

FACTORS AFFECTING HOUSEHOLD-LEVEL INVOLVEMENT IN RURAL NON-FARM ECONOMIC ACTIVITIES, IN TWO COMMUNITIES IN DOLJ AND BRAȘOV JUDEȚE, ROMANIA

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INTRODUCTION

This paper draws on preliminary research carried out during December 2000 and January 2001 in two communities in Romania, one (Rotbav) in the Brasov county (*judet*) and the other (Motatei-Gara) in the Dolj county. The purpose of the research was to establish a baseline picture of the non-farm activities in which people in these two rural communities were involved and what the main factors are which currently motivate involvement in different activities. This research is part of a broader research project which is looking at involvement in non-farm activities in rural communities in Eastern Europe and the CIS countries, funded by the UK Department for International Development.

THEORETICAL CLASSIFICATION

The rural livelihoods are not limited to income derived solely from agriculture, but may come from diverse sources. The rural livelihoods include income from both farm and non-farm sources.

The literature on rural diversification and non-farm economy is plagued by unclear definitions.

Most of the theory about rural non-farm economy is focused on three variables: assets, activities, and income.

“It is best to use multiple indicators of diversification behaviour as independent checks on the inference one reaches using any single indicator.” (Barret and Reardon, 2000, p.13).

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Swift (1998) identified three factors which affect rural non-farm economy: assets, household strategies, macro-economic policy and five types of capital: natural, physical, financial, human and social. (authority relations, relations of trust, consensual allocation of rights which establish norms.)

Other definitions set out rural non-farm economy as all economic activities except agriculture, livestock, hunting and fishing (Lanjouw and Sparrow, 1999).

In this paper the non-farm rural economy is defined "as being all those activities associated with wage work, self employment in income generating activities that are not agricultural but are located in rural areas, including manufacturing, agro-processing" (Davis and Pearce, 2001).

A lot of micro-level studies were made in rural Rumanian communities (Berevoiescu, I., Lazaroiu, S., Stanculescu, M., Mihailescu, V.). This studies run-down the Rumanian rural realities but are not specific emphasized on rural non-farm economy.

METHODOLOGY AND SELECTION CRITERIA

The two communities 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 but with many population disruptions over its history, multi-ethnic (containing Germans, Hungarians and Rroma – gypsies – as well as Romanians), situated on a main road in close proximity to a large town (Brasov) and with relatively good access to natural resources, being located in Transylvania, a mountainous and forested region. Motatei-Gara, by contrast, is a village established in 1948 but is inhabited by people who have lived in the area without disruption for as long as can be remembered, is mono-ethnic (Romanian), 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 1989²). Both villages contain members of different

² 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

religious groups, with Catholics, Lutherans, Orthodox and Baptists/Evangelists 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.

The research adopted a qualitative methodology and involved a series of interviews with all members of 14 key informant households³ – *gospodaria* in Romanian – (7 in each village), selected to represent different types of household within the communities, and with focus groups of individuals gathered together from different *gospodaria* and representing various peer groups (women, men and young persons in each community). Interviews were also held in each village with the mayor, the priest, the schoolmaster, the kindergarten head, the doctor, representatives of the different religious denominations and the mailperson. Two people were interviewed about the history of the villages: the high-school principal, also a history teacher, in Feldioara (the centre of the commune Rotbav belongs to) and a war veteran in Motatei-Gara. For information on the dynamics of rural non-farm activities before and after 1989, interviews were held with executives of UCECOM and CENTROCOOP in Bucharest.

The methodology adopted has enabled data to be gathered which is usually difficult to uncover in a more formal questionnaire context. Many of the activities which households were found to engage in are informal, even illegal and often low status. In addition, there are factors found to affect involvement in the rural non-farm economy, including the influence of ethnicity and religious affiliation on the ability to become involved in some kinds of activities, which our approach uncovered.

