

THE PUBLIC PENSION SYSTEM IN ROMANIA: MYTHS AND FACTS

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Abstract

The article seeks to critically analyze and disprove, using solid statistical evidence, five myths that circulate in the Romanian public sphere about the state pension system. The argument shows that in Romania a large proportion of pensioners are actually fairly 'young'. Their life expectancy is higher than some claim it is, and, on average, they are less poor than young people, children, and the average population, their pension reasonably replaces their salary income, and, despite its public support, the lower retirement age for women compared to that of men leads to disadvantages for the female pensioners. The article seeks to contribute to a better understanding of the pension system and its challenges, and to outline some implicit solutions for amending/supporting it by eliminating pressures (based on populism or ignorance) on the public pension system, in particular in the context of the current economic crisis and the pronounced aging of the population.

1. Introduction

The public pension system in Romania represents one of the state's most important current, medium and long-term structural problems. Its inability to be self-sustainable constantly requires redirecting funds from the state budget/external loans towards covering the payment of pensions, resulting in significant imbalances in the public spending budget, with dramatic long-term effects.

Public spending for pensions reached, in 2009 and 2010, almost 25% of all government spending and 9.7% of GDP (Figure 1), without taking into account the almost 150,000 military pensioners (army, police, secret service) whose pensions were paid, until the beginning of 2011, out of the annual budgets of those institutions.

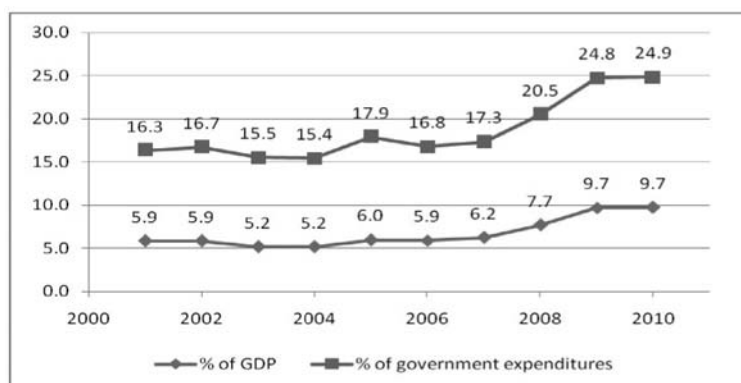


Figure 1: Share of pension spending in the GDP and total government spending (%)

Source: National House of Pensions and Other Social Insurance Rights (CNPAS), unpublished data

Thus, pensions represent the public spending category with the largest share in the GDP, and although it is a contribution-based system like any other insurance system (Barr, 1998), the pension fund is heavily subsidized by the state budget, its 2009 and 2010 deficits being one of the main sources for Romania's budget deficit (Figure 2).

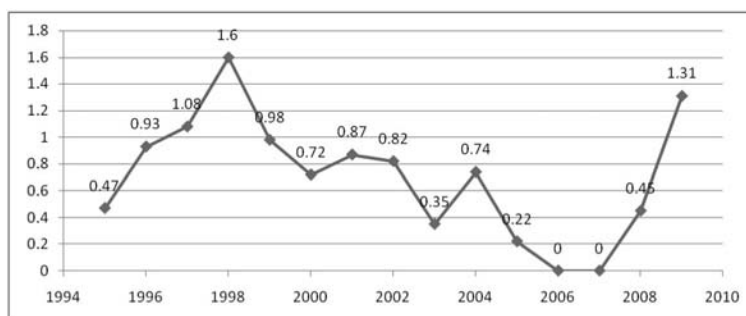


Figure 2: Total pension fund deficit (without subsidies) as percentage of GDP

Source: <http://www.cnpas.org>

As Romania has one of the lowest levels of state budget revenues (approximately 33% of GDP) and public social spending, 33-41% of GDP, compared to 48-55% in

classic European welfare states (Esping-Anderson, 1990) such as Sweden, Germany, or UK (Appendix 1), the challenge in covering such a large budget deficit is made more difficult by the consequences of the accompanying cuts in investment spending, the engine for job creation and re-launching the economy.

Systematic analyses in the past decade (Preda, 2004; Preda *et al.*, 2006; Frunzaru, 2007; Preda 2009) reveal the key sources for problems in the public pension system: the dangerously high ratio of pensioners to employees (Appendix 2) due especially to early retirements after 1989 and a dramatic decrease in the number of people contributing to the fund, frauds in the system (through pensions for false health problems), and excessive rights awarded between 2004 and 2007 through special laws to privileged categories, such as attorneys and judges, members of the parliament, aviation personnel, and others. Let's just point out some telling examples, using statistical analysis of the data presented in Appendix 2: the number of pensioners in the public system (not including military) increased from 3.6 million in 1990 to over 6 million in 2000-2004 and approximately 5.5 million in the current year, while the number of employees (contributing to the fund) dropped from 8.1 million in 1990 to 4.5 million in 2010; the number of disability pensions increased from 208,000 in 1990 to over 900,000 in 2009 and 2010.

