

ANALYSIS OF INEQUITIES ON CONSUMPTION OF SERVICES IN ROMÂNIA BY RESIDENCE

RĂBONȚU CECILIA IRINA, ASSOC.PROF.PH.D
CONSTANTIN BRÂNCUȘI UNIVERSITY OF TÂRGU JIU, cecilia.rabontu@gmail.com

BĂLĂCESCU ANIELA, LECTURER PH.D
CONSTANTIN BRÂNCUȘI UNIVERSITY OF TÂRGU JIU,
abalacescu@yahoo.com

ȘERBĂNOIU DRAGOȘ VALENTIN, EC.
MEMBER OF RESEARCH CENTER CSEFAMA
CONSTANTIN BRÂNCUȘI UNIVERSITY OF TÂRGU JIU,
serbanoiudragos@yahoo.ro

Abstract: *How well is known and proven by the specialists in the field but also the statistical data, services are economic activities which contribute substantially to the development of an economy, the creation of gross domestic product, employment and increase the quality of life of the people. However there are inequalities in their consumption, both at the national, regional and area of residence, inequalities that lead inevitably to different levels of living for the inhabitants of urban areas and those in rural areas. We have proposed in this paper to analyze the existing inequities in service consumption of Romania's population on residence in order to highlight specific issues that can be mitigated by measures that we propose to formulate at the end of this analysis. We use for this purpose a bibliographical apparatus and numerous statistical data provided by the National Institute of statistics of Romania.*

Key words: *inequities, services, consumption, residence*

Jel: D 12, E 21, L 8

1. Introduction

Inequities exist in many cases, both economically and socially, both in terms of area where we are and we live in the residence, even according to socio-professional status of each of us, but the fact is that they contribute more or less to establish the quality of life of people living either in urban or rural areas. In terms of services, it is well known that they contribute to raising living standards and inequality registered in Romania seriously affect certain categories. In witness whereof we have proposed in this analysis to determine the degree to which there are inequities in the use of services overall and by category of services between urban and rural residents.

2. Integration services consumption in Romania in other consumer categories

An average amount less than or greater than costs of services - depending on the level of development of each social community - is the mainstay of the consumer any model practiced by the modern world. In urban areas and even in many rural areas, the current life has become almost inconceivable in the absence of communications services, minimum of public transport facilities, audio-visual services, public utility networks, health services or education. Services in Romania currently provides employment for almost three quarters of the working population, generating around two thirds of GDP, the more consistent being the commercial sector, which encompassing about 12% of total employment. (Stanciu, 2010)

The service quality leaves much to be desired, even in financial services, which have seen an unprecedented development of infrastructure and endowment of qualified personnel in the last decade. The space for much better is in transport, the utilities distribution, services in public administration services in communications, tourism services, and, not least, the service for the protection of consumers. Consumption of services is not only diverse but also very uneven from one social class to another. This has tended to increase as a share of total consumption expenditure, primarily due to continuous increase in tariffs of public utilities, transport, communications, etc.

After 22 years, in Romania, we can say than offer of reform we can say that offer other services to the population, not far from extreme diversity as found in developed economies, but also in terms of quality / price ratio.

In these circumstances, consumption of most common services (transportation, telecommunications, etc.) was almost a luxury for many categories of the population, over the years. Expenditure categories are presented numerological in table below, table that includes official data provided by the National Institute of statistics of Romania.

