our analysis are only indicative as it is based on non-representative data and it does not distinguish according to the children age, due to the small number of cases.

3.4.1 CHILD'S NUTRITION

Consensually, the participants with children underline that the food consumption has been kept constant for children 'not matter what we should bear', in spite of the fact they have started to buy less and cheaper food. Only expenses for food specific for children, particularly sweets, fruits and beverages, have been reduced. Correspondingly, they think that the nutrition of their children has been 'good' or 'very good' during the crisis. Only the Roma informal workers describe the nutrition of their children as being declining from 'rather good' to 'so and so' during the crisis.

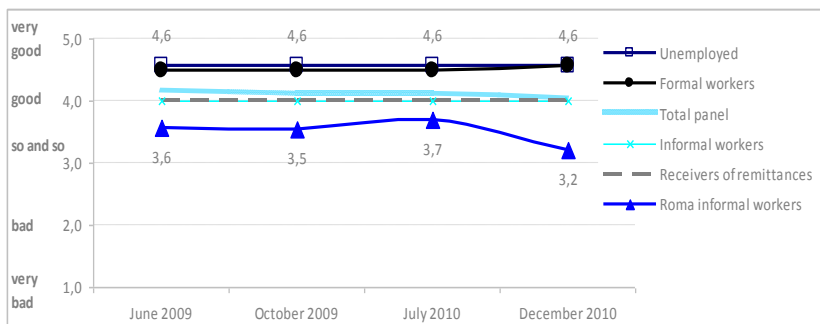
Nutrition of children seems to be more problematic in the households with two or more children, particularly in those of Roma informal workers. In our panel, the households with one child allocate about 40 euro per person for food, to which almost all households add about 35 euro per child as pocket money for food in school, sweets, fruits and beverages. Unlike, in the Roma households with two or more children, less than 20 euro are spent per person for food and less than half of these households use additional 5 euro per child for specific food. Thus, the money available for food is so low that is understandable why they complement it with food from

friends, food taken as payment for work, or even with food products found in the garbage pits.

‘Childrens’ interest for the *Croissant and Milk* has increased because of their families’ material difficulties’. (School Inspector, Piatra Neamt)

‘I have noticed it from the food that the children are eating lately. They are eating much more (...) Most probably women do not cook enough, either because they can’t, or because they don’t know, I don’t know what to tell you, but anyway, children are eating more and more and they started to ask for food and this is an important indicator for me’. (NGO representative, Sibiu)

Figure 17 Evolution of the nutrition of children during the crisis, subjective assessment



Data: UNICEF Panel, December 2010. Note: The graph presents the average values per group.

3.4.2 GOING TO SCHOOL

In our panel of rapid assessment, nearly all children 0-14 years attend school on a daily basis and most children 15 years or over attend vocational school or high school. In participants' opinion, neither school attendance nor school performances of their children were negatively influenced by the economic crisis. As the ASG panel survey has shown, this is not the case at the country population level.⁵⁹

The school attendance has been constantly assessed as 'very good', except for the children of the Roma informal workers and those from households with migrants working abroad, which was rated as 'good'. In the same time the school performances have been persistently evaluated as 'so and so' for the children of the Roma informal workers, 'good' for children from households with migrants overseas or those of informal workers, and 'very good' for children of unemployed and formal workers.

For understanding what means 'good' school attendance and 'so and so' school performance we carried out a case study in a ghetto-like community from Alba Iulia, the block of flats G2-Turturica, wherefrom we recruited participants to one of our focus groups with Roma informal workers. In this respect we collected data about all children who go to kindergarten/school from their teachers. Data refer to the number of absences

⁵⁹ In 2009, as effect of the crisis, almost 13% of pupils and students in July and 15% in October experienced an increase number of school absences, school dropout/ early school leaving, diminished school performances, insufficient food, clothes or school supplies etc. These children and young belong to about 8% of all households with pupils/students (or 2.6% of all households in Romania in July, and 3.7% in October). Households including these children tend to be large, with many children and jobless adults (unemployed, job seekers, and housewives), with very small incomes (less than 500 lei per household per month), and concentrated in the North-East and South-East regions. The majority belongs to Romanian ethnics but the Roma households are statistically over-represented among them. (Stănculescu M.S. and Marin M., 2009, *Rapid Assessment of the Social and Poverty Impacts of the Economic Crisis in Romania, Final Report Round 2*, prepared for the UNICEF and the World Bank).

from school and to the school marks from the period November 15 – December 14, 2010.