This research has focused on micro, household-level motivations for involvement in non-farm activities. It has employed a qualitative methodology, including participant observation, which is able to uncover data, which is difficult to access through formal questionnaires. Many of the activities in which people have been found to engage are informal or even illegal, low-status, and are often barter-based.

Certain points come out particularly clearly from the data which have relevance to policy:

- Non-cash based activities, both subsistence production and barter, need to be taken into account in assessing the current economic situation of most households in rural Romania. These are vitally important to household livelihoods

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.

³ After preliminary interviews with members of a larger number of households, the study focused on households considered to be representative of different types of household within the communities concerned. The chosen households were explored through in-depth interviews with all the members (when necessary, some members were interviewed many times). This approach was used in order to gain the confidence of the informants and improve the quality of data collected.

but are largely un-reported, under-reported or mis-reported as they are difficult to quantify. Some of these activities are low-status, in addition, and are therefore particularly likely to go unreported.

- The relationship between farming and non-farm activities is a complex one which needs to be disentangled carefully, in order to predict how households will take up new opportunities. Almost all rural households are involved in both, and want to be involved in both in order to spread risk and utilize available resources (both human and material) as well as possible. Not only are the two spheres tied up within a household in terms of the practicalities (availability of labour in slack periods, use of non-‘active’ labour such as older people and children for some kinds of activities) but there is a psychological attachment to farming in the countryside which leads, for example, to a tendency for high status to be associated with investment of income earned from non-farm activities to be invested in agriculture and in a higher standard of subsistence livelihood, rather than in building up a non-farm business or even in building up a market-oriented business. There is a sense of obligation towards cultivation of the land expressed in the concept of the ‘land burden’.

- What is here described as ‘relational capital’ is very important in building up involvement in non-farm livelihood activities. This has many bases, including kinship and neighbourhood, but is also importantly 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.

FARM AND NON-FARM

Activities outside farming property are vital to the livelihoods of all *gospodaria* (households) studied in both communities. This was true before 1989 and it remains true today. However, before looking at the way in which their significance has changed and at the situation today, we need to consider what is meant by farming in the context of the Romanian village. It is, in most rural contexts, not that easy to disentangle ‘farming’ from activities which are ‘non-farm’, since a household’s livelihood is, in fact, a complex and organic whole made up of different activities on the part of different members, which together form a jigsaw which – ideally – fits tightly together. In transition economies things are even more complex since ‘farming’, under collectivisation, was taken out of the control of the members of the households which (technically) owned the land. In effect, they were employed in collective farms – or on state farms.

Both of the villages studied, Rotbav and Motatei-Gara, had collective farms – Agricultural Production Cooperatives or APCs – made up of land some of which belonged previously to members of the village. There were also state farms (IAPs) near both villages, which provided employment. With the dismantling of the collective farms in the two communities studied, the land was suddenly

released to *gospodaria* who are expected suddenly to treat it as though it were again 'farm' –i.e. to manage it at a household level. However, the experience most people had in relation to the cultivation of land on their own was in a pre-Second World War context, when farming was largely subsistence-oriented (although some inhabitants of Rotbav, particularly German inhabitants, came from families which had a history of more market-oriented agriculture, many of these have left since 1989). After 1948, *gospodaria* cultivated small plots for subsistence and barter purposes, but the majority of the land, in most areas, was cultivated by the collective and state farms. If they worked on that land, they did so as employees, and were paid a salary or a proportion of the profits. They lived in a cash-oriented economy, although they still valued some involvement with the land and the cultivation of some crops for subsistence and barter.

