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Approach and Methods Used for the Fieldwork Conducted in Romania

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Natural Resources Institute Report No. 2636
Research Project V0135

August 2001

**Department for International Development (DFID)/World Bank
Collaborative Program for Rural Development
CEE/CIS Rural Non-Farm Economy and Livelihoods Enhancement:
Policy Research Initiative**

Acknowledgements

The author(s) gratefully acknowledge the support of the Department for International Development (DFID)/World Bank Collaborative Program for Rural Development, Project No. V0135, in preparing this paper. Any remaining errors and omissions are solely the authors' responsibility. The

views in this paper are solely those of the authors and not necessarily those of the DFID or World Bank.

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Introduction

The focus of this paper is on rural non-farm livelihoods in the economies in transition and was prepared as part of the Natural Resources Institute project entitled 'Characterisation and Analysis of the Non-Farm Rural Sector in Transition Economies' undertaken for the World Bank and Department for International Development (DFID). This programme of applied policy research began in March 2000 as a result of the Rural Non-Farm Economy (RNFE) workshop held within the World Bank in Washington in June 1999. This document is intended to outline the approach taken in our baseline study of the RNFE in Romania.

The intended outputs of this project are (1) to improve understanding of the dynamics of the Rural Non-Farm Economy (RNFE) in providing employment and income diversification opportunities in selected transition economies, and (2) to promote mechanisms for integrating research results into relevant policy processes. Improved policy-making in this context may involve:

- A focus on improving the well being and livelihoods of the rural population in CEE and the CIS, through developing their capacity to access resources and actively participate in non-farm rural enterprise and employment opportunities;
- An emphasis on the diversity and diversification of income sources in the face of vulnerability to shocks and stresses - particularly on the part of the poorest members of society; and
- An acceptance of the need for an in-depth understanding of the context (socio-cultural, economic, agronomic) in which non-farm rural livelihood options are pursued currently and in which new options can be developed.

The intention in this project is to work towards identifying the institutional and policy deficiencies constraining non-farm rural livelihoods in CEE/CIS countries, to analyse the factors determining infrastructural and policy factors and to work with policy-makers to improve non-farm rural economy opportunities.

The policy uptake process is a key factor in NRI's RNFE research, and NRI is working closely with the World Bank and in-country policy-makers to achieve shared ownership of this project.

1. Aims and rationale of approach

The research project aims to increase understanding of the dynamics determining rural non-farm livelihoods in transition economies and to inform policymaking that promotes sustainable livelihood strategies in the RNFE. The proposed research, as outlined in A and B below, will focus on the poor and disadvantaged within the rural areas of CEE and the CIS.

A. Rural Households, Communities and Enterprises

Identify:

- On-farm and off-farm constraints to adopting RNFE opportunities
- Non-farm and other resources, activities, constraints and the potential of small-scale rural industrial development
- Rural household preferences, characteristics and the role of gender within the RNFE
- Importance and role of MSMEs in generating non-farm incomes and employment
- Institutions, infrastructure, investment, social and human capital
- Impact of enhanced RNFE opportunities and activities on the rural economy and livelihood security

B. The Rural Non-farm Economy

Recommend

- Required policy and institutional reforms in CEEC's RNFE
- Adapted innovative products for MSMEs in the RNFE

Factors which influence current involvement and the potential for involvement in different types of non-farm activity, and those determining access to income diversification opportunities in the non-farm sector, are being explored.ⁱ Several studies have found that increased non-farm activity may not lead to an equalisation of rural incomes (Reardon et al 2000), and that factors such as the level of education and income in a rural household can be an important determinant of the level of income that a household can achieve from non-farm activities. Factors related to remoteness in terms of location, level of infrastructure, level of private and public services, are also important.

Rural financial markets impact directly on the health of the non-farm rural economy, through determining access to such financial services as credit, savings, insurance, trade payments facilitation, rural land markets or more generally, markets for all sorts of productive assets, new or second-hand. The financial sector has a direct influence on the rate of creation and expansion of private enterprises, which in turn affects the level of income in the rural communities, levels of employment, and diversification of the rural economy.

Differential access to non-farm income-earning opportunities also depends on social capital. Social and cultural links available to different individuals/households and between villages to agencies/ individuals/ networks/ institutions outside the village (e.g. employers, markets for handicrafts, sources of supply for small shops) which/who make non-farm

activities currently and/or potentially viable, are important. Similarly, the role of institutions and government in promoting the RNFE and in enabling access to opportunities with the RNFE is also important (see Hare, 2001).

Linkages with the farm sector are complex. Positive linkages arise through non-farm activities producing income-smoothing and risk-reducing effects, but negative impacts on farm production may arise from competition for labour between the two sectors. Issues to explore include the way in which non-farm activities currently and potentially fit into activities which are part of the farming year, including: variation in demand for labour over the year, including variations in demand for the labour of different categories of individuals within households (men/women, old/young etc.) over the year, and the difference between households with access to different amounts of and types of land and their consequent involvement in agriculture

Socio-cultural factors that are significant include gender, both as this relates to individuals and to individuals as part of households, ethnicity, and the relative prestige/desirability of different types of non-farm activities, including the possibility of different assessments on the part of different groups (e.g. different ethnic groups within the same village) and of different categories of individuals (e.g. women and men). The influence of religious issues with regard to participation in non-farm activities (e.g. in relation to gender) is also a culturally significant issue in many parts of the region.

The significance of the RNFE within rural households can be explored through analysing: the role of involvement in different types of non-farm activities in protecting different types of individuals/households against shocks and stresses impacting on their livelihoods or in exacerbating their vulnerability to them.

The CEE/CIS project is wide-ranging in focus; its emphasis is the wider contextualisation of current and potential involvement of rural households in non-farm livelihood activities in the specific social, cultural and economic context in the CEE/CIS countries. It is thus important to develop a good picture of that specific cultural context and the social and economic issues that are of importance there as they influence current and potential participation in non-farm livelihood activities. In the CEE/CIS region there are certain issues that affect the whole area to a greater or lesser extent and others that are specific to regions, countries or zones within countries. In addition, there may be parallels between parts of different countries that border on each other and share a common cultural heritage, although different experiences of Communism may also differentiate them (e.g. different laws and policies with regard to land ownership). It will be important to tease out both parallels and differences of this type over the region.

Under Communism, complex and largely invisible networks were utilised widely in order to get things done, as the official system worked imperfectly – plan instructions were usually incomplete, sometimes inconsistent, but they did succeed in mobilising resources in particular directions. Networks then came into play to translate a rough and ready plan allocation into something that actually worked at the very micro level. . This applied to areas ranging from getting a job to buying meat. With the collapse of Communism, these networks have been altered and revised. New networks, often just as extra-legal and thus difficult to see, have been put in their place, while remnants of the old networks remain

too. These networks are important in understanding non-farm activities and the potential that different categories of individual and household have for developing their non-farm work.

The barter economy was of considerable significance in the region under Communism, and was part of the invisible network of repayment for services that included extra-legal assistance of various sorts. It continues to be of significance in many areas.

Most transition economies are multi-ethnic, and different ethnic groups often share regions, and even villages. In Romania, for example, Germans, Hungarians, Gypsies and Romanians live in Transylvania. Different ethnic groups are often associated with different non-farm activities and/or have differential access to land. Similarly, religion has been an important and controversial factor in all countries in the region. It was associated with opposition to Communism and has, in many countries of the region (e.g. the Catholic Church in Poland), become very powerful since the overthrow of Communism. Currently the dictates of the religious authorities are very influential and may influence the potential for some groups to become involved in certain types of activities (e.g. women in Poland are encouraged by the Church to emphasise their maternal, home-oriented role rather than going out to work).

One can identify three typical ways in which qualitative and quantitative methods may be used to complement one another in a project. Firstly, qualitative work may explore processes and generate hypotheses, which are then tested and generalised through random sample surveys and quantitative methods. A second approach follows the reverse sequence, with large sample quantitative methods suggesting associations which are then explored in much greater depth through qualitative work so as to elaborate the causal processes and answer the 'why' questions. A particular aspect of this complementarity is that quantitative methods may be better at identifying structures while qualitative work may be better at revealing processes, especially at the micro level. Thirdly, the two methods may be combined throughout the project in a genuinely mixed-methods approach (sometimes referred to as triangulation), working back and forth between inductive and deductive modes of enquiry. McLafferty (1995) notes that "*by coupling the power of the general with the insight of the particular, such research illuminates people's lives and the larger contexts within which they are embedded.*" This project follows both the first and third approaches.

A mix of methodologies are used in this project, since different methods are appropriate for accessing different types of data on livelihoods, motivation, enterprise etc. Areas or issues that are not sensitive or 'embedded' (the latter applies, for example, to many reasons that people have for doing things, since these reasons are often multi-layered) can be accessed through formal questionnaires. Other issues, (for example some of those listed above), require discussion in focus groups, household interviews, and/or deeper examination on a case study basis.