In circumstances where the income level of most households is relatively low, in relation to the need to ensure a standard of living comparable to European, most of the revenue is used to cover basic needs (food, housing, health care, clothing and footwear, transport to the place of work); the part that remains to cover other needs (education and recreation, better conditions of living, etc.) is much smaller, insufficient for a decent living if a large part of households. (Presidential Administration, 2009)

Total expenditure average monthly consumption on a farmstead in Romania, by category of expenditure and by area of residence during the period 2005-2010

Table No. 1., lei

Total expense categories (according to the methodology COICOP)	Years					
	2005	2006	2007	2008	2009	2010
Total consumer spending	863,89	962,5	1104,7	1365,36	1468,6	1486,43
Urban	980,13	1118,82	1285,84	1581,7	1682,18	1673,3
Rural	713,21	758,74	870,37	1084,32	1190,62	1237,26
Agric-food products and non-alcoholic drinks	381,48	407,45	460,93	558,25	600,94	608,64
Urban	390,03	425,49	484,45	590,96	629,81	629,95
Rural	370,39	383,92	430,51	515,76	563,36	580,24
Alcoholic drinks, tobacco	50,29	57,82	71,79	89,55	103,92	113,91
Urban	50,77	60,33	74,56	92,8	109,25	121,11
Rural	49,64	54,55	68,22	85,32	96,98	104,3
Clothes & footwear	53,96	60,07	74,63	91,28	88,01	80,55
Urban	62,71	71,79	90,73	112,68	104,63	92,84
Rural	42,64	44,81	53,81	63,48	66,37	64,17
Housing, water, electricity, gas and other fuels	135,14	157,57	171,17	213,17	232,37	246,85
Urban	168,05	195,62	210,87	256,71	274,49	289,07
Rural	92,48	107,97	119,8	156,62	177,54	190,56
Furniture, equipment and house maintenance	32,59	38,36	51,05	65,29	67,27	59,44
Urban	39,27	46,22	61,67	79,44	78,87	67,08
Rural	23,93	28,12	37,32	46,92	52,17	49,26
Health	33,18	39,44	42,48	55,59	65,63	67,42
Urban	41,24	50,53	54,08	69,54	82,83	84,99
Rural	22,74	24,99	27,47	37,46	43,25	43,99
Transport	55,82	64,03	65,48	84,14	84,56	89,29
Urban	61,13	79,38	81,88	99,13	100,47	100,96
Rural	48,94	44,02	44,27	64,67	63,87	73,72
Communications	42,02	47,51	56,45	67,89	74,87	73,8
Urban	59,14	65,86	77,11	90,64	97,44	94,63
Rural	19,84	23,59	29,71	38,33	45,5	46,01
Recreation and culture	36,35	42,04	51,06	61,27	64,92	59,54
Urban	48,9	57,79	69,44	83,66	87,98	77,14
Rural	20,08	21,51	27,29	32,18	34,92	36,08
Education	7,33	8,14	8,54	11,32	13,93	10,81
Urban	10,77	12,02	12,94	16,78	20,85	15,39
Rural	2,88	3,07	2,85	4,22	4,92	4,69
Hotels, cafes and restaurants	9,45	10,54	13,33	18,95	18,6	19,06
Urban	12,23	13,71	16,7	22,21	22,94	23,07
Rural	5,84	6,41	8,96	14,71	12,95	13,71
Various products and services	26,28	29,53	37,79	48,67	53,58	57,12
Urban	35,89	40,08	51,41	67,16	72,62	77,07
Rural	13,81	15,78	20,16	24,65	28,8	30,52

Source: www.insse.ro - TEMPO_BUF108I_17_7_2012

From data presented above it can be seen that overall, consumer spending of Romania's population grew continuously, the largest increase from one year to the next recorded in 2008, after which the growth moderates. We

must take into account in this development and that prices and tariffs increased, inflation increased, aspects that cannot support us in the affirmation of a positive developments. There are unacceptable differences in terms of consumption in urban and rural areas especially in terms of the consumption of services.

If as regards expenditure on agro-food products and soft drinks, alcoholic drinks, tobacco, accounting for approximately 50% of total monthly expenditure of a household, there are not major differences between urban and rural areas, the inequities is emphasized when we talk about expenses but mostly clothing and footwear with health services, transportation, communications, education, and tourism services. All these differences are due and inequalities in terms of income recorded two categories of population in Romania, knowing that incomes are higher in urban areas than in rural areas.