In 1991, with de-collectivisation, the land was suddenly returned to its previous owners. *Gospodaria* in Rotbav received an average of 5 hectares and those in Motatei-Gara an average of 2 hectares. However, there were differences in what was received, because this was largely based on what had been put in originally. This was particularly true in Rotbav, because many of the inhabitants came from elsewhere after 1948 and therefore only qualified for a tiny piece of land (less than a hectare) on redistribution (and this only if they worked on the APC). Initially, informants said that they were excited and believed that the prospects were rosy. But they now talk of a 'land burden'. Informants generally expressed regret for the dismantling of the APC. They both feel that they *should* cultivate the land which they have got back and that they are *unable* to do so properly. Most find it very difficult either to get inputs or to find a market outside the local area – if they are able to produce a surplus at all, which is rare. Very few of the *gospodaria* researched are able to produce for the market at all regularly. Most produce for subsistence or for barter – in other words, they are reverting to what their grandparents did before the Second World War, or extending their production on the small garden plots they operated between 1948 and 1989.

The people of both Rotbav and Motatei-Gara have, on the face of it, been transferred from a situation in which they were predominantly engaged in off-farm activities to one in which they are predominantly engaged in farming. Before 1989, 70% of the active population in Rotbav and 95% in Motatei-Gara were employed by the state outside farming. Now they have lost this employment – and have been given their land back. So it would appear that they have become farmers again. In fact, however, most *gospodaria* are not able to generate an adequate livelihood from their farms and continue to rely heavily on non-farm activities to supplement farming. In particular, they rely on non-farm activities to generate cash income, since they are not able to generate this from farming, since most are not able to move much beyond subsistence production.

Non-Farm activities before the 'Revolution'

Before the 'Revolution' of 1989, in which Ceaușescu was overthrown, farming was only one of the livelihood activities in which households were involved. Of the 'active' population⁴, 95% in Motatei-Gara and 70% in Rotbav was employed in a local state unit⁵. Complementary to this employment, which brought in cash, was agriculture for household consumption and trade of agricultural products. In addition, there were some small entrepreneurs who produced for CENTROCOOP or UCECOM (the former, a network of small enterprises, most in the rural area, designed to utilize the labour force in the countryside not engaged in agriculture, and the latter, an association of craft cooperatives), and small private enterprises (both of small craftsmen not affiliated to a cooperative and of small farmers producing on their small private plots for sale). Finally, there was some petty commerce across borders, production of alcoholic beverages, agro-tourism and babysitting, which were unregistered or illegal.

Types of non-farm activity nowadays

As well as trying to work the land received after de-collectivisation, households nowadays continue to be involved in many similar activities to those in which they were involved before the Revolution. Some unregistered or illegal activities have become formal and registered. However, many of the livelihood sources from before 1989 have been lost. The major loss is of state employment. In addition, CENTROCOOP and UCECOM have faced uncertain futures, linked to the delay in passing the 'Organic Law of Cooperative Activities (Law 109/1996)', which caused a stagnation and reduction in their activities, to the uncertainty about the legal ownership of the cooperatives, and very significantly, to the dismantling of the supply and distribution network⁶. The cooperatives have suffered from fraud,

⁴ Those classed as 'active' probably do not include all of those in a household who are in fact engaged in significant livelihood activities. Many farming-related tasks, both in relation to production and in relation to processing, are not very visible and could be the responsibility of an older member of the household or of a child who would be seen as not being economically active.

⁵ Local state units in the two communities studied are:

Rotbav: a brick factory, a uranium factory (both have reduced their activity), a State Agricultural Enterprise (closed). A significant proportion of people in Rotbav used to work in Brasov too, in a factory making tractors and another making heavy machinery (now in the process of privatization, after a long period of restructuring and reducing the number of employees).

Motatei-Gara: a Competrol Warehouse, a Peco Warehouse, a Furniture Warehouse (all closed now), a Cereals Warehouse (privatized, and has reduced the number of employees to five watchmen), an SMA (station for the mechanization of agriculture) a State Agricultural Enterprise (last two both closed).

