

## ROMANIA’S POPULATION – ESSENTIAL COMPONENT OF CONSUMPTION

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### **Abstract:**

*Romanian consumers are the result of the demographic changes that occurred in our country after the revolution of 1989. The impact of population reduction and aging, of decrease in the birth rate and increase of mortality is reflected in consumption. The goods and services offered to the Romanian consumer must take into account the changes occurred in the population’s structure. Our country is not a singular case regarding population aging; Romania is part of the global trends. The changes occurred in the population’s structure will have negative effects both in consumption and in the workforce.*

**Keywords:** *consumer, population, population aging*

**JEL Code :** *D00, E00, I19, J11*

### **1. Introduction**

In the Romanian economy, the consumption declines caused by the economic-financial crisis were controlled by the emergence of smaller stores on the market, that is to say the discounter or supermarket type of stores. The retail market in Romania is in full reconfiguration, a fact confirmed by the evolution in 2013 when a total number of 274 stores were opened, structured as follows:

- 226 supermarkets;
- 21 hypermarkets;
- 28 discounter stores. (6)

The Romanian consumer has the possibility of choosing from the variety of larger or smaller shops available on the market. The increase in the number of stores on the retail market from one year to another, leads us to analysing with greater attention to the Romanian consumer. Lately, the relationship between consumer and producer has changed through the conscious increase of the consumer’s role, thus becoming more mature and selective. (Bostan et al, 2010, p. 20)

Who is actually the Romanian consumer? Very simply: the resident population in our country. In this paper we wish to highlight the issues relating to the development of the Romanian population, its structure, and demographic aspects essential to understanding who the Romanian consumers really are.

The data used to analyse the Romanian consumer are supplied by the Romanian National Institute of Statistics through the publication Romanian in figures 2014. We consider it appropriate to use the official data to obtain information on the main characteristics of the Romanian consumer.

### **2. Evolution and structure of Romania’s population**

Table no. 1 shows the development of Romania’s population in the period 2010 – 2013. The downward trend can be seen in the highlighted period, from 20.2 million inhabitants in 2010 to 20.02 million inhabitants in 2013. The gender structure reflects the same trend, but we mention that the number of females exceeds that of males. On 1 January 2013, the population of our country was structured as follows:

- 9.8 million men, representing 48.8% of the total population;
- 10.2 million women, representing 51.2% of the total population.

Table no. 1. Resident population by sex, age groups and backgrounds, on 1 July

	2010	2011	2012	Inhabitants 2013 <sup>1)</sup>
<b>Total</b>	<b>20246798</b>	<b>20147657</b>	<b>20060182</b>	<b>20020074</b>
<b>By sex</b>				
Male	9856669	9805108	9770353	9761480
Female	10390129	10342549	10289829	10258594
<b>By age group</b>				
0-14 years	3201789	3190889	3162246	3139609
15-59 years	12537426	12457716	12367841	12318331
60 years and over	4507583	4499052	4530095	4562134
<b>By area</b>				
Urban	10922169	10878099	10823218	10790541
Rural	9324629	9269558	9236964	9229533

<sup>1)</sup> On January 1.

Source: Romania in figures 2014

The grouping of the population by age led to the structuring of the population on three age groups: 0-14 years old (young population), 15-59 years of age (adults) and 60 years of age and over (elderly population), this being one of the most general groupings. The trend of reduction met in the total of the population and in the structure of the population on genders is found in the age groups 0-14 years, and 15-59 years of age. For the age group of 60 years old and over we find an increasing trend in the number of people from this category. In 2013 the share of the young population in the total population was of 15.8%, the share of the adult population was 61.5% and that of the elderly population was 22.3%.

The structuring of the population on environments shows its reduction both in the urban and in the rural areas. It appears that the urban population represents 53.8% of the total population. In Europe the situation is similar in the sense that the highest share is for the urban population.

