POVERTY IN ROMANIA: DIMENSIONS OF POVERTY AND LANDMARKS OF POVERTY RESEARCH[1]

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Abstract: *The first objective of the paper is to offer a synthetic account of the main research coordinates of scientific literature on poverty in Romania. In this respect, three main stages are distinguished: (i) accumulation of expertise at the national level with a divergence of methodologies and approaches being developed (ii) the temporary consensual adoption of the absolute poverty line; and (iii) the official alignment to the European relative poverty lines in parallel with a new mix of approaches: a social development-oriented approach, concurrently with the study of poverty and extreme poverty at the territorial and community level. The second main objective is to look at the level and dynamic of poverty in Romania using the most important measurement methodologies in order to establish linkages between poverty research and the actual situation and to stress research needs in the following period.*

Keywords: *poverty profile, methodology, research, overview*

Landmarks of poverty research in Romania

As a result of reviewing the massive corpus of scientific literature regarding poverty in Romania until 2014, a plausible periodization has emerged. The research on poverty in Romania in the last 25 years has undergone three main stages, according with the dominant approach/methodology (with the proviso that a multitude of approaches being developed is the defining trait of the first period).

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(1) Accumulation of expertise at the national level, with a divergence of methodologies and approaches being developed: 1990-2000

In the first decade of the transition, Romania witnessed an outburst of poverty levels, with two peaks in 1994 and 1999 (see Figure 1). At the political level, the phenomenon was partially ignored, as indicated by the much moderate increase in expenditures with social protection policies in Romania in comparison with the other countries in transition and the low level of direct financial transfers funding anti-poverty programs (Zamfir, 1999: 74).

However, the academic side rapidly took up the task of developing measurement methodologies and elaborating studies of the phenomenon, with the Research Institute for Quality of Life (RIQL) as one of the most prominent research centres. In fact, the first decade of the transition has been the most prolific phase in terms of number of scientific contributions in the field: a 2001 study (Zamfir, Mărginean, 2001:53-55) lists no less than 71 significant contributions up to that moment. The substantial production of literature on the subject was perhaps unsurprising considering the novelty and gravity of the social problem but nonetheless it makes difficult to offer a complete and fair account of important contributions. At the academic level, RIQL has an extensive tradition of poverty research and reporting. The first concerns to find landmarks for the construction of a normative poverty line emerged in 1991, when a program for the analyses of poverty was launched. The main objective was to determine a basic needs basket, in other words to establish a poverty threshold. In 1992, the Quality of Life Journal published several contributions aimed at defining a poverty threshold using the normative method (e.g. Barbu, 1992). In 1995, the first large study on poverty has been issued by RIQL (Zamfir, 1995). The institute has gradually developed the normative method, using the recommendations of the specialists regarding the minimum caloric intake, and adding non-food and services components, to estimate minimum standard levels (i.e. the decent living minimum and the subsistence minimum). A distinctive line of research has been dedicated to social policy analyses, including anti-poverty policies (Zamfir and Zamfir, 2005 and Zamfir, 1999).

The National Institute of Statistics (NIS) has launched the Integrated Household Survey in 1995. Until 1994, NIS collected information regarding the incomes and consumption expenditures of the wage earners, agricultural workers and retired individuals through a panel research, i.e. the Family Budget Survey. This instrument was replaced by a new survey, more adequate in terms of the structure of the sample and the collected information (Teşliuc, Pop and Teşliuc, 2001: 26). The new survey allowed the construction of a consolidated welfare measure. The experts of the National Institute of Statistics (NIS) and of the World Bank started to refine the absolute poverty method, using the consumption habits of the poorest deciles or alternatively of the poorest 30% of the population. At the same time, a series of reports issued by the specialists of the National Institute of Economic Research, the Academy of Economic Studies and the National Institute of Statistics favoured the use of the relative thresholds (Wagner and Chircă, 1998, UNDP, 1999, Chircă and Teşliuc, 1999, Molnar, 1999).

Between 1996 and 1999, UNDP has initiated a research program, with the support of RIQL experts among others, that was finalized with two volumes, one dedicated to the

analyses of poverty and one to the evaluation of anti-poverty policies (Stănculescu, 1999, a; Stănculescu, 1999, b). It was a study that described and offered illustrations of the results of all the existing measurement methods; hence, it might be considered that with the 1995 RIQL study, with the 1998 study (Wagner, Chircă, Zamfir, Molnar, Parciogv, 1998) and with this 1999 volume the research on poverty already reached its maturity.

Another series of studies approached the phenomenon of community poverty (Sandu, 1999, Stănculescu, 1999a), i.e. the traditional poverty in the rural areas, using in fact deprivation aggregated indexes, related with access to infrastructure, the endowment of the households, the structure of occupation and demographic indicators. This type of research aimed for the creation of poverty maps at the level of locality and it was continued after 2000 with the creation of rural community deprivation indexes.

