

## **THE FAILURE OF THE JIU VALLEY, THE CONSEQUENCE OF SOME WRONG GOVERNMENT DECISIONS**

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**ABSTRACT:** *This research is part of a series of field sociologic surveys realized by us over many years and have decided to find out, successively as many elements, related to the specific of the Jiu Valley. This time we focused our attention on Petrosani, the biggest territorial administrative unit of the six that make up the Jiu Valley conurbation. Thus we learned about the polarization of poverty in the municipality of Petrosani, existing here the signs of an economic segregation easy to notice depending on the area they live. We also determined how it is seen after more than a decade and a half the government's decision to reduce employment in the mining and what were the main negative effects that acted at the level of community and family.*

**KEY WORDS:** *family income, economic segregation, social identity, poverty, governmental decision ,negative effects.*

**JEL CLASSIFICATIONS:** *Z00, Z1.*

### **1. THE AREA AND THE METHODOLOGY OF THE RESEARCH**

The field phase took place in the municipality of Petrosani between 7<sup>th</sup> and 14<sup>th</sup> of July 2014 having as interview operators on the field students from the Department of Sociology of the Faculty of Science, the University of Petroșani. The research instrument was the printed questionnaire consisting of 21 questions but through the questions in the grid they finally reach a total of 45 *items*, in their majority of opinion and attitude, without being neglected the factual questions (the personal ones - gender, age, education, occupation, income, number of family members, area of residence).

The investigated population is the result of an interrelated quota sample, representative for the stable population over 18 years from the municipality of

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Petrosani. We considered, as quotas, the age and the gender of the inhabitants, and then correlated with the studies, the occupation and the area of residence of the respondents. We specify that the construction of the sample, which has a volume  $n = 600$  persons, we used the statistical data from 01.07.2013 provided by the National Institute of Statistics, the County Direction of Statistics of Hunedoara County - Deva. After returning from the field of the operators we have resorted to the operation of checking of the questionnaires from the perspective of uniformity, completeness and accuracy. Where there was doubt about some questionnaires or where there were some deficiencies, these deficiencies were completely restored, other interview operators being sent back on the field, in order to avoid the operator errors that may vitiate the analysis and the interpretation of the information.

The data from the questionnaires were computer processed through the program IBM SPSS Statistics 20, having an electronic database of our study). The analysis and the interpretation of the data collected in the field was an objective one, based on frequency tables, correlations and certain significance tests applied to different variables we have corroborated, using, in this case too, the software above mentioned.

## **2. SOCIOECONOMIC AND DEMOGRAPHIC CHARACTERISTICS OF THE JIU VALLEY RESULTED FROM ANTERIOR SOCIOLOGIC RESEARCHES**

To understand the current situation of the municipality of Petrosani, informal considered as the "capital" of the region, it is necessary to go over some aspects with economic, social and even demographic character.

The economic course of the Jiu Valley after 1990 is marked by a series of restructuring attempts, of purely formal connection and not profitable to the requirements of the free market, the primacy of the economic reasons, totally neglecting the social costs implied by the transformations that took place. The negative aspects that mark this economic course can be summarized as follows:

- the continuous decrease of the number of employees (from almost 80,000 in 1990 to about 30,000 in the recent years), a sign of weak economic activity, which can not support sustainable development projects;
- the continuous growth of the number of unemployed people and as a direct consequence of poverty in its chronic form;
- the transformation of the area from an immigration one (until 1996) in one of emigration after the great staff availability from the years 1997, 1998, 1999;
- the reduction of the stable population (from nearly 173,000 people in 1997 to around 120,000 according to the last census in 2011) and its demographic aging are phenomena increasingly evident, both due to the background of the natural increase downward and that of the rate of emigration increasingly higher ( Fulger, 2007, p.15, p.17, p.26, pp.44-46).

All of these economic changes could not remain without effects on the social landscape. Besides the direct and immediate visible effects such as unemployment, poverty and negative demographic phenomena, there are other effects (all negative) that materialize in time. We primarily refer to family breakdown present in multiple

forms: family abandon by one of the parents (cause of the increasing number of single parent families, with the entire suite of problematic situations), the weakening of the parental control, the increasing of the school abandon and of illiteracy, of anti-social acts and of undesirable behavior of the children and young people from these families.

