

RURAL POPULATION INCOME INCREASE METHODS

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Abstract

Nowadays, the main topic in regards to the rural areas is the low development and the population migration. The necessity of studying the phenomena arise from the above and makes the studies in this direction mandatory. This research is based on data collected from Romanian National Statistics Institute and European Commission reports. The main objective is to analyze the general situation from 1989 up until now, with emphasis on the period 2012-2016. We can notice a descending trend registered regarding the population migration, mostly due to the lack of opportunities and lack of investors that can create jobs. This paper aims to find the most effective ways that can contribute to a harmonized development of rural areas by adding values added to the involved sectors.

Key words: rural population, rural income, rural development, Romania

Introduction

In Romania, about 9.6 million people live in the rural areas. Romania is a country where the countryside is almost equal in terms of number population with the urban area. Throughout the world, rural development focuses its attention the resources not only of the national authorities but also of the community International. Rural development is an area of interest, not only for countries with a large population in the rural area, but also for economically developed countries, where things are not only driven by differences in the standard life of different categories of population. For example, the old countries in the European Union have exceeded the stage in which the countryside is find out in the early years of the foundations of agricultural policy Community. The standard of living in rural areas is today comparable to the urban one, the incomes obtained here are comparable to those in urban areas and profits from economic activities in rural areas are close to others industries. In order to achieve a social and economic development of the rural areas several factors should be taken into consideration, one of them being the particularities of the rural areas.

The case study is centred on identifying Romania situation in term of rural incomes in the period 2012-2016 and the ways in which an increase can be achieved.

Literature review

The research is based on the data from the National Statistics Institute and Eurostat. We've noticed that the income in rural areas registered an increase mostly by the fact that the medium wage increased in the past few years and that the European funds were accessed.

The situation of the Romanian countryside

In any scenario for the future, the key to success lies in the human factor, the quality of which can be raised by the accelerated modernization of higher education, research and the health care system. A population well educated and informed miss many an opportunity is functioning of the institutions of democracy. Only this way, the people can become immune

to the intoxication and handling, so that later can be raised a society on the fascinating way of civilization. In 2017, we are witnessing an unprecedented attack on the national being. Romania has come to be at a level similar to that of now 46 years and 25 years, unfortunately to falimenteze himself continuously. The rate of decline in the birthrate is 3 % lower than that of the mortality and, if the state will not act accordingly, will be followed by a future grimly.

In 1989, in Romania, the population in the rural areas decreased due to aging, migration to the urban area or most of the times by other Member States with a view to seeking a job well paid especially after the accession to the European Union, which offered them unlimited acces Romanian citizens to places of employment in the Western countries. In the 21st century, the number of Romanians abroad grew by an average of 7,3 % per year. Is an estimate of the United Nations Organization, which places a single country over Romania in the pace of migration, Syria, whose diaspora has increased by 13 % per year. But the percentage Syria is higher because of the exodus triggered by the civil war in that country. Romania is the country with the highest increase of migration on economic grounds.

The UN data shows that last year 3.4 million of Romanians live abroad, most of the people in Spain and Italy. From the point of view of the numeric, Romania has come to have the greatest diaspora from the European Union after the Great Britain, Poland and Germany. But all of these countries in front of Romania from this ranking have a population several times higher than that of Romania. If the data are reported to the number of inhabitants, in the Romanian diaspora represents 17% of the total population who remained in the country, and in Poland only 11%. How do those who go abroad are the worthy people. It can be said that Romania has lost 3.4 million of potential employees because of migration.

However, the Romanians abroad have continued to have a significant impact on the economy by the money sent to the relatives of the remaining in the country. The Romanian National Bank data shows that, from 2000 to 2016, the Romanians in the diaspora have sent home over 70 billion euros. The top was reached in 2008 when the remittances in the diaspora amounted to 8.6 billion euros. However, after 2008 have gradually began to fall.

