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HOUSEHOLDS IN ROMANIA AND THEIR RELATION WITH THE ECONOMIC GROWTH: STUDY CASE FOR 2010-2016

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Abstract

Household are in a manner of speaking small motors for a national economy and for the consumption in particular. In most cases, the way a household is managed and its basic characteristics can reflect the economic processes that occur in a specific moment in the financial and economic context and are a great measurement unit for the real standard of living within a country. In this paper we will present the main characteristics of the household in Romania between 2010-2016 and its relation with the given economic growth indicators.

Key words**:** *household, economy, social, consumption, budget.*

INTRODUCTION

In its most complex form, the household as observation unit is defined as „a group of one, two or more persons which usually live together, that are generally related, manage themselves in common, sometimes work within the household, consume and harness the obtained products together and participate integrally or partially at the formation and usage of the budget of the household" [7]. The household represents, in this matter, an atomization of the entire economy and, in particular, of the consumption branch, due to its relatedness with the general income and expenses. Also, household dynamic depends on production [1]. But the most important of all is the human resource and its importance within the household economy [4], [5]. In order for the household to be efficiently developed, a managerial plan must be made [6].

This paper presents the evolution of the main parameters that characterize households in Romania between 2010-2016. Thus, we will present both quantity and quality-related parameters, such as types of household structures, expenses within the household, credits within the household, the number of chambers in the household, type of household property, the type of building of the property. We will then correlate it with the number of total inhabitants, the GDP per capita and the income and expenses per household.

MATERIALS AND METHODS

The parameters of the household will be presented using direct observation. The correlation between the given parameters will be made using linear regression and will be analysed and interpreted using direct observation.

The data was gathered from the on-line resources of the National Institute of Statistics and was selected for 2010-2016 period, due to its closeness to the current period.

RESULTS AND DISCUSSIONS

In order to establish the social context, we will present the main parameters for this study: the population dynamic and the number of residences that equals the number of households. These are the main social parameters that found the base of the research.

As we can observe, the registered population decreased in this period, while the number of residences increased, which certifies the economic growth after the economic contractions on a national scale in the context

of a larger number of people which work abroad.

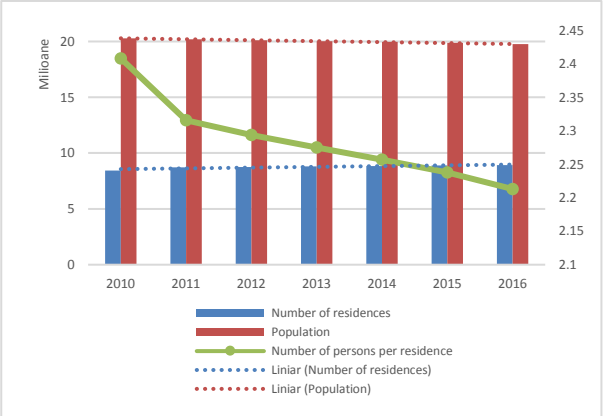

Fig. 1. The population dynamic reported to the number of residences
Source: http://statistici.insse.ro

The household dynamics within the Romanian economic and social space has been entirely related with the main social context and with the major economic discontinuities. Regarding the social part, the most obvious parameter that led to changes in the traditional household configuration is the accentuated migration phenomenon. To support this statement, Figure 2 presents the dynamics of the migration of the population and its main causes.

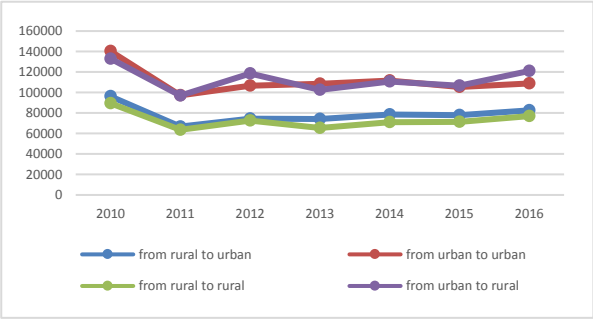

Fig. 2. Internal migration
Source: http://statistici.insse.ro

Regarding internal migration, we can observe a general trend regarding both of the residential areas, meaning that the phenomenon of internal migration varies between normal ranges. The importance of the context (residential area) is due to the quality of life, being higher in urban areas and lower in rural areas [2], and influences the dynamics of households.