2. Criteria for selection of case study areas

The rural area is defined according to the present law of administrative organisation of the country's territory, as total administrative area of the 2,685 communes, covering 12,756 villages. In other words, the rural area in Romania is considered to be *the administrative territory of the 2,685 communes in the country*; "commune" means, according to Law No. 2/1968 on the administrative structure of the national territory (still in force), the basic regional administrative unit inhabited by rural population. There are at least two reasons for which this meaning of the rural area has been chosen:

- The administrative delimitation corresponds to the basic unit at which statistical information in Romania is collected and processed; this would enable the use of a large and unitary database, structured on these regions (and communes).
- As it is an administrative delimitation of the rural area, it enables Government to set-up/ operate an institutional system that should get involved in the rural area development, based upon a clear administrative structure. This is therefore a natural reference, and potential entry-point for our baseline survey activities, and future institutional, political economy and regional development case studies.

We have utilised the criteria designed by the Government of Romania for identifying suitable characteristics for the region and counties selected for our survey.ⁱⁱ The research took place in two counties (*judete*): Brasov in the Transylvania region (mountainous, central, small private individual farmers); and Dolj in the Oltenia region (flat and dry, south-west, mainly family associations with legal status) during December 2000 and January 2001.

In Brasov the communes studied were Voila, Moeciu and Feldioara. In Dolj the communes studied were Isalnita, Segarcea, Dabuleni and Motatei. The community studies took place in the villages of Rotbav (Feldioara commune, Brasov county) and Motatei-Gara (Motatei commune, Dolj county).

The counties of Dolj and Brasov represent two very different regions of Romania in terms of social, economic, and cultural characteristics. Brasov is one of the better-off (although by no means the wealthiest) counties of Romania; whilst Dolj is one of the poorest. Brasov's ethnic and religious structure is very heterogeneous, whilst Dolj is 95% Romanian orthodox. The land property history of the two counties is also very different. In Brasov the private property of villagers was consolidated early in their initial settlement. In Dolj, until the land reforms of 1945 villagers worked the land of the aristocracy (*boieri*), or that owned by the royal crown. The forced collectivization of the 1950s had a limited impact in Brasov, whereas in Dolj the impact was complete, radically changing land structures, farming and ownership arrangements.

The two communities were also chosen to reflect most aspects of rural life and economy in Romania, by comprising as many different representative features of the average Romanian village as possible.

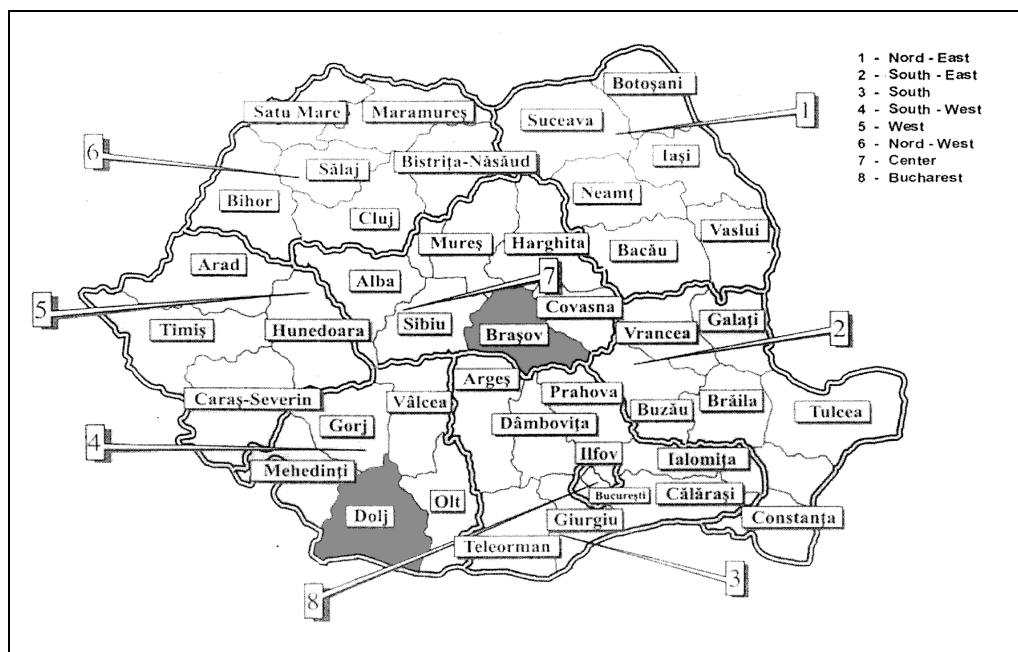


Figure 1. Counties selected for Communes Study in Romania

The criteria used throughout this document reflect our hypotheses of the kind of factors that are important for determining rural development and non-farm diversification potential in Central and Eastern Europe (see Davis and Pearce, 2000). They also broadly reflect those of the EU and Government of Romania.

This methodological approach includes two stages: (a) selection of relevant indicators (Table 1); and (b) the establishment of a socio-economic development index through aggregation. When selecting the indicators, the Government of Romania thought that these should be a part of a methodological framework of European use in order to ensure the compatibility of the Romanian rural area diagnosis with that of the European spaceⁱⁱⁱ. Also, the advantage of an approach starting from the basic regional administrative entity - the commune - consists of the opportunity to place and maintain rural development within the existing traditional regionalism, manifested by administrative operations, by history and local culture. At the same time a regional development perspective is facilitated, that should provide an economic and social balance as close to the rural population as possible. In Table 1 below, we have outlined the sub-criteria used for classifying (into an economic typology of the rural area) its counties and communes as being either:

1. Rural zones with a good and/or medium economic situation and potential resources for the (successful) diversification of rural economy;
2. Rural zones with medium or bad economic situation and mainly agricultural potential resources; and
3. Rural zones with medium or bad economic situation and potential resources for the medium diversification of economic activities^{iv}.

The selected counties fall into all three categories: Brasov is classified as a county which falls into typology 1; and Dolj in the south and east falls into typology 2, whilst northern Dolj reflects typology 3. Additional criteria for selecting the regions and counties of our study include: the physical and topographic environment, demography, economy, housing, infrastructure and ecology (these were also refined to include gender, ethnic and religious factors/criteria).

Table 1. Sub-criteria for a socio-economic typology of the rural area

<i>No.</i>	<i>Sub-criterion</i>	<i>Indicator</i>	<i>Relevance</i>
<i>Economic Situation</i>			
1	Livestock industry dimension	Livestock/100 ha agricultural land	<ul style="list-style-type: none"> Quantification of livestock industry dimension
2	Employment degree of rural population	Active employed population/1000 inhabitants	<ul style="list-style-type: none"> Assessment of quantitative dimension of human resources in rural areas
3	Industrial activity dimension	Complexity range of industrial activities	<ul style="list-style-type: none"> Structural assessment of industrial activities
4	Farm size	Average area of individual farm	<ul style="list-style-type: none"> Characterisation of organisational structures in agricultural production
5	Ownership structures	Private agricultural area (as % of total agricultural area)	<ul style="list-style-type: none"> Assessment of land ownership structure
<i>Potential Economic Resources</i>			
6	Agricultural potential	Structure of land use categories Agricultural land/inhabitant	<ul style="list-style-type: none"> Assessment of interdependence between natural conditions and agricultural land use Gives information on potential and may have a guiding function in the agrarian strategy of rural areas
7	Tourist potential	Degree of tourist attractiveness	<ul style="list-style-type: none"> Assessment of rural economy diversification
8	Diversification of economic activities	Non-agricultural active population (as % in total active population)	<ul style="list-style-type: none"> Assessment of human resources structure in relation to level of economic diversification in rural areas
9	Forestry potential	Forest land/inhabitant	<ul style="list-style-type: none"> Assessment of rural economy diversification
<i>Socio-cultural Factors</i>			
10	Household Characteristics	Family composition, size, age etc.	<ul style="list-style-type: none"> Assessment of differences between family groups & individuals RNF activities
11	Community	Ethnicity, gender, religion, financial & social capital	<ul style="list-style-type: none"> Assessment of ethnic/ social group and community dynamics

Source: Adapted from Rural Romanian Development: Green Paper, IAE, Bucharest, 1998.

Brasov: According to the Government of Romania's Green paper (1998) rural areas with factors favouring socio-economic development are characterised by: a wider range of natural resources (mainly mineral resources of subsoil, forestry vegetation, productive agricultural areas, valuable elements of the natural environment) which result in the development of some non-agricultural activities and to the diversification of income sources.

In the Commune *Depresiunea, Brasov-Valea-Prahovei*, (Central Development Area (7)) we are focusing on Brasov County. The region lies within the Eastern and Southern Carpathians and Southern and Curvature Sub-carpathians (see Figure 1). This area is a rural zone with potential resources for a diversified rural economy. The Government of Romania has assigned this commune a 'medium' economic situation classification, which for most counties in the region reflects a sub-optimal utilisation of agricultural potential (45-75 large livestock units per 100 ha), a limited range of industrial activities (i.e. in Brasov a preponderance of low-skilled manufacturing activities), although a comparatively high level of employment per head of population (over 400 active employed persons per 1,000 inhabitants), and small individual farms (less than 2 ha in size), where 50-80% of agricultural land is privatised.