The 1/2/4/ dollars per day per capita at purchasing parity power thresholds used by the World Bank and the United Nations organisations system were gradually implemented in Romania but they were considered inadequate for the particular situation of Romania: for instance, the Millennium Development Goals Reports monitor the evolution of absolute poverty instead of poverty against one of these thresholds (United Nations Development Program, 2003 and the consecutive reports).

In 2000, NIS issued the monthly consumer basket, used for a few years to fundament various monetary benefits awarded by the government[1].

The estimations on the level of poverty in Romania in the first decade of the transition were invariably high according with all the methodologies: for instance, a UNDP report offered the following estimations based on a 60% of the average consumption threshold (Stănculescu, 1999a: 59): 32% in 1994, 22% in 1995, 20,5% in 1996.

Another important direction of research in RIQL was the study of vulnerable groups, especially the Roma (Zamfir and Preda, 1998) and the children (Zamfir, 1997). This direction of research also benefited from the results of the poverty analyses, as the latter indicated a disproportionately high poverty risks for certain socially excluded groups.

(2) *The adoption of the absolute poverty line: 2001-2006*

Between 2001-2006, the absolute poverty line promoted by the World Bank received a series of methodological adjustments commonly agreed by a consortium of institutions: the governmental Poverty Alleviation and Social Inclusion Promotion Commission (CASPIS), RIQL and NIS[2]. In fact, the main driver behind this development was the establishment of CASPIS. This governmental body attracted for a while the expertise of the RIQL specialists and facilitated methodological consensus in the area.

One of the major methodological shifts brought by the new status of Romania of EU country was the emergence of the discourse centred on the concept of social inclusion

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[1] Emergency ordinance 217/2000

[2] A legislative act, Government Decision 488 /2005, was eventually issued, establishing the status of the absolute poverty line as the official national poverty threshold and setting up a set of social exclusion indicators designed to monitor the situation in all the social sectors: labour market, education, health, social safety.

rather than poverty. The new paradigm promotes a more holistic approach of the needs of the individuals and takes into account non-monetary, non-economic, "softer" dimensions (Atkinson, Cantillon, Marlier and Nolan, 2002). This new paradigm is also considered a suitable framework for a more constructive approach of the social policy planning process, instead of the existing practices, mainly reactive and focused on the management of isolated social issues. The EU promotes a relative poverty measure, set at a certain point of the median income: 40%, 50%, 60% or 70%; the main relative poverty measure uses the 60% threshold. However, the relative poverty rate (or the "at-risk of poverty" rate) is considered complementary to the absolute poverty line. The absolute poverty rate indicator is used as the central monitoring tool, as it entails a good analytical grasp on the hardships of the population in a society undergoing massive structural difficulties, with large parts of population still unable to fulfil their basic needs. In 2000, poverty estimated against this absolute threshold reached 35.9%.

The main argument against the relative poverty rate is that it measures inequality rather than poverty. As pointed out by the international experts (Ravaillon and Chen, 2011), the relative poverty rate would remain the same if all the incomes are multiplied or contracted with the same proportion. The richest European country could theoretically have the same relative poverty rate as the poorest European country. The lack of real comparability over time and across countries decreased the attractiveness for Romania of relative poverty indicators since the predominant concern was to surpass the historical deficits and to narrow the gaps with the European countries. Another important advantage of the absolute poverty method is that it uses consumption as the welfare aggregate instead of income. The consumption expenditures are an appropriate choice for a welfare measure in a country with a large informal and self-consumption sector, such as Romania. The national plan developed in 2002 by CASPIS made marginal use of the relative poverty rate (Romanian Government, 2002). The World Bank Poverty Assessments in 2003 and 2007 have reported on poverty using the same absolute poverty line.

One of the most important studies carried during this period was the first absolute poverty map at the level of localities, using separate poverty thresholds for the urban and rural areas. (Pop, L., 2003).

An important study of this period used a totally different approach, researching the phenomenon of territorially concentrated, extreme multi-dimensional poverty of urban areas (Stănculescu, Berevoescu, 2004).

In this period, a distinct concern is to find ways to evaluate the impact of poverty alleviation programs at the national and at the local level (Cace, 2005).

