

Rapid Assessment of the social and poverty impacts of the economic crisis in ROMANIA

FINAL REPORT
ROUND 2 (November 2009)

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The findings and interpretation expressed in this paper are those of the authors, and do not necessarily represent the views of UNICEF and the World Bank.

INTRODUCTION

This final report includes the outputs of the second round of the Rapid Assessment of the social and poverty impacts of the economic crisis in Romania. The report is structured in four parts:

- Section 1 represents the summary fieldwork report, specifying number and composition of focus groups and interviews.
- Section 2 is the summary report covering the main findings of the research
- Section 3 presents the practical plan for repetitive research rounds
- The Annex contains the guides for focus group discussions and interviews.

The Rapid Assessment of the impacts of the economic downturn in Romania is supported by UNICEF in collaboration with the Social Development Department (SDV) of the World Bank. This exercise relies on qualitative research techniques to gather information that can be of use to those engaging in crisis response work.

The scope of this research has been designed with a view to providing information on topics and issues that are difficult to capture through quantitative methods.

For gathering qualitative data that can illustrate the diversity of crisis impacts within households and communities, a team of junior researchers from CERME (Romanian Center for Economic Modeling), coordinated by a lead researcher and a researcher, carried out an extensive fieldwork research during 15 October-30 November 2009, which has covered:

- ⇒ 22 FGDs with population out of which:
 - 19 FGDs carried out also in the first research round and
 - 3 new groups
- ⇒ 139 participants to the FGDs, from various social strata and life cycles, out of which 78 participants from the panel established in the original round and 61 persons newly recruited
- ⇒ 35 interviews with business and community representatives
- ⇒ about 45 hours of discussions overall recorded
- ⇒ 12 communities, 8 cities and 4 communes, located in 8 Romanian counties.

Verbatim transcripts of the focus groups and interviews have been delivered as a separate report on December 7, 2009.

The objective of this report, according to the TOR prepared by the World Bank in cooperation with UNICEF, is to provide insights into the following 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?

Similar to the first round of research (June 2009), the second round (November 2009) of the rapid assessment has been focused on the following channels ¹ 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.
- (2) A cessation, reduction or growing unpredictability in the flow of remittances from family members working overseas (largely in Spain and Italy).

The focus group with households from commune Urecheni (Neamţ county) that receive remittances from members who work abroad was replaced due to its poor results. In addition, the participants to the first round who have not fully complied with the focus group criteria or have been reluctant to provide information were replaced with newly recruited participants.

Compared with the original round, in the second round the (4) focus groups with farmers and workers in agriculture referring to the third transmission channel were cancelled.

- (3) Limited access to credit, which is constraining the ability of farmers to invest in necessary inputs.

In the same time, two new focus groups were included, which have referred to an additional transmission channel:

- (4) Fiscal pressure that results in administrative leaves and wage reduction for employees in the public sector. In addition, fiscal pressure may be limiting the ability of local governments to provide broad access to quality basic services.

This fourth transmission channel was a special topic of the interviews with community representatives.

The analysis presented below is based on the panel qualitative data gathered by CERME in November 2009, which are completed with panel quantitative data provided by the Agency for Governmental Strategies, collected in July and October 2009 by the TNT CSOP company.

The analysis follows the frame presented above with respect to the research questions and the transmission channels of the impacts of the crisis.

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

1 SUMMARY FIELDWORK REPORT

1.1 FOCUS GROUPS BY TRANSMISSION CHANNELS

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

Transmission channels	Focus Groups	Group profile
(1) Labour market (18 FGDs)	Formal sector (6 FGDs)	Employees in industries heavily dependant on export - Women - Men
		Unskilled workers - Women
		NEW - Employees in the public sector - Women and men
	Informal sector (6 FGDs)	Constructions - Men
		Services to households - Women
		Constructions and services - Roma men and women
'New' unemployment (6 FGDs)	Unemployed - Young 15-29 years - Men and women 30 + years	
(2) Remittances (4 FGDs)	Remittances (4FGDs)	Persons who returned from abroad as effect of the crisis or representatives of households receiving remittances. - Men and women

Information regarding limited access to credit of population and entrepreneurs were observed during all focus groups, no particular group being selected.

All focus group discussions have begun with a discussion about the nature and intensity of changes over the past four months (July-November). This was followed with more tailored questions depending on the particular situation of the participants. All groups have included questions about the impacts on child health and wellbeing. The guides for focus groups are provided in the Annex.

The research team carried out 22 focus groups, which represent over 25 hours of recorded discussions. Out of these, 9 groups comprise only women, 4 groups only men, 2 groups comprise only young people (15-29 years) and 2 groups comprise only Roma people. In 20 groups, at least one participant has children (0-18 years).

The objective of this work has been to gather qualitative information that will supplement the available quantitative data on the impacts of the crisis. In this respect, this report heavily draws on the quantitative data provided by the panel research *The Impact of the Economic Crisis in Romania 2009*, which has been carried out by TNT CSOP and financed by the Agency for Governmental Strategies in June and October 2009 respectively.

Table 1 Comparison between the first and the second rounds of the rapid assessment

Transmission channels	Focus Groups	Group profile	Number of FGDs		Number of participants	
			Round 1	Round 2	Round 1	Round 2
			June09	Nov.09	June09	Nov.09
Labour market (18 FGDs)	Formal sector	Employees in industries heavily dependant on export	3	3	18	20
		Unskilled workers	1	1	8	7
		NEW - Employees in the public sector	0	2	0	13
	Informal sector	Constructions	2	2	12	12
		Services to households	2	2	11	13
		Constructions and services, Roma	2	2	17	16
	Agriculture	Daily workers	1	0	5	0
		Business oriented farmers	3	0	18	0
	'New' unemployment	Unemployed	6	6	44	36
	Remittances (4FGDs)	Remittances	Persons who returned from abroad as effect of the crisis or representatives of households receiving remittances.	4	4	21
Total			24	22	154	139

With respect to the participants to the focus group discussions:

- 63 persons were newly recruited for this second research round
- 139 persons were interviewed, 88 women and 51 men
- 29 young people (15-29 years) participated in focus groups
- 76 interviewed persons have had children below the age of 18
- 16 Roma people, 5 women and 11 men, took part in focus groups.

1.2 INTERVIEWS WITH COMMUNITY STAKEHOLDERS

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

In total 35 interviews, which cover about 20 hours of recorded discussions, have been conducted, out of which:

- 10 interviews with representatives of the local business
- 4 interviews with representatives of the local municipality
- 7 interviews with social workers
- 3 interviews with representatives of employment offices
- 7 interviews with teachers
- 4 interviews with representatives of community based organizations.

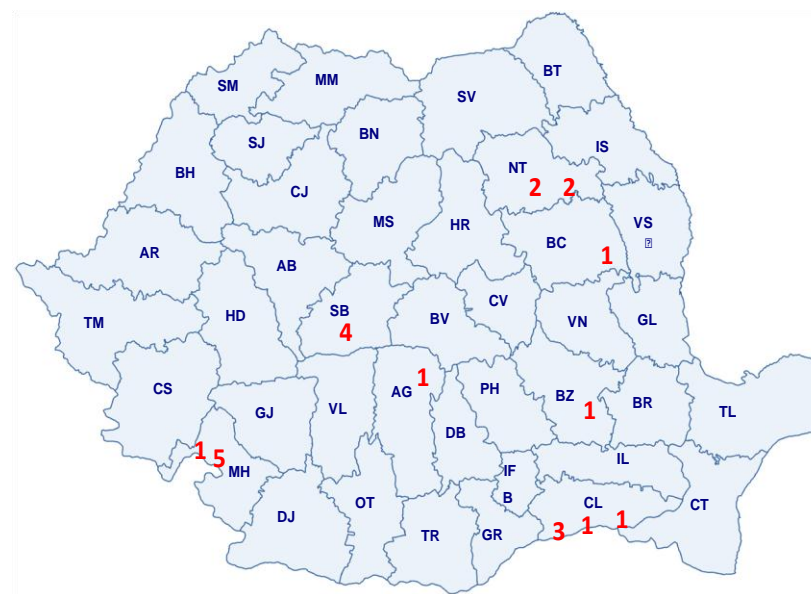
The guide for interviews with community stakeholders is provided in the Annex.

1.3 FIELDWORK MAP

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

JUD	Residency	Locality	FGDs population	Interviews local business	Interviews community stakeholders
CL	Urban	Oltenița	3	1	4
	Rural	Ulmeni	1		2
	Rural	Mânăstirea	1		3
NT	Urban	Piatra Neamț	2 (1 new)	2	3
	Urban	Roman	1		
MH	Urban	Drobeta Turnu Severin	5 (1 new)	2	3
	Rural	Eselnița	2		3
AG	Urban	Câmpulung Muscel	1	1	2
BZ	Urban	Buzău	1		1
BC	Rural	Răchitoasa	1		1
SB	Urban	Sibiu	4 (1 new)	2	3
OT	Urban	Slatina	0	2	
		TOTAL	22 (3 new)	10	25

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



2 MAIN FINDINGS OF THE RESEARCH

2.1 FROM NONE DIRECTLY TO TWO 'REAL CRISIS'

'The crisis started to feel quite well. If I was saying...with my mind...that there is no crisis, when we were talking three months ago, and that this is something the media created, now it seems it really exists.' (Journalist, Oltenița)

'The crisis ... from the beginning of the year, I think it was something psychological, or at least this is how I see it. It is only now that the crisis starts to be felt, not what was felt in the beginning of the year.' (FG Public sector, Drobeta Turnu Severin)

All over the country, nearly all interviews and focus group discussions started with remarks similar to the ones cited above. So, unlike in the first round of research the number of those arguing that 'in Romania the crisis is only on TV' or that 'after 1989 we have had a continuous crisis' has considerably reduced.

On the other hand, many participants underlined that between June and November 2009 a political crisis had grown and aggravated the economic crisis: the Government was temporary and was not able to provide effective support to population and local authorities, and scandals involving politicians were daily in mass media. Consequently, the general feeling that politicians 'do not care that it is worse for us as long as is it better for them' was spreading more and more.

'I tell you, if Geoană wins he will not give us anything more, if Băsescu wins, not even that ...' (FG Roma ethnic, informal workers, Eșelnița)

'[...] and the politics also contributed ..., because since 2007 there have been so many election campaigns: in 2007 there were the elections for the European Parliament, in 2008 there was the campaign for the local elections, in the autumn there were the parliamentary elections, in the spring of 2009 there were the elections for the European Parliament and now the elections for the president. In 2 years, 5 election campaigns with huge costs [...]' (Journalist, Oltenița)

'It is obvious that the general picture deteriorates if we think of the political crisis and the economic crisis worldwide...these are things that really influence everything this year (2009).' (Economic Director, Câmpulung Muscel)

People feel better informed regarding the economic crisis. This data are confirmed also by the AGS panel survey², representative at the national level: in July, 7% of the population knew 'nothing' about the crisis, 49% knew 'very few' or 'few' and 44% knew 'many' or 'lot of things', while in October the corresponding proportions were 3%, 44% and 53% respectively. Overall, 31% of the whole population self-declared better informed regarding the economic crisis in October compared to July.

Mass media represents the main channel of information. Nonetheless, many people consider media a 'panic creator' due to the abundance of 'negative messages' and lack of information regarding solutions.

'[...] I think everybody is bored with this crisis subject, it was too much in the media and I think it is the press and the media which caused this crisis by discussing over and over the same subjects every day.' (FG Remittances, Sibiu)

² Agency for Governmental Strategies, panel research *The Impact of the Economic Crisis in Romania 2009*, which has been carried out by TNT CSOP in July and October 2009 respectively. Panel, weighted data, N=999 persons.

'- I think that everybody fears. ... Fear of crisis, not touchable, but I think there also is this media that make you fear. *It is rather the fear of reaching a moment when you can no longer cope?* Yes, this is it. *Not necessarily the fear of losing the job?* No. For instance, in my case it is not my job. But I am very afraid about my husband's job because they may say, well if they [clients] don't pay, then I have to close the company down.' (FG Women employed in garments industry, Oltenița)

'- *Mass-media?* Maybe if it was not for these rumors, all the time: oh boy, it is this crisis! Maybe less negative information, it may have been better, you know. We would no longer live stressed, well you say maybe you can find [work] somewhere else, but all the time you watch TV, 50% is negative news [...] Right, right, no support, no play you can loosen, nothing at all." (FG Men, employed in the shipyard, Oltenița)

In all researched communities (rural and urban), there is a consensus that over the past four months (from June to November 2009) the general standard of living decreased and the number of poor increased.

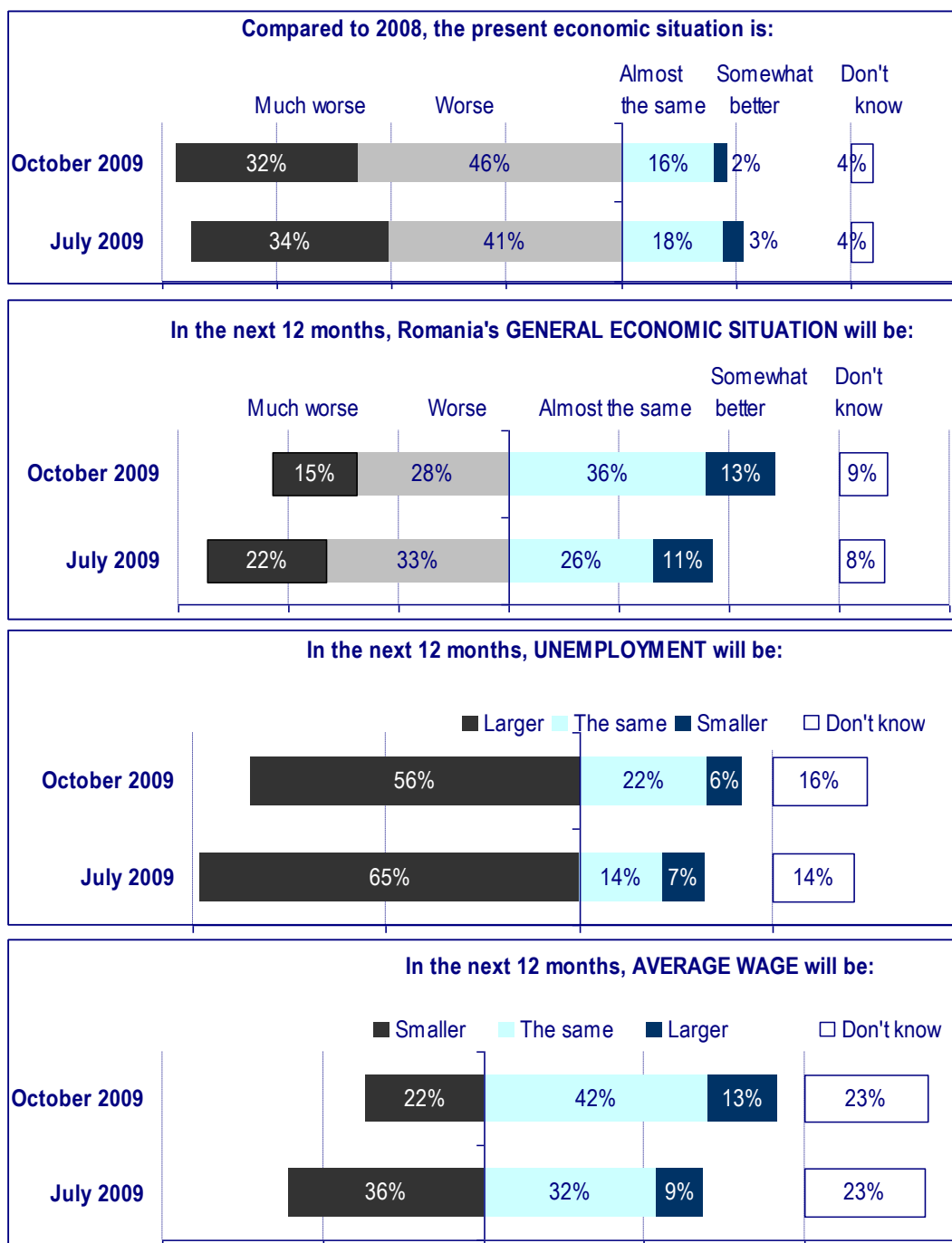
The most frequently mentioned 'signs' of the crisis include:

- Massive layoffs and less job opportunities due to 'so many companies dismantled'
- Small shops and/or network of shops closed down
- Shops with fewer, cheaper or less diverse products
- Increasing number of commercial spaces 'to let'
- In small cities: 'less buyers in shops'
- 'Decreasing sales of candles, religious objects and services although the number of people coming to church has increased' (Priests)
- People coming from market with 'empty bags' / 'bags with only 1 kilo of potato'
- In Moldavia region: Increasing number of baggers and homeless ('*dromomani*')
- More and more people in debt to utilities: 'debts to utilities are everywhere'
- In small cities: 'less and less cars are on the street because people do not have money for petrol anymore'
- during the summer holiday, the number of tourists did not increase: 'this [governmental] program, *Littoral for everybody* was made available...despite the price cut there were no requirements for it because the families didn't want to spend money not even for transportation.' (Owner of construction firm, Sibiu)
- The opening of the new school year put a serious pressure on the family budget due to the school supplies, the school fund and the school security officer related costs.
- 'The investments in civil works are frozen and the newly emerged residential areas with no buyers.' (Owner of construction firm, Sibiu)
- A general feeling that 'there are no money'; 'The wishes are in the shop windows and the money is scarce in the pocket.' (FG Remittances, Drobeta Turnu Severin)
- People have been more and more stressed and nervous.

'My opinion...therefore, the people is very tired, looks like they don't have anymore strength, they don't even have to power to quarrel, to speak...nothing...the people is tired.' (FG Remittance, Sibiu)

In the population's perception, Romania's economic situation was worse in October than in July. In the next 12 months, however, the majority expects the general economic situation as well as the average wage to remain 'frozen' to the (low) level from October, although unemployment might increase.