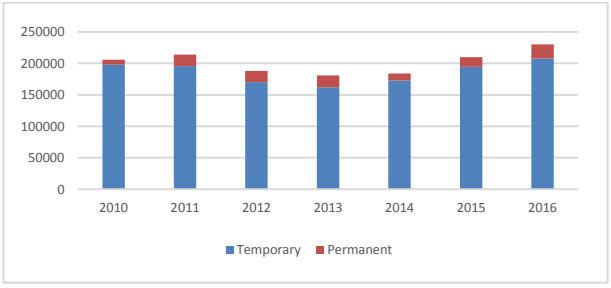

Fig. 3. Number of emigrants regarding the type of migration
Source: http://statistici.insse.ro

We can observe that the general phenomenon of migration is rapidly growing after a short fall in 2012-2013. The trend is encouraged by the temporary emigrants which leave the country for better financial stimulus of their work. The migration phenomenon influences the household dynamics in a quantitative manner, i.e., their number.

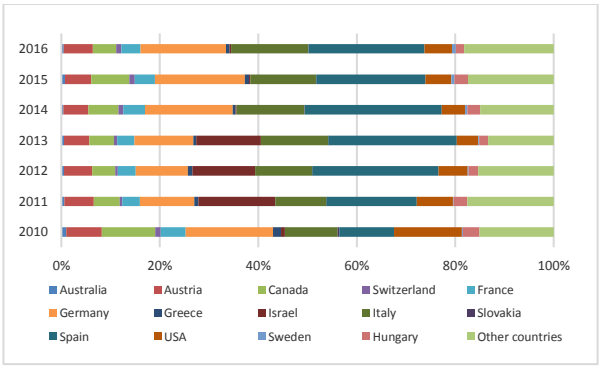

Fig. 4. The destination countries of the Romanian phenomenon of migration
Source: http://statistici.insse.ro

Figure 4 shows clearly that the migration phenomenon is related to work issues, because the most targeted countries are Austria, Germany, Italy and Spain, countries that are well-known for the fact that are the most usual destination for working purposes. Another cause of migration is due to educational and recreational purposes. The importance of figure 4 resides in the demonstration of the effects of the migration phenomenon on the quantitative side, correlated with the main trends shown in migration.
Besides social movements, the economy plays an important role within the general dynamic of the population. The main economic

indicators per capita and per household are presented in the next figure.

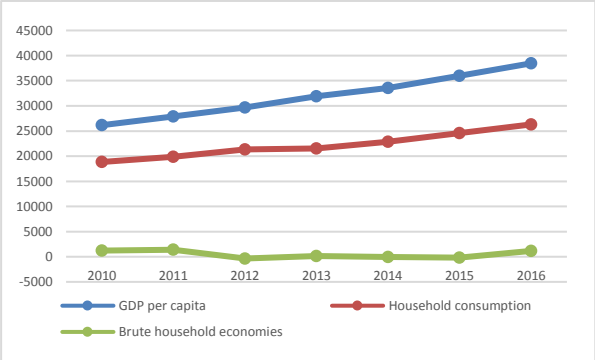

Fig. 5. Economic indicators of the households and persons
Source: http://statistici.insse.ro

While the economic growth is reflected in the trendline of the GDP and the consumption per household, the weak point of this economic context is the low level of the economies per household, which is even negative during final years of 2010-2016 period.
Given these factors, some household key parameters are shown in the next figures.