Table 8 School participation, attendance and performance in G2-Turturica, December 2010

	4-6 years	7-10 years	11-14 years	15-18 years	Total 4- 18 years in G2- Turturica
No. of children in G2-Turturica	15	25	23	21	84
Go to school/ kindergarten (number of children)					
- no	10	3	4	7	24
- yes	5	22	19	14	60
School/kindergarten attendance					
- did not miss any course	1	14	9	1	25
- missed one or more courses	4	8	10	13	35
- total number of absences	26	90	126	222	464
- average number of absences	6,5	11,3	12,6	17,1	13,3
- average number of days missed	1,3	2,3	2,5	3,4	2,7
School performance (number of children)					
- no school mark above 6	-	11	8	4	23
- one or more school marks of 7-10	-	11	11	10	32

Data: UNICEF case study in G2-Turturica, Alba Iulia, November 15 - December 14, 2010.

Firstly, it is useful to specify that in G2-Turturica live together households of Romanian and Roma, but most of them poor and with many children. The large majority received a one-room flat of 9.5 square meters (including a 2 m² toilet and without kitchen) with subsidized rent from the municipality. In this block of flats live more than 100 children out of which 84 are aged 4-18 years.

In G2-Turturica, 71% of all children aged 4-18 years go to school or kindergarten (table 8). Only one in every three children of 4-6 years attends kindergarten; other seven of them were accepted only in the kindergartens located very far for home and therefore they wait for the next school year to be enrolled. Among children aged 7-14 years the enrollment rate increases

to 85%, the others having severe health problems. Finally, among children of 15-18 years, early school leavers represent 33%, which is quite high particularly taking into consideration that the block is situated in the city centre and the access to vocational and high schools is very good. This is the combined result of poor school performance during gymnasium with lack of parents' support, lack of financial resources, but also an attitude of underestimation of the education value in one's life. Furthermore, four girls of 15-17 years are already teenage mothers.

Out of all children enrolled in school, the large majority either does not attend daily or 'skip' one or more courses now and then. The 60 pupils from G2-Turturica accumulate overall 464 absences in only one month, which is an average of 13 absences or almost three absented days per pupil who missed school. Correlated, the school performance is rather low since 42% of all G2-Turturica pupils have all school marks below 7 on a scale from 1 to 10.

In conclusion, the subjective assessments of parents of the school attendance as 'good' and of the school performance as 'so and so' reflect weakly the reality, but are linked with the poor education of parents⁶⁰ and a general attitude of disregard toward education, besides poverty.

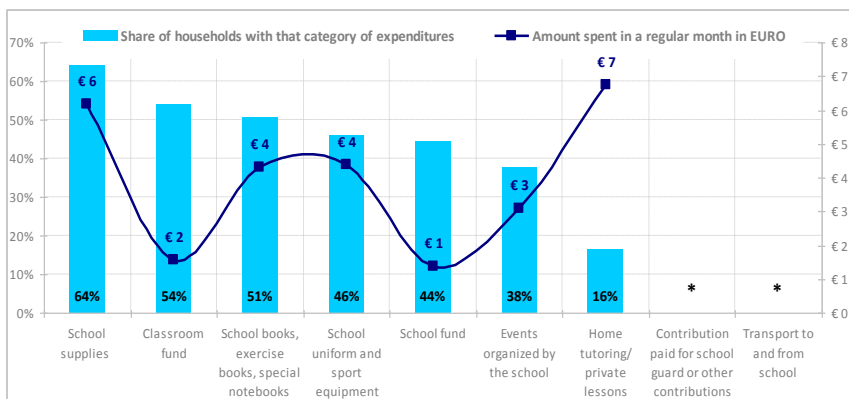
⁶⁰ In G2-Turturica, 59% of adults graduated gymnasium at most, 29% vocational training and only 12% achieved high school or a higher level of education. Stănculescu M.S. (coord.), Braniște S. and Marin M., 2010, *Quality of Life in Cetate District from Alba Iulia*, financed by the Intercommunity Association for Development, Alba Iulia, within the project *Connections between urban regeneration and spatial planning – NODUS WG6*, Operational Program for Territorial Cooperation URBACT.

