The Vicious Spiral of Economic and Cultural Crisis. Cultural Implications of Romania’s Economic Collapse (2009 – 2010)

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Abstract. The paper examines the dynamics of cultural consumption during Romania’s most dramatic period of economic crisis (2009 – 2010) in an attempt to reveal the interdependence between the two phenomena, in the sense that any decline in one of them reverberates in the other. Thus, Romania’s particular case substantiates the assumption that the immediate, measurable consequences of economic crisis, such as poverty or unemployment, are doubled by a long – term impact on the population’s patterns of thought and behavior, whose alteration has a boomerang effect on the economy. Ultimately, this research combines the quantitative and the qualitative perspective in order to reveal the way in which, in moments of crisis, the economic and the cultural constantly backfire on each other in a vicious spiral and have a negative impact on social evolution at large.

Key – Words: economy, society, economic crisis, cultural crisis, cultural non – consumption, social development

1 Economy – Society – Culture. Theoretical Background

A pertinent discourse on the relation between society and culture should start from the clarification of the concepts involved. If the dictionary definition of society seems to be generally accepted and not to pose interpretation problems, when it comes to culture, the situation is complicated by the comprehensive character of the concept, which elicits multiple approaches from different perspectives.

The vast literature on the subject stands proof that any attempt to pinpoint one defining aspect of culture is prone to yield one – sided, confusing interpretations, which acknowledge either its instrumental importance, or its intrinsic value. On the other hand, the most efficient and revealing discourses on culture are the ones that draw on the anthropological sense of the concept, which covers a broader semantic area, including “the beliefs, customs, practices, and social behavior of a particular nation or people”.

The anthropological perspective starts from the premise that all types of interactions in a society are culturally determined and, therefore, it offers a more flexible and comprehensive space of analysis, able to produce complex interpretations. More precisely, by recognizing the profound connection between the economic, social and cultural aspects of human life, it allows an analysis of the cause and effect relations between them, wherefrom emerges the double dimension of culture as a means and an end of development.

This comprehensive perspective on the society – culture relation was officially validated in 1995 by a UNESCO document, which adopted a coalescent definition of culture as “the whole complex of distinctive spiritual, material, intellectual and emotional features that characterize a society or social group. It includes not only the arts and letters, but also

1 “System whereby people live together in organized communities” (Oxford Advanced Learner’s Dictionary, 1990, p. 1213)

modes of life, the fundamental rights of the human being, value systems, traditions and beliefs.\(^3\)

This definition has gained ground over the past decades, especially with theories regarding sustainable development, and underlies two of the most coherent models of sustainability, namely the four – pillar model of sustainability\(^4\), and the four well – beings model of sustainability\(^5\). These two models connect society’s sustainable development with the equilibrium between four interdependent and equally important variables: cultural, social, environmental, and economic conditions. Therefore, a malfunction in any of these four aspects will reverberate in the others, affecting the balance of the whole system.

Although they deal with the issue of sustainable development in slightly different terms, these two models converge on three essential ideas that underlie the present study:

- The dynamics of the economy – society – culture relation can be described as an endless cause and effect interplay, in which the economic and the cultural constantly backfire on each other in a vicious spiral and have a negative impact on the evolution of society at large;
- As a consequence of the above, culture, as the driving force behind all human interactions in a society, is both a means and an end of social development;
- Society ultimately breaks down to individuals whose lives are economically and culturally determined at the same time, as they are inevitably caught in the vicious spiral described above. Therefore, sustainable development should have to do primarily with accommodating the individuals’ needs and allowing them to establish comfortable relations with their living space, their fellows and themselves.

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\(^3\) UNESCO, 1995, p. 22  
3.3% in 2012, a June 2013 Eurostat report estimated inflation in Romania at approximately 4.5%, the highest in the EU, closely followed only by Estonia (4%) and at irrecoverable distance from such countries as Denmark, Ireland, Latvia, Malta, Poland, Sweden and Switzerland, all with an inflation level below 1%. 9

Under the circumstances, it becomes obvious that the constant increase of the total household income from 2,131.67 lei/month/household in 2008 to 2,475 lei/month/household in 2013 reflects just an apparent growing wealth of the population, since the individuals’ PPS dropped dramatically from 12,000 in 2008 to 11,000 in 2009 and displayed a slight raise to 11,400 in 2010. 10

The poor economic state of the population was further aggravated by the continuous growth of the unemployment rate from 5.8% in 2008 to 6.9% in 2009, 7.3% in 2010, and 7.4% in 2011. Under the circumstances, the slight decrease to 7.0% in 2012 cannot be considered encouraging, the more so as it occurred against the background of a population already drained out by successive waves of emigrants in search of a decent life in the other countries.

All this generated the depletion of the population, clearly reflected in a survey conducted by the National Statistics Institute in 2011 regarding the population’s perception of the relation between their income and the living standard they afford in 2010. Graphic 1 shows the results of the survey, revealing that, of the 3,500 respondents, 21% have an income that does not cover even their basic needs, whereas a majority of 39% barely makes ends meet. In other words, 60% of the population is confronted with living at the limit of poverty, under the pressure of severe restrictions as far as expenses are concerned. On the other hand, only 29% of the respondents perceive themselves as leading a decent, carefree life, and only a minute fraction declare that they are not confronted with privations of any kind.

Under the circumstances, the population becomes more economically self-conscious, changing their priorities in terms of everyday expenses. It is known that the drop of the population’s purchasing power in periods of economic crisis brings about not only a decrease of consumption in general, but also a dramatic restructuring of expenses in favor of basic daily necessities. This phenomenon was noticed as early as 1857, when the German statistician Ernst Engel identified a connection between the income variation and the expenses structure in the sense that, as their income increases, people tend to reduce their expenses for food and dedicate larger sums to cultural preoccupations. This happens because poor people, after giving up everything else, spend all their money on basic, generally low quality groceries, whereas wealthier people not only afford better quality food, but they also enjoy the time, the mood and the financial means necessary for cultural engagement.

Consistent with Engel’s theory, the variations in the structure of household expenses in Romania between 2008 – 2012 points to the phenomenon of economic depletion of the population, whose effects will be detailed in the next section of the paper. Graphic 2 shows the structure of household expenses in Romania in the above mentioned period.

The variation of the three types of expenses, as shown in the graphic, reflects the constant deterioration of Romania’s economic context, within which the living standards of the population are lowered to the verge of poverty.

The graphic displays a relatively constant and homogeneous evolution of household expenses between 2008 – 2012, with the exception of 2009, the beginning of the economic crisis, when the expenses for food products surged from 35.9% in 2008 to 44.2% of the total of household expenses, whereas the expenses for non-food products decreased from 36.2% in 2008 to 31.0%, and the service payments dropped from 27.9% in 2008 to 24.8%.

At the same time, the improvement of the situation in the following years should be interpreted with caution for at least two reasons.

9 Source: RNIS, Romania in Figures, 2013, p. 74
10 Source: Eurostat, Basic Figures on the EU, 2013
11 Source: RNIS, Romania in Figures, 2013, p. 26
12 Source: RNIS, Romania in Figures, 2011 - 2012, p.84
13 Source: RNIS, Romania in Figures, 2012, p. 77
14 Source: RNIS, Romania in Figures, 2013, p. 75
15 Source: The Cultural Research and Consultancy Center (CRCC), Cultural Consumption Barometer 2010, Part II, p. 42
16 Source: RNIS, Romania in Figures, 2009 - 2013, p. 29
Graphic 1. The population's perception of the relation between their income and their living standard

- 39% Fails to cover the basics
- 29% Just covers the basics
- 6% It's enough for a decent life, without affording to buy expensive items
- 2% We manage to buy some expensive items, provided we refrain from other expenses
- 3% We have everything we need without having to economize
- 2% Don't know/Won't answer

Graphic 2. The structure of household expenses in Romania between 2008 - 2012

First, once the shock wave is gone, people gradually get accustomed with the situation and manage their income more prudently. This becomes apparent in the approximate equality between the purchasing of food and non-food products and in the constant evolution of services payment. Second, the continuous increase of food prices, paralleled by the purchasing facilities offered by non-food products traders and service providers tend to stimulate spending in these two areas and to limit food expenses. Unfortunately, neither of these two aspects is a sign of genuine wealth.

2.2 The Impact of Economic Crisis on Cultural Consumption

The dynamics of cultural consumption in 2009 and 2010 accurately reflects Romania’s disastrous economic situation. People's inability to satisfy their basic needs and the pressure of everyday economic distress push cultural engagement to the bottom of the priority list, whether it means watching TV, reading books or going to the movies.

Since the economic level of a society is best reflected by the living standards of the average
consumer, this section analyzes indicators from the following two areas of cultural consumption:

- **public consumption**, from which we have excluded elitist culture, irrelevant for the purpose of this study since it is representative for a small part of the population, namely the highly educated and the wealthy. Therefore, we have selected two indicators of mass culture consumption: cinema consumption and the participation to entertainment or music shows;

- **domestic consumption**, which is analyzed from the perspective of TV consumption and the purchasing of cultural goods such as books, music and films.

**Public consumption** reflects the dramatic cultural disengagement of the population due to their ever lower purchasing power. Thus, **cinema consumption** was 17% lower in 2009 comparatively with 2008, actually reaching the lowest level in the past five years (2005 – 2009). The **participation to entertainment or music shows** displays a similar evolution, dropping with 17% in comparison with 2008, when it had reached the highest level of the previous five years.

This dramatic fall of public consumption can be explained by such factors as the more cautious use of the family budget, strictly channeled towards the covering of basic needs and the payment of services, the more limited spare time caused by a possible second job, and a state of pessimism that gradually deepens the individuals’ sense of alienation to the detriment of any social interaction, cultural engagement included.

On the other hand, the variations of **domestic consumption** between 2005 and 2009 point to similar non – consumption tendencies. For instance, **the consumption of TV shows** in 2009 drops with 7% in comparison with 2008 and with 19% in comparison with 2006 (the peak year of TV consumption), reaching the lowest level in the past five years. In this case, the non – consumption behavior has the same explanation as in the case of cinema and entertainment consumption.

The non – consumption tendency in the **purchasing of books, music and films** also increases in 2009 in comparison with the previous year.

As graphic 3 reveals, the percentage of the population who chose not to spend on books in 2009 is 6% higher than in 2008. With the purchasing of films and music, the rise is even more drastic, given the availability of free internet sources. However, we should also consider such reasons as the lack of spare time to indulge in cultural activities, or even the lack of the necessary mood under the pressure of daily financial concerns.\(^\text{17}\)

Although the Romanians’ cultural engagement displays a slight improvement in 2010, the effects of the dramatic drop in 2009 are still visible in terms of the population’s attitude towards spending on cultural goods. In this sense, there is a relevant correlation between the population’s income level and the dynamics of their spending behavior in 2010.

As we have shown in section 2.1 (graphic 1), a 2010 survey regarding the population’s perception of the relation between their income and their living standard reveals that 60% of the respondents consider their income to be insufficient or barely sufficient to cover their basic needs, 29% earn enough for a decent life, without affording expensive items, 6% afford to buy some expensive goods, provided they economize, and only 2% lead a carefree life. A correlation between graphic 1 and graphic 4 shows that the population’s behavior regarding the acquisition of cultural goods in 2010 seems to be consistent with this economic background, since 54% of the respondents chose not to spend anything on cultural goods, equal shares of 20% spent the same as or less than in 2009, and only 3% spent more on cultural goods than in 2009.\(^\text{18}\)

\(^{17}\) Source: CRCC, *Cultural Consumption Barometer 2009*, p. 20
\(^{18}\) Source: CRCC, *Cultural Consumption Barometer 2010*, Part II, p. 44
2.3 The Impact of Cultural Non-Consumption on the Romanian Society

As we have shown in the previous sections, the low purchasing power of the population is dramatically reflected in low cultural consumption. In its turn, cultural non-consumption has a long-term impact on the society at large, causing a decline of cultural industries (the economic effect) and altering the population's patterns of thought and behavior (the cultural effect).

The economic effect is immediately detectable in the evolution of the cultural sector, and especially of cultural industries that provide the society's cultural products of consumption (books, press, films, music, TV, radio, entertainment shows, etc). The contribution of the cultural sector to the society’s economic growth is acknowledged in a 2006 document of the European Commission, which sets forth the concept of economy of culture, in order to identify the interplay between the economic and the cultural factors as the driving force of social change. This concept validates the theory according to which rich societies, more culturally oriented, further stimulate their overall economies by the increasing demand of cultural consumption.

Conversely, as in Romania’s case, countries in which the deficient economy undermines cultural consumption are prone to further economic degradation by virtue of the same mechanism. In order to illustrate the effect of the low demand of cultural products on cultural industries, we shall analyze the dynamics of books, newspapers, films, and TV production between 2009 and 2010.
As graphic 5 shows, the lowest number of titles and copies of books and booklets that entered the stock of the National Library was reached in 2009, at the peak of the economic crisis, followed by a significant boost in 2010\(^\text{19}\). Unfortunately, this revival is irrelevant in terms of economic growth since, in Romania, the publication of most manuscripts is financed by the authors, who generally look for sponsorship either in the private sector or in the big state companies. Under these circumstances, the turnover from book printing makes an insignificant contribution to the state budget, for at least two reasons. First, given the population’s ever lower interest in reading and the surging prices of books, the bookshops barely manage to pay their taxes from book selling, being compelled to sell totally unspecific products such as clothing items, household appliances or electronics to get by. Second, the extremely low royalties turn book writing and publishing into an unprofitable activity, which does not improve the authors’ purchasing power. As a matter of fact, Romanian writers and researchers are well aware that one cannot make a living from publishing.

The population’s growing disinterest in reading is even more clearly illustrated by the evolution of book lending in the Romanian libraries between 2005 and 2010. Thus, book lending throughout this period drops with 8.2% in 2009 and with 12.4% in 2010 in comparison with 2005, when the economic situation was still stable.\(^\text{20}\) These figures are the more relevant as borrowing books from the library excludes the expenses variable almost entirely.

As an immediate consequence of book non-consumption, the number of libraries decreased from: 12,455 in 2005 to 12,229 in 2009 and to 11,829 in 2010.\(^\text{21}\)

At the opposite extreme is situated the consumption of newspapers and magazines, whose number exploded in 2010, increasing from 2,124 titles in 2005 to 3,091 titles in 2010. To have a clear picture of the situation, however, it is necessary to notice the parallel dramatic drop in the number of daily informative newspapers from 80 titles in 2005 to 45 in 2010. As it is easy to notice on any newspaper stand in the street, the huge difference is covered by an overwhelming number of tabloids, whose impact on the public patterns of thought and behavior will be further discussed in the next section.\(^\text{22}\)

The same explosion was recorded in the number of TV shows, from 34,380 in 2005 to 51,035 in 2009 and a slight fall to 49,264 in 2010. Paradoxically at first sight, the highest number of TV shows is reached in the most difficult economic period. However, the phenomenon is explainable by the diminished discernment of the population who, in moments of crisis, makes desperate attempts to find the right direction and to get detached from everyday problems, becoming more vulnerable to the media. The structure of the TV programs in this period confirms this theory, as the news programs represent the major part of the TV broadcasts, increasing from 50% in 2005 to 61.7% in 2009 and decreasing slightly to 60.7% in