Fig. 6. Structure of households depending on the type of property
Source: http://statistici.insse.ro

Figure 6 shows that the main type of property is the private one, indicating that Romanian people have a high sense of property. Figure 7 shows the proportions of the household structures depending on the number of chambers.
The proportion of the households containing below 5 chambers is sensible equal, matching with the medium level of the economic indicators.
The social and economic indicators rely on economic development and investments.

These are made with capital from banks, so the household are developing economically and socially by getting a loan.

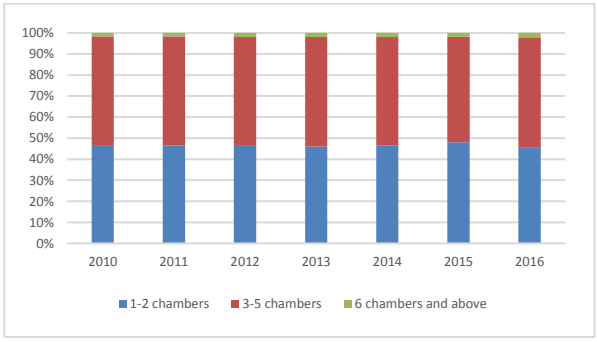

Fig. 7. Structure of households depending on the type of property
Source: http://statistici.insse.ro

Figure 8 presents the proportion of the households that got a loan in the period.

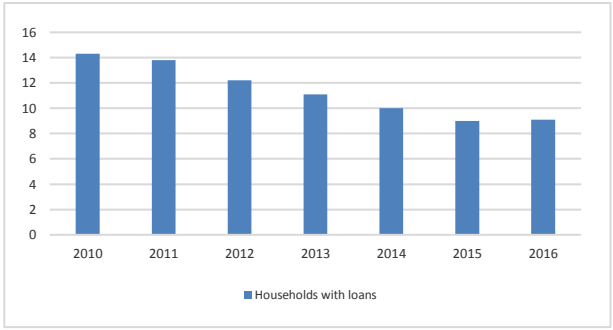

Fig. 8. Percentage of households with a loan
Source: http://statistici.insse.ro

The decreasing slope of the households with loans shows that the people are still reticent to investments.
Figure 9 shows the proportions of the locations of the household in a construction.
The majority of households are physically placed in a building with 10 or more flats or are individual.

Fig.9. Percentage of the households depending on the building
Source: http://statistici.insse.ro

Figure 10 shows the percentage of households that can afford a type of action indicating the quality of life.

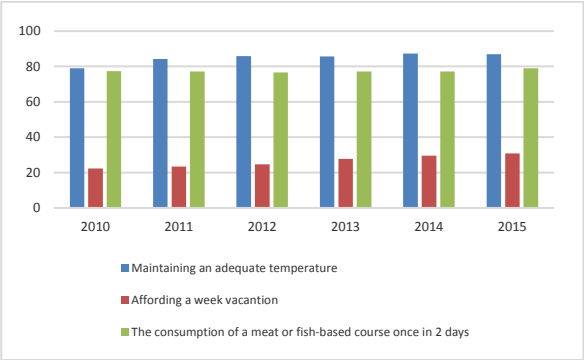

Fig. 10. Percentage of households that can afford the need
Source: http://statistici.insse.ro

A large amount of households can afford basic physical needs such as food, nutrients or good shelter, but higher needs (such as going on a vacation) are accomplished in a lower proportion.

