

**NRI Report No: 2725**

**Rural Non-Farm Economy Project**

**Rural Non-Farm Livelihood  
Activities In Romania:  
A Report On Qualitative  
Fieldwork In Two Communities**

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## SUMMARY AND RECOMMENDATIONS

### General characteristics of non-farm economic activity in Romania

- ◆ Most activities are informal and aim to ensure the survival of household members, not the accumulation of capital.
- ◆ They are very heterogeneous, with a high rate of adaptability and mobility.
- ◆ They are responsive to circumstance on the part of individuals and households and are not part of any pattern sustained by state support. The heterogeneity of non-farm activities makes it very difficult to offer broad policy prescriptions.
- ◆ The nature of rural non-farm livelihoods tends to differ between the 8 regions of Romania and there is also much variety within regions. In some areas, including the southern plains in which one of our study villages, Motatei-Gara, is situated, there has traditionally been very little involvement in activities outside farming, and this has been accentuated by the highly specialised economy developed under communism. However, in rural areas around the Carpathian Mountains, where our other study village, Rotbav, is situated, non-farm activities have for centuries been more developed than in other areas. In villages in these areas, the amount of the land is limited and there are natural resources which can be utilised (e.g. forests, rivers). In a few villages non-farm activities are by tradition the main occupation of the people. There are also villages specialized in producing handicraft goods, but unfortunately the demand for these is not high on Romanian market. There is considerable potential for agro-tourism (particularly in the Danube Delta and in the Carpathians) in rural areas but low demand for this at the moment.

### Summary of findings of research and recommendations

- A majority of households in both villages studied (Rotbav in Brasov county and Motatei-Gara in Dolj county) have some land, and agriculture in the two communities studied is largely subsistence-oriented. For most households, it does not produce a significant surplus for sale and does not provide significant cash income.
  - Subsistence-oriented agriculture is currently important in providing a baseline livelihood in the form of foodstuffs for almost all households and should therefore not be actively discouraged, at least not at the moment.
- Non-farm activities are widespread in both village. They are very important in livelihoods and are the main source of cash for households of all types. Most are

very small-scale and are relatively invisible to the outside world since they are informal or even illegal, and are often barter-based.

- Non-farm activities need to receive active encouragement because they are very important both in allowing households to operate at a level beyond immediate subsistence production and in the development of economic links between households and between communities (i.e. the economic 'development' of the area).
- However, because of their heterogeneity and their embeddedness in the agricultural economy, it is difficult to provide general prescriptions for the encouragement of non-farm activities. This needs to be dealt with on a case by case basis.
- Poor communications and infrastructure are a major obstacle to the development of many non-farm activities, as well as to the possibility of agricultural production for sale. They also hinder the provision of government services to the rural population. Priority needs to be given to improving roads, bus services, water supplies and telephone links to rural areas.
- Non-farm activities in the rural communities studied include some which are directly linked to agriculture and some which are relatively (though rarely entirely) independent of it.
  - Those which are linked to agriculture – relating mainly to the processing and marketing of produce – should receive particular support. This will assist the growth of agricultural production for sale, which would provide households with additional cash income.
  - Non-farm activities linked to agriculture (input supply, processing and marketing) can be organized cooperatively, and this often provides the best way of building these activities up. Although what are in effect production cooperatives do still exist in the Romanian countryside in the form of family associations, there is very little cooperation in purchase of inputs or in marketing. For reasons both of economies of scale and in order to ensure that poorer households are able to access inputs and markets, cooperatives for processing and marketing agriculture produce should receive particular support (see report 'Cooperatives and other forms of Association in Romanian Agriculture...' by Janowski and Yeo, 1995).
- In some parts of Romania, particularly in Transylvania - in which Rotbav, one of the study communities, is situated - there is significant ethnic differentiation within communities and the links between members of the same ethnic group in different communities are stronger than those between members of different ethnic groups in the same community. Lines differentiating ethnic groups are frequently also lines of economic differentiation, with different groups taking different roles and having different economic status. These roles may be complementary but there may also be competition and friction deriving from them.

- There is social capital which can be built upon within ethnic communities to encourage non-farm activities, particularly through cooperatives.
- However it is important to be cautious, since there is the danger of emphasising lines of division which are potentially problematic and even explosive.
- Social and kin networks are, in the communities studied, currently the basis of most transactions between individuals, households and communities. Linked to this, barter is very important. This strengthens and underlines social and kin ties. However, it tends to detract from the development of the cash economy.
  - The development of a more cash-based exchange economy will need encouragement as the Romanian rural economy moves away from subsistence production.
  - However for the moment caution should be exercised in discouraging the barter economy since it serves the function of underpinning social and kin ties which are important for the survival of households.
- There is a high level of apathy in both the communities studied, and a tendency to hope that an outside body will provide employment as the state did before 1989 on state farms, collective farms and in industry. This means that the level of entrepreneurship is low and that there is a low level of interest in investment or expansion. There is very little borrowing, partly because credit is not available but also because there is a reluctance to become indebted. Entrepreneurial activity which has taken place is not as yet fully regulated by legal and social norms, and evidence was found of friction between some entrepreneurs and their workers. There was also evidence of corruption.
  - A more favourable economic environment needs to be provided for small-scale entrepreneurial activity within communities, including the provision of credit and training in running a business.
  - The possibility of providing incentives to encourage large firms to relocate to rural areas could be considered to provide employment.
  - Consideration could be given to redrafting or adding to the laws and/or ensuring that existing laws are enforced relating to small-scale businesses, including labour law and laws relating to corruption, to ensure that there are clear frameworks within which businesses operate and employment is provided, both by small-scale entrepreneurs and by large firms.

## INTRODUCTION

This report is based on qualitative research carried out between December 2000 and January 2001 and between November 2001 and May 2002 in two communities in Romania, one (Rotbav) in the county (*judet*) of Brasov and the other (Motatei-Gara) in the county of Dolj. It was commissioned by the UK Department for International Development, and forms part of a wider study carried out in Georgia, Armenia and Romania looking at patterns of involvement in non-farm activities in rural areas in those three countries. The research started from the premise that diversification of non-farm activities in rural Romania is a very important issue for the sustainable development of these areas, and therefore worthy of investigation. Although agriculture is the basis of the livelihoods of almost all households in rural areas, it is generally known – but without much hard data to prove this – that most are also involved in a number of activities besides farming and have different alternative sources of income.

This research has aimed to increase our understanding of the dynamics of involvement in the non-farm sector and of the factors which determine rural non-farm livelihoods in the context of the changes which have occurred since 1989 in the Romanian economy, and to inform policymakers who aim to promote sustainable livelihood strategies in the rural non-farm economy (RNFE). There is very limited data available at present on involvement in the non-farm sector, either qualitative or quantitative. Since many non-farm activities engaged in at present are illegal, semi-legal or low-status, it is difficult to gather information on them. This research aimed to tackle this problem by carrying out research using participatory, anthropological techniques which aim both to establish trust and to allow actions to be observed and conversations between villagers to be noted, as well as asking direct questions.

It was decided to select two communities for study, situated in *judet* which are also the subject of quantitative research being conducted as part of the broader study of which this forms a part, with the intention of drawing on the complementarity of the two different methods. The research focused on the poor and disadvantaged in these communities, whose livelihoods are most in need of improvement, but gathered data on other households as well, since households are tied to each other in kin and patronage networks. The unit of research was the “*gospodaria*” (household) which, in the unstable and uncertain environment which currently exists in Romania, remains the most important functioning economic and social unit.

The two communities selected for study contrast sharply with one another, allowing information to be gathered on the significance of their different characteristics in determining involvement in rural non-farm activities. Rotbav is an old village, situated on a main road in close proximity to a large town (Brasov). It has relatively good access to natural resources, being situated in Transylvania, a mountainous and forested region. This is an area with reasonable amounts of agricultural land, which villagers received back after the dismantling of the collective farm. Rotbav is multi-ethnic, containing Germans, Hungarians and Rroma – gypsies – as well as Romanians.

Motatei-Gara, by contrast, is a village established in 1948 but inhabited by people who have lived in the area for as long as can be remembered. It is mono-ethnic (Romanian). The village is situated in an isolated area without easy access to a large town, and has

limited natural resources upon which to draw, apart from the land itself (now not very productive since the dismantling of the irrigation system after 1989<sup>1</sup>). There are limited land resources in this village, because it was set up in association with the establishment of a state farm (IAS) on expropriated land, and the inhabitants did not therefore put land into collective farms (CAP) and received only very small amounts of land from the state farm when it was disbanded. Both villages contain members of different religious groups, with Catholics, Lutherans, Orthodox and Baptists/Evangelicals being present in Rotbav (with religious affiliation being associated to a large degree to ethnic affiliation) and Orthodox and Seventh-Day Adventists being present in Motatei-Gara.

More than 10.2 million people (45.5% of the total population)<sup>2</sup> live in rural areas in Romania, defined as 'the administrative territory covered by the 2,685 *comuna* – the basic administrative unit inhabited by the rural population' (Law no. 2/1968). With a relatively equal distribution of very small pieces of land (5 million *gospodaria* with an average of 2.3 ha of land each) most of those living in rural areas are engaged in semi-subsistence farming. This means that although Romania is a "country with very important natural resources for agriculture" (Berca, 2001) and more than 37.1% of the total employed population is involved in agriculture, the contribution of agriculture to GDP was only 11.4% in 2001.

## Organization of the Report

Section 1 of the report is a presentation of the methodology and instruments used for the qualitative research, and explains the criteria used for selecting counties, communities and households. Section 2 reviews the history of the RNFE sector in Romania before examining the non-farm activities which are pursued by the people of the study villages. Section 3 summarizes the non-farm activities engaged in at household level in the communities studied. Section 4 looks at linkages between farming and involvement in non-farm activities. Section 5 examines factors and constraints which affect involvement in RNFE, focusing particularly on social factors (relational networks, ethnicity, religion). The concluding section presents an outline of important aspects of the current situation in the study villages in relation to involvement in non-farm activities. A glossary is provided at the end of the report, after the bibliography.

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<sup>1</sup> Before 1990, all the irrigation systems in Romania were the property of the National Irrigation Company, which sold water to all the agricultural enterprises. After 1990, the company was transformed into a State Autonomous Enterprise. But in the process of de-cooperativisation, the land was given to farmers and they decided to use the pipes and other devices from their land in the most rapid and profitable way, selling them as scrap metal (in the legislative chaos following the events in 1989, nobody was sure whether the de-cooperativisation law implied that the farmers owned just the land or the land and everything on it, including irrigation systems). The same happened with the irrigation systems on the land belonging to the state agricultural enterprises: the managers of the bankrupt farms sold the pipes as scrap metal. Informants now see the lack of any irrigation system as one of the major problems of Romanian agriculture, but are not very confident that it can be solved. The reason is that the National Irrigation Company had a huge network of dams, canals, pipes on a national scale and informants believe that the amount of money it would cost to restore it exceeds the budget of any Romanian company. An alternative system was given as an example by a couple of farmers in Motatei-Gara: in the neighbouring village (Motatei), an American citizen uses a seemingly effective system of plastic mobile pipes to irrigate land he took on lease. The farmers were quite excited about this, but the costs are still too high for them.

<sup>2</sup> The source for data on population and labor force is the Household Labor Force Survey, 2001, National Commission for Statistics, Romania

## SECTION 1 - METHODOLOGY

The fieldwork was in two phases:

- ◆ Baseline phase (December 2000-February 2001)
- ◆ Main phase (November 2001-May 2002)

### The baseline phase of the fieldwork

During the *baseline phase* of the fieldwork the purpose of the work was: 1) to establish what types of non-farm activities are currently being engaged in within the communities studied, and by whom, and 2) to generate hypotheses relating to the dynamics of involvement or non-involvement in different forms of non-farm economic activity.

*The methods* employed at this stage were mainly semi-formal, including *one-to-one interviews* with key stakeholders (mayor, priest) and key informant household members and *focus group discussions*. Some less formal *participant observation* methods were also employed.

During the baseline phase of fieldwork *the aims* were:

- ◆ to choose *appropriate study villages* in both areas. Two village communities were selected for study, one in each of two areas. The selected communities were Rotbav in Brasov; and Motatei in Dolj. Rotbav is an old village (with a history of over 1000 years), while Motatei - Gara is a village settled in 1948 on land expropriated from the *boieri* (landowners belonging to the aristocracy).
- ◆ to establish the locally *relevant categorization* of 1) different types of household and 2) different types of individuals. This provides a key reference point in gathering information. The dynamics of involvement in the rural non-farm economy relate to both personal and household-related factors. Thus it is important to look both at the differences between households (by ethnicity, level of land-holding, financial capital etc.) and the differences between categories of individual (by gender, age etc.).

### The main phase of the study

During the *main phase* of the study the purpose of the work was to explore and refine hypotheses relating to these areas, as developed in the baseline fieldwork and laid out in the baseline report. In particular, the intention was to explore factors which are important in differentiating households and communities in terms of their involvement in non-farm activities of different kinds.

*The methods* employed at this stage included semi-formal methods, as used in the baseline phase, and *participant observation* methods; these became more important than they had been in the baseline phase of the research.

During the main phase of fieldwork *the aims* were:

- ◆ to follow up on data collected in the baseline phase of fieldwork from key informant households and individuals. More time was spent with these, with regular short visits to each over the period of fieldwork.
- ◆ to test and develop hypotheses developed through the baseline phase, and observing actual involvement in different kinds of activities as well as discussing it in a face-to-face manner.

## Methods

### *Open interviews*

These interviews were carried out with members of households chosen as key informant households in the two villages studied, Rotbav and Motatei-Gara, during the first phase in order to establish a baseline set of data from which to generate some general hypotheses regarding the types of households and individuals which participate in different forms of RNFE activities. Most of them were tape recorded and transcribed later, although some were recorded through written notes. Each household was visited at least three times during the baseline phase. During these visits most of the members of the households chosen as 'key informants' were interviewed through open interviews. More than 30 persons from the two villages were interviewed. The interviews took place in interviewees' houses and/or in public places in the villages (in local cafeteria, school etc.).