School related expenditures

Our data on the school related expenditures confirm the main results of the research on ‘hidden costs’ of education, namely that *Free education costs!*⁶¹ in Romania.

Figure 16 shows that 82% of the households with children included in our panel allocate a monthly average amount of 30 euro ⁶² per child for the school related expenditures. Significantly lower proportions of households spend money for education among informal workers, Roma informal workers and among households with two or more children. They also spend less per child. For instance, the monthly average amount allocated by the households of Roma informal workers is less than 3 euro per child. At the opposite extreme, the households of formal workers pay, on average, 56 euro.

Figure 18 School related expenditures in a regular month by category: coverage (% of households with children) and average amount in EURO



Data: UNICEF Panel, December 2010 (N=66 households with children). Note: * Less than five cases.

⁶¹ The research was carried out by Save the Children Romania and INTUITEXT (through the communities SuntParinte.ro and Didactic.ro), during March-June 2010.

⁶² This is 125 lei per month, which makes an annual average amount of 1,500 lei. The report of Save the Children Romania indicates a similar amount, namely 1,490 lei per school child.

School related expenditures include school supplies, books and special notebooks, school uniform and sport equipment, school fund and classroom fund, events organized in school, transport to and from school, home tutoring and other contributions paid to school. Figure 18 illustrates how the school related expenditures distribute among these categories. Noticeable, more than a half of the panel households still report payments to the school and classroom funds although those are sanctioned by law.

One child households, particularly those of formal workers, allocate more money than the households with two or more children for school supplies, books and special notebooks as well as for private lessons.

Specifically due to the high costs related to education, participants to the rapid assessment brought into discussion the difficulties linked to continuation/ completion of vocational school, high school or university by their children. More so given that the 'quality of education provided in our schools' is 'poor' or 'very poor'.

- Yes, I was thinking to send him to the high school, but I can't afford it, because he would have to live in Piatra [Neamt]. He is gifted for drawing and many teachers told him to try, too bad to miss. But this means he will have to go to another town. He is 15 and he would have to stay with rent or something else, this costs money. I feel sorry for him because I can't, he hasn't the courage, I don't have the financial ability, particularly since it is for a long period, not just one or two, three months, it is for 4 years. And to abandon, it is a loss of money. We analysed the situation, only at Piatra or Bacau. I'll see what we can do, what he likes to do we cannot find here in the town.

- *Where does your daughter want to go to high school?* Here in the town. There is no way she can go somewhere else. No possibilities available [...]

- He kept thinking, first he wanted to go to the Military Academy and now he told me he changed his mind, he will go to the army, but as a sportsman, because it doesn't involve and expenditure from us. He will take military drills, and he is paid, has lodging

and food, all he wants and company clothes, because this drives him crazy.' (FG Women employed in garments industry, Roman)

The school and community representatives' opinions

In relation to children education, the community representatives were concerned that school dropouts and early school leavers have had an upward trend, discussed the 'hidden costs' of education which put at risk the most vulnerable, put forward the problem of the shrinking population of children and of the declining social value assigned to education, and were rather critical with respect to the current reforms of the educational system.

Most teachers and social assistants mentioned social protection programs such as the *Croissant and Milk*, *School After School* and *Money for High School* as being effective incentives for school attendance, particularly for the rural children and for the children from poor or Roma families.

Migration for work abroad has been frequently mentioned as a social phenomenon with serious adverse effects on the education of children, mainly because it deprives children of a functional family. So, children with parents working abroad together with children from poor families and Roma children are seen as being the mostly exposed to the risk of school dropout. And the school dropout increases significantly the risk to child work, teenage motherhood and other phenomenon that lead to poverty and social exclusion.

Regarding child work, the large majority of our panel declared that their children (0-18 years) do not work for money. However, three groups of children who work could be identified: teenagers (16 years or more) from families with modest means who work mainly for pocket money, children from rural areas who help their parents during agricultural seasons and children from poor families (Roma ethnics or not) who are forced by their parents to earn money from begging or other similar activities. Only the last situation represents exploiting underage children and is usually correlated with low school attendance, poor school performances or even school

dropout. However, only few community representatives mentioned local mechanisms that were developed for monitoring and assisting children in this situation.

