

Abstract of the doctoral thesis

INCOMES, EXPENSES AND CONSUMPTION BEHAVIOUR OF
ROMANIA POPULATION

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Consumption – continuous existential problem of man, as individual and society – has been continually evolving not only through various used goods, but especially by ways of meeting human needs, found in a continuous change and reorganization. If we take into account also the fact that human needs in expansion are grouped in current, periodic and rare needs, then it is quite obvious that the consumption processed can not be interrupted; it regenerates and amplifies human needs, making the society to keep on being active, increasing and modernizing the goods and services production

As soon as the consumption became a research object for the economic science, the importance and modernity of such topic increased in intensity.

In our days it is granted a special attention to the standard of living, wealth and quality of people life, intercepted in the mechanisms of a great and complex process, at national, regional and worldwide scale, apart from that initiated by the modern society, suggestively called the lasting human development.

Integrated organically in the new course of postmodern society, the population consumption rises special problems for scientists, decion-makers and answerable for economic and social policies, for each citizen and population household. New questions, at which science must contribute with fundamental answers, start from reactions of the world where we live, where there are countries where consumption corresponds to the transit to postmodern society, a rich, various and high quality consumption, countries with a medium decent consumption, but also in countries where almost the population lives in poverty. On the other hand, in developed countries, the medium consumption hides a lot of disparities and contradictions between

groups and stratum, between households categories and between different regions of the country, also as in developing countries there are population strata that have a decent or opulent consumption, but opposed to the low level of almost population consumption..

Is Romanian population consumption similar to the consumption in developed countries? What about consumption in poor or in developing countries? Do consumption behaviours of different population segments in Romania have certain peculiarities? How much did the population incomes condition the level and structure of consumption expenses? How much did consumption contribute to manifest the standard of living, wealth and life quality of Romania population? What is traditional, modern and postmodern in the consumption of Romania population? What does the connection between population consumption and lasting human development in Romania consist in? Such questions, that are not exhausted by the above enumeration represented the base for issuing the present doctor's degree thesis, entitled INCOMES, EXPENSES AND CONSUMPTION BEHAVIOUR OF ROMANIA POPULATION.

The work approaches by several disciplines the consumption issue, using concepts, instruments and techniques specific to micro and macro-economy, labor economy, statistics and econometrics, etc. The necessary documents for issuing the doctor's degree thesis required consulting ample literature, in the country and abroad, pre-classic, classic, neo-classic and contemporary, as well as processing and fructifying a large statistic material concerning our country.

The fundamental objective followed through the doctor's degree thesis was to emphasize the relation between incomes, expenses and consumption behaviours of Romania population, during the finishing off and consolidation of functional market economy.

The derived objectives from the fundamental objective, by which the performed research was given particulars, took into account:

- interception, systematization and formulation of own observations regarding the basic concepts used in researching incomes, expenses and population consumption;
- issuing a concentrated retrospection of consumption theory and factors that determine consumption behaviours;
- empirical research of incomes, expenses and consumption of Romania population;

- the proportion in which incomes, expenses and consumption of Romania population meet the worldwide contemporary tendencies of lasting human development.

In order to be able to meet the basic objective and the particular objectives proposed, the doctor's degree thesis was structured and organized within five chapters. Taking into account the theoretical and applicative character of the work, in the first two chapters prevail elements of fundamental economic research and in the other three chapters prevail empirical analysis and elements that result.

The first chapter presents an incursion in the assembly of concepts regarding incomes, expenses and population consumption. The basic structures of consumption, incomes and expenses of the national economy, the final consumption of population, the consumer and his behaviour, relationship between consumption, standard of living and life quality, between consumption, wealth and poverty, between consumption and human development, as well as between postmodern society and consumption are the main conceptual elements that underlie the general theory of consumption.

Within the second chapter, I intended to get a retrospection of the main scientific achievements concerning population incomes and consumption, starting from pre-classic ideas and concluding with contemporary theories. The transit from micro economy to the macro economy of consumer behaviour, from Keynesian function of consumption to the theory of permanent consumption and theory of a life income for consumption has an important place within this chapter.

The third chapter had as object an empirical research of population incomes. The source of the available gross income, analysis of population total incomes, of their structure and destination, of incomes derived from wages, of inflation and fiscal impact upon the available income are some of the issues approached in this chapter.

Population incomes were researched by empirical way symmetrically with total expenses and consumption expenses of Romania population within *this fourth chapter*. Consumption expenses were structured into expenses groups and household categories of the population for the whole population in order to derive the peculiarity of consumption preferences for the whole population of our country and for the main categories of household (employees, agriculturists, retirees, unemployed workers). Also, there were reflected the structural

changes that occurred in the consumption of different socio-professional categories of Romania population.