*Focus groups* were held involving members of the key informant households, and also involving members of other households when this was deemed appropriate by the researcher. The criteria on which the participants were selected included: ethnicity, religion, age, gender, social status and economic status, with the intention of ensuring a representative selection of individuals and households for the area studied.

Focus-group interviews were carried out in *Rotbav* with: women (5 women ages between 35 and 75), young persons (11 persons, 3 females and 8 males ages between 16 and 30, three of them married), men (7 men ages between 42 and 78). They were carried out in *Motatei-Gara* with: women (6 women ages between 21 and 62), young persons (8 males ages between 14 and 23), men (6 men ages between 47 and 71). In Rotbav all group discussions were attended by people from different ethnic groups (German, Rroma, Hungarian) and of different occupational statuses.

In Motatei the group discussions were attended only by Romanians (as the only ethnic group existing in the village), of different occupational statuses.

### *Interviews with key stakeholders*

In both Rotbav and Motatei-Gara, discussions were carried out with the mayor, the priest, the schoolmaster, the kindergarten head, the doctor, representatives of relevant religious denominations, and with the mailperson. The high-school principal from *Rotbav* (history teacher), and a war veteran in *Motatei-Gara* were also interviewed on the history of the villages.

It was considered necessary to carry out a small number of semi-structured interviews in Bucharest to obtain more information about macroeconomic policies (at the National Fund for Rural Development and at the Department for Rural Development of the Ministry of Agriculture and Forestry).

For details on the dynamics of rural non-farm activities before and after 1989 interviews were held with executives from UCECOM and CENTROCOOP in Bucharest.

### *Participant observation*

During both the baseline and main phases of fieldwork, the anthropological data-gathering method known as participant observation was found to be particularly valuable. The researcher spent a lot of time with the community, and became a known and trusted person, in the presence of whom most issues could be discussed. The researcher took part in daily activities, including RNFE activities, together with community members, and was able to actually observe what people do, to assess why people made decisions from observation and not just from direct questions, and to observe how decision-making is affected by relative commitments to different livelihood activities. Between researcher and a few informants a strong relationship was built based on trust and mutual exchanges.<sup>3</sup> The researcher assisted the informants in their daily work, in the fields, during visits to the cemetery or to the church, and at such things as school ceremonies, visits to the hospital and birthday parties.

Participant observation allows much more effective access to information about activities which people are reluctant to discuss or about which they are likely to report inaccurate data for various reasons (illegality, semi-illegality, or low status).

### *Secondary analyses of data*

In order to contextualise important social, economic and cultural issues and to elucidate the main trends of the non-farm economy in Romania, many background studies and preliminary research based on literature were reviewed. At community and national level statistical data was taken into account.

Analysis of the transition process in general and of transition in the agricultural sector in particular has generated a large literature, but little has been specifically devoted to the non-farm rural economy. However, studies in this field are now being undertaken, since it is recognised that in the longer term the development of the rural non-farm sector is a critical factor in providing rural employment and income.

The community level data comprises: a) secondary data from the Regional Statistical Institutes and the Romanian National Statistical Institute; and b) primary data collected from key informants through interviews conducted in the region (mayors, academics, regional state officials etc.)

## **Choice of counties for the research**

The research was carried out in two counties (*județ*): Brasov in the Transylvania region (a mountain region in the centre of Romania, with small private individual farmers); and Dolj in the Oltenia region (a flat, dry region in south-west of Romania, with a large

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<sup>3</sup> Examples of the type of relationship established between informants and researcher include the exchange of gifts, visits by informants to the researcher's home, a request by an old lady that the researcher buy medicine for her in Bucharest, lending of money by the researcher to one woman and a request by a Roma man that the researcher should write an official letter to the mayor on his behalf (he needed social assistance but couldn't read or write).

number of family associations with legal status). These were chosen because these two counties represent two very different regions of Romania in terms of social, economic, and cultural characteristics.

1. Brasov is one of the better-off counties of Romania whilst Dolj is one of the poorest.
2. Brasov's ethnic and religious structure is very heterogeneous, whilst Dolj is 99% Romanian orthodox.
3. The land property history of the two counties is very different. In Brasov, villagers who originally settled the area had control of the land as private property owned by individual *gospodaria*. In Dolj, until the land reforms of 1945 villagers worked the land of the aristocracy (*boieri*), or that owned by the royal crown.
4. The forced collectivization of the 1950s had a limited impact in Brasov, whereas in Dolj the impact was complete, radically changing farming and ownership arrangements.
5. After 1989, the people of Motatei-Gara, who had worked on state farms set up on land confiscated from the aristocracy (like the people of other villages in the area), received very little land because they had previously been landless serfs and had not contributed land to the state farms in 1945. In Brasov, on the other hand, very little land was held by the aristocracy, and, where collectivization did take place, the land which had been contributed by villagers was returned to them after 1989.

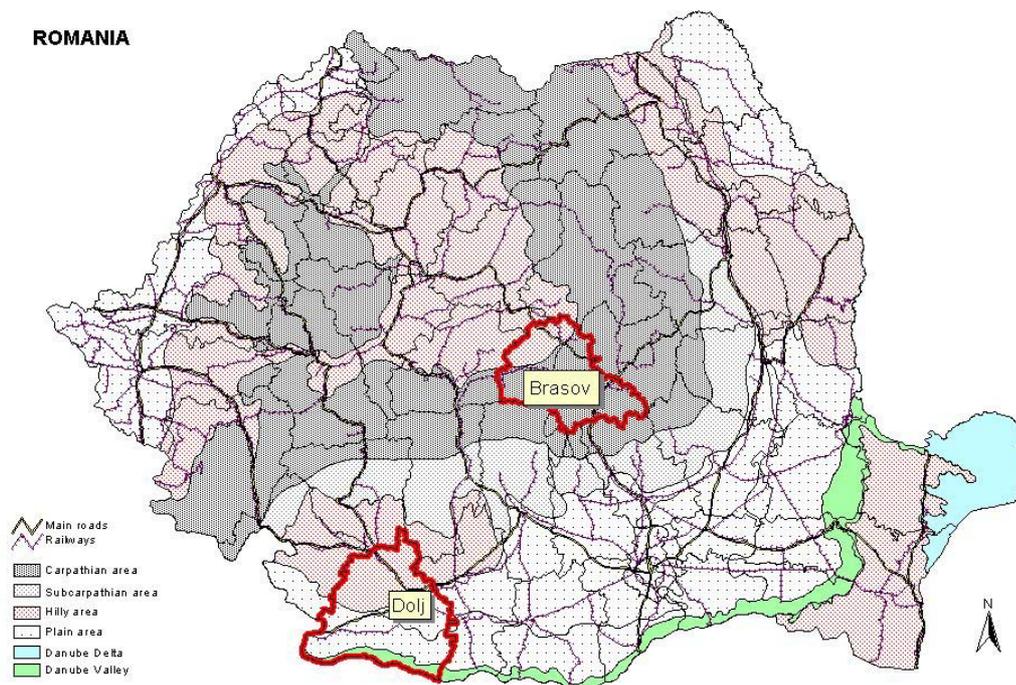
### **Choice of communes and of villages for the research**

Each Romanian *judet* contains a number of *comuna* (communes), which is the basic administrative level. Each *comuna* usually contains a handful of villages (*sat*), which are the natural residential and social aggregations in which people live. The *comuna* administration is located in one of the villages which make it up. In Brasov the *comuna* reviewed for possible focus were Voila, Moeciu and Feldioara and in Dolj they were Isalnita, Segarcea, Dabuleni and Motatei. The decision was finally made to work in the *comuna* of Feldioara in Brasov and of Motatei in Dolj, and the villages of Rotbav (Feldioara *comuna*) and of Motatei-Gara (Motatei *comuna*) were chosen for study.

The choice of *comuna* and of village was made in order to ensure that the two villages for study allowed important characteristics of rural Romania to be illustrated and studied. They are, therefore, contrasting in many ways:

1. Rotbav, in the county of Brasov, is an old village which was founded over 1000 years ago, while Motatei-Gara, in the county of Dolj, is a village set up in 1948 on land expropriated from the *boieri* (aristocracy), although its people came from villages nearby. On the other hand, the population dynamics of Rotbav have been frequently disrupted (colonisations, deportations, migrations), while most of the families in Motatei-Gara have been resident in one of the villages in the area 'since forever'. In 1948 each *gospodaria* moving to the new village of Motatei-Gara received a piece of land to build a house there.
2. In Rotbav each *gospodaria* owns an average of 5 ha of arable land and most households consist of one nuclear family. In Motatei-Gara each *gospodaria* has on average only 2 ha of land and most consist of extended families of more than one generation.

3. In terms of infrastructure, Rotbav is located along an important European road while Motatei-Gara is isolated (the railway station is the only good transport link to other places).
4. Rotbav has good access to employment opportunities, since it is 20 km away from the large city of Brasov along a paved road. Many villagers work in the city (and even more worked there before 1989). Motatei-Gara, on the other hand, is 80 km away from a major city (Craiova), and most of the villagers work in the immediate area around the village, mostly in semi-subsistence agriculture on their own limited land.
5. The two communities contrast sharply in terms of their ethnic structure - Rotbav is a multi-ethnic community containing Romanians, Hungarians, Germans and Roma people, while Motatei-Gara is 99% Romanian.
6. The type of non-farm activities in which the inhabitants of the two villages engage now and engaged before 1989 is very different. In Rotbav the main non-farm activity was, before 1989, employment in Brasov state-owned enterprises, which have a non-agricultural profile, while in Motatei-Gara the main non-farm activity was employment in state-owned enterprises with an agricultural profile.



*Figure 1: Map of Romania showing Brasov and Dolj judet, where the study villages are located*

## The characteristics of households in the study communities and choice of key informant households for the research

In choosing *gospodaria* to be key informant households, the intention was to cover important variables which are likely to affect access to non-farm activities, including ethnicity, religion, type and level of economic activity (including involvement in different kinds of non-farm activity and level of land holding), and size and composition of household. In Rotbav, we also covered *gospodaria* who came to live in the village in the 1970s, in order to work in the nearby factory, as well as those which have been there longer.

No extended families were reported in Rotbav. Usually the children leave the parents' house after marriage, therefore all the households selected consist of one nuclear family. Because a significant number (38 of 322) of households in this village consist of one member, we selected a household belonging to a widow. The tradition in Motatei-Gara, on the other hand, is that one of the children remains to take care of the parents in their house. Four of the seven key informant households selected here contain two or even three generations of the same family.

In terms of ethnicity, Romanians represent 80% of the population in Rotbav, while Rroma amount to 8%, Hungarians to 7%, and Germans to 5%. The proportion of key informant *gospodaria* selected from each of these categories matches as closely as possible their presence in the community. Thus four Romanian, one Rroma, one Hungarian and one German *gospodaria* were chosen. Romanians represent more than 99% of the population in Motatei-Gara. Since ethnic criteria are irrelevant in a village which is entirely Romanian, religion and economic status were employed in choosing *gospodaria* to be key informant households.

As far as religious structure is concerned, we tried to cover the whole range of religious groups. In Rotbav the Orthodox population represents the majority, but there are also significant numbers of Lutherans, Evangelicals, Baptists and Catholics, many of them living in households which contain members belonging to different faiths. In Motatei-Gara the majority of the population is Orthodox, but there are also Adventists and Pentecostals. In Rotbav we selected some Orthodox and mixed households. In Motatei-Gara we selected six Orthodox households and one Adventist household and interviewed the head of the Pentecostal congregation.

From an architectural point of view, Rotbav is an old village. Most of the houses are over 100 years old and are of the same type: brick houses with many outbuildings, a large garden of 500-800 m<sup>2</sup> land around the house (Households D, E, F, G). The houses belonging to the "colonists", who moved into the village in the 1970s, are quite similar in shape, but of smaller proportions (Household B). The houses belonging to the Rroma community at the outskirts of the village are very small and poor (Household C), while the houses belonging to the few local entrepreneurs are well-built and imposing (Household A). In Motatei-Gara all the houses were built after 1948. 70% are made of "*chirpici*" (a mixture of yellow soil and straw) and 30% of brick. We selected three households with "*chirpici*" houses, two with houses which are partly brick and partly "*chirpici*" and two built completely of brick.