These challenges were made worse by the populist decisions of the government to excessively increase pension spending, treating pensioners as a central voter category and using pension increases as 'bribe' in exchange for votes (the number of pensioners reached 6 million after 2000, representing 1/3 of the electorate and 40% of the actively voting population).

The 2008 economic crisis, massively felt in Romania in 2009, the demographic analyses (Ghețău, 2007; Ghețău, 2010) that showed the decline and rapid aging in Romania's population (Figure 3) generating risks for the pension system, as well as the pressures from international organizations (IMF, WB) determined the government to propose a reform of the public pension system. The solutions proposed by the government consisted in increasing the age of retirement (especially for women), eliminating privileges attached to special pensions, reducing fraud, and changing the procedure for calculating the pension point.

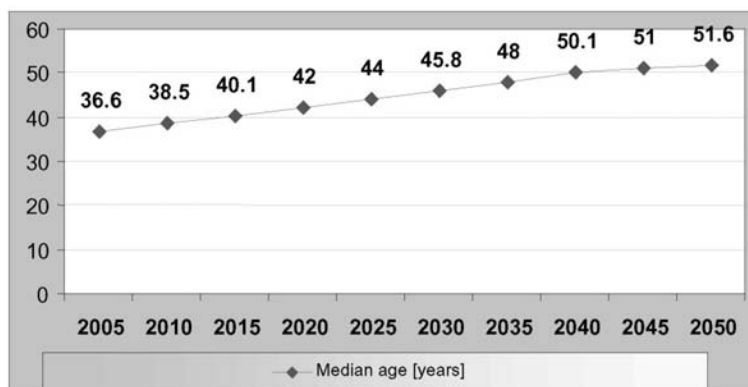


Figure 3: Trajectory for the median age in Romania, 2005-2050

Source: The graph is based on data provided to the authors by Professor V. Ghețău, Center for Demography 'V. Trebic'

Although, in the end, the old pension law (Law no. 19/2000) was changed and the special laws replaced in December 2010 by a new pension law (Law no. 263/2010), these reforms were rather hesitant, with interruptions and even returns to the status quo, preferred laws were implemented (as in the case of the so called 'Pillar 2' of the system-implementing compulsory private pension plans to be funded by the standard contributions, or the revoked decision to equalize the age of retirement). The decision makers' behavior not only confirmed the specialists' opinions about the gap between the myths of rationality and control in public management and the reality that relies on improvisation and reaction (Hințea, 2007), but also transformed the topic of pensions in a seemingly endless debate, with no rational solutions in sight.

One main cause for the hesitations and repeals was the populist or incompetent statements made by many politicians and journalists, as well as the pressure of special interest groups (privileged beneficiaries of special pensions) who publicly presented and repeated false information about pensions and pensioners.

Moreover, although when addressing specialists or representatives of international institutions, the decision makers' discourse emphasized the reform of the pension system, the same voices appeared in the media (sometimes at different points in time) pushing opposing messages, that of the necessity of preserving the old system or even adopting measures that would amplify its financial problems.

The most frequently used populist messages, supporting the old system, are the following: 'pensioners are elderly people who can no longer work and therefore are entitled to a pension'; 'pensioners have worked a lifetime and only benefit from a pension for a few years'; 'pensioners are much poorer than the rest of the population'; 'pensions are too small in comparison to salaries'; or 'women should retire earlier than men'.

This article seeks to analyze critically the statements above. This endeavor will lead not only to a better understanding of the public pension system and its challenges but also will outline some solutions for redressing/supporting it (by eliminating the constant pressures burdening the system).