The whole area is comprised of poverty, but if sustainable development programs were implemented with government and private shareholders a solution would be found in a reasonable time. The greatest danger consists in the emergence of some counterproductive attitudes. We say this because in the years following the layoffs, it was discussed extensively about the so-called cult of laziness appeared in the middle of the unemployed who refused certain jobs based on comparative judgments between unemployment aid / or social aid and the incomes received from salaries. (Fulger, 2007, p.31).

Today there is the real danger of the emergence of an attitude (and even behavior) of self-disregard of those in the area, taking into account the sources of social exclusion, and we refer here mainly to the community as a whole, who is unable to prove resistance and offer at its turn resilience to those who compose it. Especially to the children and to the young people (Fulger & Hirghidusi, 2014a, p. 40).

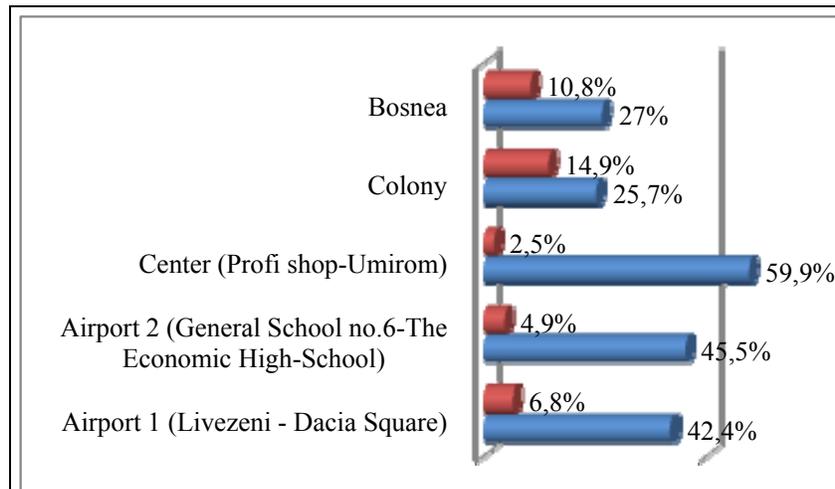
At the level of the Jiu Valley, which indicates that the phenomenon is ample, we distinguished the awareness of the people that they belong to a community that is not resilient or it is no longer resilient: 60.5% of the parents said that the chances of social success of their children compared to the children from the big cities of the country are lower, the economic degradation of the area being the primarily responsible for all the negative phenomena that have succeeded or there are simultaneous here: unemployment, poverty, the depopulation of the area by decreasing of the natural growth and the emigration of the young people in the search of some jobs, the lack of the investments etc. The situation encountered on the field after several sociological surveys conducted by us is worrying because the preponderant expenses of the people are directed towards the meeting of the basic needs, for food, they are proper to the traditional-agricultural way of life, and this in the conditions in which the Jiu Valley is an urban conglomerate that has had a strong mining industry. Or, in the urban way of life, *except poverty*, the expenses from the family budgets are directed mainly towards secondary needs and services.

In such a not favorable economic and social context a new phenomenon came to life and it is likely that it will extend, if nothing is done quickly and efficiently: that of the comparisons that the young people from the Jiu Valley make it among themselves, their families and their available possibilities and those living in other parts of the country or abroad. The young people are in a process of searching for the personal and social identity. That's why it is so important that the family and the community to provide the child a positive social identity which means the quality of social support, the welfare and the wellbeing assured to the child and adolescent so that this does not accumulate frustrations. In other words, the danger of acquiring a social identity that does not agree is extremely real, these young people trying in the future the access of another social identity but which will be conditioned by the territorial mobility, the only real chance of a positive social mobility. It would be ideal to provide these young people equal opportunities of social success and the possibility of a normal

life in the area where they were born and not the conditions of a social mobility based on positive discrimination or territorial mobility (Fulger & Hirghiduși, 2014b, pp.135-136).

### 3. THE POLARIZATION OF POVERTY IN THE MUNICIPALITY OF PETROSANI

After this brief socio-economic and demographic laying in context of the municipality of Petrosani we will make a brief but eloquent description of the areas from the structure of the same municipality, as they reveal from the perspective of *occupations* that the families that live here have. It turns out that there is a current segregation on economic bases between the residents of the different areas within town. In fact, it existed even in the years of communism that had not solved (with all the resources that it had disposed) the problem of the uniformity of the quality of life in the municipality of Petrosani, areas such as the Colony, Bosnia or Airport 1 (also known as Serparia) being of sad celebrity among the residents of Petrosani who avoided to move to these urban areas because of the quality of the housings and even of their inhabitants. Below we will show in a suggestive, but simplified way in order not to charge unnecessarily the figure, the shares of the employed and the unemployed from all the areas of Petrosani resulted from the correlation of the two variables.



