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*with
KRC Research & Consulting
and
Robinson Lake Sawyer Miller*

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Awareness Campaign*

Research

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Tohmatsu
International**

RESEARCH

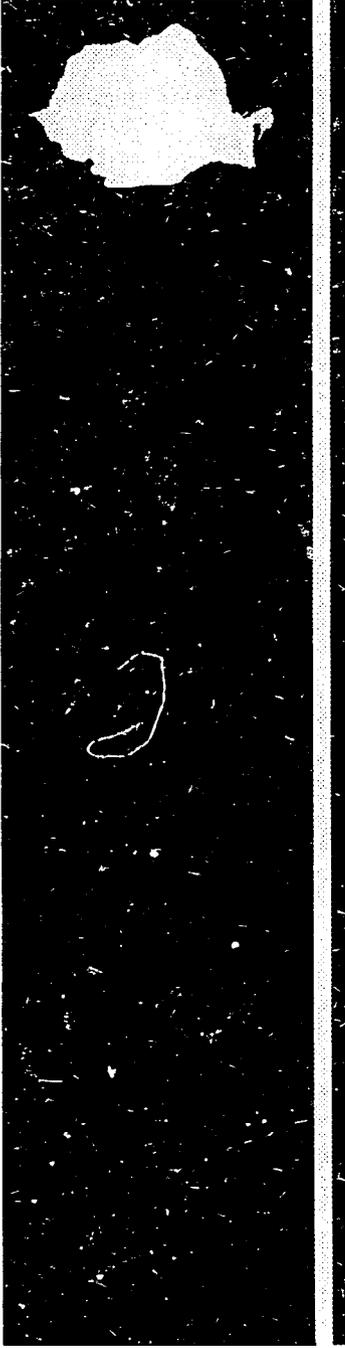
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***TOP LINE REPORT
FOR FIRST TWO PHASES***



ROMANIA:

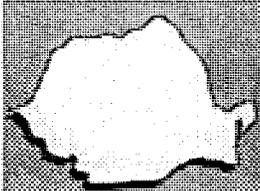
PRIVATIZATION RESEARCH FINDINGS

KRC RESEARCH AND CONSULTING

SEPTEMBER 1994

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METHODOLOGY

Qualitative Component:

- 8 Focus Group Interviews:
 - Manual workers in Petrosani
 - Employees in state-owned enterprises in Sig¹.isoara
 - Commuters who live in Daner village and commute to Sighisoara
 - Students in Iasi
 - Employees in privately-owned enterprises in Craiova
 - Agricultural workers and landowners in Podu Iloaiei (Moldova)
 - Small business owners in Cluj
 - Small and medium business owners in Bucharest

Quantitative Component:

- 1500 respondent nationwide poll



POPULATION SEGMENTATION

Cluster analysis revealed three distinct attitudinal categories within the sample population:

- **New School** (approximately 37% of the population):
 - Demographically, this group is distinguished from the other two by having the highest average income; highest level of employment; by being least likely to work for state-owned enterprises; more likely to be owner, manager or specialist; having higher than average education; and being more likely to be male.
- **Old School** (approximately 21% of the population):
 - Compared to the other two groups, the old school has the lowest average income; highest levels of unemployment; is most likely to work for state-owned enterprises; is made up of skilled (characteristically managers of state-owned industries), semi-skilled or unskilled workers; has the lowest average levels of education; and is slightly more likely to be female.



POPULATION SEGMENTATION

- **Transitionals** (approximately 42% of the population):
 - This group is characterized demographically by having average income levels; average employment levels; average employment levels in state-owned industries; most likely to be a skilled worker or agricultural laborer; average levels of education; and is equally likely to be male or female.



COMMUNICATIONS CHALLENGES

New School:

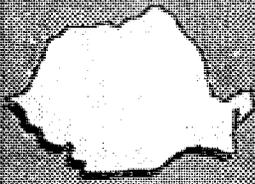
- Are already committed to change; have knowledge of basics of privatization; are coping relatively well with social and economic changes; need expert advice.

Old School:

- Very unreceptive to communications; are very confused and ignorant about privatization; find economic, social and political changes difficult to cope with; resistant to change or information about change.

Transitionals:

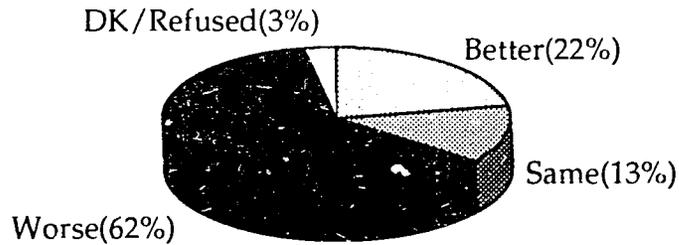
- Are committed to moving away from the past but need reassurance about change; are somewhat confused and ignorant about privatization; highly receptive to communications about privatization; need factual information and encouragement.



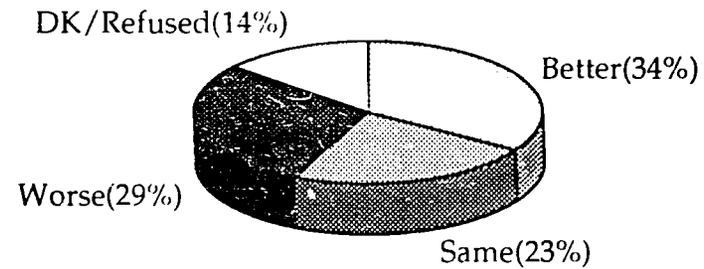
ECONOMIC CONDITIONS IN THE COUNTRY

In General

Compared to 4 years ago

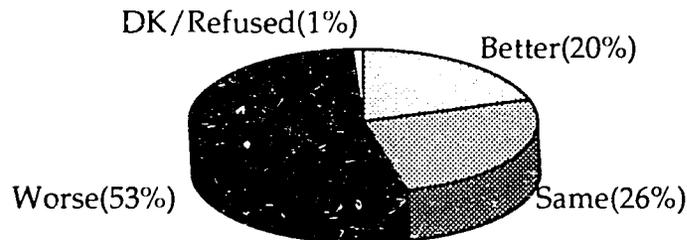


In the next year

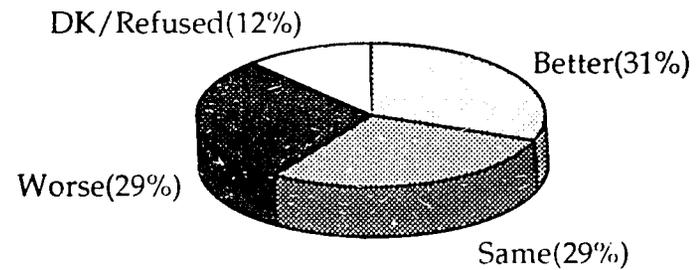


For Me and My Family

Compared to 4 years ago



In the next year



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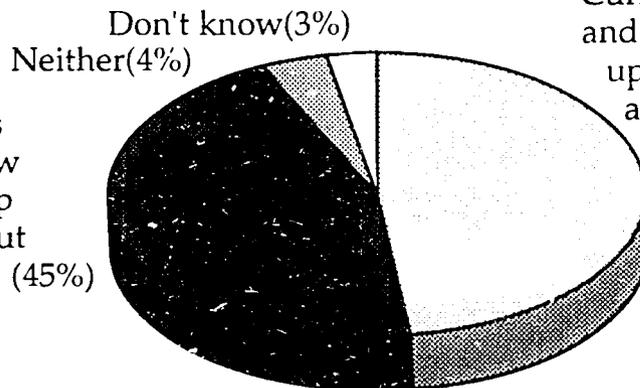
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WHICH DO YOU AGREE WITH MORE

May 1993

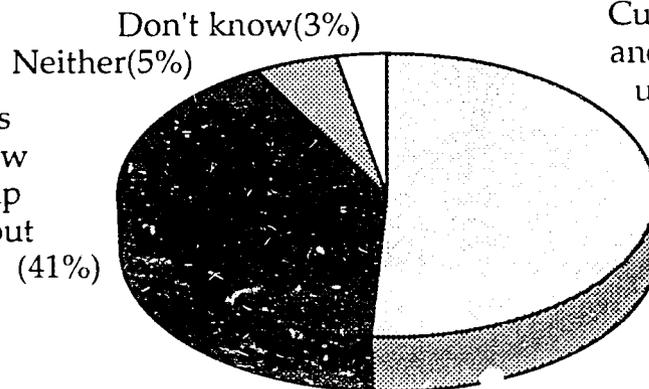
Although current conditions are very difficult, people know that putting up with hardship now is necessary to bring about improvement in the future. (45%)



Current conditions are very difficult and people are not sure that putting up with hardship now will bring about any improvement in the foreseeable future. (48%)

August 1994

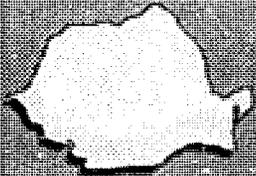
Although current conditions are very difficult, people know that putting up with hardship now is necessary to bring about improvement in the future. (41%)



Current conditions are very difficult and people are not sure that putting up with hardship now will bring about any improvement in the foreseeable future. (51%)

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CURRENT CONDITIONS VS. EXPECTATIONS FOR THE FUTURE

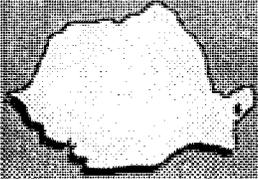
High levels of anxiety about current conditions:

"Maybe the changes were too fast. For the common people, democracy meant that they are free to steal, to swear...."

However, a consistently high level of optimism and hope for the future:

"Prices will stabilize, inflation will be stopped, we will have better lives."

"We have hope....Maybe five years from now things will be somehow better."



CURRENT CONDITIONS VS. EXPECTATIONS FOR THE FUTURE

New School:

This group is the most likely to feel that things are better now than they were four years ago.

Old School:

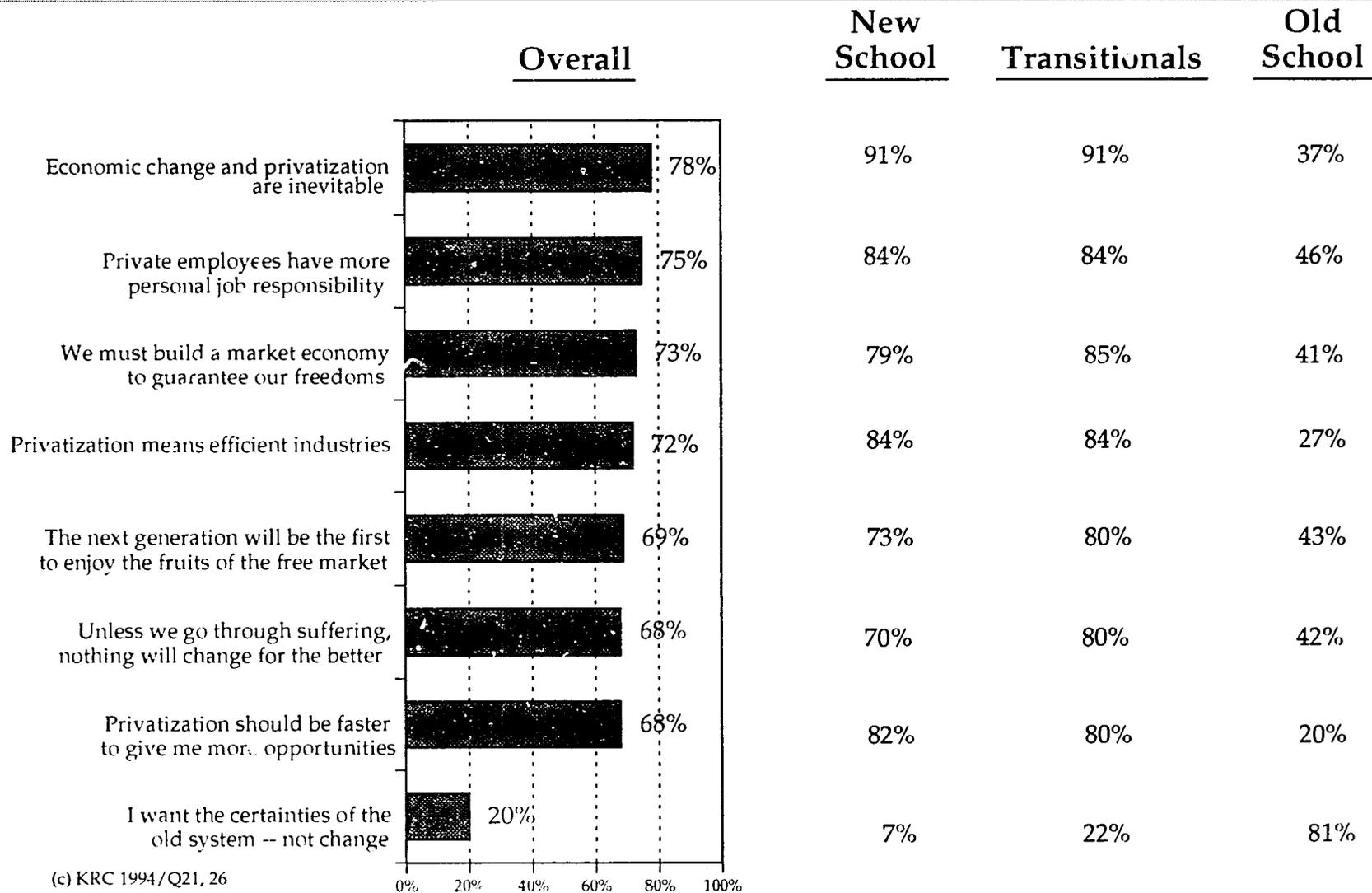
- Most likely to feel that things are worse than four years ago. Highest levels of pessimism about the future but also more confused than the other groups.

Transitionals:

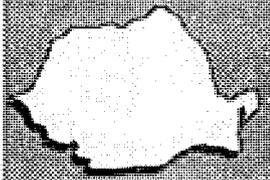
- Fall between old school and new school in their comparison of Romania to four years ago.
- Are as optimistic as new school about the future for themselves.
- Are the most optimistic of all about the future for the country.



ATTITUDES: TRANSITIONALS AND NEW SCHOOL VS. OLD SCHOOL



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ATTITUDES: TRANSITIONALS AND NEW SCHOOL VS. OLD SCHOOL

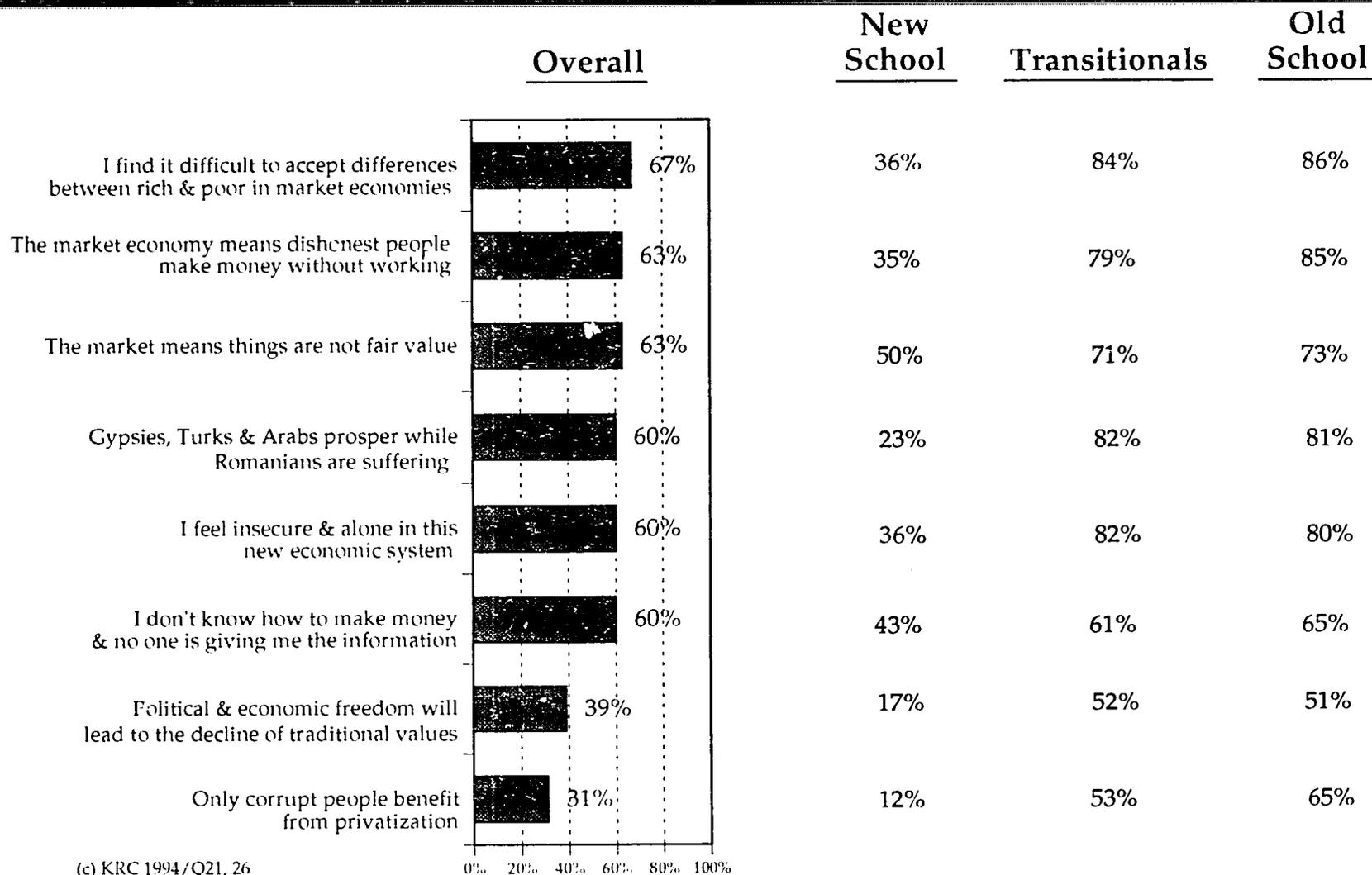
Certain attitudinal statements reveal a sharp split between the transitionals and the new school on the one hand and the old school on the other hand.

- The transitionals and the new school both accept and support the development of a market economy in Romania, while the old school is resistant to this kind of change.
- The transitionals and the new school feel that a period of hardship is an acceptable price to pay for achieving economic and personal freedom, while the old school does not.
- The old school wants to return to the certainties of the past while the transitionals and the new school are committed to going forward.

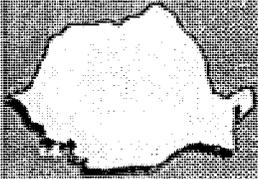
The transitionals' optimism, their willingness to undergo temporary hardship together with their commitment to change, means that they will be most receptive to communications about privatization.