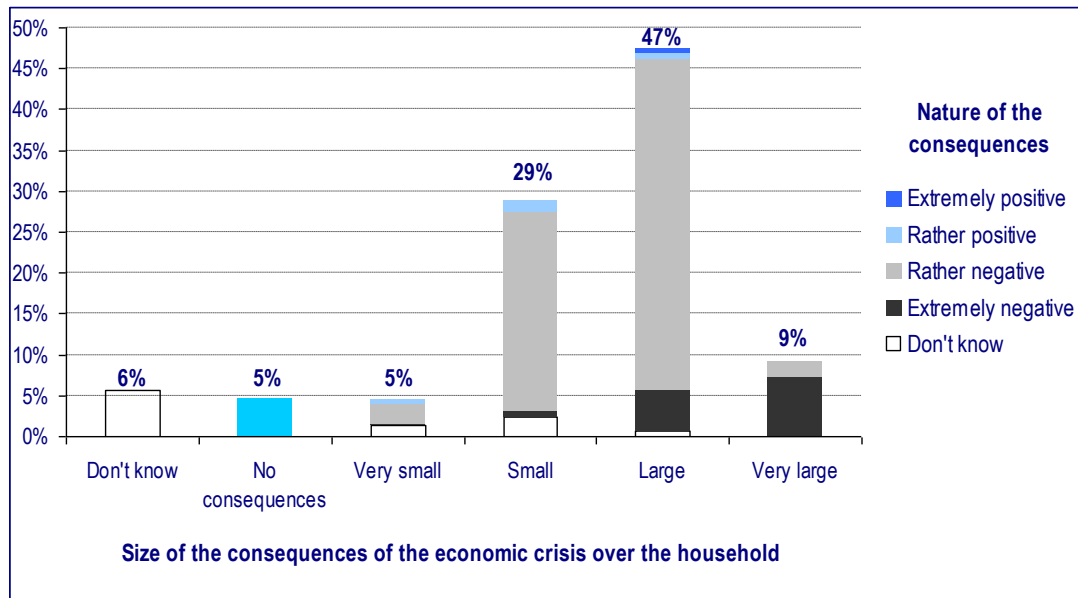
Figure 1 Perceptions and expectations for the next year (2010)



Data: 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. Panel, weighted data, N=999 persons.

2.2 WHO IS BEING AFFECTED AND THROUGH WHICH CHANNELS?

Figure 2 Has the economic crisis had consequences over your household? If yes, what kind of consequences?



Data: 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. Panel data for October, weighted data, N=999 persons.

At the overall population level, the majority expects the economic crisis to have 'rather negative' consequences over their households. Expectations were somewhat more negative in October compared to July. This perception has been common to urban and rural residents, both women and men. While young (18-24 years) and elderly (65 years or more) are statistically over-represented among the undecided ('don't know') and those who expect 'no consequences', people 45-54 years are the most concerned, particularly those located in rural communities from the North-East (Moldavia) region. Among the most worried have also been self-employed, unemployed, housewives, people with professional/vocational education, people from large households (particularly those with many children) and persons from households with very small total income (less than 500 lei per month).

In the AGS survey, participants were not asked to specify or to describe the expected consequences. So, the percentages in Figure 2 speak about various types of concerns from job loss to lack of work opportunities, decreasing wage, reduction of working hours, worsening working condition, diminishing support from institutions or from relatives and friends, lessening family incomes, children related effects, tense family relations as well as other aspects. Consequently, we analyze all these in the following sections.

2.2.1 IMPACT OF THE ECONOMIC CRISIS ON THE EMPLOYED POPULATION

Both in July and October, the employed people mostly affected by the crisis have been statistically over-represented among men with professional/ vocational education, from households with children, particularly from rural communities, but also from small and medium cities.

Since the economic crisis started, the formal economy has continuously contracted. According to the official statistics (National Institute for Statistics data³):

- The number of employees in the Romanian economy declined from 4.83 million at 31 August 2008 to 4.41 million persons at 31 October 2009.
- The registered unemployment in October 2009 was almost double as against September 2008.
- For October-December 2009, it is expected a further decrease of the economic activities in the manufacturing industry, in wholesale and retail trade, in constructions and in the service sector, particularly in the sectors in which the informal economy is better developed.

As a consequence, during 2009, competition in the informal sectors has increased as the corresponding formal sectors have contracted and the labour force supply seeking informal work has grown.

According to the AGS data, 21% of population in July and 18% in October respectively declared that one or more employed members of their households have been affected by the economic crisis (Table 2).

Table 2 In the last 6 months has the economic crisis affected the job of any of your household member? (% of all employed in the panel households)

Impact on the employed population	July 2009	October 2009
TOTAL (any type of impact)	27.2%	25.5%
- Job loss, unemployment	9.3%	8.2%
- Reduction of wage or benefits received in addition to wage	16.3%	14.6%
- Reduction of the number of working hours/ administrative leave	5.1%	3.8%
- Job loss abroad and return in Romania	Not applied	0.7%
- Retirement as alternative solution to unemployment	Not applied	0.2%
- Others (mainly wage arrears)	0.5%	Not applied

Data: 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. Panel, weighted data, N=941 employed persons (July)/ 861 employed persons (October) in 999 households. The employed persons include employees, self-employed, employers and informal workers in non-agricultural sectors and do not count self-employed in agriculture.

The **availability of work** considerably diminished in the last months. The non-agricultural private sector was hit by massive redundancies due to decreased demand. The public sector was characterized by diminished wage budgets and blockade of posts. Some economic activities, in which the informal economy is well represented, such as constructions, shrank significantly during the winter season.

³ *Monthly Statistical Bulletin* No. 9/2009 and No. 10/2009.

'[...] so many companies dismantled ... more and more people come to our human resources department... They cry and they say they want to work, more and more, lately, starting in summer. We have jobs but they have been blocked. There were retired people, or colleagues who went abroad and we have remained only few but we have to work more for the same salary. Everybody suffers.' (FG Public sector with a secondary informal job, Sibiu)

'The most affected companies were those from the machinery construction industry. Well, the industry didn't collapsed completely, rather narrowed its activity. As far as I know, in Sibiu only one company closed down. Nonetheless, now, if you walk in the street, many of those with small businesses closed down, among the merchants...for instance in Dumbrava general store, many of the spaces that were once rented are now void.' (Representative of the Chamber of Commerce, Sibiu)

Predictability and security of employment has also diminished. In nearly all focus group discussions there were people afraid of losing their job or of reduction of their working hours (including overtime hours) due to decreased demand and, in the informal sector, due also to increased competition.

Table 3 How likely is to lose your job in the next 6 months? (% of all employed respondents)

	July 2009	October 2009
- Very unlikely	17.7%	21.9%
- Somewhat unlikely	11.4%	12.8%
- Neither likely, nor unlikely	19.6%	22.8%
- Somewhat likely	16.9%	16.7%
- Very likely	14.2%	11.1%
- Don't know	20.1%	14.6%

Data: 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. Panel, weighted data, N=778 employed respondents (July)/ 699 employed respondents (October). The employed persons include employees, self-employed, employers and informal workers in non-agricultural sectors and do not count self-employed in agriculture.

The proportion of employed respondents who think that is 'somewhat likely' or 'very likely' to lose their jobs in the next 6 months slightly diminished between July and October (Table 3). Their profile also changed. Thus, the people who worried that will be sacked in the next six months, in July, were mainly skilled and unskilled workers in the non-agricultural private sector from urban areas, whereas in October, this group included predominantly men, both from the private and the public sectors, with professional, vocational or high school education from very small cities (less than 30 thou inhabitants), particularly from the South-West and Bucharest regions.

Wages and bonuses received in addition to the wage were diminished or have not been raised as one year ago, both in the private and in the public sector.⁴ According to the AGS panel data, 15% of the employed suffered reduction of wages and/or fringe benefits (Table 1). In the same time, data provided in mass media indicated that 15% of private companies have reduced wages of their employees in 2009. During October - December 2009, all local authorities and public institutions have

⁴ The official statistics confirm data from focus group discussions: in August 2009 as compared to August 2008, the average gross earnings increased from 1,728 lei to 1,845 lei. Nonetheless, in EURO, the average gross earnings diminished from about 490 to 435 (that represents net earnings of 320 EURO), National Institute for Statistics, *Monthly Statistical Bulletin*, No. 8/2009.

had to cut the budget expenses for salaries with 15.5% per month, according to the new law for rationalization of the public expenses.⁵ Consequently, the general perception was that the earnings erosion has been much more accentuated in November than it was few months ago.

‘Lunch tickets, they didn’t even mention the idea, ever. We used to be paid extra for toxicity hazard, the people working in laboratories, making analyses. Now, no extra pay any longer, they lost 60% of their wage. It’s a great mock, with the Health Directorate.’ (FG Public sector, Sibiu)

‘According to the new law, each public institution should reduce its wage budget with 15%. In fact it would end somewhere around 20%, since they said we should cut 64 hours, which is 19.3% something like that. Yes, in my case, my wife is also working in education, so we really feel it.’ (FG Public sector, Drobeta Turnu Severin)

Most interviewees employed in the public sector mentioned wages lowered by 15-30%.

‘ - Well, since with this crisis, they [*foreign business partners*] send us orders, we do have orders, but the handwork is much lower, and we needed higher handwork. They had to cut prices for selling their products, consequently reduced handwork that is our wage. [...] So there’s no big thing that we have work, because they pay, but they pay much less. [...]

- For instance, our family, my husband, at his job they called everybody and told them that their salaries were cut, all of them.

- Yes, same as with my husband, he was a man of 30 millions during the summer and this summer he didn’t even make 15 millions.

- Mine earned 5 millions. They told them, if it suits them fine, if not just go home stay by your wives.

- At my husband, [*guardsman in a hospital in Bucharest*], [...] the boss tells them: this month they [*the hospital*] didn’t wired the money, I have no money, I’ll pay you next month...the next month he should cash 16 millions, because he is paid 8 millions a month...but he is not paid 16 millions, just 12, says the other 4 got lost on the way. You can’t say no, there is no other place to go to.’ (FG Women employed in garments industry, Oltenița)

‘He is both blacksmith and reinforced concrete worker and he hired him and paid him for 3 months, 8,700,000 each month; in the fourth months the wage decreased to 7 millions...after that...the market is low...and the wage dropped to 5.5 millions ...the lunch and the commuting...what can you do...he would be better staying home...’ (FG Informal workers, Roma ethnics, Buzău)

In some enterprises and in the public institutions, **the working conditions** have worsened. Under circumstances of abundant labour supply, some employers increase the work target, particularly when urgent orders should be delivered, without raising the workers’ payments accordingly. Other employers with financial difficulties delayed wage payment, cut off bonuses and/or cancelled various services/ benefits (such as transportation subsidies for workers); increase the use of temporary contracts, particularly for unskilled workers. Due to the budgetary deficit, in the public institutions the number of employees was reduced,⁶ which

⁵ The Romanian Government issued this law in September 2009, in order to reduce the budget deficit as agreed with the European Commission and the IMF. The reduction of the budget expenses for salaries can be done through three measures: administrative leaves of 10 days for all employees, reduction of the number of working hours or a combination of these two measures.

⁶ Retired persons with pensions over 16 million lei had to choose between pension and salary. Governmental agencies have been restructured so that to ensure staff for the newly set up agencies (such as the Agency for Social

resulted in the increase of workload under the circumstances of the wage and additional benefits cut.

'I want to say that ...the payroll of my (public) institution includes 17 posts and I currently have only 5 employees who have to cover everything due to the blockade of posts.' (FG Public sector, Drobeta Turnu Severin)

'I noticed something during this crisis period, [the employers] don't trust to hire people on undetermined period. I saw such contracts for the skilled people, but with the unskilled workers, they have contracts for one month, maybe three months. I talked to them [the employers] and they told me they can't take a chance because they don't know how the things will go, how the economic situation will be. We have contracts, we hire them for three months and after three months they can qualify again for unemployment benefit...it is simpler both for them and for those employing them.' (County Employment Agency, Piatra Neamț)

Serious difficulties in dealing with the labour market shocks have been expressed by young mothers and by single parents because they cannot find work arrangements that allow balance between work and family.

The **demand has significantly fallen**, particularly in sectors such as retail trade or constructions. Both population and community representative emphasized the large number of dismantled/ closed down companies.

Work opportunities in the **construction sector**⁷ vary a lot between communities. In rural areas, they seem almost inexistent. Formal and informal workers usually commute to urban construction sites. In urban areas, however, it appears to be highly dependant on the local authorities' will and on the budget they made available for the *Rehabilitation of Dwellings* governmental program. Thus, while in cities such as Piatra Neamț, Roman or Câmpulung Muscel, the construction companies hired (formal and informal) workers, in Sibiu and Drobeta Turnu Severin the program was not started.

In smaller cities (e.g. Oltenița, Roman), the **retail trade** activities has been significantly hit by crisis. Lessening incomes of the population has translated into decrease of the number of buyers, people buying less and cheaper products.

There are visible signs that the **transportation sector** has also shrunk. Alike in the first round of research, people mentioned again that compared to one year ago the number of cargo trucks has considerable decreased. In addition, due to the diminishing number of employed people who commute, the transportation services for population have been significantly reduced.

Employees in **industries highly dependant on export** are aware that both the demand and the level of wage are a result of the global crisis, because 'if it were for the domestic production only, we would have been long dead'. Therefore, their hope is directed towards an improving situation in the countries of their business partners. Workers in garments industry believe that as soon as the price cut of the luxury clothes that they manufacture will be stopped, their wages will be raised. The shipyard workers that manufacture yachts consider that as soon as in Germany the demand for yachts will restore, their jobs will be again secure.

'- [Between June and November] The crisis started to be felt pretty well ...

Benefits). In education, staff was restructured in concordance with the newly introduced methodologies for didactic norms.

⁷ In October 2009, the construction works registered a decrease of 25.3% as against October 2008, by type of construction, for residential buildings (-50.5%), for non-residential buildings (-34.3%), for civil engineering (-4.5%). (*Monthly Statistical Bulletin* No. 10/2009).

- Indeed, so ..., so it is not any more just simple talking... People have really been sacked meanwhile in our company and the forecasts are quite bleak...

- *I remember that the last time when I came, you had orders, you had work to do, and you worried about the new contracts.* The worries came true, meaning that the old contracts ended and that's it.

- *No new contracts?* Not for the time being, until the end of the year, there is some part or another to make, but they don't cover eight working hours each day, this under the conditions in which some people left the company, I mean they left so we can work a couple of months more... Hope the Germans will move after the winter celebrations...if the Germans move, then in 2010 we also move.

- *What are your managers saying? Are there promises for next year?* Hopes, but what can they say...because they are not told either, the boss doesn't tell them...he can't say anything because he also doesn't know anything...he is also depending on other people...the companies which contracted our parts gave them to him, and he sent them to us in Romania...and so there is a chain which broke apart in some place longer ago, because those people contracted the parts that we have done, they had to pay for the parts and they could not sell them and the parts remained in their stocks, and you can figure it out, their yard is now full of parts, you must be stupid to order new ones...you need to get read of those first, and now that the ship construction industry has frozen because you can not make the ships with the money in your pocket, but with loans from the banks, and since nobody gives you credits for ship building, that's it...

- We hope it will unblock after January 1st, for the people outside. If it unfreezes in Germany and Holland, we hope it will come to us too.' (FG Formal, men employed in the shipyard, Oltenița)

Similar to the first round of research, in November, the situation of the **unskilled workers** appeared as very fragile, being more alike the one of the informal workers than the one of the formal skilled workers. Their predictability and security of employment have been self-assessed as low. All of them complain of poor working conditions and wages that are 'much too low'.

In the context of the economic crisis, the unskilled workers have been 'the first to be fired'. They are rather pessimistic about finding new work, let alone a secure and well-paid job. The number of jobs in the informal sector is severely declining during the winter season. In the formal economy, the unskilled jobs have also considerably declined.

'Anyhow in this town there is no way you can find work or, if you find, is only for one, maybe two days. I tried, and as far as I am concerned, it is worse and worse. [...] I also tried where they said they want people [...] at restaurants, but they are just using people. They call you for a day or two, a wedding or two and don't get paid at all, no, nothing.'

(FG Unskilled workers, Drobeta Turnu Severin)

In the **informal economy**,⁸ the work opportunities are very scarce due to the economic crisis but also due to the seasonal pattern of constructions and agricultural activities. Only the demand for services to households (such as cleaning, housekeeping or baby sitting) has not diminished due to season but to insufficient financial resources of the population.

In the informal sector earnings have always been low and lately has further decreased. Wage arrears were mentioned in few cases, particularly by informal workers in constructions or in related service sectors (security). Specifically due to

⁸ The informal employment in Romania is concentrated in agriculture, constructions, services provided to households and retail trade (including vehicle repair).

the abusive employers' behaviour in the informal sector, many unemployed mentioned that 'a job on the black market does not worth because they work you like hell and pay you nothing'.

During the autumn months, most informal workers from rural areas were daily labourers in agriculture and construction sectors. For the winter, the majority will 'hibernate: stay at home, with a hen, a chicken, a pig, help a neighbour from time to time, reduce consumption to the minimum and wait for the spring'. Few others mentioned remittances from relatives working abroad or various low level social benefits as supplementary sources of income for coping until spring.

Only women work in the informal services to households. In the smaller cities (such as Oltenița or Roman), this sector is underdeveloped and has further contracted due to the crisis. In the larger cities, the demand for this kind of services has stagnated but the competition has considerably increased as the labour force supply has grown (due to women laid off from the formal sector but also due to those performing these services on the side). Consequently, entrance of new workers is very difficult.

Roma seem to be the most disadvantaged: 'Now that there are so many unemployed people, work opportunities for us are very few to none.' They are very creative in combining all sorts of informal casual jobs, yet they are highly dependant on social benefits (cash and in kind).

'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!?! 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 Rroma informal workers, Eșelnița)

'In terms of strategies, how do the poor people save their everyday problems? How do they live?'

This Rroma community have some specificity of theirs, because they are not interested in the future, they live the moment. There is a young one who works just a few hours daily in order to buy the things he needs at that moment, cigarettes, bread.... he doesn't think to earn more money for the family, or for tomorrow... this is their specificity, they don't look in the future. There also are quite wealthy families which take care of the family, but they are a few.

Do the Rroma raise animals? Do they own land? No! Very few families having a pig or a few hens. They are persons who don't know how to do something by the house, or if they have possibilities to send a child to school, then it's fine, if not, they will keep him/her at home.' (Deputy Mayor, Eșelnița)

Most informal workers are worried that the available work opportunities (and, accordingly, their incomes) will further decline in the next six months. Thus, regarding future, they are rather pessimistic. The only viable option, mentioned repeatedly by many informal workers as well as by the formal unskilled workers, particularly in underdeveloped communities, has been applying to the guaranteed minimum income scheme. The benefit is low, but is better and more secure than the payment for the work they have access to.