## Rotbav: choice of key informant households

### BRASOV COUNTY



Figure 2: Map of Brasov judet showing the comune of Feldioara and the study village of Rotbav

The *gospodaria* chosen as key informant households in Rotbav were:

- Romanian entrepreneur, religious affiliation Orthodox (Household A). 5 members, 2 generations (husband, wife and three children under 20)
- Romanian agricultural entrepreneur, religious affiliation Evangelical (Household B). 4 members, 3 generations (husband, wife, adult daughter, grandchild).
- Unemployed Hungarian-speaking Rroma [gypsy] (Household C). 2 generations, 20 members (husband, wife, 8 children under 13)
- Romanian widow (widows are numerous in the area: 62 of the 250 *gospodaria* are headed by a widow) (Household D) 1 female member, aged 72.
- German, retired, religious affiliation Evangelical (Case study E) 3 members, 2 generations (husband, wife, adult daughter)

- "Silk Gypsies"<sup>4</sup>, retired, religious affiliation Orthodox (Case study F) 5 members, 2 generations (husband, wife, 3 young adult children)
- Hungarian mixed - religion family, unemployed (Case study G) 5 members, 2 generations (husband, wife, 3 children under 14)

### Motatei-Gara: choice of key informant households

#### DOLJ COUNTY

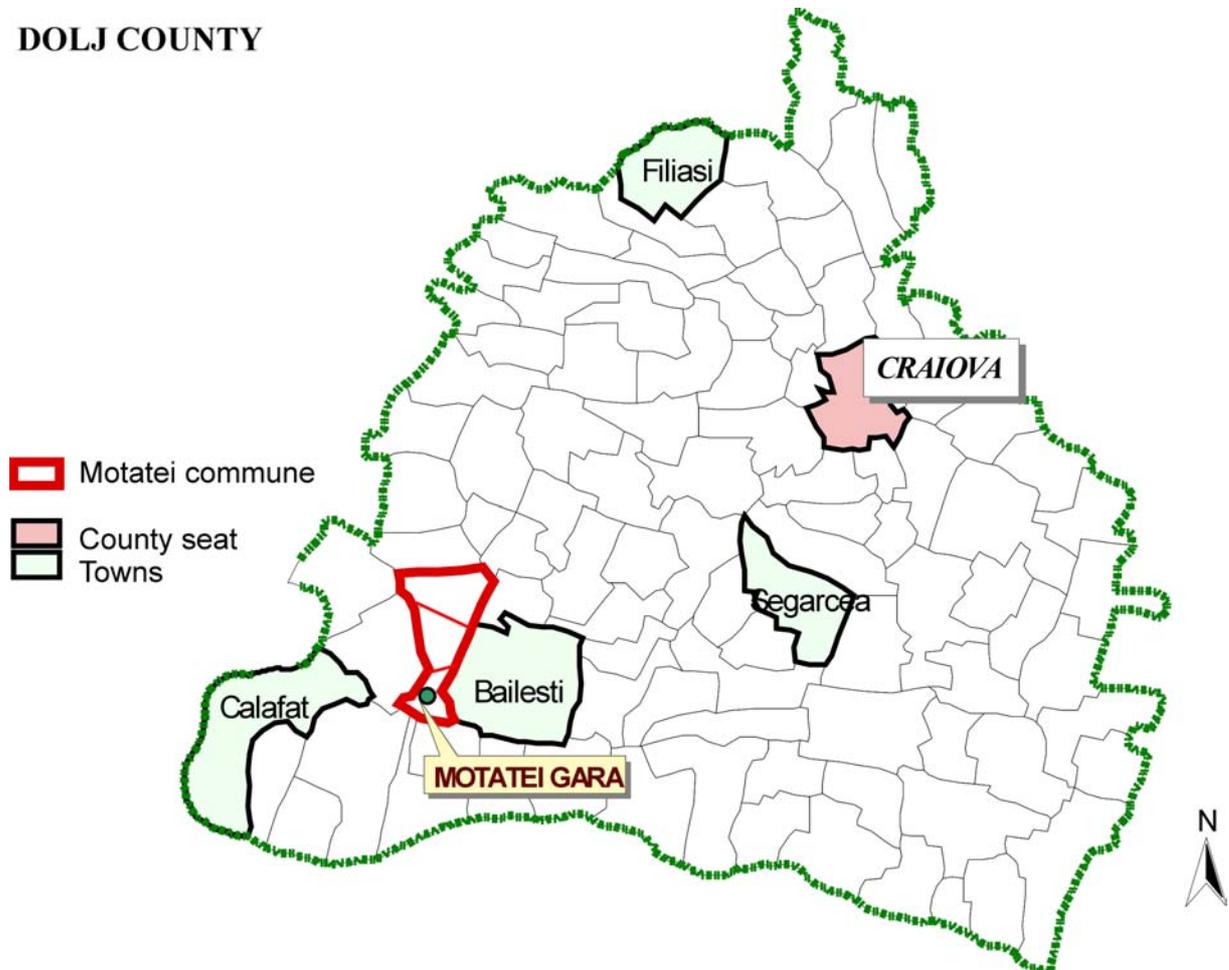


Figure 3: Map of Dolj judet, showing the commune of Motatei and the study village of Motatei-Gara

All of the *gospodaria* chosen as key informant households in Motatei-Gara were Romanian, since the village is mono-ethnic. Their characteristics were:

- Agricultural entrepreneur, religious affiliation Adventist (Case study H) 5 members, 2 generations (husband, wife, 3 children – two of whom adult)
- Agricultural entrepreneur, religious affiliation Orthodox (Case study I). 5 members, 3 generations (husband, wife, elderly mother, 3 young adult children)

<sup>4</sup> Roma families, often with a high standard of living, who adopt the culture of the majority. They often regard themselves as Romanians but have difficulties in being fully accepted as such by the majority

- Unemployed, with many children and in a very difficult economic situation (Case study J) 8 members, 3 generations (husband, wife, elderly mother, 5 children under 16)
- Married couple who are both state-employed, religious affiliation Orthodox (Case study K) 4 members, 2 generations (husband, wife, adult daughter and son in law)
- Shepherds, religious affiliation mixed Adventist and Orthodox (Case study L). 5 members, 2 generations (husband, wife, two adult sons, one daughter in law)
- Unemployed, religious affiliation Orthodox (Case study M) 5 members, 3 generations (husband, wife, young adult son, daughter, granddaughter)
- Orthodox *gospodaria* consisting of a single unemployed woman (Case study N)

## SECTION 2 – NON-FARM ACTIVITIES IN THE STUDY VILLAGES

### Background to non-farm activities in Romania

In the middle of the XIXth century, agriculture was the most important resource in Romania. In 1913 Romania was the fourth largest international grain exporter, after Russia, Canada and the USA although it did not have an advanced technology or high economic productivity (Georgescu, 1995). In 1938 the rural population represented 80% of the total population. 89.1% of the Romanian rural population was involved in agriculture, within their own *gospodaria*, on small pieces of land. 10.9% of the population in rural areas worked in small businesses, including wood processing (2.3%), trade (1%) and transport (1%) (Golopentia and Georgescu, 1941). 82% of the total annual income of the average rural family was produced within the *gospodaria*, and only 15% came from other non-farm sources (daily labour, salaries). The rural infrastructure for processing agricultural products and manufactures was not at all developed at this time.

Before the communist period, demand for manufactured and industrial products was low in rural areas, for three reasons:

- Many of the goods required were made within the household
- There was very little cash in circulation. The low level of cash income in rural area made it a poor market for manufactured goods
- Some of the goods usually manufactured in large enterprises were made by itinerant craftsman. Goods were also exchanged at seasonal fairs.

During the communist period 30.5% (5340 ha) of the arable land in the country, confiscated from the aristocracy, became the property of 367 State Farms (IAS). 60%, forcibly pooled by the peasants, became the property of 3784 Agricultural Collective Farms (CAP). The extent to which the CAPs was imposed varied in different regions: the mountainous areas were much less affected than the plains. Each member household was entitled to retain 1.5 hectares to work privately. Only 8.2% of the total arable land remained the property of individual *gospodaria* (households).

The Rural Development Agenda of the Communist Party made a point of decreasing the absolute level of the rural population, especially the number of farmers. Between 1948

and 1989 the rural population decreased by 32%, and the rural population involved in agriculture by 40%.

The Communist Party adopted a policy of encouraging state-run non-farm activities, linked to urban industry. They also encouraged the development of cooperative enterprises, founded and led by the organisations UCECOM and CENTROCOOP<sup>5</sup> or set up and run by collective farms. They allowed private entrepreneurs to operate on a limited level, under state control, and encouraged the use of home workers, who provided manual services for state enterprises or for the cooperative system.

During the communist period, there was a lot of informal non-farm activity inside households and inside state-owned enterprises, where workers had (illegal) access to state-owned machines. There was a significant level of unregistered and/or illegal small-scale non-farm activity, including petty commerce, production of alcoholic beverages, agro-tourism and craftwork. However, for obvious reasons there are no reliable figures on involvement in these activities.

After 1990 all state owned industrial enterprises reduced the number of their employees, the first to go generally being those living in local villages. They also closed most of their branches in rural areas. From 1999 the Romanian Government did try to improve the environment for the development of micro, small and medium private enterprises in the countryside, but this has had limited impact. Because a large proportion of labour within agriculture, within micro enterprises, is family labour, the true level of unemployment and underemployment in the countryside is difficult to assess, but on a formal level 25% of the rural population is registered as unemployed.

CENTROCOOP and UCECOM still exist. However, their activities have been considerably diminished due to delays in drafting the law relating to cooperative activities, uncertainty about the legal ownership of the cooperatives (some of which were created originally through confiscation from private owners or by forcing owners to associate in cooperatives), the dismantling of the demand and distribution network, competition from imported goods, and the fact that some members (illegally) started their own businesses using the structure and the customers of the cooperatives, thereby forcing the cooperatives towards bankruptcy.

## **Non-farm activities in the study villages after 1990**

Within the study villages, off-farm sources of income nowadays can be placed under five headings:

1. remittances from the state
2. wage employment outside the village reached by daily commuting
3. remittances by migrants
4. entrepreneurial activity and wage employment in the village
5. illegal strategies

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<sup>5</sup> CENTROCOOP was a network of small enterprises in rural areas, while UCECOM was an association of craftsmen cooperatives. They still exist, although their scope is much more restricted.

### ***Remittances from the state:***

Most cash income in the communities studied comes from social remittances from the state: social insurance, social assistance, other rights and assistance (for persons with disabilities, for 'heroes of the revolution (of 1989)', for victims of political persecution, etc.).

Social insurance included:

- ◆ pensions (old age, work and invalidity), inherited allowances, supplementary pensions, IOVR pension (for war widows, orphans and war invalidity)<sup>6</sup>
- ◆ sickness benefits and benefits for temporary incapacity to work
- ◆ maternity payments
- ◆ social security payments for the unemployed
- ◆ state allowances for children and birth payments

Social assistance include:

- ◆ social benefits
- ◆ disability payments

*Rotbav* - Of the 943 inhabitants of the village, more than 500 are retired. About 200 are retired from the collective farm and 300 from state enterprises. There are 53 children registered in the elementary school, which means that 53 child benefit payments are being made to families in the village. From April 2002, 13 families in Rotbav have been receiving social security payments (case study C).<sup>7</sup>

*Motatei-Gara* – There are around 150 retired people with state and collective farm pensions and around 180 children with child benefit. From April 2002, 21 families from Motatei-Gara have been receiving social security payments (case studies J, M, M).

### ***Wage employment outside the village - commuters***

*Rotbav* – There are still good opportunities for people in Rotbav to get work outside the village, travelling to work on a daily basis. There are eight buses each day between Rotbav and Brasov via Feldioara. There is also a train station. Before 1990 the pattern was that one person in each household used to travel outside the village to work. However, transport costs are very significant: “*With my salary, I cover the expenses for transport for my two children, who study in Feldioara, for my husband who works in Brasov and for myself*” (woman from Rotbav). Some commuters are state employees, who are employed legally, but on low salaries (usually the minimum wage). Various companies in the neighbouring villages or towns also continue to employ a significant number of Rotbav inhabitants. About 50 people are employed in Brasov (28 km away from the village), 15 in the

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<sup>6</sup> The amount of pensions is different for ex-employees of CAPs and IASs of the same age and who did the same work (around 300,000 ROL for people retired from CAPs per month and around 1,200,000 ROL for people retired from IASs)

<sup>7</sup> The law 416/2001 regarding the minimum income for a family stipulates that each person without any income will receive 630,000 ROL for a single family, 1,134,000 ROL for a family of two persons, 1,575,000 ROL for a family of three persons, and another 157,500 for each extra member of the family.

uranium factory (15 km away), 3 women are employed in a textile factory in Stupini, and 1 person each is employed in brick factories in Colonia, in Feldioara, and in Magherus.

*Motatei-Gara* – Very few people living in Motatei-Gara are able to get work outside the village and commute to work each day. Most of those who do have such work are employed in the private sector, seasonally and without any legal papers. A few people from Motatei-Gara used to work in processing industries in Calafat (15 km from the village) but most people worked in the state farm or in other state owned enterprises in the village. In Motatei there are infrequent connections with the towns of Calafat and Craiova by rail, making commuting difficult.

### ***Remittances from migration***

*Return migration.* In both Rotbav and in Motatei-Gara we found a pattern of return migration from town to village, and the investment in land in the home village of any money accumulated in non-farm activities during stays away from the village. In both villages we met families who had decided to come back to their place of birth, usually to their parents' house. Their decision was solely based on the belief that life is cheaper in the countryside; many of them were unemployed. Some kept their city apartments; other sold their apartment and invested the money in the country house or in the land. Owning land is seen as a safety net; and success in agriculture is a social asset, a demonstration of prosperity. One man from Rotbav who opened a medical optics practice in the town of Fagaras (approx. 60 km. away from Rotbav) after 1990 has invested all of his profits in buying land in Rotbav, and his son now cultivates this land.

*Internal seasonal migration for work.* This is much more common in Motatei-Gara than in Rotbav, and those who do migrate seasonally for work from Rotbav are usually Roma. In Rotbav it is not usual to leave the household for seasonal work. This strategy is more common in disadvantaged villages like Motatei-Gara, from counties where there are no opportunities locally. However, even in Rotbav unemployed younger people do leave their households for a while for work. For example there is a French-Romanian company, EUROAVIA, which repaired the Brasov-Tg. Mures road. The mayor of Feldioara has signed an agreement with this company, which has resulted in employment for people in the village for about 100 young people. It seems that some of them are now full-time employees and have even been sent for specialized training in France. The company was also forced by the Commune Council to build a local branch, funds for the village budget being thus collected.

*Emigration.* This has been very significant in both communities, particularly among the young. Most of the young people in Motatei-Gara have left to work in Italy. After settling there many have found work for their relatives too. Some sold part of their belongings to pay for the journey (around 30 mil. lei to get to Italy). But agents often cheated them. "In 1990 there was this Roma who promised jobs in Poland to some young people from the village. The Roma took their money and cheated them" (Rotbav inhabitant). In both villages girls aged between 18 and 25 find jobs as baby sitters outside the village – in Germany (Rotbav) or in Craiova (Motatei-Gara). In 1990 there was a massive wave of emigration of Germans from Rotbav to Germany. Most of them sold their houses and land, others sold only the houses and made arrangements for friends to work their land; and a few kept everything and left Romanian friends in charge of their belongings. Many Romanian people from Rotbav emigrated as well. Some of them emigrated temporarily for work, others for good, through marriage or various other methods (seeking political

asylum etc.). The Hungarian Rroma from Rotbav leave annually to work in Hungary. Recently many young people from Rotbav have been going to work in Spain.

### ***Entrepreneurial activity and wage employment in the village***

#### ***1. Activities (relatively) unrelated to agriculture***

These activities are aimed at achieving financial independence and capital accumulation on behalf of the entrepreneur and his/her family. Such entrepreneurs usually respect the law and pay taxes as registered trading companies (an exception being the private producer from Rotbav, who satisfies all the legal criteria without being registered as a trading company). In the cases we encountered, people rely only on their own capital, their savings (some entrepreneurs have toyed with the idea of financial credit but gave up the idea due to the unfavourable terms of the credit banks).

In both communities there is a very small number of people employed in state owned institutions not linked to agriculture, employed officially on a permanent basis. In Rotbav there are two teachers, a mail person, a kindergarten teacher, one man employed in silviculture, a priest, one woman employed at the state owned milk processing enterprise, three workers at the railway station and one woman employed at the town hall. In Motatei-Gara there are even fewer state employees: two teachers, a priest, a mail person, a kindergarten teacher and one man employed at Competrol.

In Motatei Gara there is very limited formal employment available outside agriculture in the private sector. There are a few private general shops which employ a total of three women. It is difficult for shops like this to succeed. The manager of one of these said that he tried to sell clothing at first but this did not work out since the Rroma sold second-hand clothes every Thursday in improvised locations, and accepted payment in eggs, flour and other groceries. He said that most people who buy from his shop buy on credit and pay when they get their allowances. Owners of private shops said that they always get the money they are owed eventually.

In Rotbav there are also a few seasonal workers who are employed with proper papers in private enterprises not related to agriculture. These include:

- ◆ Private shops opened after 1990. Some people have rented the locations of the ex-Centro coop and others have opened shops within their households. These entrepreneurs have not taken up loans and credits. Their main trade is in everyday items. The owners allow people with secure incomes to pay when they have the money, at the end of the month. Customers are listed in a notebook together with what they have bought and the date of purchase.
- ◆ Wood factories (owned by foreign investors) that produce small pieces of furniture as well as lumber, most of which is exported. A physically handicapped person in the village makes small hand-crafted objects of wood.
- ◆ Two sawmills in Rotbav, where lumber is produced and exported (mainly to England), and which employs about 15 people. A Turkish citizen bought 1 ha. of pine forest near the village and owns one of the sawmills. The inhabitants are not satisfied with the cutting down of the pines, saying that this will cause ecological damages, since the new owner is not forced by the law to replace the trees. The owner exports the unprocessed wood to Turkey. Most of the employees (4-5) are from Rotbav. Both parties are dissatisfied, the workers because the pay is low, the

owner because the work lacks quality. People in the village claim that the firm is illegal.

- ◆ A fish farm, built up originally by a state company which built it on a private property in 1982, provides employment for about 10-12 people.

## **2. Activities related to agriculture**

Neither in Rotbav nor in Motatei-Gara do people have money for inputs such as herbicides and seeds: *"these are a luxury. If they were diamonds they wouldn't be so expensive"* (Rotbav inhabitant). There is therefore little scope for income-generating activities related to sale of these. Most non-farm activities related to agriculture involve the sale of agricultural produce. This is mainly in local markets, specialized shops or through barter. In Rotbav some producers sell their barley and wheat crops directly to the beer and bread factories. In Motatei one producer sells his sunflower crop directly to the oil factory.

Most people do not sell their products in wholesale or larger markets. But that does not imply that the products are not in circulation outside the village. A large proportion of the population of the villages have city relatives who shop weekly in the villages; other city people who own land in the village receive annual quotas of agricultural goods from the people who work their land. Barter trade is also common, both between neighbours within the village and with producers from other parts of the country.

In Rotbav there is an outlet for milk within the village: Alcom, a cheese factory, which is state owned. This factory collects milk from the neighbouring area and produces cheese, sour cream and milk. It mostly sells in Brasov. In the village it rents the ex-collective farm garage from a private person who lives in Brasov, and who bought the garage from the collective farm.

## **3. Illegal survival strategies**

These are widespread. They comprise two broad types: corruption, practised by those with access to resources and decision-making power; and theft, practised by those without access to resources and decision-making power.

*Corruption:* "The destruction of the economic and social system was achieved through theft and incompetence" (Berca, 2001). In the villages studied, people complained about the fact that the privatisation of the cooperative farms was carried out illegally. They consider that the managers asked for money when they sold state farm property. *"Everybody stole the pipes, and the state farm director carried away the biggest pieces in a truck"*.

*Theft:* In both villages the people were alarmed by the increased crime-rate. In both villages the young people were accused of theft, but also excused for it: *"Young people steal because they have no jobs"*. In Rotbav it seems that the thefts are becoming a huge problem. We were told that many young unemployed people are being recruited by the *"leaders of the Brasov underworld. They get strict orders concerning what to steal and from where. One of the orders they got was to gather all the traffic signs from the Brasov - Sighisoara road. In November 2000 the road was finished, and two weeks afterwards the signs were stolen. The civil guard caught the thieves, who were young Roma and Romanians from the village. The wires were also stolen from the electricity poles"* (mayor of Feldioara). In Motatei the people complained about the birds and pigs that disappear from their yards and the grain that disappears from their storerooms. One of

the men interviewed said that two years ago his cow was stolen "*and he still hasn't got over it*". Young unemployed people are accused together with extremely poor people "*who steal because they are hungry*". Besides all these small crimes, the irrigation systems were stolen in 1992-1993. All the village people looked for aluminium pipes for months, and then sold them to the Roma. One of the girls interviewed was ecstatic to have found one more pipe piece in the ground and she exchanged it with the Roma street vendor for a plastic dish.

The Commune Council of Feldioara, in response to the situation, has created a new job: the civil guard. A lot was stolen from the fields and from public property, so the Commune Council hired over 40 people for the summer, some of them working under cover. The civil guard confiscated around 30 truck-loads of goods from the thieves. The police had claimed that such a huge number of people could not be stopped – but the thefts did cease, since the criminals knew they were being watched.

### **SECTION 3: NON-FARM ACTIVITIES AT HOUSEHOLD LEVEL IN THE STUDY VILLAGES**

The "*gospodaria*" (household) is a group of people who live together, usually have kinship relations, share their incomes and share responsibilities (CNS, 2001). Traditionally the male and female heads of a *gospodaria* have distinct roles: "the woman is responsible for the house and the yard around and the man is responsible for work in the fields and relationships with outsiders" (see Iorga, 1927). In fact, although men are the 'figureheads' of the household in situations where dealings are taking place with persons from outside the village, it is women, in Romania, who control household money, whether earned by men or women, and who carry out most intra-village dealings with those outside the household, particularly where money changes hands directly. Usually land, livestock and other goods are held in common. The "*gospodaria* head" is the husband, but he is the manager of the *gospodaria* as an economic enterprise rather than the owner (see Wolf, 1998).

Although the rural *gospodaria* in Romania has an economic base in agriculture, its economy transcends categories such as peasant or worker, agricultural or non-agricultural. *Gospodaria* members are occupied in a diverse and complementary range of activities (see Mihailescu, 2001 and 2002). Each *gospodaria* has a portfolio of activities designed to ensure that it fulfils all its needs (see Stahl, 2000). Diversification is important in order to seek income stability in the face of vulnerability and risk (distress-push), as well as to increase income levels and invest in skills or assets for long-run income prospects.

Within the agricultural economy of the *gospodaria* itself, there is a level of necessary involvement in activities which are not directly agricultural, since the *gospodaria* is an entity which not only produces and consumes but also processes its produce. Processing agricultural produce is a very important category of activity for the Romanian rural *gospodaria*, as it is in most peasant economies around the world. In the autumn people preserve fruit and vegetables for the winter. The pig is very versatile: pork fat is used to make soap, while pork meat is smoked or preserved. Cheese is made from cow's, sheep's or goat's milk. Wheat is turned into flour and maize into *mamaliga* ("polenta") flour or animal food. Wine and spirits are distilled from fruit, grains and potatoes. In Motatei-

Gara many older women spin and prepare wool manually, dying it with natural substances. In both Rotbav and Motatei older women knit socks and sweaters for the entire family. Many have carpet-weaving looms, although most have now given up this activity.

Non-farm activities outside the household are undertaken both to build up and strengthen social capital and in order to generate cash income. They can relate directly to the agricultural activities of the *gospodaria*, for example the processing and sale of agricultural produce, or they can be quite separate from agricultural work. Where the latter is the case this is generally because an individual or a group of individuals has specific skills or knowledge which they want to utilise for the benefit of the *gospodaria* to which they belong. However, the low level of investment, low productivity and lack of formal registration mean that only certain activities are possible. Usually the goal of the entrepreneur is merely to secure the survival of his *gospodaria* by adding small amounts of money or products to the income generated by other activities (agriculture, salaries, pensions, allowances), without any organized plan or long term strategies.

There are certain key points about diversification into non-farm activities at the level of the *gospodaria* or household which are illustrated by the case study *gospodaria*:

- ◆ involvement in agriculture, because of its seasonality and varying demands on different household members, allows for involvement in rural non-farm activities
- ◆ activities vary over the year, according to opportunities and according to demands from agriculture
- ◆ people supplement inadequate agricultural incomes, taking advantage of opportunities arising in the non-farm sector
- ◆ non-farm activities are undertaken part time and are mixed with farming
- ◆ the *gospodaria* operates as a unit in its involvement in non-farm activities as well as in agriculture and there are no strict rules within *gospodaria* regarding ownership of assets and their use. However, in most *gospodaria* responsibilities, and particularly the relative responsibilities of the male and female heads, are clearly delineated (see above)
- ◆ usually at least one member of any *gospodaria* is involved in some kind of non-farm activity
- ◆ non-farm earnings are typically substantially greater than either agricultural wage employment earnings or migration earnings outside Romania
- ◆ non-farm earnings can be a crucial means for overcoming working capital constraints to purchasing necessary variable inputs for farming (seeds, equipment, etc)
- ◆ non-farm earnings are the main source of cash income to satisfy *gospodaria* cash requirements such as taxes, school fees, medicine, consumption goods purchases
- ◆ activities are usually in the informal sector, avoiding regulations and taxes
- ◆ the input/output of non-farm activities is not recorded or is difficult to quantify (exchange labour, exchange of services between inhabitants, barter)
- ◆ there are few entrepreneurs; non-farm wage labour income exceeds self employment income

The 14 case study households which we selected as representative of different social, ethnic and household characteristics also demonstrate different types of involvement non-farm economic activity. These are shown in the table below.

**Table 1: Involvement in the RNFE by key informant households (*gospodaria*)**

Household	Non-farm activities
A	H: employed in silviculture in a near-by village, and also works in their own slaughterhouse* in their own village W: sells in their own shop* in Brasov and works embroidery
B	W: mailperson in the village
C	H: collects scrap iron in the Brasov area, makes brooms and baskets, gathers wood Children: day-labour and beg in the village
D	Temporary work in a bar in Germany for part of the year
E	W: worker in a local uranium factory
F	Son works as woodchopper in the village
G	The H and the son work as woodchoppers in the village
H	H operates their own sunflower oil press in the village W sells soda water* The eldest son works in Italy
I	W: runs their own shop* in the village Daughter works as school teacher in Craiova
J	H: works as day-labourer in the village
K	H and son-in-law are watchmen at a local warehouse
L	Occasionally sell agricultural products at the market place in a nearby town
M	All members are occasionally day-labourers in the village
N	W: day labour in the village.

**Key: H = Husband W = Wife**

### **The importance of interactions between households**

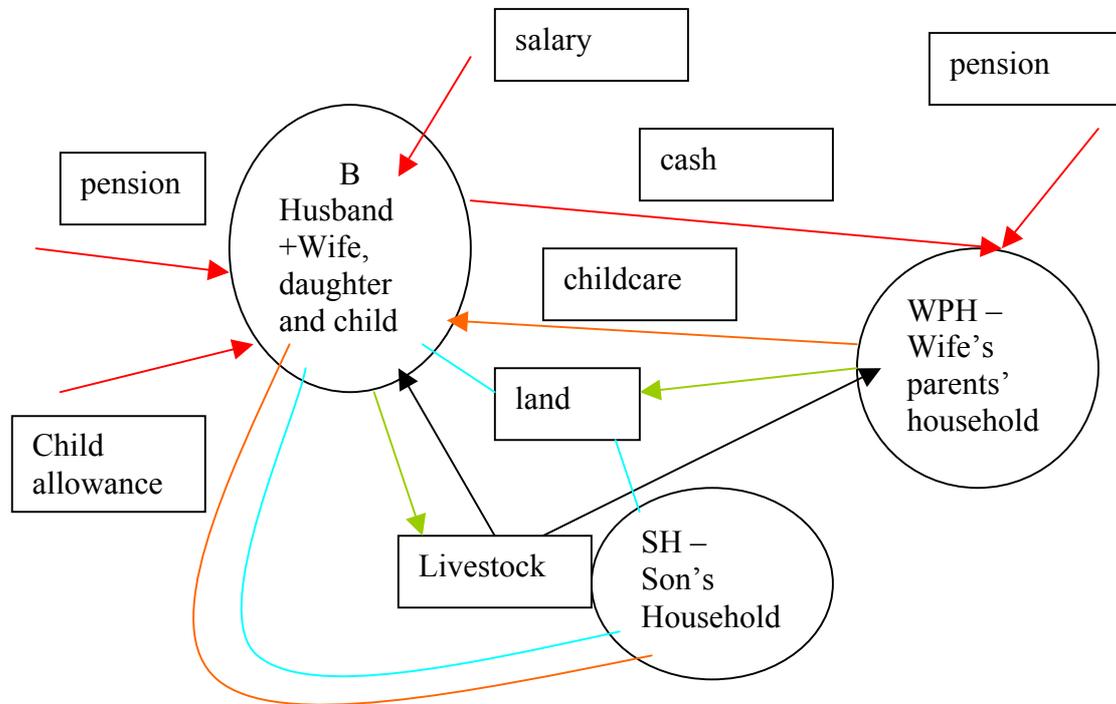
There are many unquantifiable services, collaborations, exchanges, or donations between neighbours and relatives at both individual and household level. The economic environment is unstable and unpredictable, and there are few opportunities for employment, so each *gospodaria* has developed its own strategy for survival.

Accumulation of money or assets is not the main aim. Central to the strategy adopted by *gospodaria* is kin and personal relationships between people – and a reliance on luck.

People are not sure about their plans because circumstances change so quickly. For this reason diversity and flexibility are very important.

An example of the complex way in which the livelihoods of different *gospodaria* are intertwined is the relationships which *gospodaria* B in our sample is related to two other closely related *gospodaria*. *Gospodaria* B includes wife, husband and their daughter with her child. It is closely related to two other *gospodaria*: that of the couple's son (SH) and that of the wife's parents (WPH). The owner of their land is WPH, but the land is cultivated by *gospodaria* B and SH. All the animals belonging to *gospodaria* B are kept in *gospodaria* SH but the husband bred the animals and produce from the animals (milk, meat and eggs) are shared between all three *gospodaria*. *Gospodaria* B's cash income is shared with that of

WPH (because they have a small pension, and they need expensive medicine). WPH *gospodaria* is looking after the small child in *gospodaria* B when his mother goes to work in the fields. The son repairs his father's tractor and uses it. The relationships between the households would look something like this:



### Key

Cash flows	<span style="color: red;">—</span>
Services	<span style="color: orange;">—</span>
Access/use	<span style="color: cyan;">—</span>
Transfers	<span style="color: green;">—</span>
Product flows	<span style="color: black;">—</span>

Relational networks or what we might describe as *relational capital* are very important in ensuring success for a *gospodaria*. These networks vary a good deal between *gospodaria* and success depends very much on the breadth and strength of them. They are based on kinship, friendship, religion and social activity. Thus, for example:

- ◆ Adventists from Motatei are able to emigrate to Italy because another Adventist is able to give them an invitation, as occurred with case study *gospodaria* H

- ◆ Household A from Rotbav organized a big party on 8 March 2002 (women's day) and invited important people from Brasov and Feldioara (the mayor, the administrative functionaries, people from National Forest Department)
- ◆ A young couple from Motatei, who have a little child with health problems (she needs a lot of expensive operations in Bucharest) decided to choose a wealthy godmother for their child. So they asked a neighbour who works in Italy as a dancer to become their baby's godmother.

## SECTION 4: LINKAGES BETWEEN FARMING AND NON-FARM ACTIVITIES

### Background to Agriculture in Romania

Before 1989, 91.8% of the total arable land was state owned. 30.5% (5340 ha) belonged to 367 IAS and 60% belonged to 3784 CAP. There were 574 SMA enterprises which provided machinery for IAS and CAP. Only 8.2% of the total arable land belonged to individual *gospodaria*. Because of this a certain "land hunger" existed in the villages (the peasants fought over any piece of land that was not worked by the IAS or CAP, and each *delnita*<sup>8</sup> gained was an accomplishment), but it was a hunger that was limited to the small amount of land that could be worked manually by the members of the *gospodaria* without great effort.

The 85% of the total agricultural area of Romania which was shared out through Land Law no. 18, 1990 and Law no.18, 1991 now belongs to 5 million individual owners and 5.3 million *gospodaria*. 80% of these have less than 2 ha of land. The total agricultural land surface area of 14.8 million ha was divided into more than 40 millions pieces of land (Berca, 2001).

The restoration of land caught most of the peasants unprepared. Immediately after 1989 there was a certain optimism concerning the opportunities which private agriculture can bring, optimism nurtured by the memory of the period between the two world wars, a period popularly regarded as the golden age of Romanian farming. However, the limitations of the Land Law<sup>9</sup> (the impossibility of selling, renting or leasing the land, the delay in issuing title, the fines for not cultivating the land), as well as the new economic realities (the division of property, the competition with imported products, the disappearance of the distribution networks for products and also inputs, the absence of any real credit policy to support agriculture) quickly dissolved this optimism.

With the lack of employment elsewhere, the land is an essential source of livelihood nowadays. This can be seen in the level of employment in agriculture. After 1990 the total number of people employed in agriculture increased from 3.01 millions (27.1% of the

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<sup>8</sup> The piece of land entrusted to a household for one agricultural season.

<sup>9</sup> Law Nr. 18/1991 setting up de-collectivization stipulated the restitution of the land from a minimum 0.5 ha per person to a maximum 10 ha per person, according to how much land they had before collectivization (when the original CAP members were dead their relatives inherited their land). Very few people received more than a couple of ha of land, although there was variation between villages and between counties. The law prohibited the sale or rental of land and imposed penalties for not working the land.

number of people employed) in 1990 to 3.91 millions (37.1% of all those in employment) in 2001.

However, for many families, the land is regarded as a burden. In every *gospodaria* we entered we encountered this sense of the land being a "burden too heavy to bear". In the majority of the case study households the discussion began with "*we have no jobs, we have nowhere to work*" and with "*the state does not encourage agriculture*".

Nowadays, people are forced to practice agriculture, even though the land is considered a 'burden'; it is the only available survival strategy. However, very few are delighted by the change that the restoration of private property in land brought with it. Many confess that they work the land because they are ashamed of what other people might say if the land looks poorly taken care of. The majority don't even know much about agriculture: *the world has changed; now if you don't use herbicides and fertilizers nothing comes up. But I don't know what herbicides to buy. Nobody teaches us anything. Peasants should be taught. What they remember from their grandparents is worthless nowadays*" (informant in Rotbav). The current mentality is: "*agriculture is like a lottery, one does not grow rich on it*", or that "*in agriculture what you win here you lose there*". People have not chosen to be involved in agriculture. Most of them say that they need jobs, not land. Success in life, in the local view, is correlated with having a non-farm job.

Most of those employed in agriculture are working on the land belonging to their own *gospodaria*. Only 2.6% are employed by others. 52.1% of those employed in agriculture are classed as self-employed (i.e. they are the ones who legally own the land, and are the heads of *gospodaria*). 44.47% of those employed in agriculture are members of the *gospodaria* which owns it and do not receive a salary.

Involvement in agriculture often means under-employment. 34.76% of those classed as self-employed and 37.5% of those who work as family members worked less than 30 hours per week. The average number of working hours in agriculture is 32.7 hours/week.

Reardon has made the distinction between absolute underemployment and seasonal unemployment (Reardon, 2001). For Romanian rural areas absolute underemployment in agriculture is more common than seasonal unemployment. The reason is that the average area of land cultivated is small (2.4 ha) and the tendency is to choose a cash non-farm source and to paid for ploughing and sometimes harvesting of the land by machine.

Mechanization is a major issue throughout the country. Under the collectivized system, agriculture became mechanized and the manual and horse-drawn methods which had been used before the Second World War were abandoned. With decollectivization, the machine stations which used to supply machinery to collective and state farms were dismantled and the machines sold. There is still an expectation that agriculture should be mechanized but the means to practise this type of agriculture are no longer easily available. In addition, the pieces of land which are held by *gospodaria* are often small and scattered and this makes it difficult to use machines on them. One solution is for *gospodaria* to cultivate the land together, so as to achieve economies of scale. This is being done through what are known as family associations, but since these are unregistered and informal, it is difficult to be sure what proportion of land is being cultivated in this way.

Ploughing and sowing of wheat is always done with a tractor; that of maize may be either by tractor or manual (maize porridge, *mamaliga*, has been for centuries the basic starch at most meals, and many *gospodaria* do not cultivate wheat at all now). Most households do

not own a tractor; those that do rent them out to others, and are paid in kind or in labour since landowners are not able to pay in cash. Even *gospodaria* which own some machines do not own all that they need, and they often exchange machines with other *gospodaria*. Weeding is usually done manually. Harvesting and threshing is done using combine harvesters where possible; in Rotbav, they are brought up from the south, where harvesting finishes earlier, by their owners, who are paid in cash. Harvesting and threshing may also be done manually. Exchange of labour between *gospodaria* is common, especially for mowing and gathering of hay in Rotbav.

Ownership of livestock is very variable from region to region, depending on the availability of pasture. They can be a major contribution to the livelihood of the *gospodaria*. As far as livestock is concerned, animals are always the property of the whole *gospodaria* in common. However women look after chickens and pigs, while men look after cows and horses. Cows, sheep and goats, which are sent to pasture, are, traditionally, cared for in common by members of the village, while other animals are cared for by individual *gospodaria*.

### **The importance of farming in the study villages**

Although non-farm activities are often very important to the livelihood of the *gospodaria*, the basic, and often most important, source of livelihood of most *gospodaria* in both communities studied is arable or pastoral agriculture. Arable agriculture exists in both communities, but in Rotbav animals are kept too. In both communities collectivization had been carried out and after 1989 a process of de-collectivization was embarked upon, which re-privatized the land.

The principle upon which land was distributed at de-collectivization was that each household received the amount of land which it had put into the collective or state farm, although each member of a collective farm received a minimum of half a hectare. In Motatei-Gara, since most families had come there to work on a state farm, this meant that they received very little indeed, and some received nothing. The demand for land here is far higher than the supply; so a land market has not come into being. In this area the price per hectare is 2 million lei, but nobody wants to sell their land.

In Rotbav the land was divided, at de-collectivization, into three categories according to soil quality: high-quality, medium and low-quality land. Each family received land from all three categories. This meant that the land of each household was scattered all over the village's fields. The average amount of land held by each household currently is 5 hectares. All land is now registered under the name of the owner. Until 1997 most of the land in the village was worked by a registered agricultural association led by a local man of German ethnicity. This man provided the machines and the management. In 1997 he resigned and the association was abolished. The reason he resigned, according to informants in the village, was that he was discontented with state policy towards agriculture. After that, many villagers became unable to work all their land because they did not have the machinery to do so. Almost 50% of the arable land was not being worked in 2000. Crops were being stolen from the fields, and the Commune Council established a civil guard to control the situation. A land market is emerging in Rotbav, with the price per hectare being around 4 million lei. Many of the buyers are citizens from Brasov, and most of the sellers are local Germans migrating to Germany.

The Rotbav region has always been known as an area where cattle are raised. The tradition is that the cows of the villagers are raised in common. During the winter they are kept in each owner's stable, and in the summer they are given to a cowherd. The custom is that every spring villagers meet with the mayor to decide who is going to take care of the herd. Usually some of the poor people of the village (more often Roma) offer their services in this capacity. After deliberation a family (not one person) is chosen. A contract is signed between the Commune Council and the head of the chosen family. The involvement of the Commune Council is a guarantee that the herd will be taken care of properly. For every cow the owner pays a set fee to the cowherd, in products or in cash (the rate in 2000 was 300,000 lei per year), and every owner also has to provide in turns the food for one day for the cowherd to eat in the pasture. The cows go to the owner's stable for the night, where they are milked each evening.

More or less the same procedure is employed for the village's shepherd. Sheep owners within the village vote for their chosen candidate. The candidates are motivated by the fact that they can use the pasture to feed their own sheep too. The shepherd promises to deliver a certain amount of cheese for every sheep or goat. In 2000 the mayor refused to take part in the nomination of the shepherd and so each household gave their sheep to their favourite shepherd. Each of the seven shepherds so designated has chosen his own way of using the pasture, and sometimes sheep grazed on villagers' crops, with responsibility for this being hard to establish. People say the mayor acted like this because he needed the votes from all of the different interest groups in the village (2000 was an election year). The villagers in general seemed quite discontented about the lack of involvement of the Commune Council in the protection of their crops.

In Rotbav there is a pastoral committee that regulates the management, survey and scientific exploitation of pastures belonging to the village. Before 1990 it designated a day called "pastures day" when each household with cattle was supposed to send members (the number who had to go from each household was according to the number of cattle owned by the household) to go and clean the pastures and fertilize them. However, this tradition has become extinct because responsibility for the pastures is not clearly defined (they still belong to the Commune Council, but the Commune Council lacks the money to invest in them because the people who use them haven't paid their taxes). It is also harder to gather people for this kind of communal work now.

There are few animals in Motatei-Gara and there is no common herd. Although the documents at the Commune Council show that there is pasture, it consists of less than one hectare. Usually the pattern is that each *gospodaria* has perhaps one cow which is taken by children or elderly members of a *gospodaria* to feed on the sides of the roads or along the railway. More recently cattle are also pastured on land which the villagers aren't able to work. Chickens are sometimes left on the streets and gathered into the chicken shed just for the night.

There are three shepherds in Motatei-Gara and each sheep owner decides himself who will take care of his sheep. The problem of sheep grazing on people's crops exists here too, and the mayor had issued a prohibition on the use of pieces of pasture surrounded by crops for this reason.

## **General characteristics of linkages between agricultural and non-farm activities in Romania**

Romania is “at the first stage of transformation” (see Reardon, 2001) in rural non-farm development, in which rural non-farm activity is located in towns rather than in the countryside and in rural areas is directly linked to agriculture, producing goods and services for local consumption. The pattern of the Romanian transition has been to maintain industrial investment in urban areas and agriculture in rural areas.

An important characteristic of the situation in Romania at the moment is weak rural-urban links. The linkages between urban and rural area decreased after 1990. A lot of transport was restricted, the small workshops associated with urban industry were closed, many rural dwellers became unemployed, and children from rural areas have not been able to continue their education in urban areas. The gap between urban and rural areas also became apparent in terms of access to public services such as education and health. The lack of infrastructure, the low level of education and the lack of employment opportunities in rural area are correlated with decapitalization on the part of the peasants and an increasing number of the poorest people.

The linkages between agriculture and the rural non-farm sector are stronger when technical change and growth in agriculture is based on smallholders rather than on large landholders (Reardon, 1999). This is the case in Romania, where there are complex and significant linkages between the two sectors at all levels, including at the household level.

### **Linkages between farming and non-farm activities at household level in the village studied**

One can divide the households in the study into four types differentiated by both the resources available to them and by attitudinal differences to involvement in farming and in non-farm activities. Their potential for diversification to a large extent relates to differences in *relational capital* (see above).

**Type I.** (Households B, D) *Gospodaria* which have both enough arable land and enough human and material resources to exploit their land. This type of household can be described as agricultural entrepreneurs. They have a large amount of land received after de-collectivization, together with enough capital, in the immediate period after 1990, to buy agricultural machines. These *gospodaria* work the land employing both the labour of their own members and that of day labourers. They use their own machinery, and exchange machines with other *gospodaria*. They pay labourers in cash or by allowing labourers to use their employer’s machines in their own fields. Agriculture provides a major source of cash income for this type of household, through the sale of produce.

This type of *gospodaria* is more oriented towards consumption and leading what is locally seen as a decent life than towards accumulation or investment in other livelihood activities or in education. Although they have both land and physical resources, these *gospodaria* are not the richest in the communities studied.

**Type II.** (Households A, I, H) This includes households without very much arable land but with good human and material resources. This category consists of entrepreneurs with little land of their own, who are involved in more diversified, non-farm activities and have innovative management strategies. They tend to be interested in diversifying their livelihood activities still further. Their members were, even before 1989, involved in various kinds of private initiatives. In 1990 they invested heavily in businesses which they already had. They

are interested in developing both their agricultural and non-farm activities, and in further diversifying their livelihood activities.

While this type of household is interested in non-farm activities, they are also interested in becoming more involved in agriculture. They are interested in more modern, market-oriented types of agriculture. In order to increase the amount of land they have, they often rent extra land from the Commune Council for cash or for a percentage of the crop.

The heads of this category of *gospodaria* tend to be more highly educated and to be interested in their own children's education. Thus there is a correlation between level of education, a tendency to be innovative, and successful involvement in both farming and non-farm activities.

These households all belong to important local kin networks, and have substantial *relational capital*. They are or were local decision makers and have high status within their communities

This type of *gospodaria* employs the labour of their own members and of day labourers, as with Type I *gospodaria*, and have their own machines as do those in Type I.

**Type III.** (Households E, F, K) *Gospodaria* with reasonable amounts of arable land but without the human and material resources to work the land as fully as it might be worked, and with members who have a job or jobs outside agriculture, although agriculture remains their main livelihood focus. Agriculture is not their main source of income, although it provides, through the sale of produce, a means to add to the main income source, which is a salary or pension. *Gospodaria* in this category are not interested in investing in agriculture and do not own agricultural machines.

*Gospodaria* of this type employ only the labour of their own members, not day labourers. They rent agricultural machinery from others, and are often able to pay in cash. They are not interested in the economic efficiency of their agriculture, in terms of, for example, quantifying the amount of money or time which they put into production in relation to what they produce. They produce for their own household use, not primarily for sale, and their decisions are related to household need. They sell only the surplus left over when their household needs are fulfilled.

**Type IV.** (Households C,G,J,L,M,N) This includes households with neither enough arable land nor enough human and material resources to maintain a decent standard of living easily. This category consists of *gospodaria* with members involved in many different non-farm livelihood activities designed to ensure their survival: wood-cutters, waggons, gatherers of scrap metals, shepherds etc.)

This category of *gospodaria* have no inherited land because they did not work at the CAP. Some have no land at all. Their heads are relatively young, they are seeking secure employment, and they are ready to employ any strategy which presents itself, including sending a member away in search of work. Their only regular source of income is child benefit.

For those that do have land, *gospodaria* of this type use only their own labour, and pay for the use of any agricultural machinery in kind or with manual work. They often work as day labourers on the land of others. On their own land, they are oriented towards production

for their own use rather than for sale, and, like Type III *gospodaria*, do not make decisions which are market-related.

### **Factors influencing the relationship between farming and non-farm activities in the study villages**

Currently, linkages between farming and non-farm activities identified in both villages studied are circular, in that agriculture determines involvement in non-farm activities and involvement in non-farm activities makes agriculture possible.

Before 1989, most *gospodaria* depended on a cash income from employment, either at state or collective farms or in industry. Some (Type II above) were involved in some private business initiatives on a small scale. Apart from this, *gospodaria* were involved in small-scale transactions, mostly barter-based, with neighbours and kin, but there was no widespread involvement in non-farm activities.

After 1989, there have been very limited possibilities of employment, and limited possibilities of depending on agriculture as a source of livelihood. At the moment, agriculture is mainly a source of food. This situation has forced *gospodaria* to diversify their livelihood base and to become more involved in non-farm activities, in order to try to get some cash income to buy what they cannot grow. Most of the people interviewed complained that their agriculture was not profitable - “*we don't earn as much as we invest*” (informant from Motatei). In this context, the relationship between farm and non-farm provides a safety net for households. Positive linkages between the farm and non-farm sector arise through non-farm activities producing income-smoothing and risk-reducing effects.

However, negative impacts on farm production may also arise from the involvement of a *gospodaria* in both farming and the RNFE, deriving from competition for labour between the two sectors. Issues of significance include the way in which non-farm activities currently and potentially fit into activities which are part of the farming year. This involves looking at the difference between households with access to different amounts of and types of land and their consequent involvement in agriculture. Important questions are: is land a push or a pull factor affecting involvement in rural non-farm economy? What kind of linkages are there between farming and the rural non-farm economy? How does the pattern of farming affect involvement in the rural non-farm economy? What are the financial linkages between the two sectors?

**Table 2. The relationship between access to resources, involvement in farming and RNFE in case study *gospodaria*:**

Case study <i>gospodaria</i>	Involvement in independent RNFE activities	Types of resources available to the household					Sources of cash income	Involvement in wage employment or other permanent sources of income
		Human resources	Owned Land	Rented land	Material resources	Livestock		
A	Husband: works in their own slaughterhouse* in the village	H(46): high school and various courses W(43): agricultural high school C1(18): in last year at high school	5 ha	250 ha rented as pasture	2 brick sheds for pigs 1 modern bungalow 2 stores in two market places 1 butchers shop 2 cars	Over 300 sheep, 4 horses, 15 cows, 7 calves, 11 pregnant sows and 350 pigs	<ul style="list-style-type: none"> <li>◆ 1 state salary</li> <li>◆ Profit from own business</li> <li>◆ Income from sale of agricultural produce</li> </ul>	Husband: silviculture in a near-by village
B	Husband: does mechanized work for others	H(59): vocational school W(52): high school C1(31):high school	5.7 ha (5 of which belong to father of W, which this HH works)	-	Storerooms for agricultural produce, Brick stable 1 tractor, 1 car	12 sheep, pigs, 2 cows and a calf, chickens, 2 horses	<ul style="list-style-type: none"> <li>◆ 1 state salary</li> <li>◆ 1 CAP pension</li> <li>◆ 1 child allowance</li> </ul>	Wife: mail person in the village
C	Husband: collects scrap iron in the Brasov area, makes brooms and baskets, gathers wood Children: day-labour and beg in the village	H(48):gymnasium W(40):primary school	0.1 ha	-	None	1 horse	<ul style="list-style-type: none"> <li>◆ 1 social assistance payment<sup>10</sup></li> <li>◆ 1 child allowance</li> <li>◆ Income from sale of scrap iron, wood, brooms and baskets</li> <li>◆ Proceeds of begging</li> <li>◆ Occasional day labouring wages</li> </ul>	
D	Widow: seasonal labour in a bar in Germany	W(82):primary school	10 ha (worked with daughter in law, who belongs to another HH)	-	1 tractor and all essential farm machinery except combine	5 pigs, two cows, chicken	<ul style="list-style-type: none"> <li>◆ 1 CAP pension</li> <li>◆ Income from sale of agricultural produce</li> </ul>	

<sup>10</sup> Under law no.416/2001 regarding the Guarantee of Minimum Income

Types of resources available to the household								
E		H(62):primary school W(55): gymnasium C(20):high school	3 ha	-	Stable	: 2 horses, 2 pigs, chicken, geese	<ul style="list-style-type: none"> <li>◆ 1 salary</li> <li>◆ 1 CAP pension</li> <li>◆ Income from sale of agriculture produce</li> </ul>	Wife: worker in local uranium factory Daughter: school teacher in Brasov
F	The son works as woodchopper in the village	H(66): vocational school W(48): primary school C1(22): gymnasium C2(20): gymnasium	10 ha	-	None	1 cow, 2 horses, 2 pigs, chickens	<ul style="list-style-type: none"> <li>◆ 1 state pension</li> <li>◆ 1 disability benefit</li> <li>◆ Income from daily labour as woodchopper</li> <li>◆ Income from sale of agricultural produce</li> </ul>	
G	The husband and the son work as woodchoppers in the village	H(45): vocational school W(42): gymnasium C1(20): gymnasium C2(16): gymnasium	-	3.3 ha rented	None	2 horses, 2 pigs, chickens.	<ul style="list-style-type: none"> <li>◆ Income from daily labour as woodchoppers</li> <li>◆ 1 unemployment benefit</li> <li>◆ 1 child allowance</li> <li>◆ Income from sale of agricultural produce</li> </ul>	
H	The husband operates their own sunflower oil press in the village The wife sells soda water* The eldest son works in Italy	H(58): primary school W(48): primary school C1(26): vocational school C2(22): vocational school	3 ha	-	1 tractor and all farm machinery Sunflower oil press	1 cow, a heifer, 30 chickens	<ul style="list-style-type: none"> <li>◆ Remittances from Italy</li> <li>◆ Income from self employment within their household producing soda water and sunflower oil</li> <li>◆ Income from sale of agricultural produce</li> <li>◆ 1 child allowance</li> </ul>	
I	The wife is a salesperson in their own shop* in the village	H(53):primary school W(52):high school C1(30): university C2(26): university C3(24): university	8 ha	55 ha rented	1 tractor and all farm machinery including 1 combine harvester 1 car	19 pigs, 6 sheep, chickens	<ul style="list-style-type: none"> <li>◆ 1 CAP pension</li> <li>◆ 1 state pension</li> <li>◆ 1 income from self employment</li> <li>◆ Income from sale of agricultural produce</li> </ul>	One daughter works as school teacher in Craiova
J	The husband works as day-labourer in the village	H(46): primary school W(40): primary school	0.75 ha	-	None	None	<ul style="list-style-type: none"> <li>◆ Income from day-labour inside and outside the village</li> <li>◆ 4 child allowances</li> </ul>	

		Types of resources available to the household						
K		H(55):vocational school W(49): primary school C1(27): high school CL(31): vocational school	2 ha	-	None	Chicken, geese and a pig	◆ 2 salaries	The husband and the son-in-law are watchmen at the local warehouse
L	The father and the sons take care of the village flock of sheep, the younger members sell agricultural products	H(61): primary school W(62): primary school C1(27): vocational school CL(20): gymnasium	1 ha	1 ha (0.5 ha borrowed, 0.5 ha rented)	None	2 pigs, 20 sheep, 22 goats, 2 horses, chickens	◆ 1 child allowance ◆ 1 state pension ◆ 1 CAP pension ◆ Income from sale of agricultural produce	
M	All members are occasionally day-labourers in the village	H(50): primary school W(46): primary school C1(23): gymnasium C2(16): gymnasium	1 ha	-	None	1 horse	◆ Income from day-labour inside and outside the village	
N	The mother is a day-labourer in the village	W(50): gymnasium C1(33):vocational school CL(20): gymnasium	0.75 ha	-	None	2 pigs, 1 goat, a sheep, 12 chickens	◆ Income from day-labour inside and outside the village ◆ Income from sale of agricultural produce ◆ 1 child allowance	

\* permanent independent activities, the rest are rather uncertain seasonal activities  
H-husband; W-wife; C1, C2 – children; CL – son-in-law or daughter-in-law

The table above shows that there is no direct relation between amount of land and involvement in seasonal or permanent RNFE activities. Both households with a lot of land and those with little land are involved in non-farm activities. The most successful households are, in fact, involved in both farming and non-farm activities.

The main criteria which determine the type of management adopted by a given household are amount of land; material resources; and human and physical resources. The amount of land includes both land owned by a *gospodaria* and that which it rents. The human resources upon which a *gospodaria* can draw are the labour of members of the family older than 15 years who are involved in working the land (dependants such as children, old people and sick people are excluded). One important aspect of human resources is level of education, which affects involvement in both agriculture and non-farm activities (Type II *gospodaria*; see above). However, educational level is not correlated in any clear way with involvement in non-farm activities in general, although employment of a permanent type is correlated with a higher level of educational achievement. In general, the level of educational achievement is quite high relative to employment, however, and education certainly does not guarantee being able to get employment of a stable type.

### **The balance between different types of resources available to a *gospodaria***

The sample *gospodaria* can be divided into those which might be described as 'balanced' households - those where the amount of land owned is well correlated to the human and material resources available (B, E, F, H, K, L, M) - and 'unbalanced' households - where the amount of land is not well correlated to the human and material resources available (A, C, D, G, I, J, N). There are two kinds of 'unbalanced' households: those which lack human resources (e.g. a widow with 10 ha); and those which lack land (e.g. a household with 11 members and 0.1 ha of land; or a household with 2 horses but no land; or a household with two tractors, and a combine harvester but only 8 ha of land). The fact that a household is 'unbalanced' in the relationship between land and labour can have various implications, positive and negative. Where a household has too little land and a lot of labour, this may precipitate the renting of land and/or involvement in the RNFE. Where a household has more land than it can cultivate, it may rent out the land or hire labour, depending on the abilities and ages of household members, especially those of the couple or individual at its head.

### **The relationship between status and diversification**

Generally, status derives from successful involvement in both agriculture and non-farm activities on the part of a household. Involvement in agriculture is crucial to status in the community, and this can be seen in the fact that Type II households place a good deal of emphasis on developing their agricultural as well as their non-agricultural activities, investing in land and agriculture.

### **Production for sale and production for home consumption**

Most agricultural produce, in both communities, is destined solely for household consumption. Only *gospodaria* working more than 5 ha are able to put aside some of the produce for sale. In Rotbav members of four out of the seven *gospodaria* interviewed said that they do not sell agricultural produce. The other three sell pork at their butcher's shop in Brasov, barley at the brewery in Brasov, milk to villagers or to milk collectors (persons who collect milk to sell it at the market in the city). In Motatei-Gara members of three out of the seven *gospodaria* interviewed told us that they do not sell agricultural produce. The other four sell cabbage to a purchaser from Gorj County who takes it

directly from the field. The shepherd sells cheese to customers in Calafat and the few agricultural entrepreneurs sell sunflower and wheat.

Production for home consumption, and in order to be able to host others, to give and to barter produce with other households, is also fundamental to status. Ability to process agricultural produce well – to make good cheese, jam, sausages – is important in setting up and maintaining relational capital, through hosting, gifts and barter. There is therefore a limit to production for sale set by this need to produce and process for home consumption and for use within the community, even on the part of households which could produce for sale and buy in produce. There is a social imperative to consume produce which a household has produced and processed itself.

## Money and barter

Most *gospodaria*, in both communities, do not keep a precise record of income and expenditure. Cash income is not the only, and indeed is not even necessarily the most important, measure of household success or local status. A great deal of income is in kind, either through own production or through barter and gift via social networks. It is very hard for farmers to give any figures on investments in agriculture. This is because many of the transactions avoid the use of money, with labour exchange and barter being employed instead.

Where cash payments are made, this is often over a long period of time, with inflation modifying the real value of payments. This causes discontent among the owners of agricultural machines, because they sign a contract in the spring to deliver mechanical services for a sum that quite often in the autumn represents close to nothing.

This illustrates the fact that it is important for a household to have a certain amount of cash income in order to be able to buy necessary goods in town, to pay bills and taxes, to pay for transport, to pay for basic items of farm machinery.

Payment for rented land or land held on lease is also very hard to establish since the contract often avoids cash and is focused on labour exchange. For leased land the owner receives a fixed sum (300,000 ROL<sup>11</sup> /ha / season in *Motatei-Gara* and 250,000 ROL in *Rotbar*) or a percentage of the crop. There are also cases of token prices or prices left to the goodwill of the person who works the land. This is most common between relatives and friends: "*he should give what he wishes*"

Most of the *gospodaria* interviewed don't make a profit in agriculture. The only households interested in investing money from agriculture in other types of livelihood activities are the entrepreneurs without land (some of those belonging to Type II above).

In most cases the members of a *gospodaria* pool their money. Usually the wife keeps the money but decisions about how to spend it are made jointly with her husband and other adult members of the household.

There was a barter economy of considerable significance under Communism. This was part of the invisible network of repayment for services that included extra-legal assistance of various sorts. It continues to be of significance in both communities studied. All the *gospodaria* interviewed were involved in barter. These exchanges are not the responsibility of a certain member of the *gospodaria*, but where they involve travelling outside the community it is usually younger members, of both sexes, who take responsibility for them.

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<sup>11</sup> At the moment 1 USD is equivalent to ~ 30,000 ROL

Much barter is with partners from different parts of Romania, particularly from Oltenia and Transylvania. *Gospodaria* in Rotbav exchange potatoes for maize or for wheat. Those in Motatei-Gara exchange maize for potatoes, cabbages for apples, apples for wheat. There are some regular barter relationships with individuals in other areas: for example, a widow from Rotbav exchanges potatoes for maize on a regular basis with a person from Gorj County and a *gospodaria* from Motatei-Gara regularly exchanges cabbage for apples with someone from Ramnicu-Valcea.

Other exchanges include:

Aluminium scrap for plastic objects  
Agricultural products for second-hand clothes  
Agricultural produce for wood  
Milk for the remains of sunflower plants  
Milk for eggs  
Sugar beet for sugar  
Cheese for honey  
Cheese for maize or wheat

### **Farm and non-farm: summary**

- ◆ Romanian rural livelihoods depend on involvement in both agriculture and non-farm activities, and most *gospodaria* are involved in both.
- ◆ *Gospodaria* ensure their own food supply from farming and look to non-farm activities for cash. Agriculture is only a source of significant amounts of cash for a small number of *gospodaria*, falling into Type II above.
- ◆ It should be emphasised that for most *gospodaria*, involvement in both farming and non-farm activities provides a 'portfolio' of activities which acts as a safety net through its diversity. Thus involvement in non-farm activities as well as farming is very important in staving off poverty and in providing a higher level of control over the livelihood of the *gospodaria*. Diversification patterns reflect the allocation of assets across various activities so as to achieve an optimal balance between expected returns and risk exposure. However, while 'pull' factors, relating to opportunities available, influence the better-off (particularly *gospodaria* of Type II above) in their involvement in the RNFE, for the poorer *gospodaria* it is mainly 'push' factors which lead them, through desperation, to involve themselves in lower status, lower paid involvement in the RNFE.
- ◆ Many factors related to agriculture constrain involvement in the non-farm sector: the lack of liquid cash for and from farming, the high risk generated by the dependence of crops on the weather, the seasonality of agriculture and the lack of orientation towards the market.
- ◆ There is no clear correlation between the amount of land which a *gospodaria* possesses and its involvement in non-farm activities. A high level of involvement in the RNFE does not mean that a *gospodaria* is not also involved in farming, and vice versa.
- ◆ However, non-farm activities can compete with farm activities in the use of household resources, both labour and cash, thus hindering the development of the two sectors at the regional and national level.

- ◆ Diversification in rural areas is likely to continue and accelerate, in the current economic and social climate in Romania. *Gospodaria* do not feel secure enough either in farming or in their involvement in any given non-farm activity, to invest all their resources in one or the other.

## SECTION 5 - FACTORS WHICH AFFECT INVOLVEMENT IN NON-FARM LIVELIHOOD ACTIVITIES

*“If Ceaucescu were still here, we would all have jobs. That’s capitalism: nobody is interested in the fact that the poor do not have food for their children.”*  
(informant in Motatei- Gara)

*“The most important obstacle is people’s mentality”*  
(informant in Motatei-Gara)

This chapter comprises a summary of the factors which affect involvement in different livelihood activities and RNF development in rural areas. Factors and obstacles affecting the development and diversification of income generating activities can be categorized as follows:

- ◆ *social factors* - ethnicity, level of land-holding, gender, age, religion, status and ‘relational capital’
- ◆ *macro-level policies (national and commune level)*: economic stability and confidence; political stability and confidence; foreign investment policy; the development of the private sector, of infrastructure, of health, of education

### Social and cultural factors which affect involvement in RNFE

Socio-cultural factors that are significant in determining involvement in non-farm economic activities include ethnicity, gender, (both as this relates to individuals and to individuals as part of households) age, the relative prestige/desirability of different types of non-farm activities, religion and ‘relational capital’.

#### *Ethnicity*

Although dismissed as irrelevant by most (non-Rroma) informants, ethnicity is, in reality, a factor that constrains or favours access to non-farm activity, wherever there are different ethnic groups within a community. This is true of Rotbav, where there are people of German, Hungarian, Romanian and Rroma ethnicity. In Motatei-Gara, the population are Romanian.

For the Rroma, their ethnicity is particularly significant in influencing activities in which they engage. The stereotypes about Rroma (“one has to watch them if one wants them to work one’s land properly” - land owner from Rotbav) reduce their chances of employment, forcing them to adopt informal survival strategies. There is a more specific stereotype about them not being fit for agriculture (“they don’t care about the land, they don’t have a sense of property about it” said the mayor in Feldioara). Because they lack land and resources, Rroma people are more oriented towards irregular and informal non-farm activities, usually not involving major investment and sometimes discarded by the majority as involving a lower social status (street vendors, scrap iron collectors, broom-makers). Interestingly, even in Motatei, which does not have any Rroma in residence, the stereotypes about them persist. The increase of poverty has tended to make certain activities, traditionally allocated to one ethnic group, become activities in which members of all ethnic groups are forced to engage, and this is expressed in relation primarily to the Rroma: “we carry

*wood from the forest like gypsies*' (Hungarian from Rotbav); *"we sell salt on the streets like Rroma"* (Romanian from Motatei).

Iron, aluminium, sheepskin, glass and paper collecting are all activities performed mostly by Rroma. The mayor of Rotbav complained that the Rroma stole all the lids from the water plant: *"It's a disaster with the iron collecting"*. It seems that the collectors received orders from their bosses in Brasov to gather all the iron they could find. In Motatei the Rroma collect aluminium scraps and exchange them for plastic dishes. They make baskets and brooms, as well as being wheel makers and smiths. They also glean the remnants of the harvest in fields belonging to other ethnic groups after the harvest. When they are very desperate, they even sell their children, as a Rroma interviewed in Rotbav told us: *"I honestly confess, my wife sold a child"*. This was in order to buy the land they own now.

However, the influence of ethnicity in relation to access to some kinds of non-farm economic activity is not restricted to Rroma. The Germans in particular are seen as advantaged vis-à-vis other ethnic groups. The Romanians in Rotbav feel disadvantaged in comparison to the Germans who are able to get passports and visas easily and work in Germany. Traditionally, the Germans were more involved in small industrial activities (e.g. Vogel's brick factory in the village of Reconstruction and the brewery in Feldioara, both neighbouring villages to Rotbav) than Romanians and Hungarians, although this difference is now disappearing. Those who are ethnically German have relatives in Germany and are able to import high quality secondhand clothes for sale. In Romania there is a network of second hand stores and large quantities are imported from all the countries of Western Europe, and it is usually Germans who are involved in these networks. In Rotbav the second hand clothes shop belongs to a German family who work in Austria and regularly import clothes. The Rroma also sell second hand clothes, which they import from Hungary. Unlike those of German ethnicity, however, the Rroma are street vendors. They come every Thursday with a cart full of clothes or shoes which they spread on the ground, wait for a couple of hours for customers, then pack and drive to another village. The Rroma accept payment in kind instead of money.

### ***Social status***

High social status is related to involvement in permanent non-farm activities, while a lower status is linked to occasional, informal or illegal activities. What is here described as 'relational capital' is very important in building up involvement in non-farm livelihood activities. High status derives from high levels of relational capital rather than education or land-holding. Relational capital is based on kinship and neighbourhood but is also based on ethnic and religious ties, often built up deliberately. These are likely to mean that households have very different abilities to take up new opportunities. While they can work on building up relational capital, what they can achieve is governed to a large extent by the networks into which the members of the household are born.

In general, households with high levels of relational capital are better off materially – 'richer' – than others – not only in terms of cash income but in terms of income in kind and level and variety of their own agricultural production, making their diets more varied, their houses better built and their lives generally more comfortable. This is particularly true in the case of non-Rroma. Rroma have high levels of interaction among themselves, and households are highly interdependent, but because they are excluded from involvement in most of the more lucrative kinds of non-farm activities, and are generally not involved in farming except as labourers, their interdependence among themselves does not give them a strong basis upon which to become better-off.

Although, especially within ethnic groups, the poorer households are dependant on the better-off, there are latent tensions between rich and poor, and in this context there is a certain level of interethnic solidarity. The better-off display a paternalistic attitude towards the other members of the community ("*we help them, they belong to us, they are used to asking for help from us*" – informant in Rotbav, household A). The poor claim that "*we know who got richer - the one who stole the most*". Differentiation by wealth and social status are important factors influencing many aspects of life in Rotbav. For example, there are the two pubs, one for high status young men (rich families, educated), the other for lower status persons (poor families, often with no money for school, Romanians, Hungarians but particularly Rroma)<sup>12</sup>

### **Gender**

Neither women nor men claim exclusive right to exercise a certain activity. In general, context and opportunities decide who will be involved in a certain activity (in households B, E women with permanent jobs earn the main part of the household income). The roles of woman and man within the *gospodaria* is, structurally, clearly defined. The woman is the housekeeper and the main manager in-house and the man mediates, on a formal level, relations with the world outside the *gospodaria*. Thus, men are important in building up relational capital outside the household, particularly outside the village and between different ethnic groups. However, within the village, women's networks are also very important, although less visible and less formal. The woman holds the purse strings in Romanian households and she is therefore the linchpin of economic relations with the intra-village outside world. The man is the representative of the *gospodaria* to the world outside the village.

### **Age**

Young people aged between 16 and 25 feel they are constrained in their involvement in non-farm activities. They put this down to their lack of experience and lack of professional training (because they didn't have the money to finish their education). Tensions between age groups exist in both communities. The young are accused of dishonesty and laziness ("*they are lazy, just tramps that would rather steal than work the land*"). They reply by saying "*the communists gave them (older people) food, houses and jobs. Now they have pensions. They have no worries. We on the other hand cannot feed our children*" - young man from Motatei-Gara). The young are dependent on their parents' income to survive, because they can't find any work, and sometimes they are forced in to work the land with their parents in exchange for financial help ("*my father wants me to scratch the land side by side with him, for nothing. I told him this has nothing to do with agriculture!*" - young Romanian from Rotbav).

The primary aim of many young people in Rotbav is to be able to leave their parents' house. They try to find jobs in the city (Brasov). They are not interested in working in agriculture. Their dependence on their parents frustrates them. Many of them see the solution in migration, even abroad, although they say that they don't intend to settle down in the new country, but to make money and return to the village. By contrast, in Motatei-Gara many young couples living with their parents are satisfied with their economic status. However, they have no jobs ("*the village street is where the young people spend their time. They stay up all night and talk, in discos, pubs and then they start stealing*" - focus group men, Motatei Gara). The young of Motatei-Gara say that don't intend to migrate. They believe that it is only a matter of patience and their situation will improve. Although they are poorer in comparison to their peers in Rotbav they say they are satisfied with

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<sup>12</sup> Unaware of this situation, we invited the young persons to a focus group in a room belonging to one of the houses in which a pub was located. The rich ones were very reluctant because the pub was associated with low status villagers. When the discussions reached issues that were in dispute between the two groups, the young people belonging to the high status families left, making it clear that they would not argue on non-familiar ground.

their income and their life in general. They imagine their future as being closely tied to the future of their parents and their household.

### ***Religion***

This can sometimes be a factor influencing involvement in non-farm activities. The members of non-traditional religious groups feel segregated by the majority. However, they benefit from the close relations which tend to exist between members of these rather small groups of people, which allow better collaboration and mutual support. The small number of parishioners belonging to these churches causes them to have close relationships to people outside the village, in places where their co-religionists have stronger communities. This can be a valuable asset in relation to involvement in livelihood activities (for example, Adventist young persons from Motatei-Gara working in Italy recommend other Adventists from Romania to their employers, and other Adventists also find jobs more easily in Craiova with this kind of help).

There are latent tensions between religious groups. In Rotbav the Orthodox villagers accuse the Evangelicals and Baptists of joining those groups "*for material benefits rather than faith*", while the latter affirm that the former do not lead a Christian life, using the Orthodox priest as the main target for their criticism. In Motatei-Gara the Orthodox villagers accuse the Adventists of being "*shrews*" while the Adventists say Orthodox people are "*lazy*".

In Motatei the Adventists, since their religion dictates that they should not work on Saturday, were private producers even under the communist regime (when Saturday was a workday). They had sewing and knitting machines and worked as members of the CENTROCOOP. So they have a head start in involvement in this kind of non-farm activity.

### ***Relational capital***

The importance of relational capital, a kind of social capital, has already been alluded to. This relates to ethnic, religious and kin ties. It also relates to ties of other kinds, including *nomenklatura* networks deriving from the Communist period. Under Communism, complex and largely invisible networks were utilized widely in order to get things done, as the official system worked imperfectly – plan instructions were usually incomplete, sometimes inconsistent, but they did succeed in mobilizing resources in particular directions. Networks then came into play to translate a rough and ready plan allocation into something that actually worked at the very micro level. This applied to areas ranging from getting a job to buying meat. With the collapse of Communism, these networks have been altered and revised. New networks, often just as extra-legal and thus difficult to see, have been put in their place, while remnants of the old networks remain too. These networks are important in understanding non-farm activities and the potential that different categories of individual and household have for developing their non-farm work.

Relational networks are often based on neighbourhood and not just on kinship. "*A neighbour is more important than a brother. A brother may be far away and he might come to you or not, but the neighbour is already there.*" said a villager from Rotbav. Both villages are small and everybody knows everybody. Links between people are very complex and diverse. Although opposed factions are in dispute over various issues, in extreme situations the differences are forgotten (for example, when the house of a family in Rotbav caught fire everybody came to help extinguish the fire, although they were in the middle of a quarrel on religious topics).

Examples of collaboration between neighbours cited by informants in the communities include:

- Two neighbours from Motatei-Gara who had two motor wood-cutters that broke down decided to make a single cutter out of the two and have been working as a team ever since.
- Neighbours in Rotbav got together to hire a car and go together in Oltenia region to barter their products there
- A widow in Rotbav makes cookies for the neighbour's family and he helps her with heavier jobs in the household
- A villager from Motatei-Gara worked as day-labourer on his neighbour's tractor and was allowed to use the tractor for a day for his own land
- Two shepherds in Motatei-Gara get together to sell cheese - one of them has a car, the other helps him in the household in return for the use of it
- People with wells associate with people with pumps to water their gardens in common
- Germans who left the village for Germany helped Romanians from Rotbav to find work in Germany.
- In Motatei-Gara people who do not have refrigerators give some of the meat to neighbours when they kill a pig; when the neighbours kill pigs they will in turn get some meat

Relational networks are particularly strong in German communities, as Rotbav was until recently. There is a long tradition of neighbourhood associations in Rotbav. When the village was mainly a German village, every street had such an association. Each household had certain rights and certain obligations, regarding almost every aspect of life; this still covers certain things like funerals. Neighbourhood associations are based on household and on gender: there is both a Women's Association and a Men's Association in Rotbav. In Motatei-Gara, by contrast, such associations do not exist; in Romanian culture there is much weaker sense of collectivity.

Social networks based on relational capital help all members of such networks, but certain individuals are at their cores. In Rotbav such a network has at its core two important families of Orthodox Romanians, the oldest families in the village after the migration of the Germans. They help each other in every aspect of their lives. Recently they have moved to other communes or in Brasov but continue to communicate with each other. They help each other through working together, sharing capital, facilitating employment in the village, in Brasov or in Germany. The other villagers from Rotbav are newcomers from different parts of the country, generally just beginning to establish closer links with the local community. They have much more restricted social networks and hence lower levels of relational capital, and it is much harder for them to build up ties which enable them to develop livelihood activities, especially the more lucrative forms of non-farm activity.

### **Factors and obstacles at the national and commune level affecting involvement in non-farm activities**

The role of institutions and government in promoting the RNFE and in enabling access to opportunities with the RNFE is important (see Hare, 2002). In particular, the relationship which a village establishes with the commune centre and with the region in general is essential for its development. The commune has one budget which is shared by all the villages it comprises. The mayor and the Commune Council make decisions on how this is divided up. The Council's tasks include renting out public land, raising taxes through activities like grazing, fertilization of pastures, repairs of roads and bridges, dealing with serious social cases and dealing with agriculture and land property issues. Schools, kindergartens, health centres and clubs also belong to the Council. It has a role in attracting investors to the area and creating job opportunities for its citizens.

Studies carried out in Romanian villages show that peripheral villages such as both Rotbav and Motatei-Gara are often neglected in relation to investments made from the local budget. (see Manuela Stanculescu, 1999). However, these two villages have had very different experiences since 1989: Rotbav has benefited from initiatives at commune level, and also from the proximity of the city of Brasov, while Motatei-Gara, which was a very developed village within the commune to which it belonged before 1989, has lost all its economic activity since all the enterprises in the village were state owned and went bankrupt. Since 1989, the problems which Motatei-Gara faces are very different from those faced by the commune centre (which was not focused on state owned enterprises) and so it has not benefitted from the kinds of initiatives which the commune centre has undertaken.

In Rotbav most people feel that involvement in non-rural activities is a matter for individual responsibility, and that the role of the council and officials is small. In Motatei-Gara, on the other hand, people regard finding investors and developing non-farm activity opportunities to be the duties of the local council, because the development of the area needs a holistic approach, given the level of poverty and the lack of individual means.

Many informants expressed negative attitudes towards the dismantling of the collective farms (CAPs). They felt that they do not have either the money or the know-how to practice market-oriented agriculture, and they would have preferred to continue to be employed on the CAPs. They saw the way that the land was divided, into many tiny pieces within each field, as an obstacle to producing for the market (“*Everybody grows whatever they want on their piece of land. One has grapes, one grain – you can’t organize management of the land [i.e. for example chemical treatment] effectively*”)

Generally, there was a lack of trust in politicians among informants. Politicians are perceived to be negligent, and to do and say anything, without meaning it, in order to get into power. (“*In order to get an extra vote, they promise that they will do this and that, but nothing comes of it.*” - informant in Motatei Gara). The political system is perceived to be conducted without taking into consideration the needs of the peasants. Peasants are said to lack adequate representation at political and state level (“*the peasant is alone and disoriented, without capital, old, not taken seriously, because he is not a miner who can go and hit the table with his fist.*”)

There is also said to be a lack of trustworthy leaders. (“*The lack of trustworthy leaders led to the bankruptcy of the LAS [State Farm] in the village. If you have a good leader he will be concerned about the families of his workers, not only about himself and his wealth, concerned about everybody having something to live from. If you have good people, who really want to do something, than everything is possible.*” - informant from Motatei-Gara)

The bureaucracy and administrative system in Romania is perceived to be too complex, to be corrupt and to function badly. This affects the possibility of investment (“*if someone wants to come to invest here, he has to fight because there is a group of mafia, all relatives. For example, there were the LAS stables - when there was the auction for them, the auction was just a pretence. The people who bought them didn’t pay even half of the value of the buildings. They were the leaders and they still are. And if an investor from outside wants to come, he would have to be very bad himself, to be able to compete with the mafia here.*” - informant from Motatei Gara). Informants also said that the corruption in the system affects the availability of jobs; managers of firms, especially of the former state-owned firms, are said to hire only relatives and friends, and it is said to be impossible to find a job without having the right connections. It is also said to affect the possibility of selling agricultural produce, whether processed or not (“*I had to use my relatives and relations to get a place in the marketplace to sell my products*”, said the owner of a butcher's shop from Rotbav; “*they ask you to show them certificates that are not*

*issued any more to people, and yet one cannot continue without them*”, said another entrepreneur from Rotbav).

There was perceived to be no coherent development strategy on the part of the state, or none that was visible (*“We don’t know where things are going in five years’ time. Investors need to know what plans there are for development, what the state plans to support.”* - informant in Motatei).

On a financial level, informants said that state policies do not protect the producer. State support for agriculture is said to be insufficient. It is believed that the state should be much more proactive and take control of the economic situation so that peasants are able to develop their livelihoods, both in farming and in non-farm activities. It was clear that the views expressed reflected expectations of the role and power of the state which derive from the communist period. For example, the state was expected to be able to set the prices of agricultural produce (*“Agriculture is impossible at these prices. The Government mocks the work of the peasant, because we work for nothing.”* – informant in Motatei Gara). Some of the areas in which it was believed that the state should take a hand included setting up a purchasing system for agricultural goods (*“Poverty in Romanian villages is due to the lack of an acquisition system. Large quantities of produce are blocked and the people cannot restart the agricultural cycle.”* – informant in Motatei-Gara). It was also believed that the state should stop foreign goods entering the country at low prices – (*“The state does not pay enough attention to market equilibrium - it is careless. Imported meat is very cheap and cereals are very expensive to export. If more cereals were exported, that would increase the price for them and if more meat were imported, it would decrease the price for it. Then we would have a much better situation.”*)

Foreign investors are believed to be damaging local interests. (*“There are hidden foreign investors, who keep huge land surfaces without being worked in the area, but obtain credits from banks in their country”* - director of the Prefect’s Cabinet, Craiova)

Getting goods to market was seen as a major problem. Agricultural produce, whether processed or not, are cheap at the farmgate and expensive in the marketplaces in the city. However, informants said that peasants cannot market produce themselves because there is nowhere to do so. They cannot transport their produce to the markets to sell at higher prices because they lack the means of transportation (but it should be noted that some also said they are not interested in selling at the marketplace). There is too long a chain of intermediaries (*“Those who give animals to the slaughterhouse lose 30% to the intermediaries.”* - focus group member, Motatei-Gara). Warehousing goods is very expensive (*“When you go to deposit grain, a paper from the state comes which says you have to pay taxes. Up to now it was free, now it is more expensive than the grain.”* – informant from Motatei).

Financially, it was felt by informants that the economic environment was not conducive to starting any kind of business. First of all, there is galloping inflation. The main problem, though, is that there is simply a lack of any capital to start a business. (*“I have ideas. But ideas are fed from the pocket”* - farmer in Motatei-Gara. *“There is no money, they don’t have anything to invest. You can’t do anything without money”* - informants from Motatei Gara).

On the legislative side, informants felt that the environment was equally negative. (*“When you want to do something good, they give you a law that kills you...!”*). Existing legislation blocks enterprise or means that too many things are categorised as illegal. Also, the law of property does not protect the owner of land.

It was felt that the price of energy and gas were too high, and the rapid and sudden increases in prices were very damaging to investment. This was considered to be the fault of the state, which in effect controls prices.

The quality of education at village level has fallen dramatically. It has become very difficult for a village child to gain access to higher education, or even to the upper parts of the school system. Informants emphasised this. (*"I have worked in the education system for 4 years. Only one or two children go further to continue their education, others may go to schools which assure them a profession, but in most cases they abandon it due to the lack of money, 6% of the children living in the village go to a high school and only 1% go to universities. The best part of communism was that it assured equal chances to all the children living in villages."* - interview with a teacher, Motatei-Gara).

The health system is also deficient in rural areas. (*"At the dispensary there is no one, if you are sick, nobody takes care of you if you do not have relatives or people you know"* - focus group women, Motatei Gara). Sometimes people have to pay extra money for their medical treatment. (*"At the doctor's you are expected to give money."* - focus group women, Motatei Gara)

## **CONCLUSIONS: IMPORTANT ASPECTS OF THE CURRENT SITUATION IN THE COMMUNITIES STUDIED**

1. The majority of rural non-farm activities in the communities studied are survival activities - informal, unregistered, sometimes illegal (households C, F, G, J, L, M, N)
2. Involvement in non-farm activities does not imply less involvement in farming. On the contrary, the two activities prove complementary: people involved in non-farm activities are able to work more efficiently the land. (households A, I). Households seen as more successful, and with a higher standard of living, are involved in both farm and non-farm activities.
3. As far as successful independent non-farm activities are concerned (households A, I), relational resources are the major factor that contributes to this success. Successful households, which have high status in the community, have a broad network of connections, and high levels of what we are calling 'relational capital'.
4. The most important factors leading to poverty differ in the two communities: in *Motatei-Gara* they are lack of land and lack of employment, and in *Rotbav* they are lack of employment, relational capital and education (households C, G, J, M, N; informants from focus groups highlighted these factors).
5. In both communities villagers employ livelihood strategies that have implications not only for their economic situation but also their values and cultural background (changes in religious beliefs, marriages abroad - households B, G, H, L emphasised this, as did informants from focus groups)
6. In both communities informants said that there is little scope for developing entrepreneurial non-farm activities apart from shops and petty commerce, and even here there is a perception that there remains little scope: *"there isn't anything more we can do here, we already have enough pubs!"* (households D, F, M).
7. There continues to be a belief, derived from experiences under Communism, that someone from outside should come and help to improve the situation in the communities studied, through providing employment in larger enterprises. However, while immediately after the fall of

Communism people still expected to get help from the state, they now expect this 'outside force' to be a private investor (all focus groups expressed this).

8. Agriculture is not seen as being a 'business'. Very significant physical, financial and human resources are employed in agriculture, but this is not in order to make a profit, but for subsistence purposes and because of the cultural and psycho-social value of agriculture: "*it is shameful not to work my land*", "*now that the land has been returned to us, we have to work it, since we are now the owners*", "*there is no other choice but to live from agriculture*". (households B, D, N, focus group informants)

9. Young people in both communities are very dissatisfied with working in agriculture and are more than willing to find a job in non-farm activities (focus group informants). In Rotbav this is accompanied by a willingness to leave the community, while in Motatei-Gara young people would prefer to remain in the village.

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## **GLOSSARY**

*Gospodaria* – household; a term which refers not only to the residential unit but to the economic unit, including its material resources, associated with that household

CAP – collective farm set up under Communism; dismantled after 1989

IAS – state farm set up under Communism; dismantled after 1989

CENTROCOOP – network of small enterprises in rural areas, set up under Communism and run by the State; still exists in reduced form

UCECOM – association of craftsmen cooperatives, set up under Communism and run by the State; still exists in reduced form



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