The proportion of the population of the European Region living in urban areas reached nearly 70% in 2010 and is expected to exceed 80% by 2045. As a consequence, people are being exposed to different risks and determinants of health. (5)

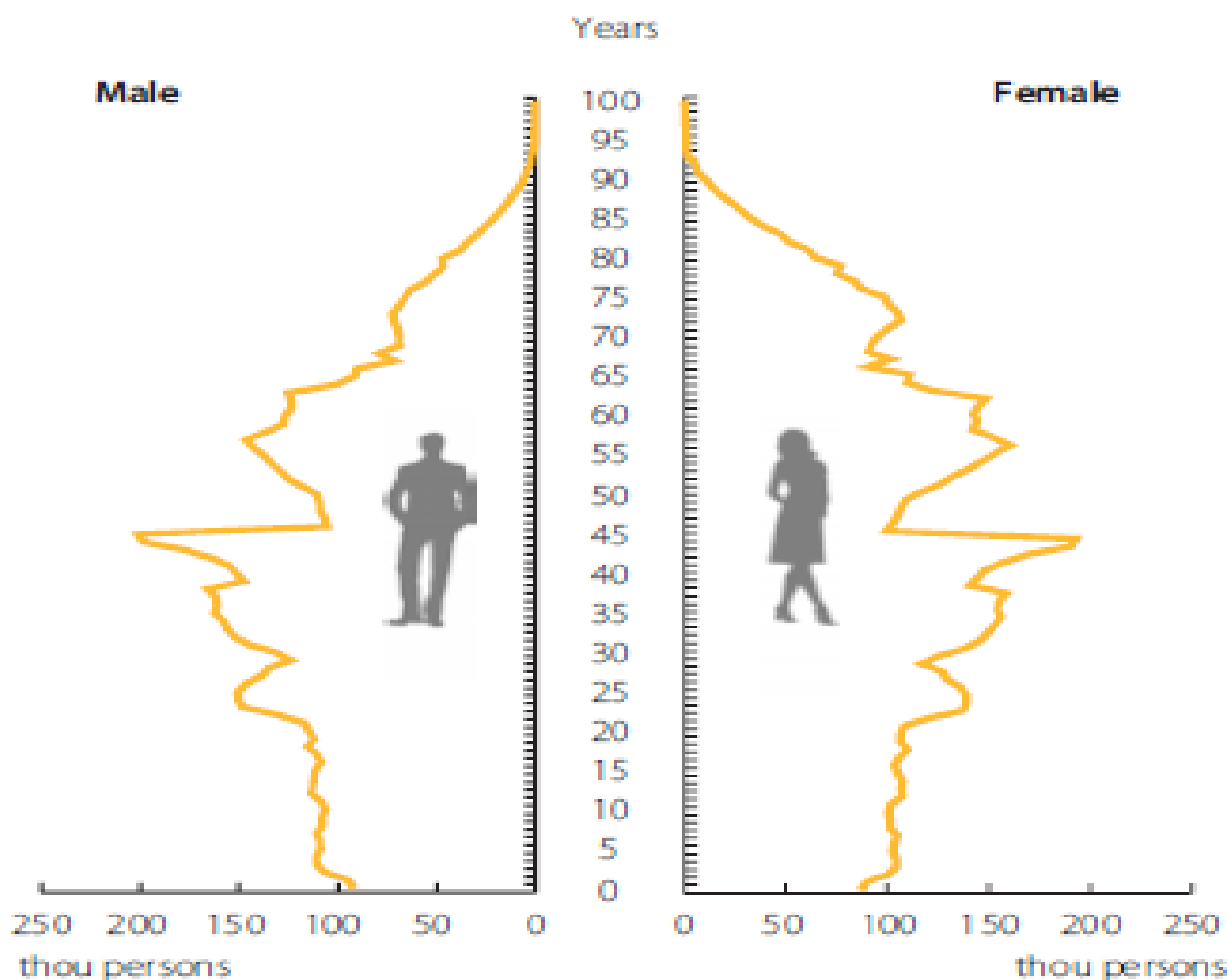
In 2010, there lived 3.5 billion people in the urban areas, representing 50.5% of the global population. If the current trends are maintained, 57% of the population will live in urban areas in 2025 and 70% in 2050. The current trend at global level is of urban population growth, especially in the developed countries. (Danciu, 2013, p.30)

To better understand the transformations through which our population goes, the highlighting of the age pyramid is the best way of presentation (chart no. 1). The age pyramid shows the differences in the population structure by age and sex. Romania's population aging is obvious since it reduces the number of young people causing the narrowing of the pyramid's base. These changes will be accompanied by demographic and economic effects that will negatively affect the Romanian economy through the impact they have on employment, school population, and pensioners.

