Poverty, welfare and social intervention in Romania

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Outline

- A historical perspective on poverty in Romania
- Current situation of poverty & intervention in Romania
- Responses to poverty
- Recent changes
- Conclusions
A historical perspective on poverty in Romania

XIV-XIX century mainly charity work for the poor and disadvantaged

Examples:
- 1365 near Bucharest (Campulung Muscel) a village for the ill (blind, disabled)
- 1480 in Moldova (Stefan the Great)
- 1524 near Bucharest (Curtea de Arges monastary) – shelter, food, clothes and money

XVI century - regulations - poor card/allowing begging - only for the disabled; poor able to work receiving help only if proving insufficient gains from work, begging forbidden
- 1686 - the dean (clerical) of Bucharest - a list of the poor receiving money from the city hall budget

1695 - two main social assistance institutions for the poor
- 1775 - Child Protection Law
- 1782-1785 - Poor box

1831-1832 - Organic Regulations – social assistance established
- 1881 – social assistance service of Bucharest city hall

Beggars neighbourhood

Social work education - history

- 1929 University education in social work - Principesa Beata School of Social Work - with sociologists support
- 1929-1936 a Social Work Review
- 1947 communist rule
- 1952 Social Work education from university to post-high school
- 1994 – first SW graduates (4 years study)
- Since 2005 - 3 years undergraduate (Bologna)
- In 2011: 22 Social Work programs at university level
Romania - General information

- GDP/inhabitant (PPP): 12,476 $/year (2011)
- Capital: Bucharest (1.6 mil. Inhabit.)
- Official language: Romanian; Ethnic Minorities: Hungarian, Roma, others
- Religion: Christian orthodox
- Urban/rural: 55%/45%

Current situation: 1990-2012

- Transition from socialist/centralized economy to free market
- Economic downturn, restructuring, unemployment, migration (1.8 mil. in Italy), demographic decline (22.5-19 mil), polarization (GINI 1989 – 21, 2008 – 32)
- 1995 first social welfare law (with WB support)
- International donors - IMF, WB, EU, USAID
- Construction of social work services and system
- 2001 – first social work law/then 2006, 2011

Socio-economic data

- Pensioners – 2.5 mil. – 1990 vs. 5 mil. 2012
- Employees - 8 mil. 1990 vs. 4.8 mil. 2012
- Dependency ratio: 1.36
- Unemployment rate: 7.7% (8.2% men/7.0% women)
- Youth unemployment rate: 25.4%
- Employment rate: 57.9% (64.8%/51.1%) – youth: 23%
- Poverty higher in rural areas
Social protection expenditures - % of GDP, 2000-2008, EU - Romania

Social protection expenditure - % GDP, 2009, EU

Estimated relative poverty rate

Romanian welfare state...

- Post communist corporatist-conservative (Deacon, 1992)
- Looking for an identity (Lazar, 2000) and moving towards liberal/Southern Rim model (Preda, 2002)
- Poor inequitarian (Cantillon, 2011) along with the Baltic States, Bulgaria, Greece, Poland, Portugal and Cyprus
- Developing Eastern European (Kuitto, 2011), along with the Baltic States, Bulgaria, Poland and Slovakia

Responses to poverty: social policy in Romania

- Comprehensive welfare system in terms of organization and vulnerable groups covered
- Public pensions predominant in social protection exp. - social insurance Bismarckian model; mandatory private pensions (2008); private pensions less present (260,000 in 2011)
- Universal benefits/services reduced (education, child allowance)
- Health social insurances
- Mainly cash transfers, but small value
- Many changes...
Social policy for the poor

- Minimum income guaranteed (MIG)
- Family allowances means-tested
- Heating subsidy/aid
- Benefits for people with disabilities
- Food allowance for people living with HIV/AIDS
- "Social Scholarships" for poor students
- Cash for high school
- Social canteen/free meal
- Funerals aid
- Health insurance for those receiving MIG
- Emergency aid
- Refundable aid for refugees
- No official poverty line

Minimum income guaranteed

- Guaranteed
- Thresholds depending on number of persons: 1–5, more than 5 flat-rate amount (for 1 person: 18% of minimum wage, 8% of average net wage)
- Social inquiry report/form
- Personal assets and "products" (e.g., animals, land, car, jewelry, etc.) taken into consideration
- Paid by city hall from the central and local budget
- Work required from those able for public interest services (e.g., paint trees)
- 15% increase on amount paid if legally employed
- Amount for 2 persons: 28 euro/37 USD
- 12% fraud in 2010

Absolute poverty by age group, 2007-2010

- Levels of various benefits and indices
Social services

- Persons with social assistance responsibilities (in rural areas) – average 1 person/administrative unit
- Public social assistance services at local level (cities until end 2011) – av. 25/unit
- At county level/Bucharest districts level – specialized services
- 0.9% of GDP on social services (Kuitto, 2011)

Types of services for the poor

- Vocational counseling/training courses from public employment agencies
- Daycare for children from poor families
- Boarding schools for children
- Health care services/insurance
- Material help provided by local authorities and NGOs

Recent changes

- 2010 – 20 bln. Bailout (IMF, WB, EU)
- July 25% cuts in public services wages (in 2011 regain 15%) + bonuses-reduced employees
- 15% cuts in some social benefits
- 2011 – new social work/assistance law & Strategy (2011-2013)
  - Increased conditionality
  - Reduce costs
  - Improve coordination/administration between measures
  - Increased role of social workers
- Since Monday May 7th a new Government (Social democrats + liberals)...

Conclusion

- Romanian social policies are still looking for an identity
- Toward minimalist welfare state/US?
- Services for the poor underdeveloped
- Poverty & material deprivation – present; 2020 target 580,000 less poor
- Trend – more targeting and blaming of the poor...
Thank you for your attention!

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