All of these differences, some even very accented lead inevitably to different levels of living, much lower in rural areas. For example in 2010 a household in rural areas spend monthly 84, 9 lei for health when a household in rural areas spend half of that amount precisely 43 thousand lei. The difference is major in concern education services expenditure in rural areas representing up to the fourth part of the urban environment-related. You can see an improvement in 2010 when the differences were reduced, these being 1 to 3 in urban areas compared to rural areas

The correlation between the health and precarious education and socio-economic disadvantage has been firmly established in our country. Differences in health status and education follow a course of social power, reflecting the position of the individual or group in society, in our case in the residence.

To achieve sustainable progress in Romania, inequalities in consumption of services and in particular health and education, exposure to risks and access to services should be addressed in the most serious way, given the fact that they are interrelated leading to establishment of the quality of life of the Romanians.

It can be seen that the share of services in total consumer spending compared to the other categories of goods is reduced, primarily the purchasing power of the Romanians which is increasingly lower, level of development of our country, the quality of services offered and social policies and reforms pursued so far.

For a better image of the evolution of the consumption of services in urban but also in rural areas present the figure below.

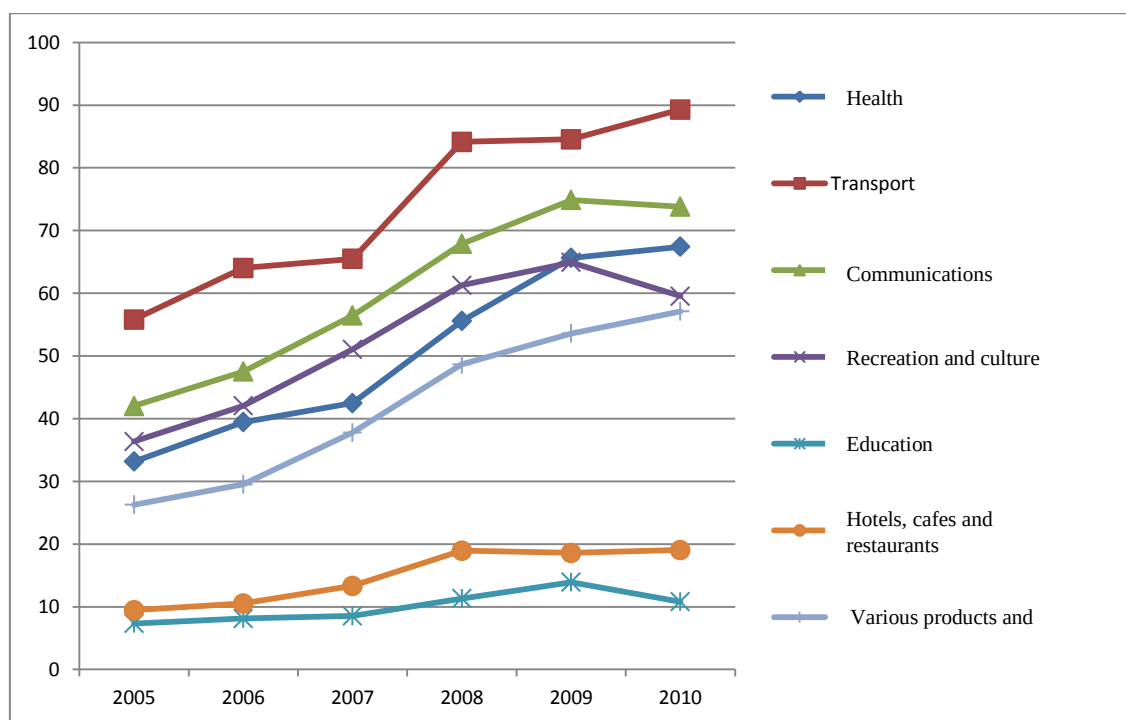
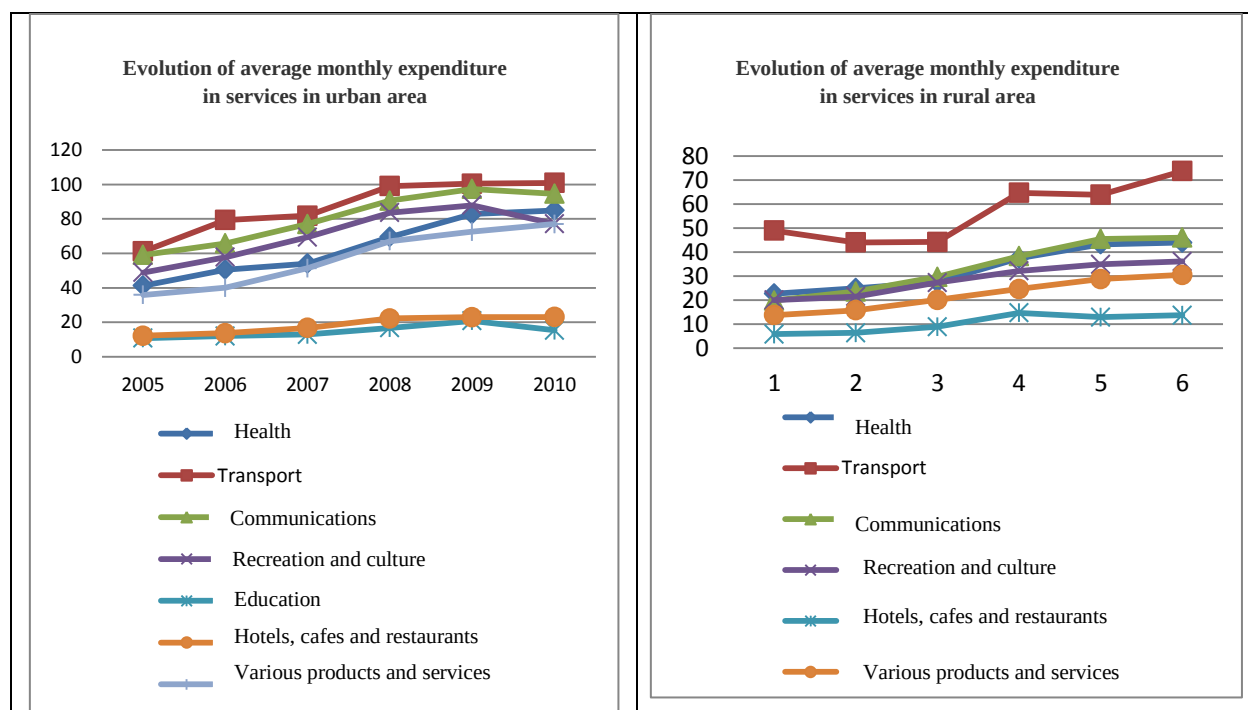