3.4.3 FAMILY AND COMMUNITY RELATIONS

Starting with the second round of research, more and more participants associated the economic crisis with a deterioration of the general spirit, with 'sadness', 'confusion', 'anger' and pessimism. This general feeling was exacerbated by the political crisis, the anti-crisis governmental measures and the frequent public scandals.⁶³

'People are more stressed, they tend to become isolated. In my experience, most support actions start from people with a rather modest financial situation. Those that have, do not usually care for the poor. Many say that <<they have to work>>, but the lack of job opportunities is getting more acute. State support is very weak and mutual help between ordinary people is not better.' (Teacher, Eşelnița)

The community relations, however, have not significantly changed, but have remained 'medium' to 'good' (figure 19). The level of crime and violence has been perceived as steadily increasing but 'at TV, in other parts' not in 'our peaceful community'. Here, the consumption of alcohol or drugs, domestic violence and deviant behaviour are 'at acceptable level', 'we have more small thefts like a hen, a bike or some wood' at most.

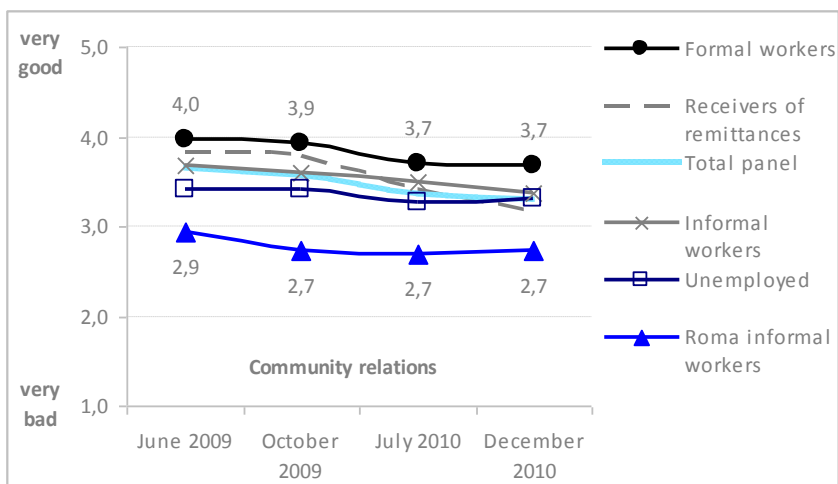
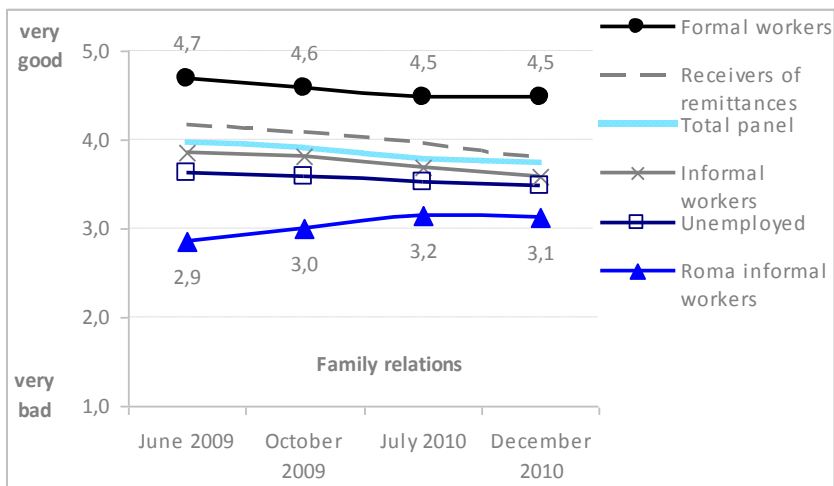
Most people believe that the economic crisis have had no impact on the family relations (figure 19).⁶⁴ Consequently, during the entire period, the family relations have been 'very good' in the opinion of formal workers, 'so and so' in the

⁶³ This is also the case at the country population level. Research Institute for the Quality of Life, *Diagnosis of the Quality of Life in Romania* (July 2010) showed that, after 1990, the population's optimism was never so low as in 2010.

⁶⁴ The same situation is documented at the country population level as shown by the ASG panel research in July and October 2009.

households of Roma informal workers, and 'good' for the other groups.

Figure 19 Assessment of the family and community relations during the crisis



Data: UNICEF Panel, December 2010. Note: The graphs present the average values per group. Only regarding the family relations, differences between groups are statistically significant according to a one-way variance analysis ($p=0.000$).