Mostly due tpo the crisis, but, at the same time, some of the employees of the Romanians from abroad have begun to move their families in the countries abroad and have had no reason to send money in their residence countries. Remittances are hard to follow by economists because money is not transferred from abroad directly to Romania through specialized services, sometimes being taken in luggage during holidays in the country. However, the presence of the Romanians in the diaspora on the labor market in the country could have an impact greater than the remittancesare obtained by sending money.

The privatization of the undertakings has resulted in the reduction of jobs, since most of the times the interest of entrepreneurs was the purchase of land and not the continuation activity of jobs generating. At present, the population in the rural areas is characterized by persons working in the subsistence farms or pensioners who have offered agricultural land rented by a local entrepreneur(Istudor, 2006).

It can be seen in the following table, the migration of the rural population, but also by the urban environment in the period 2012-2016, determined by persons within a specified period of time and have established his residence on a specified territory. From the point of view of statistics shall be pursued only changes of residence from one location to another. Not included are the changes of residence within the same city, sector in case of Bucharest or a village within the same policy.

Table 1. The structure of internal migration in urban and rural areas, determined by the change of residence

Internal migration flows	Years				
	Year 2012	Year 2012	Year 2013	Year 2013	Year 2014
	UM: Number of people, Rate per 1000 inhabitants				
	Number of people	Rates per 1000 inhabitants	Number of people	Rates per 1000 inhabitants	Number of people
Total	372197	16,6	350556	15,7	371677
From rural to urban	74470	5,9	74023	5,9	78411
From urban to urban	106724	8,4	108370	8,6	111545
From rural to rural	72620	7,5	65453	6,7	71063
From urban to rural	118383	12,2	102710	10,6	110658

Internal migration flows	Years				
	Year 2014	Year 2015	Year 2015	Year 2016	Year 2016
	UM: Number of people, Rate per 1000 inhabitants				
	Rates per 1000 inhabitants	Number of people	Rates per 1000 inhabitants	Number of people	Rates per 1000 inhabitants
Total	16,7	361083	16,2	389373	17,5
From rural to urban	6,2	77878	6,2	82612	6,6
From urban to urban	8,9	105292	8,4	108872	8,7
From rural to rural	7,3	71266	7,4	76939	7,9
From urban to rural	11,4	106647	11	120950	12,5

Source: National Institute of Statistics

It can be seen in the table above that of the 5 years review the migration of most of the population was carried out in the years 2014 and 2016. The trend of the population by the rural areas to the urban areas is on the rise, increasing to approximately 3000 people every 2 years. It is assumed that in the year 2017, the migration of the population will be approximately the same as in the previous year.

The highest percentage can be found in the population of urban migration to rural areas and not necessarily because of the creation of jobs or agricultural activity. Moving in the near areas of big cities, where they have been built several residential districts is the main cause. This indicates that the population search nature, fresh air, freedom, things that have been and will can be offer only in the framework of such a settlement. The highest migration was in the year 2016, respectively 2012, so it is estimated that in the next 2 years, the number of persons who will move from town to the village will be in the decrease.

There are also cases in which the population has migrated from one city to another, from one village to another or even within the same type of environment, whether rural or urban areas. The highest percentage can be found at the moving from urban areas in urban areas in the years 2014 and 2016. Migration from rural areas by rural areas has reached the maximum thresholds in the years 2012 and 2016. Once moved in the rural areas, the population is harder to change their residence, since before taking this decision takes into account several aspects such as the distance from the place of work, the future of the family, the potential development of the area or the specific activities of the area.

Medium income in rural areas

With the end of the communist period, the collapse of the industry made the big factories and the combined to be closed. As a result, many jobs have disappeared. At the same time, the action of restitution of agricultural land was carried out, creating a fragmentation of the surfaces. To secure their livelihood, the population migrated to urban areas, agriculture remaining in the care of older members of the family(Ciuva, 2014). As a result of these changes, the rural population has experienced a sharp decline but also an aging as a result of migration to urban. Another phenomenon which rural population faced after 2007 was the external migration as a result of joining the European community.