(3) The official alignment to the relative poverty measurement approach together with a new mix of perspectives on the study of poverty: a social development-oriented approach concurrently with the study of poverty and extreme poverty at the territorial and community level: 2006-2014

In the last decade, the Eurostat relative poverty rate set at 60% of the median consumption has been increasingly used in country reports (MoLFSPE, 2014 b) as the main monitoring tool. The relative poverty methodology has not inspired specific

national research since it is not intended to be adapted to the national specific situation. However, it is still present in the forefront of the poverty analyses. Recently, a more complex indicator has been developed at the European level: at risk-of-poverty and social exclusion rate, a multi-dimensional indicator, measuring the proportion of the population at risk of relative poverty or with very low work intensity or affected by severe material deprivation. This indicator is used to set the headline target for the Europe2020 strategy in the area of poverty and social exclusion. In Romania, relative poverty was preferred as the main indicator, as the low work intensity has a limited significance in Romania on account of the widespread informal market and high emigration (MLFSPE, 2014 b).

The Ministry of Labour has been issued the latest annual values of the social inclusion and absolute poverty indicators since 2006. Based on the data, the Ministry has released annual update reports. However, the yearly reports have become a mere reporting habit used in little extent to ground policy plans (e.g. MoLFSPE, 2014 a). Moreover, the fact that some elements of the methodology have become obsolete may induce a partially false image of the real extent of absolute poverty in Romania. Absolute poverty is reported to have dropped to extremely low levels (see the next section). The structure of the consumption basket is derived from the consumption habits of the poorest deciles. However, the same structure of food and non-food items has been used since 2002 although the consumption habits have significantly changed since then.

The public interest on poverty diminished drastically during the 2009-2011 economic crises, being replaced by the objective to increase fiscal austerity, i.e. to identify means to cut down public expenditures. Once again, like at the beginning of the transition period, poverty was rather ignored by decision-makers.

The RIQL specialists started a program of research dedicated to the study of social development (Zamfir, 2006, Zamfir, 2007) and social innovation (leading to the creation of a social innovation journal within RIQL).

The institutional set up for poverty alleviation

This section offers information on the involvement of the researchers in the activity of the anti-poverty institutions set-up during the transition period. The performances in poverty reduction are the result of a complex intertwines of policies and factors, from the GDP growth, to employment policies or social assistance services. Virtually, all the structural characteristics of a society might be reflected in poverty levels and profile. However, this sections addresses only the institutions established to specifically address poverty

Specific structures dedicated to poverty research and strategic planning were established within various governmental administrations. However, their sustainability throughout changing governments was not ensured (they were one mandate public bodies). Poverty alleviation programs have been maintained in the responsibility of line ministries, such as the ministry of labour, education or health. In 1998, an anti-poverty commission was created under the patronage of the Romanian presidency; this commission has issued the first anti-poverty strategy, a quite comprehensive document (Zamfir, Şandor, Pasti,

Crowther, 1998). However, the executive role of this strategy could not be ensured. In 2001, the Commission for Poverty Alleviation and Social Inclusion Promotion was established within the prime-minister chancellery, with better prospects to influence the policy-making agenda. Until its dissolution in 2016, this commission elaborated an anti-poverty and social inclusion promotion plan (Romanian Government, 2002), a plethora of studies based on original research and various policy papers. The Government adopted the plan but no specific funding on programs was released. In this period, the absolute poverty methodology promoted by the World Bank and negotiated with the Academia (i.e. RIQL), NIS and international organizations was set as the official national poverty line and a system of social inclusion indicators was developed with the goal to monitor the most important social problems. While the strategic planning dimension was abandoned after 2006, the data analyses and reporting capacity was passed on to the Ministry of Labour, Family, Social Protection and Elderly and poverty profiles are issued on yearly bases (Briciu, 2009).

The 2006-2013 period has represented a set back from the point of view of the interest of the decision-makers in anti-poverty policies. In 2009, a presidential commission for the analyses of social and demographic risks launched a report addressing the issue of poverty among other social risks (Preda, Gheţău, Stănculescu, 2009). UNDP issued in 2009 a report regarding the risks of the crises to lead to an increase in poverty levels (Crai, E., 2009). In 2014, a new Strategy for Poverty Reduction and Social Inclusion Promotion was being drafted with the support of the World Bank for the 2014-2040 programming period (MoLFSPE, 2014 b).

Poverty dynamic and profile

This section gives an overall image about the evolution and the main characteristics of poverty in Romania, using different indicators and measurement methodologies. The analyses confirm the estimation of the RIQL analyses in 1994, predicting "a highly polarized society, with highly stable chronic poverty pockets" (Zamfir, 1995: 161). Overall, the level of economic resources of the population is low. Romania and Bulgaria had in 2013 the lowest level of actual individual consumption per capita in purchasing power standards among EU countries, with Romania ranking second latest, with 57% of the EU28 level (Eurostat). In the same time, there is a rather high level of inequality: in the same year, the Gini index measured on disposable income placed Romania among the six most unequal countries, with a value of 34 while the EU28 value was 30.5 (on a scale from 0 to 100).

