

The Life Cycle in the Romanian Socio-Economic Context.

Temporal Differences

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Abstract

The interaction between the economic context and the family's strategy of life and of individual person resulted in a demo-economic equilibrium specific to each period.

The adaptation of the individual behavior to the economic and social policies develops life strategy embedded in the individual life cycle. Using the evolution of the value of demographic indices, closely related with the life cycle, we can divide the post world war period into sub periods.

A long sub period of the communist era is that of the industrial development in an accelerated manner. The industrial development was accompanied by policies aiming to attract labour force required to run the economic objectives, many of them of a considerable size.

The transition period of the Romanian economy to a market one is characterised, from the social point of view, by important social costs. The changing of political rules at the end of 1989 and the important social costs bered by population resulted in different demographic behaviour although the economic context did not differ.

The interaction between the economic context and the life strategies resulting from the adjustment to the socio-economic context gives a socio-economic equilibrium specific to each period. They are characterized by specific life cycle as result of the individual adjustment to the ever changing economic context of our economy.

Keywords: economic context, social costs, policy of family, expectations, demographic behaviour, strategies of life, life cycle

Jel Classification: J11

1. Introduction

Obviously each society has its own way of evolution and there are not rare cases when they contradict the thesis of the theory of second demographic transition.

Therefore there is useful to find out what are the factors influencing them and how looks like the answer of society to these political and economic factors.

Romania passed suddenly and successively political events that changed entirely the political order. This was accompanied by changes of economic rules as fast as changes of political order. Each political and economic order had interrelated politico-economic specific rules that drew a different context for human life.

In these different socio-economic contexts, what demographic behavior was adopted by the population is interested from the point of view of thesis which asserts a socio-economic equilibrium at the macro level.

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2. Romanian socio-economic evolution after the second world war