4 Conclusions

The *Rapid Assessment*⁶⁵ of the Social and Poverty Impacts of the Economic Crisis in Romania has been designed as a panel study based on qualitative research techniques (focus group discussions and interviews) for gathering information that illustrate the diversity of crisis impacts within households and communities.

For this aim, the study has been structured on a 5x2x2 formula, namely five social groups, two main channels through which the impacts of the crisis are transmitted and two main directions for analyzing the impact. The five social groups are: (1) formal workers - as skilled workers in industries heavily dependent on export, unskilled workers and public sector employees; (2) informal workers - skilled workers in constructions or services to households; (3) Roma informal workers - unskilled workers in constructions, daily workers in charging/discharging, carriage and cleaning services to households; (4) unemployed who lost their job due to the crisis and (5) receivers of remittances from family members working abroad.

The two transmission channels of the impacts of the crisis have been: (1) paid work - contraction in demand for labour and (2) remittances from family members that work overseas - a cessation, reduction or growing unpredictability in the flow of remittances.

⁶⁵ The research was initiated and supported by UNICEF in collaboration with the Social Development Department of the World Bank. The research started in June 2009 and continued with other three rounds in October 2009, June 2010, and December 2010.

The impact has been analyzed under two main directions, namely: (1) reduction in household consumption and (2) effects on children well-being.

In other words, the whole analysis tried to identify who is being affected and through which channels. Which are the specific effects on children? How are the affected people responding? Which institutions are they turning to for help? To what extent does the institutional response efficiently protect population against the shock of the crisis? If not, which are the alternative coping strategies developed by those affected? And lest these coping strategies, on the long term, have a risk to entrap the persons affected by the crisis within the vicious circles of poverty, exclusion and marginalization?

For consolidating the analysis, the data collected through focus-groups and interviews were completed with statistical data at national level and data from various surveys on representative samples.

In the period of 2009-2010, the international economic crisis has been associated with a major fall in GDP in Romania with up to 8.7% (compared to previous year), a much higher value than the EU-27 average. The labour market has contracted too, especially with respect to the non-farming employment. More precisely, the number of employees has continuously contracted with 14.4%, namely 700 thousand, a decrease much higher than the EU average. The private sector has reacted more rapidly than the public sector, the loss of jobs being substantial in manufacturing industries, constructions, retail trade and transportation.

The labour market exits only partially have been reflected in the rate of registered unemployment, which reached a peak of 8.74% (765 thousand persons) in March 2010, afterwards it has continuously declined, being constantly less than the EU-27 average. However, as in the majority of European countries, the labour market crisis hit hard the youth (15-24 years old). Other groups severely affected by a decrease in labour demand are the persons of 45 years or more and Roma.

The economic crisis led to job loss, but also to an increase of work overtime for fear of not losing job. Consequently, in many households, children are exposed either to risk-of-poverty associated with parents' job loss or to reduction of the quality time with parents.

Middle-income groups of population have experienced the greatest impact of the economic downturn. Theirs were the jobs that were destroyed, theirs were the wages that were cut and/or theirs were the remittances that diminished. Accordingly, the perceived impact over the households of the formal workers and of the remittances receivers evolved from 'small'/'medium' (in June 2009) to 'large' (in December 2010). This 'large' impact refers to the worsening of the household's standard of living.

The informal workers, including the Roma ones, were vulnerable and had insecure and low-paid jobs even before the crisis. As the economy contracted, their situation worsened and, consequently, the perceived impact of the crisis turned from 'large' to 'very large'. Their household standard of living was rather bad before the crisis and has become worse or very bad during the crisis. As a Roma informal worker puts it 'the crisis is very deep, we see it in the garbage pit; the garbage is less and much worse quality' (FG Roma informal workers, Alba Iulia).

The opportunities of paid work have considerably diminished, especially for workers with a low level of education from the informal sector. Also, predictability and security of employment have significantly declined for Roma and unskilled workers, especially for those employed in the informal sector. The situation has however worsened in the formal sector too. In some companies, the crisis was used as an opportunity for introducing exploitative practices and, overall, the quality of work has substantially decreased both in private and public sector.