The aging of our country's population is not a singular fact. The World Health Organisation (WHO) published on its official website the following statements on the situation of aging population: In almost every country, the proportion of people aged over 60 years is growing faster than any other age group, as a result of both longer life expectancy and declining fertility rates. This population ageing can be seen as a success story for public health policies and for socioeconomic development, but it also challenges society to adapt, in order to maximize the health and functional capacity of older people as well as their social participation and security.(3)

The population in the WHO European Region is ageing rapidly: its median age is already the highest in the world, and the proportion of people aged 65 and older is forecast to increase from 14% in 2010 to 25% in 2050. People in nearly every part of the Region are living longer, but their chances of spending these later years in good health and well-being vary within and between countries. (4)

Chart no. 1. Population by age and gender, 1 January 2013



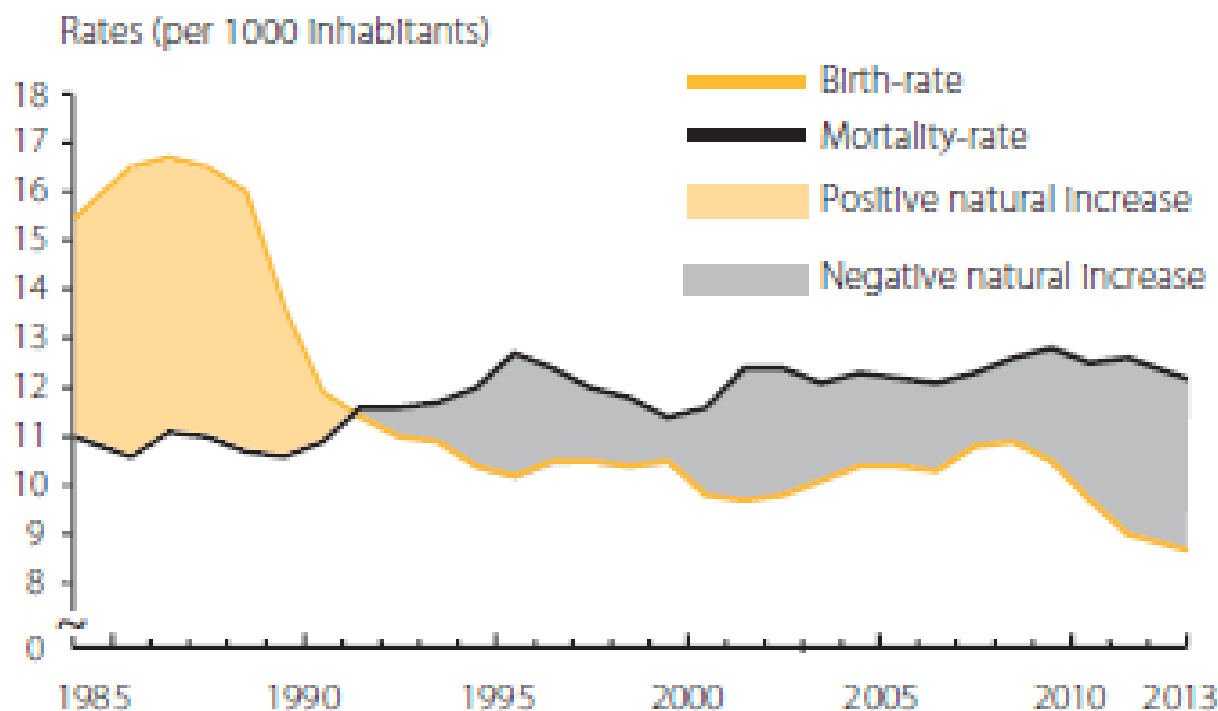
Source: Romania in figures 2014

Population aging is obvious worldwide, but with some exceptions. In 2047 the people over 60 years old will exceed the people younger than 15 years of age. The phenomenon of population ageing is becoming challenging in China and Europe, while in India almost half of the population is under 25 years old. This will cause an increase in the young workforce in the coming years in India and an increase in the people with higher available income. (Danciu, 2013, p.30)

Not only is our country's case singular, but it is also part of the current trend of the population's structure. The reduction of the birth rate and the increase of mortality are just two factors that led to the aging of Romania's population. These two factors have determined the existence of a negative natural increase since the '90s in our country, and currently there is no chance of seeing any reduction in it, quite the opposite. Birth and death are not the only factors influencing the natural growth rate of Romania, but they are direct indicators by which we can calculate the natural growth rate. The changes in the Romanian economy and society are, next to births and deaths, influence factors of the natural growth rate. The desire to raise the living standards, to educate the offspring, to give children a better life are issues that have influenced the decision of families to have a certain number of children.

