

EVALUATION OF LIVING STANDARDS IN RURAL AREAS IN THE REPUBLIC OF MOLDOVA

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Actuality. this paper presents a characterization of living conditions of the population from the national rural areas. The study of rural development is conditioned by the need to signal particularly acute social and economic problems faced by the people living in rural areas. Objective: Identification the determinant factors of rural poverty and to highlight measures to improve the living standards of the rural population. Methods: The investigation was conducted using the monographic method, the study is focused on a well-defined social field. Results: The standard of living in rural areas is in a continuous decline, there is a trend of population aging and the depopulation of villages is caused by the migration process. Promoting a realistic policy of improving living conditions in rural areas, changing attitudes towards the village, raising the prestige of the farmer is absolutely appropriate to improve the socio-economic and cultural development of the country.

Key words: rural area, living standards, rural development, rural area, living conditions.

Actualitatea. Lucrarea de față prezintă o caracterizare a condițiilor de viață ale populației din mediul rural național. Abordarea subiectului privind dezvoltarea rurală este condiționată de necesitatea de a semnala problemele de ordin social și economic deosebit de acute cu care se confruntă populația care locuiește în mediul rural. Scopul. Identificarea factorilor determinanți ai sărăciei rurale, precum și evidențierea măsurilor de sporire a nivelului de trai al populației rurale. Metode. Investigația a fost realizată prin utilizarea metodei monografice, studiul fiind axat pe un domeniu social bine determinat. Rezultate. Nivelul de trai din spațiul rural este într-o degradare continuă, se observă tendința îmbătrânirii populației, iar procesul migrațional a cauzat depopularea satelor. Promovarea unei politici realiste de îmbunătățire a condițiilor de viață în mediul rural, de schimbare a atitudinii față de sat, de creștere a prestigiului agriculturii este absolut oportună pentru redresarea social-economică și culturală a Republicii Moldova.

Cuvinte-cheie: spațiu rural, nivel de trai, dezvoltare rurală, localitate rurală, condiții de viață.

Актуальность: Данная статья представляет собой характеристику условий жизни сельского населения по всей стране. Изучение развития сельских районов обусловлено необходимостью решения острых социальных и экономических проблем, с которыми сталкиваются люди, живущие в сельской местности. Цель: Выявление основных факторов сельской бедности и мер для повышения уровня жизни сельского населения. Методы: исследование проводилось с использованием метода монографического исследования сосредоточенного на четко определенной социальной сфере. Результаты: Уровень жизни в сельской местности непрерывно снижается, наблюдается тенденция старения населения, а депопуляции деревень вызвана процессом миграции. Проведение реальной политики по улучшению условий жизни в сельской местности, по изменению отношения к деревне, по поднятию престижа фермера абсолютно необходимо для социально-экономического и культурного развития страны.

Ключевые слова: сельская местность, уровень жизни, сельское развитие, условия жизни.

JEL Classification: R20; O18.

Introduction. The level of living or the standard of living of the population represents the material, cultural and social conditions of the population. The standard of living is characterized by a set of synthetic indicators related with: the size of population's income; volume and quality of goods and

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services consumed; conditions of work and rest; the quality of health and social assistance; the degree of education development; public access to science, art and culture etc.

Reducing poverty in rural areas, which is now so widespread, continues to be a particularly important issue, including the Republic of Moldova. However, there is no single approach to rural development and poverty reduction, sustainable for all countries. A number of European researches showed that, compared to EU countries, Moldova ranks last referring to many indicators related to the living conditions of the population.

In this context, this paper includes comments on recent trends and attempts to increase the living standards of the rural population in the Republic of Moldova.

The main objective of this paper is to identify the determinant factors of rural poverty and to highlight measures to improve the living standards of the rural population. The analysis of living standards of the population, especially in rural areas, continues to be hampered by lack of adequate data.

Methods. The researches reflected in the article are based on the data of the National Bureau of Statistics. The investigation was conducted using the monographic method, the study is focused on a well-defined social field. Through the method of secondary analysis of statistical data and relevant literature socio-economic assessment of the national rural communities was undertaken.

Results. The development of rural areas is a complex and actual problem which involves both the conservation of the rural area from the economic, social, cultural, ecologic point of view and the necessity to modernize rural life. In the Republic of Moldova rural area covers the biggest part of the country's territory. The surface of Moldova is 33846 km² of which rural area covers 31239 km² or 92.3%. Rural population constitutes 2047,9 thousand persons representing 57.6% of the total population (Moldova in figures, 2015).