**Figure 1. The correlation between the area of residence and the occupation of the inhabitants**

Without representing any special surprise, the areas already well established in the conscience of the inhabitants of Petrosani as "good" or "less good" are reconfirmed by the present research, including from the perspective of the occupations. The *Center* area (within the limits determined by the Profi shop and the out of Petrosani, besides Umirom) is the most highly rated by no less than 59.9% of the total employed

population over 18 years. It follows *Airport 2* (with the boundaries between General School no.6 and the Economic High-School) with 45.5% employees, *Airport 1* (with the limits from Livezeni to Dacia Square) with 42.4% employees. Finally, the areas *Bosnia* and *Colony* with 25.7% and 27% employees. The discrepancy is evident, and it is not little, between the number of existing employees in the last two areas and the other three, especially in the *Center area*.

**Table 1. The correlation between number of the members of the family (household) and the monthly income of the families**

The number of the members from the family			The monthly family income (lei)					Number of persons
			(Up to 850)	851-1700 (1275.5)	1701-2550 (2125.5)	2551-3400 (2975.5)	over 3401	
A person	Monthly income/ Person.	<b>850</b>	<b>1275.5</b>	<b>2125.5</b>	<b>2975.5</b>	<b>3401</b>	<b>56</b>	
	%	<b>60.7%</b>	<b>37.5%</b>	<b>1.8%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>100.0%</b>	
Two persons	Monthly income/ person.	<b>425</b>	<b>637.75</b>	<b>1062.75</b>	<b>1487.75</b>	<b>1700.5</b>	<b>171</b>	
	%	<b>18.1%</b>	<b>50.3%</b>	<b>22.8%</b>	<b>5.3%</b>	<b>3.5%</b>	<b>100.0%</b>	
Three persons	Monthly income/ person.	<b>283, 33</b>	<b>425.16</b>	<b>708.5</b>	<b>991.83</b>	<b>1133.66</b>	<b>205</b>	
	%	<b>10.7%</b>	<b>42.0%</b>	<b>30.7%</b>	<b>9.3%</b>	<b>7.3%</b>	<b>100.0%</b>	
Four persons	Monthly income/ person.	<b>212.5</b>	<b>318.87</b>	<b>531.37</b>	<b>743.87</b>	<b>850.25</b>	<b>121</b>	
	%	<b>12.4%</b>	<b>33.9%</b>	<b>28.9%</b>	<b>19.0%</b>	<b>5.8%</b>	<b>100.0%</b>	
Five persons	Monthly income/ person.	<b>170</b>	<b>255.1</b>	<b>425.1</b>	<b>595.1</b>	<b>680.2</b>	<b>29</b>	
	%	<b>34.5%</b>	<b>27.6%</b>	<b>20.7%</b>	<b>10.3%</b>	<b>6.9%</b>	<b>100.0%</b>	
Six persons	Monthly income/ person.	<b>141.66</b>	<b>212.58</b>	<b>354.25</b>	<b>495.91</b>	<b>566.83</b>	<b>18</b>	
	%	<b>22.2%</b>	<b>16.7%</b>	<b>50.0%</b>	<b>0.0%</b>	<b>11.1%</b>	<b>100.0%</b>	
Number of persons		<b>116</b>	<b>245</b>	<b>153</b>	<b>54</b>	<b>32</b>	<b>600</b>	
%		<b>19.3%</b>	<b>40.8%</b>	<b>25.5%</b>	<b>9.0%</b>	<b>5.3%</b>	<b>100.0%</b>	

We insisted on this fact, on highlighting the economic segregation (reflected in the very areas of domicile) because in the new socio-economic context assumed by Romania's EU membership is desired that the divisions and the severe cleavages from the local communities to be reduced. Or such a thing has not happened in the municipality of Petrosani, even after joining the European Union. On the contrary, due to the drastic decline of the main economic activity from the Jiu Valley (the mining) they amplified.