Has the number of applications for minimum guaranteed income increased? 'Yes, but this is not necessarily related to the crisis. Each year there is this fluctuation, the number of applications is increasing during winter as the available work opportunities are narrowing [...]: when the cuckoo sings there is no one to broom the street, when the wolf howls they are crowding to shovel the snow' (Social assistant, Câmpulung Muscel)

2.2.2 BUSINESS STRATEGIES IN RESPONSE TO THE ECONOMIC CRISIS

'There were moments when it was better and the people accumulated, now we give away what we have accumulated, we pay taxes and all that. I say I passed through too many crises, this one doesn't frighten me.' (Owner of a hotel with restaurant, Câmpulung Muscel)

Both population and community representatives emphasized that a large number of companies narrowed down their activity or even closed down due to the crisis.

I feel the crisis more and more. For some time now I am jobless, unemployed, not technical unemployed but real unemployed. I was working for an accountancy company and it all seemed all right. We had more than 60 companies that we were making accountancy for. Now, only 5 of them are still in business, in all fields of activity. So I really felt that everything falls down apart just like this. (FG, Remittances, Sibiu)

In the context of the economic crisis, companies were forced to cut costs in order to survive. Firstly, all cut investments to a larger or smaller extent. Secondly, most reduced the work related costs. The large companies (such as ALRO from Slatina) externalized some activities and offered to their personnel well prepared redundancy plans including severance payments and access to various (re)training programs that were accessible on one's own will. In addition, the company offered internal retraining courses in order to increase the flexibility by rotating the personnel on posts. However, this is a very rare case. The large majority laid off personnel in the absence of a redundancy plan and/or reduced wages and the benefits received in addition to the wage. Furthermore, even when more than ten persons were made redundant, most companies organized in such a way that to avoid collective layoffs and, consequently, all rights that need to be paid in such situations according to the law.

Then, there are many employers who didn't lay off 10 [persons] at a time. This month they fired 4-5, next month 7-8, so didn't have to notice the County Employment Agency, because there were not collective layoffs. [...] Then it was this measure with the annual minimum tax, which hit where we didn't expect it. Well, it was foreseeable though. There were small companies who said; well I can't afford to pay this tax of 500 euro, or whatever, because I have an income of 100 million. I mean the small companies, those with a kiosk...and I can tell you that there came only one or two [unemployed] from each, but they gathered. These are not collective layoffs, just reduction of activity.' (County Employment Agency, Piatra Neamț)

Since we started, 4 years ago, the hotel was never empty, not even for one day until today. The regress has begun in October-November 2008, when the occupancy rate decreased to 60-70% of the rooms. In December last year (2008), it reached 40-50%. Afterwards it has continuously declined and now is 20-30%. The (pizza) restaurant followed a similar trend although we organized all sorts of promotions. We have reduced the prices both for accommodation and for meals. We fired 30% of our personnel. All in all, we are just floating. (Owner of a hotel with restaurant, Câmpulung Muscel)

I talked to the representative of the Chamber of Commerce from here, in Oltenița, and he told me that very many companies closed down. Either they dissolved just like that, without reorienting towards something else, or they changed their legal status in self-employed or family association, mainly because of the annual minimum tax, but also due to the high level of the social contributions and all other state taxes, which bring you down. (Journalist, Oltenița)

The annual minimum tax for small and medium enterprises (introduced in April 2009) ⁹ worsened the situation. This regulation has been highly controversial. The Ministry of Finance estimated that this new tax brought 200 million lei ¹⁰ to the state budget. On the other side, the National Council for Private Small and Medium Enterprises from Romania estimated that it has determined the closure of 112,000 firms, out of which 26,000 active firms with 56,000 employees. Besides all these arguments, it seems that an effective survival strategy in response to the crisis (and probably partly to the annual minimum tax) of the SMEs, particularly of those in retail trade, has been to lay off employees and to shift the legal status in self-employed or family association. At least for a part of these SMEs, the 'real' strategy was to lay off workers only 'on paper', in fact keeping them as informal workers. Workers have agreed because they receive the unemployment benefit in addition to the informal wage (which usually is lower than the former wage). In this way, this regulation feeds the informal economy and further deteriorates the general economic environment.

As we have already mentioned, the crisis has seriously hit the retail trade activities: lower incomes of the population have resulted in less clients who are more parsimonious and buy less and cheaper products. The indicator used to illustrate the magnitude of the crisis impact over the trade activities refers to the school kiosks, which in the last months have turned from profit to bankruptcy.

The *Croissant and Milk* [program] became very appreciated and expected, the children take their share at home, last year it was a little bit of wasting. As of this year, there are no more kiosks in schools because their sales plummeted, no more profitable, most children don't waste their pocket money like the last year. (Owner of construction firm, Sibiu)

In response, shop owners 'reduced prices at minimum', 'rethought the stock of products' and revived the selling on credit ('selling on notebook'),¹¹ which used to be very popular in the '90s.

Do you sell on notebook? Well, of course, the notebook is basic. Without it you are dead, you can't pay your debts in the end of the months. Don't you think I charge interest...no, how much he buys, that much he pays. (Owner of a small shop, Eşelnița)

Many shops are helped to survive by suppliers, which credit them with products for longer periods. Some larger suppliers developed strategies for decreasing the deposit and the VAT related costs, which involve profitable arrangements also for the shop owners: the goods are stored in shop for 90 days and afterwards the sold goods are paid and the remaining goods are either returned or changed.

In order to be suspended a firm should be cleared of debts to the state budget. Specifically because of this, some small firms were kept open, all employees were fired and the owner started to work as seller, particularly if s/he was 45 years or above and had no other formal employment.

Arrears of the public institutions to the private firms have also been mentioned as a serious problem.

'This year didn't pay me at all. Everything I worked this year is unpaid for. [...] It is all linked to the politics. They didn't make payments at us because they are waiting the 6th of

⁹ The level of this annual minimum tax 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), according to the annual incomes of the firm.

¹⁰ The initial estimate for the additional revenues to the state budget was of 600 million lei.

¹¹ 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.

December to pass. I have three state beneficiaries. Everybody has the payment orders drawn up...nobody had money entering their accounts. So the key is with the government... *And what are they telling you? Don't they have money?* It is campaign. ... Three different ministries, starting from Monday, should have sent money in our accounts...none did. So, this is the answer. It is campaign. [...]

Another problem is that the public institutions are only allowed to make payments between the 25th and 30th of the month ... and even if the money enters the account after the first, what will they do, pay us on Christmas? At that time, what...that's it, treasury, everything closed...and the money return to the budget because they are money from the state budget. The financial year closes on December 31st so I don't get my money even though I did my construction job. Nobody knows what will happen.' (Owner of construction firm, Drobeta Turnu Severin)

2.2.3 IMPACT OF THE ECONOMIC CRISIS ON THE UNEMPLOYED



Line of unemployed in front of the Local Employment Office from Oltenița, Călărași county

November, 2009

According to the official statistics (National Institute for Statistics, *Monthly Statistical Bulletin*, No. 10/2009), during 2009 the registered unemployment has doubled compared to the end of the year 2008. Thus, during the economic crisis the number of unemployed registered to the Employment Agency grew from 350 (in September 2008) to over 654 thousands persons (in October 2009), out of which 57% (374 thousands) were receiving unemployment benefits.¹² The registered unemployment rate grew accordingly from 3.9% (in September 2008) to 7.1% (in October 2009).

There are however large discrepancies between counties. For example, in 31st of October, Mehedinti county had the highest unemployment rate in the country, 13.2% (16,212 registered unemployed), but a very low proportion of unemployed receiving benefits, 40% (6,460 persons). In another studied county, Neamț, the unemployment rate was near to the national average (7.4%); the total number of unemployed was 15,008, out of which 8,260 (55%) received benefits. The best

¹² In 2008, at the beginning of the crisis, the share of registered unemployed receiving benefits was only 36%.

situation was recorded in Bucharest, with 2.1% registered unemployment rate and a share of 72% of the registered unemployed receiving benefits. As we have, however, showed in the first round of research the unemployment statistics for Bucharest should be cautiously interpreted because a large part of the people made redundant in Bucharest were in fact commuters from neighbouring counties (such as Calarasi).

The crisis affected the registered unemployed who receive unemployment benefits through the contraction in demand for labour as this category of unemployed consists of (1) people made redundant in the last 15 months and (2) young who graduated high school in 2009 and have not succeeded entering the formal labour market. Unlikely, 'the large majority of the registered unemployed who do not receive benefits are not active job seekers, but minimum guaranteed income seekers'¹³ (representative of a County Employment Agency).

The main problem of the unemployed is work scarcity. As an employer put it: 'the labour market is blocked and without perspective'. The private sector reduced significantly, particularly in the rural communities and in small cities.

'There are no jobs, nada. What about agriculture? Well, now this is dead too. Only two small kiosks (dughene) still work' (FG Unemployed due to the crisis, Manastirea)

'I'll give you an example, on our website we posted the other day a job vacancy and posted the phone number of the company manager, our boss. The next day he called me and told me that from 8 in the morning until 10 when he called me, the phone kept ringing and he was overwhelmed...told me to delete the phone number and put an email address...something else. We were glad for it because it meant good impact, but then, it is clear that the people don't have jobs and wherever they see a job vacancy they ask immediately. There are fewer and fewer the people doing fine, I mean have a relative comfort which allows them to pass from one day to the next one.' (Journalist, Oltenița)

The public sector is also closed. Therefore, the informal economy remains the single alternative. Because the informal work opportunities will considerably diminish during winter, people expect the situation to get worse in the next months.

'What has happened with the people laid off? Unemployment. And, did they find anything? Very few, and many on the black market.... Well, this is the future... Black market, here and in Bucharest too, because you find...he comes and tells you... that much, poor wage, lower. Black market, where, doing what? Constructions, and iron works, also black market.' (FG Men employed in a shipyard, Oltenița)

In all researched communities, the job offer provided through the Employment Agency is very low and uneven distributed within the county: the large majority of the open jobs are located in the city that is county residency, few in larger cities of the county, very few in small cities and almost none in rural areas.

'There are very many layoffs. We had previous relations with the County Employment Agency, so we asked for the list of open jobs, but they had none to give us. So there is no list anymore. In the last four months only one enterprise hired few people, all the others fired [...].' (Journalist, Oltenița)

'In Drobeta we offer mere 15-20 jobs per week. Very, very few.' (County Employment Agency, Drobeta Turnu Severin)

'In rural areas there were no jobs to be restructured. Small cities like Dumbraveni, Avrig or Agnita feel the crisis to the full. [...] In Agnita there are 600 new unemployed, all registered, and we have only a local point with one employee. I am wondering how these local representatives do not crash. [...] Now we need to open a local point also in Copsa

¹³ The minimum guaranteed income file should include a document from the Employment Office to confirm that the person looked for a job but did not find.

Mica. Medias [*a larger city*] and Sibiu [*city residency of the county*] are better off.' (County Employment Agency, Sibiu)

'We have few indicators among which the proportion of jobless population and I tell you that the situation is rather good in Piatra Neamț [*city residency of the county*] by comparison with Roman and Tg. Neamț [*smaller cities*]. In Tg. Neamț is a calamity, unemployment is simply huge. The number of open jobs is also much better in Piatra Neamț. Out of 200 open jobs at the county level, 140-150 are in Piatra Neamț, 50-60 in Roman, and only 10-20 in the small Tg. Neamț. Furthermore, most of these jobs are concentrated in only one sector, textile, that's it.' (County Employment Agency, Piatra Neamț)

Extremely low chances to entering the formal labour market were repeatedly mentioned both for **young** and for the **people over 40 years**. 'The youth have no chance', which means that irrespective of how much they learn and how well they do in school they cannot get a job because simply there aren't any or there are too few.

'What else I noticed... unfortunately, the people with higher education really stand no chance [...] Those with high school education still manage now and then to find a job such as sales assistant or commercial worker. Unfortunately, for the people on higher education it is the same types of jobs that are available. Some of them preferred to work as sales clerk, sales agent or cashier to Kaufland rather than to stay at home... Few found jobs in marketing or insurances. I talked to many of them...they are desperate not finding jobs...there are among them people who graduated 2 faculties...and I tell you, at this moment, for the higher education there is no perspective in this town.' (Local employment Agency, Piatra Neamț)

'I had a try during the summer, when I saw that things started to slow down in our factory, I filed for a job at Mehedinți Gaze. I went there, to the Italian boss, and he knew me because he was coming to us at CCH, and I told him that I filed for a job...we spoke very cordially and he told me that when the gas supply network will expand he will need people as clerks, at the cashier desk too. Anything, not necessarily...meter reader, whatever, I don't know. And in the very end he asked me: how old are you? For the first time in my life I was ashamed to tell my age and I told him: 44. I saw on his face that age mattered. He didn't say it straightforwardly but...it is a sure thing he didn't call back.' (FG Unemployed due to the crisis, Drobeta Turnu Severin)

'If you have connections the age is of no concern, but if you don't, age matters. I wanted to get hired as shop assistant, I decided to do even that although all I know is to operate a PC, use a typewriter, but I decided to have a try. Everywhere they demand experience or a training course. I found something in the paper, they didn't ask for experience. Just to see the kind of reason. I phone them, a lay responded, she said, yes, of course yes. Did you work previously in this field? If you think you are smart and you can manage it, then yes. Finally, the eternal question. How old are you? Lady I'm sorry. The girl I have is 25 and I don't know how you will get along with her. As if in the factory I didn't have colleagues of different ages. I wouldn't have taken her home, I wouldn't have married her...' (FG Unemployed due to the crisis, Câmpulung Muscel)

According to the law, the Employment Agency implements a series of **active measures** of employment policies. Two of these measures refer to subsidies paid to employers for hiring young (fresh graduates) or unemployed 45 years or over. Due to the state budget deficit, these measures were not funded in 2009. In the best cases, the funds were provided for few months. For instance, in Sibiu county, the number of beneficiaries decreased from 478 in 2008 to 74 in 2009, for the graduates related measure, and 512 to 99, for the unemployed 45 years or more measure.

'Unfortunately, starting with last year [2008], in fact when the crisis started, during November-December, we didn't receive any more these funds from the budget. Although the budget for 2009 was structured and these funds for graduates were stipulated, we

didn't even receive them in our budget. ... Just about when the crisis broke out...we also didn't conclude conventions [with employers]. We even received a notification from the National Employment Agency not to conclude any convention because we don't have money in the budget...this is a penal case...you can not commit money you don't have. Many [employers] said, you know, because they don't have this money they don't employ people, otherwise they would have created jobs. There is this vicious circle, which affected everything: because the employers didn't employ, didn't have profit, didn't work, didn't send money to the state budget...so, everything went...everything got stuck. These measures, it would have been very important to subsidize them.

We tried financing through POSDRU [*financed from the European Funds*], the employers should have accessed themselves on the website of the Ministry of Labour and apply there, state why they want to employ...but the age group was over 50...also had disadvantaged groups, rural groups...received financing, but it was painstaking work with these European programs. So the employers came and said they first had to bring self-financing, they should evaluate their project, how much it would cost to employ that many people...put up money...and look what other conditions: no debts, no...it is very difficult nowadays to find an employer with no debts...So, these money were not accessed either...' (County Employment Agency, Piatra Neamt)

Regarding **gender**, the situation seems ambiguous. In some communities, the available work opportunities are mainly for women, while in other communities predominate those for men.

'Who find work easier in your community? Women or men?

- It's easier for women. There are no more factories, the mine is finished, only some shops are working, therefore is easier for women. [...]

- In my opinion, the specificity of Roman, 80% of the job offers I saw in 2009 were dedicated to men, because there still are some construction yards working...the jobs of security officer, the security companies are in great demand...I don't think there is an institution, a company without a security officer, maybe the fear of burglars, I didn't understand why so much unsafety, but they are promoted systematically...each month the job offer at the employment agency is in constructions, tile layers, rendering worker, therefore for men...' (FG Unemployed, Roman)

'Who find work easier in your community? Women or men?

- I am engineer and in the technical domains, everybody prefers men. [...] We should recognize that men are much more technical oriented than women, so I would say that they [employers] have wanted and want men.

- I'm not sure but I know that in education work more women. The garment industry, in which women predominate, is ruined, but also constructions, in which work men, doesn't feel too well. So, I would say that is equilibrium.

- I share the same opinion of gender balance. Nonetheless, I think that men are psychologically more affected. Among my friends, I saw men who lost their jobs and abandoned themselves in alcohol.

[The other participants agreed that finding a job is easier for women]

- Women find work easier. It can take some time and she might not like, yet a job [...] Retail trade is still working and women are clearly preferred for seller jobs. [...] Women are more open and they are able to cope with any job, including low class ones (*'muncile mai de jos'*). [...] Women can take care of children or sick elderly. Women know to clean and to cook. [...] Men are preferred only for physically hard works.' (FG Public sector, Sibiu)

In all studied communities, the Employment Agency provide free of charge (re)training courses. Nonetheless, only a very small proportion of the registered

unemployed attend these courses. On the one side, the low skilled, particularly those who graduated gymnasium at most, are excluded from training courses. On the other side, the unemployed consider attending (re)training courses 'useless', specifically because 'Yes, there are such companies which train you, they seemingly give you a skill, a diploma, but don't give a job.' (FG Unemployed, Manastirea)

Counseling services for unemployed are rather rare. Out of all studied communities, only in Sibiu the employment office organizes a Job Club, where unemployed could learn to complete *curriculum vitae*, to face a hiring interview etc. However, the unemployed do not show interest in counseling because they perceive it as being 'inefficient' in the job crisis context.

'Do you have a CV? No, but I have friends who filed dozens and hundreds of CVs wherever they could and nobody cared.' (FG Unemployed, Oltenița)

Job-seeking strategies

The unemployed participants to the rapid assessment described their efforts of seeking a job, but also the multiple fails and negative experiences that they had to face. On the one hand, they tend to accentuate that they look for a job 'anything, anything at all'. On the other hand:

- the unemployed who receive benefit tend to refuse jobs paid with the minimum wage, because 'it does not worth. The unemployment benefit is 400-500 lei and costs nothing, whereas the minimum wage is about 650 lei, out of which you should pay for the transportation, for the daily snack, you name it. So work for the minimum wage is simply too expensive'.
- the unemployed, apparently, are less and less inclined to work without contract. The unemployed who receive benefit declared afraid of losing it. The long term unemployed explained that in the last months the informal jobs has become more and more insecure and the working conditions worsened significantly.