The contraction of the European economies resulted in the decline of remittances. Migrants working abroad have also suffered job loss, reduction of working hours, increase of employment insecurity and, consequently, a decline of earnings. Even so, 'it is better there than here, even if they don't

send any money, even if they are not doing much.' Hence, the rate of return is very small and not likely to increase in the nearest future. Having children has not significantly influenced the migration behaviour, it has neither inhibited people to leave for working abroad nor has stimulated migrants to return. At most, having children determines more migrants to come home for holidays, even in times of crisis.

Migration for work abroad is a way to achieve economic security but at the cost of temporary or permanently abandoning own children. As result, an important proportion of children are deprived of growing up in a functional family. The economic crisis has added negative financial effects to the existent damaging effects upon the family environment.

Since the summer of 2009, the frequency, the amounts of money and the number of packages have constantly decreased. The households with children and parents/relatives abroad receive remittances in a significantly larger share than childless households with migrants abroad (65% versus 58%). Households with children receive remittances more often and in amounts more important for the family well-being than those without children. Nonetheless, about a third (31%) of the households with children and parents/relatives abroad received neither remittances nor packages between September 2009 and August 2010.

In conclusion, the economic downturn has had negative spill-over effects both in terms of employment and earnings. In the private sector, redundancies and wage cuts or cap has taken place since 2009. The 'reform of the public sector' has been translated into reduction (not necessarily into efficiency) of the public expenditure and led to wage cuts and blockade of posts. The new reform of the social assistance system has resulted in discontinued or diminished social benefits. Changes of the taxation policies issued new or increased taxes both for the population and firms. Consequently, all types of incomes eroded considerably and businesses as well as population have become vulnerable.

The institutional response to the crisis, especially of the governmental ones, was very weak and rather ineffective. 'I don't trust governmental institutions. They are not helping anyone. Eventually they take if they can and they increase the taxes' is the opinion shared by most of the population, but also by a large part of the community representatives from the studied localities. As a consequence, in times of crisis, the social networks of relatives, friends and neighbours have represented the most important safety net for most people.

In response, households have drastically reduced their consumption, the more so as a very low share of the population has savings, and the existing ones are in a small amount, while debts have extended and increased in volume. An increasing proportion of households have had loans or debts. In 2009-2010, the Roma informal workers and the households with two or more children experienced the highest increase in the share of households with loans/debts as well as in the total amount of loans/debts.

The main coping strategies of the childless households include, firstly, a substantial reduction in expenditure for utilities, and, secondly, a severe decline in buying non-food items and services and, thirdly, a partial decrease of food expenditure, buying cheaper and less food. On the contrary, in families with children, the reduction in utilities has been much less, because children need heat, water and electricity. In the same way, consumption of non-food items, especially clothes and shoes has been reduced mainly by buying from second-hand shops. Finally, food consumption has been diminished only for adults and, as much as possible, kept constant for children.

The poorest households (with children) returned to the urgency coping strategies developed in the years of drastic recession of 1997-2000, that is electricity theft or going to the garbage pit (sometimes even with children) where they search iron, bottles, paper and other recyclables for selling, but also clothes, shoes, food and other 'useful things'.

Most parents emphasized their efforts to protect their children against the drop in income and consumption. There are

significant differences, however, according to the household financial resources, the number of children, but also to the adults' attitude towards their children. Therefore, the average amount of money spent per child in a regular month (2009-2010) has greatly varied from 131 euro, for the children from households of formal workers, to 9 euro, for the children of the Roma informal workers.

Families of formal workers, although affected by income drop, succeeded to preserve the standard of living for their children in a higher share than the other analyzed groups. The situation for informal workers is differentiated, depending on the occupational status - the skilled ones have succeeded to face better the crisis pressure compared to the Roma unskilled informal workers. For the latter ones, as well as in the households receiving remittances, there is a substantial decrease in non-food expenditures for children, including those related to education.

In the area of the expenditures for children, those for extracurricular activities (private lessons, trips or camps) have been progressively reduced. Even more drastically were cut the spending for anniversaries, gifts and celebrations. All households with children said that they have made efforts not to affect child's nutrition, in spite of the fact they have started to buy less and cheaper food. For child, say the parents, only the expenses with sweets, fruits and beverages, have been reduced. However, there are significant differences depending on the household's incomes. In a household with employees, the monthly average spent for food is about 40 euro per person, plus 35 euro per child as pocket money for food in school, sweets, fruits and beverages. Unlike, in the Roma households working in the informal sector, about 20 euro are allocated for food per person in a month and less than half of them use additional 5 euro per child.