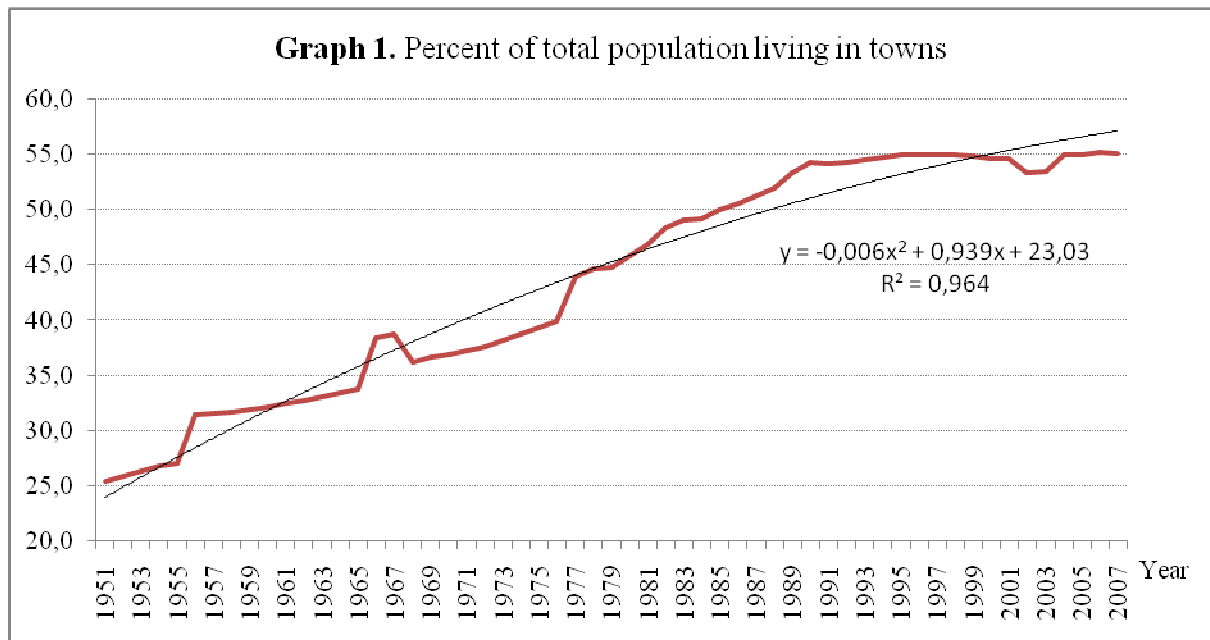
2.1. Before and soon after the war

The most Romanian population lived in villages before and many years after the second world war and therefore they mostly used to work in the agriculture. It was a period when the demographic indicators recorded values that indicated high intensity of demographic events such as: nuptiality, fertility, mortality and low intensity of divorce and low age at first marriage and first live-birth.

The Romanian Communist Party that took over the political power in country declared the social being as the primary task of its policy. In this respect it considered the single means to do that is the industrialization of the economy.

The period of accelerated industrialization that began soon after the war enriched the economic map of country with new economic plants, first of all, of the heavy industry. The industrialization process demanded intensive human and material resource consumption.

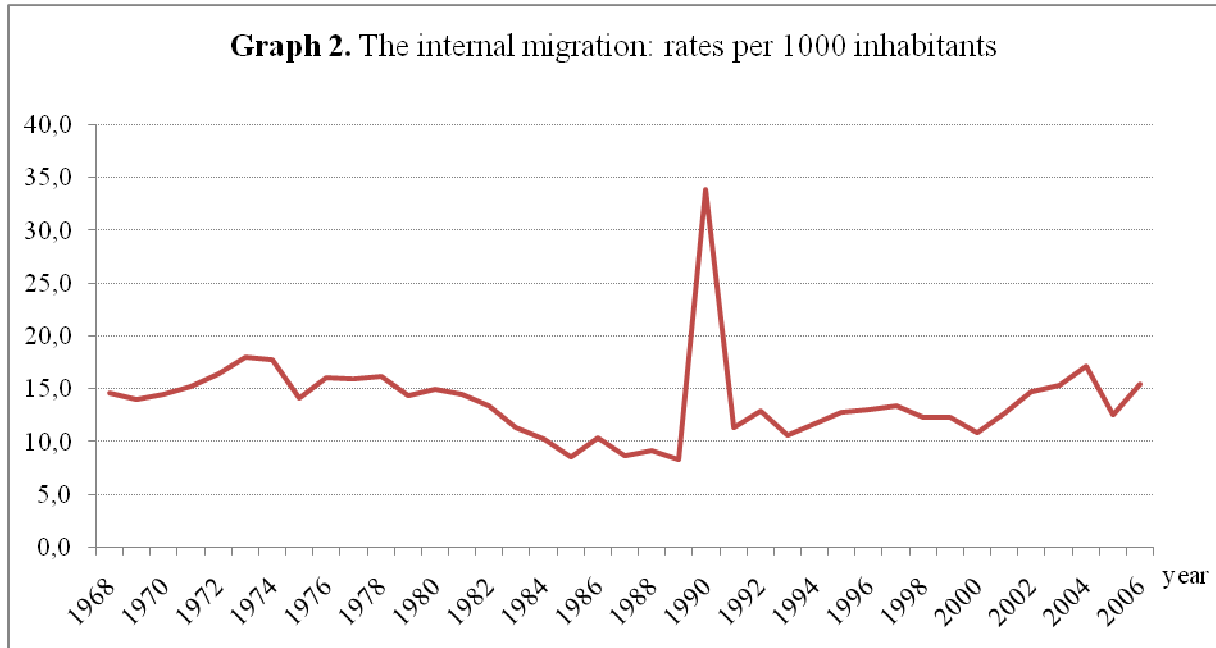
The idle material resources entered the economic cycle and human resources used about 80% in agriculture found jobs with much higher and more sure income but far from houses, especially in towns. Therefore *the population living in towns* grew steadily as new industrial units began to run.