ATTITUDES: TRANSITIONALS AND NEW SCHOOL VS. OLD SCHOOL



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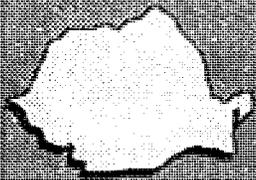


ATTITUDES: TRANSITIONALS AND NEW SCHOOL VS. OLD SCHOOL

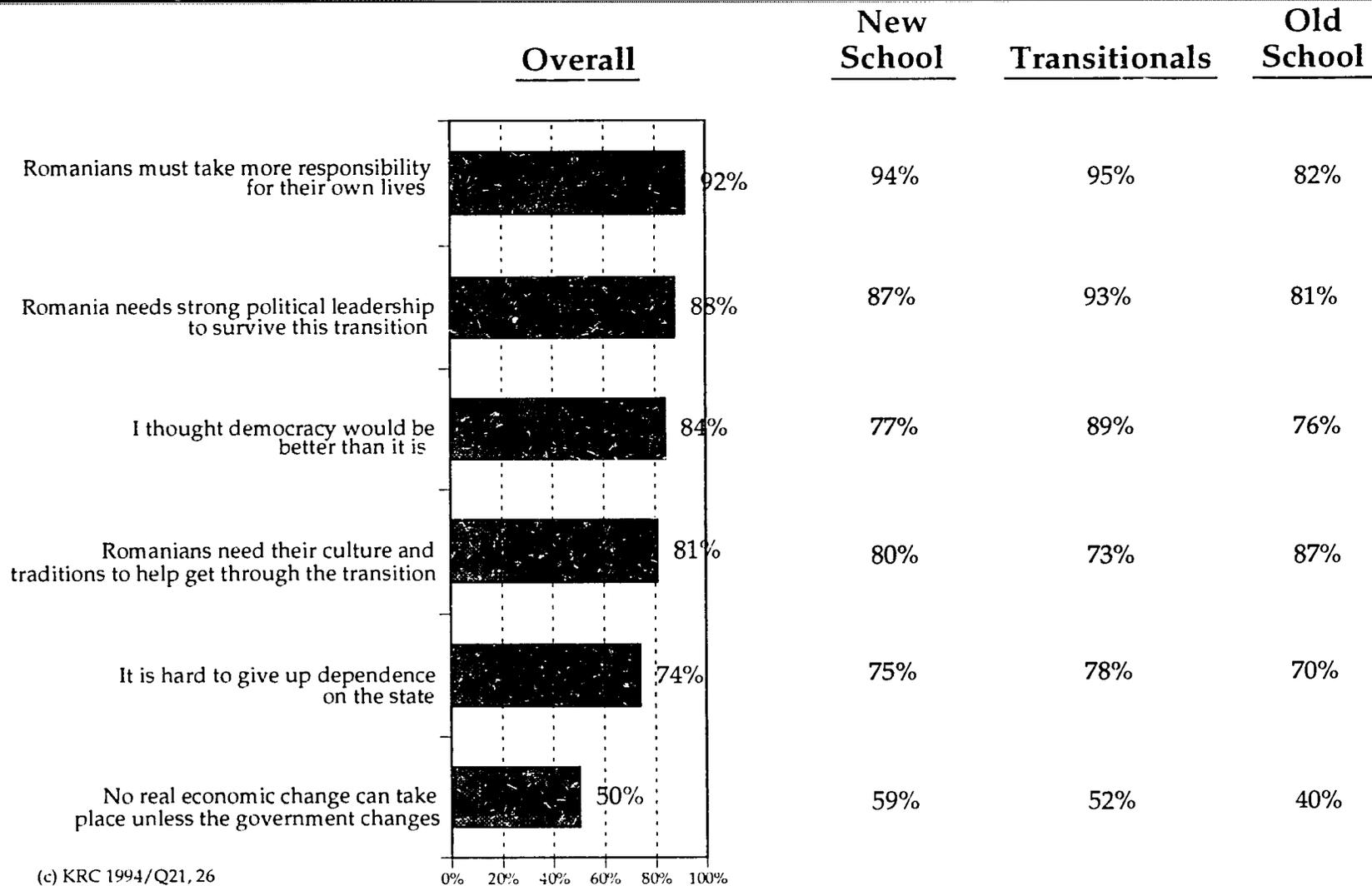
Certain attitudes reflect a split in opinion between the new school on the one hand and the transitionals and the old school on the other hand.

- The transitionals feel the hardships and the injustices of the transitional period as intensely as the old school. In contrast, the new school is relatively secure and comfortable during this time.
- While the new school does not feel that Romanian identity is threatened by political and economic freedom, the transitionals and the old school are very concerned that traditional Romanian values are being destroyed.

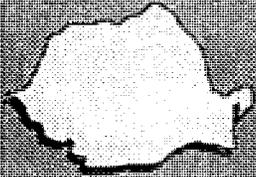
Because the transitionals clearly perceive all the negatives of the transition, they are most in need of support and assistance to maintain their commitment to change and to help them adapt to the demands of the new system. They also need reassurance that their identity can be maintained in a free market system.



ATTITUDES: UNIFYING ISSUES



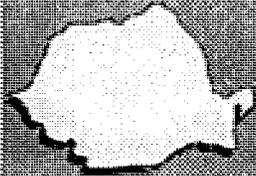
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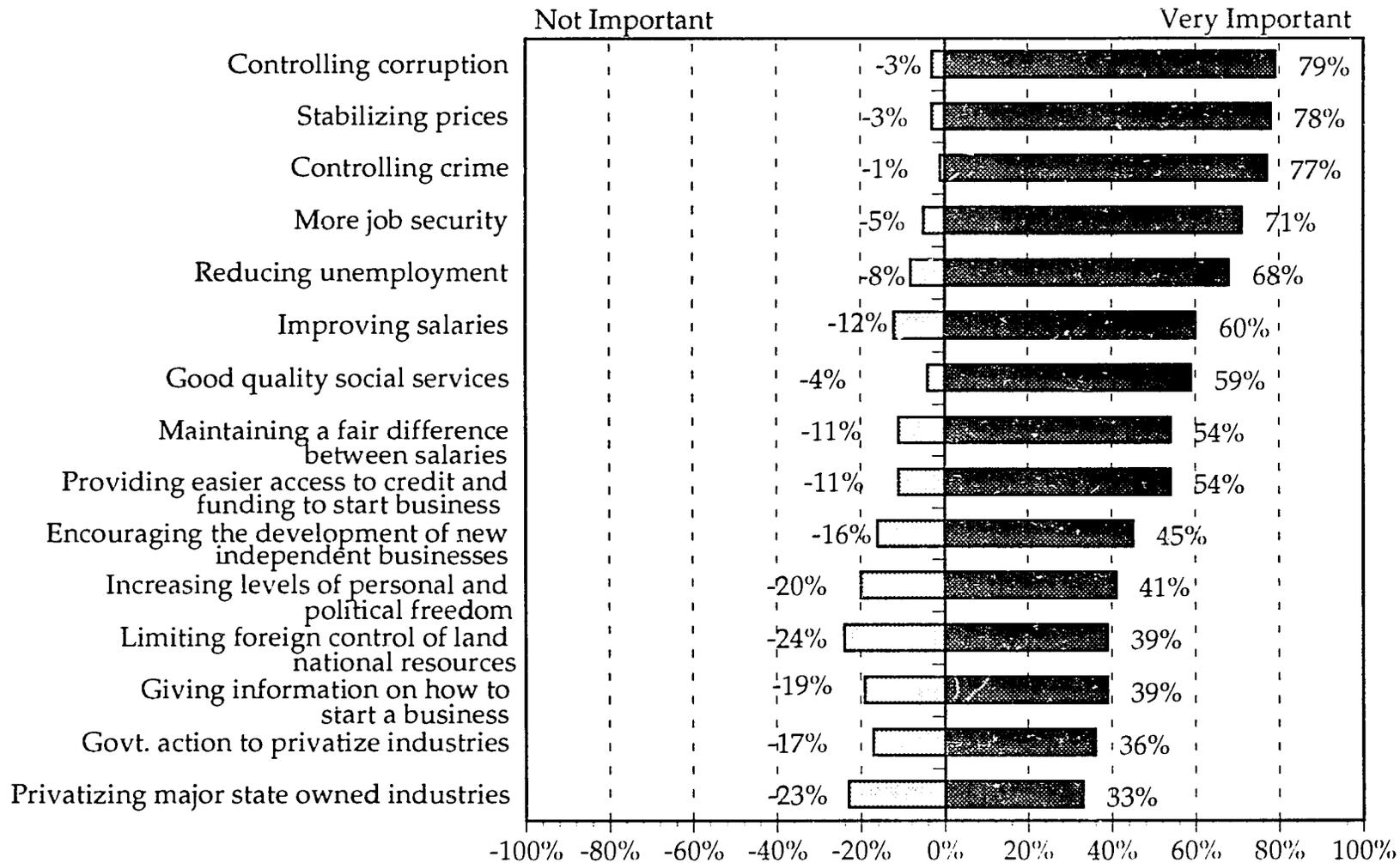
ATTITUDES: UNIFYING ISSUES

There are a number of issues about which respondents in all groups are more or less in agreement.

- These issues tend to relate to questions of leadership, political direction and national purpose.
- All groups are disillusioned with the way democracy has evolved in Romania; they want strong political leadership to help them through a difficult economic period, although many are not sure that the current government provides this. They also acknowledge that dependence on the state is difficult to overcome during this transition period.
- All groups feel that an emphasis on Romanian identity (traditions and culture) is important to helping people through the transition.



FACTORS IMPORTANT TO IMPROVING QUALITY OF LIFE



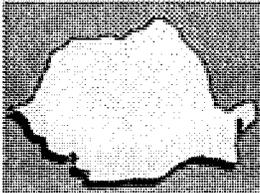
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QUALITY OF LIFE

Responses to quality of life issues reveal a strong need for social control during the transition, followed by the need for the maintenance of a certain level of social and economic welfare.

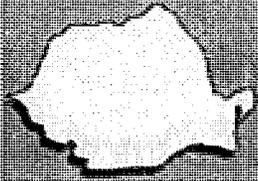
- Encouraging privatization comes third after these two basic requirements.



QUALITY OF LIFE

Factor analysis revealed that these quality of life issues are divided into three categories by respondents:

- **Control** - maintaining the integrity of the social fabric:
 - controlling corruption; controlling crime; stabilizing prices; ensuring quality social services; maintaining fair difference between salaries; limiting foreign control of land and resources.
- **Economic order** - structuring economic functioning:
 - more job security; improving salaries; reducing unemployment.
- **Empowerment** - providing opportunity:
 - government action to privatize industries; privatizing major state-owned industries; encouraging new business enterprises; providing information on how to start a business; easier access to credit; ensuring levels of political and personal freedom.

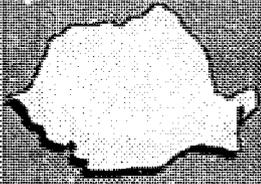


QUALITY OF LIFE

The three population groups have different priorities regarding these three categories of quality of life issues.

New School:

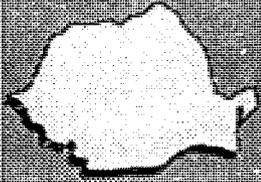
- Strong support for empowerment factors; lowest support for the economic order category (presumably because they do not want a more controlled system and they also resist the role the state might play in achieving this).
- Moderate support for the control needs.



QUALITY OF LIFE

Old School:

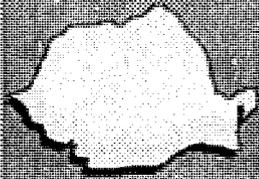
- Low support for empowerment factors:
 - especially low support for any actions involving the reduction of state power; ensuring personal freedom; ensuring personal empowerment regarding new business ventures, information about entrepreneurship and government action to ensure privatization of businesses.
 - high “don’t knows” for empowerment issues, indicating ignorance and confusion.
- Moderately high regarding control issues, highest support for controlling prices.
- High support for all economic order issues.



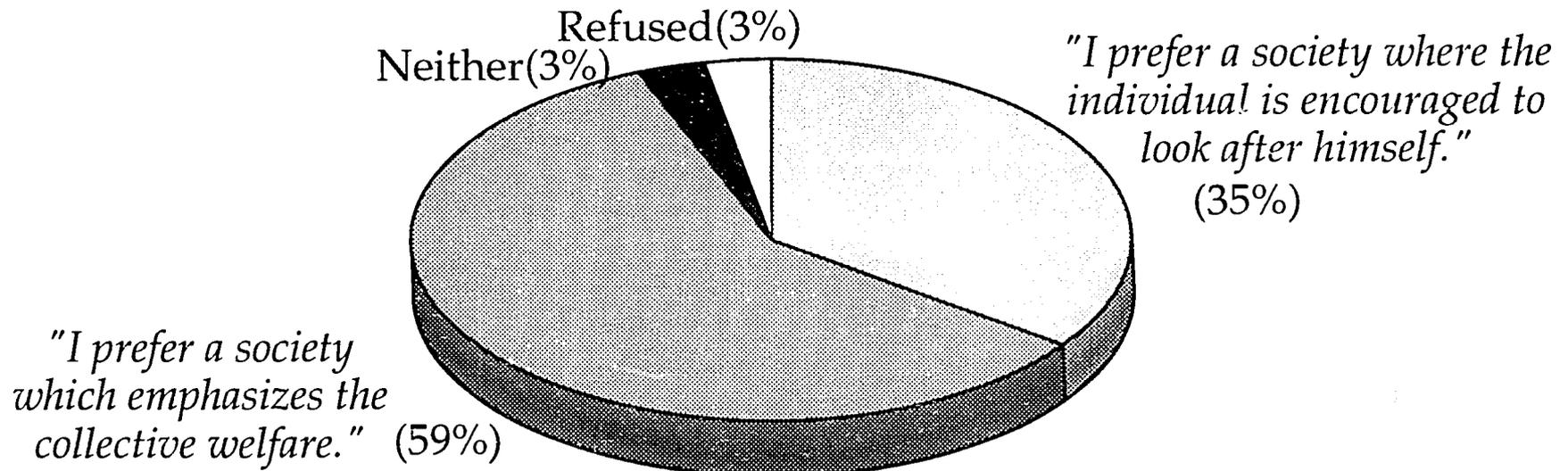
QUALITY OF LIFE

Transitionals:

- Highest support for action to ensure personal and political freedom; and for government action to ensure the privatization of businesses.
- Highest support for all control factors (indicating high levels of insecurity and anxiety).
- Moderate support for economic order factors.



SOCIAL VISION

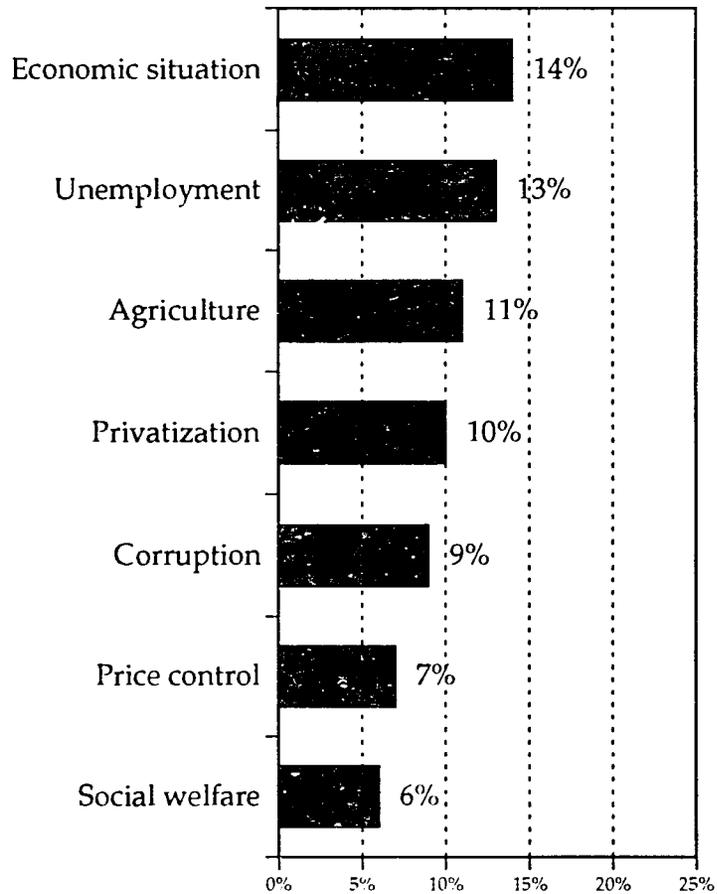


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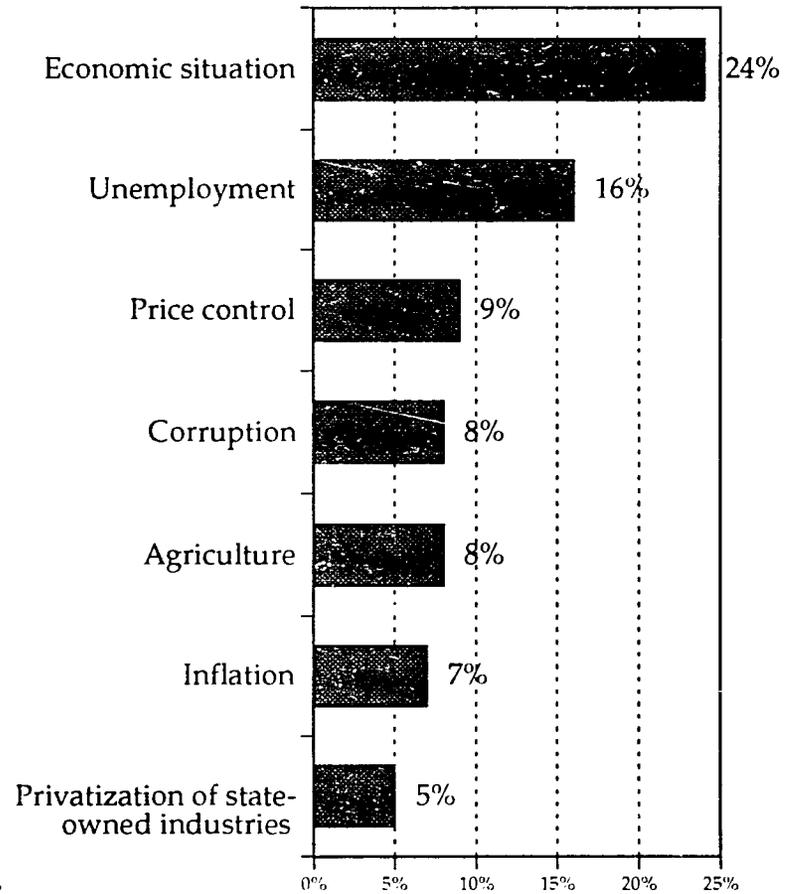


THE MOST IMPORTANT PROBLEM FACING ROMANIA TODAY

May 1993

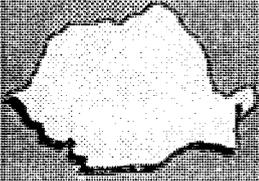


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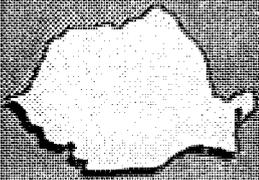
CONDITION OF UNSTABLE EQUILIBRIUM

The attitudinal data reveals a classic political profile of unstable equilibrium in Romania today.