Potential resources available for rural economic diversification include: agricultural potential dominated by a high share of pastures and meadows, favourable conditions for livestock production; significant forestry resources in the Carpathians (over 1.40 ha of forestland per inhabitant) though lower in the Subcarpathians (0.20-0.80 ha of forestland per inhabitant); and high tourist potential with well-educated human resources for supporting a diversified rural economy.

Dolj: This is a county in the *Oltenia de Sud* commune (South-Western development area (4)) situated within the Romana Plain (see Figure 1). Dolj was selected for our survey as a rural area in which the socio-economic conditions for rural development are not advantageous, and the incidence of rural unemployment and hardship is greater than areas of greater economic potential such as Brasov. Dolj has been described as having *restrictive factors for development* and classified as a *poverty zone* (Green Paper, 1998). Dolj is characterised by a lack of non-farm economic diversification, and an above the national average dependence on agriculture. Agricultural operations have a very low level of economic efficiency due to the small number of viable operations, the low representation of livestock in the agricultural sector (less than 30 large livestock units), and deficient land use/management and agricultural product marketing. In the region, agricultural potential is favourable for field crop production (e.g. cereals and vegetables), with a relatively high share of arable land (over 80 per cent in the land use structure); and very low forestry resources (under 0.04 ha of forestland per inhabitant).

Dolj also has critical infrastructure problems, as the water supply and sewerage infrastructure is often either non-existent or in a dilapidated condition. Access to main roads and the rail network is difficult or practically non-existent at certain times of year. Environmental degradation is rising, mainly as regards soil, surface water and forestry vegetation.

This is a commune with limited tourist potential; a low degree of economic diversification (less than 25 per cent of the total active population is involved in non-agricultural employment/activities) (Green Paper, 1998). The Government of Romania's Green Paper (1998) has assigned Dolj a low economic situation classification. Dolj has a limited range of industrial activities, a high share of small individual (mainly subsistence) farms (1.0-2.9 ha in size), and a reasonably low level of employment (300 employed active persons per 1,000 inhabitants).

3. Methodology

As previously noted, our fieldwork aims to characterise and analyse non-farm elements of rural livelihoods, particularly for the poor. This was to be achieved through stakeholder interviews, focus groups, a baseline study and case studies. Together, these would highlight specific household and community level, demographic, gender, physical, financial and social capital factors which underlie both the adoption of and access to employment and income diversification opportunities (also through enterprises) in the RNFE. The baseline survey and case studies should also highlight linkages between such opportunities and the institutional environment, and linkages between the farm and non-farm sectors, whilst placing particular emphasis on the poor, and the delivery of services to rural areas. The design of the qualitative and quantitative research to be conducted in later phases of the project will be determined by the results of the baseline study and the social development insights identified in this Phase of the research. We have undertaken the qualitative and quantitative research in a mutually enhancing and interactive manner.

3.1 Quantitative aspects of the approach

The aim of the Baseline Survey (incorporating a baseline questionnaire) was to test and inform the design of the main quantitative survey (under development), and to indicate areas that can more effectively be analysed by qualitative research. Our survey of non-agricultural enterprises was preceded by and based on a county baseline survey (mainly based on secondary data collection and the interview of 12 key stakeholders such as mayors, agricultural extension officers and bank managers) of natural, economic and social conditions of the villages where the surveyed enterprises are located. On this basis, the economic activities of rural enterprises may be accurately described and interpreted. The tables and charts resulting from data processing are presented in other sections of the report.

We interviewed 74 rural non-farm enterprises, which were randomly selected from a list of active (operating) firms provided at the Town Hall (administrative centre) of each commune. However, we found that some enterprises, considered as active at the town hall, were not in fact operational, and a few entrepreneurs simply refused to participate in the questionnaire. In such circumstances, for 3% of our sample, we replaced the initial randomly selected firm with another from the town hall list. The sample of 74 enterprises includes 31 firms located in Brasov County and 43 in Dolj-county. Sample size by commune is directly proportional to the total number of active firms in each locality, representing about 10 per cent of the total. The largest sample is for Segarcea, and the smallest in Isalnita commune. The size of the survey sample was limited for budgetary reasons; it does not reflect a lack of potential firms to interview.

The survey enumerators benefited from individual training in Brasov-county and from group training in Dolj. All of the enumerators are higher-education graduates and most have worked with NRI on previous surveys. With the exception of the enumerator in Motatei commune, all the others live in the communes where the survey was conducted. The questionnaire data was subsequently introduced into a database and then statistically processed. The statistical analysis is presented in other sections of this report.

3.2 Social anthropological and other qualitative methods

At this stage of the project, the purpose of the work, in conjunction with the community level questionnaire being administered as part of the baseline survey, was: 1) to establish what types of non-farm activities are currently being engaged in within the communities studied, and by whom, and 2) to generate hypotheses relating to the dynamics of involvement or non-involvement in different forms of non-farm economic activity.

The methods utilized at this stage were mainly semi-formal, including *one-to-one interviews* and *focus group discussions*. Some less formal *participant observation* methods were employed. These will become more important in the main phase of the research, when hypotheses developed through the baseline phase are being tested and developed, and actual involvement in different kinds of activities are being observed as well as discussed in a face-to-face manner.

- The dynamics of involvement in the rural non-farm economy relate to both personal and household-related factors. Thus it is important to look both at the differences between households (by ethnicity, level of land-holding, financial capital etc.) and the differences between categories of individual (by gender, age etc.). For this reason, we felt it was important to aim at establishing early in the work a locally relevant categorization of 1) different types of household and 2) different types of individual. This provides a key reference point in gathering information.
- Two village communities were selected for study, one in each of two areas. The selected communities were Rotbav in Brasov; and Motatei in Dolj. Rotbav is an old village (with a history of over 1000 years), while Motatei - Gara is a village settled in 1948 on land expropriated from the *boieri* (pre-communist aristocracy).
- In each of these communities, 10 households were selected as key informant households, chosen to be representative of important categories of household. The selection was made following discussions with the mayor, priest and other community leaders. There was a focus on understanding not only the dynamics within households but also those between households and the outside world. This implies looking at networks of relationships between households studied, within the village community.
- Both *one-to-one interviews* and *focus groups* were used in this work. The first stage of the work comprised interviews with members of the selected key informant households, followed by the convening of focus groups to further explore issues. Focus groups included members of the households being studied and members of other households in addition, if this was deemed appropriate by the researcher. The basis of the focus groups included: ethnicity, religion, age, gender, social status and economic status as was deemed appropriate by the researcher on the basis of the interviews held with household members.

Table 2. Triangulation of quantitative and qualitative methods

<i>Fieldwork period</i>	<i>Investigation</i>	<i>Methods</i>
Romania Fieldwork – preliminary baseline research - district and community level	<ul style="list-style-type: none"> • Agricultural structure, production and resources • Non-agricultural natural resource base • Infrastructure • Institutions (social & financial) • Education • Income generating activities (IGAs) • Rural development programmes 	<ul style="list-style-type: none"> – B, SD, KI – B, SD – KI, SD – KI, SD – B, KI, SD – KI, SD B, QS – KI, QS, B
Romania Fieldwork - Preliminary baseline research Non-farm Micro-Small-Medium sized Enterprise (MSME) survey	<ul style="list-style-type: none"> • General information about MSME • Summary of MSME financial aspects • Involvement & structure of MSME • Location & operation of MSME • MSME owner/manager characteristics • SWOT analysis • Financial statement 	<ul style="list-style-type: none"> – QS – QS – QS – QS – QS – B, QS – B, QS
Romania Fieldwork – Qualitative household research – preliminary baseline phase	<ul style="list-style-type: none"> • Household composition • Income Generating Activities • Assessment of livelihood assets 	<ul style="list-style-type: none"> – KI, B, – KI, – KI

	<ul style="list-style-type: none"> • Social capital; cultural, religious and ethnic factors affecting involvement in RNFE • Status-related factors affecting involvement in RNFE • Linkages and networks • Labour allocation 	<ul style="list-style-type: none"> – KI, FG – KI, FG – KI, FG – KI, FG
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Key:

- B Background studies & preliminary research based on literature review
- CS Case studies
- FG Focus group interviews
- KI Key informant interviews at household level
- PO Qualitative household and community level assessment using Participant Observation methods
- QS Questionnaire (formal/ quantitative) survey
- SD Secondary data from official national and regional statistics.

4. Data Quality Evaluation and Research Process Limitations

The RNFE is complex and activities within it are heterogeneous. Many of the activities undertaken are not in the formal sector and may be illegal. The RNFE is influenced by a multiplicity of factors and it is dynamic, over time and space, suggesting the need for a variety of methodological approaches to capture its different facets. Much of the literature on the RNFE has relied heavily upon the analysis of secondary data, and questionnaire sample surveys for primary data. Although this is important, certain important aspects of the RNFE (e.g. the role of social capital) have proved difficult to adequately analyse empirically. Thus we have adopted an approach combining quantitative and qualitative techniques, taking a more holistic methodological view of the RNFE.