2. Five myths regarding the public pension system in Romania, contradicted by statistical evidence

2.1. Are all or most retired persons elderly people who can no longer work?

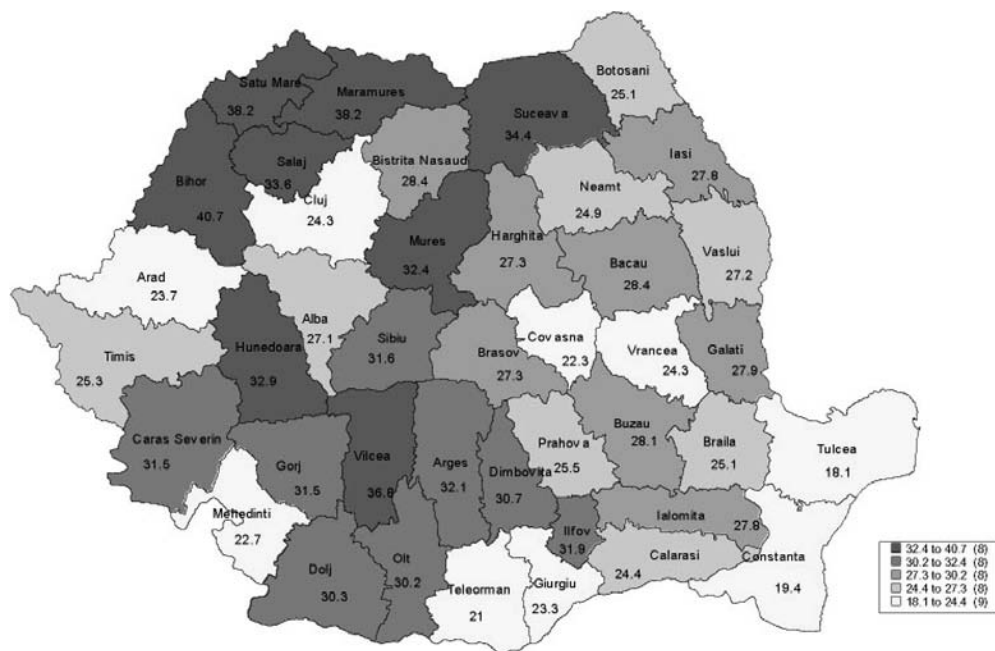
One of the myths of the Romanian public pension system is that pensioners are people who, because of their age, can no longer work (and, consequently, they are entitled to receive the pension resulted from contributions during their active period of life). The political discourse, the images with pensioners in the mass media, references to pensioners in the televised debates, all refer to pensioners, almost without exception, as elderly people who need to be helped because they can no longer work. An analysis of the statistical data for April 2010 shows high percentages of beneficiaries of the state pension system (not including surviving dependents¹) who are younger than 60,

1 Surviving dependents, beneficiaries of state pensions, could not be included in the analysis, as their age and sex distribution cannot be determined (the identifying social security number could be that of the legal guardian).

with rapidly growing percentages as we get closer to the age 65. Thus, we notice that 23.9% of male pensioners were younger than 60, and the percentage grows to 43% for those 64 or younger (64 being the standard legal retirement age for men in 2010). In the case of women, the percentages are even higher – 32.9% were 59 or younger and more than a half (56.9%) were younger than 65 (Appendix 3).

If we analyze the spatial distribution of the percentage of pensioners under 60 out of the total of pensioners in the state system (not including surviving dependents), we notice significant differences between counties: in some counties, over 35% of pensioners are under 60, as in Bihor (almost 41%), Satu Mare, Maramureș or Vâlcea, while in others, the percentage is significantly lower, as in Tulcea (18%), Constanța (19%), Teleorman, Arad, Cluj or Mehedinți (Figure 4). The vast difference in percentages of ‘young’ pensioners between the two categories of counties cannot be explained using economic, cultural, or social criteria, as both categories contain counties with a similar level of development and structure of the economy and of the labor market.

It is interesting to reveal that this image of the structure of pensioners under 60 largely overlaps the one of the structure of disability pensioners. Data from 2008, broken by county, indicates high values for Bihor (29.3% disability pensioners out of total pensioners), Satu Mare (28%), Vâlcea (26%), Ilfov (23%) or Maramureș (23%) on the one hand, and lower for Tulcea (6%), Galați (7%), Teleorman (8%), Constanța (10%) on other (Preda, 2009, pp. 374-375).



Without another reasonable explanation and with the added weight of numerous examples of fraudulent retirement presented in the media, the data above could be the result of abuses/errors/blind spots in the system.

The image of these counties with so many ‘young’ pensioners is even more serious if we consider the fact that many of them retired years ago, when they were even younger, and have since grown older. A more relevant analysis would be that of the age of retirement for people in Romania in one particular year.

We notice (Table 1) that only 24% of people retiring in 2009 reached the legal retirement age threshold and paid their contributions for the fully required period and 31% reached the age threshold without paying contributions for the entire period. It is important to notice that almost 14% of all people retiring that year opted for early retirement, and most of these took on partial early retirement. What raises concerns is the continued high percentage of people entering retirement for disability reasons – 31.4% of people retiring in 2009 belonged to this category.

If we look at the retirement age (estimated by subtracting the birth year from 2009), we notice that 54.6% of men and 93.8% of women retired before they turned 60. The percentage verges on 100% for both sexes in the case of those retiring before the age of 65 – 97.2% for men and 99.2% for women. Although we would expect these high values to be caused by early or disability retirement, even in the case of reaching the legal threshold for old age retirement and paying the contributions for the full period, 39.2% of the male retirees were under 60 (and 89.7% of women) (Appendix 4).