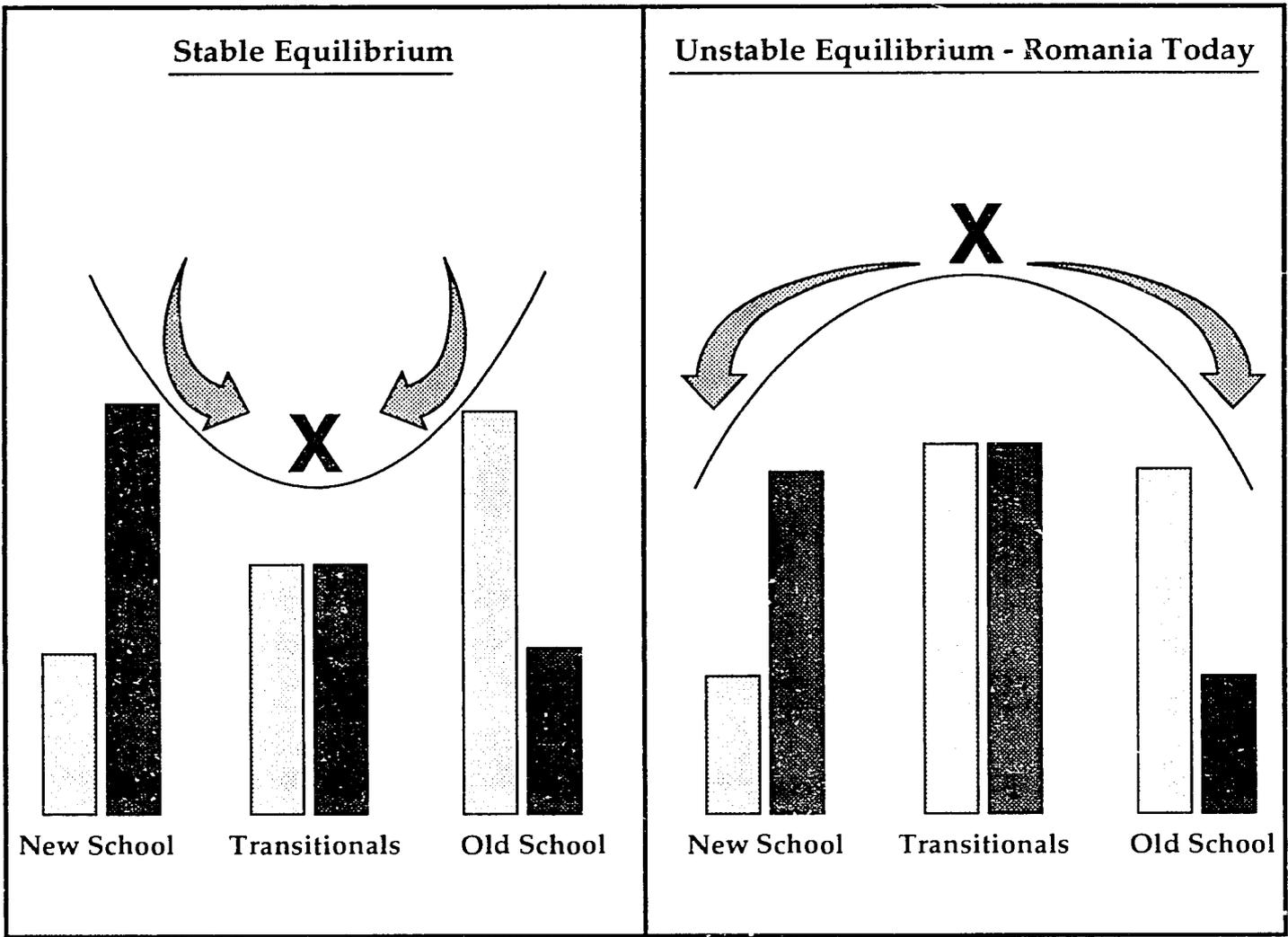
- The new school is strongly in support of change and the transition to a free market while the old school is strongly resistant to change and the transition to a free market.
- The transitionals are not a moderate group between the extremes of the old and the new school. They are highly supportive of change but they are also very anxious and afraid.

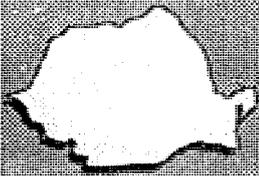
This means that instead of being a stabilizing influence on society, the transitionals have the capacity to swing significantly either towards the new or the old school depending on political and economic pressures.

This makes their attitudes and opinions crucial to the political and economic future of the country. Their commitment to privatization must be carefully nurtured to ensure against a reactionary backlash.

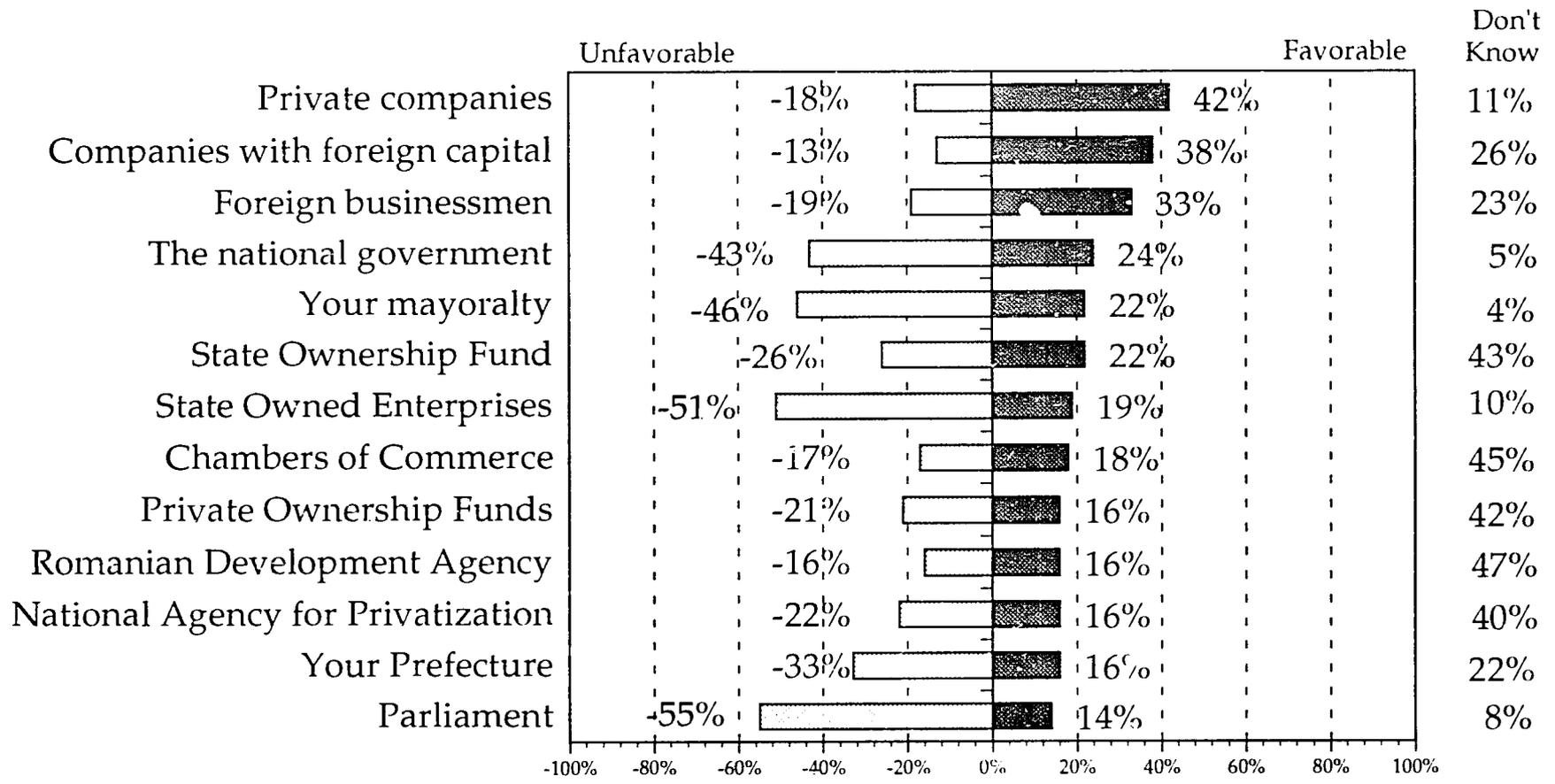


CONDITION OF UNSTABLE EQUILIBRIUM

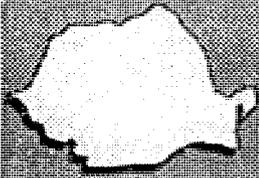




OPINION OF INSTITUTIONS



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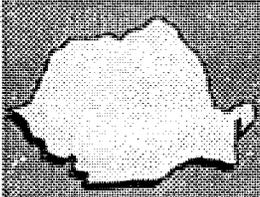


OPINION OF INSTITUTIONS

Overall, most significant support for the institutions and groups associated with independent entrepreneurship. Least support for the political organs of the state and state-owned industries.

- Extremely high “don’t know” responses for all the bodies responsible for privatization.

Factor analysis was conducted to assess whether respondents think of the groups and institutions listed in terms of different attitudinal categories.



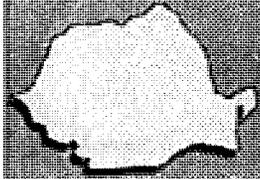
OPINION OF INSTITUTIONS

Factor analysis revealed that attitudes towards groups and institutions fall into three categories:

- **Independent entrepreneurship:**
 - Companies with foreign capital; foreign businessmen; private companies.

- **Agencies of privatization:**
 - Romanian Development Agency; National Agency for Privatization; Private Ownership Funds; Chambers of Commerce; the State Ownership Fund.

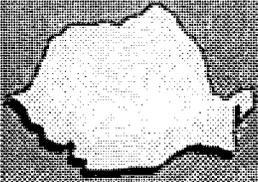
- **The state:**
 - Your Prefecture; your Mayoralty; National Government; Parliament; State Owned Enterprises



OPINION OF INSTITUTIONS

The fact that people do not think of the political organs of the state (and state-owned industries) in the same way as they think about the institutions of privatization means that negative opinions of the state are not automatically transferred to the organizations implementing formal privatization.

- Efforts should be made to link groups associated with private entrepreneurship to groups associated with formal privatization.



OPINION OF INSTITUTIONS

New School:

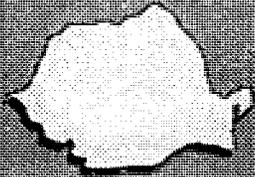
- This group has the most favorable opinion of private entrepreneurship.

Old School:

- Highest “don’t know” responses of all the groups, especially regarding the institutions implementing privatization.
- Highest unfavorable responses regarding private entrepreneurship.
- Relatively high favorable responses regarding the state.

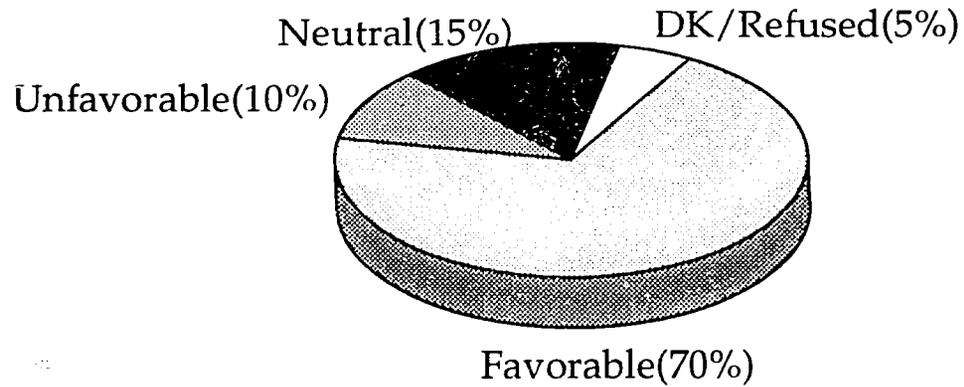
Transitionals:

- Almost as approving of private entrepreneurship as the new school.
- As high or higher approval of the institutions of privatization than the new school.

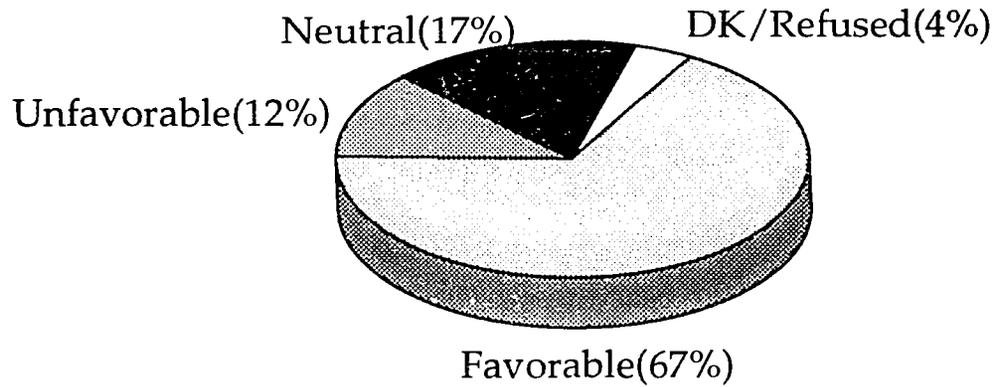


OPINION OF PRIVATIZATION

May 1993



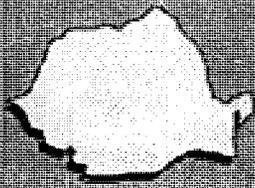
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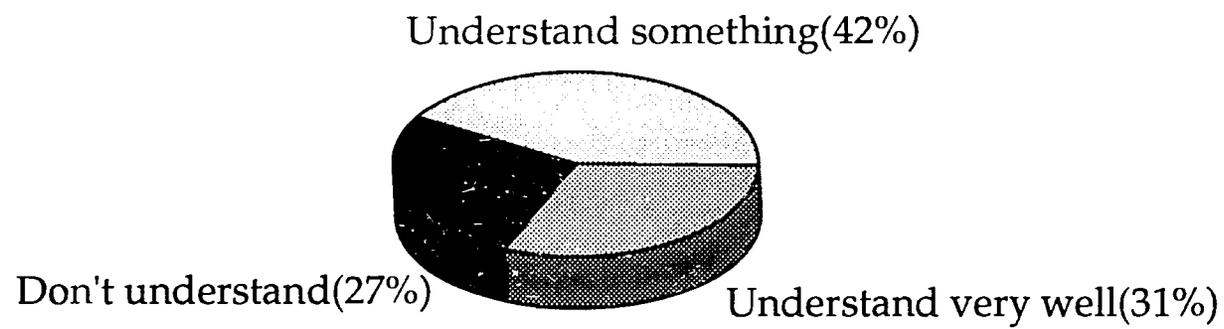
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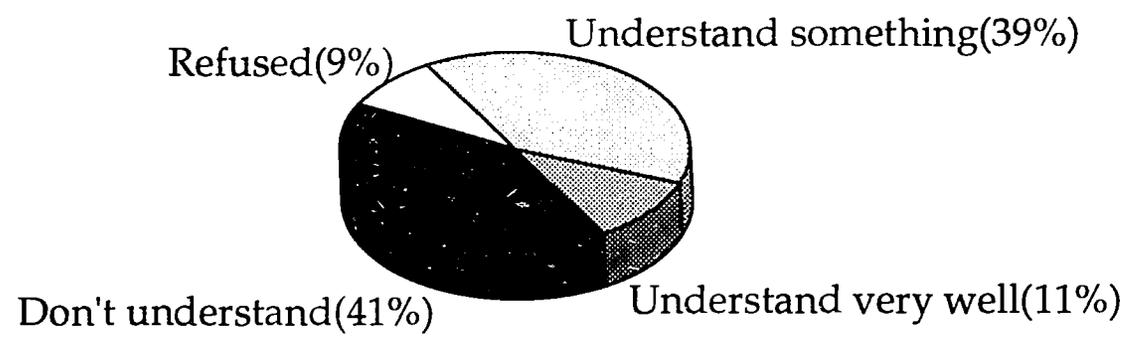


UNDERSTANDING OF FORMAL PRIVATIZATION

May 1993

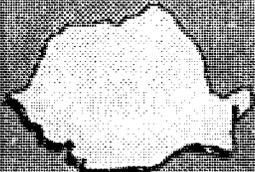


August 1994

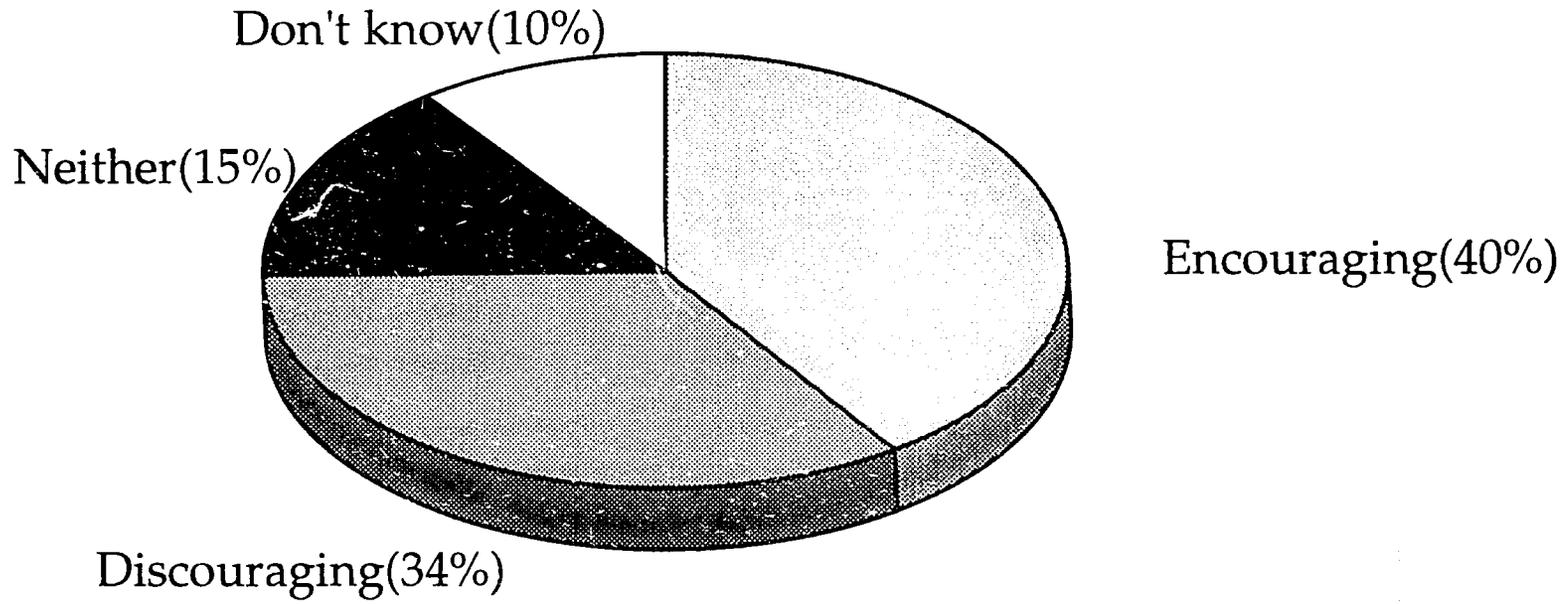


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GOVERNMENT'S ROLE IN THE DEVELOPMENT OF PRIVATIZATION



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PRIVATIZATION

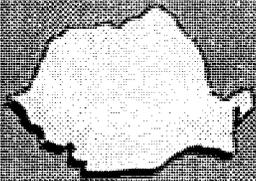
No significant drop in support for formal privatization since May 1993

- Significantly low approval for privatization among the old school. The new school has the highest approval followed closely by the transitionals.