⁶ The supply/distribution network operated by CENTROCOOP and UCECOM was, before 1989, the main way the state could control and make use of the products generated on the private plots and at household level. For example, a private producer with three pigs was forced by law to sell one of them through this network. In exchange, he would receive vaccines, vitamins etc. After 1990, the farmers were free to sell their products on the market, therefore the network collapsed.

with incidences of members starting their own businesses using the structure and customers of the cooperatives, thus, together with competition from imported goods, forcing the cooperatives into bankruptcy. Thus, it has become increasingly difficult for small producers to sell their products at a good price, since they find it difficult to trade directly in markets and are given disadvantageous terms by private intermediaries.

Since 1989, although all *gospodaria* in the communities studied rely on non-farm activities, with at least one member engaged in some activity outside agriculture, this is for reasons which vary a lot, according to the type of *gospodaria*. We categorised households in the two villages into four types:

Table no. 1

Types of *gospodaria* by amount of land and access to resources

	<i>Gospodaria</i> with 'enough' ¹ arable land	<i>Gospodaria</i> without 'enough' arable land
<i>Gospodaria</i> with human and material resources	B, D (Type I)	A, I, H (Type II)
<i>Gospodaria</i> without human and material resources	E, F, K (Type III)	C, G, J, L, M, N (Type IV)

¹ In this context, 'enough' arable land represent their self-evaluation about their amount of land and material resources, comprise all types of tools, machines used for agriculture.

The (minority of) better-off *gospodaria* with a reasonable amount of land as well as access to material and human resources, including good social networks (Type I), use a large proportion of the cash which members of the household bring in through non-farm work to reinvest in agriculture; their motivation for engaging in non-farm activities, in other words, is demand-pull. Households (the majority) with little land and few material or human resources (Type IV) engage in non-farm activities to survive – the contribution of these activities is vital to the household livelihood. This can also be said of *gospodaria* of Type III, which, although they have land, do not have the resources to work the land and rely instead on employment outside agriculture. The motivation of such households for engaging in non-farm work is, therefore, distress-push. While the better-off households are able to choose what kind of activity they engage in, the poorer households cannot, but must take whatever they can get. This tends to be casual, seasonal and unreliable in the main, as can be seen from the table below.

Type II *gospodaria* are the most entrepreneurial of the households. It is this type of household, which does not have much land, but has access to some material and human resources – including effective social networks – which sets up a business and concentrates on building that business, rather than reinvesting the profits in agriculture. The non-farm activities in which the *gospodaria* studied engage are summarised in Table 2.

Table no. 2

Non-farm activities in the sample *gospodaria*

Case study	Independent activities	Employment
	Rotbav	
A	Husband: working in their own slaughterhouse* in the village. Wife: sells in their own shop* in Brasov and works on embroidery.	Husband: silviculture in a near-by village.
B		Wife: mailperson 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.	
D	Widow: seasonal work in a bar in Germany.	
E		Wife: works in local uranium factory.
F	The son works as a woodcutter in the village.	
G	The husband and the son work as woodcutters in the village.	
Case study	Motatei-Gara	
H	The husband operates their own sunflower oil press in the village. The wife sells soda water*. The eldest son works in Italy.	
I	The wife sells in their own shop* in the village.	The daughter works as a school teacher in Craiova.
J	The husband works as a day-labourer in the village.	
K		The husband and the son-in-law are watchmen at the local warehouse.
L	The father and sons take care of the village sheep herd, and young members of the <i>gospodaria</i> sell agricultural products.	One of the daughters-in-law is a shop assistant in a local shop.
M	All members are occasionally day-labourers in the village.	
N	The wife is a day-labourer in the village.	

* Indicates permanent independent activities, the rest being rather uncertain seasonal activities.

The above activities are typical of those engaged in by other members of the villages concerned. Most are not highly visible from the outside since they would not be recorded anywhere official. They do not bring in much money, but they are nevertheless vital for livelihoods, particularly those of the poorest – who comprise the majority of the population at the moment, particularly in Motatei-Gara where there is very little official employment due to the remote situation of the village.