An increasing and overwhelmingly high proportion of the population reports difficulties in making ends meet (Table 1).

Many households have a precarious living standard with an optimized consumption, with components that are withheld and with a widespread inability to face unexpected expenses), 51,2% of the population was in this situation in 2013 compared with 39.8% at the EU28 level; Eurostat). Many of these households risk falling in /falling back in poverty with any major economic shock (like unemployment). The profile of consumption is drastically optimized: most of the resources are used for the food component and for house maintenance, including the payments for the utilities. The

high share of the food component in total consumption (40.5% of the consumption expenditures in 2013) is recognised within the literature as a proxy measure of poverty (Regmi et all, 2001). Despite the fact that Romania has the largest share of housing ownership in the EU (97% according with the 2011 Census), it is also among the countries with the highest rates of housing overburden, measured as the share of the population paying more than 40% of the income on housing: 15.4% compared with 11% in EU27 in 2013 (Eurostat).

Table 1 – The share of the households reporting difficulties in making ends meet

|		2007	2008	2009	2010	2011	2012	2013
With great difficulty	**EU27**	9.1	9.7	10.4	10.4	10.1	11.0	12.1
	România	23.0	18.7	19.4	20.9	20.8	22.6	23.4
With difficulty	**EU27**	14.6	15.2	15.8	15.8	15.7	16.5	16.5
	România	26.3	29.4	29.6	28.0	27.7	27.5	27.5
With some difficulty	**EU27**	28.7	29.8	29.0	29.1	29.2	28.3	28.7
	România	34.2	37.0	36.6	39.4	39.2	37.3	36.2
TOTAL	*EU27*	*52.4*	*54.7*	*55.2*	*55.3*	*55*	*55.8*	*57.3*
	România	*83.5*	*85.1*	*85.6*	*88.3*	*87.7*	*87.4*	*87.1*

Source: Eurostat

As a result of constantly changing data sources and measurement methodologies, consistent figures on poverty throughout the last 25 years are available only using the 2 and 4 dollars per day at purchasing power parity (PPP). These thresholds are usually used for international comparison purposes only, as the thresholds are conventional (they do no bear any special significance beyond the fact that they are set at low levels in terms of the per capita welfare of the developed countries). The poverty headcount ratio at the 2 $ per day at PPP receded at 1,6% in 2012, from 6% in 2005 (World Bank data). However, the percentage of poor population is considerably higher when the 4 USD per capita threshold is used. Only 4.3% of the population had incomes bellow the 4 dollars per day threshold in 1989, yet in few years the percentage increased dramatically, with more than ¾ of the population in this situation in 2004. Another peak in the last 25 years was in 2009, with 61.2% of the population living with less than 4 dollars per day at PPP (Figure 1). It is a well-known fact, documented with other poverty indicators used at the time, that Romania faced two massive poverty waves in the '90s: 1990-1994 and 1996-1999. After 2000, the rate declined constantly, reaching 18.3% in 2012. The estimates according with the absolute poverty method confirm the trend. Poverty measured against the national poverty line decreased from 15.1% in 2005 to 4.3% in 2013. However, as a result of the already mentioned technical problems in the construction of the indicator, the estimates for the recent years have a limited significance.

***Figure 1** – Absolute poverty and the poverty headcount*
at 4 USD per day per capita at purchasing power parity
(selected years throughout transition)
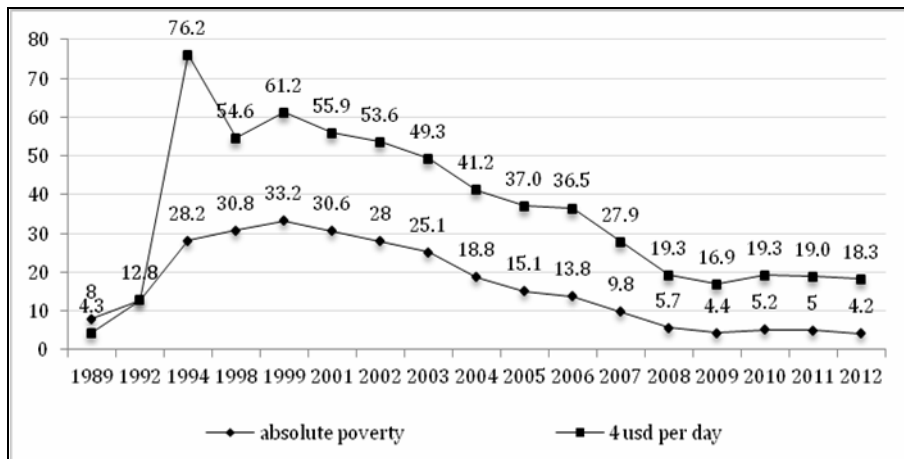
Source: World Bank for the poverty headcount at 4 USD per day per capita RIQL compilation, 2013, using a
variety of sources, for absolute poverty; From 1998 onwards the same methodology is used consistently