Significant drop in understanding of formal privatization since May 1993

- Overall people are more confused and vulnerable.
- The old school say they understand least while the new school believe they understand privatization very well. Transitionals believe they understand something but they are still confused.

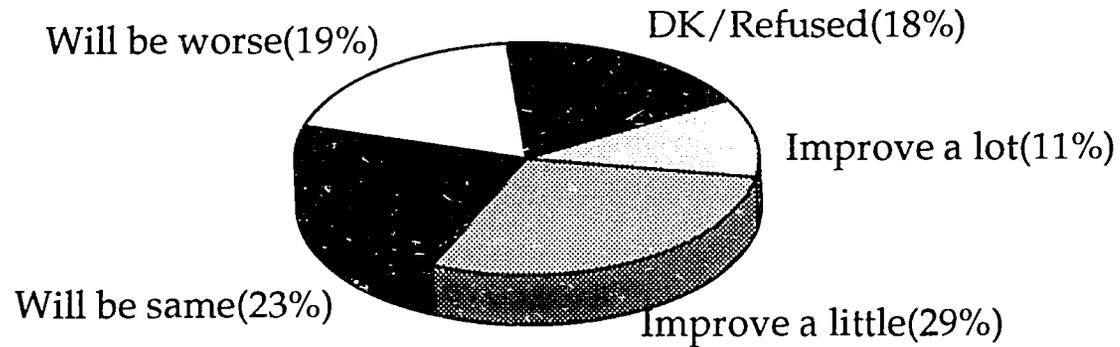
All groups are similarly split in their opinions about whether the government is encouraging or discouraging privatization.



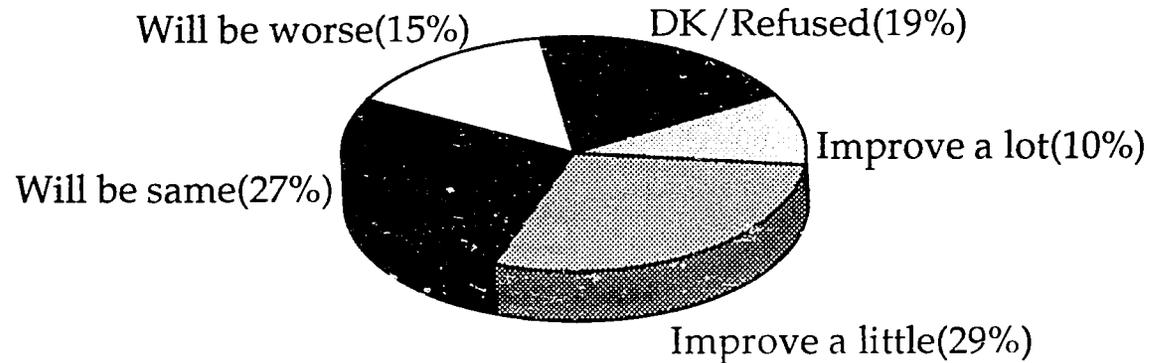
IMPACT OF FORMAL PRIVATIZATION ON MY LIFE



May 1993

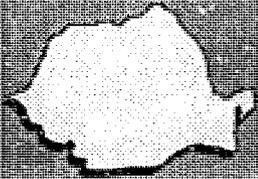


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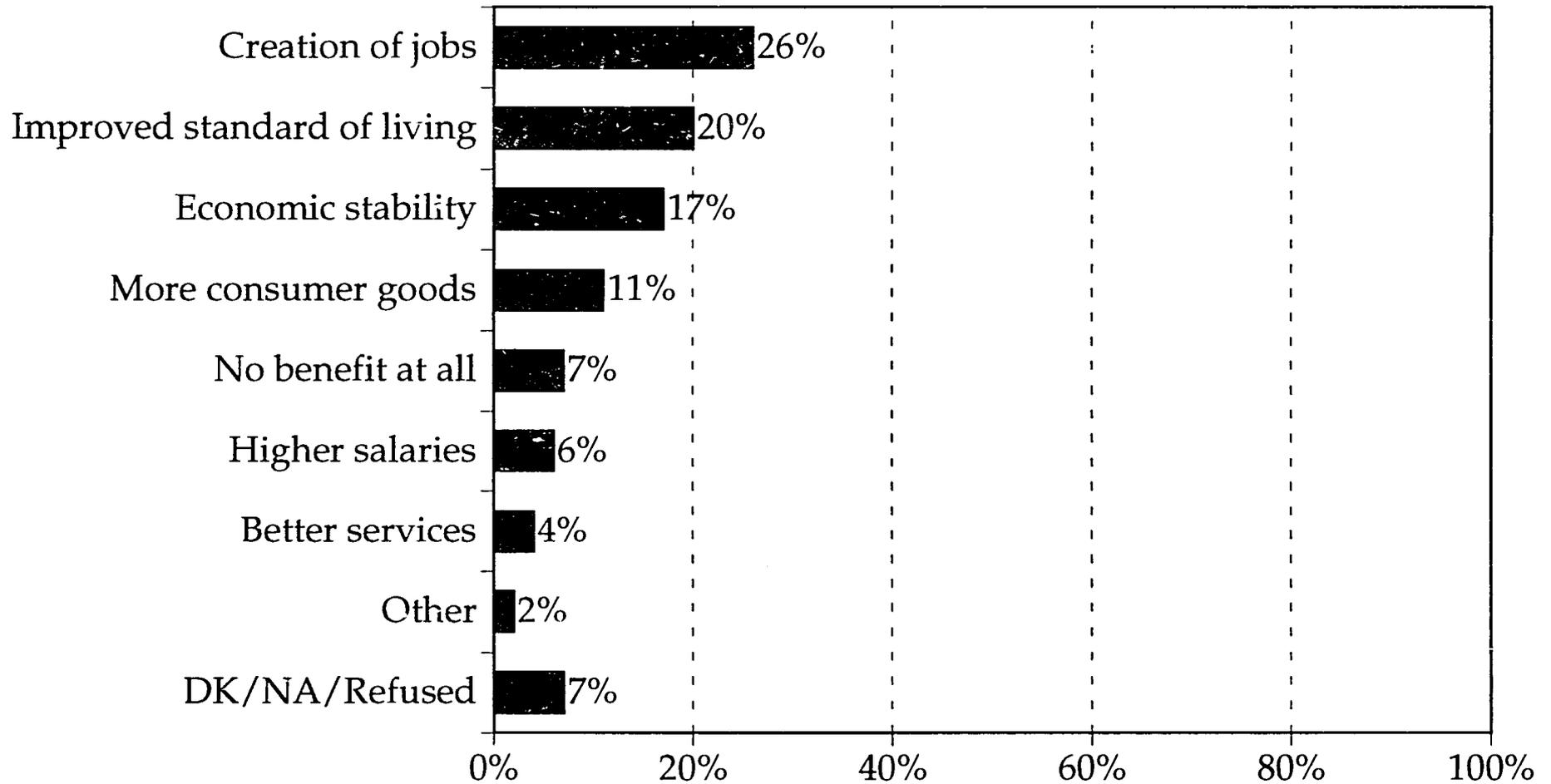


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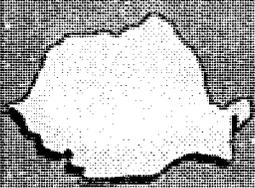
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MOST IMPORTANT BENEFIT OF PRIVATIZATION

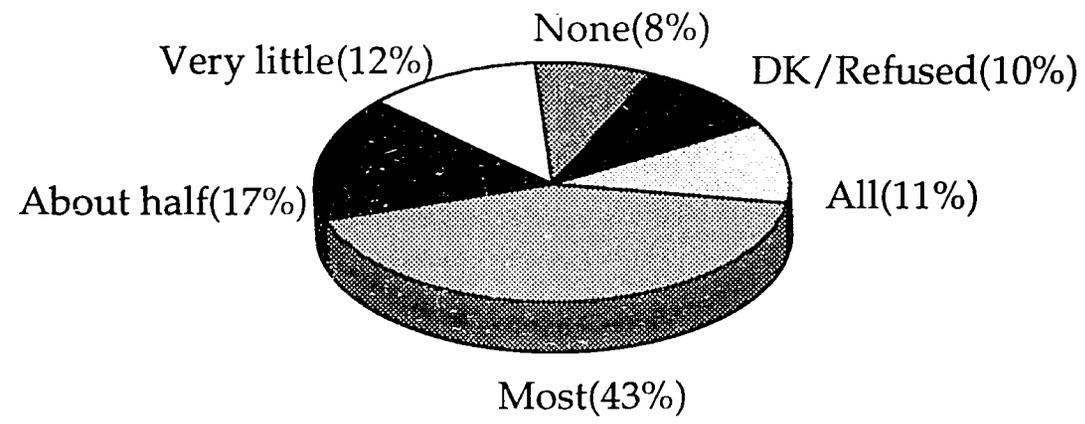


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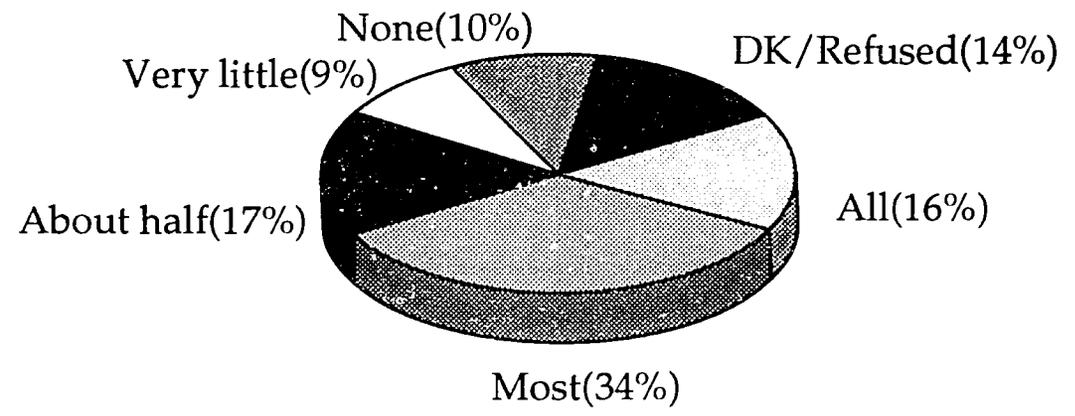


PORTION OF STATE ENTERPRISES PRIVATIZED?

May 1993

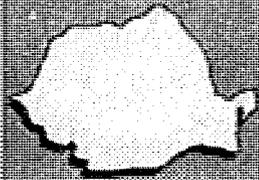


August 1994



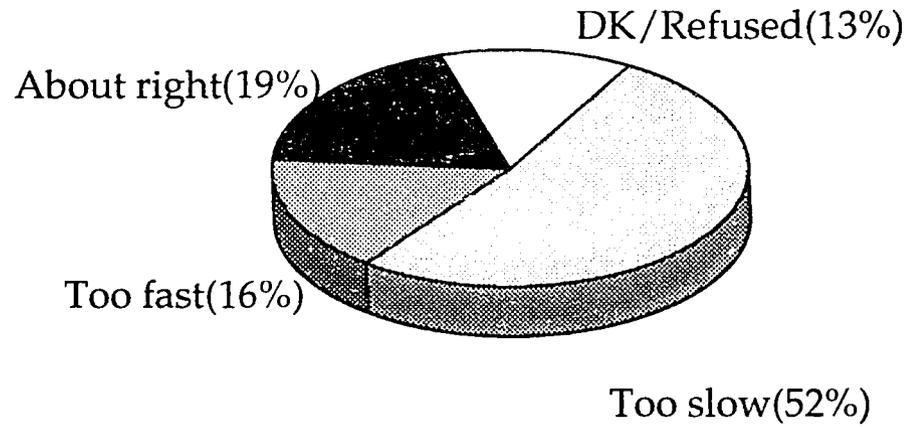
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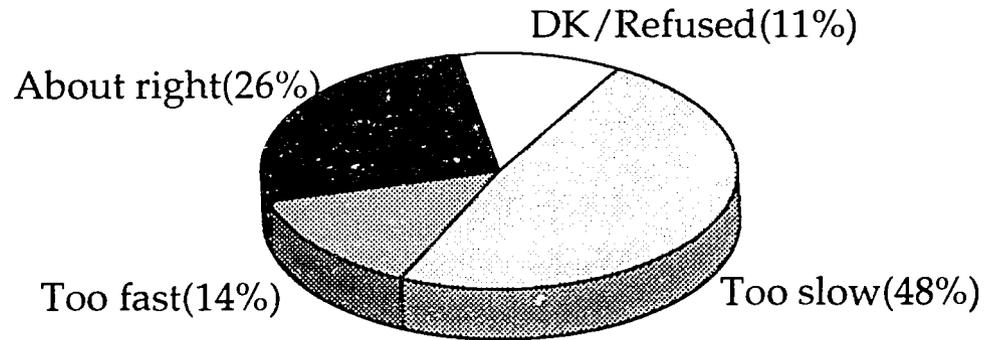


THE PACE OF PRIVATIZATION

May 1993

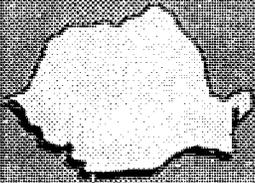


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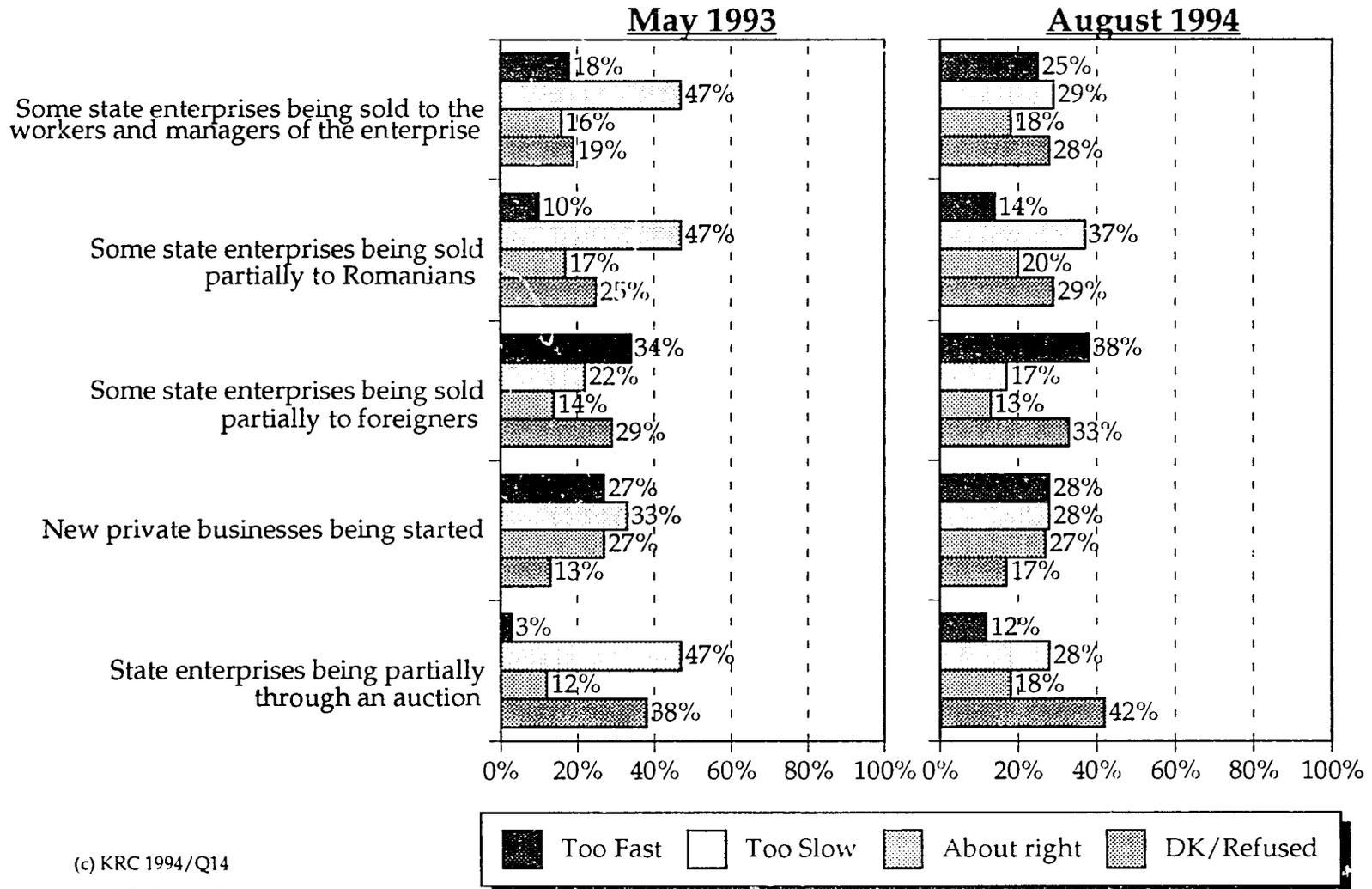


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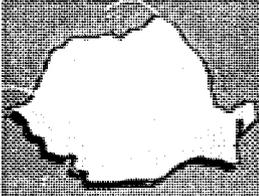


SPEED OF PRIVATIZATION



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PRIVATIZATION

No significant change in people's opinion of what impact privatization will have on their lives from May 1993.

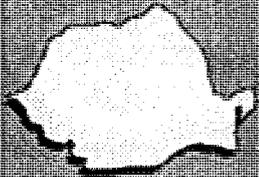
- The old school is the least likely to believe that privatization will improve their lives (31% say their lives will be worse).
- The transitionals and the new school are most likely to believe that privatization will improve their lives.

The idea that state enterprises can be improved by privatizing them has very little support among the old school.

- This group believes that state enterprises can be best improved by improving state management.

The old school scores very high on "don't know" when asked what portion of state enterprises should be privatized.

The new school thinks the largest number of enterprises should be privatized followed closely by the transitionals.



PRIVATIZATION

People are inclined to feel that privatization is going too slowly, but their opinion on the pace of privatization hasn't changed significantly since 1993

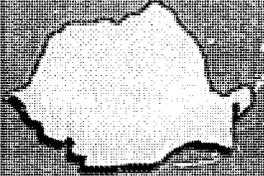
- The old school is much more likely to feel that privatization is going too quickly, but also has a high "don't know."

Decreased support for state enterprises being sold to workers and managers may reflect perceptions that managers are manipulating this system for their own gain.

