

Socio-economic indicators in the current context

Abstract

The database of the Research Institute for Quality of Life from Romania (RIQL) has collected over the years, an appreciable number of economic and social indicators in various stages of centralization or processing. The work carried out was imposed by the needs of different projects and not only. In this sense, a sustained effort has been made to search, collect and systematize some indicators taken from the Statistical Yearbooks (NIS), but also from other sources, in order to obtain a long series of indicators to track the dynamics over time of various economic and social phenomena. In this sense, so far, several relatively long series of economic and social indicators have accumulated, orienting us through the specific areas of interest, mainly in the field of living standards, income of the population and consumption of goods and services. The size of a household's income directly affects the other dimensions of the standard of living. Within the base there are also numerous comparative economic and social indicators, for the global and European level: income indicators; minimum consumption basket indicators; the values of the monthly consumption basket of the households of employees and pensioners updated to the level of December 2021. Beyond the examples presented above, we mention that the base of indicators constituted by our initiative contains numerous accumulations from the past years, and for updating some, periodically, we carry out activities to search and study potential data sources in the country and abroad.

Keywords: official data, indicator, income, expence, consumption basket, family, child

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Income of families of employees with children, urban and rural, in 2021, from official domestic and international data official internal data

A decisive chapter in the standard of living of any population is the analysis of the income level. The size of a household's income directly affects the other dimensions of the standard of living. In the following we will analyze the evolution of the main income indicators from the RIQL database (Figure 1).¹⁻³

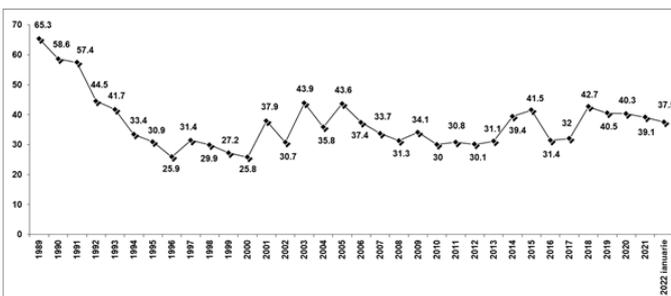


Figure 1 Dynamics of the average net salary / minimum net salary, in the period October 1989 - January 2022.

Average real salary by economy, data series, time interval 1989 - January 2022, October of each year (average net salary / price index, 1989 = 100%)

Salary is the most important indicator of a person's economic activity. The real power of this indicator is manifested in the confrontation with the market, through the possibility for the employee to purchase the goods and services necessary for his or her family's existence. During the period 1989, taken as the reference year and January 2022, the average net salary was below the base year level, between 1991 and 2007, due to the increase in prices, especially for clothing and footwear, chemicals, hygiene items,

cosmetics, medicines, building materials and cultural products. The most difficult moments were the years: 1993 (59.9%), 2000 (60.8%) and 1999 (61.1%). Otherwise, the indicator was above the reference year, recording a doubling of its purchasing power, after 2015.⁴⁻⁶

Minimum real wage by economy, data series, time interval 1989 - 2022, October of each year (minimum net salary / price index, 1989 = 100%)

The critical moments for employees paid at the level of the minimum wage in the economy were the years: 1999 (25.4%) and 2000 (24.1%). From 1994 to 2002 it can be estimated that the level of purchase of the minimum wage was about one third of the products and services that could be bought in 1989, the base year, taken into account, a decrease reflected by the increase in prices at fuels, energy and water. The situation is improving since 2014 (79.9%). Towards the end of the analysis period, the purchasing power of the minimum wage indicator should remain relatively constant, around 130% of what could be bought in the 1989 reference year.