Thus the migration rate recorded the highest values before 1973 when was recorded the maximum rate ever obtained: 18 migrants per 1000 inhabitants.

2.2. Advancing in the socialist era

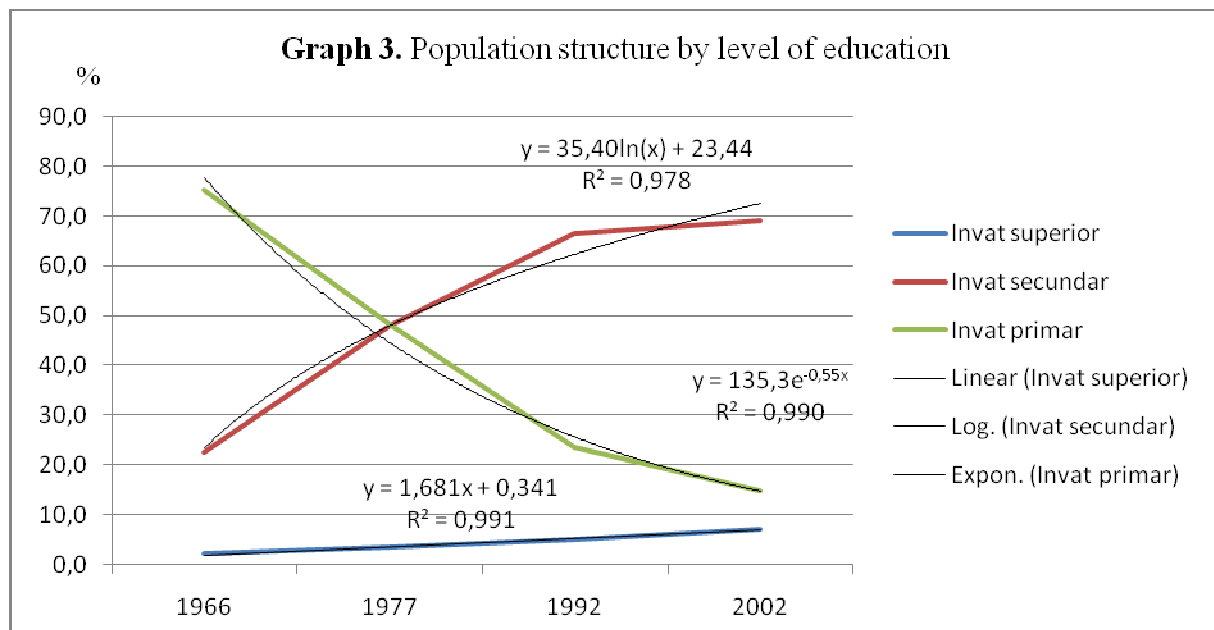
Accompanying the economic demands, the migration rate decreased to minimum values 8.6‰, 8.7‰, 8.3‰ in 1985, 1987 and 1989 respectively. The amplitude of internal migration in the VII-th and VIII-th decades of the past century, initially pushed up and sustained by means of selection and settlement facilities was later restricted by political rules. In 1990, when the informal permanent residence changes were recorded officially they found the peak of the value of internal migration rate.



Pursuing the principal economic task of the new political period, the living standard increase, they fulfilled also another major task: economic development of the country. From the social point of view the accelerated industrialization brought also about the increasing of income. This had the immediate effect the poverty reduction and the achievement of implemented projects to solve the critical medical problems of Romania.

To the lack of human resources with the required level of instruction and specialization for the new economic plants they addressed with intensive courses for instruction enhancing labor with new skills and specializations.

To increase the level of instruction and skills was a constant political task and therefore the population with secondary level of education grew in geometrical progression. First, it was possible by intensive courses to get superior level of education and skills mostly at the beginning of the post war period.