School attendance and school performance have been assessed as 'very good' (in the case of formal workers and unemployed), or 'good' (children from households with migrants working abroad and of the informal workers) and 'so and so' (Roma children). Still, the subjective assessments of parents of the

school attendance as 'good' and of the school performance as 'so and so' reflect weakly the reality, but are linked, besides poverty, with the poor education of parents and a general attitude of disregard toward education.

School attendance and school performance have been negatively affected by the crisis. Number of school absences increased and school performance worsened, especially for some children with parents working abroad, children from poor households and Roma children. Precisely these three categories are the ones considered with the highest risk of school dropout, according to the school representatives and social workers.

This study brings additional evidence that in Romania *free education costs*: 82% of the households with children included in the UNICEF panel allocate a monthly average amount of 30 euro per child for school related expenditures. Obviously, the sum varies from under 3 euro per child, in the Roma households, to 56 euro in the households with formal workers. Funds are needed for school supplies, books and special notebooks, school uniform, sport equipment, school and class funds, home tutoring, events, celebrations or other contributions paid to the school.

If in the summer of 2009 the economic crisis was perceived as being 'only on TV', in the autumn it became 'real' and until the spring of 2010 it has 'kneeled' a large part of the population, being associated with 'sadness', 'confusion' and pessimism. This generalized feeling has been exacerbated by the political crisis, the frequent political scandals and the anti-crisis governmental measures.

The only safe space away from the negative effects of the crisis, at least at the perceptions level, is the space of the family and networks of relatives, friends and neighbors on which the people can count. Kinship and friends networks represent the most important capital in an environment marked by uncertainty and furnished with institutions (perceived as) 'hostile', 'only for taking', which instead of offering solutions, are a source of problems for population.

The future looks dim too. In population's perception, the hopes for improvement are very few. The large majority of population expects the economic output to continue falling in 2011, their household standard of living to decline further and the crisis to prolong for two or more years.

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(3.1) Profile of the panel used in the fourth round of rapid assessment (%)

		Participants to Focus Group Discussions	Main breadwinner of the household	Persons who send remittances from abroad	Total panel
	Number of cases	132	79	32	243
	%	100	100	100	100
Transmission channel	Formal workers	23	30	*	23
	Informal workers	17	11	*	13
	Roma informal workers	20	19	*	17
	Unemployed	22	27	13	22
	Receivers of remittances	18	13	75	24
Gender	Male	33	74	58	49
	Female	67	26	42	51
Age	18-29 years	20	14	35	20
	30-39 years	26	29	42	29
	40-49 years	32	26	*	27
	50 years or more	22	32	16	24
Marital status	Unmarried	17	10	26	16
	Married	66	85	65	72
	Divorced, separated, widow(er)	17	*	*	12
Children (0-18 years)	No child household	50	46	50	49
	Household with children	50	54	50	51

Table 3.1 (continuation)

		Participants to Focus Group Discussions	Main breadwinner of the household	Persons who send remittances from abroad	Total panel
Education	Gymnasium at most	23	23	22	23
	Vocational school	22	29	28	25
	High school	33	31	31	32
	University	22	17	19	20
Employment in December 2010	Employed out of which:	64	89	84	76
	- white collars	14	10	*	11
	- grey collars	7	18	*	10
	- blue collars	26	32	47	30
	- unskilled/ day labourers	18	29	38	24
	Unemployed	12	*	0	7
	Out of labour market	23	9	*	16
Changes in employment in June 2009- December 2010	No change	52	76	78	63
	Change - enter formal job	11	*	*	8
	Change - enter informal job	6	8	*	7
	Change - enter unemployment	16	11	*	13
	Change - out of labour market	15	*	*	9

Data: UNICEF Panel, December 2010. Notes: * Cells with less than five cases. Coloured cells indicate values significantly higher than average (adjusted residuals higher than two in absolute value).