'Before I had a refuge with the security, because once in a while you were on guard and make some extra money [*besides the unemployment benefit*] ... If you were to go to Bucharest on the road, before they were providing you with a car, but no more these days...the boys that were must now do extra shifts, so they can compensate for the car money...or they say that I don't know who didn't pay them to guard the objective...or if they pay you they do it maybe with 2-3 months delay...not like before.' (FG Unemployed, Oltenița)

- the representatives of the employment offices mentioned, however, that the number of registered unemployed who work in the informal sector have increased because an increasing number of businesses lay off workers for reducing the labour costs but only 'on paper' (see section 2.2.2)
- in rural areas, but also in smaller cities, unemployed work in agriculture

The only way to make a living either is located in big cities (such as Bucharest, Iasi, Cluj, Timisoara etc.) or abroad is a shared belief. Nonetheless, the interviewed unemployed are not inclined to go for work in a big city to which they cannot commute daily, 'unless the wage would be 20 million lei (about 500 euro) or larger'. On the other side, the fact that 'in Italy and Spain is also crisis' has tempered the propensity to migrate abroad. The discourse about leaving Romania 'at any costs' because 'migrants abroad are making fortune' is counterbalanced by more and more stories about migrants difficulties to keep a job, to find new work or simply to survive in the new economic context. The opportunities to work abroad based on formal contract diminished, as they were predominantly unskilled work in agriculture, which was hardly hit by the crisis. Few (10-12) work contracts abroad

are still available at the County Employment Agencies, but only for qualified medical staff.

'Last year, in January-February-March, two and a half months I was in Bucharest, I worked within IMBG, there was a firm there, ROMENERGO MECANIC, but I didn't resist, with the wage they were paying me there...15 millions and I had to pay the taxes from Bucharest and the rent, live there and send money back home. If you have a place to live and eat, it is worthy to go to another town, another region. However, with the wages here, in Romania in general, pay the dues there and still have something for you and to send back home, it is not worth. You better stay home, in your bed, have meals, no additional costs for it and you know your money stays in your pocket.' (FG Unemployed, Drobeta Turnu Severin)

'Yes, there are some contracts for temporary work abroad, but thanks, no. ... and you work like a slave and they don't pay you and you are among strangers...many bad things happened with Romanians abroad.' (FG Unemployed, Oltenița)

According to the AGS data,¹⁴ the share of population willing to leave for work abroad in the next 6 months decreased from 12% in July to 6% in October 2009. Most would go to Italy, Spain and Germany. They are predominantly young, high school graduates, persons from urban areas, particularly those who worked abroad in the last 12 months as well as people from households in which one or more members have worked abroad.

Aside the current crisis, the corruption is frequently mentioned as a major obstacle for finding a job, especially in the public sector. 'Connections' provide recommendations, provide valuable information about available jobs (which are not publicized or before they are made so) and know the right people that should be 'convinced' or paid in order to be hired.

'Connections are vital of course, but it depends on your connections..., depends if your connections are strong like the mayor, a bank manager. If 'connections' is only about people we know, well, we know half of Oltenița town and in vain.' (FG Unemployed, Oltenița)

'I went once to an examination, I was the only one...and someone else took the job. I tell you it is possible.' (FG Public Sector, Sibiu)

'My boy saw when a CV was forwarded together with a 1 million banknote. A million for a job of unskilled worker. Plus bottles of expensive drinks, whisky, don't know what...crates of apples, and things, many other things.' (FG Unemployed, Câmpulung Muscel)

'There are many who graduated difficult state colleges and don't even stand the chance of one whose father is manager I don't know where. It is difficult for the graduates. In Romania, people still use the mother - father - connections gold triangle ... for most of them the only chance is to go abroad.' (Owner of construction firm, Drobeta Turnu Severin, p. 396)

The unemployed participants to FGDs combine a variety of job-seeking methods, but asking friends and relatives for help without acquiring new skills or competencies appear as the dominant one.

'He [representative of the employment office] said, for you we cannot find anything, but he was buried in papers, so I said, no way...there must be something. [...] I went quite by every institution, Labour Directorate, Social work office from Piatra Neamț. I searched on Internet. I went to Piatra Neamț, I walked throughout the town and filed CVs

¹⁴ Agency for Governmental Strategies, panel research *The Impact of the Economic Crisis in Romania 2009*, which has been carried out by TNT CSOP in July and October 2009 respectively.

everywhere...people I collaborated with, people I know somehow, professionally, obviously. Something concrete, I already am....there has passed how many...we are in November and nothing happened. When I went to the education office to file a CV, not even there...now, even as a teacher to work with civil contract and you don't find a job...it's settled.' (FG Unemployed, Roman)

According to the AGS data (Table 4), the top four job-seeking methods used by (self-declared) unemployed include going to the Employment Agency, asking friends and relatives, going directly to companies, and looking open jobs in papers. The majority of the unemployed looks for open jobs few times a week or a month. Asking for help relative and friends is the most common job-seeking method used by unemployed women, while going directly to companies is specific to unemployed men. Whereas unemployed from urban areas tend to go the Employment Agency (and other institutions) and look for jobs in mass media, the unemployed from rural areas rely more on relatives, friends, and visits to companies.

Table 4 Job-seeking methods and how often are these used? (% of unemployed respondents)

Job-seeking methods (multiple response)	July 2009	October 2009	How often look for job	July 2009	October 2009
- Go to the Employment Agency	51%	61%	- Don't look for job	15%	17%
- Ask friends and relatives	41%	53%	- Less than once a month	13%	*
- Go directly to companies	44%	44%	- Few times every month	21%	22%
- Read papers	31%	45%	- Few times every week	23%	35%
- Search on Internet	14%	*	- Daily	18%	*
- Don't know	10%	11%	- Don't know	9%	10%

Data: 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. Weighted data, N=98 unemployed respondents (July)/ 54 unemployed respondents (October). Unemployed refer to people who self-declared so at the survey moment (thus, the concept differs from registered or ILO unemployment). Note: * Less than five cases.

As for the future, most unemployed expressed hope, except for the long-term unemployed who were rather confused and to the brink of despair.

'I hope things will straighten and we will work, earn our living. I think that this is the only way we can make way...not waiting for someone to give us, nobody will give you. A job, the safest, you work and you know that you receive your money...'. (FG Unemployed, Drobeta Turnu Severin)

'Well, there is also the stress, where you live because you have no income, you have nothing and can't find anything anywhere...this is worse, that you cannot find... you are just staying and thinking that the unemployment benefit ends and then what? ... There are 2 years since I am doing nothing and my parents help me, or the old ones [grandparent]... this is another thing, but I cannot just stay on their incomes.' (FG Unemployed, Oltenița)

2.2.4 HOUSEHOLDS WITH REMITTANCES FROM MEMBERS WORKING ABROAD

'And I told them, come home. No mother, there is nothing home to come to.' (FG, Remittances, Răchitoasa)

In the first round of research (carried out in June), a significant part of people who have relatives working abroad mentioned that they were not affected by the crisis. In the second round (November), on the contrary, the majority declared that they were affected by the crisis. Most respondents said that in the last months their relatives have suffered job loss, reduced working hours, diminished predictability and security of employment and/or decline of earnings. For the last months, the sector that seems most strongly affected is agriculture; by comparison, in the constructions, in services to households and in hotel and restaurants there were more opportunities for casual/temporary work.

[About a large community of Roma ethnics from Oltenița who after 1999 went abroad]

' - Some came back, they did. Some of them achieved something...I can see...they built new houses, arranged their houses...the houses were quite bad before...now they arranged them...since 10 years ago. Even the women and men are cleaner now, dressed differently...anyhow, they are different. But lately they became more nervous.

- *This year [2009], they went back to Italy and didn't find work anymore?* Yes, some of them didn't even have the return money. They went there, they had promises there but found something completely different. Worked there for one or two months so they have money to come back, with no profit at all...those were lost months, worked for nothing, just to be able to come back home. So, they got nervous because many have installments. They were working there and the family was here, and were paying from there the installments from here. They reached too much... thinking maybe that things will go better there... and now they are probably worrying...not really desperate, but on the brink of despair, if this crisis will last longer.' (Priest, Oltenița)

Consequently, (1) *the frequency*, (2) *the amounts of money* and (3) *the number of packages* from abroad have further decreased (even compared to the situation in June). Regular remittances (50-100 euro per month) seem more likely to be sent by migrants whose children are in Romania or whose parents have 'big troubles' (serious illness, action at law or large debts).

'Now, since with this crisis... Until now he earned nice money, but now...not enough to send home something.' (FG, Remittances, Piatra Neamț)

'*Cristina, did you say you have a sister helping you?* She helps me because as of this year, I am going to the post high school training courses, for nurses, and she has got to help me, because for the money I earn... *Where is she gone?* Parma, Italy. *For how long?* Since two-three years. Before she was calling me "I bought you a jacket, bought you a dress"; now she is just saying "you should try to pull through with the money", but how to pull through? *And about when did she shifted from the jacket to "pull through"?* Since summer, ... if two years ago she was making 1500-1800, now she is telling me she has only got 800 euro, which is very little, only the rent is 400 euro.' (FG, Remittances, Sibiu)

(4) *The number of visits in the country* has decreased as well. Already in June, respondents in the locations with strong migration said that this trend started last Christmas and has preserved for Eastern holiday. It has continued over summer and it is not expected to change for Christmas 2009 given, on the one hand, the lack of money (it's hard to save money for transportation and other expenses while the number of working days significantly decreased) and, on the other hand, the

employment insecurity, especially for those working without contract (there is a high risk that another person take your job while you are away).

There, if you don't keep on... For instance, mine came home and when she went back they didn't receive her anymore.

I know many persons who last summer didn't come home on vacation so they don't lose their jobs. That's what I know. (FG, Remittances, Piatra Neamț)

Although many migrants lost their jobs, *apparently, the number of migrants returning to Romania is still quite low compared with that of persons who could not find work in the destination country.* The few migrants returned to Romania, referred to during interviews and focus group discussions, left abroad only in 2009, in the context of crisis. By contrast, persons who migrated abroad few years ago have managed either to find work with contract (and legalized their stay) or to make enough contacts to find casual/temporary work even in the time of crisis. However, most migrants, particularly those from underdeveloped communities, prefer to stay abroad even if they do not find a secure job, because work for few days per week/month provides a better life than they would have at home.

My son in law went abroad first, in 2002, the boy was eight months. He went first, it was the same thing, a friend called him but didn't find a job for him...he lived in the woods and in the street, slept in the bushes, wherever he could. Finally he found some work on a construction site, with work book, hired him, had a job, it was very fine in the beginning. Then he called my daughter too, in the beginning without the boy. He stood there two months, could fit in, she missed very much the little one so she came home. She stood home until the second year and then went there with the little one with all...it was difficult for them, there were three families in a three room apartment...the little one was crying...and she came back home again. And he endeavoured and sent some papers home, for family reunion...and the boy was older now, about 3 years old and fit in now...took him to a day care centre there. She found work, either to an old lady, or to another lady, worked a lot because she is thin, has long hair and she [the old lady] kept pulling her hair, beat her, called her "straniană" ... she was crying that she won't stay any more, came home, can no longer stand.... [...] Meanwhile my son in law went, two years ago, from Italy...and she remained there with the little one... and there was that earthquake, she remained jobless and homeless, lived with some girlfriends of hers...now it is harder for her with the little one but she is not coming back because she finds work from time to time... (FG, Remittances, Piatra Neamț)

' - Very anguishing, these Spaniards are very harsh with the work, rough people. They [migrants] even have to switch off phones during working hours. But no, they don't come back. No aim at all, where to come home, what to do?

- My son came home, just left back. Where he is working, the owners don't pay them if they go elsewhere, pay them little... and he smokes, needs accommodation, meals. Overall, however, there still is a little money left, for a cigarette, food, clothes; at home there is nothing! And he lives with the hope...he is not making as much money as the other years, compared to last year, to two years before...it was better then. I kept calling him and asked her, will you take us along? Do what? No, there's no work here he says.

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

Children with parents working abroad is a theme completely obliterated in focus group discussions with people receiving remittances. Nevertheless, teachers, social assistants and local authorities put it forward. Many children with parents working abroad seem to have school related problems (rather low school attendance frequency, declining school performances) and, in some cases, emotional and behavioural disorders.

Yes, it can be noticed, the children suffer the most. Parents went abroad, worked there, and the distance broke the bond between children and their parents. When the parents came back, found their children to be different, changed. I remember, I can give you examples... mother went abroad for I don't know how many years, in the first grade she came home on Christmas and brought clothes but the child grew up so much that nothing she brought fit him. So the mother remained speechless... she didn't recognize her child. (FG, Public sector, Sibiu)

'We have a very high number of migrant parents. Precisely for this reason, we did an exploratory study that showed that the number of people who leave their children in the extended family's care has been quite alarming [...] 2000-3000 parents left behind their children. This situation reflected in the poor school results of these children. Some had also behavioural problems. Now, a part of the parents returned home and became unemployed.' (County School Inspectorate, Sibiu)

2.3 ALLOCATION OF LABOUR WITHIN THE HOUSEHOLD

Among the participants to the rapid assessment, people from one or two-earners nuclear families with children below the age of 18 years predominate. Rather frequent are also multigenerational households, which most frequently include grandparents. Usually in this type of households, the grandparents are in charge with the domestic work and the care for children, while parents do some paid work. Roma have also large multigenerational households with a large number of children, in which men do the paid work and women do the unpaid work.

Smaller groups of the participants belong either to one-person households (particularly the young) or to couples with no children (most of which are in their 50s, with one retired member). Couples without children seem to be the most 'democratic', the two members sharing both paid and unpaid work.

2.3.1 CHILDREN WHO WORK

The large majority of interviewees declared that their children (0-18 years) do not work for money. All children 0-14 years from the households represented within focus groups attend school on a daily basis and most children 15 years or over attend high school. Young 15 years or over, particularly girls, usually help mother in domestic activities (cleaning, carrying for younger sisters/brothers etc.).

Nonetheless, unlike in the first round of research (in June), in November, the interviews with community representative pointed out various cases of children who work, particularly teenagers from rural areas and/or from poor families.

Citations describing cases of children who work

Why [do they miss school]? Are they sent to work? 'The parents are going, send them to work, the children also go, don't have money to eat...no income...you can imagine they are all living on the child allowance...and there are 6-7 mouths to feed, you can realize it is not simple at all...and the poor fellows are working by the day, hired hand for agricultural work. They help here, help there, maybe they can get out of this tough spot...but I am thinking of what they are doing during the winter, because I told them...hey, what are you doing in winter, during the summer you go here, you go there, but what do you do in winter, because there are families which...if I take you now to them to see how they are living...you'll not believe it...you'll say they may get out of this winter, depends on the winter, if the winter is hard, they are in big trouble. We helped a lot of them, gave them *interniță* to cover the house ...gave them from schools...where we had problems...we modernized a school and what was left, we also helped them to enlarge their houses, to built house dependencies so they can live somehow...we have a family of 7 who lives in

one room, you should see how they are staying on two beds, you'll get frightened, four stakes stuck in the middle of the house, or somehow on the side, with same wood planks, you should just see them, I have a family in the district of Magazia, you'll get frightened.' (Mayor, Răchitoasa, RURAL)

Are there children who work in your community? Yes, there are few. *What are these children working?* Whatever they can find: wood cutting, unloading construction materials, loading cereals...children under 16 doing occasional jobs. (Deputy Mayor, Manastirea, RURAL)

Are the children working? We are looking at this very carefully...we even had a trouble, a child run away from home and was living with a shepherd, the conditions were not the best, gave him some money. He, however, wanted to go to school but had nothing at all, no school bag, no nothing and we helped him together with the school principal, took him from that shepherd [...] I explained that man that there are problems with exploiting underage children and so forth... and the child came back home for just one day, then run away again. I wanted to understand why he run away from his mother, why he was going there [*to the shepherd*] and he told me he has been much better off there [...] particularly that he wanted to go to school and that at home the conditions were really miserable. [...] he didn't run away because of battery, no problem of violence... nothing, just that he was supposed to go back to his mother and he was better out there, better washed, better fed and his mother was always drinking. (Social assistant, Ulmeni, RURAL)

Are there children who work during school period? Yes, there are the village children, most of them are at the vocational school. Most of them find work at a (car) wash, a bar, somewhere, clean dishes. (Teacher, Drobeta Turnu Severin, URBAN)

Which do you think are the main problems of the children in your city? [...] In our municipality the children are no longer allowed to work - the teenagers wash car windshields at street crosses or sell various products -, which is very well. For these children we established day care centers, they are monitored and are given meals. [...] However, boys aged 14-15-16 are still used in construction works, during summer, unskilled works, with no papers. These children must work the full construction working day of 10-12 hours. (Owner of construction firm, Sibiu, URBAN)

Social protection programs such as the *Croissant and Milk*, *School After School* and *Money for High School* seem to represent incentives for school attendance, which indirectly reduce the number of children who work.

Working children? They are not working because there is no place to work. Maybe in spring when they are going to Ciorboreni, the older ones, I don't know, in the 7th, 8th grade [14-15 years old], helping their parent maybe, but I don't know for sure. But this is not exploitation of underage children. They are just helping their families with the household work, or wood cutting, easier stuff for them. They are not missing school particularly since they are getting the croissant and the milk and have all the interest to go to school. There are cases with many persons in the family and they can hardly wait. I know a child, for instance, who each day receives from his colleagues who don't eat, at least 3-4 milk packs and snacks and he is very glad for it because he takes them home. Maybe his mother, father and rest of the family eat on them.' (Teacher, Eșelnița, RURAL)

Are there children who work? Yes, yes, there are children who work, specifically children over 16 years who work during the school holidays, with the family agreement. This is a positive thing [...] and it happens in all civilized systems, including in the Canadian one. *So, there are only children who work during holidays?* Many, many, most of them. Of course, we had also few cases of children from day care centers who preferred to go to work on the black market instead of attending school. After *Money for High School* was restricted - at 20 absences or more, the benefit is cut - their number decreased. [...] There are also the Roma communities, where children together with their families depend upon the forest [mushrooms, forest fruits etc.] and consequently their school attendance frequency is not very good. For them, programmes like *School After School*, particularly those including

meals, proved very effective. The number of children who work has increased in the last months? No, no, it didn't increase.' (County School Inspectorate, Sibiu)

2.4 DISTRIBUTION OF THE CRISIS IMPACTS WITHIN AND BETWEEN HOUSEHOLDS

Within the household, the impacts of the crisis are shared by all members.

'Who feels the crisis most in your family? Well, since it is a family, all the family feels it, we are all in because that's why we are a family. All in good, all in bad, it can't just be one member if the family who is affected by the crisis, by the debts.' (FG Unemployed due to the crisis, below 30 years, Drobeta Turnu Severin)

'We are all doing something to earn our living, with the children, with the animals, all of us.' (FG Unemployed, Roman)

On the one hand, the main breadwinner, usually man, has to face psychological pressure (caused mainly by the insecurity of income) since s/he feels responsible to provide for the entire family. On the other hand, the person in charge with shopping, housekeeping and carrying for children, usually woman, has to manage lowering incomes under conditions of raising prices. Overall, women and men, young and elderly are all affected in various ways by the economic crisis.