It is particularly important to take into account the fact that many of the activities categorised as RNFE are ones which are illegal or semi-legal, or may be ones of which people are not proud because they are low-status. This means that it is very difficult to capture information about them through formal methods such as questionnaires. Semi-formal methods including one-to-one interviews and focus groups, and informal methods such as participant observation, allow much more effective access to information about activities which people are reluctant to discuss or about which they are likely to report inaccurately for the reasons just given (illegality, semi-illegality, or low status). The anthropological data-gathering method known as participant observation is particularly valuable here. This method involves the researcher spending enough time with the community to become a known and trusted person, in front of whom most issues can be discussed. The researcher participates in daily activities, including RNFE activities themselves, together with community members, and is able to actually observe what people do, to assess why from observation and not just from direct questions, and to observe how decision making is affected by relative commitments to different livelihood activities.

For the qualitative fieldwork, 10 households were selected in each of the two communities in which research was carried out. These were to be focus, or key informant, households for both phases of the research. They were purposively selected to be representative of key variables affecting the inhabitants of the community, including such things as land-holding, financial capital, social capital in terms of networks, ethnicity, size of household, gender of household head.

At the baseline stage, qualitative research utilized mainly semi-formal methods (one-to-one interviews and focus group discussions). This was in order to establish a baseline set of data from which to generate some general hypotheses regarding which kinds of households, and which kinds of individuals, participate in different forms of RNFE activity.

In the main phase of research, these hypotheses will be tested and followed up using informal participant observation methods as well as further one-to-one interviews and focus group discussions.

The combination of the qualitative methods discussed above – which generate relatively reliable data but focus on a relatively small number of informants and communities - and quantitative questionnaire methods are a strong mix. Through it, we believe that we will be able to generate hypotheses and check them using both of the methods in an iterative fashion, and we are confident that our data will be relatively reliable both on a micro and a macro level.

Box 1.

Interviewer notes from questionnaire for rural non-agricultural/ non-farm enterprises

1. How would you estimate the attitude of the respondent to interview?

1 Friendly, interested	54
2 Neutral	17
3 Unfriendly, uninterested	3

2. How well, in your opinion, did the respondent understand the sense of the questions?

1 Well	56
2 Not so well	18
3 Badly	0

3. In your opinion, how far were the answers of the respondent authentic?

1 Completely authentic	37
2 Not quite authentic	36
3 Rather doubtful	3

4. What questions caused the respondent the greatest difficulties?

Questions in Sections H on credits and savings; and I - the financial statement were the most frequently cited as being difficult to answer.

5. Any additional comments on the interview?

- Respondents were reluctant to provide information on the volume of their savings.
- Some respondents had difficulty understanding the concept of turnover.
- Although we interviewed firm owners and managers, several family members were involved in starting the enterprise.

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Annex 1: Attached guidelines for researchers and questionnaires^v

Topic areas covered through open-ended interviews and focus group work within the Household Level Baseline Survey work in Romania

To explore the characteristics of the gospodaria in relation to ethnic identity, land holding, financial assets, type of agriculture:

1. Ethnic identity of members of *gospodaria*. Number of members, relationship to each other, age, sex.
2. House and immediate land around it – how many rooms in house, quality of house, how much land around it, what this is used for (e.g. vegetable garden, livestock, farm implements).
3. Livestock – which animals does the *gospodaria* own, how many, what used for (e.g. for sale, for home consumption, for draught power in agriculture, for milking). Do the animals belong to the *gospodaria* as a whole or to individual members and if the latter which members.
4. Access to pastoral land – how much access, basis of access, how many animals does household pasture.
5. Land-holding of arable land, how acquired (e.g. inheritance, purchase, distribution after de-collectivisation). Is ownership of land registered and if so to which member of the household?
6. How is the land worked? (e.g. through family association, membership of registered agricultural cooperative, *gospodaria* labour only, exchange of labour)
7. What crops does the *gospodaria* grow? Which member(s) of the *gospodaria* make the decisions about which varieties, quantities of each crop will be planted each year?
8. Does the *gospodaria* have any savings? How much (only to be explored if this seems polite and appropriate)? Where are they kept?

To explore the type and extent of the relationship which the gospodaria has externally in terms of trade/barter:

9. What proportion of the different crops is sold and through what means? (e.g. sale to neighbours, sale at local market, sale to intermediary for transport elsewhere for sale) What is the annual income through sale of each crop? Which members of the *gospodaria* take the main responsibility for sale?
10. Is any agricultural produce bartered for other agricultural produce or other things (e.g. manufactured goods, hunted meat)? If so, with whom? Which member of the *gospodaria* is responsible for this barter?

To explore the involvement in the RNFE of the gospodaria:

11. What livelihood activities are different members of the *gospodaria* involved in outside agriculture? How have they become involved in these activities?
12. Where members of the *gospodaria* are involved in non-farm activities, give details of all of these, who employs the individuals concerned where applicable, whether

the activities are seasonal, how they fit in with agricultural activities which that individual is engaged in.

13. What factors do they feel enabled them to become involved in these activities?
14. How much money do members of the *gospodaria* earn through these activities outside agriculture per year? What happens to this money? (is it given to household head or spent by individual, and what is it spent on)

To explore the relationship between agriculture and RNFE activities on the part of the gospodaria:

15. How much of the money earned outside agriculture is spent on investment in agriculture?
16. How much of the money earned by the sale of agricultural produce is invested in diversification on the part of members of the *gospodaria* into non-agricultural activities?

To explore what type of links the gospodaria has with other gospodaria which strengthen its ability to pursue different livelihood options:

17. Where were the members of the *gospodaria* born? How much kin do members have within the village and in neighbouring villages? Do they rely on links with kin in organizing labour in farming? Do they co-operate with kin in any non-farm activities in any way (including sharing capital, labour)?
18. How strong are links with neighbours

To explore factors which affect decisions in relation to involvement in farming and RNFE activities on the part of the gospodaria as a whole and on the part of individual members:

19. Do members of the *gospodaria* feel that there are important factors which constrain their access to some forms of livelihood activity (including for example access to land for agriculture or other purposes, access to different forms of physical resources, access to markets)? What are these? Do they vary from member to member according to age or gender and in what way?
20. What are the hopes and aspirations of different members of the *gospodaria* in relation to their individual involvement in different types of livelihood activity (e.g. do they want to continue to be involved in what they are currently doing, would they like to diversify, are they interested in education).
21. How do these hopes and aspirations relate to their role within the *gospodaria*? (e.g. how much do their hopes and aspirations relate to their desire to support other members of the *gospodaria*, do they plan to migrate for work, if they migrate how much would they want to remit to the *gospodaria*)
22. Do individual members feel that their structural role within the *gospodaria* - e.g. as a female or as a young person - means that other members of the *gospodaria* and/or members of the village community believe that they should engage in certain sorts of activity and not other sorts? Does this vary by ethnic group where this is relevant?
23. Do members of the *gospodaria* feel that members of other *gospodaria* in the village community believe that they should only engage in certain sorts of activity and if so why (e.g. in relation to ethnicity)?

24. What do members of the *gospodaria* feel are important factors which they feel will provide opportunities or constrain their future involvement in livelihood activities outside agriculture, including attitudes of other members of the *gospodaria* and/or of the village community?
25. Are any of the factors discussed above which provide opportunities or constrain access to different forms of livelihood activity related to ethnicity?
26. How does politics affect the involvement of members of the *gospodaria* in non-farm economic activities?

Focus group work

Areas to be explored in focus groups include following up on information gathered through household-level interviews. In particular, the areas listed below should be explored. Focus group discussions should be taped and written up afterwards in an organised form. As with one-to-one interviews, conversation should be relaxed and does not necessarily need to follow the order below.

1. What are the main non-farm activities engaged in within the *sat* and which categories of household and of individual tend to be involved in them?
2. What have the major changes and trends been in relation to non-farm activities since the Revolution of 1989? What are people's feelings about these changes and do these feelings differ according to category of household and/or category of individual?
3. Are there non-farm economic activities which are considered by some or all of the community to be appropriate to certain categories of household - for example, by ethnic group, by land-holding, by status. If so, are there differences of opinion regarding this and who holds which opinion? Is there tension around this within the community?
4. Are there non-farm economic activities which are considered by some or all of the community to be appropriate to certain categories of individual - for example, by gender, by age. If so, are there differences of opinion regarding this and who holds which opinion? Is there tension around this within the community?
5. What are major factors which constrain the involvement of some or all of the members of the community in some kinds of non-farm activity? How do these differentially affect different categories of household and/or different categories of individual?
6. What are the major aspirations on the part of different categories of household (e.g. by ethnic group, by land-holding, by status) and on the part of different categories of individual in relation to involvement in non-farm activities?
7. How important is the *comuna* and its administrative structure, and how important are community-based organisations (CBOs) of different kinds within the *sat* and within the *comuna*, in enabling members of the village to become involved in different forms of non-farm activity? How do these differentially affect different categories of household and/or different categories of individual? How, if relevant, does politics enter into the picture?