Table 1: Benefits claimed and granted – new retirements
in the state pension system in 2009²

	Men	Women	Total
Standard (legal) retirement age with full contribution period	23.7	24.3	24.0
Standard (legal) retirement age with partial contribution period	26.6	35.0	31.0
Early retirement	0.9	1.0	1.0
Partial early retirement	11.4	13.8	12.7
1 st degree disability	1.7	0.7	1.2
2 nd degree disability	20.3	12.7	16.3
3 rd degree disability	15.6	12.4	13.9
Total	100.0	100.0	100.0

Source: CNPAS, unpublished data

2.2. Have pensioners worked a lifetime and only cash pension benefits for a few years?

Another myth of the current pension system is that retirees do not have enough years left to live in order to benefit from this right. The most invoked rationale maintains

² Note: Sex and age distribution for the pension category of surviving dependents cannot be calculated, as the identifying social security number could be that of the legal guardian.

that ‘Romanians work a lifetime and can only enjoy their pension’ for 5 years in the case of men or 11 years in the case of women, provided that people retire at 65 (and that life expectancy *at birth* was in 2008 69.5 years for men and 76.7 years for women, according to the 2009 Statistical Yearbook of Romania).

The rationale rests on two false assumptions: on one hand, the *real* age at retirement is much lower than the *legal* one, and, on the other hand, the average life expectancy invoked by journalists, pensioners’ representatives and other ignorant people is the life expectancy at birth, which is much lower than the life expectancy at the age of retirement.

In 2009, the legal age of retirement for most people in the state system was approximately 63.7 years for men and 58.7 years for women, while the real retirement age was much lower – 56.6 for men and 55.7 for women (Ghețău, 2010, p. 877).

Using the average life expectancy at birth in this context is completely erroneous, the appropriate indicator being average life expectancy at the age of retirement. Taking into consideration mortality by age in 2009, the indicator takes much higher values – 19.2 years for men and 24.4 for women (number of years that, under these conditions, men and women retired in 2009 can expect to have left to live). Although useful, this indicator is actually weak, considering that it uses mortality by age, in that year, and does not account for the proven fact that mortality by age in Romania tends to decrease. After modeling by age, ‘within birth cohorts and not by calendar year’ life expectancy at the age of retirement, when mortality by age is estimated within the birth cohorts of people retired in 2009, becomes 21.5 years for men and 27.3 for women (Ghețău, 2010; <http://www.hotnews.ro>).

Even if the real average age of retirement was 65 years, prognoses developed by the United Nation Population Division that use data from the 2008 series indicate a higher life expectancy at the age of 65: 15 years for men and 19 years for women. Moreover, the life expectancy at the age of 65 for the cohort born in 1965 (who will reach retirement age in 2030), as mortality is expected to decrease for ages 65 to 100 after 2030, is 16 years for men and 21 years for women (Ghețău, 2010; <http://www.hotnews.ro>). This increase in life expectancy at the age of retirement will place an added burden on the pension system, as the value of this indicator is not the only one changing; the structure of the population pyramid is also changing (due to lower birth rates and population aging, the ratio of people able to work to retirees is expected to decrease significantly).

2.3. Are pensioners the poorest of Romanians?

The media discourse presents pensioners as the poorest of all Romanians. Without denying the hardships that pensioners do endure, we notice nevertheless that survey data place pensioners in third place in terms of general welfare, right below employees and employers, with an extremely low poverty rate (1.9%) compared to other disadvantaged groups. We thus notice much higher poverty rates for self-employed people working in agriculture or other sectors, the unemployed, homemakers, or even students and pupils. The structural difference remains even when we analyze the data by area of residence, even if the poverty rate for pensioners in rural areas is higher than the rate for pensioners in urban areas (3.1% compared to 0.9%) (Table 2).

Table 2: Poverty rate in 2009, by occupational status and area of residence, (%)

	Urban	Rural
Employees	0.6	1.9
Employers	0	0
Self-employed non-agriculture incl. family help	6.1	12.4
Self-employed agriculture incl. family help	7.3	12.2
Unemployed	7.6	14.2
Pensioners	0.9	3.1
Pupils, students	2.5	7.2
Homemakers	6.3	11.4
Other (dependents, military service etc.)	4	10.4
Total	2.1	7.2

Source: Family Budget Survey, Romanian National Institute for Statistics (INS). Authors' calculations

Table 3: Poverty rate in 2009, by age group (%)

Age	%
0-14 years	5,8
15-24 years	7,2
25-34 years	4,1
35-44 years	4
45-54 years	4,1
55-64 years	2,8
65+ years	2,5

Source: Family Budget Survey, Romanian National Institute for Statistics (INS). Authors' calculations

It is, however, possible that a significant portion of the elderly does not benefit from a pension and consequently could be in poverty (being included in another occupational status category in the table above). The poverty rate by age group does not confirm this hypothesis, either – for the age group 65 years and up, the poverty rate is the lowest of all age groups, and the poverty risk appears to be highest for people aged 15 to 24 (Table 3).