The income of the rural population consists of: salary income, income from agriculture, income from independent activities, income from social benefits, income from property and sale of assets in the patrimony of the household, incomes in kind, other income. The most important source of income is wage, 51.1% (INNSE 2017).

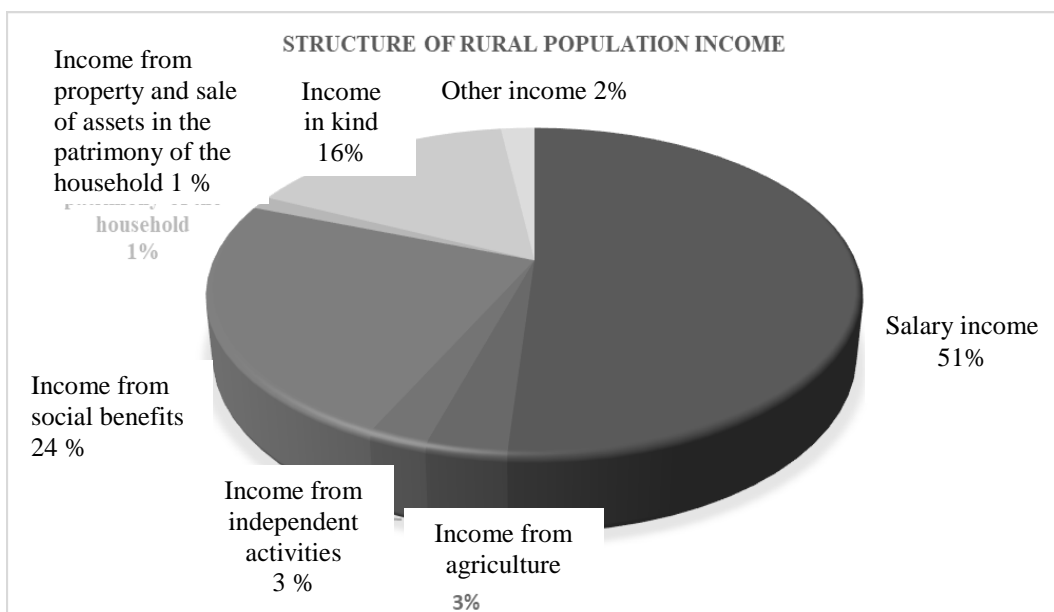


Fig. 1 Caption: Structure of rural population income

Source: National Institute of Statistics

Rural spending consists of: consumer spending, investment costs, production costs, taxes, fees, charges and other expenses. The main destinations of household spending are the consumption of food, non-food goods, services and transfers to the public and private administration and to social security budgets in the form of taxes, contributions, contributions and household needs (animal feed and poultry, work pay for household production, sowing products, veterinary services, etc.).

Table 2. Median equalized net income in Romania 2012-2016

-EURO-					
Romania	2012	2013	2014	2015	2016
Rural areas	1,479	1,603	1,613	1,676	1,772
Urban areas	2,199	2,195	2,379	2,467	2,589

Source: Data processed by the European Commission

It can be noticed an ascendant trend in the analyzed period, from 1.479 EUR in 2012 to 1.772 EUR in 2016. The increase is due to European funds absorption and due to the fact that the minimum wage increased in the past few years. If we were to consider the medium monthly expenses in a rural household, they are very close to the income. Considering the above, rural population is not able to save money in order to invest in any business or in even in their comfort. Regarding urban areas, we can notice that the income is almost 40% higher but the expenses are slightly higher as well.

Table 3. Median equalized net income in Poland 2012-2016
-EURO-

Poland	2012	2013	2014	2015	2016
Rural areas	4,321	4,373	4,479	4,781	5,111
Urban areas	5,261	5,483	5,646	5,798	6,199

Source: Data processed by the European Commission

In Poland we can notice that the median income trend in rural areas is ascendant as well, almost 4 times higher than in Romania. We can't tell the same when it comes to urban areas as the net income is only double. There it can be seen that the disparities are more accentuate in Romanian rural areas as the infrastructure is low developed. In order to reduce the high differences a high developed infrastructure is the first step that can be made.