INVOLVEMENT IN NON-FARM ACTIVITIES BY DIFFERENT ETHNIC AND RELIGIOUS GROUPS

The importance of social relations and networks

It was clear from the data collected from informants that having an effective social network, and good social relations, whatever this is based on, is a vital element in building a livelihood in the two communities studied. This is closely linked to the fact that high status is associated with having a wide and effective social network – what might be described as good ‘relational capital’.

Cooperation is highly valued and very important economically as well as socially in the communities studied. This is true within agriculture proper, where certain activities – for example, mowing and bringing in hay in Rotbav – are done by exchange labour. It is also important more broadly in building and protecting livelihoods. Both villages are small and everybody knows everybody else; links between people are very complex and diverse. Although opposed factions dispute over various issues, in extreme situations the differences are forgotten (for example, informants reported that when the house of a family in Rotbav was on fire everybody came to help extinguish the fire, although they were in the middle of a quarrel on religious topics at the time).

Cooperation is the basis of social networks. Networks are important in establishing barter relations, which are fundamental to household economy in both communities. In Rotbav, potatoes are exchanged for maize and wheat; in Motatei-Gara, potatoes are exchanged for maize, cabbages are exchanged for apples and apples for wheat. Networks extend well beyond the local area: exchanges take place between households in different parts of Romania, in particular between those from Oltenia and Transylvania. This includes the exchange of aluminium scrap for plastic objects, of agricultural products for second hand clothes, of agricultural products for wood, of milk for the remains of sunflower plants, of milk for eggs, of sugar beet for sugar, of cheese for honey and of cheese for maize or wheat. Some quite stable barter relationships have evolved between specific individuals in different parts of the country: for example, there is a widow from Rotbav who exchanges potatoes for maize regularly with a person from Gorj county and a household from Motatei-Gara exchanges cabbages for apples with a household from Ramnicu-Valcea.

However, such networks are not equally accessed by all households. There are various factors which play a role in building up or reducing the access which a household has to effective social networks which assist in building their livelihood. One important factor which plays a role in establishing effective collaboration and networks between people, both within communities and between communities in different parts of the country – and even between the two Romanian communities and other countries – is kinship. In Rotbav, there are two prominent families of

orthodox Romanians, the oldest families in the village since the out-migration of a large proportion of the German inhabitants since 1945. Members of these families help each other in every aspect of their lives. Lately they have moved to other communes or to Brasov, but they continue to be in close touch. They help each other through sharing work, sharing capital, facilitating employment in the village, in Brasov and in Germany, too.

Relations between neighbours are also an important basis for collaboration. 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.
- The people with wells associate with people with pumps to water the gardens in common.
- The migrating Germans 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.

Ethnicity and religious affiliation as factors in the establishment of social relations and networks

Co-ethnicity and membership of the same church are also important bases for setting up strong social links and networks upon which to build strong livelihoods in the two villages studied. Certain livelihood activities tend to be specific to certain ethnic groups.

Those who are ethnically German in Rotbav (known as *sasi* – 'Saxons' –, although their origins in Germany, many hundreds of years ago, are not from Saxony) traditionally have been involved in small industrial activities more than Hungarians and Romanians, but with the out-migration, of most of the Germans, (particularly since the war) this difference has disappeared. Nowadays, ethnic Germans specialise in the import of high quality second-hand clothes. In Romania, there is a network of second-hand clothes shops run by German citizens, which

import clothes from Western European countries. In Rotbav there is a second-hand shop selling clothes, which is run by ethnic Germans.

