Socio-economic issues characteristic to the Jiu Valley residents

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Abstract: The sociological research was conducted in 2008 on a sample of 1,612 adults, aiming at highlighting the socio-economic situation of the population in the Jiu Valley and, therefore, the problems addressing the local people. Failure or even the lack of financial resources is a consequence of lack of jobs in the area and, as a result, the low living standard of the population.

Key words: level of living; financial situation; living conditions; unemployment

JEL classifications: Z10

The research was conducted in 2008, the very year that proceeded the year marked as the beginning of the economic crisis in our country. Research area comprised the adult population of the Jiu Valley cities and the sample size was 1,612 persons. The most serious problems facing the residents of the Jiu Valley (Figure 1) are mainly related to material and financial nature whose solution concerns almost three quarters of the questioned subjects (poverty, unemployment, financial problems) problems characterizing the whole Romanian society, but not at such a high level.

The insecurity sweeping their working place troubles the employees which live with the fear of uncertainty in relation the future of mining. Nevertheless, it is positive that, unlike other areas of the country, the shortage of dwelling houses or corruption are not considered serious problems for the Jiu Valley, registered an insignificant percentage. The degradation of living standards for the people living in the Jiu Valley occurring after the year 1989, compared with the previous period, is highlighted by Figures 2, 3, 4, 5; according to the answers of the respondents, by 2008, the most favourable period was before 1990, when most of them (54.1) says that life was good to very good from the material point of view and only a small percentage said it as bad.

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Figure 1. Problems facing the residents of the Jiu Valley (%)

By merging the variants very bad with bad and good with very good, it results following situation:

<table>
<thead>
<tr>
<th></th>
<th>Very bad + Bad</th>
<th>Good + Very good</th>
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<tbody>
<tr>
<td>1. Until 1989 inclusive</td>
<td>7,1</td>
<td>54,1</td>
</tr>
<tr>
<td>2. 1990 – 1996</td>
<td>11,3</td>
<td>42,6</td>
</tr>
<tr>
<td>3. 1997 – 2004</td>
<td>21,8</td>
<td>33,3</td>
</tr>
<tr>
<td>4. 2005 – 2008</td>
<td>27,2</td>
<td>35,8</td>
</tr>
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</table>

Figure 2. Evaluation of the level of living from a material point of view until 1989 (%)

One can clearly note the phenomenon of impoverishment of the population after 1989. Even if we were tempted to say that the results of the evaluation represent the "nostalgia" for the period before 1990, the differences between the first period and the following ones are too great so that such a claim could resist; the percentage of those who feel that life is very difficult and difficult is 3.8 times higher in 2005-2008 compared to the period before 1990, and the ones that say good and very good is 1.5 times lower in the same period. The situation is in some degree balanced by the rate of
one third, for all the periods, of those who place themselves at the limit of a decent living, alternative "average".

Figure 3. Evaluation of the level of living from a material point of view between 1990 and 1996 (%)

Figure 4. Evaluation of the level of living from a material point of view between 1997 and 2004 (%)

Figure 5. Evaluation of the level of living from a material point of view between 2005 and 2008 (%)

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We have to mention that the option "not applicable" includes the answers of younger subjects who have not reached yet maturity at different periods of time, which did not allowed them to make judgments on the material situation of those periods. One should note that the rate of these respondents decreases significantly, certifying a good coverage for various age categories of the subjects.

On the relative worsening of the living standards after 1989, the answers summarized in Figures 6 and 7 support this assertion, just under two thirds of respondents saying that the household income reaches the bearable limit and the percentage of those who live over this limit is 3.6 times smaller than those which are placed below this limit (Figure 6).

![Figure 6. Evaluation of the household income (%)](image)

Of course, the situation in Figure 6 is supported by data in Figure 7 that reflects the distribution of monthly family income, one-fifth of those having an income of up to 500 lei, while those up to 1,000 lei including amounts to 58%; mostly, larger families fit in this category.

A situation which raises questions is that of the 316 families who have an income of up to 500 lei per month. How can handle the financial issues a family, even composed of two people with this amount of money? Unfortunately, there was not a direct question aimed at this response, but neither the control questions could give an explanation. But assumptions can be made, for example: have the subjects been reluctant to say the real situation of the family income? Do some family members engage themselves in seasonal activities whose income is fluctuating and it is not included in the family income? Do they work without any legal documents? Are they helped by family members working abroad? Either of these options may be valid.