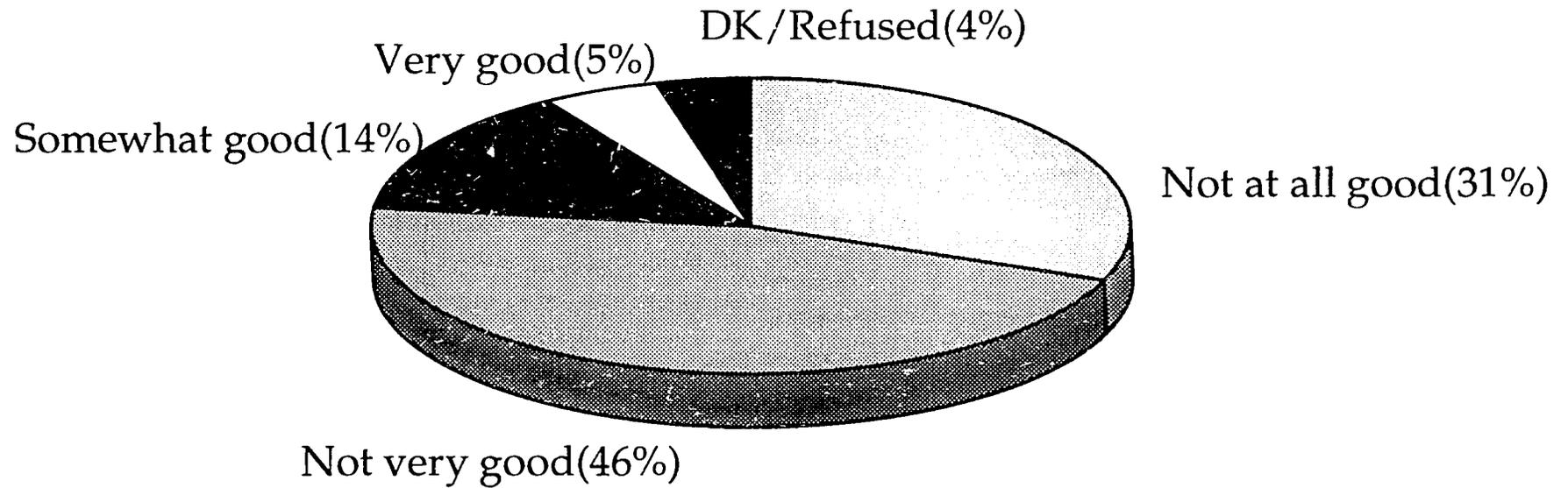
The transitionals are most likely to think that the pace of selling state enterprises to foreigners and starting new private businesses is too fast.

- This may reflect anxiety about being "left behind" in the transition.

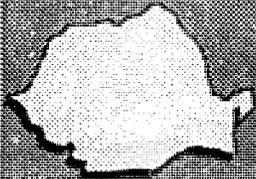
The old school has much higher "don't know" responses overall than the other two groups, indicating relatively high levels of confusion and ignorance.



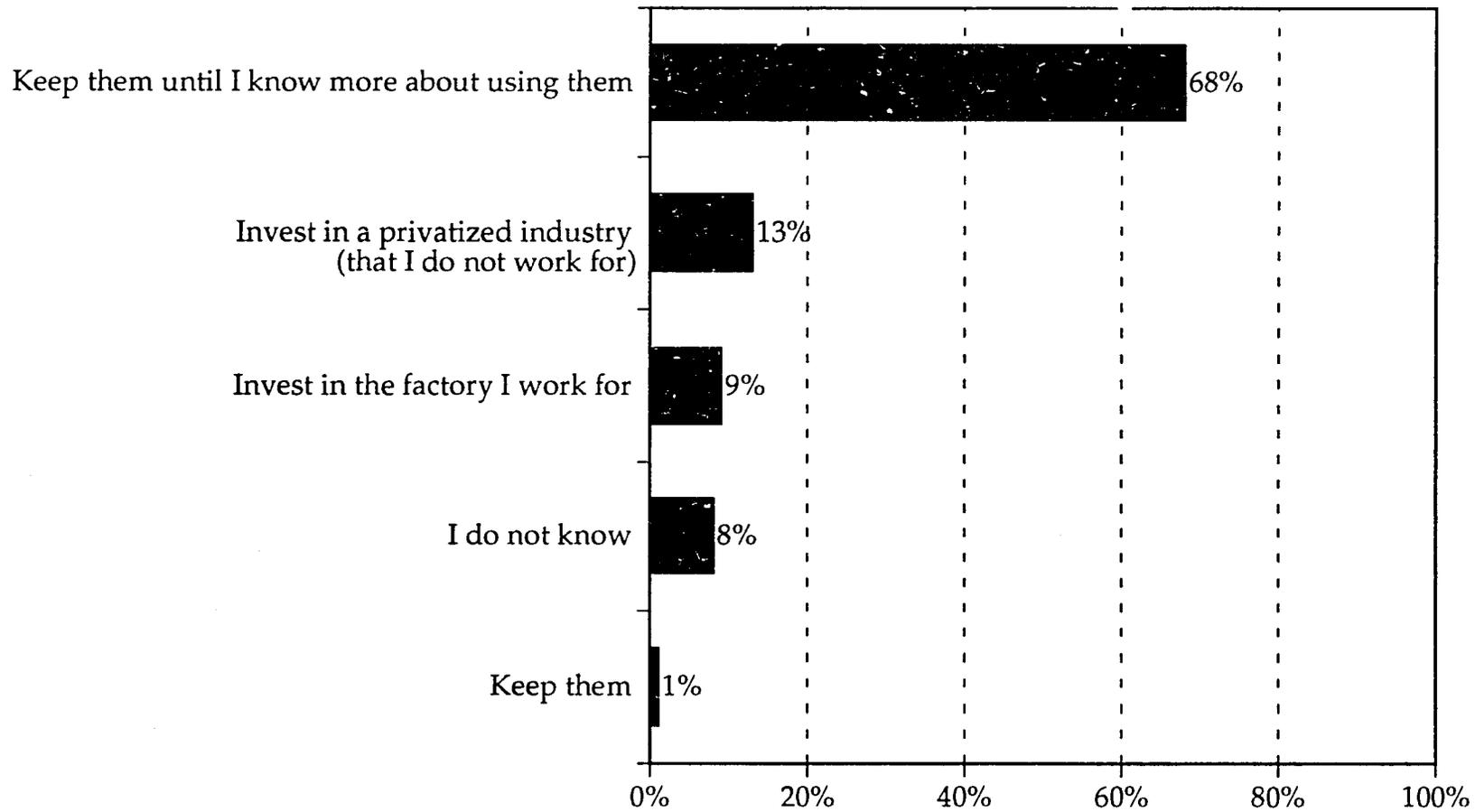
KNOWLEDGE OF HOW TO USE CERTIFICATES OF OWNERSHIP



(c) KRC 1994/Q13

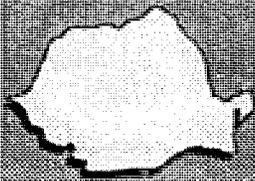


WHAT WILL YOU DO WITH YOUR CERTIFICATES



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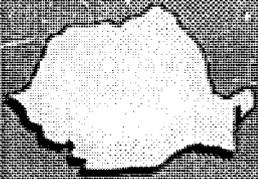
CERTIFICATES OF OWNERSHIP

Significant ignorance regarding Certificates of Ownership.

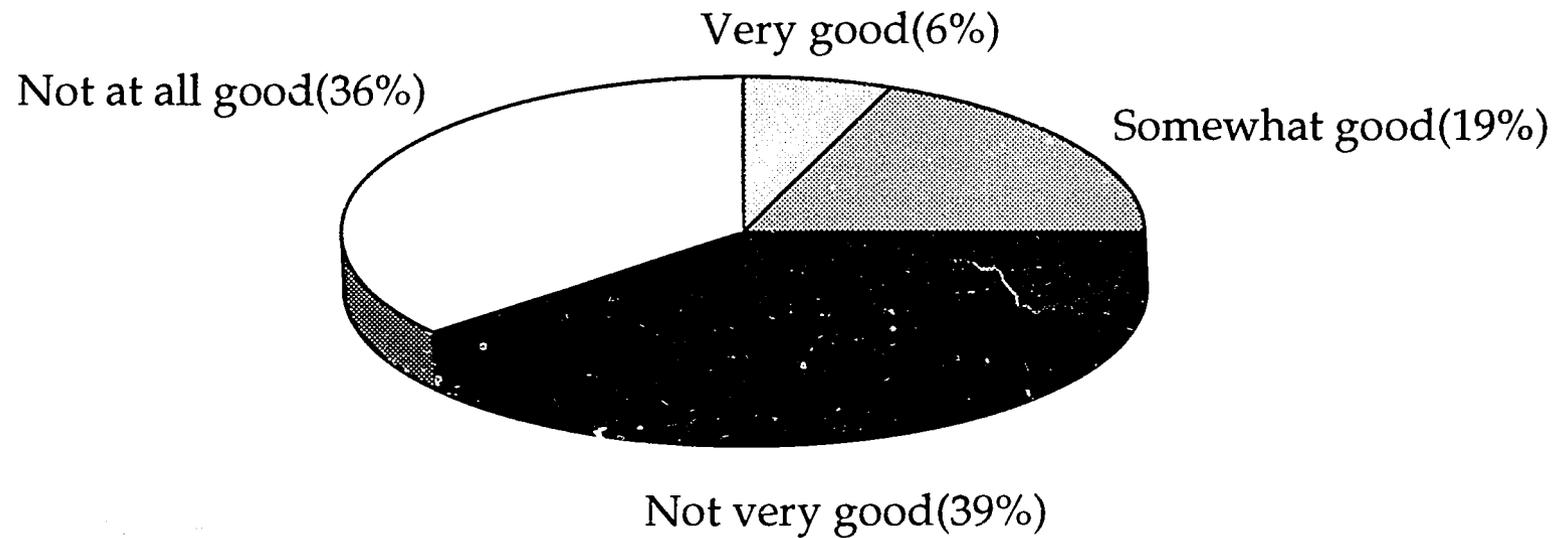
- The new school has significantly better understanding than the old school. Transitionals are moderately confused.

People clearly need information about what to do with their Certificates.

- The transitionals are much more likely than the other groups to say that they are going to keep their Certificates until they know more about using them (74%).
- 13% of the old school say that they have sold their Certificates of Ownership already (as opposed to 7% of each of the other groups). Indicates lack of investment in the system, economic vulnerability and ignorance about how best to use OCs.
- The new school are more likely to say they will invest their Certificates in enterprises than the other two groups.

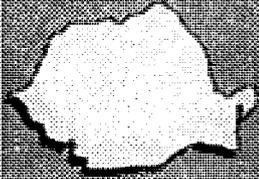


KNOWLEDGE OF MEBOs



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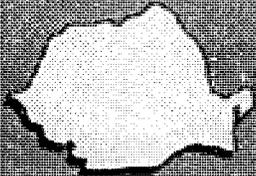
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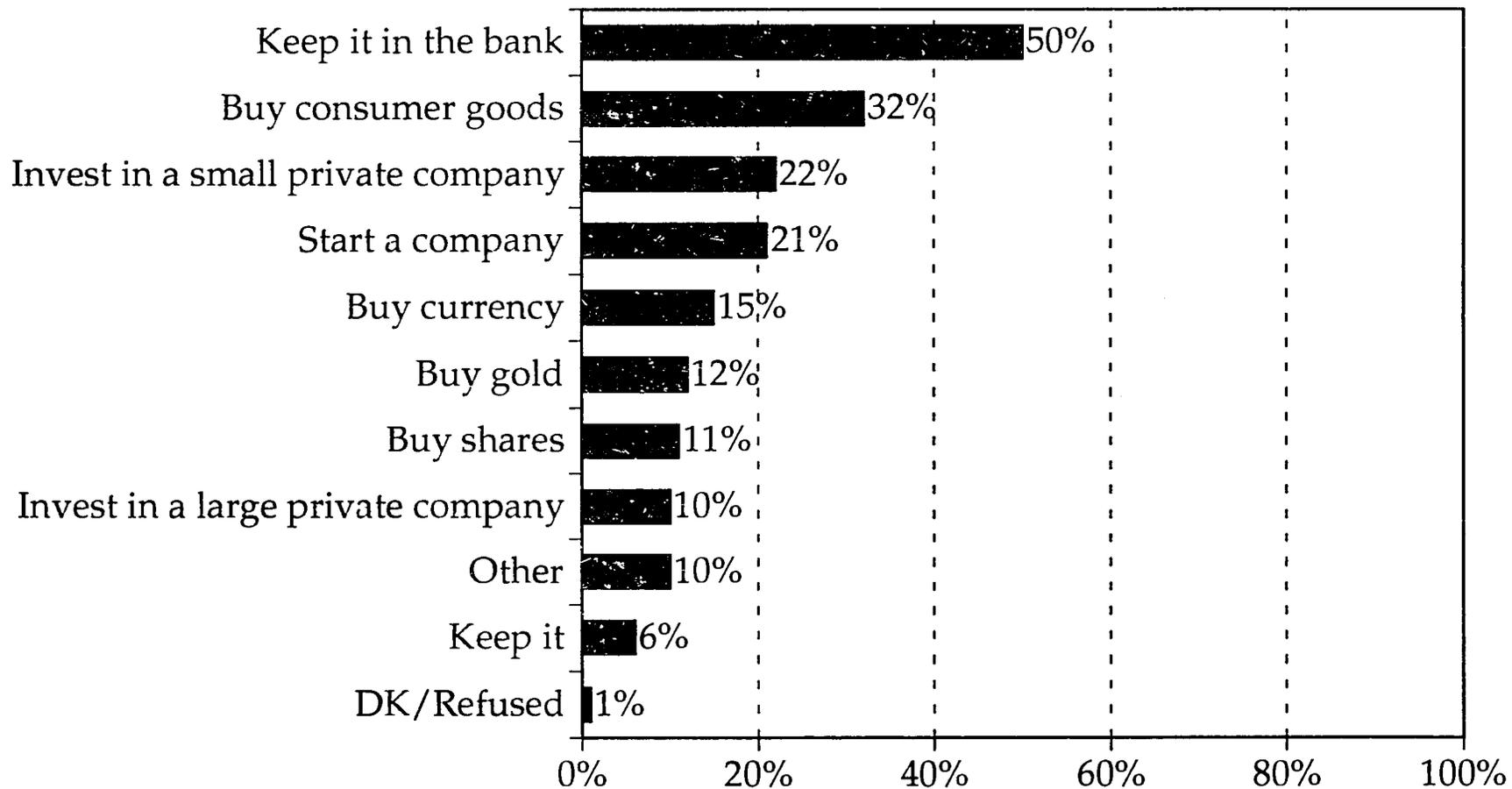
KNOWLEDGE OF MEBOs

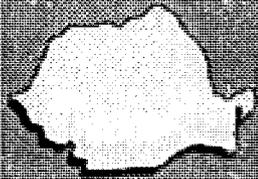
Overall, there is a high level of confusion and ignorance regarding MEBOs.

- The old school has the highest level of ignorance regarding MEBOs, followed by the transitionals.
- The new school has the best understanding of MEBOs.



USE OF PERSONAL FINANCIAL RESOURCES

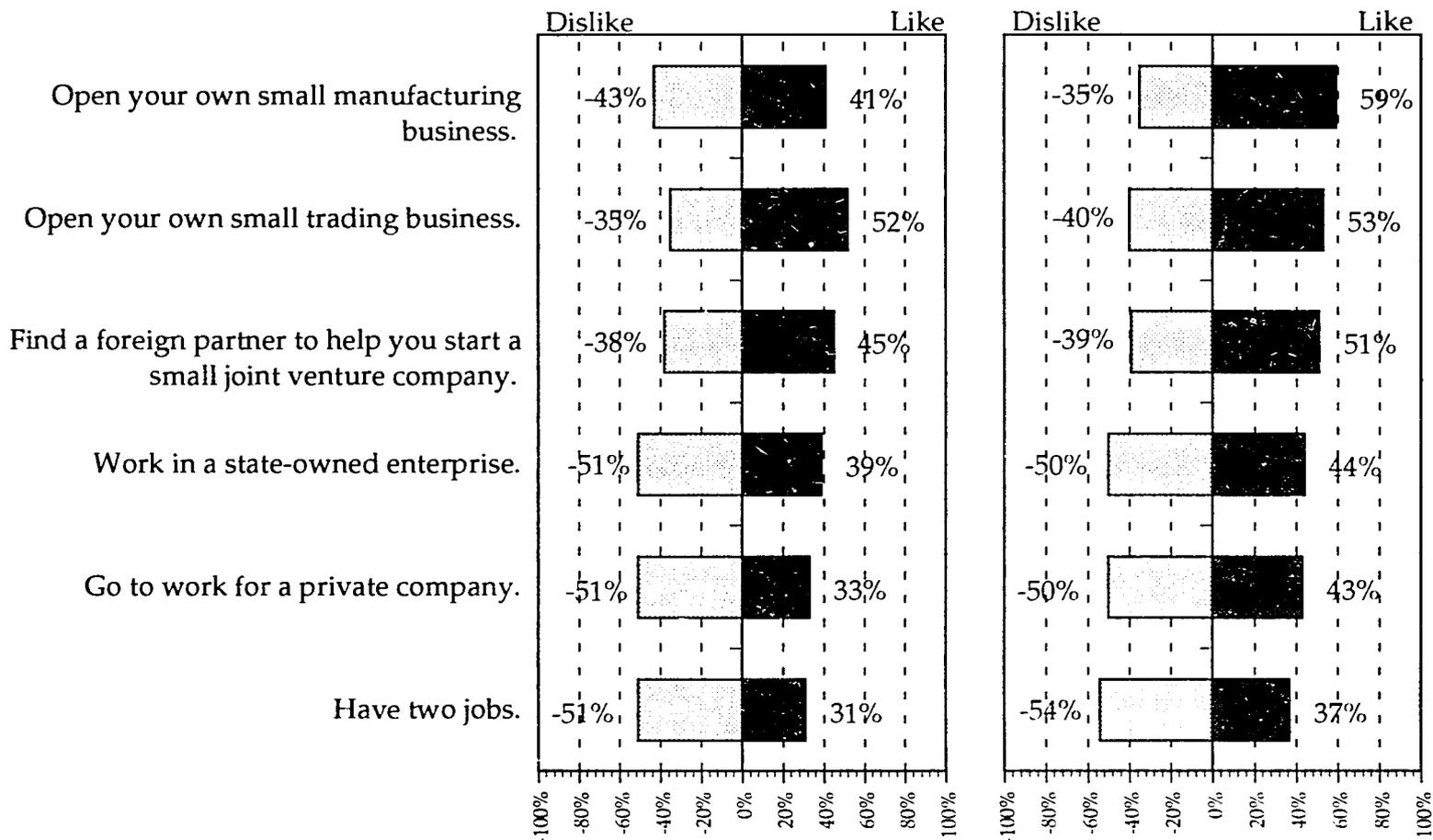




PERSONAL ASPIRATIONS -- 2 YEARS

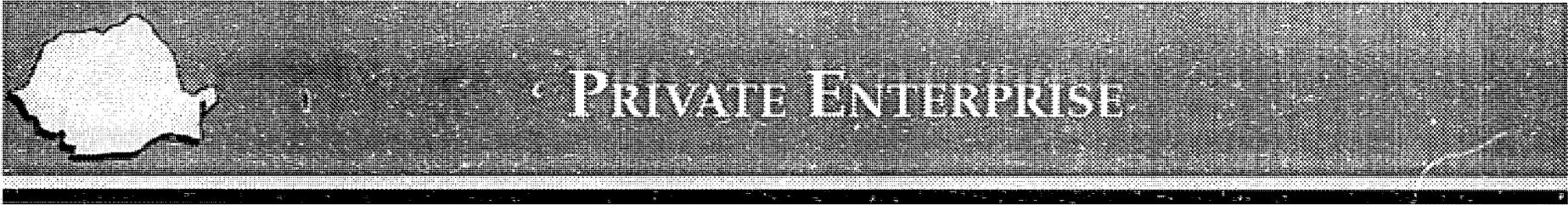
May 1993

August 1994



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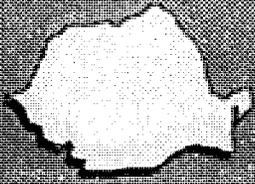
(c) KRC 1994/Q22