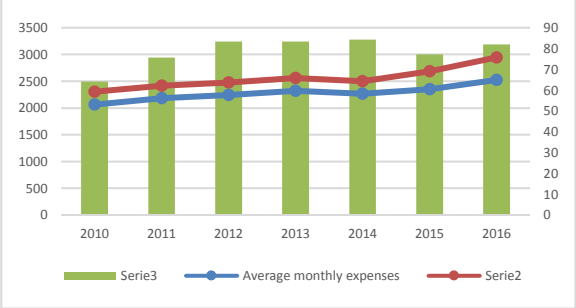

Fig. 11. The average monthly expenses and income, detailed for the income from agriculture
Source: http://statistici.insse.ro

The average monthly expenses shown in Figure 11 have an ascending slope, showing the increase of the average consumption.
The next figures show the correlations between the number of households and some key parameters such as the total population, the GDP per capita, the total consumption and the emigration flow. The dependent variable is the number of households, showing its dependency to the given parameters.
The dynamics of the number of households is strongly connected to the dynamics of the population, which is quite normal, but in the same time shows the atomization of the household (the increase of households with fewer members).

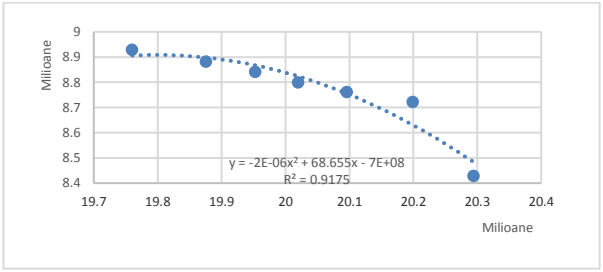

Fig. 12. Correlation between the total number of households and the population
Source: own processing after http://statistici.insse.ro

The increase of the number of households is reflected in a great proportion by the GDP per capita, as shown in Figure 13.

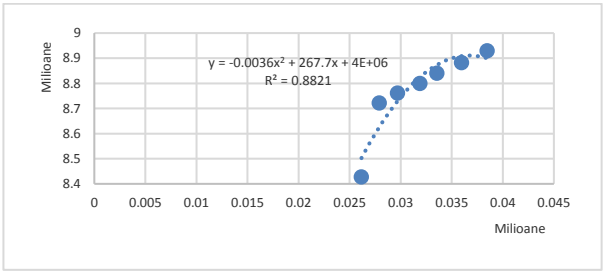

Fig. 13. Correlation between the total number of households and the GDP per capita
Source: own processing after http://statistici.insse.ro

The number of households depends in a great manner also by the total consumption of the population, also shown in Figure 14.

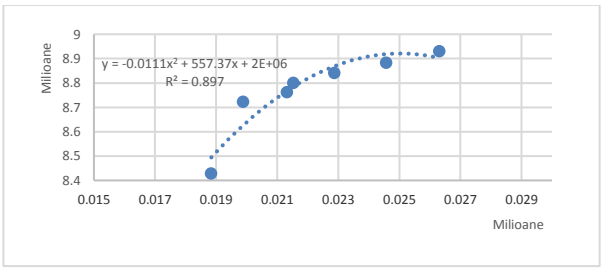

Fig. 14. Correlation between the total number of households and the total consumption
Source: own processing after http://statistici.insse.ro

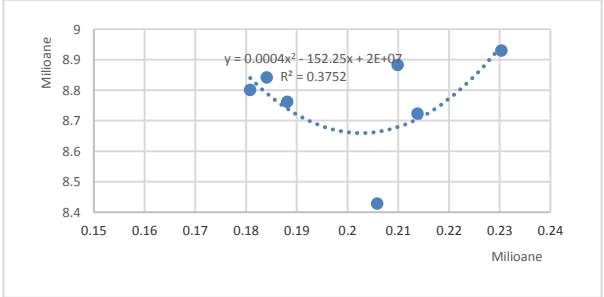

Fig. 15. Correlation between the total number of households and the number of emigrants
Source: own processing after http://statistici.insse.ro

The number of households is not greatly influenced by the number of emigrants, showing that a great deal of emigrants are family persons which emigrate temporarily and on a singular basis (Fig.15)[3].

CONCLUSIONS

The research on the households in Romania in the period 2010-2016 shows that from the economic point of view this dynamic has a positive trend regarding incomes and expenses and influences social phenomena within the context.

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