Moreover, a longitudinal analysis of these indicators points to a higher decrease in poverty rates for pensioners than for people with other occupational status (Appendix 5). If in 2000 the absolute poverty rate for pensioners was 31.1, the rate plummeted to 1.9 in 2009, while the poverty rate for the survey sample fell from 35.9 to 4.4. If the data above might not make it obvious that the decline in poverty for pensioners was more pronounced, changing the angle and the analysis for data on the structure of population living in poverty, by occupational status, shows stronger and more convincing results. Thus, we notice that if in 2000, 20.5% of the poor were pensioners, the percentage drops to only 10.5 in 2009 (and this cannot be explained by changes in population structure, as the percentage of pensioners in the population stayed around 23.5). The lower proportion of pensioners in the poor population is due to increases in the proportions of other categories more seldom present in the public

discourse: the self-employed (both in agricultural and non-agricultural activities) and the homemakers.

2.4. Are pensions too small in comparison to salaries?

One of the pension system’s problems constantly brought up in the public discourse by the opposition parties, representatives of pensioners’ organizations and other critics of the pension system reform is the average pension to average salary ratio – all in reference to gross values. The average gross pension is seen as too low when compared to the gross salary of those contributing to the public pension fund; consequently, critics are asking for a return to the old ratio of the value of the pension point to the ‘average gross salary income’ stipulated by law, that of 45%. In 2010, the value of the pension point was ‘only’ 39% of the average gross salary income.

Without denying the lower values for many of the pensions in Romania, especially when compared to their beneficiaries’ needs, we need to point out that all references are systematically made to gross values, a more advantageous comparison for pensioners, since there are many taxes paid on salary income while there are no social security or other taxes paid on pensions, the only tax paid being the 16% income tax for pensions higher than 1000 RON.

If we analyze the ratio of the average pension to the net salary income in March 2010, we notice a value that is almost 6 percentage points higher: 0.449. Furthermore, the ratio of the average old-age pension to the average salary is 0.506, and in the case of old-age pension with a full period of contribution the ratio reaches even 0.622.

Table 4: The value of the average net pension in March 2010, and its ratio to the average net salary income in the same month

Pensioner category	Number of pensioners	Average pension for the current month (March 2010)	Ration of average pension/net salary income in March 2010 (1508)
1. Total pensioners in the system, of which:	5.521.510	677	0.449
– with some period of time worked in agriculture, of which:	1.506.527	261	0.173
– only periods of time worked in agriculture	851.311	312	0.207
1.1 Old age retirement	3.824.801	764	0.506
– with complete period of contribution	2.144.340	938	0.622
– with incomplete period of contribution	1.680.461	542	0.359
1.2 Early retirement	9.379	979	0.649
1.3 Partial early retirement	120.147	695	0.461
1.4 Disability	922.493	550	0.365
– 1 st degree	44.307	543	0.36
– 2 nd degree	544.907	553	0.367
– 3 rd degree	333.279	547	0.363
1.5 Surviving dependents	643.125	339	0.224
1.6 Social security income	1.565	192	0.127

Source: for primary data, CNPAS, unpublished data

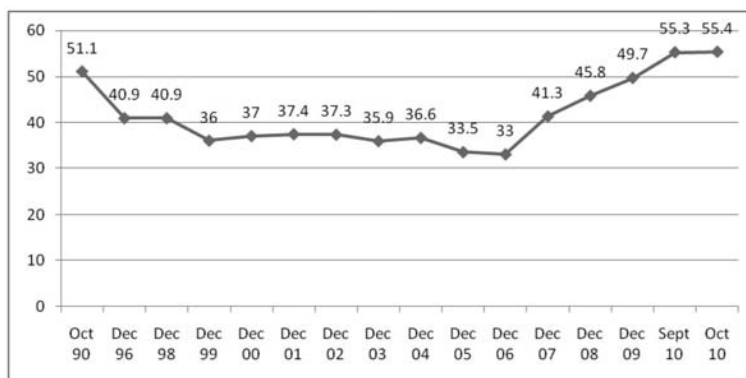


Figure 5: Ratio of the average public system pension to average net salary

Source: <http://www.cnpas.org>

It follows, therefore, that, in the case of someone who has paid contributions to the pension fund for the full tenure period and has reached the legally required retirement age, will receive, on average, a net pension representing 62% of the average net salary, which is not little at all. The lower values, which still reach on the average for the entire pension system 45% of the average salary, can be blamed on shorter contribution periods, that is, incomplete tenure or early retirement.