During the transition to a market economy the territorial administrative organization of the Republic of Moldova has undergone several changes. Currently, the Republic of Moldova is divided into 32 districts, including 61 towns and 1575 villages and settlements in villages. In large cities of Moldova social welfare and infrastructure are more or less acceptable, while in small towns and villages there are no conditions for a decent life.

Social problems in rural communities differ from one region to another, from one place to another. The needs of the population of a village differ significantly from those of the population of a small city, and of the inhabitants of large cities. There are numerous problems referring to drinking water supply, provision of gas, development of roads, provision of houses with amenities, and in recent years there appeared the problem of air pollution. Social and economic problems that have affected rural areas, impose socio-economic research and evaluation of rural communities to help enhance development processes.

The structure and level of equipment of dwellings in rural areas. Housing conditions are an important indicator of welfare. Unlike urban areas, where housing has only the function of habitat, in rural areas the dwelling is only a part of the household, which is a "microunit" of production with mixed function, human habitat and a number of constructions serving as economic activity. In rural areas, the most common type of housing is the individual house (Lup, A. et al., 2011).

Broadly rural household consists of the following main parts: residential and housework house, areas of intravilan land, livestock compartments, compartments for agricultural processing, storage annexes, workshops and recreation departments. Depending on the specific structures other individual components may occur (Oțiman, PI, 2000).

Housing facilities with the main commodities reflect the comfort of the living space. Thus, most of the urban households have several utilities inside the building (networks of hot water, heating, gas network, sanitary, sewer etc.), which is not specific for rural areas. Households in rural areas are far less equipped with living commodities than those in urban areas. Apart from electricity, which has a 100% coverage in the Republic of Moldova, rural households lack hot water, heating and sewage systems. In urban areas, 89.3% of households have access to the installations of water provision, 74.9% have bathroom inside the house, 89.7% have sewage system and 79.7% have a bath or a shower. In rural households only 38.0% have installations of water provision, 10.5% have a bathroom inside the house and 36.0% have sewage system. Public water supply systems operate in 57 urban and 77 rural areas. Other consumers use water for drinking and household purposes from wells. In most cases the quality of water from these sources does not meet the state standard 2874-82 "Drinking water". About 10% of the samples in urban and 16% in rural water supply systems are contaminated (Development Strategy for Agriculture and Rural Areas of Moldova 2014-2020).

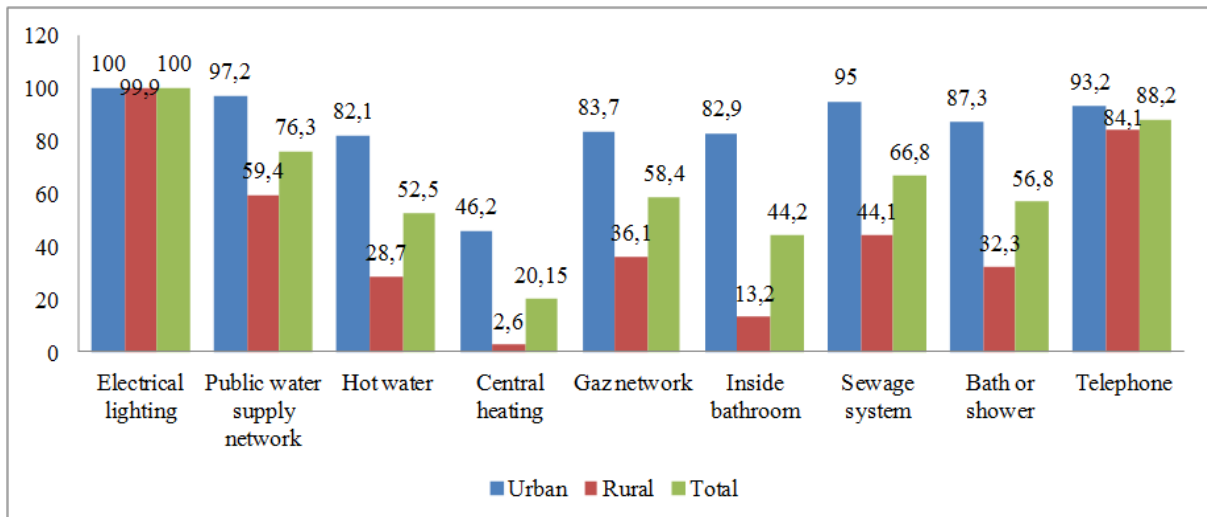


Fig. 1. Providing households with main facilities in 2014,%

Source: Prepared by author based on the data of the National Bureau of Statistics, Household Budget Survey.