Figure 1. Evolution of the average monthly expenditure of households in Romania services during the period 2005-2010

It is noted that the largest expenditure was made for transport services, followed by the communication and then health services. At the opposite pole are expenditures on tourist services and catering which are considered luxury services and which enjoys a low share of services, costs and expenditure on educational services which is still a wake-up call for policymakers.



3. Analysis of average monthly household expenditures by category of service in Romania

For a better analysis of differences in household consumption Romanian service by area of residence, we present, funds allocated to them for different categories of services. Services for the population are extreme diversified, appearance found and in the data presented below:

Average monthly expenditure per household for pay media services

Table No. 2

Consumption of services	Years					
	2005	2006	2007	2008	2009	2010
	Lei	Lei	Lei	Lei	Lei	Lei
Total	207,59	239,97	272,46	331,1	364,95	374,23
Urban	286,80	331,56	371,47	447,87	487,96	495,22
Rural	104,92	120,58	144,38	179,41	204,86	212,91

Source: www.insse.ro - TEMPO_BUF108I_17_7_2012

It is found that payments for services, Romanians spent larger amounts from one year to another, in rural areas stood at a suitable distance from the urban in terms of consumption of services, representing a third of the consumption of those living in cities. The explanation would be the accessibility of urban residents at various services but also their purchasing power. There are for example rural localities which do not benefit from the existence of educational units, a human or veterinary clinic, etc.