2.5. Should women retire earlier than men?

The Law no. 19/2000 stipulated that, within 13 years of coming into effect, the retirement age should be raised from 57 years for women and 62 for men to 60 for women and 65 for men. One of the projects for reforming the pension system (in February 2010) proposed the gradual equalization of the age of retirement for women and men to be accomplished by 2030. This legal proposal was met with numerous critiques in the media and, in the end, the President returned the law to the Parliament to be modified so that the age of retirement is lower for women than for men (the result being a 2 year difference between the age of retirement for women and men – 63 for women in 2030 and 65 for men from as early as 2014). A broader understanding of the pension system in a European context and of the effects of maintaining differences between men and women in Romania will help understand the disadvantages of not equalizing retirement ages. In the European Union, most countries have adopted equal retirement ages for both men and women or are in the process of equalizing them. Moreover, the EU anti-discrimination policy actively supports equalizing retirement ages for men and women (see, for an example, the changes in the legislation regarding the retirement of employees in the public sector in Italy). A different retirement age for women than that for men can have adverse consequences precisely for the group sought to be protected. A premature exit from the labor market, at an age when salaries are higher (the last active years) and the position in the hierarchy is usually higher is one of the causes for a lower average pension for women than for men. The

data below show a difference of at least 10% between men and women pensions, regardless of the pension type. We notice, for example, that men who retired with a full contribution period received, in March 2010, an average pension of 1056 RON, while women in the same situation received an average pension of only 964 RON. The differences are even higher in the case of incomplete contribution period or in the case of partial early retirement.

Table 5: Average public pension for men and women in March 2010, by type of pensioner

	No. of Pensioners		Average pension		Ratio of average pension men/women
	Men	Women	Men	Women	
<i>1.1. Legal retirement age reached</i>	1.543.438	1.614.671	950	766	1.24
– with full contribution period	1.075.216	801.380	1.056	964	1.10
– without full contribution period	468.222	813.291	705	570	1.24
<i>1.2. Early retirement</i>	3.483	5.896	1.032	948	1.09
<i>1.3. Partial early retirement</i>	45.677	74.470	763	653	1.17
<i>1.4. Disability</i>	472.958	433.898	592	517	1.15
- 1 st degree	28.310	14.554	580	506	1.15
- 2 nd degree	275.622	255.091	599	521	1.15
- 3 rd degree	169.026	164.253	582	511	1.14
<i>1.5. Social security income</i>	392	1.173	194	191	1.01
2. Wounded war veterans, war orphans and widows/widowers	2.863	6.940	394	182	2.17

Source: CNPAS, unpublished data

With a life expectancy 6 years higher for women than for men and a reduced difference in the age of retirement of almost 3 years, the majority of women in Romania still wish to retire as soon as possible, ignoring the fact that retiring at a younger age only appears to offer advantages. Retiring early could be construed as gender discrimination, as it drastically reduces women’s income and prevents some from reaching or staying in positions of power in the workplace (which usually happens toward the end of the career).

3. Conclusions

We started with quantitative arguments and showed that the Romanian public pension system – representing 25% of the public spending and having a massive deficit – needs to be reformed. This reform ought to be a governmental priority, especially as Romania’s budget represents a small share of the GDP and leaves little resources for investments. In the same time, Romania’s population is aging rapidly, creating a medium and long-term risk of collapse for the public pension system. The economic crisis deepened the seriousness of the problem and further reinforced the

need for reform. The picture of the disaster was made even worse by the government's erroneous decisions of the past decades, tolerating fraud, encouraging privilege for certain categories of pensioners, and using pensioners for electoral maneuvering.

In this context, instead of supporting rational arguments for reforming the pension system, most politicians and a sizeable portion of the journalists launched and sustained several myths regarding the pensioners' more difficult situation when compared to that of the rest of the population and the need to maintain or even solidify their rights.

In the analysis above, using statistical arguments, we showed that the five myths about pensioners and the pension system simply do not hold. Thus, not all pensioners are elderly people; many retire earlier than the legal retirement age. In some counties, 41% of pensioners are younger than 60, and 54.6% of men and 93.8% of women retiring in 2009 were under 60 at the moment of retirement. According to solid estimates, pensioners will benefit from their pension, on the average, for at least 19 years in the case of men and 24 years in the case of women, much longer than the values falsely circulated in public debates (that used, as a point of reference, life expectancy at birth and not at the actual age of retirement). Thus, women retiring in Romania in 2009 will spend more years benefiting from the pension than the number of years they spent contributing to the fund, adding one more reason to increase the legal retirement age for women.

Neither pensioners nor the elderly are, as claimed, poorer than the rest of the population in Romania. Young people and children are poor in much greater proportions than the elderly, and pensioners in 2009 had a poverty rate two times lower than the national average.

The average net pension to average net salary ratio is remarkable for the current system. It is lower for people who have worked in agriculture, but reaching 55% for those who have paid into the system and even 62% for those with full contribution period and retiring at the legal age of retirement.

Strongly supported by the population, the lower retirement age for women leads not only to gender discrimination but also to important disadvantages for women: early retirement means lower income and lower levels of social participation. All the arguments above, taken together, strengthen the larger argument for the professionalization of the political class and of the journalists in the area of public affairs, so that they can approach the major social issues with facts, with solid and honest arguments and not with political, populist tricks. The myths we analyzed above are tools for a political struggle that might bring advantages for some in the short-term, but represent major threats to intergenerational social justice and the long-term effectiveness of any government.