Who feels the crisis most in your family?

'[...] my father... he comes to me every day, don't forget the bill for the electrical power has just arrived, don't forget this or that... He is on a disease retirement pension, he has diabetes for over 15 years and he lives alone in a two-room house, but he can't manage it no more. He even told us that if we hear someone who wants to rent a room, we should let him know.' (FG Remittance, Sibiu)

'[...] my sister because she was supposed to get married on the 24th but they had to cancel it, because nobody was coming to the wedding.' (FG Public sector, Sibiu)

'I am living only with the little one...the main one who feels the crisis it's me, because I make it so that he feels as little as possible.'

'[...] the woman feels it most because she, well, has to think more in an economical way so that to manage for everybody in the family.' (FG Informal workers, Piatra Neamt)

'My husband is very affected because he is providing, but we are all sharing everything, the joys and the sorrows.' (FG Unemployed, Roman)

'The parent is the one most affected. Well, the same goes for the child who asks and doesn't understand that it is not possible.' (FG Remittance, Drobeta Turnu Severin)

2.4.1 IMPACT OF THE ECONOMIC CRISIS ON THE CHILDREN



Children from Roman city, Neamț county

November, 2009

In November, like in June, nearly all participants to the rapid assessment, population and community representatives as well, emphasized that 'children always, under any circumstances, come first'.

'[...] the families are making all efforts that their children don't feel it [the crisis], even if the family experiences rough times.' (Teacher, Drobeta Turnu Severin)

'Pocket money and snack each and every day for my daughter is a huge sacrifice for us, that she does not understand, but I'm a mother and I cannot allow her feel the crisis.' (FG Unemployed due to the crisis, Drobeta Turnu Severin)

Nevertheless, at least three types of the crisis' effects on the children can be identified. Firstly, there are children who have to work for getting along (see section 2.3.1). Secondly, there are effects on the education of children, which clearly are damaging on the long term. Thirdly, there are the effects of the reduction of the household income/consumption. In some instances, certain children may experience effects of more than one type. The mostly exposed to this risk seem children from poor households.

Regarding the crisis' effects on the education of children, the AGS panel survey provides rather worrying figures (Table 4). Thus, almost 13% of pupils and students in July and 15% in October suffered one or more negative impacts on their education. These children and young belong to about 8% of all households with pupils/students, which account for 2.6% of all households in Romania in July, and 3.7% in October respectively. 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 5 million 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.

Table 5 In the last 6 months has the economic crisis affected the education of any child in your household? (% of all pupils and students in the panel households)

Impact on the children's education	July 2009	October 2009
TOTAL (any type of impact)	12.8%	15.3%
- Increase number of school absences	5.2%	8.5%
- School dropout/ early school leaving	0.6%	4.4%
- Diminished school performances	3.9%	10.7%
- Resume/ continue school because have not found work	Not applied	0.6%
- Others (mainly, insufficient food, clothes or school supplies)	5.5%	Not applied

Data: 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. Panel, weighted data, N=434 pupils and students (July)/ 378 pupils and students (October) in 999 households. Students include also persons over 18 years.

The impact of the crisis on the children's education was well described in focus groups discussions and interviews also.

'Did the crisis affect their school performance? My brother, yes it did. I am sure that this is also because he is a boy. But this is not a reason. He doesn't go to school all the time, for instance when he has classes of applied work he prefers to go to the carwash to make some money and he usually goes in the weekend when it is school,, and when there are classes of applied work he stays only there. The people from the carwash already know him and ask him, did you come again? Do you have classes of applied work again? It is for him so he can buy some blue jeans, save money until school starts, for lunch and things. I think that...his grades are not that good either. He scores 6-7, no more, no; he even scored 9-10 before, now he is not going and he is losing.' (FG Unemployed, Drobeta Turnu Severin)

'And cases of children with no skill, just finish 8 grades? Yes, [...] there are not only those who finish a cycle and don't start another one, there also are those who start it, but don't continue it and drop out. And what is the cause for that? The temptation to get hired and make money. There also are unfortunate situations when there is a misfortune in the family, I know situations...for instance...if the father died and he was left with his mother and grandmother, he is the one who has to keep the house, gives up school and looms for a job to keep the household running. But most of them give up school and go some place to earn money, either in the country or abroad.' (Teacher, Drobeta Turnu Severin)

'Are there cases of children who dropped out of school before getting a skill, [early school leavers]? There are enough. After eight grades the child rarely comes to high school. They are trying to find something to work and give up school. What is the proportion from overall children you have? Are there many? In our school we have about 320 children, the kindergarten included, half of them are Roma ethnics. The number of Roma ethnics increased, now they stand for about 50% because they are the most numerous in the family. And among the Roma children, about how many continue in high schools? Very few...now we have three classes of 40-50 children each, say 10% go to high school.' (Deputy Mayor, Eşelnița)

'I had a surprise with one of the families, the mother was revolted, how did we dare to ask her to send her daughter to school, because she doesn't want to send her daughter to school, she wants to marry her to some guy loaded with money and she was magnificent, the 13 years old child was crying her lungs out that she wants to go to school but it was in vain since the mother or the father had a corrupted environment...' (Social assistant, Ulmeni)

'This problem, school dropout, we are confronted this year, at least this autumn many enrolled...many enrolled and then dropped out. I can tell you this, because I know how

many buy monthly tickets for transportation. [...] All these categories enter here...the socio-economically disadvantaged categories but also people you wouldn't expect to consider that the first measure to save on the family budget is to keep your child home, rather than sending him/her to school.' (Social worker, Piatra Neamt)

So, children who work do not attend school regularly and their school performances decline as a direct consequence, which on the long run lowers their employability. Other children leave school early due to poor financial resources. If in June, the main problem was that the subsidies for transportation for high school pupils from rural areas were delayed, in November this subsidy was available but the parents were not able or did not want to pay half of the monthly ticket for transportation.

In the case of the Roma children, discrimination worsens the situation.

'I'll give you an example...if you go to Norway, you at the age you have, I told a Parliament deputy woman, I don't remember her name... you go to Norway... everybody is blond there, nice people...you are special, they will put you at the last desk because you are a brunette, because you are not at all like them, because you are coming from a country they don't know much about and the teacher in the classroom speaks Norwegian. You are in the first grade, you are learning small lines, dots, question marks...do you understand anything the teacher tells you? Well, she speaks her language. Ok, it is the same with the gypsies speaking Gypsy. It is the same thing. We bring them in classrooms; we put them at the last desk and separately if possible, because they stink and are dirty and someone speaks to them in a language, nicely, but they don't understand it. It is Romanian. It is perfect. But he understands a word in three. Or one in seven, because at home, those people are speaking the Gypsy. So what does he understand in the school? Then we say he has to repeat the grade. Yes, he has to do that grade once more. Does this mean access to education? This is no access to education.' (NGO representative, Sibiu)

The crisis' effects of the reduction of the household income/consumption were the most frequently mentioned. Many people explained that although they have tried to cushion their children against income loss, they had to cut off extracurricular activities (private lessons, trips, camps etc.) and/or particular goods such as sweets and beverages (see also section 2.5.1).

'Does the crisis affect their school performance in any way? No, who wants to learn, learns. Only that the parents, I am off the hook now, the parents could help them more, tutor them more. You can realize that the children don't learn in schools as much as they learned before. And [before the crisis] you can help them, it is something else to pay a teacher to tutor them.' (FG Women workers in garments industry, Oltenița)

'Now we have very many refusals to our demands to the pupils. I'll give you an example. Puppet theatre in the school. Very many children came because the ticket fee was very low, 3.5 lei. Many children said, my mother doesn't let me. Well, you talk to him one day, two, three... it is absurd to take all the class and two or three to stay out. It is a pity. It is not everyday that a puppet theatre show comes to our town. I'll get in fact to the bottom line: they didn't have the money. For those 3.5 lei, to say you don't have money it must be very, very difficult. Our town has big problems with employment. In the town there are families whose fathers have been laid off, or the mothers have been laid off, or unfortunately the mother already was housewife and the laid off father comes home. I don't know how do those people pull through...And then the refusal of the child to go to the puppet show, and when you call them you find out that in fact they can't afford those 3.5 lei. This is the whole truth, honestly.' (FG Remittances, Drobeta Turnu Severin)

'Because just talking, for instance, to the children during the health care classes, we discuss about body hygiene or teeth hygiene and I noticed that there are many children who don't even have dentifrices and tooth brush. *Was it like that all the time, or do you think that now they cut down this expenditure from the family budget?* No... but, currently it is increasingly worse and they really can't afford any more. If before they could afford to buy a dentifrice

once a month or every 2-3 months, now they really don't see it as a priority because they don't have enough food, so...' (Teacher, Eşelnița)

'It happens something that never happened before since we are functioning. The parents are coming to ask me if I have the possibility to support them with a fixed allowance which they should return in 3-4 months, in installments. Because the banks give them no money. They have very low incomes...most of them are single mothers. Or mothers with unemployed husbands, or husbands which finished the period for their unemployment benefit, no other income except the income for the handicapped child, if they have two more children in the family and an unemployed husband, there is no way she can support them.' (NGO representative, Sibiu)

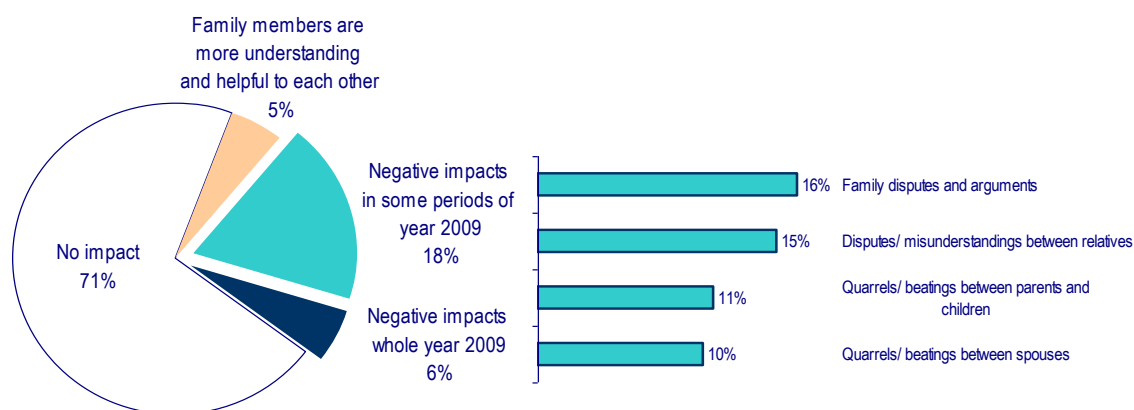
2.4.2 IMPACT ON THE FAMILY AND COMMUNITY RELATIONS

The AGS data show that 71% of the population consider that the economic crisis have had no impact on their family relations in 2009. A small group of 5% believes that family members are more understanding and helpful to each other as effect of the crisis.

'On the other hand, within the family relations, unexpectedly and happily, the relation is reversed... we are more attached, more caring, more affectionate with each other, and for our children even if they are more grown up and independent, the threat of the crisis also worked as a sign that we have to be more precautious, and even they [children] are more economic and they are making calculations for the highest safety of their family.' (FG Unemployed, Roman)

On the contrary, the family relations 'worsened due to hardships' declare about a quarter of the population, particularly from households with children of unemployed, self-employed and housewives, that have very low incomes (less than 500 lei per household per month) and are located in rural areas from the North-East, South-East and North-West regions.

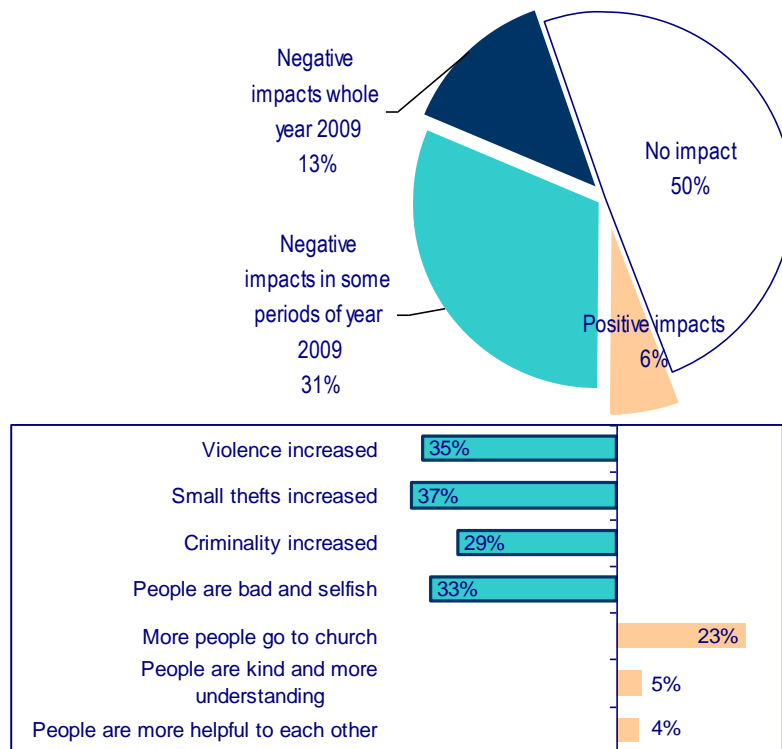
Figure 3 In the previous 6 months, did the current economic crisis affect your family relations?



Data: 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. Panel, weighted data, N= 999.

Figure 4 In the previous 6 months, did the current economic crisis produce changes in your community?

Data: 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. Panel, weighted data, N= 999.



Half of the population believes that the crisis have had no effect on the community relations. Only 6% of the population, particularly rural residents and people from the South-West region, considered that community relations have been improving in 2009. The other 44% of the population, mainly housewives from urban areas located in the North-East, South-East or North-West regions, mentioned one or more negative effects of the crisis (Figure 4).

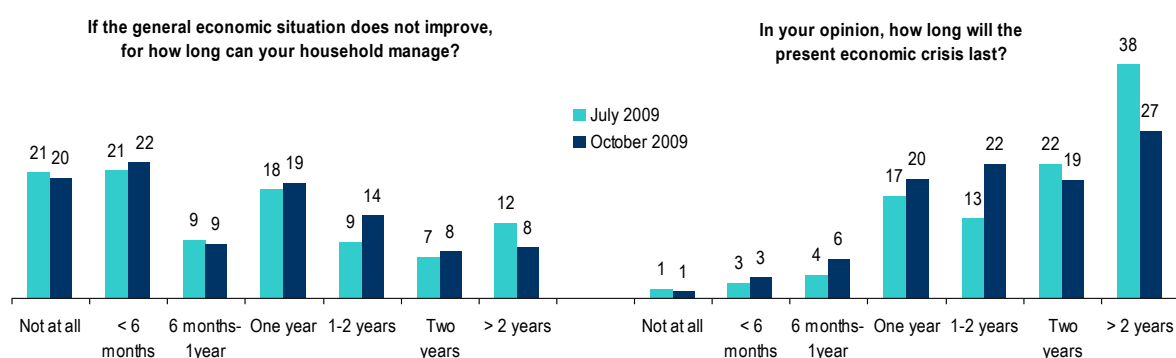
Within focus group discussions, in all studied communities, the level of crime was assessed as 'rather low', although small thefts (such as 'a hen or some wood') and violence has steadily increased during the last years. Behaviours such as alcohol consumption and domestic violence are still considered 'at acceptable levels'.

'Do you think the alcohol consumption increased in the last four months? No, on the contrary, I think that the material hardships and the lack of money made the men more aware. I am speaking of concrete situations on the [construction] site. Before, almost at the end of every working day, the constructors, workers didn't split until after drinking together alcoholic drinks. Last autumn this habit was less frequent.' (Owner of construction firm, Sibiu)

2.5 COPING STRATEGIES IN RESPONSE TO THE CRISIS

The population's expectations regarding the duration of the economic crisis were more positive in October compared to July 2009. Nonetheless, the majority of the population is rather pessimistic as their household's resources are enough to cope less than a year, whereas the crisis is expected to end in 1-2 years only (Figure 5).

Figure 5 Opinions regarding how long will the present crisis last and how long can the household manage, if the general economic situation does not improve (% respondents)



Data: 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. Panel, weighted data, N= 999.

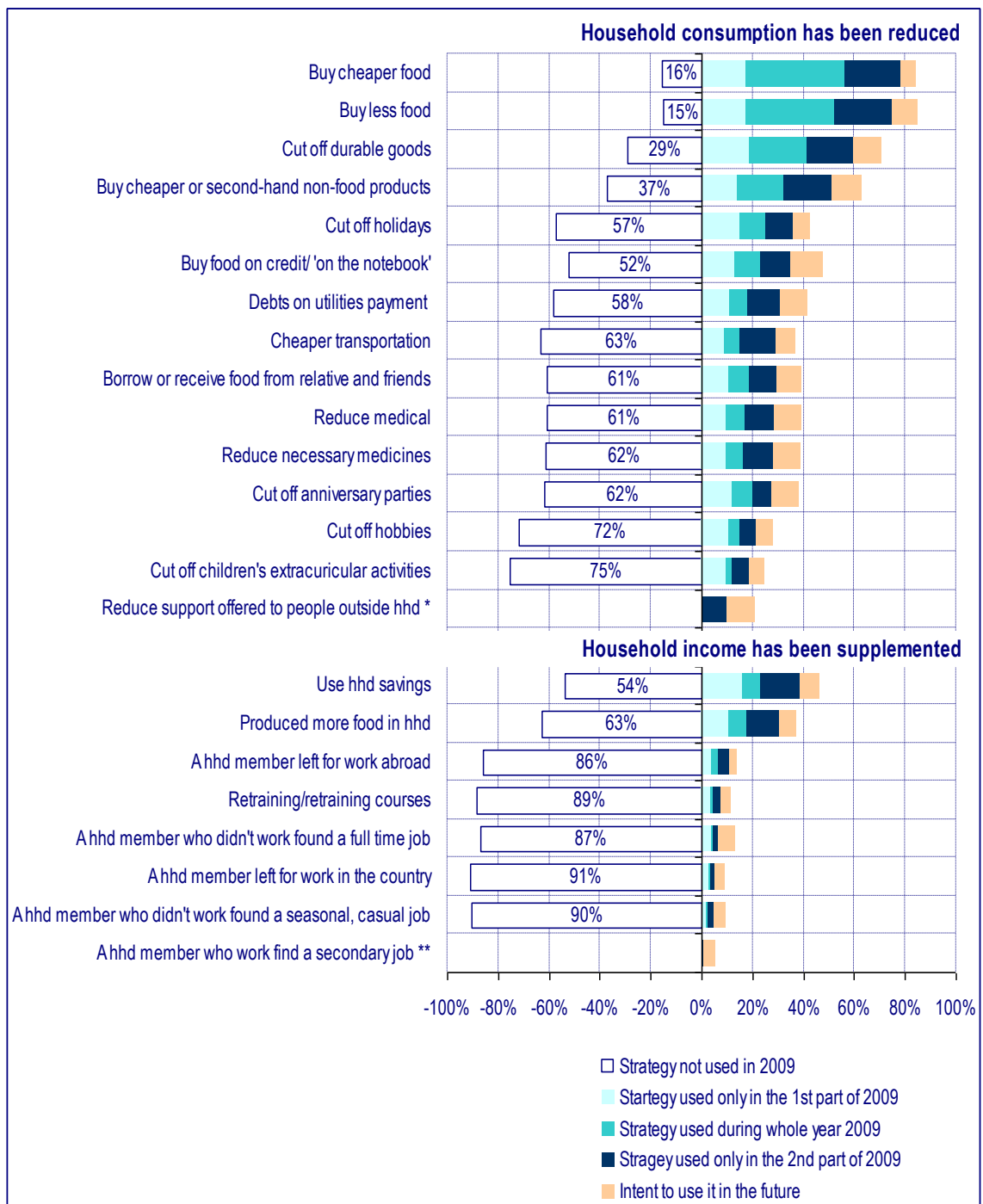
Consequently, people developed or reactivated a variety of coping strategies. The large majority has reduced the household consumption. About 40% used their savings, about 30% produced more food in the household, and only around 10% succeeded to supplement their household income by finding additional work (Figure 6). In addition, 10% asked support from the governmental institutions, 10% were helped by relatives from Romania and friends and approximately 5% received aids from relatives abroad or from non-governmental organizations (Figure 8).