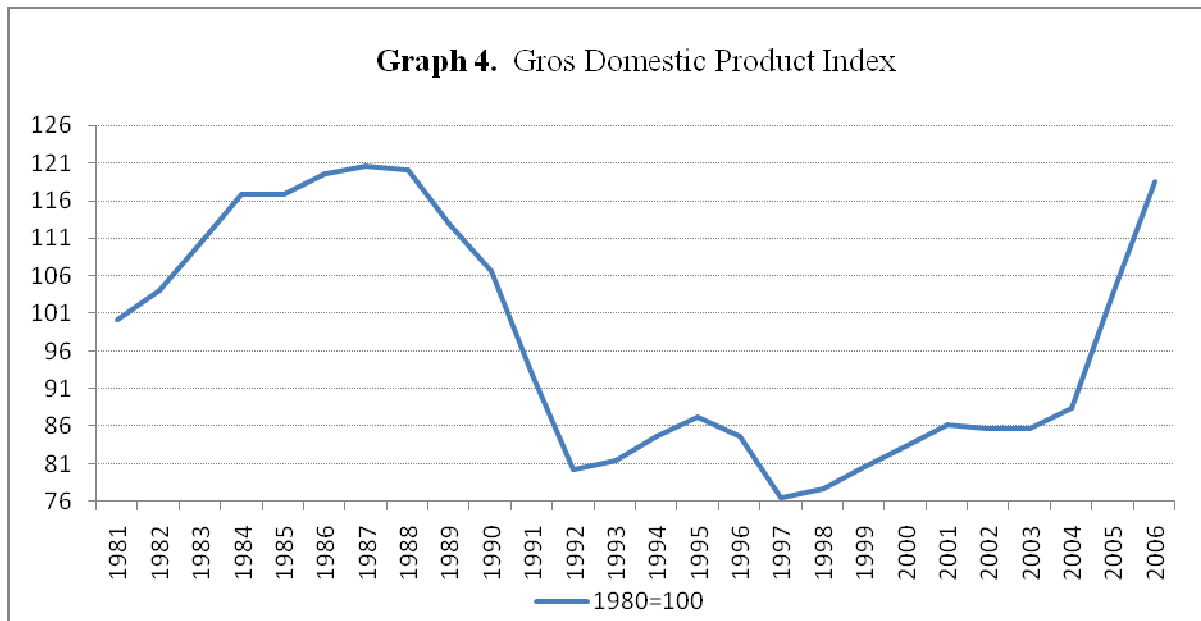
The new socio-economic structure of population brought about the *life style changing*. Increasingly the population began to prefer the urban house endowments. They were made easy to acquire by a policy of low rate of interest to buy the house as it was the single and most important private asset. The population could also hire a house as they become employed. These facilities along with the higher and stable income were the pushing forces for people to change their residence from villages to towns.

The industrialization process was carried mostly on extensive factor consumption. This ended to be less and less efficient. That's why beginning with 1988 the economy entered in a decreasing period. As soon as the 70' the efficiency of the tangible fixed assets had negative effects on the economic development. Therefore further improvement of living standard of population failed.

The end of the year 1989 brought the most recent changing of political rules. The transition to the market economy and democracy was meant to bring about the social wellbeing which the socialist rules failed to do.

2.3. The transition to economic development and social wellbeing

The transition period to democracy and market economy began with a strong economic crisis and institutional disintegration. The gross domestic product decreased fast and under the value recorded in 1980. The economy began to do over again after **14** years of transition to market economy and democracy.



Under such circumstances the social policy were implemented late and it's still rambling. Thus in the post decembrist period, any family focused policy was not implemented and the young people faced real obstacles to set up a family. Inflation and the exponential increase of prizes together with a high and long term unemployment defeated the young people's schemes not only the current but also the future ones. As long as the employment had no real perspectives any new project which meant new flows of costs could not be approached. The immediate strategy for the most young people was to postpone those plans for a future favourable moment, a moment that could not be forsee.

In this context the most young people who could get the secondary level of education went to the tertiary level of education too. Therefore the Population and Building Census in 2002 recorded an increased proportion of population 12 years old and over that got the tertiary level of education.