Questionnaire I
Community Level Survey (village/ commune/ rural town)
 Natural Resources Institute, University of Greenwich

1 Identification characteristics

Name of enumerator:	
Number of farm/firm/ ID code:	Date of interview:
Name of Interviewee:	
Place: (commune, village, county)	
Phone number:	

2 Interviewee position:

1. Mayor
2. Director of local Bank branch
3. President of a large local agricultural association
4. Extension Agent/ Manager of Parastatal Agency/
5. University or Agricultural Researcher
6. Other positions:
- 8.
- 9.

3 Location

1. Commune/ village name _____
2. Zone (hill, mountain, plateau, plain, valley) _____
3. County _____
4. _____

4 Land belonging to your village, commune:

	Total Area ha	Of which: private ha
1. Total area		
Thereof: locality perimeter inside		
2. Agricultural area		
3. Arable area		
4. Pasture		
5. Meadows		
6. Vineyard		
7. Fruit trees		
8. Forest		
9. Other lands		

4.2 What is the legal status of land in your community?

		%
1	Legal title of ownership	
2	User certificate	
3	Other	

4.3 How is land farmed in your community?

		hectares	% of total available land
1	By individual households, not leased		
2	By family associations		
3	By legal association (JSC etc.)		
4	Land leased out		
5	Land rented		

5 Natural conditions

Height (m):
Annual medium precipitation (mm):
Annual medium temperature (°C):
Prevalent soil types:

6 Demography

6.1. Ethnic groups existing within the village:

:	Number	Any primary Religious Affiliation	Any secondary Religious Affiliation?	Any Occupational Specialisation?
Total population				
of which:				
1. Romanian				
2. Hungarian				
3. German				
4. Gypsies				
5. Others:.....				
.....				

6.2. Religious affiliation existing within the village/ commune:

	Romanian		Hungarian		German		Gypsies		Others	
	No.s	%	No.s	%	No.s	%	No.s	%	No.s	%
Total population of which:										
1. Orthodox										
2. Catholic										
3. Protestant										
4. Romano-Catholic										
5. Greek-Catholic										
6. Others:										

6.2.1 Language

	Number	Percent (%)
Total population of which:		
1. Romanian		
2. Russian		
3. Greek/Turkish		
4. English		
5. French		
6. Others: Romany??		

6.2.2 Ethnic land ownership/use in your community (hectares)

	Romanian	Hungarian	German	Gypsies	Other
1. Total area ha					
Of which:					
2. Agricultural area					
3. Arable area					
4. Pasture					
5. Meadows					
6. Vineyard					
7. Fruit trees					
8. Forest					
9. Other lands					

6.3. Sex

		Total number	Of which: active
1	Men		
2	Women		

6.3.1 From the active male population, how many:

		Number	%
1	Self-employed in agriculture		

2	Employed in agriculture		
3	Self-employed in non-agricultural sector/ employer		
4	Employed in non-agricultural sector/ employer		
5	Employed in the public sector		
6	Job seeker		

6.3.2 From the active female population, how many:

		Number	%
1	Self-employed in agriculture		
2	Employed in agriculture		
3	Self-employed in non -agricultural sector/ employer		
4	Employed in non -agricultural sector/ employer		
5	Employed in the public sector		
6	Job seeker		

6.3.3 From the total population, how many:

		Romanian		Hungarian		German		Gypsies	
		Nos.	%	Nos.	%	Nos.	%	Nos.	%
1	Self-employed in agriculture								
2	Employed in agriculture								
3	Self-employed in non - agricultural sector/ employer								
4	Employed in non - agricultural sector/ employer								
5	Employed in the public sector								
6	Job seeker								

6.3.4 From the active male population, how many are involved in:

		Primary Occupation		Secondary Occupation	
		Number	%	Number	%
1	Farming				
2	Trade/Commerce				
3	Agri-business or agri-processing				
4	Professions (teaching, medical, law etc)				
5	The service sector (cafes, restaurants, mechanics, household repairs etc)				
6	State firms				
7	Public servants				
8	Transport				
9	Manufacturing and Handicrafts				
10	Construction				
11	Seasonal labour (unqualified)				
12	Handicrafts				
13	Fishing				
14	Others:				
	Others:				

6.3.5 From the active female population, how many are involved in:

		Primary Occupation		Secondary Occupation	
		Number	%	Number	%
1	Farming				
2	Trade/Commerce				
3	Agri-business or agri-processing				
4	Professions (teaching, medical, law etc)				
5	The service sector (cafes, restaurants, mechanics, household repairs etc)				
6	State firms				
7	Public servants				
8	Transport				
9	Manufacturing and Handicrafts				
10	Construction				
11	Seasonal labour (unqualified)				
12	Handicrafts				
13	Fishing				

14	Others:				
	Others:				

6.3.6 From the active population, how many according to ethnic group are involved in:

		Romanian				Hungarian				German				Gypsies			
		Primary Occupation		Secondary Occupation		Primary Occupation		Secondary Occupation		Primary Occupation		Secondary Occupation		Primary Occupation		Secondary Occupation	
		No.s	%	No.s	%	No.s	%	No.s	%	No.s	%	No.s	%	No.s	%	No.s	%
1	Farming																
2	Trade/Commerce																
3	Agri-business or agri-processing																
4	Professions (teaching, medical, law etc)																
5	The service sector (cafes, restaurants, mechanics, household repairs etc)																
6	State firms																
7	Public servants																
8	Transport																
9	Manufacturing and Handicrafts																
10	Construction																
11	Seasonal labour (unqualified)																
12	Handicrafts																
13	Fishing																
14	Others:																
	Others:																

7. Infrastructure

7.1. Public institutions (existing in your commune/village or county)

Indicate the existence of an institution by 1 and its absence by 2

		Village	County	How Many (No.)	Distance		
					km	Hours by foot	Hours by car
	<i>Does exist 1/ or Does not 2:</i>						
1	Agricultural information system office						
2	Agricultural chamber						
3	Agricultural development project						
4	Veterinary						
5	Agricultural association						
6	Co-operative of agri-product sale						
7	Post office						
8	Public school						
	Nursery/kindergarten						
	Primary						
	Secondary						
	Vocational School						
	High School						
	Higher /University/polytechnic						
9	Village surgery/ medical centre/ clinic						
10	Hospital						
11	Periodical medical service/ community health worker						
12	Pharmacy						
13	Factories (what kind of factories)						
14	Bakery/ baker's shop						
15	Butcher's shop						
16	Technical services for agriculture/ extension service						
17	Agricultural product merchant						
18	Grocer's shop						
19	Labour exchange/Job Shop						
20	Banks						
21	Insurance						
22	Consultancy services						
23	Local authorities/ council						
24	Chamber of Commerce						
25	Business Service Centre						
26	Market						
27	Specialised market/fair (e.g. cattle mkt.)						
	If there is a specialised market this runs:						
	a) periodically						

	b) permanently					
	c) if the market runs periodically, specify how many times per year:					
	d) if there is a specialised market, in what week/ month/day does it take place?					

7.2. Public Roads

The main road crossing the village is:

		Yes
1	Asphalt	
2	Tarmac	
3	Permanently passable	
4	Usually impassable	
5	It may be used/accessed:	
	a) All year long	
	b) During autumn	
	c) During winter	
	d) During spring	
	e) During summer	

7.3 Assessment of the local infrastructure:

		Good	Medium level	Low level
	<i>Please score as</i>	<i>1</i>	<i>2</i>	<i>3</i>
1a	Availability of land to buy/ purchase			
1b	Availability of land to lease/ rent			
2	Road network in the area			
3	Connection to the railway			
4	Quality of/access to public bus transportation/ network			
5	Supply of housing in the village			
6	Access to water supply			
7	Access to power supply			
8	Access to telecommunications			
9	Access to gas supply			
10	Sanitation (toilets, sewage, trash disposal)			

7.3.1 Assessment of the local utility costs and transportation services

		Lei per month	High	Medium	Low
1	Please score as		<i>1</i>	<i>2</i>	<i>3</i>
2	Cost of housing/ rent in the village				
3	Costs/charges for communal services				
4	Cost of petrol/diesel				
5	Cost of gas				
6	Cost of installing and running a telephone				
7	Cost of electricity				
8	Municipal taxes				
10	Others				

7.3.2 Does public transport pass this community?

Yes	1.
No	2. (if no, go to question 8.1)

7.3.3 How far must you go to catch public transport?

Kilometres	
------------	--

7.3.4 How often does public transport pass this community?

Time unit codes		Number of times:	
Day	3		
Week	4	Per time unit:	
Month	5		
Quarterly	6		
Half year	7		
Annual	8		

7.3.5 What is the cost of public transport?

	Mode of Transport	Lei per month	High	Medium	Low
	Please score as		<i>1</i>	<i>2</i>	<i>3</i>
A	Bus				
B	Taxis				
C	Tram				
D	Train				
E	Boat/ ship				

8 Local Economy

8.1 Has the number of unemployed people actively seeking work risen, fallen or no change in the last 5 years?

Rise	1
Fall	2
No change	3

8.1.1 Has the number of unemployed people actively seeking work risen, fallen or no change in the last year – (between December 1999 and December 2000?)