Although the Roma (gypsies) do practice some agriculture, the general perception is that they are not agriculturalists. It is true that they do not see themselves as primarily farmers, but many received small plots of land when the cooperatives were disbanded and are cultivating them. Traditionally, though, Roma livelihoods tend to involve many different activities, often activities which are stigmatised by the other ethnic groups. They, like the Germans, specialise in the villages studied in selling second-hand clothes, which they bring in from Hungary, but rather than selling these in shops they are sold in the street. In Motatei-Gara there are Roma who come every Thursday with a car full of clothes or shoes which they spread on the ground for sale, accepting goods rather than money in exchange. Roma also collect iron, aluminium, sheepskins, glass and paper for sale as scrap and make baskets and brooms for sale, and also make wheels and shoe horses (these are skills and activities inherited from their parents).

Nowadays, members of other ethnic groups have, because of poverty, taken up some of these activities which they would previously not have been involved in, because they were stigmatised activities associated with the Roma. Thus, informants reported that nowadays "we carry wood from the forest like gypsies" (Hungarian from Rotbav) and that "we sell salt on the streets like Roma" (Romanian from Motatei-Gara).

Religion provides a means for building up ties which assist in developing some livelihood activities. This has both positive and negative connotations. Members of non-traditional cults, like the Seventh-Day Adventists, the Baptists and the Pentecostals feel segregated by the majority, but they benefit from better collaboration and mutual support in livelihood activities due to this segregation. The small number of parishioners of these churches means that they have close relationships with co-religionists outside the village. This can provide a valuable asset for involvement in livelihood activities. An example is that Adventist young people from Motatei-Gara working in Italy recommend other Adventists from Romania to their employers; and Adventists also find employment more easily in Craiova through this kind of recommendation. In Motatei-Gara the Seventh-Day Adventists were private producers even under Communism, since their religion prohibits work on Saturday, and Saturday was a work-day for state employees. They had sawmills and knitting machines and produced crafts which were sold through the state organisation CENTROCOOP. In Rotbav, the Baptists and Pentecostals are said to have converted to those faiths in order to tap into the effective livelihood assistance and networks which they provided.

CREDIT

There is an extreme reluctance to take on any debts within both communities. None of the entrepreneurs within the focus groups studied had taken on any credit,

although some had toyed with the idea. In Davis and Gaburici's (2001) survey of mainly rural households that had successfully diversified to non-farm micro-enterprise, only a small minority of entrepreneurs applied for credit. Most of their sample had discarded it for similar reasons, due to the unfavourable terms offered by the banks (high interest rates and stringent collateral requirements) and risk aversion.

It seems likely that this unwillingness to take on credit is partly related to an almost total lack of experience of having any debts. However, it is likely that there is also a strongly-rooted fear of taking on this kind of relationship with unknown entities outside the known social sphere. In fact, people are offered and take on debts to shopkeepers who are part of the known social network within the village quite readily.

FACTORS DIFFERENTIATING THE TWO COMMUNITIES STUDIED

The two communities are different in ways which have affected how they have been able to adapt to the changes, since 1989. From 1989 till today, the disadvantages of living in a community like Motatei-Gara, which does not have easy access to a large town, have increased considerably, because there are no longer employment possibilities away from town. Under the Communist system, industries were located in more remote areas, but without the centralised system this is no longer the case. The inhabitants of Rotbav have the advantage of being near Brasov, in terms of access to employment. The impact of the change in Motatei-Gara has been amplified by the fact that 95% of the households had a member employed by the state before 1989.

Both communities are at the periphery of the *communa* to which they belong, and therefore, do not receive as much investment as the communities situated at its centre. However, Motatei-Gara suffers more from this than does Rotbav, because its needs are different from those of the community at the centre of the *communa* to which it belongs.

PERCEPTIONS OF THE FUTURE

Generally, informants show an inability, as yet, to come to terms with the fact that the state is no longer responsible for regulating the economy. They were, under Communism, accustomed to having employment provided by the state, and to a 'system' that worked, even though they might complain about its restrictions. When asked about factors constraining their access to more effective livelihood activities, informants complain about the 'system' not working properly any more, and being riddled with corruption and malfunction. Many regretted the dismantling of the agricultural production cooperatives.