It should be noted that not all the houses that have water supply system (38%) also have a bathroom. Inadequate rural housing provision with bath also shows a low level of hygiene of the residents in rural areas. This low level of hygiene with poor nutrition demonstrates much higher rate of death, in particular, the infant death. (Bajura, T., 2007).

In 2014 in urban areas there were recorded 8.7 deaths per 1000 inhabitants, while in rural areas – 12.9.

Compared with urban households whose homes are better equipped with appliances, rural houses have inferior equipment. Thus, in urban areas, 100 households have on average 108 TV sets, while in rural areas there are only 99 TV sets. The refrigerators are present in 93 of 100 urban households, while in rural areas there are only 84. The number of cars per 100 households in urban areas varies between 21 in urban area and 20 in rural areas, at the same time in rural areas people use bicycles more frequently.

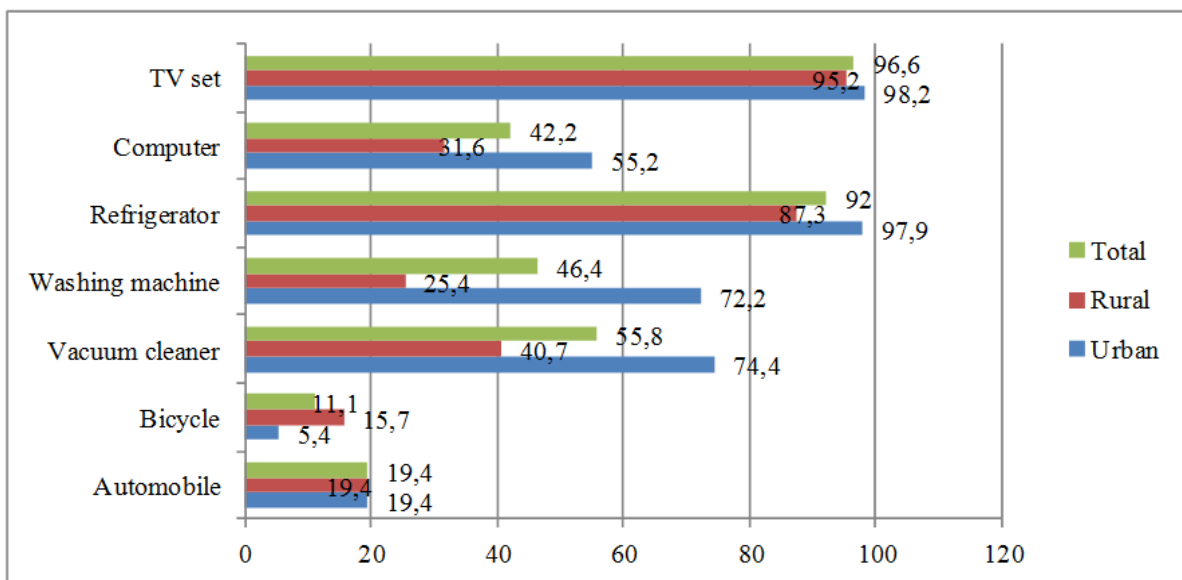


Fig. 2. The endowment of households with durable goods in 2014,%

Source: Prepared by author based on the data of the National Bureau of Statistics, Household Budget Survey.

The quality of the habitat, of the way of life depend heavily on technical equipment of rural areas. Along with infrastructure, technical equipment means all the prerequisites to have in rural areas technical living conditions similar to those in urban areas.

The incomes and consumption of goods and services in rural households. The standard of living of the population can be determined based on the incomes and expenses incurred by the population. Depending on income levels different needs can be achieved either pressing needs such as food or housing, and necessary needs, but which (because of lack of money) may be waived: periodic medical care, spending holidays, cultural needs etc.

According to the National Bureau of Statistics, the rural population's disposable income in the first quarter of 2015 constituted in average per person 1503.2 lei per month, which is lower by 817.9 lei per person in urban areas. In rural areas, the most important source of income is the employment (25.5%), but its contribution is almost 2 times less than in urban areas. At the same time, the incomes obtained from individual agricultural activity constituted 19.0% of total disposable income. The rural population compared to urban areas is dependent to a greater proportion on the transfers from abroad, their contribution being 0.4% compared with 0.1% in urban areas. Social benefits have a larger share in rural areas.