Rise	1
Fall	2
No Change	3

8.1.2 Do any of the people in this community leave temporarily during certain times of the year to look for work elsewhere?

Yes	1
No	2 (if no, go to question 8.8).

8.2 Where do most of them go? (NOTE THE NAME OF PLACE & COUNTRY & WHETHER IT IS A VILLAGE (1) OR TOWN (2), ETC.)

	code
a) _____	
b) _____	
c) _____	
d) _____	

8.3 What type of work do they look for during these times of year?

a) _____
b) _____
c) _____
d) _____

8.4 How long do they work away from the community before returning?

Time unit codes		Number of times:	
Week	4		
Month	5	Per time unit:	
Quarterly	6		
Half year	7		
1 year (annual)	8		

8.5 What ages are most of the people who find seasonal work outside the community?

Ages:

8.6. What gender/sex are most of the people who find seasonal work outside the community?

		Number	%
1	Men		
2	Women		

8.7 From which ethnic group are the people who find seasonal work outside the community?

	Number	%
1. Romanian		
2. Hungarian		
3. German		
4. Gypsies		
5. Others:.....		

8.8 Do any people come to this community temporarily, during certain times of the year to look for work?

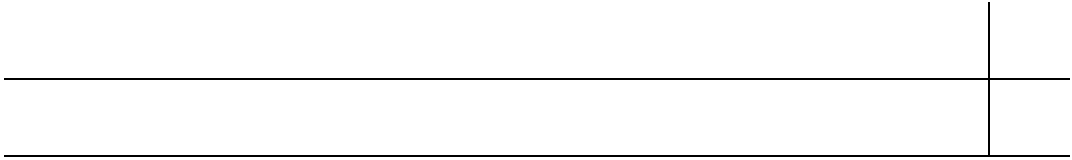
Yes	1
No	2 (if no go to question 8.15).

8.9 Where do most of them come from? (NOTE THE NAME OF PLACE & COUNTRY & WHETHER IT IS A VILLAGE (1) OR TOWN (2), ETC.)

a)		code
b)		

c)

d)



8.10 What type of work do they do in this community?

a)

b)

c)

d)

8.11 How long do they work in this community before leaving?

Time unit codes		Number of times:	
Week	4		
Month	5	Per time unit:	
Quarterly	6		
Half year	7		
1 year (annual)	8		

8.12 What ages are the people who come here to do seasonal work?

Ages:

8.13. What gender/sex are the people who come here to do seasonal work?

		Number	%
1	Men		
2	Women		

8.14 From which ethnic group are the people who come here to do seasonal work?

	Number	%
1. Romanian		
2. Hungarian		
3. German		
4. Gypsies		
5. Others:.....		

8.15 Is it easier or more difficult to find work in this community now than in 1990 (ten years ago)?

code

Easier	1	
More difficult	2	
No change	3	

9. Local development needs

9.1 What kinds of community development projects exist in this community?

a)

b)

9.2 Are there any European Union or other international donor projects in this community?

a)

b)

9.3 To what extent are the measures listed below important for your local development? (rating between 1 - 10,; 10 = max.). The higher the score (e.g. 10), the greater the contribution to the welfare of the community you think this measure will make.

	Score	Comments
Central, local government budget support		
Non-arable land development		
Non-farm enterprise development		
Intensive development of agriculture		
Reforms, privatisation speeding-up		
Tourism promotion		
Infrastructure development (electricity, phone, gas, roads, etc.)		
Local autonomy achievement		
Cultural institutions development (school, library, etc.)		
Co-operation with foreign countries, accession to E.U., etc.		
Elaboration of projects suitable for local development		
Own effort of the local community i.e local participatory/empowerment rural development schemes.		
Measure to curtail/or encourage out-migration &/or immigration.		
Youth unemployment schemes		
Job Centres/ labour exchange institutions		
Job creation schemes		
Small-Medium-Size Enterprise schemes/ programmes		
Improvement of the medical assistance, health protection		
Other (s):		

10 Agricultural Output

Please fill-in only the most important crops in the list below.

For the most important basic food and products for the local market, give the approximate percentage of output sold during 1999.

Main Products	% used at home, subsistence	% bartered in 2000	% sold at market 2000	Average Price in 2000 (Lei/Kg)	
				Before harvesting	After harvesting
Barley					
Wheat					
Maize					
Potatoes					
Oleaginous plants					
Sugar beet					
Fruit, Vegetables & other local market products					
Apples					
Grapes					
Plums					
Melons					
Peaches					
Tomatoes					
Cucumbers					
Peppers					
Cabbage					
Onions					
Others					
Grapes for wine					
Wine					
Poultry/ Animals existing within the village					
	Quantity (number)	Average price			
Cattle					
- of which: dairy cows					
Sheep					
Goats					
Pigs					
Horses					
Others					
Chickens					
Turkeys					
Ducks					
Others					

10.1. Is pisciculture or fishing practised within the village?

Yes	
If yes, how is fish selling conducted?	
Price Lei/Kg	

10.2. Is hunting practised within the village?

Yes	
If yes, what product(s) (e.g. venison)	
Is the product sold on local markets?	Yes No
Product(s):	Price (lei/ unit):

10.3 How many mechanical & physical assets are in this community?

	Assets	Number
1	Trucks	
2	Tractors	
3	Plough for tractor	
4	Combine harvester	
5	Sowing machine	
6	Irrigation equipment	
7	Stables for cattle/horses	
8	Storage facilities	
9	Shelter for sheep	
10	Multipurpose sheds	
11	Others:	

11. Formal Financial institutions: existing in/ or outside your village/ commune

	Inside your village		Type (code)	Outside your village (accessible to you)		
	Financial-Banking Institution	Yes		Where	Km	Hours by car
	Banca Agricola					
	Bancoop					
	Banca Comerciala Romana (BCRO)					
	Banca Romana pentru Dezvoltare (BRD)					
	CEC					
	Credit bank					
	Bank Post (BPST)					
	Bancorex					
	Banca "Dacia Felix" (FELX)					
	Banca Interationala a Religilor (BIR)					
	Banca Comerciala "Ion Tiriac"					
	Banca Transilvania (BT)					
	MINDBANK					
	Banca Romaneasca					
	Banca Bucuresti (BRUC)					
	Banca Albina					
	Banca de Credit Industrial si Comercial					
	ROMEXTERRA					
	Banca Turco - Romana					
	Banca Columna (BCOL)					
	ASTRA					
	Other:					

Codes:

- 1) Branch
- 2) Affiliate
- 3) Agency
- 4) Other

12. Informal Non-banking Financial institutions: existing in/or outside your village/ commune

	Non-Banking financial Institution (Including informal financial institutions)	Yes	Activity Type	Location In village = 1, outside village = 2
	<i>Please indicate name and address</i>			
1	Lenders			
2	Traders			
3	Money keepers			
4	Employer/ landowner/ landlord			
5	Firms/ trading companies			
6	Integrators: Romcereal			
	Semrom			
	Agromec			
7.	Savings Club			
8	Savings and credit club			
9	CAR			
10	Roata			
11	Others			

Questionnaire – II
For non-agricultural / non-farm enterprises in rural localities
National Resources Institute, University of Greenwich

Name of enumerator:	Phone no.	Date of interview:
---------------------	-----------	--------------------

Q. General questions

1	Enterprise name	
2	Name of company leader	Tel.
3	Name of interviewee	Tel.
4	Company phone number	
5	Location: county/locality/village	
6	Company profile of activity:	
6.1	Primary activity 1)	
6.2	Secondary activity 2)	
6.3	Tertiary activity 3)	
7	Do any of these activities include farming, if yes what do you produce:	
7.1	- vegetal agricultural products:	a) cereals b) sunflower c) beet d) potatoes e) other
7.2	- animal products:	f) cow milk g) sheep milk h) pork meat i) other
8	How much time, % to do you spend on agriculture %

S. Summary of enterprise financial aspects (in million ROL) :

		1998	1999
1	Registered capital		
2	Turnover		
3	Annual expenditure		
4	Annual returns		
5	Annual net profit		
6	Credit received		

P. In what category do you list the enterprise field of activity ?

- | | |
|--|--|
| 1. Textile enterprise
2. Agricultural products processing | 3. Constructions
4. Estate agency
5. Hotel, restaurant
6. Wood processing |
|--|--|

7. Repair services
8. Metal processing
9. Telecommunications
10. Direct trade, retail trade
11. Health, social services
12. Other services
13. Other industrial services
14. Milling
15. Bakery
16. Oil refinery

Section A General Information about your firm

A1. In what year did the business start?
Please enter year 19....

A2. How did you come to be involved in the business?

1	I started it	
2	I took it over from another family member in year:
3.	I bought it in year:

A3. Please describe what the main activity/activities of the business are:
(e.g. manufacture of furniture, butcher etc.)

1)		
2)		
3)		

A4. Are your business premises

1	Rented	
2	Owned by you (with or without mortgage)	

A5a Is this business located at your home?

	Yes	
	No	

A5b If YES, do you have dependent children living with you

	Yes	
	No	

A6. What legal form does the business currently have?

1	Sole trader, with or without employees	
2	Partnership	
3	Limited company	
4	Co-operative	
5	Other	

A7. Please indicate approximately what percentage of sales (by Value) you make to each of the following types of customers

1	Private customers & households	
2	Shops	
3	Small businesses (excluding shops), less than 50 employees	
4	Larger businesses (excluding shops), 50 or more employees	
5	Public sector (e.g. local council)	
6	Wholesaler/ distributor	
7	Other	

A8. Where are your customers located?

%		
1	Local (less than 50km away)	
2	Regional (50 to 150km away)	
3	National (rest of Romania)	
4	Outside Romania to CEEC	
5	Outside Romania to EU	
6	Outside Romania to others	

A9. Please indicate the approximate total value (Shops please include the value of stock bought in)

Lei (thousands).....

A10 Where are your suppliers?

Please indicate what % of the total value of your sales (approx.) is obtained from each of the four types of area.

%		
1	Local (less than 50km away)	
2	Regional (50 to 150km away)	
3	National (rest of Romania)	
4	Outside Romania to CEEC	

5	Outside Romania to EU	
6	Outside Romania to others	

Section B. Your involvement in the business

B1. Is the number of hours you work in your business:

1	Roughly the same each week	
2	Varies seasonally	
3	Fluctuates moderately	
4	Fluctuates substantially	

B2 Please give a rough estimate of the average number of hours you work per week in the business

1	Less than 15 hours per week	
2	15 to 30 hours per week	
3	31 to 45 hours per week	
4	46 to 60 hours per week	
5	61 to 80 hours per week	
6	More than 80 hours per week	

B3 When starting up/ taking over the business/ how important were the following factors?

Please give a score out of 10. E.g. 0/10 is of no importance; 5/10 is moderately important; 10/10 is extremely important

01	To provide my main source of income	
02	To establish an additional or minor income source	
03	To avoid or escape unemployment	
04	To carry on the family business	
05	I wanted work that would fit in with my domestic responsibilities	
06	To obtain more free time	
07	To take on the challenge of running a business	

08	To capitalise on my skills/ training	
09	I saw a market opportunity that I could best develop in my own firm	
10	I had a personal interest that I wanted to develop	
11	Freedom to use traditional methods	
12	Only way to do this sort of work and live in a rural location	
13	Occupation following retirement	
14	Favourable economic environment in village and Romania	
15	Other.....	

B4. Does anyone else work in the business, including occasional helping out?

1	No, I always work on my own (If No Go to B8)	
2	Yes (go to next question)	

B5. Does your spouse/partner work in the business?

1	No	
If yes, are they		
2	An active partner in the business	
3	Regularly employed full-time	
4	Regularly employed part-time	
5	Frequently helping out/ doing casual work (paid or unpaid)	
6	Occasionally helping out/ doing casual work (paid or unpaid)	

B6 Please indicate the number of close family members who work in the business		
1	<i>None</i>	
If yes, are they:		
Nr.		
2	As active partners in the business	
3	As full time regular paid workers	
4	As part time regular paid worker	
5	Frequently helping out/doing casual work (paid/unpaid)	
6	Occasionally helping out/doing casual work (paid unpaid)	

B7. Please indicate the number of non-family members or distant relatives who work in the business		
1	If none, please tick box	
Number		
2	As active partners in the business	
3	As full time regular paid workers	
4	As part time regular paid worker	
5	Frequently helping out/doing casual work (paid/unpaid)	
6	Occasionally helping out/doing casual work (paid unpaid)	

B8a Are you currently owner-manager of any other businesses?		
No	Go to B10	
Yes	B8b Please specify other businesses	
1)		
2)		
3)		

B8c. Are these businesses operated in conjunction with other?		
	No	
	Yes	

B9a. In the past, have you been owner-manager of any other businesses, which you no longer own?		
	No	
	Yes	

B9b If yes, please specify type of business (e.g. farming?)		
1)		
2)		
3)		

B10a. Are you employed by anyone else? Please include casual work.		
	No	
	Yes	

B10b. If yes, please specify		
	Hours per week	
	Number of weeks per year	

Section C. The location of the business

C1. Approximately how far away is your main competitor?.....km

C2. Approximately what distance would you (or your employees) have to travel from your place of business for each of the following?
--

Please give distance in kilometres:

1	General supplies	
2	Bank	
3	Post Office	
4	Training for employees	
5	Business training courses	
6	Business club/assocn.	
7	Chamber of trade/commerce	

8	District council	
9	Consulting services	
10	Insurance	

Section D. Plans

D1 Could you sell more of your current range of products or services if you produced more?

1	No, not enough customers	
2	Yes	
3	Don't know	

D2 Is it possible for you to produce more using only your present workforce, buildings & equipment

1	No, not enough	
2	Yes	

Business growth/ expansion can mean

- Increasing turnover, and/or
- Taking on more employees
- Expanding the premises or machinery

D3. Which of the following describes your outlook towards growth? (Please select one answer)

1	I'm definitely <u>not</u> interested in expanding the business (Go to D11).	
2	I would definitely like the business to grow	
3	I would consider expanding the business.	

D4. Is the growth of your business restricted by a lack of space for expansion?

1	No, go top D6	
2	Yes Go to D5.	

D5. Is the shortage of space due to:

A	Lack of room on site to expand Yes= 1, No= 2.	
B	Refused planning permission Yes= 1, No= 2.	

C	No affordable premises locally Yes= 1, No= 2.	
D	Lack of finance for building Yes= 1, No= 2.	

D6. Is the growth of your business restricted by the need to take on staff?

	Yes= 1 (go to D8), No= 2.	
--	---------------------------	--

D7. Are the staff problems due:

1	Don't want the time and effort of managing staff Yes= 1, No= 2.	
2	The cost of employing people Yes= 1, No= 2.	
3	Don't want to delegate tasks to other Yes= 1, No= 2.	
4	Lack of suitable employees Yes= 1, No= 2. Please explain.....	

D8. Does a shortage of capital inhibit the growth of your business?

	Yes= 1, No= 2 (go to D11).	
--	----------------------------	--

D9. What is the capital needed for? (e.g. product development, building)

1		
2		

D10. Is shortage of capital due to:

1	Lack of own capital/collateral Yes= 1, No= 2.	
2	Lack of funds in the business Yes= 1, No= 2	
3	Don't like borrowing Yes= 1, No= 2	
4	Current debts, so difficult to borrow Yes= 1, No= 2	
5	High interest rate Yes= 1, No= 2	
6	Bank thinks project is too risky Yes= 1, No= 2	
7	Problems of obtaining a grant Yes= 1, No= 2	

D11. At the moment, what would you like to achieve from running the business? Please give a score out of 10. E.g. 0/10 is of no importance; 5/10 is moderately important; 10/10 is extremely important		
1	Maximise my income	
2	Make a satisfactory income	
3	Continue, but hope to find a suitable job	
4	Employ family members	
5	Employ local people	
6	Be able to develop my own ideas/ express creativity	
7	To work with materials or techniques that I enjoy	
8	To have flexibility to spend time as I wish	
9	Provide a local service	

Section E. Running the business

E1. What is the average annual turnover of the business?		
Million		
ROL.....		

E2. Are current profits enough to pay to renew equipment/ refurbish premises etc?		
1	No	
2	Yes, but can only just afford to	
3	Yes, can manage fairly easily	

E3. In the past five years, have you applied for a loan?		
1	No (Go to E4)	
2	Yes, but was refused	

3	Yes and was successful	
If yes, please indicate:		
The amount (million ROL)		
Who you applied to		

E4a. In the past five years, have you applied for a grant?		
1	No (Go to E5)	
2	Yes, but was refused	
3	Yes and was successful	
If yes please indicate the amount Lei (thousand).....		

