Chapter 10
Food Consumption Expenditure and Standard of Living in Romania

Marian Zaharia
Petroleum-Gas University, Romania

Rodica-Manuela Gogonea
Academy of Economic Studies, Romania

ABSTRACT

Food consumption and its structure is significantly influenced by standard of living. But in addition, there are differences in the level and structure of food consumption, determined by characteristics and local habits. Given these considerations, in this chapter, starting from the mean consumption expenditure by detailed level, and the overall structure of consumption expenditure by detailed COICOP level (01-12 - Individual consumption expenditure of households), are analyzed the mean consumption expenditure per inhabitant, types of household, degrees of urbanization, and macro regions of Romania. Also are analyzed the correlations between the evolution of living standards and evolutions structure of consumption expenditure by type of household.

INTRODUCTION

The standard of living of the individual and/or family is in bi-univocal correspondence with the revenue available to them. Put face to face, their preferences and income lead to the formation of demand for goods and services and ultimately to their consumption patterns.

Given the diversity of products (goods and services) that falls into the consumption pattern of families, any study on their consumption expenditure implies the existence of certain classifications to ensure unity and comparability. One of the most widely used and unanimously recognized classification systems is Classification of Individual Consumption according to Purpose (COICOP), published by the United Nations Statistics Division. It divides the consumption expenditure incurred by individual in

three groups: expenditure for households, for non-profit institutions and for general government. These are further structured in divisions, groups and classes.

In COICOP, food consumption expenditure is structured in two divisions of household expenditure: Food and non-alcoholic beverages (01) and Alcoholic beverages, tobacco and narcotics (02).

The standard of living of individuals and households is quite heterogeneous. This feature is given not only by the structure of population in terms of income levels, but also by significant differences between social categories and between residential areas (village, town). These distinctions are also propagated on the structure of food expenditures.

In Romania, the structure of food consumption patterns and food consumption expenditure are implicitly influenced by local and regional traditions and cultural particularities, which lead to models that are specific for developing regions and even counties within their structure.

Although transnational retail chains are expanding throughout the country, a process which brings uniformity to supply, impacting the demand, local patterns of food consumption have and will have a significant share, especially as these particularities contribute to tourism development in those respective areas and to revenue growth of local communities.

Also, the food consumption expenditure structures of the main social categories in Romania have a number of features determined on the one hand, by great differences between their average income (between employees and retirees or between employed and unemployed) and on the other hand, by the significant differences between rural and urban environments, and not least, by the differences between age groups (pensioners are citizens over 60 years of age, which makes their consumption patterns differ significantly from those of other social categories, even in similar conditions of income and residential area).

This chapter aims to highlight the way in which the average food consumption expenditure per inhabitant, per food product categories (cereals and cereal products, meat and meat products, milk and dairy products, vegetables and vegetable products, fruits and fruit products) and beverages (wine and wine products, beer, distilled alcoholic beverages, soft drinks), consumed by population of different social categories (employee, farmer, unemployed and pensioner), residential areas and macro regions, is influenced by the average per capita income developments.

BACKGROUND: CHARACTERISTICS AND FACTORS OF FOOD CONSUMPTION EXPENDITURE

The increase of economic and social development levels lead to larger or smaller changes of the structure of consumption expenditures by category of goods and services, as well as within them. According to Engel's Law, the largest shares of total expenditures of poor households are allocated to food consumption. In the case of developed countries the stability of the expenditure structure of consumption is higher than in developing countries and significantly different from the expenditure structure of average household income in underdeveloped countries.

In a report of the United States Department of Agriculture (Muhammad, Seale, Meade & Regmi, 2011) which updates the international evidence of food consumption patterns using 2005 International Comparison Program (ICP) data, analyzing the incomes and expenditures from 144 countries, shows that in the countries with low income, 48.5% of it is used for food, beverages and tobacco, and in the countries with high income, the share is only 20,4% (2.37 times less), the ratio being inversely for medical and

Related Content

Microbiological Monitoring in the Biodegradation of Food Waste
Satish Chandra Pandey, Anupam Pandey, Tushar Joshi, Veni Pande, Diksha Satiand Mukesh Samant (2019). *Global Initiatives for Waste Reduction and Cutting Food Loss (pp. 116-140).*
www.irma-international.org/chapter/microbiological-monitoring-in-the-biodegradation-of-food-waste/222994

Internet of Things-Based Micro Climate Monitoring System for Irrigation Water Optimization
S. N. Kumar, Andrew Thomas Jacob, Amal Varghese, Emma Francis, Mibin P. Sabuand Neenu Rose Antony (2023). *Contemporary Developments in Agricultural Cyber-Physical Systems (pp. 172-183).*
www.irma-international.org/chapter/internet-of-things-based-micro-climate-monitoring-system-for-irrigation-water-optimization/327603

Innovative Deep-Fried Fast Food Production Control Scheme
 (2022). *Global Production and Consumption of Fast Food and Instant Concentrates (pp. 128-150).*
www.irma-international.org/chapter/innovative-deep-fried-fast-food-production-control-scheme/298350

From "Yucky" to "Yummy": Drivers and Barriers in the Meat Alternatives Market
Chrysostomos Apostolidis (2019). *Environmental, Health, and Business Opportunities in the New Meat Alternatives Market (pp. 1-19).*
www.irma-international.org/chapter/from-yucky-to-yummy/218963

Developing Technical Agriculture Skills Through Laboratory Instruction in School-Based Agricultural Education
Trent Wells, Jay K. Solomonsonand Mark S. Hainline (2024). *Emerging Research in Agricultural Teacher Education (pp. 52-78).*
www.irma-international.org/chapter/developing-technical-agriculture-skills-through-laboratory-instruction-in-school-based-agricultural-education/346645