The structure of disposable income of the rural population in the first quarter of 2015 is reflected in Figure 3.

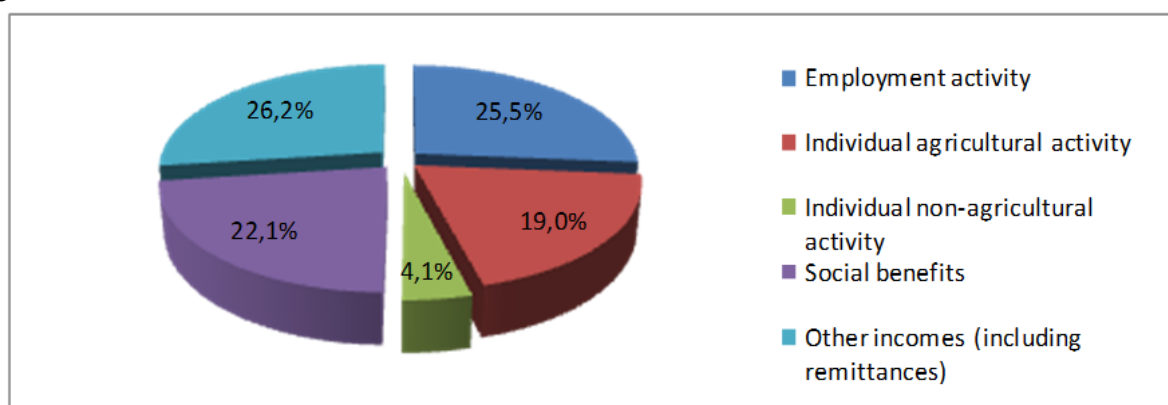


Fig. 3. The structure of disposable incomes of the rural population, %

Source: Prepared by author based on the data of the National Bureau of Statistics, Household Budget Survey.

The average monthly consumption expenditure of rural population in the first quarter of 2015 constituted in average per person 1591,1 Lei, respectively 751,7 Lei or 1.5 times less than in urban areas. The largest share of the expenditure belongs to traditional food consumption needs – 44.5%, of which 17.4% of the consumption expenses represent products from individual agricultural activity. For house maintenance a person on average allocated 15.8% of total consumption expenditures, and for clothing and footwear – 12%. Other expenses were directed to health, transport, communications, housing facilities, education, recreation etc. (Figure 4).

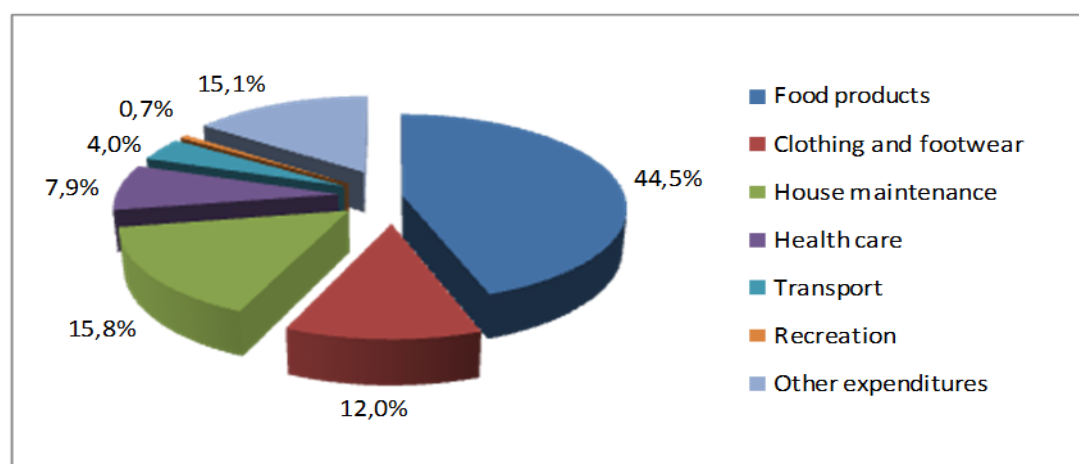


Fig. 4. The structure of consumption expenditures of rural population, %

Source: Prepared by author based on the data of the National Bureau of Statistics, Household Budget Survey.

The reason that food consumption has a higher weight in the consumer basket is caused by low incomes of the rural population, which is forced to devote much of resources for food and less for other goods or services. We can see a completely unsatisfactory level of income and consumption of the population in rural areas.