Figure 8 highlights some issues that can not be overlooked, namely:

- Less than a fifth of respondents admit that their incomes is supplemented with seasonal activities or they have a second job, which they included in the family's monthly income;
- About a quarter of respondents would like to engage themselves in activities to supplement the family budget;
- Almost half of those interviewed, even though many say that in spite of the fact that they situate at the decency limit, they are satisfied with the situation and they don’t take any initiative to supplement the family budget, showing passivity in this regard, whilst those with incomes of more than 1,500 lei can "justify" this attitude, but they represent only fairly small percentage. Is this the “reflection” of the content of the witticism "instead of working for almost nothing, better stay and do nothing?"

![Figure 7. Categories of income for the families of the respondents (%)](image1)

![Figure 8. What people do to increase the family income (%)](image2)

It is most likely that economic policy of the Romanian state, with massive layoffs in 1997, through unjustified compensation payments and lack of a strategy to create jobs - these strategies were only at propagandist level - induced mentality and
resignation for a large of the population that says that "work" route is: employed - dismissed - unemployed - poor.

The literature states that a high standard of living involves allocating one third of family income on food – of course, it also counts the amounts of income. The more this rate increases, it requires an income below the "normal" limit, aspect that characterizes the population of the Jiu Valley and supports to a certain extent the idea according to which this area has become poor, given that a much higher percentage of families interviewed spent money for food (Figure 9). If we add the costs for home maintenance for other needs to these costs, it results only ten percent left. It is sad that education and culture get only 1.3 percent

![Graph showing monthly household expenditure for various categories](image)

**Figure 9. Monthly household expenditure for (%)**

In Figures 10 and 11 show the socio-economic situation of Romania and of the Jiu Valley for the next 10 years. One can notice that respondents are more pessimistic with regard to development of the Jiu Valley compared to the development of the whole country, getting a sharper view more over the realities of the area where they live and due to the fact that this area has not been yet a centre of interest for those who could invest here. It is no doubt that the "joy" of massive dismissals in mining in 1997 was, in fact, a “kick-back” in the economic development of the Jiu Valley because the promises in relation to the conversion of the labour force and creating jobs for those dismissed has been a pre-election slogan over the years. The implication of local authorities to revive the mining zone has remained without the desired result as long as it is a lack of interest for the population lives here at higher decisional levels. The collective consciousness of the local population, the socio-economic development of this area is still linked to mining, even if the facts do not support it any longer.

With respect to the evolution of Romania, 18% of respondents say that it is going to be negative in the following 10 years (much worse and worse), 29.2% of them have the same opinion for the Jiu Valley.
The Jiu Valley residents’ pessimism regarding the chances for recovery of the area is reflected in the Figure 12; only a very small percentage (12.4%) gives a real chance of recovery, while those who believe that chances are minimal (less and no one) is 4.8 times higher.
Conclusions:
- the problems facing the population of Jiu Valley are generally the same as the ones in the whole Romanian society, i.e. issues related mainly to material and financial aspects, but more acute for this area;
- the quality of life deteriorated continuously between 1990 and 2008 in the opinion of those interviewed, being worse compared to the period before 1990. People have became poorer and those who feel life as very difficult and difficult are 3.8 times more numerous in the period 2005-2008 compared to the period before 1990, and the percentage of those who are doing very well and well is two thirds lower compared to the same period;
- the financial possibilities of the investigated families are relatively low, one-fifth of them cumulating revenues of up to 500 lei, and those who have an income up to 1,000 lei, including, hold a share of 58%;
- a little over one fifth of subjects with low income completes their budget engaging in seasonal activities;
- almost one half of respondents, although they situate at the limit of decency with respect to their revenues, they are satisfied with the situation or at least they have not yet taken any initiative to find work. The absence of a government strategy to create new jobs has induced mentality and resignation for a large of the population that says that "work" route is: employed - dismissed - unemployed – poor;
- expenses, foodstuff and housing maintenance costs amount, in most cases to 90% of the family income; only ten percent of income can be allocated to meet other needs (what does it mean 10% of 500 or 1000 lei?);
- it is a sad fact that education and culture gets only 1.3% of the family income which is so low.

REFERENCES: