Profile of Absolute Poverty in Romania by some Key Characteristics and Determinants

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Abstract: - This paper presents a profile of absolute poverty in Romania, taking into account its most important characteristics and main determinants. The area of residence, age, employment, education and household size were used to conduct the analysis of absolute poverty in Romania. For each type of the main determinants, an analysis for the absolute poverty rate, for the distribution of the poor people, and for the distribution in the total population was made. The analysis and the correlation between the 3 indicators mentioned above were made in dynamics, during 2003-2006. All the analysis of these indicators regarding the poverty rates, which combine important statistical data both in the total population of poor people and in the total population bring a significant contribution to the correct understanding of the positive aspects related to poverty reduction, representing at the same time guidelines and warning signs regarding the necessity of further documented, coordinated and applied measures in the field of poverty reduction.

Key-Words: - absolute poverty, poverty indicators, dynamics, determinants, distribution

1 Introduction

Poverty has always been an important concern for all types of societies and a central focus for every government, who tried to make this issue a key objective of the government policy.

In this respect, anti-poverty strategies were initiated and they took shape in economic and social policies that enclosed both specific and global objectives.

Along the years, a specific view on the priorities of the action's directions was expressed through the strategic objective of overcoming poverty. These directions of action were meant to reduce poverty and its extreme forms, marginalization and social exclusion as much as possible.

Although the problems regarding poverty and its extreme forms are not new, it is a well known fact that poverty enhanced considerably and was not absorbed by the economic and social development, as it was desired by every country, in its process of becoming a modern, competitive society with a high degree of social cohesion - this actually represents the common objective of the entire European construction.

Poverty is one of the most serious social problems that mankind has been facing for a long period of time.

This phenomenon affects both developing and developed countries.

Specialized studies in Europe and around the world continue to be an issue between experts in the field despite considerable efforts and the significant progress registered in the last years, both in theory and in practice, on subjects like identifying, quantifying and analyzing poverty.

The concept of poverty is difficult to define and understand, especially since the phenomenon is visible even in the most developed countries.

The oscillating dynamics in the economy and society, the progress registered during Romania's transition towards a market economy and a democratic society, the difficulties that have arisen and the shortcomings and inconsistencies that

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marked this progress, had a strong impact on the poverty status of the population.

In this current context, the analysis of the particularities of poverty brings a significant contribution to the correct understanding of the positive aspects related to poverty reduction. Guidelines and warning signs are also indicated regarding the necessity of further documented, coordinated and applied measures to reduce the poverty.

2 Problem Formulation

Absolute poverty is the status of an individual or family who receives the minimum income necessary for living, taking into account only the nourishment needs, estimated at the lowest prices found on the market. In Romania, poverty indicators are currently calculated based on The Family Budget Survey conducted by the National Statistics Institute (INS).

This paper addresses absolute poverty, calculated according to the official methodology (developed by the Government/ National Institute of Statistics/ World Bank). The relative poverty is also determined, as it is a common indicator for the EU countries regarding poverty and social inclusion together with absolute poverty.

Total poverty threshold is calculated by adding the cost of a minimum food basket to a minimum non-food consumer goods and services, equal to the costs incurred by individuals whose food consumption equals the cost of the food basket.

The cost of the food basket was estimated according to the consumption expenditures of the 2nd and 3rd deciles of the population distribution so that its content ensures the 2,550 calories required daily per person. Total poverty rate represents the percentage of people in the households where consumption expenditure per equivalent adult is below the poverty threshold (higher threshold) in the total population.

After a period of continuous involution of the standard of living, until 2000, national statistics show a significant change in trend for the poverty rate (Fig.1).

Fig.1. Poverty rate (%) during 1994-2009
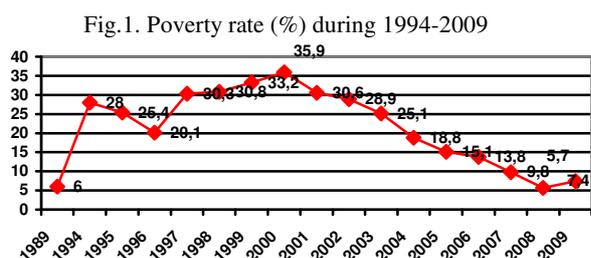
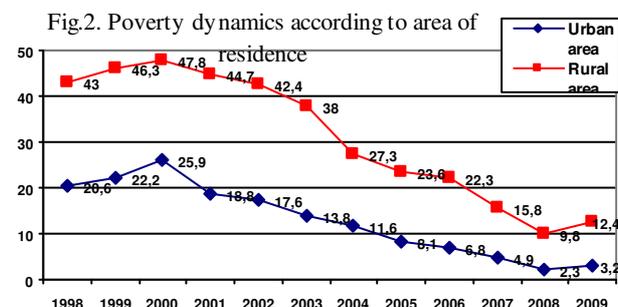Source: National Institute of Statistics

The poverty rate increased from 1995 to 2000, but afterwards it began to decrease continuously till now.

Thus, there was a considerable improvement in absolute poverty, of approximately five times in the last nine years, when the percentage of people living on less than three dollars per day dropped from 35 to 7.4%.

2.1 Poverty dynamics according to area of residence

Taking into consideration the areas of residence, the two poverty rates, absolute and relative, follow the overall trend: the values decrease continuously and significantly starting with 2000 (Fig.2).

Simultaneously, rural households register a higher risk of poverty (about two times higher), compared to that from the urban areas.

Fig.2. Poverty dynamics according to area of residence

Source: National Institute of Statistics

Distribution of poverty by the area of residence shows a higher condensation of poverty in rural areas, as the poor distribution balance tilts; thus, in the reporting year 2006, the poverty rate in urban areas was 6.8%, while in rural areas was 22.3%.
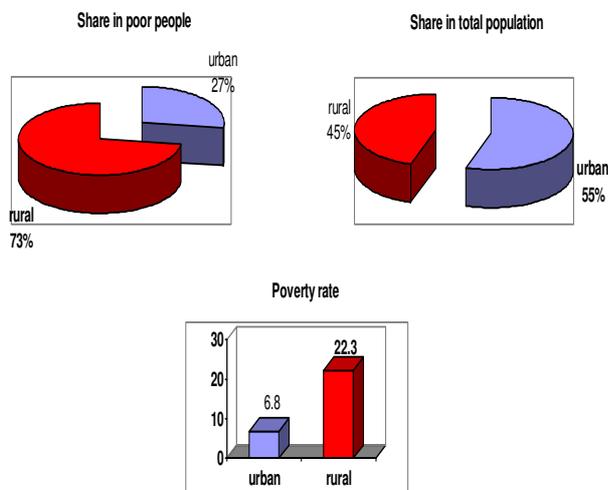
The distribution of the poor population, in the same reporting year, indicates a small percentage in urban areas (27%), while in rural areas, the percentage of the poor is more than double (73%), noting that, in Romania, 45% of the population lives in rural areas and 55% in urban ones.

Table 1. Distribution of poor people and of total population, by residence during 2003-2006 (%)

Area of rezidence	Distribution of poor people				Distribution of total population			
	2003	2004	2005	2006	2003	2004	2005	2006
- urban	29,2	33,3	29,4	27,3	53,2	54,1	54,8	55,0
- rural	70,8	66,7	70,6	72,7	46,8	45,9	45,2	45,0

Source: World Bank

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Fig. 3. The distribution of the poor people, the distribution of the total population, and the poverty rate by residence area, in 2006

Source: World Bank

The distribution of the poor population and of the total population must also be taken into consideration in the analysis of the rate of poverty, in order to achieve a more accurate picture of absolute poverty.

2.2 Poverty dynamics according to the macro regions

Regarding the macro regions, poverty and the distribution of the poor have the following dynamics: over time, the highest poverty rates were registered in the North-East region, which always showed higher values compared to the total rates of poverty.

Table 2. Poverty rate by geographic regions, during 2003-2006(%)

Poverty rate by region	2003	2004	2005	2006
North-East	35,4	25,9	19,6	20,1
South-East	29,2	23,9	20,9	16,4
South-Muntenia	29,9	19,8	17,9	14,1
South-West Oltenia	32,1	22,7	19,5	19,0
West	18,1	11,5	8,1	6,9
North-West	17,7	14,8	11,7	10,4
Centre	20,3	17,0	12,6	13,4
Bucharest	8,1	6,1	4,1	4,5
TOTAL	25,1	18,8	15,1	13,8

Source: World Bank

The highest poverty rate was always in North-East region, and the South West, South East, and

South regions were next in line, in this order, with comparable incidences of poverty, but not as high as the first one.

Table 3. Distribution of poor people and of total population, by region during 2003-2006 (%)

Region	Distribution of poor people				Distribution of total population			
	2003	2004	2005	2006	2003	2004	2005	2006
North-East	24,4	23,8	22,5	25,3	17,3	17,3	17,3	17,3
South-East	15,3	16,8	18,3	15,7	13,2	13,2	13,2	13,2
South-Muntenia	18,4	17,5	18,3	15,7	16,6	15,4	15,4	15,4
South-West Oltenia	13,8	13,0	13,8	14,7	10,7	10,7	10,7	10,7
West	6,4	5,5	4,8	4,5	8,9	8,9	8,9	8,9
North-West	8,9	9,9	9,7	9,5	12,6	12,6	12,6	12,6
Centre	9,5	10,6	9,8	11,4	11,7	11,7	11,7	11,7
Bucharest	3,3	2,9	2,8	3,3	8,9	10,2	10,2	10,2
TOTAL	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0

Source: World Bank

It is a true fact that, as an overall trend, these rates were placed on a continuous downward path from one year to another. However, the supremacy, in terms of poverty incidence has always been held by the North-East region compared to other regions.

Considering the distribution of poverty according to the development degree of the regions, the largest share in the poverty rate is registered in the North - East region, during 2003-2006.

Fig.4. The distribution of the poor people, the distribution of the total population, and the poverty rate, by residence area, in 2006
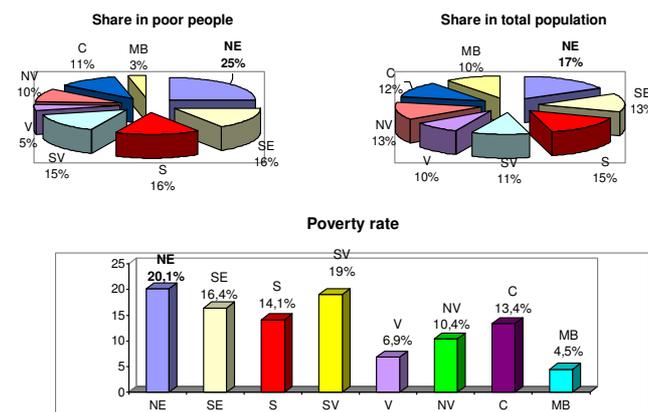

Source: World Bank

Moreover, this region holds the largest share in the total poor population and in the total population. This should be a warning sign that should have further effects in the regional development and poverty reduction policies.

2.3 Poverty dynamics according to age

Along the years, young people present the greatest risk of poverty (from 38.5% in 1998 to 18.2% in 2006), closely followed by children under 14 years (from 35% in 1998 to 18% in 2006).

This is due to the high dependency rate of this age group, but also to the fact that poor families usually have numerous children. A series of variables, such as the age of the head of the family, the household size and the number of dependent children, indicates mostly the same category of households that is the poor ones.

The working age group has the lowest risk of poverty. (Fig.5, Table 4).

Fig.5. Poverty dynamics according to age
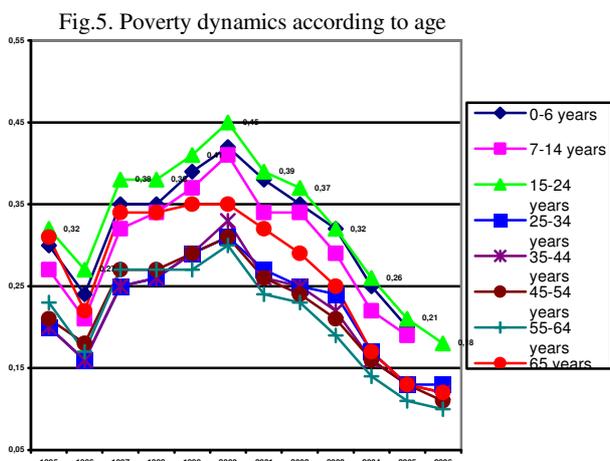
Source: National Institute of Statistics

The categories that are exposed to poverty to a higher degree than the other age groups are young people and children, but, as for the rest of the population, the risk is decreasing.

Table 4. The share of population under the poverty threshold, by age group, during 1998-2006 (%)

Age Group	1998	1999	2000	2001	2002	2003	2004	2005	2006
- under 7 years	34,8	39,1	42,3	37,9	35,0	32,1	25,3	20,4	...
- 7 ÷ 14 years	33,6	37,1	40,6	34,2	33,6	28,5	22,3	18,6	...
- 15 ÷ 24 years	38,5	41,4	44,6	38,9	37,0	31,9	25,5	20,8	18,2
- 25 ÷ 34 years	26,0	28,7	31,0	26,7	25,3	23,5	17,3	13,3	12,6
- 35 ÷ 44 years	25,9	29,1	32,6	26,0	25,4	21,6	16,2	13,4	12,4
- 45 ÷ 54 years	26,6	28,5	31,3	26,3	24,2	21,3	15,7	12,7	11,4
- 55 ÷ 64 years	27,0	27,2	29,8	24,5	23,1	19,2	13,8	10,7	10,0
- 65 years and more	34,0	34,8	35,2	32,0	29,4	24,9	16,7	13,2	12,3
TOTAL	30,8	33,2	35,9	30,6	28,9	25,1	18,8	15,6 15,1 BM	13,8

Source: World Bank

People who are 65 years old or older have an intermediate position with a poverty rate declining from 34% in 1998 to 12.3% in 2006 and they represent 13% of the total poor population and 15% of the total population.

Table 5. Distribution of poor population and of total population, by age groups (%)

Age Group	Distribution of poor people				Distribution of total population			
	2003	2004	2005	2006	2003	2004	2005	2006
- under 6 years	7,4	7,9	7,8	7,4	5,7	5,8	5,8	5,6
- 6 ÷ 14 years	12,5	12,5	12,3	12,7	11,0	10,5	10,0	9,9
- 15 ÷ 24 years	19,9	21,1	21,4	20,2	15,6	15,5	15,5	15,1
- 25 ÷ 34 years	15,3	14,8	14,1	14,7	16,2	16,1	16,0	16,0
- 35 ÷ 44 years	11,2	11,5	12,2	12,7	13,0	13,4	13,8	14,1
- 45 ÷ 54 years	12,1	11,9	11,9	11,5	14,2	14,2	14,0	14,0
- 55 ÷ 64 years	7,6	7,3	7,2	7,6	9,9	9,9	10,2	10,5
- 65 years and more	14,2	12,9	12,8	13,2	14,3	14,5	14,7	14,8
TOTAL	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0

Source: World Bank

However, young people aged 15-24 years, who have always experienced the highest rates of poverty, hold the most significant shares, both as a proportion of the poor population (20.2%) and also of the total population (15.1%). These percents constitute a warning sign that should be taken into consideration when directions of action are proposed.

Fig. 6. The distribution of the poor people, the distribution of the total population, and the poverty rate by age group, in 2006
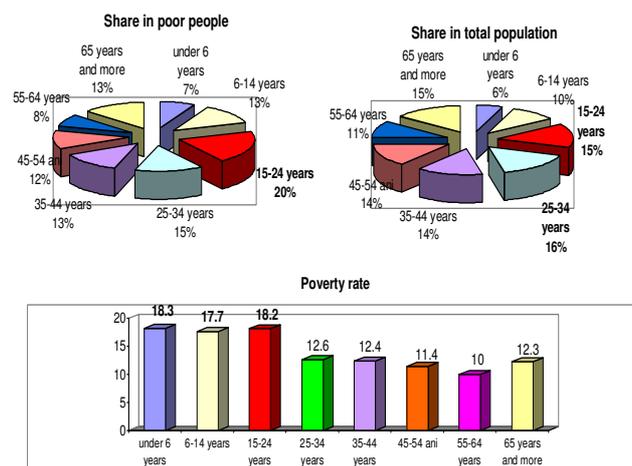
Source: processing the data of World Bank

2.4 Poverty dynamics according to employment status

Regarding the employment status, the distribution of poverty shows that, regardless of the period taken into consideration, the categories that are most

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affected by poverty are those of the self-employed in agricultural and non-agricultural activities or unemployed, followed, by far, by pensioners during 1998-2002. During 2003-2006, persons who carry out only domestic tasks in the household and students are the next groups in this distribution regarding poverty.

Table 6. Poverty rate dynamics according to employment status, during 1998-2006 (%)

Employment status	1998	1999	2000	2001	2002	2003	2004	2005	2006
Employee	15,5	16,0	18,5	12,6	11,2	9,0	6,3	4,3	3,5
Employer	2,2	2,5	3,1	3,7	2,5	1,6	1,0	1,0	0,6
Self-employed in non-agricultural activities	41,4	47,4	50,1	41,0	41,0	35,6	27,7	25,3	23,4
Self-employed in agricultural activities	52,4	56,6	57,3	58,7	55,3	50,9	36,9	30,4	32,4
Unemployed	46,0	47,1	51,3	43,3	44,9	39,3	33,8	28,5	27,3
Pensioner	28,9	29,7	31,1	25,9	24,2	20,7	14,2	10,9	9,8
Pupil, student						24,6	19,4	15,2	14,3
Persons who carry out only domestic tasks						34,8			
							30,5	26,5	23,2
Other						35,8	28,8	24,0	21,4
TOTAL						25,1	18,8	15,1	13,8

Source: National Institute of Statistics; World Bank (data for year 2006 and the last three groups of population)

On a scale for the risk of poverty according to employment status, the middle position is occupied by the elderly persons, who face an average exposure to this risk.

For pensioners, the exposure to poverty risk decreases significantly from one year to another, as a result of pension re-correlations, so that in 2006 the rate was almost half compared to the one registered in 2003.

Fig. 7. Poverty rate dynamics according to employment status, during 1998-2006 (%)
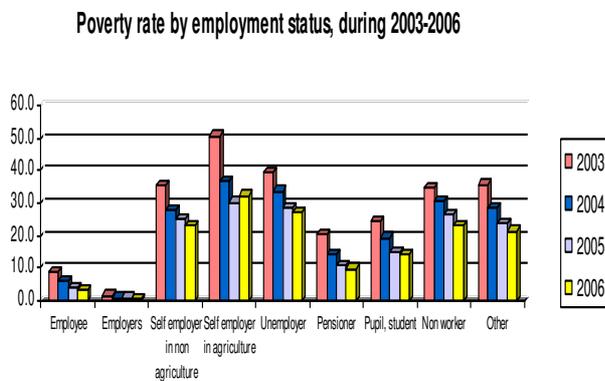
Poverty rate by employment status, during 2003-2006

Source: National Institute of Statistics; World Bank (data for year 2006 and the last three groups of population)

As expected, employees and employers face the lowest risk of poverty.

During the period taken into consideration the trend is of decreasing poverty rates, regardless of employment status, following the overall general trend of decreasing poverty rates. It is also important to find out what is the value of the percentage of these categories out of the total poor population and of the total population.

Table 7. Distribution of poor population and of total population, by employment status (%)

Employment status	Distribution of poor people				Distribution of total population			
	2003	2004	2005	2006	2003	2004	2005	2006
Employee	9,0	8,7	7,6	7,0	25,0	26,0	26,7	28,0
Employer	0	0	0	0	0,3	0,5	0,3	0,3
Self-employed in non-agricultural activities	3,2	4,2	5,4	5,6	2,3	2,8	3,2	3,3
Self-employed in agricultural activities	22,1	18,3	19,6	22,3	10,9	9,3	9,7	9,5
Unemployed	8,3	9,7	9,1	8,6	5,3	5,4	4,8	4,3
Pensioner	20,3	18,1	17,2	16,8	24,6	23,9	23,8	23,7
Pupil, student	17,2	17,9	17,2	17,7	17,6	17,4	17,1	17,1
Persons who carry out only domestic tasks	7,8	9,9	10,3	9,5	5,6	6,1	5,9	5,7
Other	12,1	13,2	13,6	12,5	8,5	8,6	8,5	8,1
TOTAL	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0

Source: World Bank

It is not surprising that poverty rates vary significantly according to the employment status.

Fig.8. The distribution of the poor people, the distribution of the total population, and the poverty rate by employment status, in 2006
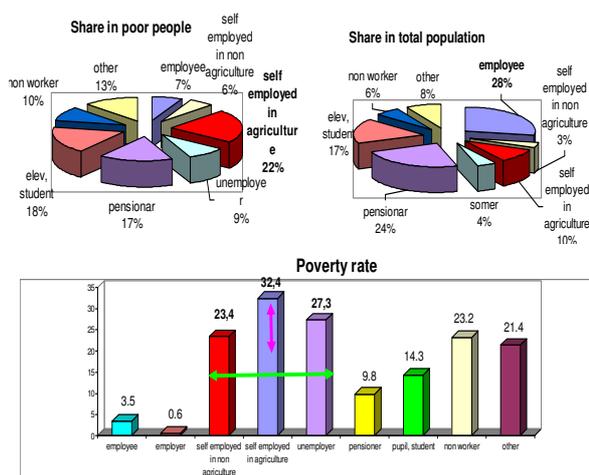
Source: World Bank

The ones that constantly lose the fight against poverty are the persons who are self-employed in agricultural and non-agricultural activities, the unemployed and those who carry out only domestic activities in the household. They are followed, at a

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considerable distance, by pupils, students and pensioners. Obviously, the employers and employees, which register a very small risk of poverty, are the undoubted and constant winners of this battle.

2.5 Poverty dynamics according to education

In addition to one of the most important determinants of poverty, namely the occupation of individuals, another strong predictor of poverty is the level of education (one of the strongest factors associated with the poverty rate).

The risk of poverty decreases substantially, being proportional with the level of education reaching nearly one percent for adults with higher education.

Graduates of vocational and apprenticeship schools have registered a much higher rate of incidence of poverty than the theoretical high school graduates (23.4% versus 13.3%).

These findings seem to confirm the idea that vocational and apprenticeship schools may not prepare their graduates with the necessary, flexible skills that are required and are more appropriate in a market economy.

Table 8. Poverty rate dynamics according to educational level, during 1998-2006 (%)

| Education Level	Poverty rate			
	2003	2004	2005	2006
No education	35,7	28,7	24,6	22,3
Primary education	36,0	27,8	23,9	22,7
Secondary school	33,6	25,0	20,8	20,1
Vocational, apprenticeship education	23,4	16,9	12,2	11,1
High school	13,3	9,9	7,3	6,1
Post high school and foreman educ.	5,2	3,3	2,2	1,2
Tertiary education	2,0	1,4	1,3	0,7
Total	25,1	18,8	15,1	13,8

Source: World Bank

The ones that are the most vulnerable to poverty are those who are insufficiently qualified or have no formal education (primary, secondary, vocational or apprenticeship school); for those, the levels of absolute poverty are extremely high, well above the overall average, followed at long-distance by those with secondary education.

Over 75% of the poor adults aged 15 years or more have completed eight grades or less (formal education or primary or secondary education) and their share in total population was about 50% in 2006.At the same time, they face the highest risk of poverty (20-23% in 2006), taking into consideration all levels of education, of all the members of the society.

Fig. 9. Poverty rate dynamics according to educational level, during 1998-2006 (%)

Poverty rate by eductational level, during 2003-2006
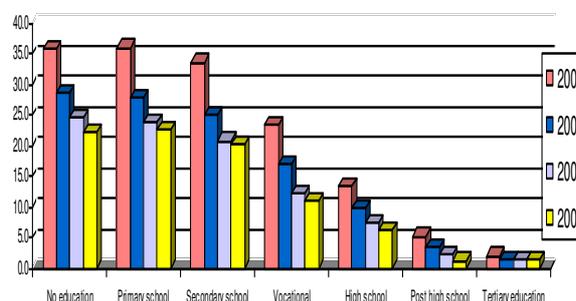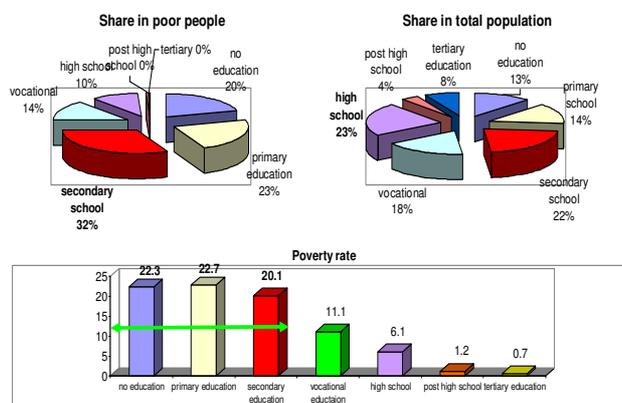
Source: World Bank

Table 9. Distribution of poor population and of total population, by education, during 2003-2006 (%)

Education Level	Distribution of poor people				Distribution of total population			
	2003	2004	2005	2006	2003	2004	2005	2006
No education	18,2	20,2	21,3	20,2	12,8	13,2	13,1	12,5
Primary education	23,0	22,5	22,6	23,1	16,0	15,2	14,3	14,1
Secondary school	30,1	29,3	29,9	31,8	22,4	22,0	21,7	21,9
Vocational, apprenticeship education	15,8	15,2	13,9	14,0	16,9	16,9	17,2	17,5
High school	11,8	11,6	11,1	10,1	22,3	22,1	22,9	22,8
Post high school and foreman educ.	0,8	0,7	0,5	0,3	3,6	3,9	3,7	3,8
Tertiary education	0,5	0,5	0,6	0,4	6,0	6,7	7,2	7,5
Total	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0

Source: World Bank

As expected, the lowest risk of absolute poverty is faced by those with secondary education or higher education (0.7 to 1.2% poverty rate), but their share is very small, both out of the total poor population (0.7%), and out of the entire population (11.3%).

Fig. 10. The distribution of the poor people, the distribution of the total population, and the poverty rate by educational level, in 2006

Source: World Bank

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The highest poverty rates are found in the households ran by persons with no education or a low level of education who only had primary or gymnasium instruction (with rates measuring between 22-47 % in 2006); at the same time the statistical weight of these households in the total poor persons, as well as in total population is relatively high.

Taking into consideration the total distribution of poor population, the households ran by people who only went through gymnasium studies are the most numerous. Looking at the entire population, the statistical weight is dominated by households ran by people with a medium level of education, such as professional schools (industrial schools).

As expected, the absolute poverty risk is the lowest in the case of households ran by people with superior studies (1-2 % rates of poverty). However, the statistical weight of this type of households in the total percent of poor people is extremely low (about 2%), as well as at the level of the entire population (about 16%).

2.6 Poverty dynamics according to the number of children aged between 0-6 years in the household

The most vulnerable households to poverty risk are those with 2 or more children, for which the rates of absolute poverty are extremely high, three or four times higher than the general average, followed at a great distance by those households with only one child.

It is a well-known fact that the households with several children in their component and those with only one parent and several children have been the target of poverty for a very long time.

The poverty rates have always been extremely high, meaning 65% in 2003 and almost 45% in 2006 for households with 3 or more children.

Table 10. Poverty rate dynamics according to the number of children in the household during 1998-2006 (%)

Number of children aged between 0-6 years in the household	Poverty rate			
	2003	2004	2005	2006
Household without children	22,5	16,5	13,1	12,1
Household with 1 child	28,3	20,3	16,3	15,2
Household with 2 children	40,1	36,7	30,0	27,5
Household with 3 and more children	65,1	56,6	56,4	44,2
Total	25,1	18,8	15,1	13,8

Source: World Bank

In a household, children greatly contribute to the rapid growth of consumption, without bringing along additional, adequate sources of income.

Fig. 11. Poverty rate dynamics according to the number of children in the household, during 1998-2006 (%)

Poverty rate by the number of children in the household, during 2003-2006
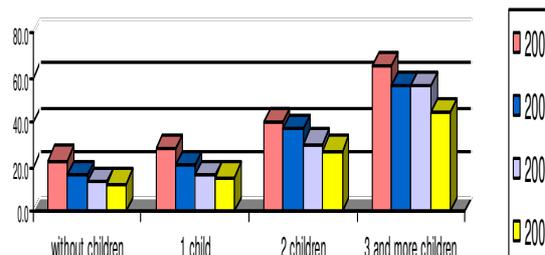
Source: World Bank

This is the reason why the higher the number of children that are provided for in a household, the higher is the risk of absolute poverty.

Table 11. Distribution of the poor population and of the total population, by number of children in the household, during 2003-2006 (%)

Number of children aged between 0-6 years in the household	Distribution of poor people				Distribution of total population			
	2003	2004	2005	2006	2003	2004	2005	2006
Household without children	68,8	66,7	65,7	66,9	76,6	75,8	75,7	76,1
Household with 1 child	19,1	18,8	19,2	20,0	17,0	17,4	17,7	18,1
Household with 2 children	7,5	10,8	10,6	9,0	4,7	5,5	5,3	4,5
Household with 3 and more children	4,6	3,7	4,5	4,2	1,8	1,2	1,2	1,3
Total	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0

Source: World Bank

It is important to see what the distribution of these households is in the total poor population and in the total population because if the weights and rates of poverty obtained are statistically significant, then the situation of these families/households is even more difficult and harder to sustain through specific directions of action. The highest risks of poverty are found in households that have an increasing number of children: in households with 2 children the rate of poverty reached 18% in 2006,

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while in households with 3 or more children the risk of poverty almost doubles (44%).

Fig. 12. The distribution of the poor people, the distribution of the total population, and the poverty rate by number of children in the household, in 2006
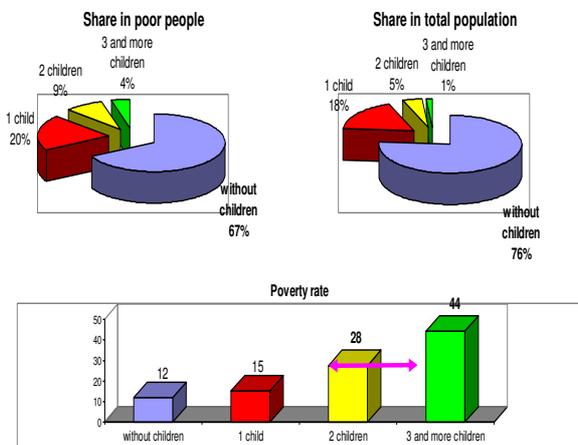

Source: World Bank

The households with 2 or more children represented approximately 13% of the poor people and approximately 6% of the entire population in 2006.

Although these distributions are not especially significant, as they do not represent a majority, we can say that the significantly high rates of poverty endanger the economic security of these households.

Fig. 13. Structure of the households with children, 2002
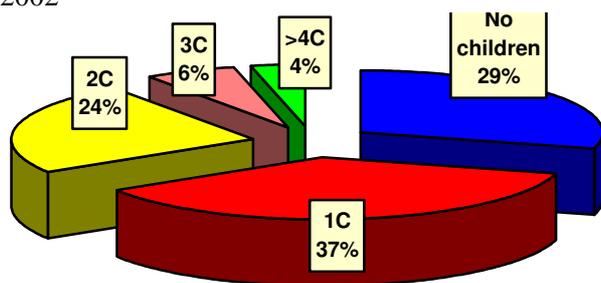
Source: The national Population and Housing Census, 2002

According to data from Population and Housing Census, 2002, the major share in total population belongs to the households with 1 dependent child (37%). Households without children follow at a long distance (29%) and the next are those with 2 children (24%) according to the national census, 2002.

These are the reasons why the households with 2 or more children need a coherent, well focalized, efficient and adequate support, just as other population categories do.

## 2.7 Poverty dynamics according to the size of the household

Similar to the situation of the rates of poverty of the households with several children in their component, the most vulnerable households are those with several members in their component, for which the absolute poverty rates are especially high, three or four times higher than the poverty rate registered in the households with only one member.

Table 12. Poverty rate dynamics according to the size of the household during 1998-2006 (%)

Size of the household	Poverty rate			
	2003	2004	2005	2006
Household with 1 member	17,8	11,4	9,2	8,5
Household with 2 members	17,5	11,1	8,9	8,2
Household with 3 members	16,0	11,5	9,3	8,2
Household with 4 members	21,1	15,8	12,4	12,6
Household with 5 members	34,9	26,1	21,7	20,2
Household with 6 members	47,4	36,1	28,0	23,1
Household with 7 and more members	62,9	51,6	46,7	41,4
Total	25,1	18,8	15,1	13,8

Source: World Bank

Fig. 14. Poverty rate dynamics according to the size of the household, during 1998-2006 (%)
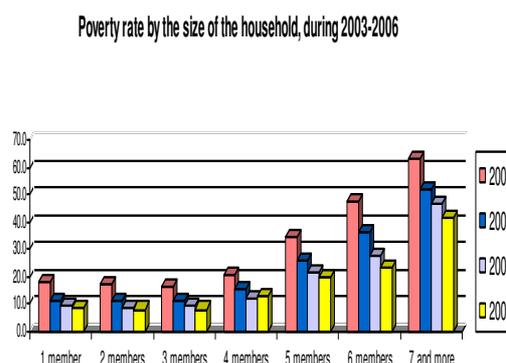
Source: World Bank

Taking into consideration the high rates of poverty, especially for the households with numerous members, it is highly important to know the proportion of these households in the poor population as well as in the entire population.

If these weights are statistically important, these aspects should be taken into consideration by the

decisions-making politicians in order to have the actions proposed focused on the households with numerous members, where poverty reaches high points constantly.

Table 13. Distribution of poor population and of total population, by size of the household, during 2003-2006 (%)

Size of the household	Distribution of poor people				Distribution of total population			
	2003	2004	2005	2006	2003	2004	2005	2006
Household with 1 member	5,8	3,7	3,7	3,7	8,1	6,1	6,0	5,9
Household with 2 members	13,1	10,5	10,5	11,0	18,8	17,8	17,9	18,5
Household with 3 members	14,2	13,9	14,8	14,1	22,3	22,8	23,9	23,7
Household with 4 members	21,5	22,1	21,7	23,9	25,5	26,3	26,3	26,1
Household with 5 members	17,2	18,8	19,5	19,8	12,4	13,5	13,6	13,5
Household with 6 members	12,8	14,2	12,5	11,6	6,8	7,4	6,8	6,9
Household with 7 and more members	15,4	16,8	17,4	16,0	6,1	6,1	5,6	5,3
Total	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0

Source: World Bank

During 2003-2006, their distribution in the population had important percents: the share of households with 2-5 members is 13-24% in the poor population, while the share in the total population for these types of households is between 18-26%.

During the same period, 2003-2006, the absolute poverty rates are between 8-35% for these types of households (with 2 to 5 members).

Therefore, the poverty rates will grow for this type of households and so these people will no longer be able (or they will be able, but with great efforts) to surpass the threshold of poverty.

In the following figure, we can see the structure of the households with many members.

According to data from Population and Housing Census, 2002, the major share in total population belongs to the households with 2 persons (26.68%). The following groups consist of households with 3 members representing 22.76% and of households with 1 person and households with 4 members representing 18-19% of the total.

Fig. 15. Structure of the households with many members in composition, 2002
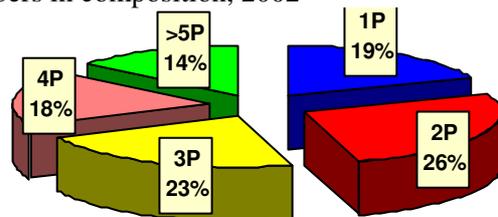
Source: The National Population and Housing Census, 2002

The institutional actors and the decision making politicians should take into consideration the fact that many of the households with several children in their care have very high absolute poverty rates and that they are an important segment of the population, so the poverty reduction for them should be a priority.