In addition, the lowest monthly family incomes recorded in Petrosani (up to 850 lei, including, according to the categories established by us) are met in the two

areas marked the most obvious by unemployment. We refer to the *Colony area* (33.7% of the respondents families have incomes up to 850 lei, these don't suppose that they reach the maximum limit of 850 lei) and at the *Bosnea area* (40.5% of the respondents' families have incomes up the 850 lei, without supposing, also, that they reach the maximum limit of 850 lei. We insist on showing that it is about family incomes and not individual incomes. The data from Table 1 must be analyzed and understood through the official data. "According to the results of the Family Budget Survey from Romania, in the first trimester from 2014, the total monthly average incomes represented, in nominal terms, 2,477 lei per household and 928 lei per person. The money incomes were, on average, 2,034 lei per month per household (762 lei per person), and the incomes in nature of 443 lei per month per household (166 lei per person), it is shown in a release issued by the National Institute of Statistics' (<http://www.zf.ro/ZF-24/how-win-in-a-household-average-of-romania-12899261>).

What interests us is to realize a comparison between the monthly cash income families in Romania and the income per person with the monthly money income and the income per person of the families from Petrosani. The justification of such a comparison, only on money incomes, comes right from the economic reality of the Jiu Valley and of its symbolic capital, the municipality of Petrosani. The total average monthly incomes suppose incomes inclusive from agriculture, incomes from independent non-agricultural activities, those from property and from sales of assets from the household's patrimony, the incomes in nature, mainly the equivalent of the consumption of agricultural and good products from own resources ([http://economie.hotnews.ro/stiri-finante\\_banci-17627006-ins-veniturile-totale-medii-ale-unei-familii-oras-fost-29-3-mai-mari-decat-cele-ale-unei-familii-tara-primul-trimestru-din-acest.htm](http://economie.hotnews.ro/stiri-finante_banci-17627006-ins-veniturile-totale-medii-ale-unei-familii-oras-fost-29-3-mai-mari-decat-cele-ale-unei-familii-tara-primul-trimestru-din-acest.htm)). Or, in the municipality of Petrosani, on the background of a weak economy, the sources of income of the population in its overwhelming majority are the ones from salaries, pensions, child allowances, unemployment aid, guaranteed minimum income etc, not incomes from agriculture, independent non-agricultural activities, from sale of assets or from nature or from other sources.

Returning to Table 1 we must make some remarks. In order to perform the comparisons that we mentioned we used an artifice, i.e. in order not to complicate too much the working instrument (the questionnaire) and not to aggravate the work of the field operators (using too many response categories for revenues that would anyway be merged at the processing) we asked the students that for the minimum and maximum limits of money incomes recorded monthly for the subjects' families to place them in the category of income *up to 850 lei* (inclusive) i.e. over *340I lei*. We chose *the minimum* limit up to *850 lei* (inclusive) because we took into account several aspects:

1) From 1<sup>st</sup> of January 2014 the monthly level of the guaranteed minimum income was increased from 0,271x RSI to 0,283x RSI (RSI - reference social indicator has a value of 500 lei.) In this way the level of the guaranteed minimum income is:

- a) RSI 0,283 for the single person (141.5 lei / month);
- b) RSI 0,510 for the families made up of 2 persons (255 lei / month);
- c) RSI 0,714 for the families made up of 3 persons (357 lei / month);
- d) RSI 0,884 for the families made up of 4 persons (443.5 lei / month);
- e) RSI 1054 for the families made up of 5 persons (527 lei / month);

f) each RSI 0,073 for each additional person over the number of 5 persons, which is part of the family ([http://www.avocatnet.ro/content/articles/id\\_33228/OUG-nr-42-2013-modificarea-si-completarea-Legii-nr-416-2001-privind-venitul-minim-garantat-precum-si-pentru-modificarea-Legii-nr-277-2010-privind-alocatia-pentru-sustinerea-familiei.html#axzz2kR60nnUd](http://www.avocatnet.ro/content/articles/id_33228/OUG-nr-42-2013-modificarea-si-completarea-Legii-nr-416-2001-privind-venitul-minim-garantat-precum-si-pentru-modificarea-Legii-nr-277-2010-privind-alocatia-pentru-sustinerea-familiei.html#axzz2kR60nnUd)).

2) From 1<sup>st</sup> of July 2014 the gross minimum base salary guaranteed payment increased from 850 lei per month to 900 lei per month, i.e. a transition from a net minimum salary of 636 lei to a salary of 670 lei each (<http://www.ziare.com/afaceri/salariati/salariul-minim-a-crescut-ce-inseamna-pentru-angajator-35-de-lei-in-plus-1278861>).