In terms of consumption of housing services, by area of residence, can appreciate that hold the highest share the most of the subcategories was valued in the consumer needs. We are talking here of the distribution of power, gas, water and heat.

Average monthly expenditure on a household to pay for housing services by area

Table No 3

Categories of services	Years					
	2005	2006	2007	2008	2009	2010
	Lei	Lei	Lei	Lei	Lei	Lei
Rent	3,45	4,49	6,88	8,46	9,5	12,52
Urban	5,73	7,34	11,56	14,23	16,06	21,16
Rural	0,5	0,77	0,82	0,97	0,96	1,01

Electric power	38,96	43,32	48,99	59,5	65,06	68,23
Urban	44,52	49,33	55	65,13	71,06	73,84
Rural	31,77	35,5	41,21	52,19	57,26	60,75
Thermal energy	12,64	14,26	13,31	15,4	14,89	15,49
Urban	22,28	25,07	23,46	27,07	26,19	27
Rural	0,16	0,18	0,19	0,25	0,18	0,13
Natural gas	23,31	30,56	30,6	38,69	41,51	42,98
Urban	35,95	47,26	47,71	59,89	63,74	65,78
Rural	6,91	8,8	8,47	11,15	12,57	12,57
Water, sanitation, and communal services	21,51	24,92	28,48	33,34	37,98	41,36
Urban	36,19	41,65	47,15	54,51	61,61	66,29
Rural	2,48	3,1	4,33	5,83	7,25	8,12
Other services for house maintenance	4,96	5,88	6,74	7,94	9,09	6,54
Urban	6,51	7,88	7,2	10,03	10,94	7,57
Rural	2,96	3,28	6,14	5,22	6,68	5,17

Source: www.insse.ro - TEMPO_BUF108I_17_7_2012

From the data presented in Table no 3 we see that urban areas have major superiority for housing service consumption, a smaller disparity recorded for electricity distribution services. Not being able to reduce the amounts of electricity, heat, water and natural gas, the people of Romania have chosen to use fewer other home maintenance services, making them practical difference in living standards between the different categories of Romanians.

There are also categories of services have evolved extremely well even in times of economic instability, both in urban and in rural areas. Found in this category the telecommunications and especially their phones. The television radio services are not inferior because with these types of services are very diverse but also offers an aggressive marketing that highlighted these services.

Even if the television radio services are not meeting the needs of first rank, these absorb a large part of the amount of average monthly expenditure, exist here major influence consumer behaviour Romanians who are still hungry for new, entertainment and unable to turn to other types of entertainment services for lack of funds. These types of services are still considered acceptable fare that contributes to eating most of the Romanians leisure.

Average monthly expenditure per household to pay Post and communications environments

Table nr 4

Types of services	Years					
	2005	2006	2007	2008	2009	2010
	Lei	Lei	Lei	Lei	Lei	Lei
Post and Courier	0,06	0,08	0,06	0,07	0,11	0,1
Urban	0,07	0,12	0,08	0,1	0,14	0,09
Rural	0,03	0,02	0,03	0,03	0,06	0,11
Telephone services	41,37	46,64	55,34	67,16	74,22	73,26
Urban	58,34	64,69	75,59	89,56	96,63	94,04
Rural	19,37	23,11	29,15	38,06	45,06	45,55
Subscription radio - TV	13,54	16,73	18,73	20,56	22,73	24,3
Urban	17,7	21,61	23,47	24,27	25,81	27,3
Rural	8,15	10,37	12,6	15,74	18,73	20,3

Source: www.insse.ro - TEMPO_BUF108I_17_7_2012

Data from table no 4 show us that postal and courier services are required increasingly more in rural areas, but at a minimum expenditure, accounting in 2010 only 0.11 lei in rural areas and 0.09 lei in urban areas, compared to 2005 when spent for such services is 0.03 lei in rural areas and 0.07 lei in urban areas.