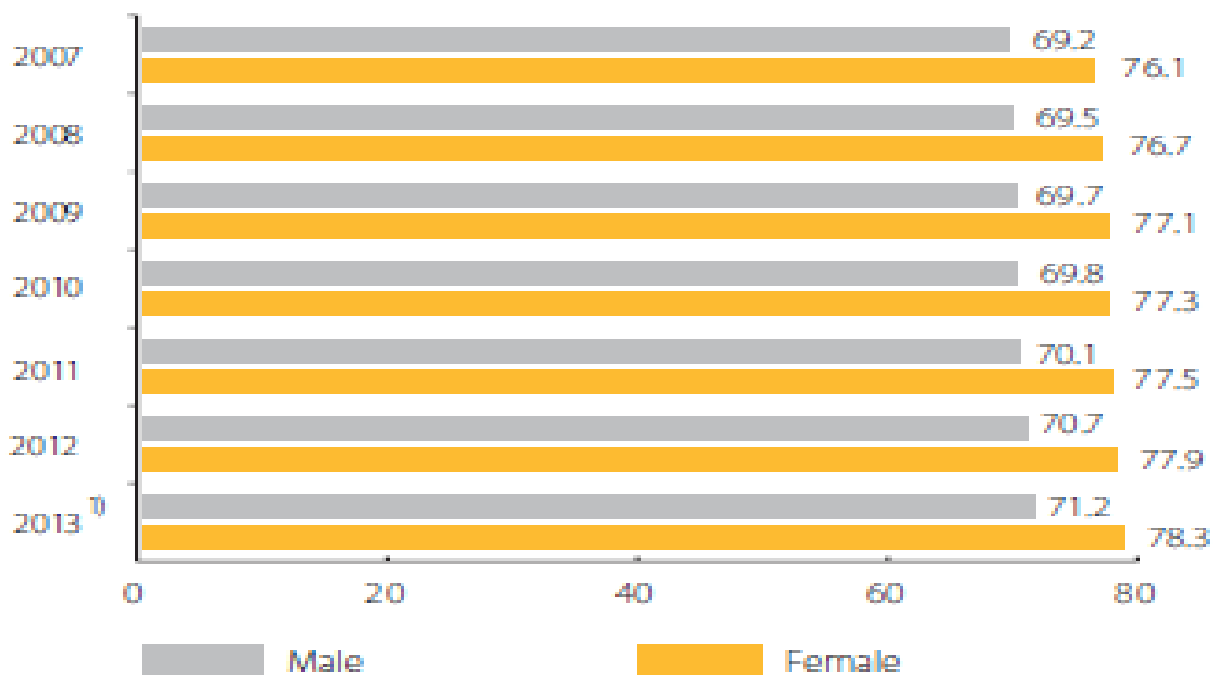
The World Health Organisation in its publication The European Health Report 2012. Charting the way to well-being announced that: The population of the 53 countries in the European Region reached nearly 900 million in 2010. Decreasing fertility rates across the Region mean that population growth will soon plateau. Moreover, the population is ageing rapidly, with projections estimating that more than 25% of the total population in the Region will be aged over 65 years by 2050.

Chart no. 2. Birth, death and natural growth rate of the population



Source: Romania in figures 2014

Chart no. 3. Average life expectancy, by gender (years of age)



<sup>1)</sup> Provisional data.

Source: Romania in figures 2014

The whole discussion related to Romania's population is supplemented by the information referring to the average life expectancy. In the recent years, the average life expectancy has steadily increased, so that females have an average life expectancy of 78.3 years, while males have an average life expectancy of 71.2 years.

### 3. Conclusions

The knowledge of the essential demographic elements specific to the Romanian population offers manufacturers the possibility to build a strategy regarding the products and services for the Romanian consumer. The observation of the changes occurring at demographic level influences the range of products and services offered since the consumers' behaviour, in the future, will depend on the trends that will allow them "to sit on the driver's seat" (Danciu, 2013, p.33)

The future brings significant changes for the Romanian consumer. The aging of the population is becoming chronic, the birth rate is falling and mortality is rising. Romania's population is constantly reducing and there have not appeared factors that would change the trend so far. The effects of the demographic changes will not delay in occurring, both in consumption and in the workforce. This paper aimed to present the changes in the population structure under the influence of demographics. We are aware that these are not the only things that bring about changes in Romanian consumers, but in our future works we intend to expand on this topic.

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