The AGS surveys as well as the two rounds of the rapid assessment show that the reduction of consumption has been the main coping strategy in response to the crisis in 2009. Under conditions of raising prices and very limited opportunities for increasing incomes, people have reduced all categories of consumption - food, non-food, and services.

2.5.1 REDUCTION OF THE HOUSEHOLD CONSUMPTION

At the overall population level, within the AGS survey, buying less food and/or cheaper food was declared in significantly larger proportions by retired women and housewives, rural residents, particularly from underdeveloped regions of the country (North-East, South-East and South). From the same regions, retired people and unemployed told about reducing medical and the necessary medicines. The same categories of population reported increased production of food within household.

Figure 6 Coping strategies in response to the economic crisis, Romania 2009 (% respondents)



Data: 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. Panel, weighted data, N= 999.

In households without children the dominant pattern is: reduce expenses for utilities (heating, telephone, water), drastically limit expenses for non-food goods and services, and buy less and cheaper food (change bread with polenta, buy more vegetables and less meat).

In household with children (particularly with smaller ones) limiting consumption of utilities is rarely mentioned. Non-food goods and services are reduced at minimum, if they are not child related. Food consumption is diminished only for the adults and, as long as possible, is kept constant for children.

It seems that firstly, the utilities bills (electricity, heating, phone, cable TV etc.) are paid, secondly, the debts (bank loans, debts to small shops etc.), and then medicines and food are bought. However, according to the business and community representatives from urban areas, the population indebted to banks and utilities has increased compared to the last year.

Usually earnings are spent before the month is over. Because most people have no savings to rely on, they borrow (or receive) small amounts from relatives and friends and/or they buy food on credit from small shops.

Focus group discussions and interviews illustrate very well how people build up elaborated coping strategies based on the reduction methods.

'People buy less [food]; if before they said just load that bag with apples, put more ... now they say 1 kg, or if it happens to be one apple more, tell me to take it off.' (Owner of a small shop, Eşelnița)

'For instance my wife, she was smoking a cigarette, with a coffee...now she is not smoking any more...or, I go to the market to buy tomatoes and I buy just one kilo...and the same goes with the bread...we were buying more, fed it to the animals sometimes...now we cut it down, buy less...can't afford...spend less...we are speaking on the phone only now and then, if they are calling us...well, when the evening comes the power is cut off...we didn't buy so much clothes, as we had bought so many things...' (FG Men, informal workers in constructions, Ulmeni)

'So, we are paying the utilities because it is dreadful to have to pay them two months in a row, each month they are the priority, as for clothing we are wearing what we have, food, what can I tell you, now with the age we are eating less, we might have eaten better if we had more money, so...as for the rest, we have a small credit, under one million.' (FG, Unemployed, Oltenița)

'Cut down all consumptions, starting with the natural duty to turn of a bulb and not to let the TV on more than necessary for information...as for the other, household budget balancing, no more calls, receive no visits, we restrained to the family cell, no more investments in clothing, footwear, only the minimal representation relying on previous reserves, maximal care not so much for bills and bank credits, as for medicines and health checkups. My husband is dependent on the monthly prescription of medicines, otherwise anything can happen to him and we have to go for a check-up every month. And if we solved these, the others really seem negligible. Lower phone subscription, I can't give up the internet yet because that is where I hope to get the good news for a job and it is the means to make money occasionally. [...]

What else can we give up because, with the pension when it comes, first and first, we pay the bills, it is us, the children have no means to pay them, and the other we keep struggling to raise an animal, bake something sweet, also for the children, not to make them spend money, have something to eat, meal for the kindergarten, in the house and what else there still is, but we need a lot, he needs a book, or I don't know what else he needs, money and again money, and he comes to us, come on grandpa...' (FG Unemployed, Roman)

'Hard, hard. My husband has alimony to pay because we have children from previous marriages and a bank installment. We gave up the small...so. For instance, before, I say, I was taking a bath, filling the tub every day. Now I just take a shower every day. As soon as the cold came, I am a little more sensitive to chillness, I kept the heaters on all day long, now I turn them off during the day, only in the evening 1-2 hours, just to loosen. And we started to cut on...buy cheaper, cheaper food, vegetables, no more chicken, just some backs with wings. [...]

In terms of food, we did not limit, just cut to half. But so, clothes, gave up the phone subscription, they have cards and load it from time to time. We have the fixed phone set from RDS [free of charge]. And just about all. The men don't buy that shaving foam because the other one was irritating their skin. That's it, they get rushes. We, women, buy cheaper perfumes that last for just 2 hours and that's about all. We eat less, I mean if my mother cooks, she doesn't cook less hearty and a little, she cooks more, in a large bowl which lasts longer. As for the rest, not much else.' (FG Unemployed, Drobeta Turnu Severin)

'Them, for instance, their debts to the association builds up and exceeds the value of their apartment... will never pay, they know nobody will ever drive them out in the street, because the court of justice rules that if they have a child you cannot drive them out, if he is an old person you can not drive him out, so what can they do, where to go...' (Social worker, Piatra Neamt)

'If last year second hand shops almost disappeared, in TRIB 3, in the spaces for the firms that could not afford to pay the rent, these second-hand shops have been opened and they are located in the central part. In the same category are the shops in which every product costs 3 or 4 lei, these are Chinese products, for a very low quality.' (Owner of construction firm, Sibiu)

Do the children feel this reduction in consumptions?

'Yes, the consumption intended for children diminished. No class organized trips at the beginning of the school year. Last year, very many classes organized trips, even abroad. They could not buy expensive school supplies with cartoon or children movie characters.' (Owner of construction firm, Sibiu)

2.5.2 EROSION OF INCOMES

In all studied communities, people emphasized the major negative impact of the raising of the utilities prices (gas, water, telephone, wood for heating etc.) on their standard of living.

'The prices increased for everything, starting from the electrical power, heating... the wages remained the same, so it is obviously a little worse.' (FG Women employed in garments industry, Oltenița)

'[...] it is not that the income has changed, it is that the money has no value. This is the problem, I mean you may have the same amount and it is just worthless, you have the sensation they vanish and you have no benefit from them, you cannot think to plan them, because it is all expensive.' (FG Women, informal workers in services, Piatra Neamt)

'They changed a little the calculation of wages [in education] and because of this method the wages decreased by several thousand lei. They used a computation coefficient which decreases the total amount. However, the total income decreased first of all because the euro has increased. And this goes for all pockets.' (FG Public sector with remittances, Drobeta Turnu Severin)

2.5.3 SAVINGS AND LOANS

A small proportion of the population has savings, which most are of low level. In the present context, people have become more parsimonious and spend less but as 'money have no value' they succeed to save very few or not at all. On the other side, few interviewees said that their savings finished due to long periods without work or to disruptive family events such as the death or sickness of one family member.

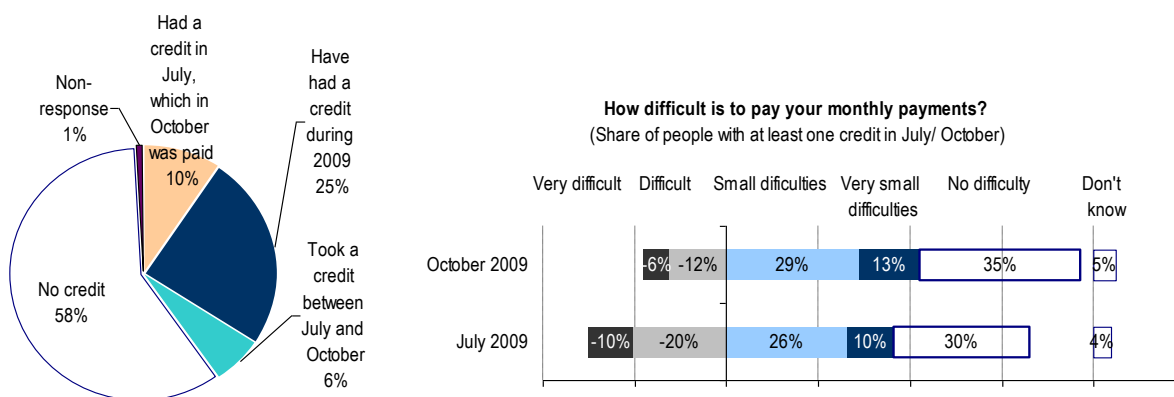
'The people are more careful with their expenditure. The fact that you don't know whether the next pay will come or not in time makes the people pay more attention to their money. Few are those who can save these days. Anyhow, the term of saving is quite strange to us, Romanians. You can see that from the number of people making private pensions or deposit money in a bank or at CEC. We were never too good at this chapter, never!' (Representative Chamber of Commerce, Sibiu)

'Most sincerely, we cannot save anything now. It also is the period of the winter celebrations...it also is the problem of the unpaid days off [administrative leaves] ... it also is the euro which keeps growing...and when you draw the line, at the end of the winter months you can see that it is all more expensive. The wishes are in the shop windows and little money in the pocket. You cannot save. You save something from this week to the next one because Christmas or Saint Nichols is coming, but this is not a long term saving. No bank deposit, I am going to the bank to deposit some money so I'll use it during summer. I don't think I have colleagues in this situation. During the past 20 years, besides loans, I never had other savings.' (FG, Public sector with remittances, Drobeta Turnu Severin)

'Don't talk to me about savings, ask me about loans and debts.' as one interviewee said. Many of the participants to the rapid assessment have one or more loans, out of which most are small credits (less than 1,000 euro). Difficulties and worries were expressed only by those with multiple loans and/or with loans in euro: 'The banks are killing me! When I took the loan, the euro was a little more than 3 [lei], now it is 4 [lei] and more. Extraordinarily high. You know, at the school I have colleagues borrowing money to cover another loan.' (FG Public sector with remittances, Sibiu)

The interviewed bank representatives reported a decline in the number of 'new' credits given to both population and businesses; the banks are stricter than one year ago, and population's incomes and job security have decreased. On the other hand, in the last months, the credit arrears increased and in response bank introduced new measures of refinance or reschedule.

Figure 7 Someone in your household has a bank loan that is paid in monthly installments?



Data: 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. Panel, weighted data, N= 999.

The AGS data show that at the overall population level, 41% of the population has at least one member of the household who, in 2009, have had to pay monthly installments for a bank loan. A quarter of the population belongs to households in which someone have had to pay monthly installments during the entire year, 10% succeeded to pay off their bank loans until October, and 6% took 'new' loans between July and October. Most bank loans are in lei and have to be paid in less than five years.

Only 30% of the people from households with credits, in July, and 18% in October, respectively, reported difficulties in paying their monthly installments. In addition, in July as well and in October, about a third of them declared payment arrears to banks.

2.6 SUPPORT FROM INSTITUTIONS

In the last four months the need for support increased

I understand that your employees enjoy some kind of financial stability. What about the rest of the community? Does it feel the crisis?

'It feels it. Because I can tell you one other thing. The people, the moment they are hired, next month come and ask for a credit statement. This year less...but the last year, this was the first thing they would do. They got employed just to be able to get a loan. This year, however, they are doing something else. This autumn we issued a lot of poverty statements. Never issued one such statement last year. Everybody wants the poverty statement for the school, to be used for school supplies, for fire wood... issued tons of it. Maybe their wives at home remained jobless, who knows? Anyhow, this year many phones from the bank...does Mr. X work for you?' (Owner of construction firm, Drobeta Turnu Severin)

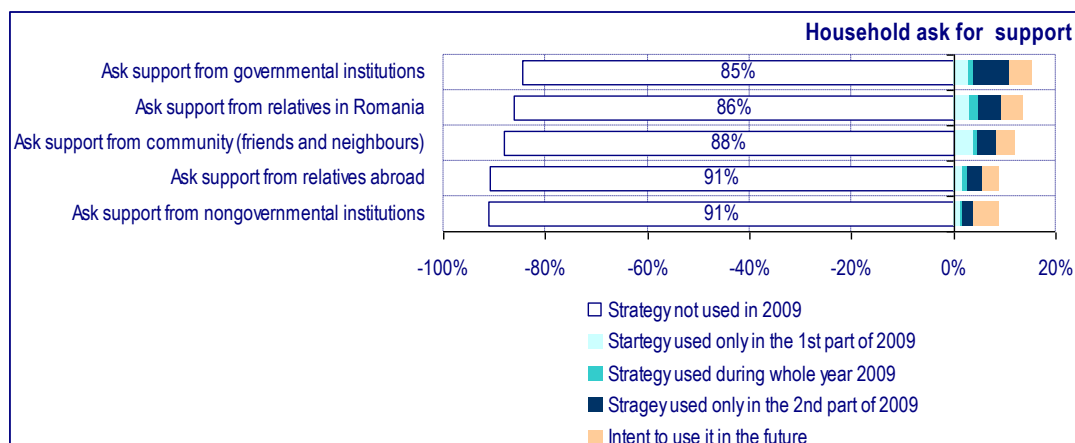
As for the social protection system, opinions are both positive and negative

'At each level, I am thinking of the pupils, unemployed, persons on low incomes, everybody knows his rights much better, and the TV stations have their merit for this, and they also know to benefit of it. And the state institutions - town hall, social assistance - are much better organized for the public relations, give you templates with printed applications, there is an area with tables and chairs to fill in the forms, assistance for filling them. The records are also better. For instance, the aid in staples was done with no incidents and all recipients took their rights. There were no goods unassigned.' (Owner of construction firm, Sibiu)

'There is no social assistance in Romania. It is written somewhere on a door 'social assistance', but what they are doing is infinitesimal.' (FG Women with secondary job in the informal sector, Sibiu)

The AGS data show that in 2009 relatively small proportions of the overall population asked support in response to the crisis (Figure 8). In July, the predominant safety net was provided by friends, neighbours and relatives from Romania. Very small shares of population were asking support from institutions, be it governmental or nongovernmental. In the second part of the year, relatives, friends and neighbours still offered help with food or services, but the mutual support within community has diminished as 'people became more concerned, more afraid of losing their incomes' (see also Figure 6). Consequently, the proportion of population asking support from the governmental institutions increased significantly. The elderly (65 years and over), the large households, the residents from rural areas and those from the North-East, South-East and South-West regions have been more likely to ask support from governmental institutions.

Figure 8 Coping strategies in response to the economic crisis, Romania 2009 (% respondents)



Data: 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. Panel, weighted data, N= 999.

Nearly all participants to the rapid assessment affirmed that between June and November the general standard of living decreased and the number of poor increased. In all researched communities, the 'real poor' include:

- no-earner families with three children or more
- households with disabled or very sick persons
- Roma people
- beneficiaries of the guaranteed minimum income that is provided by local municipalities
- homeless people (*'dromomani'*), mentioned in Moldovia region

The social protection from Romania is complex and includes a large number of social benefits and social services aimed at various disadvantaged groups. Focus group discussions and interviews include information about the following governmental social protection programs:

- pensions with complete due contributions, pensions for farmers and disability pensions
- unemployment benefits
- guaranteed minimum income scheme and complementary allocation
- disability allowances/ wages for personal assistants of persons with special needs
- aid in staples (flour and sugar) provided from European funds
- heating subsidies
- health services
- child allowance, the *Croissant and Milk* programme
- social scholarships for pupils and the program *Money for High School* addressed to the rural pupils
- subsidies for agriculture.

For all households with one or more pensioners, '**pension is gold!**'

In June, the **heating subsidies** were assessed as the most important social program for the population wellbeing. Until November, the program has lost its perceived importance because the eligibility threshold was reduced from 600 lei to 425 lei, 'which means that neither an unemployed with 450 lei benefit, nor an employee with the minimum wage can apply anymore'. In addition, in some communities, the heating subsidies were limited to 'a cart for wood', which was considered insufficient for covering the households needs.

Health care was mentioned as a major concern, because 'medicines and medical services are so expensive that sickness would ruin our budget'. The situation is worsened by the need for informal payments and the other dysfunctions of the health care system. The interviewed social assistants mentioned that in many cases the health insurance has represented the main reason for applying to the minimum guaranteed income.

'Anyhow, [the crisis] is felt everywhere, in the hospital too. I have been in Bucharest with someone with a problem, all the same, was forced to buy own medicines because the hospital didn't have of any kind, contrast substance for ultrasound, so being in a hospital and being told to buy this and this from the drugstore, not much food, poor dear, be sick and have no food...' (Priest, Oltenița)

'However, the taxes, levies, contributions to social insurance are very high.

Do you think they increased as compared to the last year? Yes, very much. They increased and we don't benefit, for instance, of health care. An analysis, something, they postpone you because they have no funds, well, and they deduct us the contributions to social insurance.