Ways of increasing rural population incomes

In order to achieve an increase in the rural areas income there are several factors that we should take into consideration. 2014-2020 National Development Plan identified some needs in which the government should take action:

- Reducing school dropout in rural areas;
- Modernization of the agricultural education system;
- Solution for market functioning issues, including measures of mowing agricultural land;
- Development of adequate local, regional and national e-government services;

In addition, infrastructure development is a major factor that is an obstacle in attracting the national and foreign investors. The second to be considered is the bureaucracy when trying to create a local business.

The actual way in which rural population can increase their income is creating businesses. Using their land and their knowledge from the elder and the knowledge that is available now from researches they can create viable businesses (Man, 2007).

At first sight, the development of agribusiness can generate in less developed economies growth and reduction poverty. Directly or indirectly, immediate positive effects of modernization of agro-industrial systems are in the form reducing food costs, diversifying incomes and growth employment opportunities for the rural and even urban population, productivity gains for small producers and integration their local, national or international markets.

Agribusiness does not develop spontaneously. He depends on the structural changes taking place sooner or later slowly into an economy and is directly influenced by geographic factors, demographic, business culture existing in a certain space or environmental factors and even historians (Popescu, 2013). Institutional and innovation technological advances are accelerated or delayed by these factors. Even big international companies that have financial resources of power of innovation, know-how, tradition and, last but not least, great power of negotiation in relations with the authorities and who do part of the agribusiness system sometimes considered difficult to expand and operate in Romania.

Conclusions

In 2017, we are witnessing an unprecedented attack on the Romanian population. Romania has come to be at a level similar to that of now 46 years and 25 years, unfortunately to falimenteze himself continuously. The rate of decline in the birthrate is 3 % lower than that of the mortality and, if the state will not act accordingly, will be followed by a future grimly. In 1989, in Romania, the population in the rural areas decreased due to aging, migration to the urban area or most of the times by other Member States with a view to seeking a job well paid especially after the accession to the European Union, which offered them unlimited acces Romanian citizens to places of employment in the Western countries. In the 21st century, the number of Romanians abroad grew by an average of 7,3 % per year. Is an estimate of the United Nations Organization, which places a single country over Romania in the pace of migration, Syria, whose diaspora has increased by 13 % per year. But the percentage Syria is higher because of the exodus triggered by the civil war in that country. Within the period 2012- 2016, it can be seen that in Romania, migration of the population was carried out more than in the urban area to the rural and unfortunately, not necessarily because of the desire to develop the Romanian village and change of residence near big cities.

The population has migrated from one city to another, from one village to another or even within the same type of environment, whether rural or urban areas. The highest percentage can be found at the moving from urban areas in urban areas in the years 2014 and 2016. Migration from rural areas in rural areas has reached the maximum thresholds in the years 2012 and 2016. Once moved in the rural areas, the population is harder to change their residence, since before taking this decision takes into account several aspects such as the distance from the place of work, the future of the family, the potential development of the area or the specific activities of the area. As regards people's income, we can notice that in Poland, median income trend in rural areas is ascendant as well, almost 4 times higher than in Romania. We can't tell the same when it comes to urban areas as the net income is only double. There it can be seen that the disparities are more accentuate in Romanian rural areas as the infrastructure is low developed. In order to reduce the high differences a high developed infrastructure is the first step that can be made.

In conclusion, we can state that in order to achieve an increase in the rural areas income there are several factors that we should take into consideration. 2014-2020 National Development Plan identified some needs in which the government should take action as reducing school dropout in rural areas, modernization of the agricultural education system, solution for market functioning issues, including measures of mowing agricultural land or development of adequate local, regional and nation. All these must be based on a reduction of bureaucracy and the establishment of a solid infrastructure (a major factor which is a barrier to attracting domestic and foreign investors).al e-government services.

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