Informants in both communities often expressed the solution to the present situation as the need for outside investors, which would provide more jobs. This can be seen as a desire to retreat to a situation where employment is provided from the outside – as it was under Communism – instead of individuals having to fight their own corner in a highly competitive and corrupt situation.

There was a difference between Motatei-Gara and Rotbav with regard to perceptions of the future, particularly among the young. Whereas in Motatei-Gara young people saw themselves as remaining where they were and continuing with the lifestyle of their parents, in Rotbav youngsters can see more possibilities and many expressed a desire to leave farming. In Rotbav, being close to Brasov, other, urban-based, livelihoods are more visible. There are also more livelihood opportunities outside agriculture even for those who remain in the village and continue to practice agriculture, as part of a varied livelihood portfolio. It must be noted that it was mostly the children of poorer households who expressed the desire to leave farming altogether; those belonging to higher-status households saw the optimum situation as continued involvement in farming, with partial reliance on non-farm activities on the part of some members of the household.

CONCLUSIONS

Households in these two communities, in common with those in the rest of Romania, have had to make a transition from relying mainly on employment by the state to becoming 'farmers'. However, it would seem that this has been a difficult transition, because most are not able to cultivate the land they have received in a way which results in much more than subsistence production. Thus, non-farm activities were found to be very important in supporting household livelihoods, and to be complementary to farming activities. Most of the households in the sample studied in-depth in the two villages were engaged in both. It was found that the households perceived as highest status and most successful were successfully involved in both agriculture and non-farm activities⁷. The poorest were scratching a subsistence living through farming and supplementing this by means of various informal and illegal activities.

The reasons for involvement in non-farm activities varied according to the level of different types of capital. Poor households, without either material or human resources, are involved in non-farm activities because of distress-push; better-off, higher-status households are involved because of demand-pull. However, there is little interest in entrepreneurship for its own sake, except among the few households who have little land but good access to material and human resources; such households seem rather to be pushed into entrepreneurship than to choose it as the best option. Some informants did express an interest in credit, and

⁷ This applies to households A and I in our sample.

it is possible that, if better terms were available, more people would take them up. However, people are still strongly nostalgic for the pre-1989 situation, when they were provided with secure cash livelihoods, and informants in both villages expressed a desire for an alternative outside body which would provide employment. At the moment, there is not a strong entrepreneurial push and this is not the main motivator in the development of non-farm activities.

'Relational capital', a form of social capital, was found to be vital in building non-farm activities in both communities. Effective social networks and high status in the community are the factors that have been most important in building successful independent non-farm activities for some households⁸. Households which lack relational capital were found to be among the poorest in both Rotbav and Motatei-Gara. There is considerable emphasis on cooperation in both villages. This is based on different foundations, including neighbourliness. However, ethnic and religious factors were found to be important in building relational capital because they are bases for strong social networks. Villagers were found to have changed religious affiliation, in some cases, in order to tap into this potential. Working abroad, an important way out of poverty, could be facilitated through utilizing religious and ethnic ties.

Although farming is seen as difficult and villagers talk of the 'land burden' which they took on with de-collectivisation, there is clearly a sense in which farming is still seen as the central activity of a household. Thus, households which are able to earn a surplus of cash outside agriculture, which they do not have to use for the purchase of everyday food and other articles, tend to invest this in farming. Only households which do not have much land invest in the building up of other types of business. There is a feeling that households are obliged to farm the land they have been allocated – this, indeed, is the source of the concept of 'land burden'. For example, an informant argued that 'it is shameful not to work my land'. Thus, villagers appear to see themselves as farmers who should have access to other livelihood activities as well, rather than primarily aiming at leaving farming. There is continuity with the pre-collectivisation past; via the period 1945–1989 when households had small private plots which they cultivated for subsistence purposes. This is despite the fact that many young people say that they want to leave agriculture.

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