E5. What plans do you have for the business for the next two years? Please select one box only		
1	Maintain current position or slight expansion	
2	Get onto a secure footing	
3	Reduce the scale of activities	
4	Substantial expansion	
5	Sell the business	
6	Stop trading (e.g. retirement)	
7	Hand on to a successor	
8	Don't know/ uncertain	

E6. What plans do you have for the business for the next ten years? Please select one box only		
1	Maintain current position or slight expansion	
2	Reduce the scale of activities	
3	Substantial expansion	
4	Sell the business	
5	Stop trading (e.g. retirement)	
6	Hand on to a successor	
7	Don't know/ uncertain	

E8. In the last ten years, have you approached anyone listed below for business support?		
1	Rural Development agency	
2	Local enterprise agency	
3	Business centre	

4	Training and enterprise body	
5	Chamber of commerce	
6	Local council	
7	County council	
8	Extension office	
9	Business consultant	
10	Private sector: Accountant/financial consultant	
11	National farmers union	
12	Bank manager	
13	Family & friends with specialist knowledge	
14	Contacts in the industry	
15	Trade or professional organisation	
16	Other	

Please explain what advice you sought

E9. It has been proposed that some business services to rural areas could be delivered by information technologies.

Do you have access to a computer connected to the World Wide Web? (at business, home, village hall etc).

Yes= 1, No= 2, don't know= 3

If yes could you use this equipment?

Yes= 1, No= 2.

E10. Select any of these business support areas which you think would have been useful to you in the past (=1), and any which would currently be of use (= 2).

1	Business strategy	
2	Negotiation skills	
3	Employing staff	
4	Staff training/development	
5	Management organisation	
6	Advertising	

7	Marketing	
8	Market research	
9	Identifying new market opportunities	
10	Public relations	
11	Financial management/taxation	
12	Developing new products/services	
13	Computing	
14	New technology	

Section F. Some questions about the interviewee

F1. Please indicate the stage at which you completed your formal education

1	Primary (under 12 years)	
2	Secondary (under 16 years)	
3	Vocational School or qualification	
4	High School (A levels)	
5	Higher /Polytechnic - Professional qualification post school	
6	University, degree or postgraduate	

F2. Please indicate your age:.....years

F3. Please indicate which ethnic group you belong to:		
1	Romanian	
2	Hungarian	
3	German	
4	Gypsy	
5	Other	

F4. What is your religious affiliation?

1	Orthodox	
2	Catholic	
3	Protestant	
4	Romano-Catholic	
5	Greek-Catholic	
6	Others:	

Da= 1, Nu= 2.	
---------------	--

F5. When did you start living in this area (within a 50km radius)?		
1	Lived here since a child	
2	Grew up here and returned later in life	
3	Moved hereyears ago	

F7. How rural would you describe your business location?		
1	Very rural	
2	Moderately rural	
3	Slightly rural or a mixture of rural and urban characteristics	
4	Urban	

F6. Did you intend to start a business when you moved here?
--

G. General local problems

1. Assessment of the local factors in the area:

	good 1	medium level 2	low level 3
Roads network in the area			
Connection to the rail way			
Supply of dwelling places in the village			
Supply of qualified labour			
Supply of unqualified labour			
Labour motivation			
Costs/charges for communal services			
State financial protection			
High level of the salaries			
High cost of the electricity			
Access to water supply			
Access to power supply			
Access to telecommunications			

2. How do you assess the legal safety (laws continuity) in Romania?

1. - high level 2. - medium level 3. - low level

3. In what measure are below listed problems important for your locality development?
(rating between 1 - 10, 10 = max.)

Central, local budget support	
Non-agricultural fields development	
Intensive development of the agriculture	
Reforms, privatisation speeding-up	
Tourism promotion	
Infrastructure development (electricity, phone, gases, roads, etc.)	
Local autonomy achievement	
Cultural institutions development (school, library, etc.)	
Cooperation with foreign countries, adhesion to E.U., etc.	
Elaboration of projects suitable to the locality development	
Own effort of the local community	
Improvement of the medical assistance, health protection	

H. Credits and savings during the period: fall '99 till fall '2000

1. Did you apply for credits during the mentioned period?

Yes No

1.1. If you did not apply for credits, why?

a) the credit conditions are too severe:

- 1) lack of guarantee
- 2) lack of gerants/guarantors

- 3) interest rate to high
- 4) income too low to be able to pay installments
- 5) others
- b) the procedure is too complicated
- c) the procedure is too long (more than a half an year)
- d) no need, you have enough money of your own
- e) no need, you may obtain enough money from friends and relatives
- f) no need, you may locally borrow enough money (from money lenders)
- g) no need, you have a current credit
- h) the bank is too far away or the roads/transport means are too bad
indicate the distance to the bank: _____ km
- i) the necessary gift was too expensive

2. Did receive the credit you applied for?

Yes No

2.1. If not, what reason was your application declined for?

- 1) no guarantee
- 2) no guarantor/gerant
- 3) income too low to be able to pay installments
- 4) no gift offered
- 5) others
- 6) do not know

2.2. If you received credits, specify:

2.2.1. Crediting institution:

- 1) bank (name of the bank): _____
- 2) insurance _____
- 3) cooperative _____
- 4) an integrator _____
- 5) a money lender _____

2.2.2. What amount did you apply for: _____ in million ROL

2.2.3. What amount did you receive: _____ in million ROL

2.2.4. Date of credit receipt: _____/_____ month/year

2.2.5. Which the destination of this credit: _____

2.2.6. How many installments did you receive the credit in: _____

2.2.7. How much time elapsed since the credit approval until the first installment receipt (months) :__

2.2.8. What did you guarantee the credit with:

- 1) house
- 2) vehicle (car, truck...)
- 3) equipment
- 4) guarantor, gerant
- 5) jewels
- 6) receivables
- 7) expected harvests/sales
- 8) others

- 2.2.9. What interest rate must you pay: _____%
- 2.2.10. Which is the total amount you have to reimburse (credit + interest): _____ million ROL
- 2.2.12. How much of this amount have you already repaid: _____ million ROL
- 2.2.13. How much of this amount have you still to repay: _____ million ROL
- 2.2.14. How many installments must you reimburse the credit in: _____ million ROL
- 2.2.15. Date of the final installment deadline: _____/_____ month/year
- 2.2.16. Did the credit reimbursement comply with the schedule? Yes No
- 2.2.17. How many times did you met the credit responsible person before obtaining it: _____ times and how much time did take a meeting: _____ hours
- 2.2.18. Did you pay any kind of fee or did you offer any kind of gift in order to receive the credit? If yes, which is the approximate value, in million ROL (0 = No) _____

If you received several credits, complete a sheet as such for each credit.

- 3. Did you borrow money from **friends or relatives** during the considered period?
 - Yes No
 - 3.1. If yes,
 - 3.1.1. How much did you borrow: _____ in million ROL
 - 3.1.2. Which the interest rate: _____% and in million ROL _____
 - 3.1.3. Which was the gift your offered the borrower: _____
gift value in ROL: _____

- 4. **Do you hold savings** achieved during the period: fall 99 until fall 2000?
 - Yes No
 - 4.1. **If yes:**
 - 4.1.1. how much do you hold (approx.) in million ROL:
 - fall 2000 _____
 - fall 1999 _____
 - 4.1.2. What bank did you deposit your savings at: _____
 - 4.1.3. Annual interest rate for 1999 _____% and 2000 _____%

I. Financial statement (fall 99 - fall 2000)

1. Expenditures and income per month for production (million ROL)

Month	Total salary	Total expenditures	Income
10/99			
11/99			
12/99			
1/00			
2/00			
3/00			

4/00			
5/00			
6/00			
7/00			
8/00			
9/00			
10/00			

Production type: _____

2. Charges, taxes and interests to be paid per month (million ROL):

Month	Charges (total)	Taxes (total)	Interests for the first credit	Interests for the second credit	Interests for the third credit
10/99					
11/99					
12/99					
1/00					
2/00					
3/00					
4/00					
5/00					
6/00					
7/00					
8/00					
9/00					
10/00					

3. Purchases in 1999:

products, services, etc.	UM	lei/UM	amount	purchase date
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....

4. Sales in 1999

products, services, etc.	UM	lei/UM	amount	sale date
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....

5. Which are the **factors limiting** your production and what amount of money you need in order to surpass these constraints:

- 1) labour in million ROL
- 2) capital (working capital) in million ROL
- 3) investment capital in million ROL
- 4) land in million ROL
- 5) buildings in million ROL
- 6) others in million ROL

6. Which is the **self-consumption** out of the company output?

- product and quantity per month:
- 1.
 - 2.
 - 3.
- value per month in lei:
- 1.
 - 2.
 - 3.

7. Have you to pay any fee/commission in order to be allowed to produce?
If yes, how much in million ROL per year:

ⁱ These are also the focus of one of the other components of the NRI RNFE research project focusing on “Access to rural non-farm livelihoods in Uganda and India”, whose research outputs will feed into and inform the CEE/CIS research.

ⁱⁱ The selection was also informed by discussion with key stakeholders, and NRI’s own experience of data analysis (& collection) and previous research conducted in Romania.

ⁱⁱⁱ We have also adopted this for complementarity with the Imperial College at Wye (IDARA) project, which has based its regional classification on the EU NUTS criteria.

^{iv} See Romanian Rural Development: Green Paper, IAE, Bucharest, 1998.

^v Guidelines for researchers, enumerators and areas to be covered are attached, referring to all three countries.