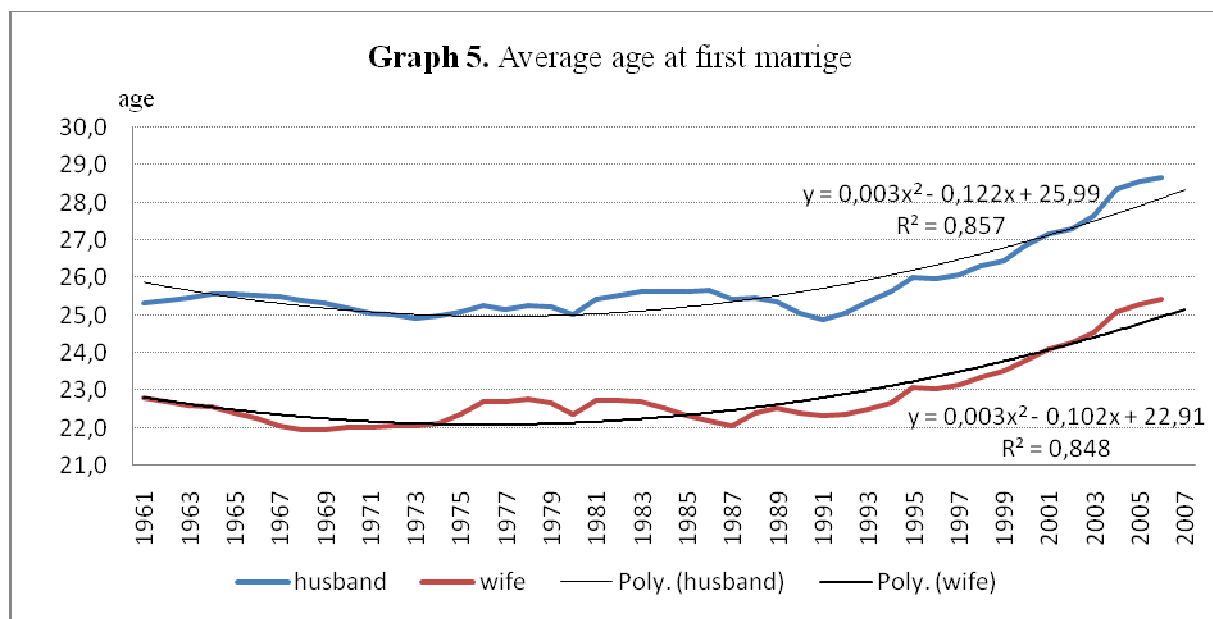
3. The individual life cycle in Romania in the last 7 decades

3.1. The first five decades

As to the theory of the second demographic transition, the Romanian society was to perform its evolution to the new demographic behavior influenced by the priority of the so-called 'superior demands'. These demands were those modifying the social scene of some west European countries by changes in the person's life cycle. As the society moved from one living mostly in villages (and respecting traditional rules concerning the moment of first marriage, the roll of the two sexes in a family and the vision upon divorce) to one living more

and more in towns and being more and more enrolled in economic activity, the Romanian society recognized and were partly governed by those superior demands. This fact changed the daily life of people but the most important events as traditional or religious remained strictly respected in spite of the official policy of an atheist society.

Therefore on contrary to the theoretical thesis, in Romania the average age at first marriage of bride decreased with 8 months between 1961 and 1969 and that of groom decreased with 7 months between 1964 and 1973. Thus, in Romania the young people entered the adulthood early and still in a formal way. This model lasted the entire socialist era.



Although the average age of first marriage grew it was a very slightly increase and the Romanian population registered permanently in the class of the lowest average age at first marriage in the European landscape. In spite of this increase the average age at first marriage remained still one of the lowest in Europe.

We can draw the conclusion that the tradition of early entrance in the adulthood lasts in Romania in spite of the intensive modernization of everyday's life. The trend lines point out that the minimum value of the average age at first marriage for groom was in the 8-th decade of the XX-th century and for bride it was between 1968 and 1973. Therefore in a period when the individual life cycle were governed, as to the theory, by 'upper needs', in Romania the individual life continued to be governed by traditional forces and the so-called 'upper needs' did not influence the demographic behavior.