Fig. 16. The distribution of the poor people, the distribution of the total population, and the poverty rate by size of the household, in 2006
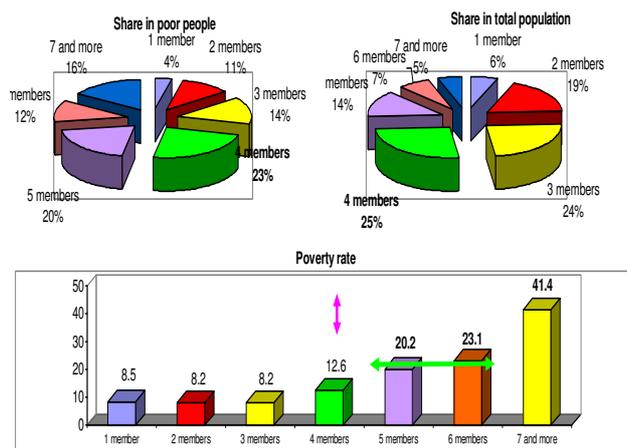
Source: World Bank

Considering the demographic composition of the household, the highest risks of poverty appear in the households of 5 or more members (20-41 % rates of poverty), while their statistical weights in the total number of poor people is of 48%, and in the total population is of approximately 26%.

The households of 4 members represent the majority of both the poor population and the total population, being a quarter of the population with a monthly poverty rate of 12, 6% in 2006.

These households, with a multiple demographic composition, must be taken into consideration through specific directions of action, especially as they have children in their care.

3 Problem Solution

As shown by this analysis, in Romania, many categories of population faced the risk of poverty during this period, and for a lot of them, the poverty incidence registered high values.

As a result of these increases of poverty rates, many strategies have been adopted in order to reduce poverty, marginalization and social exclusion: Millennium Development Goals (2000), the National Plan against Poverty and for Promoting

Social Inclusion (2004), Joint Inclusion Memorandum (2005), the National Strategic Report on Social Protection and Social Inclusion for 2006-2008 (2006) and so on.

All these initiatives were based at that time on the international strategic document (EU Strategy for Growth and Jobs, Lisbon, 2000) and represent the first important steps for the current Europe 2020 Strategy for smart, sustainable and inclusive growth. Its main priorities should help the EU and the member states to deliver high levels of employment, productivity and social cohesion.

The national strategies have been supported by some progress regarding poverty reduction, based on the national background of sustained economic growth. For certain vulnerable categories of population, the objectives of the social agenda were not completely met, although they were taken into consideration.

But while these groups of population have always faced the risk of poverty, this incidence was significantly reduced from one year to another. In Romania, in the near future, the main engine for absolute poverty reduction may remain the overall economic growth.

More attention should be given to the outbreaks of poverty, to continue the poverty rates reduction and to focus on the poorest people (pro-poor growth policies), through the appropriate, efficient and effective policies.

4 Conclusion

The at-risk-of-poverty population presents even a higher risk of becoming poorer in the subsequent years (because the economic crisis was foreseeable since 2007 and the consequences will be visible in the near future). Considering this and the analysis presented in this paper, the **profile of the at-risk-of-poverty population** for the 2003-2006 years has the following categories:

a) Urban/ rural areas: rural residents (who are also very poor - with poverty rates of 22-38%, but many - nearly half of the population, namely 45-47% in the total population and 67-73% in the total poor population).

b) Employment status: people self-employed in agricultural, self-employers in non-agricultural activities and the unemployed are, by far, those who face the greatest risks of poverty (23-59%), holding major shares in both poor population and in total population.

c) Age group: children and young people (0-25 years old), were always at the pole of poverty, being constantly exposed to this risk; their share in total poor population is 40% and in total population is 30%.

Particular attention should be paid to young people aged 25-34 years, which are rapidly approaching the previous groups that are extremely vulnerable to poverty. They register relatively high risks of poverty (13-24%), accounting for large shares in total poor population (15%) and in total population (16%).

d) Household size as households with dependent children: households with three or more children often registered high rates of poverty, of 44-65%. In this respect, particular attention should also be given to single-parent households with dependent children, which face the greatest risks of becoming poor.

e) The household dimension as households with no children: households with only one member, households with one member of 65 years old or more, that have often registered high rates of absolute poverty and relative poverty, 22-33%.

f) The household dimension as the households with a big number of members: households with 5 or more members present poverty rates of 20-63%. Their percentage in the poor people population is 48% and in the total population is of 26%.

A special care should be given to the households of 4 members, where poverty rates reach 12-21%, but at the same time present important statistical weights in the total of poor people – 23% - and in the total population - 25%.

g) Level of education: people with no education or with low education (primary and secondary schools) face high rates of poverty, 22-36%; their share in total poverty is about 75% while in total population is 50%.

Given these key determinants, their baneful combinations and other well- known predictors, not supported by statistics within this paper, it can be concluded that the above mentioned people and households remain the categories most vulnerable to the risk of poverty.

The most dramatic facet of the Romanian reality, seen from the perspective of poverty and social exclusion, is when these adverse situations overlap.

It is important to accurately describe and understand how these groups of population affected by poverty benefit from the externalities of the economic growth.

The way these categories, the poorest of the poor, can withstand the impact of acute economic crisis should be the main challenge and it should be answered fast, effective and efficient.

The analysis presented in this paper takes into consideration the main indicators for poverty and

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the categories that have the higher values for poverty rates. Combining these with important statistical data both in the total number of poor people and in the total population, we come to a result that should be a wake-up call for the decision-making people in social politics.

They should focus on the above groups when it comes to poverty reduction because here poverty leaves deep traces and has relevant repercussions like multiple under-privileged states, social exclusion and marginalization.

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