\(\text{Source: RNIS, Statistical Yearbook 2011, p. 276}\)
\(\text{Source: RNIS, Statistical Yearbook 2011, p. 276}\)
\(\text{Source: RNIS, Statistical Yearbook 2011, p. 283}\)
2010. Entertainment shows also cover a growing percentage of the TV programs, from 25.8% in 2005 to 27% in 2009 and 27.4% in 2010. On the other hand, educational, cultural and religious programs have always held a limited share of the TV programs, with a drastic drop from 12% in 2005 to 8.7% in 2009 and 8.8% in 2010.

Finally, the reduced cinema consumption in this period led to the decrease of the number of cinemas in the country, from 85 in 2005 to 74 in 2009 and 68 in 2010.

The cultural effect

If the economic effects of cultural absenteeism are immediately visible, its impact on the population’s patterns of thought and behavior is less measurable, but decisive for the long – term evolution of the society. In this context, the economy of culture validates the dimension of culture as a means of development, whereas the process through which culture turns upon itself asserts its intrinsic value and, implicitly, its other dimension as an end of development.

The evolution of the Romanian society during the past years is illustrative for the long – term impact of economic decline, which reaches as deep as the mentality of the population, reflected in the Romanians’ perception of reality, of the others and of themselves.

The perception of reality

It is well known that culture is not only the source of society’s distinctive character, but it also ensures its continuity and coherence by equipping its individuals with the tools necessary to make sense of national heritage, the sense of belonging, and national pride.

Under the circumstances, the evolution of the Romanians’ mentality over the past five years reveals precisely the dramatic deterioration of these cohesive elements. In relation with the national heritage, whether natural or historical, Romanians manifest a destructive oblivion in terms of preservation, restoration and promotion. The Romanians' precarious relation with the natural environment is reflected on every level, from the average citizen who throws garbage right on the pavement, washes her car in the mountain spring or builds a fire at random while camping, to the successive governments, open to abusive exploitation of woods and mineral resources to the detriment of national economy. One of the revealing aspects of our disinterest in national heritage is that, on more than one occasions, foreign volunteers have initiated and carried out by themselves environmental projects that involve the gathering of tons of non – degradable waste left by the Romanian tourists in their own mountains. Another aspect pertaining to our national oblivion is that most Romanians found out about the treasure of traditional Saxon architecture in Valea Zalanului, an area abandoned by the German minorities after 1989, once Prince Charles bought a number of properties there and started restoring them. On the other hand, the Prince’s restoration initiative, followed by a documentary series on the Romanian rural area, were the only truly efficient steps taken towards the rehabilitation of Romania’s image in the world in the past twenty years. As to the national initiatives to promote our natural beauties, there have been just feeble, inconsistent and politically determined attempts, turned useless by the disastrous infrastructure, which secures us an unwanted first place in Europe as the country with the worst roads and the fewest highways.

Apart from the bad roads and the beauty of the natural scenery, foreign tourists to Romania keep in mind the decay of historical monuments. Notorious in this sense are the Constantin Brancusi memorial house in Hobita, which is in utter ruin, and the Sarmizegetusa archeological site, where remains of the Dacian civilization lie completely unprotected, at the disposal of vandals and virtually anyone who wants to have a picnic or even a motorbike ride among the ruins. Useless to say that, whereas other countries exploit their historical monuments in a civilized and lucrative manner, most Romanian attractions of this kind can be visited for free or at ridiculous entrance fees.