3) In the first trimester of the year 2014 the monthly average pension was 845 lei ([http://www.insse.ro/cms/files/statistici/comunicate/com\\_trim/nr\\_pensionari/pensii\\_%20trI14.pdf](http://www.insse.ro/cms/files/statistici/comunicate/com_trim/nr_pensionari/pensii_%20trI14.pdf)).

In this way we came to the first conclusions that define the economic state of affairs in the municipality of Petrosani at the moment of July 2014:

-60.7% of the households consisted of one person have a monthly monetary income / person under the average of the monthly money incomes / person in the country (which is 762 lei / month);

-68.4% of the households consisted of two persons have a monthly monetary income / person under the average of the monthly money incomes / person in the country;

-83.4% of the households consisted of three persons have a monthly monetary income / person under the average of the monthly money incomes / person in the country;

-94.2% of the households consisted of four persons have a monthly monetary income / person under the average of the monthly money incomes / person in the country;

-100% of the households consisted of five persons have a monthly monetary income / person under the average of the monthly money incomes / person in the country;

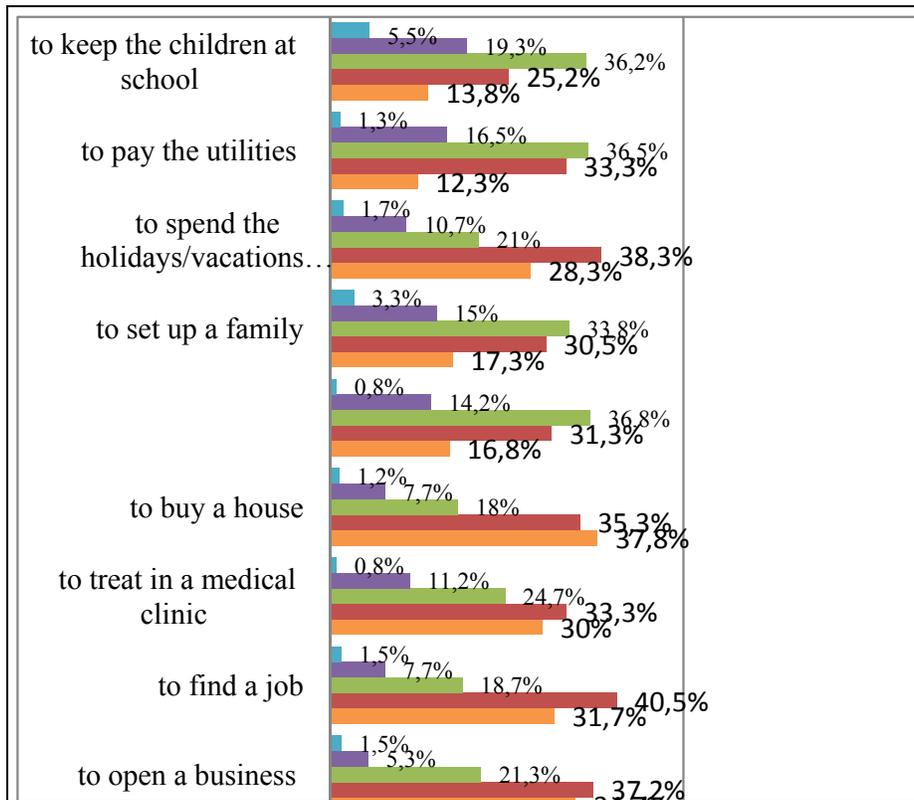
-100% of the households consisted of over five persons have a monthly monetary income / person under the average of the monthly money incomes / person in the country.

#### **4. THE CURRENT ECONOMIC SITUATION, RESULT OF SOME WRONG GOVERNMENTAL DECISIONS**

The municipality of Petrosani was an important economic center until 1989. Starting with 1990 the mono industrial economy that had dominated the economy (and thus the town) even if it got into some decline, it (the decline) managed to be masked until 1997-1998 when, once with the major staff restructuring in the mining industry, the unemployment was extremely high (nearly 60%) despite of the promises of the Governing that measures of social protection would be elaborated and that they were working on projects capable of creating new jobs that will absorb the redundant work force.

In this context, we asked the subjects included in the sample to identify which were the main effects of the decision of the Governing from the years 1997-1998 on the life of the inhabitants of the municipality of Petrosani separated on several aspects, as it can be seen in Figure 2. In order to increase the scientific objectivity we mention

that including persons who were not mature responded to this question, but through the optics of the family were able to form an opinion about the advantages/disadvantages of the governmental decisions of that time on the Jiu Valley and implicitly on Petrosani today.