***Figure 2** – Poverty in Romania against*
the main poverty lines
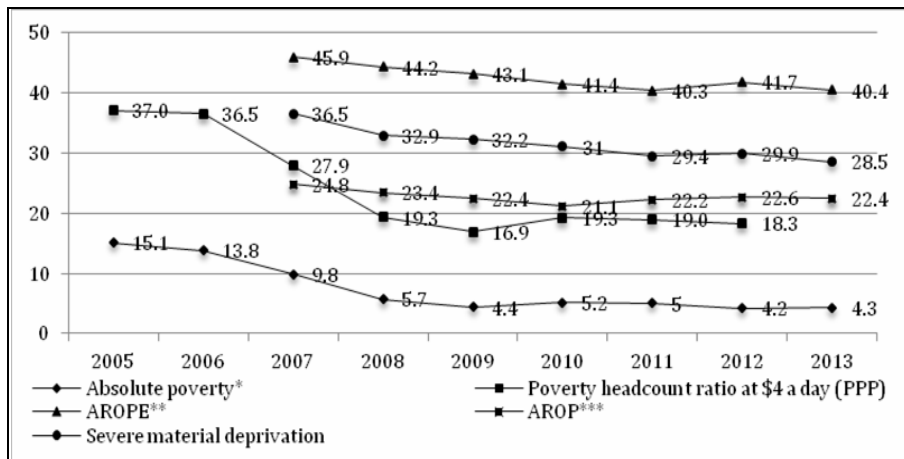
Source: MoLFSPE for the absolute poverty rate; WB for the poverty headcount ratio at $4 a day at PPP;
*Eurostat for the rest of the poverty lines; * the national line ** at risk of poverty rate *** at risk of*
poverty or social exclusion rate

The relative poverty rate or the "at risk of poverty rate" has been the main instrument for measuring poverty in Romania since the EU integration. This has happened despite the limits of this measure, i.e. the already mentioned fact that it measures inequality rather than poverty. These limits are even more prominent in the case of Romania, a country were an important part of the population is still unable to cover its basic needs. Moreover, the fact that income is the welfare indicator used is considered inadequate for Romania, were self-consumption makes up for 16.2% of the total consumption (INS, 2014). More than 1/5 of the population has been at risk of poverty in the last 5 years, with a 22.4% level in 2013 (Eurostat). An indicator designed to balance the relative poverty approach is the anchored poverty rate indicator, which measures poverty in consecutive years using a fixed threshold of a previous year (instead of a "mobile" yearly relative threshold). Using the 2008 threshold, a reduction in poverty is observed in three consecutive years after 2008, followed by a slight increase up to the 20.4% level in 2013 (Eurostat).

One can discern a growing concern at the EU level to expand the measurement approach in order to add more "objective" and absolute dimensions to relative poverty measures. Lately, the risk of poverty and social exclusion[1] indicator has been established as the main poverty-monitoring tool at the European level (one of the five headline targets of the Europe2020 strategy is set on AROPE). By considering matter of fact problems such as very low work intensity and severe material deprivation, as two of the three dimensions of this indicator, the EU monitoring system has a better analytical grasp on the disparities among European countries, i.e. the situation of less affluent countries, like Romania, is better reflected in statistics. The AROPE value in 2012 has been 41.7% in Romania, compared with the 24,5% rate for the EU-28 countries, mainly as a result of the critical values of severe material deprivation. It is the second highest EU value after the one registered by Bulgaria. As a result of the low level of resources, severe material deprivation[2] is widespread. This is an indicator that seems to illustrate more accurately the gap between Romania and the affluent EU countries. Romania has the highest rate of severe material deprivation among EU countries, with the exception of Bulgaria, with a level three times higher than the EU28 level. It is worthy to note that among dimensions considered, there are some that are highly relevant for the standard of living of the population. Among those dimensions, the proportion of the population unable to cover unexpected expenses and facing arrears with housing related costs display higher rates in 2013 than in 2007. However,

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[1] The AROPE indicator is defined as the share of the population in at least one of the following three conditions: 1) at risk of poverty, meaning below the poverty threshold, 2) in a situation of severe material deprivation, 3) living in a household with a very low work intensity

[2] The definition of severe material is based on the inability to afford four or more items that are considered to be necessary or desirable from a list: having arrears on mortgage or rent payments, utility bills, hire purchase instalments or other loan payments; not being able to afford one week's annual holiday away from home; not being able to afford a meal with meat, chicken, fish (or vegetarian equivalent) every second day; not being able to face unexpected financial expenses; not being able to buy a telephone (including mobile phone); not being able to buy a colour television; not being able to buy a washing machine; not being able to buy a car; not being able to afford heating to keep the house warm.

the indicator takes in consideration some dimensions that are less valuable from the point of view of the measurement of standard of living, such as a the possession of a car or of a colour TV (Table 2).