Consumption, wealth and human development in Romania represent the essence of *the fifth chapter*. Within this one, there were researched the individual and collective consumption, food consumption, non-food and services consumption, as well as the population endowment with goods of long term usage. There were also analyzed other elements of wealth, such as dwelling, population access at health, education services, etc. I tried to detach a few peculiarities of the population consumption in our country in order to be understood that it is necessary to assimilate postmodern consumption values as long as the economic activities modernize and they are reorganized. Population consumption and wealth are connected to the process of sustained human development that represent just the *means*, the goal being the man good, as individual and society, his physical psychical health, his material and socio-cultural prosperity.

After a long period of regress and oscillatory evolutions (between 1990 –2000), the final effective consumption started to increase, the index of effective individual consumption exceeding the index of collective final consumption of public administrations..

The daily alimentary consumption, expressed in calories and nutritive factors per inhabitant, after a regress between 1990 –2000, recovered between 2001-2006, exceeding the levels of the 90's. The number of calories consumed daily reached (in 2006) 3455, of which 925 calories of animal origin; the daily consumed proteins are of 114 grams compared to 99 grams in 1990 , more than a half of them being of animal origin; lipids have a level of 107,5 grams daily (in 1990 about 94 grams) , of which more than a half are of animal origin; the glucides consumption was of de 485,4 grams daily per inhabitant (in 2006) compared to 433,4 grams in 1990. The higher consumption of food goods belongs to households formed of more than one person. There are also great differences between households, depending on the number of children under 18 years: households with 4 or more children register the lowest daily medium food consumption. Differences relatively small per person are manifested within incomes. The daily medium food consumption per a person is higher than in rural environment compared to the urban one. The North – Eastern development area has the highest level of daily medium food consumption level and București-Ilfov area, the lowest. The main

contribution concerning the achievement of the number of calories and nutritive content of proteins belongs to the vegetal products (80% of calories total and 60% of the proteins quantity).

The weight of households monthly expenses for buying *the non-food goods* in the total of households monthly expenses, as well as of money expenses of these ones have an increasing tendency between 2000-2006, with differences between households types compared to the average of households total. The monthly medium expenses per a household for buying non-food goods are reduced, their absolute size in 2005 being of 345 lei (RON) per an employees household, of 167 lei per an agriculturists household, of 182 lei per an employed workers household, of 190 lei per a retirees household, of 278 lei per a household in the urban area and of 109 lei per a household in the rural.

The population expenses for the services payment, as a monthly medium average per a person, increased three times between 2001-2006. The employees households allocate higher parts of their incomes to pay for the services, after which, follow unemployed workers households, retirees households and agriculturists.

The consumption level and structure of Romania population is under the existent standards in developed countries. The prices liberalization and the prolonged economic crisis in 1991–2000 decade combined with a strong inflation, dramatically reduced between 2001-2006, but with the increasing tendency in 2007 and 2008. The financial economy ratio and saving ratio of population households reduced seriously during the years with high inflation. The population consumption is strongly dependent on imports. The frustration before 1989, when there was a purchasing power but the offer was insufficient and not diversified, turn into another frustration: incomes insufficiency compared to the abundance of consumption goods. The more and more various offer oriented the Romanian consumer toward the individualist behaviour. Within the total offer of consumption goods, a quicker increase of services offer derive, so the release of disembodied of consumption, services becoming one of the basic elements of contemporary social progress in our country. The postmodern consumption values gather, being gradually assimilated by Romania population, opposed to the traditionalism and modernism in this field. As the weight of rural population is high in our country, the traditional rural values of consumption are still strong.

Goods and current services consumption, together with population endowment with long term usage goods, with house estate and dwelling conditions are components of wealth and meanwhile, result of economic and social development, leading on their turn to turn the lasting development into human development, synthetically sized by the human development index (IDU). This met a moderate but continuous increase, between 1990-2005, when it exceeded the value of 0,800 and placed Romania among the countries with high human development. Education contributed at this result with 0,893 points, life hope with 0,780 point and gross domestic product with 0,752 points. Even if there were increases in each of the three components of IDU, Romania has the 60th position among the 177 classified countries and the last position among the European Union countries. There is a great downshift unfavorable for Romania compared to EU-27 concerning IDU, that emphasized on long term (1990-2005). Also, Romania is far behind the 10 countries that acceded the European Union in 2004.

The process of human development in Romania evoluated in a distorted way, leading to disparities and deprivation concerning life hope, instruction degree, school content degree, GDP per inhabitant, attendance at social life, attendance at work and education, disparities between rural and urban, as well as in the territory profile. Also, poverty hits in different way the households categories and socio-professional groups.

In the stage of joining the European Union, Human Development Agenda for Romania proposed to pursue some essential objectives such as: intensifying the process of human development by consolidating the political stability, long term maintenance of high rhythm for economic increase, reducing imbalance on labor market, modernizing the education and health process, diversifying the social security system, etc.