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Appendix 1

The evolution of the number of pensioners and that of the average number of employees, 1990-2009

	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total no. of state and agricultural pensioners	3.679	5.106	6.154	6.192	6.212	6.142	6.070	5.902	5.638	5.575	5.532	5.518
Total no. of disability pensioners	208	431	609	657	702	746	785	823	860	877	886	903
No. of agricultural pensioners	1.007	1.587	1.751	1.767	1.677	1.572	1.473	1.292	1.005	932	866	799
Average no. of employees	8.156	6.160	4.623	4.619	4.568	4.591	4.469	4.559	4.667	4.885	5.046	4.595

Source: CNPAS (for data regarding pensioners, 2001-2009) and NIS (Anuarul Statistic, 2009; Preda, 2004, p. 36)

Appendix 2

Total general government expenditure as % of GDP

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Romania	38,6	36,2	35	33,5	33,6	33,6	35,5	36,2	38,2	41
Germany	45,1	47,6	48,1	48,5	47,1	46,8	45,3	43,6	43,8	47,5
United Kingdom	39,1	40,2	41,1	42,1	42,9	44,1	44,2	44	47,4	51,6
Sweden	55,1	54,5	55,6	55,7	54,2	53,9	52,7	51	51,5	54,9
Italy	46,2	48	47,4	48,3	47,7	48,2	48,7	47,9	48,8	51,9
Bulgaria	41,3	40,9	39,6	39,1	38,5	39,7	34,4	39,7	37,6	40,6
Hungary	46,8	47,2	51,2	49,4	48,7	50,2	52	50	48,8	50,5
European Union (27 countries)	45,2	46,2	46,6	47,2	46,8	46,8	46,3	45,6	46,9	50,8
European Union (25 countries)	45,2	46,2	46,7	47,3	46,9	46,9	46,4	45,7	47	50,9
European Union (15 countries)	45,3	46,3	46,8	47,4	47,1	47,1	46,6	45,9	47,3	51,2

Source: <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tec00023>, accessed on January 7, 2011

Appendix 3

*Total number of pensioners in the state pension system, according to laws preceding January 4, 2001 and the Law no. 19/2000**

Age	Men		Women		Total	
	Number	Cumulative %	Number	Cumulative %	Number	Cumulative %
54 years and below	225.912	11	285.825	13,4	511.737	12,2
55-59 years	265.905	23,9	414.848	32,9	680.753	28,5
60 years	81.967	27,9	125.105	38,8	207.072	33,5
61 years	85.091	32,1	115.035	44,2	200.126	38,2
62 years	73.305	35,6	93.303	48,6	166.608	42,2

Age	Men		Women		Total	
	Number	Cumulative %	Number	Cumulative %	Number	Cumulative %
63 years	77.378	39,4	94.680	53	172.058	46,3
64 years	76.262	43,1	81.484	56,9	157.746	50,1
65-69 years	375.578	61,4	315.392	71,7	690.970	66,6
70-74 years	356.925	78,7	278.382	84,8	635.307	81,8
75-79 years	243.773	90,6	179.557	93,2	423.330	91,9
80 years and over	193.052	100	144.588	100	337.640	100
TOTAL	2.055.148		2.128.199		4.183.347	

* (Pension categories included: legal age pension, early retirement, partial early retirement, disability pension, and social security income. The age and gender distribution for surviving dependents cannot be determined as the identifying social security number could be that of the legal guardian). Age was calculated for the end of April 2010.

Source: CNPAS, unpublished data

Appendix 4

Birth year/age for people entering retirement in 2009 (%)

	Age*	Total entries		Legal retirement age, full contribution period		Legal retirement age, incomplete contribution period		Early retirement		Partial early retirement		1 st degree disability		2 nd degree disability		3 rd degree disability	
		Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
1969 and over	40 and below	1,9	1,3	0,0	0,0	0,0	0,0					3,4	4,1	5,7	5,8	4,1	4,0
1968-1964	41-45	5,0	3,6	1,2	0,1	1,2	0,1					15,4	17,6	12,3	15,1	11,1	12,6
1963-1959	46-50	11,7	12,4	3,2	3,0	3,2	3,0					32,6	38,9	26,1	39,1	27,7	43,8
1958	51	15,2	15,9	5,7	4,2	5,6	4,2					36,9	44,8	31,6	49,9	34,0	55,0
1957	52	19,1	19,5	8,5	5,2	8,4	5,2					42,9	53,2	37,9	61,8	41,2	66,6
1956	53	23,4	22,9	11,3	6,5	11,2	6,5					48,0	61,2	45,3	71,6	50,1	77,6
1955	54	28,0	27,8	13,7	10,5	13,7	10,5					54,0	74,1	54,0	81,1	59,4	87,5
1954	55	32,6	40,5	16,2	15,7	16,2	15,7	27,4		54,4		60,4	80,8	63,1	89,5	68,6	92,9
1953	56	36,7	47,1	17,9	19,1	17,9	19,1	42,8		78,3		66,1	88,6	72,3	94,1	76,6	96,4
1952	57	40,6	52,6	20,2	22,7	20,2	22,7	71,8		94,5		72,3	94,3	79,7	97,9	83,9	98,8
1951	58	46,2	65,8	26,6	42,4	26,6	42,5	99,1		99,9		78,3	99,2	86,6	99,9	89,8	99,9
1950	59	54,6	93,8	39,2	89,7	39,2	89,5	100,0		100,0		84,5	100,0	92,4	100,0	94,7	100,0
1949	60	71,3	96,7	53,4	94,5	53,4	94,3	56,4	68,0			89,4		96,3	100,0	97,6	100,0
1948	61	77,7	97,9	60,4	96,5	60,4	96,3	70,3	86,7			92,8		98,1		98,9	
1947	62	81,8	98,5	65,2	97,6	65,2	97,4	84,9	96,9			97,0		99,3		99,6	
1946	63	88,3	98,9	77,8	98,3	76,0	98,1	99,4	99,9			99,7		100		100	
1945	64	97,2	99,2	94,6	98,8	94,3	98,6	100	100			100		100		100	
1944	65	98,5	99,4	97,1	99,2	96,9	99,0	100	100			100		100		100	
1943 and below	66+	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