(3.2) Distribution of interviews with community representatives by type and location

Community stakeholder	County	Locality	Gender
LOCAL BUSINESS			
- Owner of shops	MH	Drobeta Turnu Severin	M
- Owner of a construction company	MH	Drobeta Turnu Severin	F
- Owner of a construction company	SB	Sibiu	M
- Owner of a shop	CL	Oltenița	F
LOCAL COMMUNITY			
Local municipalities			
- Deputy mayor	MH	Eșelnița	M
- Deputy mayor	CL	Mănăstirea	M
- Financial director	AG	Câmpulung Muscel	F
- Mayor	BC	Răchitoasa	M
Social work departments/ institutions			
- Social worker	MH	Drobeta Turnu Severin	F
- Social worker	MH	Eșelnița	F
- Social worker	BZ	Buzău	F
- Social worker	CL	Oltenița	F
- Social worker	CL	Ulmeni	F
- Social worker	NT	Piatra Neamț	F
- Social worker	CL	Mănăstirea	F
- Social worker	AG	Câmpulung Muscel	F

Table 3.2 (continuation)

Community stakeholder	County	Locality	Gender
Employment Agency			
- Representative	MH	Drobeta Turnu Severin	M
- Representative	NT	Piatra Neamț	F
- Representative	SB	Sibiu	F
- Representative	CL	Oltenița	M
Schools and School Inspectorates			
- Teacher	MH	Eșelnița	F
- Teacher	MH	Drobeta Turnu Severin	M
- Teacher	CL	Mănăstirea	M
- Teacher and director of the City Pupils' Club	CL	Oltenița	F
- Teacher	NT	Piatra Neamț	F&M
- Teacher	AB	Alba Iulia	F
County Inspectorate for Education			
- Inspector	SB	Sibiu	F
- Inspector	NT	Piatra Neamț	M
Community based organizations			
- Journalist	CL	Oltenița	F
- Priest	CL	Oltenița	M
- Priest	CL	Ulmeni	M
- NGO representative	SB	Sibiu	F

(3.3) Description of the FEF-CSRБ representative sample of households from six Romanian counties (%)

		Household type			Total
		No child	With children and parents/ relatives AT HOME	With children and parents/ relatives WORKING ABROAD	
Number of cases		1856	778	286	2920
%		63,6	26,6	9,8	100
All children (0-18 years)		0	73,4	26,6	100
Number of children	No child	100	0	0	100
	1 child	0	73,2	26,8	100
	2 children	0	73,1	26,9	100
	3 children or more	0	74,5	25,5	100
Total monthly household monetary income	Q1 (in average, 150 lei/ month/ person)	32,7	50,2	17,1	100
	Q2 (in average, 300 lei/ month/ person)	56,2	32,0	11,8	100
	Q3 (in average, 500 lei/ month/ person)	71,6	22,2	6,2	100
	Q4 (in average, 700 lei/ month/ person)	80,2	15,9	3,8	100
	Q5 (in average, 1,300 lei/ month/ person)	78,8	13,8	7,4	100
	Do not declare income	61,7	27,5	10,9	100
Ethnicity	- Romanian	63,5	26,7	9,7	100
	- Hungarian	75,3	20,8	*	100
	- Roma	31,9	42,6	25,5	100

Table 3.3 (continuation)

Residential area	- urban	68,6	23,8	7,6	100
	- rural	57,7	30,0	12,3	100
Community	- poor commune	56,2	30,4	13,5	100
Development ⁶⁶	- medium developed commune	56,3	31,5	12,2	100
	- developed commune	66,3	25,2	8,4	100
	- small cities (less than 20 thou inhabitants)	64,3	23,8	11,9	100
	- cities (20 thou inhabitants or more)	69,6	23,8	6,6	100
County	- Braşov	67,0	27,2	5,8	100
	- Călărăşi	61,2	31,3	7,6	100
	- Dolj	67,4	24,4	8,3	100
	- Maramureş	63,5	23,1	13,4	100
	- Neamţ	60,4	27,0	12,6	100
	- Vaslui	58,1	30,2	11,7	100
All migrants ...	- working abroad in August 2010	65,5	0,0	34,5	100
	- in holiday in Romania in August 2010	45,5	0,0	54,5	100
	- returned due to the crisis in September 2009-August 2010	55,8	44,2	0,0	100

Data: FEF-CSRБ survey, August 2010. Notes: * Cells with less than five cases. Coloured cells indicate values significantly higher than average (adjusted residuals higher than two in absolute value).

⁶⁶ Community social development index (IDSL), Sandu (2010). Methodology and data are available on: <http://sites.google.com/site/dumitrusandu>.

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