As we said before, for telephone services financial resources allocated by the Romanians are substantial and positive developments both in absolute terms and as a share of total spending on consumption payment services. The extremely diverse offerings contributed to lowering tariffs of telephone services in the last year of our analysis, aspect refund in reducing telephony costs from 74.22 lei in 2009, to 73, 26 lei in 2010.

Other services that contribute substantially to improving the quality of life are health, education services and transport services whose consumption expenditure distribution by residence these categories is shown in Table 4.

The access to education and health services is considered a fundamental right of the individual, in all civilized countries. Despite these rights stated in accordance with modern principles, all European health and education systems have some difficulties with cover the entire population with services

A good health is an essential element to quality of life at both the individual and societal level. Having a good health is an important dimension of individual well-being, affecting people's ability to operate and achieve goals and how they evaluate their lives. (Saraceno, C, 2004)

Health professionals consider: "We believe that taking measures would require fundamental changes in the way healthcare is provided. People know increasingly more in health, and require greater transparency about their care. Many risk factors are beyond the control of health care, which make inter - sectorial collaboration in policy approach crucial to the success of health promotion and disease prevention. Health is important in itself, and as a contributor to economic development. This means that despite the difficulties, health moves up the political agenda in the OMS European Region. The public, private and civil society is concerned increasingly more about health

United Nations Development goals for this millennium, especially those related to health, brought together stakeholders from all sectors that are working to achieve these goals by 2015 (JaKab, 2011)

Average monthly expenditure per household for payment of health services, education and transport medium

Table nr 5

Service categories	Years					
	2005	2006	2007	2008	2009	2010
	Lei	Lei	Lei	Lei	Lei	Lei
Veterinary treatment of pet	0,19	0,14	0,23	0,21	0,25	0,17
Urban	0,11	0,05	0,15	0,14	0,18	0,09
Rural	0,3	0,25	0,33	0,31	0,35	0,29
Health services	6,07	6,62	7,48	10,92	12,75	15,84
Urban	7,28	8,25	10,16	14,05	16,74	22,16
Rural	4,5	4,5	4,01	6,85	7,56	7,42
Transport services	17,18	19,26	20,37	24,98	26,31	27,31
Urban	18,32	20,85	21,22	26,26	26,9	26,53
Rural	15,71	17,19	19,26	23,32	25,53	28,34
Education	7,33	8,14	8,54	10,67	13,23	9,87
Urban	10,77	12,02	12,94	15,8	19,84	14,13
Rural	2,88	3,07	2,85	4	4,62	4,19

Source: www.insse.ro - TEMPO_BUF108I_17_7_2012

Major differences in the consumption of services presented in Table 5 are recorded for educational services and human health, differences in favour of urban areas.

Thus it can be seen that the differences human consumption of health services were deepened between urban and rural areas during the submission time is, if in 2005 the ratio of urban and rural was 1.61 lei, in 2010 this ratio was 2,98 in favour of the urban. With regard to animal health services given notice rural superiority and that is reflected in this environment most of the livestock in Romania. Thus in this case in 2010 in rural areas were spent by the average monthly household 0.29 lei to 0.09 lei in rural areas. It is among the few types of services that are consumed in rural areas than in urban areas. This development is recorded in case the transport services in rural areas in 2010 in rural transport costs are higher on average by 1.81 lei per month.

When discussing about educational services the differences between urban and rural areas are extremely high and decreases from year to year of education spending.