*Age is estimated by subtracting the birth year from 2009.

Note: The sex and birth year distribution for the surviving dependent category cannot be determined, as the identifying social security number could be that of the legal guardian.

Source: CNPAS, unpublished data

Appendix 5

Poverty indicators, by occupational status, by year (%)

Poverty rate by occupational status	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Employee	18,5	12,6	11,2	9	6,3	4,3	3,5	2	1	0,9
Employer	3,1	3,7	2,5	1,6	1	1	0,6	0	0	0
Self-employed non-agriculture incl. family help	50,1	41	41	35,6	27,7	25,4	23,4	24	13,7	9,8
Self-employed agriculture incl. family help	57,3	58,7	55,3	50,9	36,9	30,6	32,4	23,3	15,8	11,9
Unemployed	51,3	43,3	44,9	39,3	33,8	28,6	27,3	19,8	13,1	9,8
Pensioner	31,1	25,9	24,2	20,7	14,2	10,9	9,8	6,6	3	1,9
Pupil, student	36,7	30	29,2	24,6	19,4	15,2	14,3	10,4	6,3	4,7
Homemaker	47,4	43,2	39,6	34,8	30,5	26,5	23,2	17,1	10,1	8,9
Other	47,8	41,7	39,6	35,8	28,8	24	21,4	14,9	8,9	7
Total	35,9	30,6	28,9	25,1	18,8	15,1	13,8	9,8	5,7	4,4
Occupational status of people in poverty	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Employee	12,5	10	9,6	9	8,7	7,6	7	6,1	5,2	6,2
Employer	0	0	0	0	0	0	0	0	0	0
Self-employed non-agriculture incl. family help	3	2,8	3,3	3,2	4,2	5,4	5,6	9,1	9,7	8,3
Self-employed agriculture incl. family help	16,7	20	20	22,1	18,3	19,6	22,3	22	24,7	23
Unemployed	10,4	9,6	9,3	8,3	9,7	9,1	8,6	7,3	6,9	10,1
Pensioner	20,5	20,4	20,1	20,3	18,1	17,2	16,8	15,6	12,2	10,5
Pupil, student	19,4	17,5	18,2	17,2	17,9	17,2	17,7	17,8	18,8	17,6
Homemaker	6,1	7,7	7,7	7,8	9,9	10,3	9,5	9,7	9,9	10,9
Other	11,3	12,1	11,8	12,1	13,2	13,6	12,5	12,4	12,5	13,3
Total	100	100	100	100	100	100	100	100	100	100
Sample structure by occupational status	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Employee	24,2	24,3	24,7	25	26	26,7	28	29,2	30,2	29,2
Employer	0,2	0,4	0,4	0,3	0,5	0,3	0,3	0,3	0,3	0,2
Self-employed non-agriculture incl. family help	2,2	2,1	2,3	2,3	2,8	3,2	3,3	3,8	4	3,7
Self-employed agriculture incl. family help	10,5	10,4	10,5	10,9	9,3	9,7	9,5	9,3	8,9	8,5
Unemployed	7,3	6,7	6	5,3	5,4	4,8	4,3	3,6	3	4,5
Pensioner	23,7	24	24	24,6	23,9	23,8	23,7	23,3	23,2	23,7
Pupil, student	18,9	17,8	18	17,6	17,4	17,1	17,1	16,8	16,9	16,5
Homemaker	4,6	5,4	5,6	5,6	6,1	5,9	5,7	5,6	5,5	5,4
Other	8,5	8,9	8,6	8,5	8,6	8,5	8,1	8,2	8	8,3
Total	100	100	100	100	100	100	100	100	100	100

Source: Family Budget Survey, Romanian National Institute for Statistics (INS). Authors' calculations