Regional disparities by area (urban-rural) concerning human development. One of the indicators expressing the standard of living is the human development index (HDI), which is a quantitative measure of the degree of success of a country to develop human capital (Lup, A. et al., 2011).

Human Development Index (HDI) comprises three core elements:

- longevity – is measured by life expectancy at birth, which is directly influenced by the development of the country;
- educational environment - is calculated as an arithmetic average between literacy degree among the adult population (representing two thirds) and the gross enrollment rate in education at all the levels (one third);
- standard of living - as a measure of standard of living Gross Domestic Product (GDP) per capita is used calculated at purchasing power parity.

The three HDI indicators have equal shares and characterize the overall level of the development of a nation. HDI level ranges on a scale between 0 and 1, the level of human development is much higher since it is closer to the value 1.

The reality of actuality in the Republic of Moldova demonstrates urban: rural disparities quite alarming. The largest discrepancies are found in the basic factors of the quality of life: the quality of health care, the quality of habitat and incomes in rural areas (Table 1).

Table 1

**The evolution of some indicators of the quality of life in rural and urban areas
in the Republic of Moldova**

Indicators	2012			2013			2014		
	total	urban	rural	Total	urban	rural	total	urban	rural
GDP per capita by purchasing power parity, USD	4220	...	...	4685	...	...	4979	...	...
Life expectancy at birth, years	71.12	73.51	69.55	71.85	74.01	70.53	71.58	74.29	69.89
The birth rate, %	11.1	10.0	11.9	10.6	9.3	11.6	10.9	9.3	12.0
The infant mortality rate, %	9.8	8.2	10.8	9.4	9.6	9.3	9.6	7.4	10.9
Literacy rate, %	99.40	...	...	99.60	...	...	99.70	...	...
The absolute poverty rate, %	16.6	8.2	22.8	12.7	4.6	18.8	12.6	3.9	19.2
Unemployment rate,%	5.6	7.3	3.9	5.1	6.3	4.1	3.9	5.2	2.7
Human Development Index (HDI)	0.657	...	...	0.663	...	...	0.671	...	...

Source: Prepared by author based on the data of the National Bureau of Statistics.

Life expectancy at birth in 2014 compared to 2013 decreased by 0.27 years. Greater decreased life expectancy of the residents in rural areas (0.64 years). At the same time the average life of urban population increased by 0.28 years. In 2014, due to the differentiated level of mortality, average life of urban residents was higher than those in rural areas by 4.4 years.

The birth rate is slightly higher in rural areas fully compensated by higher infant mortality rate in villages, explained not only by material poverty, but also the shortage or even lack of qualified medical personnel.

The urban-rural development regions also differ in terms of human development (HDI). The HDI is not a perfect measure of development because it includes only a few relevant issues and the freedom of choice of indicators is largely constrained by data availability. However, it is obvious that development

does not mean only economic growth. Indeed, a higher economic growth does not turn necessarily into a more accelerated human development: in 2014, the average annual growth in GNP per capita according to purchasing power parity was 6.3%, while the average rate of growth of HDI was only 1.2%.

Consequently, we can mention that in the Republic of Moldova we have large disparities between urban and rural, to the detriment of the latter. Habitat quality ratios are quite lower in rural areas than in urban areas. If we consider that in urban areas living conditions are also poor, we face unfortunate situation throughout the Moldovan countryside.

Conclusions and recommendations. The difficult situation in rural sector involves the need to implement new rural development programs, significant changes in state policy in the villages. Rural policy should support active rural development as a factor of economic growth, mitigating the causes of poverty and moving towards an economic and socially acceptable standard in rural areas.

Studying the socio-economic development of rural communities in the Republic of Moldova, we find that the villages don't have necessary conditions for a decent and agreeable life. The issue of socio-economic development of rural areas is a problem of microlevel. It implies lack of financial administrative and economic autonomy which could lead to a broader update of local problems.

Employment opportunities in rural areas are often precarious, poorly paid. The lack of decent employment opportunities in rural areas is one of the main reasons for rural poverty. Promoting employment in rural areas is crucial to improve living standards in rural areas.

The encouragement of the development of rural entrepreneurship can help increase productivity in rural areas and, on this basis, improve the living standards of the rural population. It is necessary to develop the entrepreneurial spirit of rural residents by developing skills and creating the necessary conditions for the creation of new business.

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