Dynamics of the average net salary / minimum net salary, in the period October 1989 - January 2022. Child allowances, data series, time period 1989-2022, October of each year (child allowances / price index, 1989 = 100%)

The state child allowance also has the lowest purchasing power between 1992 and 2014. The complete elimination of subsidies in 1993 led to a real explosion in prices, which increased more than 4 times. In October 1995 there were large price increases mainly for some foods: vegetables, fruits, edible oil, flour, eggs, sugar, tobacco, medicines and some services: health care, sanitation, water consumption, transportation, fuel consumption. The child allowance is experiencing a second real decline, after 1999, with the largest decrease being recorded in 2000 (22.2% for the first child and 36.6% for the second child).⁷⁻⁹

The situation of the allowance improves after 2019, when its value doubles, continuing to increase until the end of the analyzed period.

International official data

If we take into account only the member countries of the European Union, we have the second lowest gross and net salary, only Bulgarians with lower salaries. However, at European level, Romania ranks 30th out of 45 countries, both in terms of average gross salary (1151

Euro) and in terms of average net salary (708 Euro). We are across Eastern and South-Eastern European countries - Montenegro, Bosnia and Herzegovina, Serbia, Macedonia, Albania, Kosovo, Belarus, Georgia, Armenia, Azerbaijan, Moldova and Ukraine. We are above the Russian Federation and above Bulgaria (the only country below us in the EU). At the same time, we are quite close to Central European countries such as Slovakia, Hungary, Latvia and Croatia.

State	Gross salary in €	Net salary in €	Purchasing power parity in USD	Date of last report
Albania	465	384	1162	2021-T2
Armenia	423	300	1059	2020-12
Austria	4540	3104	3568	2020
Azerbaijan	370	307	1221	2021-02
Belarus	452	394	2020-T3	2019
Belgia	3775	2442	1516	
Bosnia and Herzegovina 759	497	1457	2957	2020-10
Bulgaria	780	605	1672	2021-T2
Cehia	1561	1250	2493	2021/T2
Cipru	1992	1658	2824	2019-T3
Croatia	1297	965	2087	2021-03
Danemarca	6196	3914	4397	2019
Elvetia	6272	4717	4324	2018
Estonia	1553	1214	2236	2021-03
Federatia Rusă	639	556	1720	2021-T3
Finlanda	3380	2509	2920	2016-T2
Franta	4130	2791	3189	2020
Georgia	375	300	1161	2021-T2
Germania	4130	2952	3411	2021/T3
Grecia	1466	1116	2040	2019
Irlanda	4049	3041	3523	2021-T3
Islanda	4739	3221	3433	2018
Italia	2479	1752	2584	2019
Kosovo	477	430	1136	2019
Letonia	1280	940	1950	2021-T3
Lituania	1598	1012	2239	2021-T3
Luxemburg	5143	3573	4208	2018
Macedonia de Nord 711	475	1570	2021-10	2021-09
Marea Britanie	2989	2393	2894	2021-T2
Moldova	453	363	1023	2021-11
Muntenegru	799	535	1514	2020
Norvegia	4807	3511	3393	
Polonia	1439	1034	2225	2021-12
Portugalia	1517	1110	1957	2021 - T3

The median salary at the level of the 45 European countries analyzed is € 2180 gross, respectively € 1549 net. The median net salary is:

€ 1748 per month, for countries that are part of the European Union;

€ 1876 per month, if we consider only the Schengen countries;

€ 2657 per month, if we consider only the states of Western Europe.

In terms of purchasing power expressed in USD, it is noted that Denmark, Switzerland and Luxembourg lead this ranking, with an

equivalent purchasing power of over 4,000 USD. On the other hand, at the bottom of the rankings are Albania, Georgia, Kosovo, Armenia and Moldova, with a purchasing power equivalent of less than \$ 1,200.¹⁰⁻¹²

Romania ranks last in the EU in the median income of its citizens expressed in euros, according to data published by Eurostat. The disposable income per adult-equivalent is the total income of a household, after tax and other deductions, that is available for expenses or savings, divided by the number of members of the household converted into equal adults; Household members are equalized or equalized by age weighting, using an OECD equivalence scale.