Box 1

	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
-Percent of total population living in towns	36.2	36.6	36.9	37.2	37.6	38.1	38.7	39.3	39.9	43.9	44.7	44.8	45.8	46.9	48.4	49.0	49.2	50.0	50.6	51.3	51.9	53.3
-migrants per 1000 inhabitants	14.6	14.0	14.5	15.2	16.4	18.0	17.8	14.1	16.1	15.9	16.2	14.4	15.0	14.5	13.4	11.3	10.2	8.6	10.4	8.7	9.1	8.3
-average age at first marriage	25.4	25.3	25.2	25.0	25.0	24.9	25.0	25.1	25.2	25.2	25.3	25.2	25.0	25.4	25.5	25.6	25.6	25.6	25.7	25.4	25.5	25.4
husband	22.0	22.0	22.0	22.0	22.1	22.0	22.1	22.4	22.7	22.7	22.8	22.7	22.4	22.7	22.7	22.7	22.5	22.3	22.2	22.1	22.4	22.5
wife																						

Box 2

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
-Percent of total population living in towns	54.3	54.1	54.3	54.5	54.7	54.9	54.9	55.0	54.9	54.8	54.6	54.6	53.3	53.4	54.9	54.9	55.2	55.1
-migrants per 1000 inhabitants	33.9	11.3	12.9	10.6	11.7	12.8	13.0	13.4	12.3	12.3	10.9	12.7	14.7	15.3	17.1	12.6	15.5	
-average age at first marriage	25.1	24.9	25.0	25.4	25.6	26.0	26.0	26.1	26.3	26.5	26.8	27.2	27.3	27.6	28.3	28.5	28.7	
husband	22.4	22.3	22.4	22.5	22.7	23.1	23.0	23.1	23.4	23.5	23.8	24.1	24.3	24.5	25.1	25.3	25.4	
wife																		

3.2. The next two decades

In the transition period the facts changed rapidly, much more rapidly than expected.

The marriage rate decreasing in the first decade of 21-th century recorded a pace three times higher than in the entire earlier three decades period. Nevertheless, from the marriage intensity point of view, Romania is still placed in the group of countries with the highest values recorded. In 2003, the value 6.2‰ placed Romania in the class of the highest values recorded in Europe, but behind Denmark, 6.5‰, Republic of Moldova, 6.9‰, FYROM, 7.1‰, Belarus, 7.1‰ and Cyprus, 13.9‰.

The rate of first marriage points out a continuous movement to lower values.

And what were the forces continuing to maintain the life cycle in a relative stable mode in a period of 5 decades and with rapid alteration in the next two decades?

4. The main influencing factors

Among the factors influencing the demographic behavior, the average income level per person and per family is one of the most important. Function of the present income level and the expected future level of it, the individuals and families adopts *strategies for life*.

From demographic point of view these mean: giving up to the enrollment in the different degree of education; postponing or not the time of family formation; postponing or not the childbearing.

The average value of the first marriage age shows that the postponing of the time of marriage is in connection with the length of the education time. The average age of the first marriage began to be slightly postponed when about 50 % of population aged 12 years and over attained the second level of education while the same group of population attaining the third level of education progressed in a linear manner since the '80.

Out of inquiries, conformed by statistical data, we found out that the moment of entrance in the adulthood was strongly influenced by the average level of family income and, as a consequence, the income level per person.

Therefore the person's economic status is very important.

The employees enter the adulthood the earliest because they have a regular income. As the moment of entrance in the adulthood is calculated as an average, the average age of first marriage for the employees with the third level of education which is expected to be higher than that of the employees with the second level of education, is hidid.