**Figure 2. The influence of the governmental decision, from the years 1997-1998, to restrict the mining activity, over the possibility of the population as a whole...**

In order to be more suggestive we used the merging of the codes for the variants *very bad* and *bad* options, achieving a ranking of the aspects of life negatively influenced:

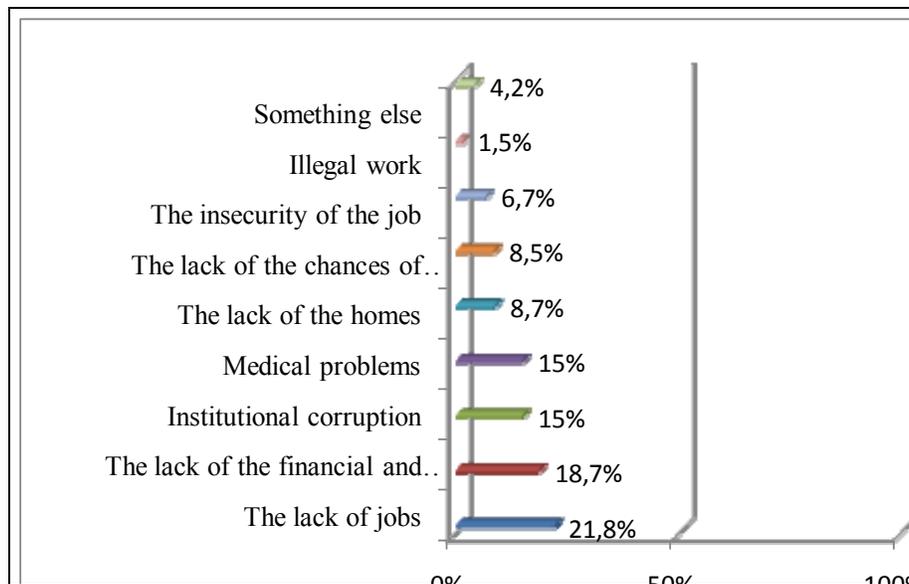
- the possibility to buy a house = 73.1%;
- the possibility to find a job in Petrosani = 72.2%;
- the possibility to open a business in Petrosani = 71.9%;
- the possibility to spend their holidays / vacations in a resort = 66.6%;
- the possibility to treat in a medical clinic = 63.3%;
- the possibility to equip the house with appliances / electronics = 48.1%;
- the possibility to set up a family = 47.8%;
- the possibility to pay the utilities of the house = 45.6%;

- the possibility to keep the children at school = 39%.

It is quite obvious that the population felt in a negative way such a thought governmental measure, paradoxically, just as an opportunity for economic recovery of the Jiu Valley and Petrosani. It is a perfect example of what in sociology is called perverse effect.

Against this general background sketched by the governmental decisions from the past that have acted at the level of the entire population of the municipality of Petrosani we tried to determine which were the negative effects at the level of the families. Through the responses obtained from the interviewed subjects, resulted a true picture of the problems faced by the families here, making a transition from the past, through the present into the future (which we will develop in the future articles).

At the family level, as they were experienced in the past can be seen in Figure 3, the problems were about *the lack of jobs* (21.8%) and the *lack of financial and material resources* (18.7%). If we add here the *job insecurity* (6.7%) and *illegal employment* (1.5%) we find that nearly half of the families from Petrosani (48.7%) had past problems related to job (the lack, its insecurity or illegality and in their ship wake, as a natural consequence, the financial and material lacks arising from here).



**Figure 3. The main problem with which the families of Petrosani faced in their past**

## 5. CONCLUSIONS

At least from the sociological perspective, especially for the Jiu Valley and Petrosani, is fully confirmed that governmental decisions taken under the pressure of various factors (internal or external, political or economical etc) weigh too little, but

declared through finality with positive purposes, eventually produce perverse effects. The restructuring of the mining, far from producing the promised wealth by the Governing has fully contributed to the deepening of some of the existing socio-economic cleavages in the area or to the production of others, such as for example the emergence of unemployment, the depopulation of the area and the tendency for self-disregard of the inhabitants in comparison with the populations from other parts of the country. With its aggravation, the unemployment contributed to the impoverishment of the area that acquired in time the characteristics of an agrarian traditional life by analyzing the behavior of consumption.

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