Stat	Venit median echivalent (euro)			
	Anual	Lunar	% din media UE	% Rom/alt stat
Media UE	17.325	1.443	100	25
Slovenia	14.774	1.231	85	29
Estonia	12.228	1.019	71	35
Cehia	9.995	833	58	43
Letonia	8.178	682	47	52
Slovenia	8.119	677	47	53
Croatia	7.892	658	46	54
Lituania	7.586	632	44	56
Polonia	7.124	594	41	60
Ungaria	6.478	540	37	66
Bulgaria	4.612	384	27	93
ROMANIA	4.267	356	25	100

Poverty as measured by the “at-risk-of-poverty and social exclusion” (AROPE) indicator indicates quite clearly the economic vulnerability of households. However, in order to indicate more precisely the causes and social effects of such a vulnerability, other material dimensions can be explored, such as the low level of consumer spending that may or may not be determined by monetary poverty.

Poor people by definition are common and at the same time vulnerable in terms of their level of spending, which can be of interest because it combines several dimensions of poverty.

Table 1 Two average salaries and child allowances were able to cover twice the decent minimum basket of products and services, in the years 2018-2022 and three times the survival basket

Income/Years	Oct-18	Oct-20	Jan-22
Two average salaries and two child allowances / Decent minimum basket for two active adults with two dependent children	228.2	269.7	273
Two average salaries and two child allowances / Minimum subsistence basket for two active adults with two dependent children	283.4	335.4	340.2

Table 2 An average salary, a minimum wage and children allowances could cover twice the minimum survival basket and once and a half the decent one in the time interval 2018-2022

Income/Years	Oct-18	Oct-20	Jan-22
1 average salary, 1 minimum wage and 2 children allowances / Decent minimum basket for two active adults with two dependent children	164.8	193.4	192.9
1 average salary, 1 minimum wage and 2 children allowances / Minimum subsistence basket for two active adults with two dependent children	204.6	240.4	240.4

Table 3 Two minimum wages and children allowances could fully cover the decent minimum basket and once and more by a quarter, up to over 40%, over the survival one, in the period 2018-2022

Income/Years	Oct-18	Oct-20	Jan-22
2 minimum wages and 2 children allowances / Decent minimum basket for two active adults with two dependent children	101.4	117	112.9
2 minimum wages and 2 children allowances / Minimum subsistence basket for two active adults with two dependent children	125.9	145.5	140.6

Table 4 An average salary and two children allowances could cover 140-170% of the minimum survival basket and 114-136% of the decent one in the analyzed interval

Income/Years	Oct-18	Oct-20	Jan-22
1 average salary and 2 children allowances / Decent minimum basket for two active adults with two dependent children	114.1	134.9	136.5
1 average salary and 2 children allowances / Minimum subsistence basket for two active adults with two dependent children	141.7	167.7	170.1

However, Romania stands out among the European states, due to the relatively low share of the population which, although it achieves a sufficient level of income, still maintains a relatively low amount of spending - this fact indicates the relatively high propensity to consume of the population in our country with other European populations.¹³⁻¹⁵

Coverage of the minimum consumption basket of different types of income, in October 2018, October 2020 and January 2022, earned by a family of two employees with two dependent children, covering the minimum basket for two adults and two children

The second most important indicator of the standard of living, according to the income level, is that of household expenses. In general, they reveal the share of economically vulnerable households, especially if we consider households where the level of spending exceeds the level of income.¹⁶

Statistically, the fact that a household cannot finance its entire consumption from income can be a good indication of its financial difficulties. However, more restrained economic behavior in terms of spending does not always indicate a lower level of income or even a higher risk of poverty (Tables 1-5).

Table 5 A minimum wage and children allowances could cover half of the decent minimum basket and between 60 and 70% of the subsistence basket, in the period 2018-2022

Income/Years	Oct-18	Oct-20	Jan-22
1 minimum wage and 2 children allowances / Decent minimum basket for two active adults with two dependent children	50.7	58.5	56.4
1 minimum wage and 2 children allowances / Minimum subsistence basket for two active adults with two dependent children	63	72.8	70.3

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Conflicts of interest

There are no conflicting interests declared by the authors.

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