The lack of knowledge and the disrespect for the national values constantly undermine the sense of belonging. Here, massive unemployment, poorly paid jobs, the shallow social protection policies and the decreasing confidence in the State institutions have gradually alienated people from their native country. The deteriorating economic situation and the constant indifference of the government to the welfare of the average people pushed them across the borders of the country in search for a better life. The amplitude of this phenomenon is visible in the population decrease over the past five years, from 21,537,563 inhabitants

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in 2007 to 19,043,767 in 2012. On October 20, 2011, Eurostat estimates 2.5 million Romanian immigrants in the EU countries, of whom 727,000 are long – term residents. These people, forced to leave their families or even their young children behind in order to provide for them, develop an attachment to the country that attends to their needs and a feeling of aversion to their native country, which they perceive as the source of their misfortunes. Under the circumstances, for the Romanian immigrants, the sense of belonging to their native place is more and more reduced to nostalgic memories of better times.

As a direct consequence of the deteriorating sense of belonging, national pride becomes more and more of an empty concept, generally regarded with suspicion and abusively resorted to for political interests. For the average Romanians, faced with the tragic choice between being humiliated in their own country and being humiliated abroad as tolerated, and even despised immigrants, the concept of national pride ceases to make any sense. Moreover, they often find themselves in the embarrassing position to conceal their nationality which would disadvantage them either because of the bad reputation of certain co – nationals or because of Romania’s negative image abroad.

The perception of the others

The three components of the Romanians’ relation with reality determine their relation with the others. More precisely, these elements, combined with the pressure of the stereotypical perception from abroad, have come to create in the Romanians’ mentality a matching stereotype, which we have identified as the myth of the better others. According to this stereotype, aggressively supported by the media, everything that comes from abroad, especially from the Western countries, is better than what we have. This mentality is partly the result of the population’s vulnerability to an overwhelming invasion of information they are unable to discern, and partly to the misunderstood idea of European inclusion. In this sense, not being culturally prepared to deal with diversity, the Romanians feel fascinated and threatened by the better others at the same time, so that they automatically get defensive in front of any Western attempt at transnational collaboration, preferring to stick to an illusory inclusion by imitation. This tendency covers almost every aspect of everyday life, from eating behavior to the gradual disappearance of century old traditions or customs. Thus, the fascination of the West distorted people’s perception of the national values and determined them to identify inclusion with denationalization and imitation. A relevant example in this sense is the ever more aggressive intrusion of such foreign traditions as Valentine’s Day or Oktober Fest, to the detriment of similar national customs.

The perception of themselves

The tendency towards national self – denigration echoes on the level of individual self – perception, with negative effects on the society in the long run, since “the sustainability of cultural resources means an increase over time of a better quality of life […] as better knowledge of ourselves” (Pilotti & Rinaldin, p.1).

In the case of the average Romanians, the constant preoccupation with satisfying their basic needs impairs on their self – confidence, their system of values and their interest in social engagement as a result of strong, well – informed personal convictions. Actually, these are some of the reasons why the Romanians have always been so easily maneuverable for political purposes, no matter from what ideology they stem. Ultimately, the sense of alienation we have discussed earlier is reflected on an individual level, under the form of confusion, defeatism and absenteeism, supported by the philosophy of futility.

3 Conclusions

This paper starts from a quantitative approach in order to provide a qualitative perspective on the dynamic interaction between the economic and the cultural, whose interplay follows a vicious spiral. Analyzing the quantitative and qualitative effects of the 2009 – 2010 economic crisis on Romanian culture and the latter’s boomerang effect on the society at large, we have tried to emphasize two ideas. Firstly, culture is both a means and an end of social progress. Secondly, and as a consequence of the first idea, a society that decides to economize at the expense of culture is a society that does not invest in its citizens, undermining its own development in the long run, because it fails to shape socially and culturally literate individuals who:

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- possess a sense of personal, social and cultural identity;
- understand continuity and change in a global context;
- show critical discernment towards the media;
- communicate effectively;
- make informed decision and take social action;
- understand diversity and empathize with people in other cultures. (*The Economy of Culture in Europe*, p. 218)

References:


