

ECONOMIC AND ADMINISTRATIVE MEASURES TO STOP THE DEMOGRAPHIC DECLINE IN ROMANIA

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Abstract

The demographic decline represents one of the serious problems faced by most European countries over the last decades. Starting with 1992, Romania also has entered a demographic decline that has increased from year to year, mainly characterized by the decrease in the number of the population and by the aggravation of the age structure. This paper aims to analyze, first, the dimensions of the demographic decline in Romania as well as to highlight the determinant role of the natural increase of the population in maintaining this decline. At the same time, the paper highlight the need for a coherent, demographic policy, scientific fundamented, in order to ensure the recovery of the birth rate and, implicitly, to stop the demographic decline. I have presented some of the economic or administrative measures put in place by the Romanian state for stimulating birth rate and supporting families, measures that have a birth-boost effect only for certain social categories.

Keywords: demographic decline, birth rate, demographic policy, administrative measures, economic measures

Introduction

In the last decades, most European countries have been experiencing worrying demographic phenomena, having as key features birth rate drops and the aging of the population. With a different country-to-country causality, depending on the actual economic and social conditions, these unfavorable demographic developments, especially through the medium and long-term negative implications, have begun to be seriously addressed by national authorities, Member countries of the European Union, that have developed their own social policies regarding the population, based on complex multidisciplinary analyzes.

Romania is no exception to the developments registered at the European level; the last decades have been marked by a continuous and significant drop in Romania's population, but also by a worrying increase in the share of the elderly population.

In the new context, analyzing the causes that have determined the current serious situation of the Romanian population and elaborating recovery policies of limiting the negative consequences, becomes imperative for the entire Romanian society. They must be found in a science-based demographic policy that is capable of hindering the drop in birth rates and gradually increasing it, further reducing mortality and reducing external migration to normal dimensions, all on the background of improving the quality of life.

Along with other measures included in the demographic policy, the measures of an economic or administrative nature also contribute to reducing the demographic decline, at least by boosting birth rates among certain social categories.

The content and the necessity of demographic politics

Just as in other domains, in the case of human populations it is also necessary to implement coherent measures to ensure the desired evolution, measures which, in a simplified formulation, are called demographic policies. The demographic policy is one of the important components of the socio-economic policy and represents [1] a system of measures taken to influence the demographic variables in the sense that the state consider them desirable on short term, but especially on long term, in accordance with its general interests, respecting the fundamental rights of the individual and the couple.

A demographic policy gathers the options, objectives, related legislation, financial means and the assessment of the effectiveness of the adopted measures. Demographic policies must be developed based on a pertinent analysis of the demographic trends, in a general socio-economic context, completed with their prospective evaluation, especially in terms of consequences.

In terms of the determined objective, the demographic policy can aim either to keep the population number at the existing values at a given time, or to obtain an increase or decrease in this number. Therefore, we have to deal with public policies of intervention in a natural process of increasing the population, on which there are very different conceptions [2]. It should be mentioned that between demographic policies and other economic and social policies there are close interdependencies in the sense that we encounter both situations in which the demographic objectives (population control) are

achieved by extra-demographic actions (political, social, economic, cultural) and situations that use demographic means to achieve objectives in other domains. All these aspects make it necessary to analyze the relationships between objectives and means in public action.

Regardless of the nature of the adopted demographic policy, the possible means of use are:

- a) economic-financial or fiscal means;
- b) legal and administrative means;
- c) healthcare means;
- d) cultural, educational or propagandistic means.

The nature or the actual content of these means depends on the pronatalist or antinatalist orientation of the respective policy, whether it is intended to stimulate or to discourage fertility. For example, if we want to encourage the birth rate, we will use stimulating economic means such as children's allowances, family allowances, tax deductions, economic aid for families with many children, etc. Alternatively, if an antinatalist policy is promoted, economic or fiscal penalties of various kinds may be used if the optimal number of children is exceeded. The question is whether demographic policies are needed or not, whether it is correct or not to intervene in the natural evolution of population. We believe that the answer is an affirmative one because there are frequent cases when the dynamics of the populations show developments that can have serious social, economic or even demographic consequences.

What can we say about the need for demographic policy in Romania?

To answer to this question we should start with the trends that have sprung in the evolution of the population over the last 25 years.

The statistical data published by the NIS mainly highlight the following changes that have occurred in the evolution of the demographic components after 1989:

- a) the noticeable decrease in birth rate and fertility;
- b) maintaining general and infant mortality at high levels;
- c) maintaining the negative balance of external migration.

As a result of these trends, the population of Romania registered negative developments, mainly related to the process of continuous numerical reduction and acceleration of

demographic aging and implicitly increasing the "pressure" of the elderly population on the important systems in society. Seeing the direct negative consequences that the aforementioned demographic aspects have on the public social insurance system, the health insurance system, the labor market, etc., we can affirm that even in the case of Romania there is an absolutely necessary need for coherent, effective demographic policies.

Some demographers [3] appreciate the need for a well-funded strategy aimed at the recovery of the population, which should be the result of initiatives of the political class with the essential contribution of specialists, supported by the church, civil society, non-governmental organizations. The economic component, oriented towards the children, the mothers, the young families should be essential in this strategy.

Table no.1

The evolution of usual resident population, in Romania, during 1990 - 2015

Years	Inhabitants number on July 1	Dynamic 1990=100 %	Years	Inhabitants number on July 1	Dynamic 1990=100 %
1990	23206720	100.0	2003	21574365	93.0
1991	23185084	99.9	2004	21451845	92.4
1992	22788969	98.2	2005	21319673	91.9
1993	22755260	98.1	2006	21193749	91.3
1994	22730622	97.9	2007	20882980	90.0
1995	22680951	97.7	2008	20537848	88.5
1996	22607620	97.4	2009	20367437	87.8
1997	22545925	97.2	2010	20246798	87.2
1998	22502803	97.0	2011	20147657	86.8
1999	22458022	96.8	2012	20060182	86.4
2000	22435205	96.7	2013	19988694	86.1
2001	22408393	96.6	2014	19913193	85.8
2002	21675775	93.4	2015	19819697	85.4

Data sources: : Calculated data by authors based on the information from Data base TEMPO-on line, NIS Bucharest, [4].

Negative trends of the number and structure of Romania's population, after 1990

On July 1st, 2015, Romania's resident population was 19.8 million inhabitants, dropping nearly by 15% compared with July 1st, 1990 (-3.3 million inhabitants). The data in Table no. 1 highlight the fact that starting with 1990, Romania's population has entered a continuous reduction process, which has led to a significant dropping in its population.

The changes occurred after 1989 in the political system, economy and social life, have led to changes in the demographic behavior of the population, which had the main consequence of decreasing its number.

Without being a singular international phenomenon - similar developments being recorded especially in all European countries - this demographic decline is, however, likely to alarm us, through its dimensions, and in particular through the serious economic and social consequences in the medium and long term. Without attempting a detailed analysis of the causes that determined the demographic decline in Romania, it should be noted that it is necessary to start this approach from the determinants of the evolution of the population: birth rate, mortality and migration. Hereafter, we will only analyze the influence of the natural movement on the evolution of the population of Romania. The natural movement of the population (the difference between live birth and deaths) is an essential component of characterizing the demographic processes in a particular human community [5].

The data in Table no. 2 highlight that only in 1990 and 1991 the number of live births was higher compared to the number of deaths, since 1992 and so far a negative natural increase has been recorded (chart no.1).

But what are the causes of this negative natural increase, which reached 60674 in 2015? Analyzing the data from Table no. 2 we can easily notice that the negative natural growth registered in Romania since 1992 is mainly caused by the unfavorable birth rate, the number of live births decreasing from 314746 in 1990 to 201023 in 2015. In the same period, but especially after 2000, the number of deaths remained relatively constant around 260000. In these circumstances, we can safely affirm that, in order to reduce the negative natural growth or even to record positive growth, the main solution is to restore the birth rate of the population.

In the case of birth rate, the significant decrease in Romania was expected after 1989 [6], as a result of access to family planning facilities and the possibility of legal interruption of pregnancy. The downward factors have been existing for a long time, their influence was visible in the early 1960s, but it was stopped by Communist decrees, and only the

liberalization following 1989 was the beginning of this decline, but it was also emphasized by the social and economic context.

Table no.2

The evolution of live-births, deaths and natural increase, in Romania, during 1990 - 2015

Years	Live-births	Deaths	Natural Increase	Years	Live-births	Deaths	Natural Increase
1990	314746	247086	67660	2003	212459	266575	-7406
1991	275275	251760	23515	2004	216261	258890	-42629
1992	260393	263855	-3462	2005	221020	262101	-41081
1993	249994	263323	-13329	2006	219483	258094	-38611
1994	246736	266101	-19365	2007	214728	251965	-37237
1995	236640	271672	-35032	2008	221900	253202	-31302
1996	231348	286158	-54810	2009	222388	257213	-34825
1997	236891	279315	-42424	2010	212199	259723	-47524
1998	237297	269166	-31869	2011	196242	251439	-55197
1999	234600	265194	-30594	2012	201104	255539	-54435
2000	234521	255820	-21299	2013	214932	250466	-35534
2001	220368	259603	-39235	2014	195612	254791	-59179
2002	210529	269666	-59137	2015	201023	261697	-60674
Total 1990-2016					5938689	6790414	-851725

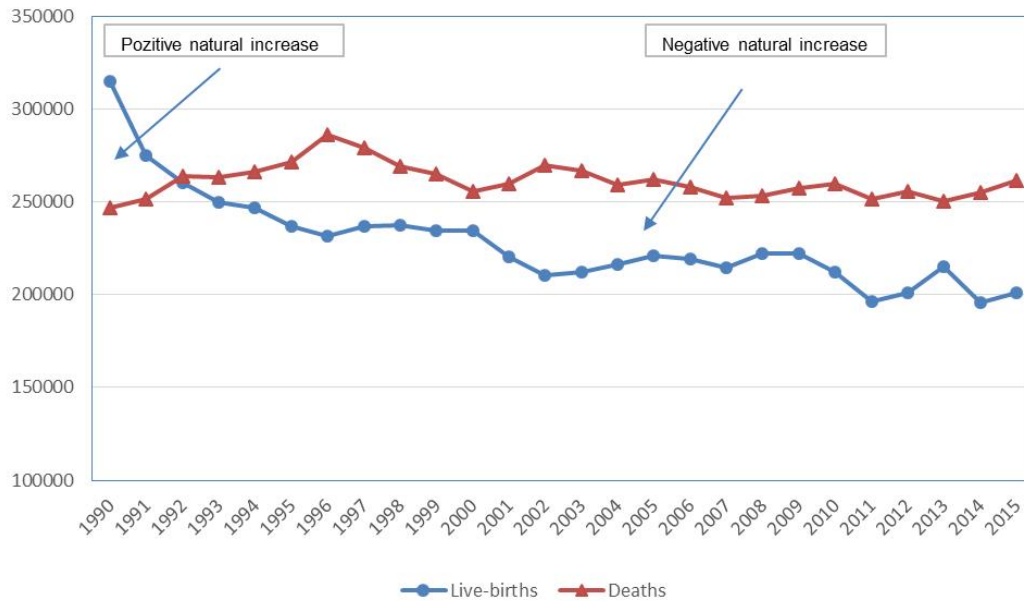
Data sources: : Calculated data by authors based on the information from Data base TEMPO-on line, NIS Bucharest, [4]

Among the factors of decrease in birth rates in Romania, after 1989, the most significant are considered to be:

- women's empowerment and increased participation in economic activities outside the household;
- increasing the duration and level of education;
- the emergence of modern contraceptive means ;
- weakening the influence of cultural norms;
- increasing social mobility;
- high childcare costs;
- unemployment and job insecurity, etc.

Chart no.1

The evolution of live-births, deaths and natural increase, in Romania, during 1990
– 2015 (number)



Data sources: : Calculated data by authors based on the information from Data base TEMPO-on line, NIS Bucharest, [4].

We can therefore conclude that the new economic and social realities have substantially contributed to changing the demographic behavior of the Romanian population in the sense of reducing birth rates.

Maintaining the low level of birth rate for a long time, namely from 1991 until now, has resulted not only in the significant decrease of the population of Romania but also in the deterioration of the age structure of the population.

In other words, not the decrease in the number of the population is the most worrying development for Romania, but the fact that this development is associated with a continuous degradation of the age structure. The data in Table no. 3 (and Chart no. 2) show an increase in the share of the elderly population in the age group of 65 and over, from 10.4% in 1990 to 17.2% in 2015, while the share of the young population (0-14 years) decreased over the same period from 23.6% to 15.5%.

This change in age structure is unfavorable because the third-age population, continuously increasing in number, is a vulnerable social category with specific problems

compared to other social segments. Ensuring the needs of the elderly for a decent living covers a wide range of concerns, not only economically, but also socially and psychosocially. The elderly population will need the country's support, but the short-term estimated economic and institutional capacity limits the possibility of meeting this need. In other words, there is a danger of a serious demographic imbalance in the country, which causes serious economic and social imbalances: the labor market, the pension system, the health services, the education, the general social protection system, the income system and budget expenditures, etc.

Table no.3

The structure of population, by age, in 1990 and 2015 (%)

Grupe de vârstă	1990	2015
Total	100,0	100,0
0-14	23.6	15.5
15-64	66.0	67.3
65 si peste	10.4	17.2

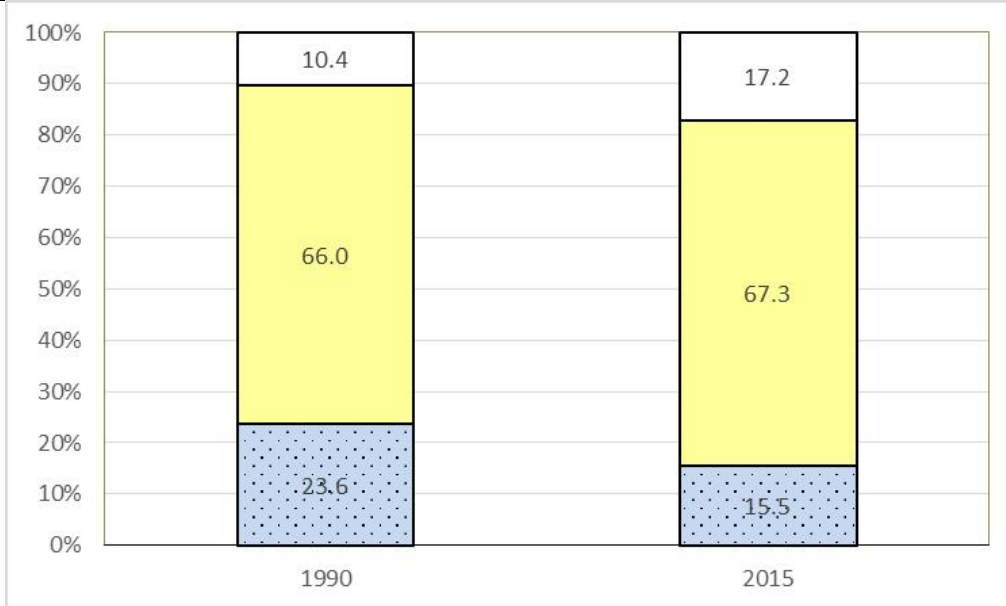
Data sources: : Calculated data by authors based on the information from Data base TEMPO-on line, NIS Bucharest, [3].

The gradual accentuation of the demographic aging process will bring about a new pressure in society: the ratio between the number of people entering the labour market and contributing to the budget and social security pension and health insurance funds and the number of elderly people who are beneficiaries of the funds of pensions and health, a ratio that is continuously dropping, creating imbalances.

Consequently, taking into account the profound economic and social implications of the demographic decline, a vigorous intervention of the state is needed, not to stop the decline of the population, a difficult and even impossible objective to achieve in the short and medium term, but to diminish the level of degradation of its future structures.

Chart no.2

The structure of population, by age, in 1990 and 2015 (%)



Data sources: : Calculated data by authors based on the information from Data base TEMPO-on line, NIS Bucharest, [3].

We will further present some economic and administrative measures that have been taken to improve birth rates, as well as some proposals in the same direction.