Since the low education level of parents, investing in education of these children, the associated education and parental support in this regard are likely limited, which makes them the captive of spiral dependency chances as small as or smaller than their parents to get a comfortable position on the labour market and to lead a decent life. (Presidential Administration, 2009).

In addition to the services discussed above, the use of services Romanians longer reflect the following categories

Average monthly expenditure per household for paying other types of media services

Table no 6

Service categories	Years					
	2005	2006	2007	2008	2009	2010
	Lei	Lei	Lei	Lei	Lei	Lei
Cultural and recreational services	1,36	1,39	1,73	2,32	2,37	3,11
Urban	2,04	2,04	2,53	3,34	3,74	4,7
Rural	0,48	0,56	0,71	1	0,57	0,99

Photo works	0,24	0,18	0,15	0,21	0,15	0,14
Urban	0,33	0,23	0,22	0,25	0,2	0,22
Rural	0,11	0,11	0,06	0,15	0,07	0,04
Gambling	0,38	0,28	0,29	0,42	0,63	0,55
Urban	0,57	0,41	0,39	0,56	0,88	0,7
Rural	0,15	0,11	0,15	0,23	0,3	0,35
Accommodation services (other than those of nature tourism)	3,35	3,88	4,44	4,94	6,17	5,73
Urban	3,49	4,02	4,09	4,58	5,76	5,28
Rural	3,18	3,7	4,88	5,4	6,72	6,34
Tourist services	3,76	4,5	8,02	9,75	10,18	6,61
Urban	6,04	7,52	12,5	16,4	17,16	10,54
Rural	0,81	0,55	2,23	1,12	1,1	1,37
Personal care	2,22	2,75	3,72	5,3	5,91	6,02
Urban	3	3,7	5,3	7,62	8,2	8,22
Rural	1,2	1,5	1,66	2,29	2,92	3,09
Care at home	0,19	0,32	0,26	0,44	0,46	0,85
Urban	0,27	0,45	0,35	0,57	0,58	1,06
Rural	0,08	0,15	0,14	0,26	0,3	0,57
Insurance	1,8	2,22	3,29	4,42	5,37	5,36
Urban	2,61	2,95	4,55	6,52	7,68	7,33
Rural	0,73	1,28	1,65	1,69	2,37	2,73
Manufacture, repair and hire of clothing and footwear	0,43	0,36	0,37	0,31	0,39	0,36
Urban	0,59	0,48	0,52	0,42	0,48	0,51
Rural	0,22	0,2	0,17	0,16	0,28	0,15

Source: www.insse.ro - TEMPO_BUF108I_17_7_2012

The amounts allocated to cultural and recreational services, photo work, gaming, personal care, insurance services are insignificant especially in rural areas. Be seen in the data in Table 6, the tourist services which recorded in 2010 major declines in urban and in rural areas increases.

4. Conclusions

From the analysis achieved in this paper we found that there are obvious differences in the opportunities at which the residents of urban and rural areas have access. Moreover, cities with less than 30,000 inhabitants resemble the opportunities, attitudes and behaviours of rural areas. This leaves its mark on how they distribute income in payment for services consumed, aspect which generates sustainable quality of life.

In urban area and even rural areas present life has become almost inconceivable in the absence of communications services, minimum of public transport facilities, audio-visual services, public utility networks, health services and education, but the average income of the two areas makes the difference.

It is therefore necessary reducing disparities in the allocation of material and human resources of environments (urban-rural) population simultaneously with facilitating public access in disadvantaged areas (towns and villages) in performing services.

The ultimate objective of demarches found service consumption and economic and social policy is at an appropriate level to meet the requirements of modern society, the material and spiritual needs of the population live. A key role in this regard have services that meet a wide range of needs of the people, from the primary services (transport, insurance basic conditions of existence: water, heat, electricity, health care, the communication etc.) and up to the top level about comfort, raising culture, spending free time so enjoyable.

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