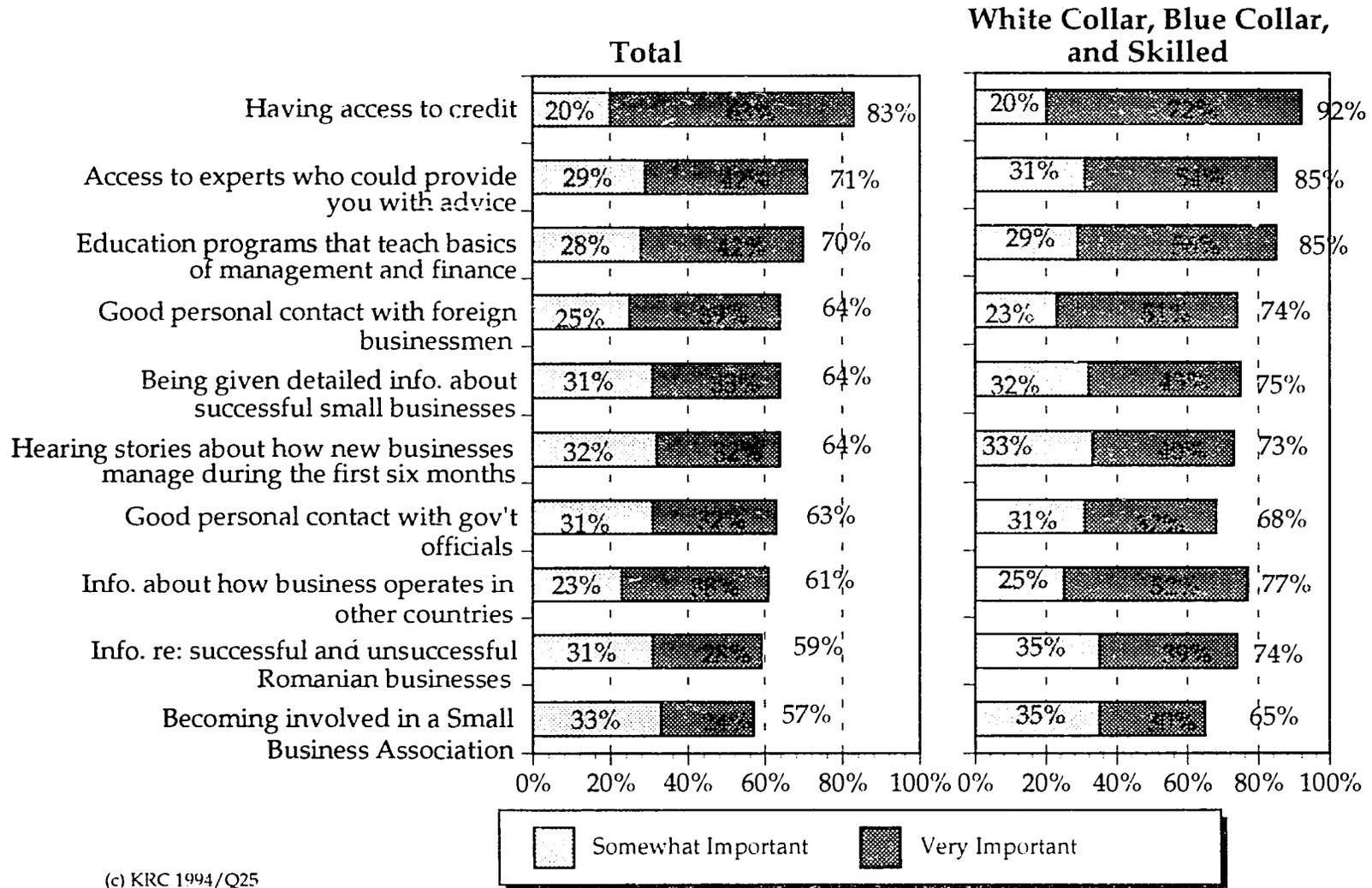
PRIVATE ENTERPRISE

There has been a small but steady growth in enthusiasm for personal enterprise since May 1993.

- The old school are least likely to want to start new companies and are most negative regarding independent entrepreneurship. They are most likely to want to work in a state-owned enterprise.
- The transitionals show a high enthusiasm for being involved in new enterprises, which may reflect a certain lack of practical experience.

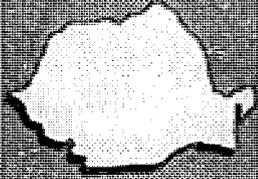


FACTORS HELPING START A BUSINESS

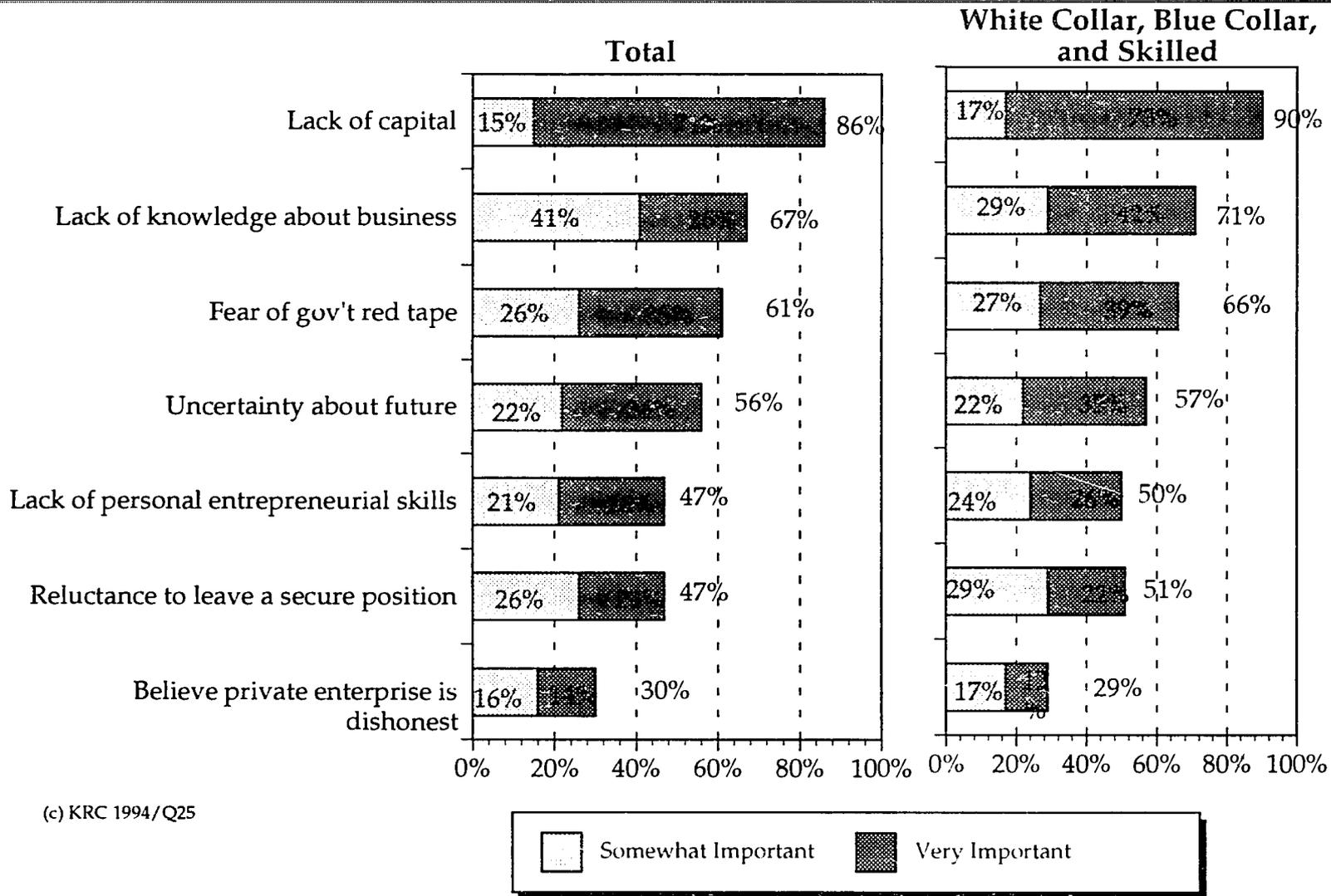


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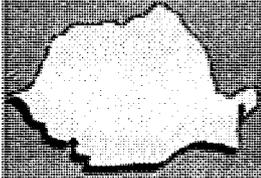
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FACTORS PREVENTING STARTING A BUSINESS



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STARTING A BUSINESS

The transitionals exhibit the strongest desire for the various things that might help them start a business.

- They are very hungry for expert information, education, success stories from Romania and other countries and are most likely to want to be part of a Small Business Association.
- They put great importance on good personal contacts with government officials.

The new school is generally not as anxious for help as the transitionals

- They are most likely to want to be educated in management and finance.
- They also place greater importance than the transitionals on contacts with foreign businessmen.

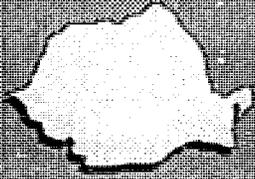
The old school has significantly high “don’t knows” on many of these questions.



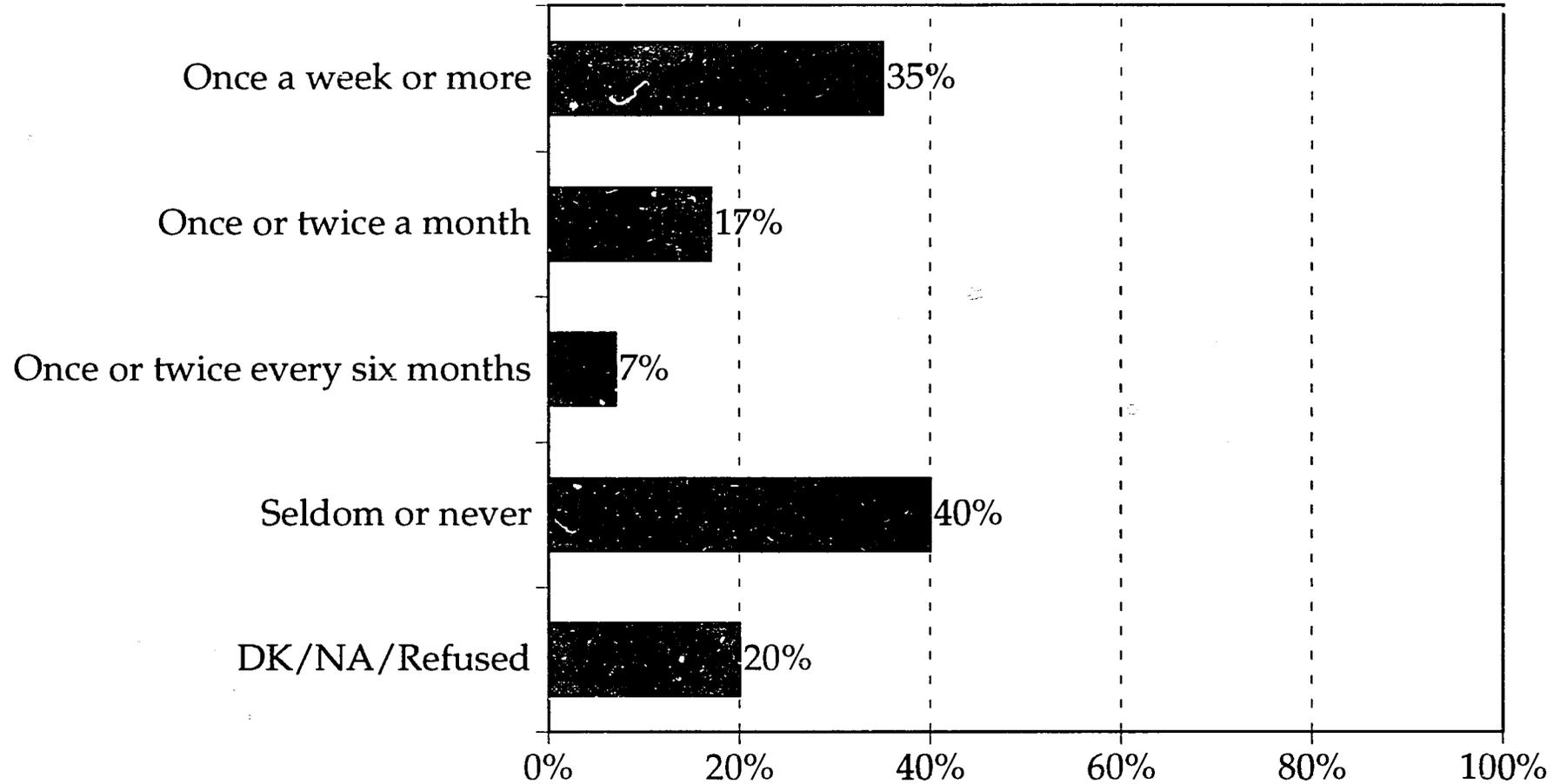
STARTING A BUSINESS

Although transitionals feel most handicapped by a lack of knowledge about business and lack of capital, the old school scores highest on all the other factors that might prevent the starting of a business.

- Transitionals are close to the old school on most factors.
- All groups fear government red tape equally.
- The new school feels least restricted, is least troubled by lack of capital, and has much more confidence in the future than the other two groups.

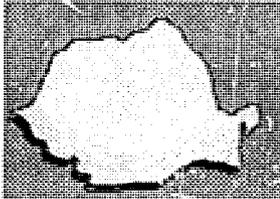


EXPOSURE TO INFORMATION ABOUT PRIVATIZATION



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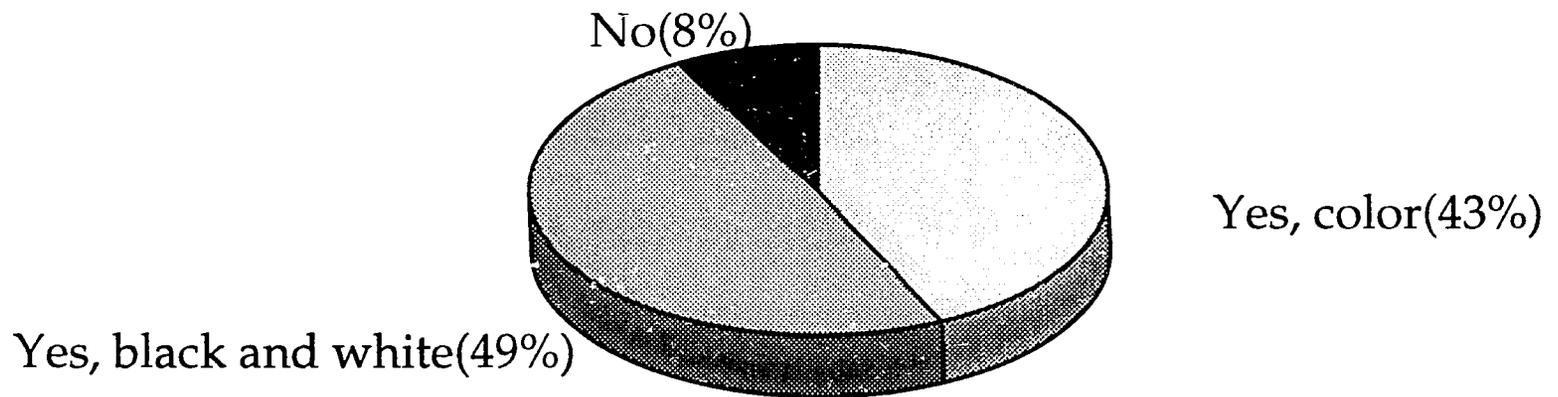


EXPOSURE TO INFORMATION ABOUT PRIVATIZATION

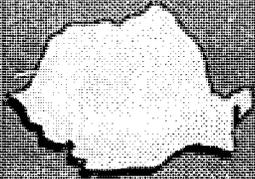
It appears that despite there being a significant amount of information about privatization on television, many people do not actively watch it or take useful information from it.

- The old school is more likely to say that they obtain less information about privatization on television with 57% saying “seldom or never.”