Table 2 – Dimensions of material deprivation (inability to afford...)

	2007	2008	2009	2010	2011	2012	2013
Meat or fish every second day	25.7	19.2	23.5	21.3	21.8	23.6	22.1
one week's annual holiday away	75.7	75.6	75.6	77.1	76.1	75.1	71.6
unexpected expenses	45.1	41.7	41.7	44.6	50.3	53.1	52.1
keep house adequaltely warm	32.6	24.6	22.0	21.0	15.7	14.6	14.3
arrears with housing related costs	10.1	25.4	27.1	29.8	30.2	31.1	30.5
A color TV	3.1	2.5	2.1	1.8	1.4	1.5	1.0
A car	56.1	48.6	46.6	43.7	41.2	39.5	39.2
A phone	17.4	12.2	9.2	7.2	6.5	5.8	5.3
A washing machine	23.0	19.9	17.7	15.5	13.6	12.8	11.6

Source: Eurostat

RIQL uses the normative methodology since the beginning of the '90s. Currently, the method allows the theoretical comparison of typical family structures with typical incomes (one or two adults working for the minimum or the average wage, retired or receiving social benefits, living in the urban or the rural area with one or two children) with a decent minimum standard or a subsistence minimum estimated on the basis of the specialists recommendations and equivalence scales determining the consumption needs according with the size of the family and the age of its members. Some results of this method (Mihăilescu, 2014) show that: in the urban area, the incomes brought by two minim wages and two child benefits placed a family of four bellow half of the decent minimum living threshold in 2011-2013; in the urban area, the single-parent families where the adult is paid the minimum wage were in recent years at the limit of the decent minimum standard, and the child benefits do not improve the situation; in the rural area, where the salary incomes are more uncommon and with a low level, the situation is even worse: a family of two adults and two children with one or two minimum wages and child benefits is placed bellow the subsistence threshold; in the rural area the average social insurance pension covers less half of the subsistence needs of a retired individual.

The poverty waves and the constant deficit of access to social services had chronic effects on the wellbeing of the population. These effects will be manifest throughout the next period:

1. A multi-dimensional social exclusion phenomenon has occurred, with lack of access to other dimensions, such as education, health and labour market adding up to the lack of financial resources; the interaction between the economic vulnerability and the vulnerability on other dimensions can lead to a situation of consolidated and almost unbreakable social marginalisation of the individuals.

2. Chronic poverty[1] is widespread and increasing: 18.2% of the population was in persistent poverty in 2013, more than the 16.7% level in 2012 and the 9% value at the EU28 level; 31.2% of the children were chronically poor in 2013, an increasing value from the 25% in 2011 and almost three times more than the EU28 level; 24.1% of the households with dependent children were in persistent poverty in 2013 in Romania, twice the value in EU28 (Eurostat).

3. A phenomenon of inter-generational extreme poverty has emerged; although no direct measurement on panel data is available to fully support this finding, one can safely infer with indirect arguments based on research data that inter-generational extreme poverty is widespread and the lack of education or the insufficient education is the main factor triggering the perpetuation of poverty: a recent analyses has showed that the level of household incomes and the level of the education of the mother are the main factors leading to children's lack of participation to school while a low level of education is among the main predictors of poverty (MoLFSPE, 2014 b).

4. Certain social groups constantly register higher poverty rates than the overall population: the children, the Roma, the unemployed and the self-employed, the Roma and the people with a low level of education.

Children were the most vulnerable age group during the transition. In 2013, children (0-17 years old) registered a 32.1% poverty rate, while the rate for the working age population (18-64 years old) was 21.5% and for the elderly (65+) 15%. In other words, more than 1.2 million children were living in relative poverty in Romania in 2012. Romania has been one of the countries with the most inequitable distribution of income across age groups within EU countries during the whole post-integration period. Relative poverty rate for households with dependent children was 27.2% (Eurostat). The presence of children in households significantly increases the poverty risk for any type of household structure in terms of adult members and any additional child brings significant increase in the poverty rate. For instance, the poverty rate for the households with two adults and three or more dependent children was 60.6%. The absolute poverty headcount illustrates the same disparity across age categories. Children and youth register the highest poverty risk, with teenagers being affected the most: 7.2% for the 15-24 age group compared with the 3.8% value for the overall population in 2014 (Eurostat).