Some measures for stopping the demographic decline in Romania

As previously mentioned, the most important measures for demographic recovery and, especially, for stimulating the birth rate are those of economic, financial, administrative, legal nature, etc. We will further discuss some of the economic or administrative measures used in Romania to support birth growth.

The Social Assistance Law no. 292 of 2011 [7], generally states the benefits for child and family support related to the birth, education and maintenance of children and comprises the following main categories:

- a) child allowances;
- b) allowances for children who are temporarily or permanently deprived of parental care;
- c) child raising allowances;
- d) facilities, according to the law.

The method of determining, as well as the categories of beneficiaries of these incentives, are specified in the following normative acts:

- *the child state allowance*, established by Law no. 61/1993 [8] on state allowance for children, modified by the adoption of Law no. 125/2015 [9] regarding the approval of Government Emergency Ordinance no. 65/2014 [10] for amending and completing some normative acts;

- *the child raising allowance and the incentive* were established by the Government Emergency Ordinance no.148/2005 [11] on the support of the family for raising children, subsequently adopting the Government Emergency Ordinance no. 111/2010 [12] on the parental leave and monthly allowance for raising children, modified by Law no. 66/2016 [13] for amending and supplementing the Government Emergency Ordinance no. 111/2010.

- *allowance for family support*, the benefit was established by Law no. 277/2010 [14] on family support allowance and it is addressed to families who have children in their dependence and earn less than the value of a threshold set by law;

- *the monthly placement allowance* is granted to each child taken in family placement, being established by Law no.272/2004 [15] on the protection and promotion of children's rights, modified by the Government Emergency Ordinance no.65/2014 [10] for the modification and completion of some normative acts.

However, we consider that these economic measures are not always an incentive for the birth rate, given the example of countries with a very high level of development, such as Germany, which has a lower birth rate than Romania. Economic and financial incentives can indeed lead to an increase in the birth rate for social categories with low-income and a lower level of education.

The issue of the birth rate's declining in Romania and the measures to stop it is a serious concern for demographic specialists, for the academic world, public authorities, non-governmental organizations, etc. In this sense, we recall the work of the National Commission for Population and Development [6], who set out some measures to stimulate birth rates in the population with a high standard of living and education:

- flexible work schedule for parents with small children;

- women's possibility of early reintegration into the labor market after the maternity leave;
- strengthening regulations regarding job stability for parents who raise children;
- specific policies to stimulate the birth of the second child;
- increasing the accessibility and quality of free social care and health services for children and mothers, closer to real needs;
- policies to prevent unwanted pregnancy, abortion and child abandonment.

Regarding the proposals of the non-governmental organizations, we allude to those of the Family Coalition [16], which refer to a set of measures for increasing the birth rate in Romania, such as:

- A substantial amount assigned for each child, starting with the second child;
- For mothers with at least 3 children, the possibility of reducing the retirement age by 2 years for each child;
- Extending parental leave up to 3 years of extra-uterine life, i.e. 5 years of extra-uterine life, for the child classified in any of the disability degrees;
- Supporting practicing the job of nanny / babysitter;
- Support consisting of material incentives (reintegration bonuses), legal, economic, professional and psychosocial guidance for young emigrated families who return to the country.

We believe, however, that stopping the decline of natality can not be achieved solely on the basis of economic, administrative or legal measures, and in no case in the short term. Recovery of birth rate in Romania would be possible only in the long term and the conditions are multiple, of cultural, social, demographic, ethnic, economic, etc. nature.

Conclusions

After 1989, the population of Romania has recorded negative developments, materialized mainly in the process of continuous numerical reduction, as well as in accelerating the demographic aging and implicitly increasing the "pressure" of the elderly population on important systems in the society. Regarding the direct negative consequences that the aforementioned demographic aspects have on the public social insurance system, the

health insurance system, the labour market, etc., we can assert that even in the case of Romania, there is an absolutely necessary need for coherent, effective demographic policies. Major changes in the structure of population require structural changes in society: in economy, infrastructure, health care and social assistance specific to the elderly population. At the same time, we can affirm that economic or administrative measures can have only a short-term impact on the birth rate and only on some social categories.

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