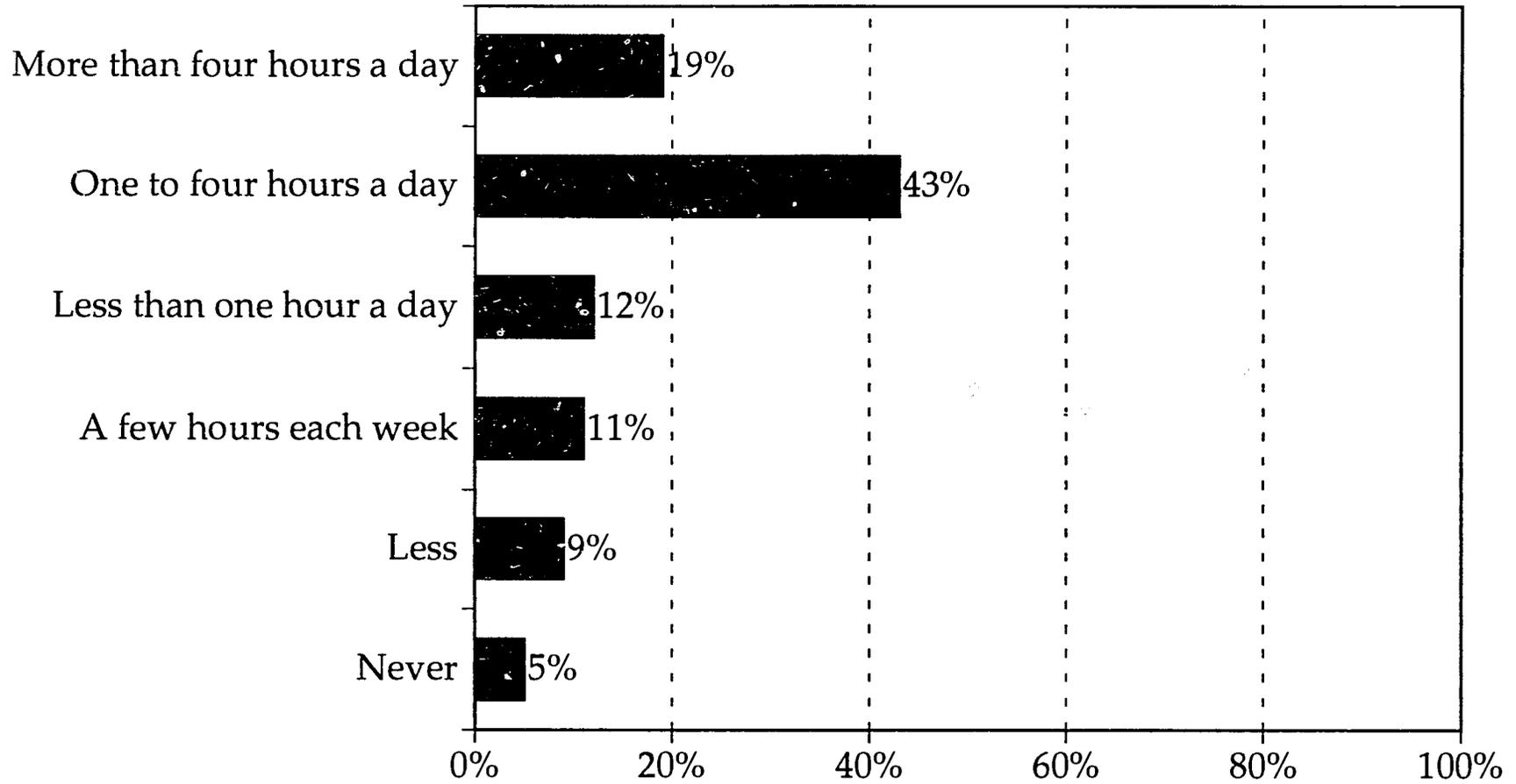
TELEVISION OWNERSHIP



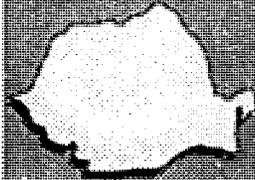
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FREQUENCY -- TELEVISION VIEWING



(c) KRC 1994/Q30



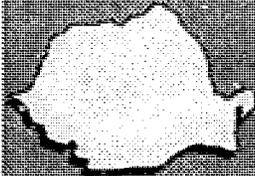
TELEVISION VIEWING

Television ownership is widespread in Romania

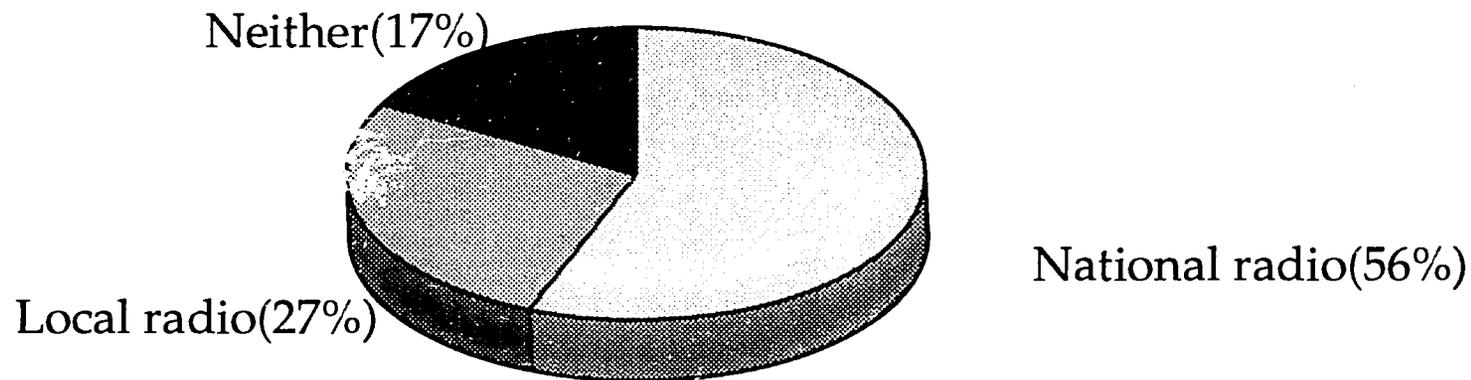
- The old school has the lowest level of television ownership (15% say they have no television).

All groups evidence roughly the same television viewing patterns

- The new school and the transitionals are slightly more likely to watch television than the old school.

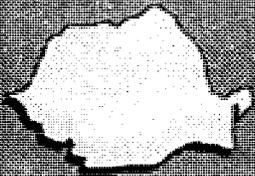


LOCAL VS. NATIONAL RADIO

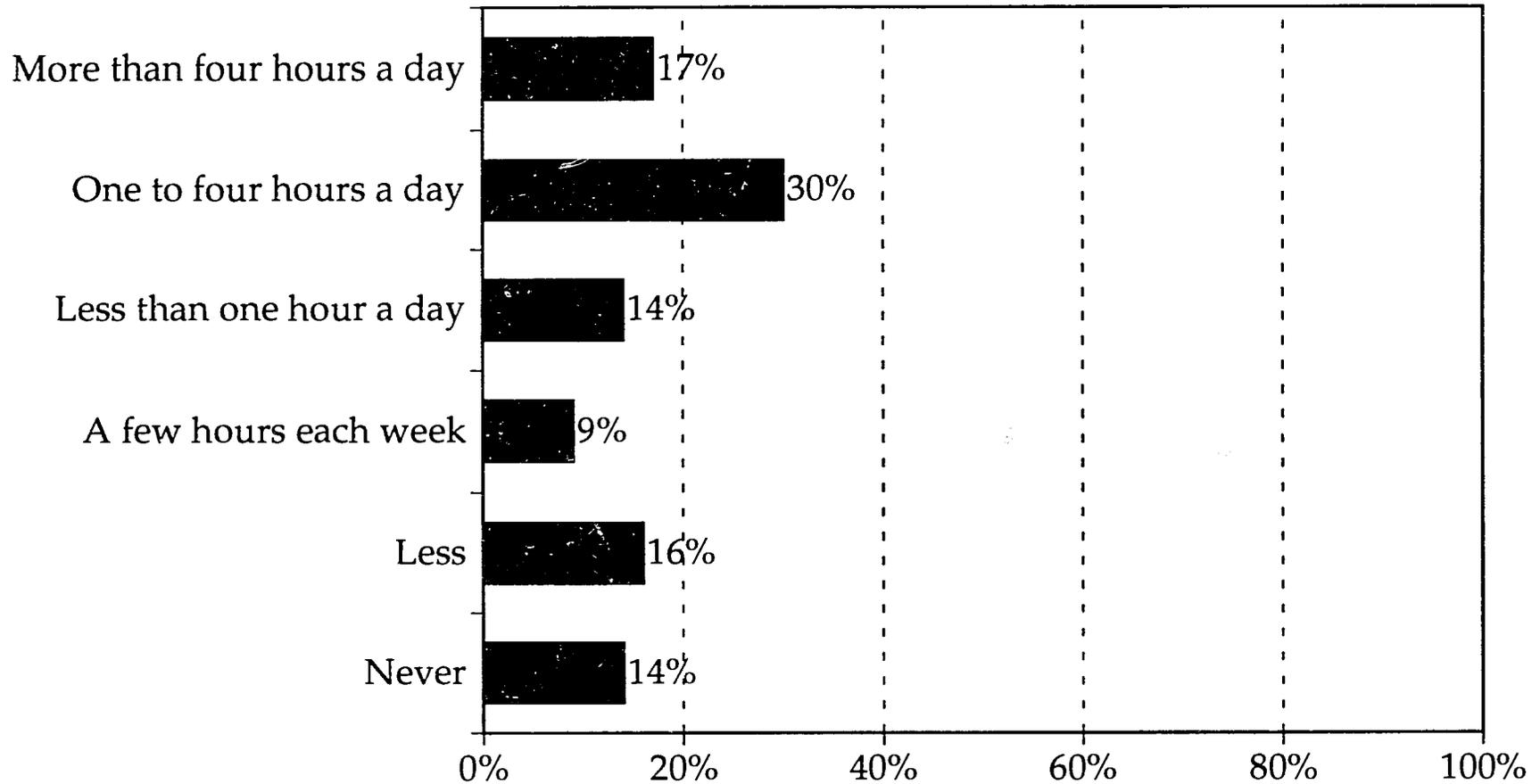


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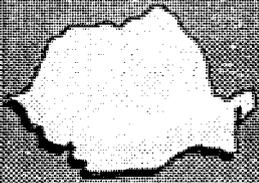
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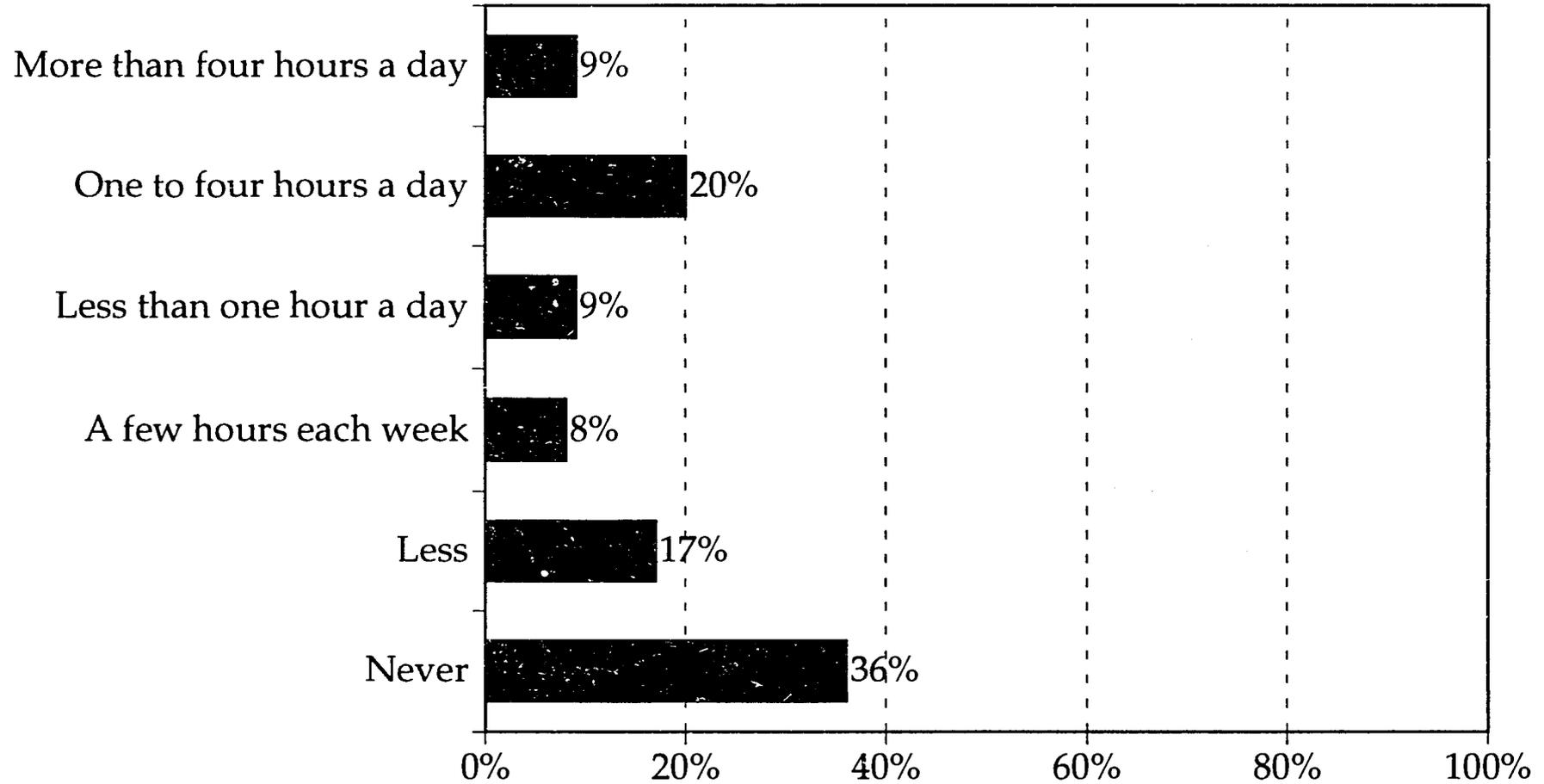
FREQUENCY -- NATIONAL RADIO



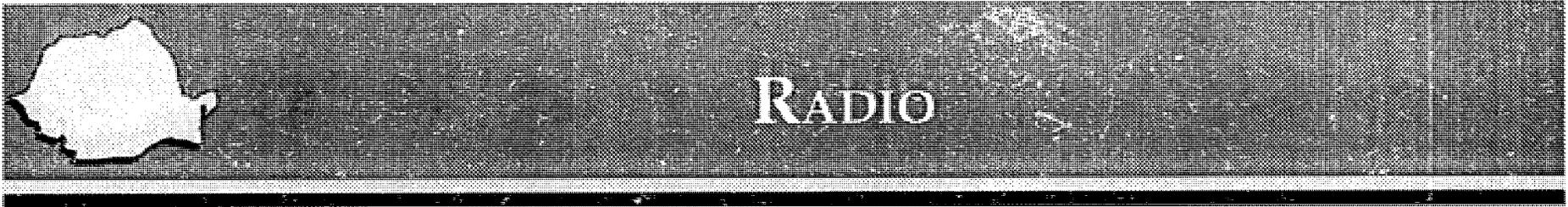
(c) KRC 1994/Q32



FREQUENCY -- LOCAL RADIO

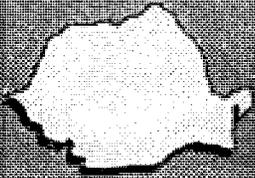


(c) KRC 1994/Q33

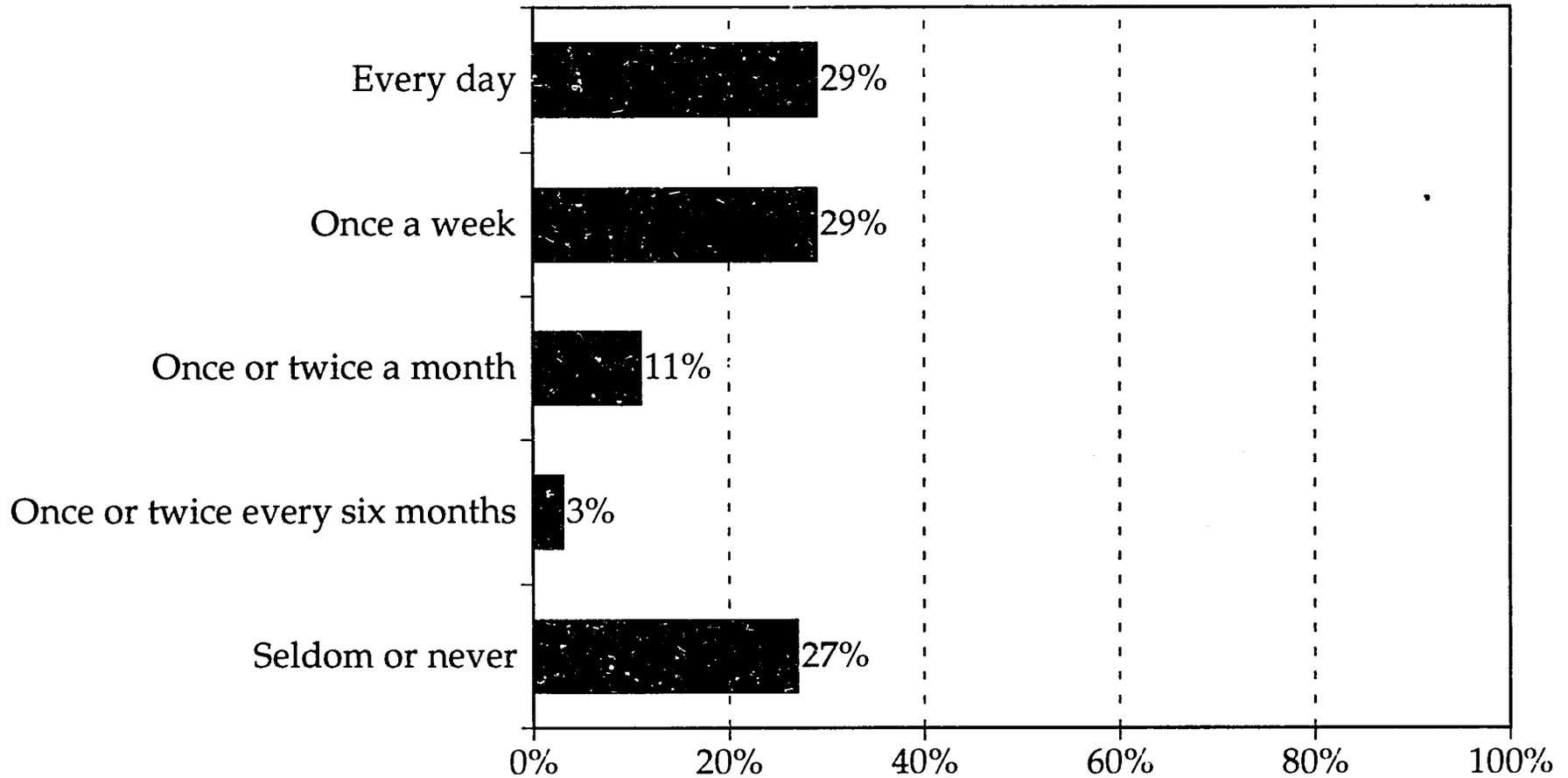


All three groups listen to national and local radio in roughly the same proportions

- The old school listens to less radio overall than the other two groups (22% never listen to national radio and 50% never listen to local radio).

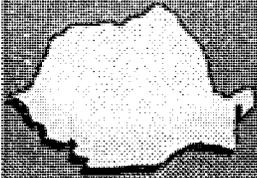


FREQUENCY -- NEWSPAPER READING



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NEWSPAPER READING

The new school is the group which reads newspapers most frequently, closely followed by the transitionals.

The old school has significantly lower levels of exposure to newspapers than the other two groups

- 45% say they “seldom or never” read newspapers.

FOCUS GROUP TRANSCRIPTS

GL

FOCUS GROUP REPORT

Date:	July 26, 1994
Locality:	Petrosani (Valley of Jiu)
Participants:	8 manual workers (miners), male, 21-42 years old
Moderator:	Mircea Kivu

Context

Generally, we Romanians are optimistic; we hope a better day will come. They are also hospitable (despite the actual situation).

In the present moment, Romanians are demoralised. Mainly, because of the high prices. We don't hope to achieve the levels from, let's say, F.R. of Germany, but, however... If the Government will not do something in order to decrease the prices, I don't know what will happen. Probably we'll arrive in the same state as we were before 1989.

We were very optimistic after the Revolution. Until 1992, it seemed that it was some good change. Since then, things are going worse. Specially about prices. Changes were not for the benefit of the 'common' citizen.

For us, the last 4 years did not bring important changes: we were workers and still we are. The problem is that now we are not safe walking on the street. THEY (moderator's note: the Power) watched their interests and forgot about us (specially after 1992). Because a lot of companies reduced their activity, there are a lot of people forced to steal.

The police itself is afraid to be confronted with such people.

Before, people were rather altruistic - you could ask a friend to lend you some money. Now, everyone became individualistic, nobody helps you.

Those who are now in power, before consolidating their position, tried to make things go somewhat better. When they were sure about their position, they forgot what they have promised.

Things don't seem to improve. Each time our wages are increasing, prices are increasing faster.

Economical Problems

People are impoverishing. Before, I never noticed someone buying a quarter of bread. In this moment there are a lot of old people that can't afford more. There are enterprises that do not pay wages for months.