Almost half of the Romanian children were poor or socially excluded (48.5%), far above the EU27 level, with only one quarter of the children in the same situation (27.7%). In fact, Romania had the second most critical level of the AROPE indicator (one of the five headline Europe2020 indicators), after Bulgaria. The analyses across tighter age spans indicate that teenagers (12-17 years) faced the highest risk (52.1%). The risk of poverty and social exclusion rises considerably for the large households with more than 3 children (73.3%) and single-parent families (59.2%).

Unemployed and self-employed have the highest poverty among all categories of economically active population (Mihăilescu, 2014: 7). The self-employed in agriculture

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[1] Measured as the percentage of population bellow the 60% of the median income threshold in the current year and two of the precedent three years

faced in 2012 a 56.8% poverty risk, the unemployed a 52.1% poverty risk, while the self-employed in other types of occupations than agriculture a 39.8% risk. People fulfilling domestic tasks and care responsibilities were another occupational group with high poverty rates, i.e. 44.8%. There are strong arguments to state that in Romania the self-employed and the domestic workers, with poverty rates higher or close to those of the unemployed, are priority groups for anti-poverty policies: (i) these groups are larger than the unemployed; self-employed represent 21.4% of the rural population while domestic workers represent 9.4% of the urban population and 5% of the rural population (the unemployed are around 2% of the population within both areas of residence)[1]; (ii) they are outside the employment targets of labour market services, as they are perceived as already employed or economically inactive.

Education is a strong determinant of the poverty risk. While 43% of the people with primary and lower secondary education were in relative poverty in 2013, only 1.7% of the people who graduated a superior education were at risk of relative poverty.

Roma are 10 times more likely to be in absolute poverty than non-Roma: 20.4% of Roma were in absolute poverty in 2014 while only 3.4 percentage of non-Roma were below the poverty line (MoLFSPE, 2014, a).

5. Romania faces a long-term structural traditional poverty, with large parts of the rural areas cut off from the development dynamic of the Romanian society. Rural areas have constantly displayed a considerably higher poverty risk. The absolute poverty is 4 higher in the rural areas (6.4% compared with 1.7% in the urban areas). Relative poverty in thinly populated areas was 33.9%, compared with 10.2% in areas with higher population density (the EU-SILC survey does not take into account the area of residence; thinly populated areas, where 42.5% of the population lives, are largely rural area). The lack of decent income sources in the rural area, where most of the economic activities are concentrated in subsistence agriculture, determines this gap in the standard of living. The insufficient access to basic infrastructure and services for important parts of the population add up to poverty and result in a high level of social exclusion. At a lower territorial level, recent analyses (MoLFSPE, 2014 b) have highlighted other types of administrative units where the population faces severe exclusion from public utilities and public services: small urban localities (with a population under 20,000 inhabitants) and small and remote rural localities.

6. New types of poverty have appeared: a poverty of the income-earning population, a territorially concentrated poverty, an invisible poverty of the population outside the reach of the public social services and a total poverty of the homeless population.

A considerable part of the population is at risk of relative poverty despite earning labour market incomes: 17.7% of the 18-64 adults were in this situation in Romania compared with 8.9% of the same age group in UE28. It was the highest in-work poverty rate among the EU countries. More than 2 million persons earned in 2010 low

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[1] In other words, one-quarter of the rural employed consisted of non-salaried family workers, while another third were self-employed in 2012 (MoLFSPE, 2014)

wages, below the 2/3 level of the average wage, one of the highest shares in the European Union.

Territorially concentrated areas of poverty and social exclusion have emerged both in urban and in rural areas. As overall poverty levels decreased, a new type of territorially concentrated poverty emerged as a stark social problem. A World Bank research conducted for guidance of the SOP ROP intervention in disadvantaged urban communities (SOP ROP Management Authority, 2014) found that 3.2% of the urban population, 2.6% of urban households, and 2.5% of urban dwellings belonged in 2012 to census sectors defined as marginalized areas, i.e. areas that cumulate inadequate housing with low human capital and low formal employment. It is largely an intergenerational poverty and it involves lack of access to most of the social services and to utilities. The typology of these areas is largely based on the characteristics of the dwelling stock: ghetto' areas of low-quality blocks of flats or in former workers colonies, slum areas of houses and/or improvised shelters, modernized social housing and social housing buildings in the historical city centre. The most common subtypes of urban marginalized areas being ghettos of blocks of flats and slums with houses: together, they account for over 60% of the 843 urban marginalized areas reported by Mayor's offices.