And I don't understand why are they deducting so much money from our pays, because if you go the doctor and don't give him a fee, they don't look at you, and these money I don't know where they are going and why, this is what I didn't understand. I earned 8 million gross and the net amount is 6 million, so 2 million they are keeping for so many taxes and dues and I think it is way too much. God protect us from diseases, I was ill, I took yesterday one day off to make analyses and told me it will cost me more than 900 thousands. From the hospital, not for free. No time to go to the family doctor and wait there one whole day so she can transcribe them.

I had a similar situation. Got sick here and the paramedics took me and I was one week on perfusions. I was sick, didn't go, didn't go, I have problems with the blood pressure, have problems with the heart and I couldn't buy the medicines because they cost me 900,000 lei each month, with the reduction it is half and I couldn't go to the doctor to get them, not even take the prescription because maybe I could buy then at the cut price. Didn't go to the doctor because I have things to do, going to the doctor you have to wait 3 hours on his doorstep. And one morning I got here and I was sick, took me in a car to the hospital. ...He was staying by me so I can put the money in his pocket and they had taken me from here, didn't have the purse with me, the wallet, or the phone. I had to call my daughter so she brings me some money for his pocket, to take me to the rays.

What for are they keeping us the contributions to social security, if everybody must take money out of the pocket.' (FG Women workers in garments industry, Oltenița)

'I am medical assistant. Besides the hospital, I run a medical care company at home. I am confronted with great financial problems from the House of Health Insurances which doesn't cover, although it is written in the framework contract that the patients who need, have the right to 90 days of medical care at home, now they hardly accept 10 days for paralysis and for terminal cases of neoplasm. It's awful. You can not take the pain from a cancer sick person in just 10 days. If you are not lucky to loose the patient in 10 days, or better said, if he is not lucky to go in 10 days. A unilateral paralysis and a partial paralysis can not be treated in just 10 days and then left the patients just like that. Either someone

from the family quits job and they don't have the money to pay for the medicines and the medicines are very expensive and in the case of the cancer sick person and in the case of strokes. Poor, unexpectedly poor.' (FG Women with secondary job in the informal sector, Sibiu)

Guaranteed minimum income and complementary allowance ¹⁵ were provided in all studied communities, except for one commune (Răchitoasa, where it was paid only in January and February). The number of beneficiaries increased between June and November, many of the 'old' files being reactivated. Although small, all beneficiaries assessed it as 'very important'. Some unskilled workers and informal workers, particularly those with two or more children, mentioned it as 'the only solution' for winter, when the available work opportunities drastically decrease.

In addition to the minimum income, the urban municipalities provide also **social canteen**, particularly for children.

How does the crisis feel? First, the people are jobless, more and more. The number of people on social benefits already increased, the number of application files for the minimum guaranteed income increased, plus the complementary allocations because there is that difference they qualified for, 2,900,000 I think, or something like that...now, that the incomes are shrinking there are more people qualifying for the complementary allocation, and all of a sudden you realize that the income of many people decreased. At the time when the complementary allocation was introduced, there were quite a lot which qualified. After that, some people qualified no more because they brought a certificate which showed their income was higher and exceeded the set threshold...now they filed again for the complementary allocation. [...] And now, many application files have been reactivated, they started from scratch and started to bring again documents because they qualify within the set threshold.' (Social worker, Oltenița)

'The social benefit is a privileged payment, as I was saying. It is paid before other payments. [...] The aid for fire wood too, for the recipients of social benefits...we pay it from the social benefit, from the local budget...it was paid, it was never considered to cut this right to the very poor ones [...] Of course, the social benefit is not enough and for the children, pupils particularly, we provide them with free lunches at the canteen...but not only for the children and pupils...the adults too, according to the law, can also benefit about 3 months each year of these services...old persons, but we focus on the children attending school and I may say here, from the files I received so far, that it is about one and half time higher than the last year.' (Social worker, Piatra Neamț)

'Due to the *Croissant and Milk* program the children go to school more for it...they are eating a meal there and the community and sponsors also helped them...we have two social canteens which provide lunches...at the Catholic church about 400 persons, three times a week, and at the Orthodox church, also sponsored by the town hall, about 50 persons daily.' (Director social assistance, Câmpulung Muscel)

„So, they only received social benefits for two months, January and February, our budget could cover only these two months. From the budget for social benefits we kept money for the heating, for the cold season, [...] and the money was enough for two months...November and December. [...] Me, since I came I start doing it. Already withdrawing themselves (from MGI). So they are working people who had benefited of the social aid and the poor, retched ones couldn't get it. And now we started to make a selection, when we put them to work...because they were given money without any work, so, and he was staying quietly and nicely at home and they were fine. Now, it changed, I told them, if you want the money, you come and work, you have to do 10 hours, 20 hours, you come...do this here, dig a ditch there, clean there, well sir I'm ashamed. You are ashamed, you asked for the social aid, you asked for it, you are ashamed to work, then you

¹⁵ Provided to families with incomes less than 1.5 million lei per persons.

stay home and you lose the social aid and that's it and many had withdrawn for this reason. (Mayor, Răchitoasa)

Aid in staples - packages of flour (15 kilo) and sugar (4 kilo) - distributed from the European Union by the local authorities became available between June and November. At the national level, the press has reported cases in Brasov and Dolj counties where this support from EU is not yet distributed, meaning the tons of flour and sugar still stay in the mayoralties' deposits. In some cases, the entitled beneficiaries are not able to go and take their own package, due to physical disabilities or illnesses. Within focus groups, beneficiaries appreciated this aid and stayed in line to receive it, and many others expressed willingness to get it.

'We have received them from the mayoralty. We don't know exactly from whom. I understood that they are from EU. *Who distributed it?* We, the unemployed have been included from the Local Employment Agency, the pensioners that have a pension less than 400 lei have been included in the list from the Pensions House and those with social benefits by the Municipality. Each one from where their income is registered. 15 kg of flour. This is what we benefited from. The sugar has not reached us yet.' (FG Unemployed 30+ years old, Câmpulung Muscel)

'And this wheat flour from the European Union, you give them flour and sugar, the people are not satisfied. It also is demoralizing, nobody feels, no matter how poor he is, you know, to come and get the flour and sugar, you look to see who is watching you, everybody has his human dignity. No, many even said no, even if I would need it, I don't like to go so the people see me taking the sugar and flour. Many of them, poor ones, don't even have a place to cook it, or don't know how to cook it, there are 15 kg of flour, for instance, if you are alone. They have a cooking stove with one fire, where to cook something, not a doughnut, a cake, which not to have...not to mention the bread. The man has to sell it. Maybe the people should be instructed to use the money wisely and then give them some money.' (Social assistant, Piatra Neamt)

Money for High School program (which includes transportation subsidies) is seen as 'very important' for the young from rural areas. The delay in payments from the central budget registered in June was solved until November. Unfortunately, some parents from rural areas stopped sending their children to high school because they either could not afford or were not willing to pay their part of the transportation related costs (half of the monthly ticket).

The **Croissant and Milk** program was not mentioned in June, while in November it was repeatedly mentioned and assessed as 'very important', particularly for children from poorer families.

'- What I can tell you is something else...they eat the milk and croissant...Yes, during the first year of the program a lot of food was thrown away. As the months go by, and up to now, the children ended by eating the milk and croissant. And this is a signal. I don't know whether it is a very good one. It is good that they are eating...it is of good quality and healthy for them. But the situation is that they also don't have any other alternative. Before they were giving it to the poorer colleagues. Now, no, not a chance.

- No more wasting. I also think the milk and croissant is not luxury for a pupil, but it is an alternative for the 10 o'clock meal. Even though there is a kiosk...but if they continue with the milk and croissant and they don't buy from the kiosk, it is clear to me that they have no more pocket money. The money comes from the parent's pocket and something had happened there. So, until spring, who knows what will be in spring, who knows the evolutions...' (FG Public sector with remittances, Drobeta Turnu Severin)

'Due to the **Croissant and Milk** program the children go to school more for it.' (Director social assistance, Câmpulung Muscel)

Scholarships are available, but there are very few and at a very low level (20-30 lei). Usually the scholarship is given to the orphans and to those from families with many children. The number of scholarships is, however, calculated as percentage from the number of the children in the school and not in relation to the children's need for support. Therefore, the number of scholarships is not significant related to the number of children who should receive it. Thus, until November, the number of scholarships did not increase, but the number of applications for scholarships increased significantly.

'Scholarships are available? Yes, Money for High School and merit scholarships. What about social scholarships? Yes, we are a pilot country ... principals get more points if they find sponsors for merit and social scholarships. And did the number of scholarships increase? We don't know, the evaluation of principals has not been yet finalized. I know, however, that the church and the Cord Foundation help the families with low incomes with clothes, food, school supplies and others for children ... and the funds are quite relevant, particularly for children from the special schools. Do you consider that the number of families in need increased in the last months? I do not think that it necessary related to the crisis. People are better informed, they know where to go, have learned to use their network, to fill in applications so that to obtain all the financial rights they are entitled to. This is what I know.' (County School Inspectorate, Sibiu)

,I told you, there are the ones who don't qualify and the ones who qualify but who decline (scholarships) so as not to embarrass the child. There are cases, not very many, but still are... exactly what I told you, the parents are trying to deflect the crisis so their children don't feel it, not to make them feel different from the other children.' (School principal, Piatra Neamt)

Child allowance is 'vital' only for the poor. For the large majority of households, child allowance provides some 'pocket money' for her/him. Nevertheless, people consider the child allowance a child right (irrespective of the family s/he belongs) that should be neither diminished nor changed in a targeted social benefit. Only community representatives from Moldavia pleaded for imposing additional conditions to the child allowance, namely school attendance for child and community work for parents. Also, only the community representatives from Moldavia declared other social programs (aid in staples, scholarships, complementary allowance, and minimum guaranteed income) either abused by or 'embarrassing' the poor.

'Maybe it would be needed here a little bit, even for the situations of poverty, somehow on the educational side and in the schools it made the children go and even these higher allowances, 45 lei is not very much, but it is much for the family which benefits of this allowance, now they give it whether you go to school or not and this is a mistake because he is no longer motivated to go to school, until now they were sending the children to school, even if he/she was not learning, didn't...was going like the calf, sort of saying, didn't do anything for the school but the simple fact that he/she was relating, entering a different environment, broke away from the family environment or beggary, or wherever they were going, and at least they were present in the school and this was important. Now they are no more going to school, they benefit of this state allocation, it would have been very well to be, to do for...and particularly for those who come from socio-economically disadvantaged families. They should go to school, and at school there should be a sort of step by step, sort to say, provide them with food and tutoring, going on a family environment would have been the best, either sending him to school, where the teachers either, do not care for the poor bastards in the class, they are not liked by anyone, but if he is accepted in the class with interventions, you must say this at school, simply leaves him abandoned, does not...don't mobilize him in the classroom [...]

They should go and eat at the school, do their homework at school, go home just to sleep, not to give this child allowance which his/her family takes and they all live on that

allowance. This is same slogan you keep hearing for ever: What are you living from? From the child allowance! I know positively that you cannot live on it, but should have to do something in return, not jus beg ...We don't help them this way, meaning that we keep giving them and don't ask anything. Even during this period of crisis, everybody finds a solution, interventions should be made, I don't know, at economic agents, even by the day, we are helping the children if their parents do something, go to school, hygienize the school, the yard, we don't pay a janitor and the parents whose children benefit of some [...] Parents should have some duties, it is not that I take your child, I take care of him/her and you are free to do whatever you want, maybe cash the allocation and drink it.' (Social assistant, Piatra Neamț)

An integrated strategy for **inclusion of the Rroma ethnics** was mentioned only in Câmpulung Muscel, but other municipalities developed also measures in this sense.

„We helped some get running water...we built a school, organized some special training courses in a school...provided them with computers, all they need [...] with the day care centers, where we have many Roma children who benefit of these programs...free kindergarten, meals, assistance, education, transportation. It is a thing which seems to me the most important... the management did its best to bring the Roma children in for integration. Just two months ago, a young Roma who is now in college, lived in the home for children...he received a home, apartment with two rooms. [...]

I was telling you that we hired young Roma people who did training courses...I have 15 working in this building, now, as we are speaking...15 Roma youngsters...but over 600 Roma ethnics, 300 from Câmpulung and 300 from neighbouring areas, over 4 years, were skilled as carpenters, brick layers, wood workers, construction iron workers...we have a group of computer operators which are Roma ethnics, they went to college, doing master studies. [...]

I'd just want to add, if you allow me to complete: from the programs for Roma ethnics integration within the society, some of them of high quality and great help...a high school class has 28 pupils and in each class we have two additional seats for Roma ethnics and each year we are the only town in the country with all seats occupied at the vocational schools and at the high schools and at the University of Pitești we have 16...and if until 3 years ago nobody went, now since I came into office, and I don't say it for bragging, this year all seats were occupied and 10 were left out. We have students even at the Police Academy...this summer there was a young Roma who was admitted...another one the year before, and I think that they are gradually integrating well at Câmpulung.

We have now a project initiated by Câmpulung town hall...it is called School after school. Three schools will benefit, we will have 3 groups of literacy for the Roma who have never attended school...and after School after school program we will have two hours of mathematics, French, informatics or English, and they will also receive a scholarship. We worked a lot for this project, we all want it, me and the management, we are now in the late stages of the project, have it signed. I hope this program will straighten things much.' (Director social assistance, Câmpulung Muscel)

Other central or local social assistance programs were also mentioned. Some are provided in all communities, namely allowances for disabled persons 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: care centers for elderly, day care centers for children and *School After School* program, temporary accommodation for homeless persons, centers for the victims of domestic violence, presents for Christmas and/or Eastern for families with low incomes,¹⁶ aid

¹⁶ 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.

in construction materials, medical and financial support for persons with mental disorders, subsidies for agriculture etc.

'An action of the Ministry of Education with a weird title *Week of the donated potatoes*, but we gathered money in the school from the teachers, from the pupils and we bought potatoes and took them to the needy families. (FG Public sector, Drobeta Turnu Severin)

'We applied for subsidies for cows, I have 6 cows, for the last five years I receive subsidy for 3 cows, the others not, they (the cows) are not in the computer.' (FG Unemployed, Roman)

'We helped many of them, gave them construction materials for the house... gave them from schools, where we had problems...we modernized a school and what was left, we also helped them to enlarge their houses, to built house dependencies so they can live somehow.' (Mayor, Răchitoasa)

'The municipality did some things for them [Roma] ...they didn't have running water... the municipality brought them running water, they improved their houses, few built new houses, so things changed very much, in the good way.' (Priest, Ulmeni)

2.6.1 SUPPORT FROM THE NON-GOVERNMENTAL INSTITUTIONS

Unlike in June, in the November round of research, nearly all participants mentioned non-governmental or community based organizations that offered support to the people in need. Thus, the studied community activated and the non-governmental organizations became more visible as the crisis has deepened and an increasing number of people started to look for support. Regarding the Orthodox Church, which in June was predominantly described as 'taking and not giving', the interviewees mentioned numerous examples of support to the needy. The Catholic Church, Pentecostal and Adventist were also mentioned among the non-governmental institutions that provide support. Local mass media involves in charitable actions, particularly related to very sick children who need money for complex interventions.

'It is for the first time that I fear we will not be able to go further. Now, all these 12 years since we started operation, we are working round the clock, with more or less services, according to the possibilities.' (NGO representative, Sibiu)

'I know a church which started a few months ago to offer a meal on Sundays, after the church service, which didn't happen before with the Orthodox churches, to give you a meal after the church service. The food is dispensed in plastic boxes...everybody goes and takes...or they give sandwiches.' (FG Remittance, Sibiu)

'From Stefan cel Mare Street, Orthodox. We have at the school a list with the children with a precarious financial situation...one month they received school, supplies, pencil box, water colors.' (FG Public sector, Sibiu)

'We asked the people for pampers, for the old man who ... and I went to Ștefan cel Mare, there is a non-governmental organization aiding the handicapped people...and I took documents and showed them, and in the end they gave my 5 pieces of pampers, to last for 5 days.' (FG Informal workers in services to households, Piatra Neamț)

'The poor are concentrated in an area, mostly Roma but also Romanians ... we help them too with food ... because if you give them money, they buy cigarettes and booze ... so we bought food and took it to their homes.. (Priest, Ulmeni)

'The Orthodox church has through a single...a single action of the Association Precista Mare, a centre where 35 children are assisted with food, clothing, school supplies and school education...some kind of a day centre.

The Catholic Church is better organized, they have a Development and Business Centre, it is a social centre, with economic activity. They have greenhouses, dairy farms and ornamental plants, and they are selling, I mean they also produce money, they have several dozen families which they are assisting, minivan taking the children to school... the parents receive a minimal requirement and they have a Health Centre Caritas which provides free medicines and health care.

I have been in this situation two months this year, to get all the medicines I went to this Health Centre Caritas. They helped me.

We also went there for infant pampers. Only once found his measure, but they gave them to us.' (FG Unemployed, Roman)

'We have an NGO, *We love nature*. They came to us and we took them to some families with problems and the individual people also helped us... gave us clothes, gathered from the county... we took them directly to the needy families which they had seen and we could help few of them.' (Mayor, Răchitoasa)

'The church is part of a committee which proposes social cases each second Sunday on a monthly basis, in the evening...there is a meeting and we propose the social cases to the priest, and he helps us with money.' (Social worker, Eşelnița)

2.6.2 WHO SHOULD MITIGATE THE SOCIAL COSTS OF THE CRISIS

Mitigation of the negative social impacts of the crisis is the 'state responsibility' believes the large majority of the participants to the rapid assessment. Public institutions are expected to protect and to provide support to the vulnerable groups of population. On the one hand, trust in politicians, justice and police is low or very low in all communities. On the other hand, trust in local institutions is highly dependant on the attitude towards the mayor. In the communities in which the population has a high level of trust in mayor, the trust in local public institutions is also moderate to high.

The AGS data show that at the overall population level, the Government and the central institutions (much more than the local authorities) are considered the main responsible for protecting the population. Nonetheless, in October, the anti-crisis measures taken by the Romanian authorities, be it central or local, did not make people feel secure.¹⁷ Opinions regarding the European Union's measures were neutral. Only the individual measures produce some feeling of security. As an interviewee put it: 'Now, in time of crisis, it all comes down to how sharp you are'.

Table 6 Who should mitigate the social costs of the current crisis in Romania? (% respondents)

	July 2009	October 2009
- Each person for its own	23.4%	18.2%
- Local authorities (County Council, municipalities)	3.0%	5.2%
- Government and the central institutions	33.2%	44.8%
- European Union	20.3%	16.6%
- Don't know	20.0%	15.2%

Data: 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. National samples, weighted data, N=2041 (July)/ 1522 persons (October).