The possibility of living in new and endowed houses, made easier for families, was one of the factors which contributed to maintain a relative linear trend in the individual's life cycle. More over the existence of a regular and sure income assured by the 'complete employment' – a main task of the communism- was added to the policy of dwelling. The employed person's income were enough providing that the both spouses were employed. The parents of the both young spouses were useful for housekeeping and children care.

Implemented family policies as housing facilities were added to the income increase. This policy applied exclusive in the towns where the new building with new and more comfortable apartments were built. These apartments were bought using loan bearing a small interest.

The changing of the unpopular political rules, itself was a very strong factor by the expectations brought about this. In 1990, the level of the economic development did not changed instantanly and still the intensity of the demographic events grew suddenly. It was the great expectations that pushed up the intensity of demographic phenomena.

Soon, the real costs of life and the lagging pace of economic transformation and development disappointed the population.

In this respect there are relevant conclusions drawn from a poll 'Barometer of Public Opinion' conducted in October 2002. The interviewees were adults and the sample were representative for the country with a trust level of 95%². Its data allow us to come to interesting conclusion upon the Romanian population's strategies of life. They are embedded in the family's life cycle and therefore in the individual's life cycle or vice versa.

5. The outcome of the overwhelming strategies of life: income level and life cycle intertwined

As to the poll, 34% from the adults estimated that their households could not cover the essential needs. Other 38% could cover the essential needs only. A decent standard living could assure only 26% of the adults' households. Only 1% from the adults considered that their families could afford any expenditure without restrictions. Satisfied by their jobs were only 27% from them and, logically, unsatisfied by the income they got were 78% from the adults. And these estimates were made in a context in which the adults were satisfied by the

² The socioeconomic context did not develop fast and therefore we can consider it to meet the case 5 years later as we don't have recent similar data. We can still draw this conclusion as other facts like international migration due to economic reason did not change.

goods having in their houses in a proportion of 69% of them and satisfied by their houses were 76%. Therefore, for the most of them, the constraints of their income were experienced in covering their daily needs. This fact explains the structure of the adults by the income level and the type of household (table 1).

Table 1. The structure of the adults by the income level and the type of household

-%-

Income level / Household type	Age group - years –					Total
	18-24	25-34	35-44	45-59	60 and over	
<i>*Under 2 bill lei</i>						
-single persons	1,0	5,4	6,3	8,1	35,7	17,3
-couples without children	1,0	3,8	5,3	18,8	30,2	16,9
-couples with children under 18 years	5,8	43,8	53,7	34,4	6,4	23,7
-step families		3,1	5,3	6,3	4,8	4,3
-extensive families	92,2	43,8	29,5	32,5	22,8	37,9
Total	100	100	100	100	100	100
<i>*Between 2 and 3,6 bill lei</i>						
-single persons	5,4	5,4	1,6	7,8	11,7	7,5
-couples without children	5,4	3,6		26,7	50,0	24,6
-couples with children under 18 years	2,7	42,9	54,0	27,8	6,3	24,6
-step families			4,8	7,8	2,3	3,5
-extensive families	86,5	48,2	39,7	30,0	29,7	39,8
Total	100	100	100	100	100	100
<i>*Between 3,6 and 6 bill lei</i>						
-single persons	1,5	2,3	1,9	0,6	3,7	1,9
-couples without children	1,5	9,1	2,9	22,7	47,7	19,0
-couples with children under 18 years	4,4	40,9	64,4	44,2	14,7	36,5
-step families			5,8	3,1	0,9	2,3
-extensive families	92,6	47,7	25,0	29,4	33,0	40,4
Total	100	100	100	100	100	100
<i>*Over 6 bill lei</i>						

-single persons	1,0	1,2	0,8	2,2	0,9	
-couples without children	1,0	3,5	12,7	24,4	7,3	
-couples with children under 18 years	29,4	62,4	66,7	15,6	41,1	
-step families	1,0	3,5	2,4	6,7	2,4	
-extensive families	100	67,6	29,4	17,5	51,1	48,2
Total	100	100	100	100	100	100