Invisible poor and socially excluded people fall outside the safety net. By definition, the dimension of the invisible poverty is not documented at the national level with systematic records. However, various qualitative and quantitative researches offer insights on the situation. A study documenting the situation in 96 communes where a UNICEF project was implemented has identified more than 3000 "invisible children" (Stănculescu, M. S., Marin, M., 2012: 36). Social workers have been engaged in a sustained outreach assessment of the community and have identified new cases, i.e. children whose situation of poverty and social exclusion was not previously diagnosed properly. The children were counted as "invisible" when found to live in poor households, improper housing, abandoned or at risk of being abandoned, neglected or abused, left behind in poverty by emigrant parents, suspected of being severely sick, teenage mothers who abandoned the school and children with no identity papers. Considering that this particular project targeted only the children living in a small number of rural localities out of the total (around 3.3% of the total number of communes), one should conclude that the total number of invisible poor and socially excluded population[1] is much higher at the national level.

Some people experience total poverty and live on the streets. A reliable assessment of the size of homelessness in Romania is not available. Only around 1.5 thousand people have been counted as homeless at the Census, while even the most optimistic earlier estimates indicate a number which is at least three times higher (Ministry of Regional Development, 2008), with some estimates suggesting as much as ten times more homeless people living in Romania (Adrian Dan, 2008)[2]. The registers of the Samusocial NGO offering emergency support for the homeless include more than 4,000 individual beneficiaries in

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[1] For the adult population, other identification criteria should be used

[2] The registers of the same Samusocial NGO include more than 4,000 individual beneficiaries of the day care services for homeless in Bucharest since 1997.

Bucharest in the 1997-2013 period (Briciu, 2014). Children and youth exiting residential institutions are an important part of the homeless population according with findings of the previously quoted research findings. Other groups at risk are the poor who are evicted from public housing as a result of long-term overdue payments with house maintenance, people living institutions such as penitentiaries, hospitals, mental health and disability facilities, victims of domestic violence, divorcees, people evicted as a result of re-entitlements of the formerly nationalized houses and lonely elderly who are dispossessed as a result of property scams.

Conclusions

Poverty research has an already extensive history in Romania. Along the way, the linkage between the research side and the policy set-up has been inconstant: there were certain periods when the research data has been widely distributed within the decision-making environment and there were other periods when the two areas seemed to follow parallel tracks. It is important to re-establish long lasting institutional arrangements that would allow for research grounded governance in the area of anti-poverty policies.

In the current stage, it is important to capitalize on the impressive knowledge accumulated in the last decades of poverty research. There is a highly pronounced trend of alignment to the Eurostat statistics on poverty and social exclusion with the purpose of developing comparative analyses. The comparative study at the European level is of foremost importance in order to understand and address development needs but they might be misleading in some respects since they do not always capture the specifics of the situation at the national level. It is essential to make the adjustments in order to build a more adequate absolute poverty measure at the national level. This complementary measure would ensure the continuity with the already extensive tradition of having credible estimates according with an alternative national measure of poverty. The paper has presented a series of arguments pointing to the conclusion that larger segments of the population than indicated by the existing statistics are still unable to fulfil their basic needs.

Although absolute poverty is more widespread than apparent in the official statistics, the analyses of the long-term dynamic of different poverty indicators (the 4 USD per day per person headcount or the absolute poverty rate in question) indicate that absolute poverty has substantially diminished in Romania. Despite its limits, the measurement of relative poverty has become increasingly relevant for Romania. However, the main poverty and social exclusion indicators at the European level have a limited significance in the framework of the development needs of Romania and they should be used and interpreted bearing in mind their limits. Other complementary data should be added in order to have an adequate picture of the situation. For instance, the only dimension of the at-risk of poverty and social exclusion rate (the Europe2020 headline indicator) that seems to reflect the disparately worst situation of Romania compared with other European countries is the severe material deprivation rate. The other two dimensions considered do not reflect the gap between Romania and the more affluent EU countries. While the relative poverty rate is a measure of inequality, the low work intensity indicator returns relatively low values for Romania, as a result of the unconventional structure of the labour market, with high percentages of people

working in the informal economy. However, the severe material deprivation rate has its own methodological drawbacks since it is a multidimensional indicator in its turn and some items taken into consideration might have a limited relevance for the situation in Romania (for instance, the item regarding the ability to purchase a colour TV). Moreover, the current estimates on relative poverty fail to provide some valuable information on a series of characteristics of the population that are critical for the analyses of poverty in Romania, such as the area of residence, the ethnicity or the presence of a disability. These gaps should be corrected.

The analyses of vulnerable groups and territorially concentrated poverty and social exclusion will probably gain even more influence in the future, along with the foreseeable diminishing of mass poverty. This paper discusses some of the research carried on in this direction.

There is a special argument to be made in respect with the volatility of data, changing surveys, data collection methodologies, and data reporting procedures, a situation that affects long-term policy planning. In the event that a long-term social development construction approach becomes the new policy-making paradigm, robust and reliable data become more important than ever.

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