¹⁷ Answers to the question: To what extent the anti-crisis measures taken by the following institutions (see the list in table 6) make you feel secure?, based on the scale: a very small extent, small extent, large extent, very large extent.

Dissatisfaction was expressed also by few local authorities and by the NGO representatives. Local authorities talked about insufficient human resources and more rarely about a local budget insufficient for covering the social assistance needs. The NGO representative mentioned delay of payments from the central budget.

'Which is the relation between the needs for social assistance and the available financial resources of the municipality? No, no, we are a weak commune, why...this is the truth. If the state gives us, we give money, if the state doesn't give us, we have no money. [...] We stipulated in the budget (for 2009) an amount just in case of need, so, nobody noticed us, all the sums were cut off, gave us 990,000 lei, which we also used for an objective, on investments [...] if there are no more money I uselessly want, the schools I don't even tell you. ... There is no money, and there is no money and probably the [political] color either is not...I should stay longer by the traffic light.

In the future, how do you think things will evolve in your commune in relation to the crisis? Well, we don't have a crisis, we have a hurricane, I can tell you that...we stand no chance to recover, because there is no job creation, let them come, don't give them this social aid, which is billions every month. [...] I don't see the solution, you help the ones who deserve it, but those who don't deserve just let them be, what can I do, they live from one day to the next one.' (Mayor, Răchitoasa)

'I might say that the small amount which we receive from the state is delaying more and more. Normally, we should have it on the 20th...we started to get it on the 25th and last months it came on the 30th. A sum of money which I have to spend the current month.' (NGO representative, Sibiu)

3 Practical plan for repetitive research rounds

Based on the experience of the first two rounds, we advise that the next round to be organized in four months' time, that is fieldwork in March, analysis and report in April 2010.

The selection of participants will be done based on the panel that has already been established for the regular collection of qualitative data (see excel file *Panel Database*). In the third round of research, we suggest to be re-interviewed all 22 focus groups (with about 140 participants) as well as the 34 community and business representatives included in the second round.

We consider that the (4) focus groups of farmers and day labourers in agriculture is better to be re-introduce only in the fourth round of research, which will be carried out in summer 2010.

In the next round, research will be carried out in the same sites.

We recommend for the next rounds to keep the methodology (the selected transmission channels and groups, research questions, guides for FGD and for interviews) of the initial round.

4 ANNEX

4.1 GUIDES FOR FOCUS GROUP DISCUSSIONS

The guides presented below cover all issues listed in the TOR, both those common to all focus groups (changes in the last six months and access to assistance and support) and those more specific applied depending on the composition of the focus groups, namely issues related to remittances from abroad and unemployment.

COMMON ISSUES (ALL FGDs)

Focus group discussion (FGD) coordinates:

Locality, residency, county

FGD type (transmission channel/ group) and code

Place where the FGD took place

FGD duration (date, starting time, ending time)

FGD is 'new' (with persons recruited in 2009) or 'old' (with persons selected from the 2008 database)

FGD is paid (participants receive payment) or unpaid

Information about participants: total number, out of which: women/ men, young (15-29 years)/ adults (30 years and over), with children (0-18 years)/ without children.

Changes in the last 4 months (July – October 2009)

1. Can you find work? Changes in the availability of work (i.e. hours or days worked)

<p>Consensus 50%-50%, pattern</p> <p>Disagreement</p> <p>Number of working hours / paid work opportunities</p> <ul style="list-style-type: none"> - Increased - Remained the same - Decreased <p>The number of hours they usually worked</p> <p>How important are the social relations for finding work during the crisis?</p> <p>Observations</p>

2. Changes in the predictability and security of employment. Are they afraid of losing their job/ of reduction of their number of working hours due to decreased demand or to increased competition?

<p>Consensus 50%-50%, pattern</p> <p>Disagreement</p> <p>Predictability and security of employment</p> <ul style="list-style-type: none"> - Increased - Remained the same - Decreased - Unpredictably fluctuated <p>Observations</p>
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3. Changes in working conditions (including in the benefits received in addition to the wage).

<p>Consensus 50%-50%, pattern Disagreement</p> <p>Working conditions</p> <ul style="list-style-type: none"> - Better - Remained the same - Worst - Unpredictably fluctuated <p>Which is the main method to look for a job used by the informal workers: the importance of relatives, friends and acquaintances? Is it easier to find a job for people with more extended social networks?</p> <p>Observations</p>

4. Changes in wage rates / payment per hour or per working day

<p>Consensus 50%-50%, pattern Disagreement</p> <p>Monthly wage rates/ payment per working day</p> <ul style="list-style-type: none"> - Increased - Remained the same - Decreased <p>Monthly wage/ payment per working day usually received</p> <p>Observations</p>

5a. Changes in the allocation of paid labour within the household (whether some hh members are working less and others working more, asking specifically whether)

<p>Consensus 50%-50%, pattern Disagreement</p> <p>The dominant pattern of allocation of paid work within the household</p> <ul style="list-style-type: none"> - mainly, the husband - mainly, the wife - husband and wife - one or more of the kids - nobody in the household - somebody else in the household <p>Are children involved in paid work? What kind of work? If so, are they still attending school?</p> <p>Observations</p>
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5b. Changes in the allocation of unpaid labour within the household

<p>Consensus 50%-50%, pattern Disagreement</p> <p>The dominant pattern of allocation of unpaid work within the household</p> <ul style="list-style-type: none"> - mainly, the husband - mainly, the wife - husband and wife - one or more of the kids - nobody in the household - somebody else in the household <p>Are children involved in unpaid work? If yes, what exactly are they doing? If yes, how does this affect their school results?</p> <p>Observations</p>

6. Changes in the allocation of labour within the household

Consensus 50%-50%, pattern Disagreement
How has changed the allocation of labour within the household?
Is there any change in children working for money?
Observations

7. Changes in total monthly earnings of the household

Consensus 50%-50%, pattern Disagreement
Total monthly earnings of the household - Increased - Remained the same - Decreased
Average household monthly earnings (RON)
Observations

8. Changes in the household savings

Consensus 50%-50%, pattern Disagreement
Does the household have savings that can be used during temporary hardship?
Household's savings in the last 6 months - Increased - Remained the same - Decreased
The savings can secure their survival for a period of about ...
Observations

9. As a consequence, has household consumption been reduced?

Consensus 50%-50%, pattern Disagreement		
What type of consumption has been reduced	LIST	HIERARCHY
- buying cheaper food		
- buying less food		
- reducing the non-food consumption (clothing, goods)		
- buying second-hand clothing		
- buying on credit, "on the notebook"		
- debts on utilities payment		
- others		
Which household members feel these impacts most?		
- mother		
- father		
- children		
- other persons		
Do these changes influence in any way the frequency or the school performances of the children?		
Observations		

10. Impacts of the economic stress on the family and community relations

<p>Consensus 50%-50%, pattern</p> <p>Disagreement</p> <p>Family disputes and arguments; Quarrels and beatings between spouses; Quarrels and beatings between parents and children; Disputes and misunderstandings between relatives, neighbors, etc.; Small thefts and community violence; Mutual support within the community</p> <ul style="list-style-type: none"> - Increased - Remained the same - Decreased <p>Have young people any chance for a better life in the community? Which are their alternatives when they cannot find work?</p>
Observations

11. Support from governmental institutions as response to the economic stress

<p>Consensus 50%-50%, pattern</p> <p>Disagreement</p> <p>What kind of support can they receive/ access from existing programs? LIST HIERARCHY <i>(the importance of the support for daily living)</i></p> <ul style="list-style-type: none"> - Unemployment benefits - minimum income guarantee scheme - social canteen - scholarship - other goods and services for children - other goods and services from local municipality <p>In case they cannot access these programs, what is the reason?</p> <p>Which household member benefits more from these programs?</p> <ul style="list-style-type: none"> - mother - father - children - other persons <p>What kind of support would they need from governmental institutions in order to solve their problems?</p>
Observations

12. Support from nongovernmental institutions as response to the economic stress

<p>Consensus 50%-50%, pattern</p> <p>Disagreement</p> <p>What kind of support can they receive /access and from whom? LIST HIERARCHY <i>(the importance of the support for daily living)</i></p> <ul style="list-style-type: none"> - support for children from a nongovernmental institution - help with food, goods, services or money from church or a religious organization - food from neighbors - other kind of support, namely <p>In case they cannot access this kind of help, what is the reason?</p>
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FGD WITH UNEMPLOYED PERSONS

13b. Unemployment as result of the economic crisis

Consensus	
50%-50%, pattern
Disagreement	
<i>Note the difference between men and women.....</i>	
Terms of unemployment	
<ul style="list-style-type: none"> - For laid-off workers, what was the length of notice prior to layoff; - Terms of severance payment, if there were any. - Did the family have savings at the time of lay-off? 	
Which categories of workers are more vulnerable to being laid off?	
<ul style="list-style-type: none"> - low skilled or unskilled - women - young people - Roma 	
What type of support do they receive and from whom?	
<ul style="list-style-type: none"> - Unemployment benefits - Help to find new work - Help with training for a new work - Other type of support from the state - Support from nongovernmental organizations 	<p>LIST HIERARCHY</p> <p>(the importance for daily living)</p>
In case they cannot access this kind of help, what is the reason?	
Finding a new work	<p>LIST HIERARCHY</p> <p>(most efficient method)</p>
<ul style="list-style-type: none"> - What kind of job-seeking strategies do unemployed use? - How optimistic are they about trying to find a new job? - Are these the same kind of jobs that they had before or different? 	
	<p>YES NO (If no, how are they different in terms of work, pay, conditions?)</p>
<ul style="list-style-type: none"> - Can other family members find work to make up for lost income? 	
	<p>YES (If yes, who and how?) NO</p>
<ul style="list-style-type: none"> - How does unemployment affect children in the household? 	
<i>Note differences between men and women</i>	
Observations	

4.2 GUIDES FOR INTERVIEWS WITH COMMUNITY STAKEHOLDERS

Community stakeholders refer to representatives of local business and representatives of local community (local municipalities, social workers, employment offices, teachers, mass media, priests and other community based organizations).

Interviews have been focused on the main changes that have taken place over the last six months as identified and described by 'expert' informants that are able to provide an overview analysis of the community.

INTERVIEWS WITH REPRESENTATIVES OF LOCAL BUSINESS

Interview (INT) coordinates:

Locality, residency, county

INT type and code

Place where the INT was held

INT duration (date, starting time, ending time)

Information about the interviewee: woman/ man, age, years worked in the institution / position, years lived in the community.

Changes in the last 4 months (July – October 2009)

1. Levels of poverty and wellbeing of the population

- Changes in the standard of living in the community over the last 6 months
- Main economic activities within the community (description and changes, with special reference to export industries and those mostly affected by the economic crisis)
- Changes in employment opportunities in the community
- Trends and main characteristics of the unemployment in the community within the last 6 months

2. Main difficulties and concerns of the local businesses in relation to the economic crisis.

- Decrease of turnover
- Decrease in product demand
- Lay-off workers
- Financing the business (difficulties related to increase of the credit interest rates, impossibility to apply for new credits, cash-flow, etc.)

3. Main business strategies used as response to the economic downturn

- Have they reduced the number of employees? Which categories of employees are exposed the most to being laid-off?
- Have they retrained their employees/ laid-off workers?
- Have they reduced the bonuses or wages? If yes, was the reduction the same for all categories of employees?
- Have they identified new markets? If yes, which ones and how?
- Have they diversified their production?
- Have they received/ asked public authorities for support? If yes, what kind of support?

INTERVIEWS WITH REPRESENTATIVES OF LOCAL COMMUNITY

Interview (INT) coordinates:

Locality, residency, county

INT type and code

Place where the INT was held

INT duration (date, starting time, ending time)

Information about the interviewee: woman/ man, age, years worked in the institution / position, years lived in the community.

Changes in the last 4 months (July – October 2009)

1. Levels of poverty and wellbeing of the population

- Changes in the standard of living in the community over the last 6 months
- Estimation of the number of poor. Are there 'new' poor in relation to the economic crisis?
- Main characteristics of the poor and of the 'new' poor
- Spatial distribution of the poor within the community: Are the poor clustered? Are there any ghetto like areas?
- Main coping strategies of the population:
 - Reduction of the household consumption: Which categories of consumption have been reduced? Consumption related to children has been changed in any way?
 - Increasing incomes by finding new or additional work in the formal or informal sectors of the economy both in the country and abroad
 - Increasing incomes by borrowing, delaying payments to utilities or receiving money from relatives, friends etc.
 - Asking support from governmental institutions: social scholarships for children, guaranteed minimum income or other kind of support

2. The quality of social relations and mutual support within the community

- Are people more or less helpful to each other compared to one year ago?
- Is there any mobilization around key points such as NGOs, church or other community based organization for helping the disadvantaged groups?

3. Level of crime

- Changes in the general community spirit
- Do people fear more for their security or for their properties? Have the number of small thefts increased?
- Have the level of alcohol or drug consumption increased over the past six months?

4. The number and intensity of conflicts within and between households

- Domestic violence against women
- Domestic violence against children
- Arguments between neighbors

5. The main problems of children within the community

- Children who are not attending school on a regular basis
- Children who are working for money
- Other problems of children relevant for the community

6. The main problems of youth within the community

- Early school leavers
- Deviant and risky behaviours by young people
- Other problems of youth relevant for the community

7. The capacity for intervention of the local institutions

- Has the institution budget been decreased? Is it expected to decrease for the fiscal year 2009? If yes, how does this affect the institution capacity for intervention?
- Have the number of beneficiaries/ claims for support increased over the last six months? Is it expected to increase in the following six months?
- Assessment of the relation between the resources available for intervention and the community needs for support.
- Assessment of the relation between community needs for social support and human resources for social work available to the local municipality level.
- In which way the budget projection for 2009 has taken into consideration the potential negative effects of the economic crisis
- To what extent community needs can be met within the given financial and human resources?

4.3 FIELDWORK: DISTRIBUTION OF FGDS AND INTERVIEWS BY TYPE AND LOCATION

DISTRIBUTION OF FGDS BY TYPE AND LOCATION

Transmission channels	Group profile	FGD Code	County	Locality	No. of persons
LABOUR MARKET	TOTAL - 18 FGDS				117
Formal sector (6 FGDS)	Employees in industries heavily dependant on export				
	- women	FG 1.1	CL	Oltenița	7
	- women	FG 1.2	NT	Roman	6
	- men	FG 2.1	CL	Oltenița	7
	Unskilled workers	FG 3.1	MH	Drobeta Turnu Severin	7
	Employees in public sector	FG 1.3	MH	Drobeta Turnu Severin	6
	Employees in public sector	FG 1.4	SB	Sibiu	7
Informal sector (6 FGDS)	Constructions				
	- men	FG 4.1	CL	Ulmeni	4
	- men	FG 4.2	SB	Sibiu	8
	Services to households				
	- women	FG 5.1	NT	Piatra Neamț	7
	- women	FG 5.2	SB	Sibiu	6
	Constructions and services				
	- Roma	FG 6.1	MH	Eșelnița	9
	- Roma	FG 6.2	BZ	Buzău	7
'New' unemployment (6 FGDS)	Unemployed				
	- young (15-29 years) men	FG 9.1	CL	Oltenița	4
	- young men and women	FG 9.2	MH	Drobeta Turnu Severin	6
	- men 30 years and over	FG 10.1	CL	Mănăstirea	6
	- 30 years and over	FG 10.2	NT	Roman	7
	- 30 years and over	FG 10.3	MH	Drobeta Turnu Severin	7
	- women all ages	FG 10.4	AG	Câmpulung Muscel	6
REMITTANCES	TOTAL - 4 FGDS				22
Remittances (4 FGDS)	Households receiving remittances from abroad				
	- 30 years and over	FG 11.1	NT	Piatra Neamț	7
	- women 30 years and over	FG 11.2	MH	Drobeta Turnu Severin	4
	- women and men all ages	FG 11.3	BC	Răchitoasa	6
	- women all ages	FG 11.4	SB	Sibiu	5

DISTRIBUTION OF INTERVIEWS BY TYPE AND LOCATION

Community stakeholder	INT Code	County	Locality	Gender
LOCAL BUSINESS				
- Owner of a small shop	INT1.1	NT	Piatra Neamț	M
- Bank representative	INT1.2	NT	Piatra Neamț	M
- Owner of shops	INT1.3	MH	Drobeta Turnu Severin	M
- Owner of a construction company	INT1.4	MH	Drobeta Turnu Severin	F
- Director of a large aluminium company (ALRO SA)	INT1.5	OT	Slatina	M
- Bank representative	INT1.6	OT	Slatina	F
- Owner of a construction company	INT1.7	SB	Sibiu	M
- Representative of the Chamber of Commerce	INT1.8	SB	Sibiu	M
- Owner of a hotel with restaurant	INT1.9	AG	Câmpulung Muscel	F
- Owner of a shop	INT1.10	CL	Oltenița	F
LOCAL COMMUNITY				
Local municipalities				
- Deputy mayor	INT2.1	MH	Eșelnița	M
- Deputy mayor	INT2.2	CL	Mănăstirea	M
- Financial director	INT2.3	AG	Câmpulung Muscel	F
- Mayor	INT2.4	BC	Răchitoasa	M
Social work departments/ institutions				
- Social worker	INT3.1	MH	Drobeta Turnu Severin	F
- Social worker	INT3.2	MH	Eșelnița	F
- Social worker	INT3.3	BZ	Buzău	F
- Social worker	INT3.4	CL	Oltenița	F
- Social worker	INT3.5	CL	Ulmeni	F
- Social worker	INT3.6	NT	Piatra Neamț	F
- Social worker	INT3.7	AG	Câmpulung Muscel	M
Employment Agency				
- Representative	INT4.1	MH	Drobeta Turnu Severin	M
- Representative	INT4.2	NT	Piatra Neamț	F
- Representative	INT4.3	SB	Sibiu	F
Schools and School Inspectorates				
- Teacher	INT5.1	MH	Eșelnița	F
- Teacher	INT5.2	MH	Drobeta Turnu Severin	M
- Teacher	INT5.3	CL	Mănăstirea	M
- Teacher	INT5.4	CL	Mănăstirea	F
- Teacher and director of the City Pupils' Club	INT5.5	CL	Oltenița	F
- Teacher	INT5.6	NT	Piatra Neamț	F&M
- Teacher	INT5.7	SB	Sibiu	F
Community based organizations				
- Journalist	INT6.1	CL	Oltenița	F
- Priest	INT6.2	CL	Oltenița	M
- Priest	INT6.3	CL	Ulmeni	M
- NGO representative	INT6.4	SB	Sibiu	F