One group of family strategies refers to the value of marriage. Although there is the influence of the European model of family formation and the main part of young adults were still enrolled in education process, the low level of income had main part in decreasing the intensity of family formation. Adults of age under 24 years did not live out the parental family. Very few of them formed a family and even less of them had children. The most young adults living in couples with children were 35 years and over. This is the illustration of the spreading of the late model of first marriage and fertility. The important decreasing of those living in extensive family over 34 years and the relative stability over this age highlight the idea that the formation of new families is really over around the age of 35 years and that the phenomenon of formation and nuclearisation of families is under a strong constraint. Single persons had monthly income under the average monthly level of income at national level. Two third from the total couples without children and step families belong to the same group by average monthly income. Less proportion from the couples with children under 18 years (but more than half from them) lived in households with monthly income under the average level of monthly income at national level.

92.2% from the interviewees with age between **18-24** years who lived in extensive families had, in average, monthly income per household under 2 bill lei. 60.8% from the adults of the same age group had average monthly income under the average monthly level of income at the national level. Therefore, even the marriage represents a social ideal, it is postponed until there will be fulfilled better conditions.

Another group of strategies of life for the Romanian adults concerns the interrelation family-economic context. This drives to a permanent strategy in a continuous adjustment to the socioeconomic environment. The adjusting strategies to the economic context we find to young adults of age **25-34** years that are in another phase of individual evolution and in a period of facing more opportunities. These adults completed the period of instruction, have got the primary and secondary level of instruction in almost the same proportion. In age group

of 25-34 years it is placed also the average age of mother at the first birth and the average age at the birth of all children: 23.9 years and 25.8 years respectively.

As an answer to: economic constraints, the changing systems of value and to the family planning, the most families are smaller: 50.7% from the live-births in 2002 were of first live-births order. The most frequent option of couples were for a family of 3 persons; thus a minimum size of family bearing the least costs for household.

The probability to find a job increase as the instruction level increase: from 32.7% for the primary level of instruction to 64.2% for the secondary level of instruction and to 90.2% for the tertiary level of instruction. Therefore the adults of this age group have in average the most favorable economic situation of their households. As the adult's age increases the percent of households getting an average monthly income below the national average monthly income increases in the charge of those with average monthly income over the national average monthly income. Thus the income correlates in an inverse sense with the age: the income decreases as the age increases.

As the average monthly income per household at this age group is the highest and as the job arrangements are the most firm, the marriages are contracted between employees (39.4% of them). The employees are a group of persons having relative regulated and stable incomes.

This is the reason why from an almost living model in extensive families for the adults of age 18-24 years we find a model of living in couples with children living separately in a proportion of 39.1%. There are still couples with children living in extensive families, 51.9% due to real material possibilities that do not allow them to separate from the parental family or the parent's income are added to increase the young family's income. Therefore only 33.7% of young adults living in couples with children under 18 years are living separately.

Adjusting the adults' behavior to the new economic context takes some times and many families were taken by surprise by the sudden political change. In this context 62.5% from the adults living in couples with children under 18 years are unemployed and 25 % of them live in extensive families. The unemployment duration in Romania was long.

The uncertainty and the income level are the factors forcing the unemployed people and those with irregular jobs to live in extensive families. In the same situation are 31.3% from the adults living in couples with children under 18 years.

As the economy doesn't offer too many alternatives, nor those starting to run a business on them-selves do not separated from the parental family either due to financial impossibilities or

because they support the elder members of their family as well as the elder look after their housekeeping or their children when the young family is out of houses.

As a clue, the households are conscious in important proportions of the material resources constraints as the experience shows that the challenges felled by a family with limited material and emotional resources are dangerous for family stability. The increase of the divorce intensity at certain age group seems to hide some insatisfactions in connection with the slow development of family, household.

These aspects revealed by the data evolution and by the poll corroborate with the thesis that demographic behavior is part of the macroeconomic equilibrium and maybe it's more proper name is macro socioeconomic equilibrium.

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