For someone like me, 80% of the income is going now for food and clothes. I can't afford to spend a holiday somewhere. Taking everything into account, we have now a much harder life.

A lot of foreign people came in Romania after 1989. They came with merchandise that nobody was buying in their country; they were helped by their government in order to avoid bankruptcy. We don't need such a help. What we really need is contracts and raw materials, not advice.

Income (wage) taxes are too high. We don't understand what the Government is doing with all these taxes. Probably sponsors the political parties. Not enough money are allowed for education and health care.

The only good thing that happened during these years is that we now have more freedom to think and to speak.

G 1

The aim of the Reform should be to improve people's life. We don't know how, but there are a lot of specialists, technocrats, which are paid in order to think about that. The reform was at this moment something should be done, laws adopted, in order to run the production.

Mining companies cannot be privatised. Even for other companies, privatisation is dangerous, because of bankruptcy. The problem is: who could become owner over a state company? Maybe, after a long time, but it will not happen during our life. In a privatised company, is hard to work: if you make a mistake, you are out.

Corruption is the mainstream in our society. It is now officialized. The police is involved - not mainly the sergeants, but the persons with high positions. Every 'bisnitar' is linked with the police officer, with the employee from the townhall. Everyone speaks about corruption, but nothing is done in order to stop it. They make a lot of commissions, but nothing real. Just moving people from one place to another.

Against the important actors of the corruption, punishments are cheap. Then, in order to justify its activity, the police acts very hard on people like me. The corruption is higher among the higher levels of the society.

Laws against corruption, specially in the police, should be adopted. This is what the Parliament should discuss first of all - not about homosexuality.

Privatisation

[Participants were not able to provide a definition of privatisation.] Privatisation is when someone is manufacturing something, using his own work.

Privatisation is when I buy shares in the company where I work (with the ownership certificates) and I get a part of the profit - if it is some. But, what happens if I do my job, but there is no profit because of a bad management?

Privatisation is good. In principle, Romanian people could go to privatisation. But it should be done in the sense of people's needs - not cigarettes, drink, coffee. All these private businesses causes the prices' increase; dealers are buying from the state enterprises in order to sell at high prices. There is a long chain of dealers between the state producer and the consumer; each of them adds his 18% of VAT. This is not privatisation - it is 'bisnita'¹. The real privatisation means to sell what you are producing. Otherwise, it is robbery.

The truth is that you cannot do anything without bribery. Those who have much money can pay in order to escape from punishment.

Those who had the power before 1989 had also enough money to start a private business. They are the ones who are promoting privatisation.

We all have received the ownership certificates (OC). We keep them. May be, we'll sell them when we'll have not a penny.

A participant invested his OC at the *Ursus* company. In the hope to obtain, sometime, an interest. If the company will go bankrupt, there is no much loose.

There are people that have now hundreds of OCs. They thought to the future. We have limited ourselves to the present day. There will be a total disproportion between people like me and the ones with many certificates.

¹ Slang term, coming from *business*, with a deprecating sense.

G A

MEBO is good for some people. There will be inequity because people like me will have few shares, and others will buy much more - and the interests will be very different. [Actually, the participants don't understand what MEBO is.]

Free Market and Private Initiative

In our country there is not a free market economy. It would be, prices would decrease. We don't understand why.

It is unfair to allow to the private companies to buy cheap products from the state and to sell them expensive. The economic police should control them. It should be prohibited to import products that can be produced in Romania. This is unfair competition.

We understand that in a society going toward democracy, privatisation is needed. But the ones who had money before 1989 are the ones who are getting rich now. And, what shall we do when the health care will be privatised? Where shall we find the money to pay for?

In this moment you can't find the courage to start a business. There are already too many persons involved in such an activity; anyway, one can't honestly have enough money for starting the business.

Suppose I would try, let's say, to start a bread shop; in order to do this, at the price I pay to the factory, I have to add the transportation fee and other expenses, plus taxes; finally, I will obtain a selling price bigger than the one from the other shops.

With 1,000,000 lei, one cannot do anything.

Privatisation is not for us. We will continue with our work. Privatisation is just for the ones who are made for such a thing.

Mass-media; Messages

One cannot find information about how privatisation is done, about what happens with the ownership certificates.

We have the highest confidence in TV. Newspapers are full of smut. However, there are few decent newspapers (*Magazimul, Cronica româna*).

We are interested in the TV programmes about economical topics, privatisation. But such broadcasts are aired too late in the night. It will be a good idea to have such broadcasts on Sundays and on Saturdays.

The best broadcast about privatisation I ever saw was *The 5 O'clock Tea*² - but it was on the 2nd channel, that can't be received here, in the Valley.

Some programmes with real, credible examples of privatisation are interesting. In such broadcasts, we should be interested to know where the money is coming from. But, they (the people from TV station) are showing only what may be showed.

Relevant information about privatisation can be obtained only from people who are already deeply involved in privatisation. One has to know a lot about the needed slinesses.

Conclusions

After five years, probably our situation will be worse. If prices will continue to rise at this rate, we will eat each other, like dogs.

²This broadcast has nothing to do with privatisation - it is an entertainment one.

G2

Privatisation - Focus Group Interview

Location: Sighișoara

Participants: employees in state - owned enterprises

Moderator: Pinteia Lucia Mirela

The structure of the group:

- F, 26 years old, manufacture
- F, 35 years old, ceramist
- F, 45 years old, technical quality controller
- F, 51 years old, sorter (of manufactured articles)
- M, 28 years old, lathe operator
- M, 33 years old, metrologist
- M, 39 years old, electrician
- M, 48 years old, driver
- M, 52 years old, train mechanic

All subjects are married, with at least one child each.

They are working in the same place since hiring.

II. The Context

A. The subjects described the Romanian people in terms like "...people with a healthy thinking and culture". "...with deep history roots...", "...a people that cannot be cut out from the international context even though some other states try this."

Main qualities of the Romanians:

- the intelligence (proved by the outstanding results of our young participants at the Olympic contests and by the great number of scientific and cultural personalities);
- the creativity (the subjects illustrated this statement with the variety and beauty of the Romanian folklore);
- common sense, hospitality, kindness (features inherited from our ancestors, the Dacians).

The main weaknesses of the Romanians are considered to be, in order:

- the excessive tolerance ("... we don't react as prompt as we should at the out-of-borders attacks", " we don't deal in a categorical manner with the offence addressed to us by the foreigners, the latest example being the shameful silence when France-Press named our football players <<Romanian gypsies>>");

- the inability of "selling at a good price" its intelligence and the incapacity of stopping the brain-drain process";

The subjects are concerned of the mass-emigration.

They fear that, because their access to information is limited, they will become limited too and their intelligence will be worthy no more. They said that greater care and involvement must be shown by the government in that problem.

B. The collocutors are convinced that Romanian's mood might be characterised in terms of nervousness and anxiety.

The people are confronted daily with inflation, unemployment.

They fear of "...our children's uncertain future...".

Personally, they are more stressed than they were four years ago, because they haven't enough money to leave their towns for holidays. They work hard

G2

and their income goes for food and for the essential only. In spite of these, they still have hope in future.

D. Speaking about the major political changes from the last four years, the subjects mentioned "...the replacement of a tyrant with a president elected by the people..." and "... the existence of the political parties" (good things)

The major economic change is the beginning of the privatisation

A great achievement is considered to be the freedom of the media.

F. The subjects were optimistic when speaking about the following ten years from now. They think democracy will be continuously developed and the majority ("maybe all") of the enterprises will be privatised. They hope their standard of living will be higher.

Only one person from nine was pessimistic.

III. Economic Issues

A,B The collocutors consider the most economic changes being negative:

- the prices are no more controlled ("... the inflation is bigger every day and our purchase power is smaller and smaller").

- the bankruptcy of a lot of big and important enterprises made people to lose their jobs.

- taxes are too high.

The only positive thing is considered to be the increasing offer of consumer goods and services determined by the privatisation. The subjects admitted that new jobs, better paid, were created in the areas of commerce and services.

They made no connection with unemployment at this point of the discussion.

C. Though the subjects appreciated the plenty of food (before 1989 Sighisoara had problems with the food supply), they dislike that "... everything we gain goes for food only..."

The 45 years old subjects (4) are afraid of unemployment because they think that if their enterprises will be privatised, the employers will keep only the young workers.

All subjects feel free " ... we can say what we want, we can send articles to the newspapers , we can call the television when something wrong takes place".

E,F The subjects consider that the main goal of the reform is ought to be the life standard improvement. They trust that the next 10-15 years will bring good changes in this direction and privatisation is the key of the problem (2 males shown distrust about the reform).

Paradoxically, they said that state should control the prices of the consumer goods and subsidise the domestic production.

D. The subjects consider that "... things are moving too slowly, especially in the economic field where privatisation seems to be obstructed".

"Why the economic laws don't appear as fast as political parties did?"

"They're playing games with our patience".

G. The subjects consider corruption a very serious problem of our everyday life. They think corruption has roots in people's mentality ("... everyone wants to have more than deserves...". "...some people do their jobs only if you bribe them...", "... corruption is an inheritance of the old system...")

Corruption is present especially in health services ("...you can't go to see a physician unless you give him money...", "...though they are paid for their work, they don't even look at you...") and in justice.

IV. Privatisation

A,B,C All the participants at the discussion know and understand what privatisation is. They regard the process of privatisation as being the only way of surpassing the crisis but they don't want to lose their jobs.

or not having children. It doesn't matter if you're a better worker than your colleague (who has children or high connections) is.

Only three subjects from nine were aware that if they want to have better results in work and bigger salaries they must get rid of the lazy and incompetent workers.

D. The subjects consider that the supporters of the privatisation are:

- the state , who "...get rid of responsibilities and lives from taxes".

- "the former members of Nomenklatura who, in 1990, had enough money and connections to start a business"

- "the gypsies who always evades the laws"

The opponents of the privatisation are "... the lazy ones, the incompetents, people who fears that, in case they are out of work, they cannot find something else..", "... the present managers who can loose their jobs because of their incompetence..."

F,J Though they understood the essence of MEBO (six persons from nine, four males and two females), the subjects didn't recognise its name (only three did).

The subjects don't agree that the state should have 30% in their enterprises ("the state should limit to taxes collection..."). They also said that "... the state shouldn't have a representative in the management because in case he/she is incompetent, removing him/her will be hard..."

They didn't mix up the MEBO method of privatisation with the social-parts system initiated in 1988, because they hope this time they'll get dividends for the shares.

All of them agreed that is necessary for the enterprises to have good, professional managers ("... the manager should be preoccupied with important matters, such as productivity and moneymaking...")

The general opinion was "... privatisation must start with small enterprises which are easier to adapt to changes. With the big enterprises only foreign investors can deal".

G,H,I All the participants at the discussion received their Certificates of Ownership. Seven from them will invest them in their enterprises. Two of them already did this.

The interviewees know how to use the certificates from TV and from the meetings they had at the enterprises, but they don't understand much about the additional ticket (coupon) they are going to receive ("... it is hazy for us what we are going to do with them")

V. The Free Market Economy

A. For the free market economy the subjects gave definitions that proved they understood the wording ("... an economy based on demand-supply mechanism...", "... in the free-market economy you produce only the wanted things...")

B,C,D, Unfair, negative facts determined by the free-market economy:

- "... the commissions. The high level corruption makes possible for some to get import licenses for the some goods we produce in Romania. For the merchants is better to import because they can ask for the products more than can ask if the goods on from here. This way they have big profits while our enterprises are bankrupt and we got poorer because we have to buy more expensive things".

- "...the laws are bad. These should be no discrimination..."

Generally, the subjects think that the free-market economy will be good for Romania ("... there will be new products, the enterprises will be forced to do something profitable...", "...hard working, intelligent people will earn a lot of money".

Eight subjects don't have good opinions about those who "only sell, but don't produce".

D,E Though their standard of life decreases, the collocutors hope that this situation will improve. They admit they have no courage to quit their jobs and start a business of their own. They don't have money and qualities for that.

The qualities mentioned were:

- "adaptability"
- "the capacity of understanding what's going on"
- "ability with laws"
- "power of work"
- "a well-balanced nervous system"
- "flexibility"
- "having money means success".

They consider that having money to start a business is a utopia in their case because they can barely survive from their salaries. They don't go to banks because the interests are huge.

H. Only one person from nine (33 years old) thinks that the 1.000.000 lei can be invested. The others said they'll be happy to buy something important (TV set, new coats) or to travel.

I. The social stratification is OK with the subjects but only if "... good, hard-working, honest people succeed".

J. The free-market economy is considered to be essential for the democracy, but the subjects don't know why.

VI, Media and Messages

A. The main media is Television because "... it shows images".

B. Four subjects from nine are steady watchers of the Television's economic programmes. They said "... the language used in the programmes is too academic for us...", "... we don't understand, they should be more explicit", "... a great loss for the privatisation propaganda..."

C,D Examples of privatisation as they were seen on Television

- " Some foreigners try to trick us. In Timișoara a important factory was privatised by the Italians. They came with old-fashioned equipment (maybe out of use in Italy). But when the estimation was made, the Italian part put such a high price that their old-fashioned equipment became more valuable than the Romanian factory and that way they got the majority in that factory".

The subjects were upset, angry. They don't have trust in foreigners.

- "A concrete factory, in order to avoid the dismissal of its workers, had to readjust itself and succeeded". Subjects admired the management.

E,F The interviewees wished the TV programmes were more explicit. They want to understand everything about free-market economy, certificates of ownership and so on.

They want more information about successful Romanians. People like Cataramă, Tiriac should answer to their questions. It will be a good idea to make comparisons between the experience of the Romania and the experience of foreign businessperson.

VII. Conclusions

The optimism makes people to say they hope their situation will improve ("... the prices are going to be stabilised, the inflation will be stepped, we will have better lives").

FOCUS GROUP REPORT

Date: July 27, 1994
Location: Sighisoara
Participants: commuters who live in Daner village and work in Sighisoara in state-owned enterprises. After their working hours they form the land (the gardens and plains)
Moderator: Pinteia Lucia Mircea

The structure of the group:

- F, 27 years old, decorator
- F, 32 years old, distributor
- F, 41 years old, laboratory-assistant
- F, 45 years old, janitor
- F, 25 years old, working at a derrick well
- M, 36 years old, lathe operator
- M, 37 years old, milling machine operator
- M, 41 years old, pressman
- M, 42 years old, timekeeper

Excepting the 25 years old worker, all subjects are married. They are interested more in agriculture than in their work in factories.

The Context

A. The Romanian people is described as:

- "hardworking" ("we work at the factory, but we also work the land ...")
- "brave" ("...we are here since the Dacians...")
- "hospitable" ("... any stranger is welcomed as a guest...")
- "optimistic" ("... no matter what, we still have trust in future...")

But Romanians also have weaknesses:

- "irresolute"
- "weak" (they often, all their crops too cheap)
- "he is ready to go Germany and do any kind of work if he is paged in DM"

B. The subjects feel anxiety about the future. They don't want to become unemployed and fear the prices will be so big that they can't buy anything.

Still, they are optimistic and wait for a major change (but they don't know exactly what change).

They consider life to be harder in the cities ("... the townsmen have to buy everything.."). Also the younger generation can't buy houses, don't find jobs.

C. Economic changes:

Inflation "... the prices are bigger and bigger...", "... privatisation started"

D. Political changes:

"... we are free..", "... we now have political parties..."

Subjects think that too much freedom leads to disorders and excesses. Though the subjects were aware about the existence of the Parliament and the political parties they didn't mention these here.

E. The most important problems of the country are:

"... disorders made by gypsies...", "... the increasing number of offenders...", "... personal insecurity...", "... we can't face the prices...", "... unemployment...", "... some people don't like to work..."

F. The subjects are sure that future will be better than the present:

"... prices will be stable...", "... new jobs will be created...", "... agriculture will become more important..."

Economic Problems

A,B,C. Subjects seem to be obsessed with the instability of prices. While the acquisition prices for animals and crops are very low, what they pay for the electrical power, methane gas and season tickets (1/9 from their salaries) is too much.

Positive economic changes enumerated by the subjects:

- peasants were put in possession of their land and they can earn more money.
- the small privatisation.

Small privatisation is very disputed. People don't like the way small shops look ("... too many booths...", "... because of it the city looks bad...")

But they also think that the existence of these booths in their village is time and money saving because they have to go to city no more when they need the essential.

Negative economic changes

- unemployment. They and their children can't live only from farming and they must have jobs in the city.

D. The subjects consider that the economic changes don't take place as fast as political changes do. Six persons from ten wait for changes in the executive.

E,F The main aim of the reform is considered to be the improvement of the standard of life. "... prices must diminish, greater attention must be paid to agriculture...", "... small enterprises must be privatized.

Y think it will be better if they'll be privatized by successful businessmen..."

"... the state should control prices of the main products, food especially..."

"... we should be help to farm our land and help our produces at fair prices..."

G. Corruption is "a very serious problem" and "it comes from poverty". "Corruption exists since Socialism but now, in democracy, is bigger because everybody act as they want and they want to get rich by tooling the others".

The collocutors agreed that corruption is bigger in health services ("... the doctors are ready to take the last money from you or they wait for farm produce...", in justice ("...the judges make justice to whom they please...") and in agriculture ("... the mechanized station work only if you extra-pay...", "... they program you only if you bribe them...")

"We are anxious that the situation will get worse unless drastic laws are not promulgated in order to stop the corruption..."

"... corruption also exists at the highest level..."

Privatisation

A. Privatisation is understood as the transfer of the enterprises from state property to private property and as "... starting your own business ..."

B,C Though is considered to be a positive thing, people fear of unemployment. "...the prices will grow because some boutique-owners are greedy and want to became rich..."; "...insecurity because of the gypsies who accumulate money and now are hiting the surface..."

A good aspect of privatisation is the plenty of goods and peoples appreciate that they are no more forced to go to city to buy the essential, like in Ceausescu's time.

D. The supporters of privatisation an considered to be the gypsies first of all. "They almost monopolized the trade". Then "... managers who try to bankrupt their enterprises in order to became their owners...", "... people with relatives abroad to help them to start a business..."

E. The opponents of privatisation are "... former members of the Nomenklatura who lost their privileges. They don't like to work". "Privatisation will produce a natural selection".

F. Only three subjects from ten had any idea about the main methods but they can't name them. Only one woman (middle aged) know about MEBO from the meeting held at her factory. After a short presentation of MEBO, six persons (4F and 2M) found it "... probably good...", two persons (M) "... so something like to social parts systems. They let you think that you own something but cheat you..."

Two subjects had no opinion:

Subjects believe "... MEBO will work..." because "...it's a progress, quality and production will grow and anyway the state must know what is going on in industry..."

But they don't want the State to interfere in agriculture.

"... he should only reduce taxes on land, subsidize the farmers, help them to get loans with small interests in order to buy agricultural equipment..."

In the present conditions "...we spend more than we produce..."; the majority of the collocutors think to make an association.

G,H. All subjects received their certificates of ownership. They keep them and plan to invest in their enterprises because "...we know the true situations from our factories..."

The collocutors know about the additional tickets that are going to be distributed, but they don't understand the seasons for this action.

More, they are skeptic "... we don't believe that the State will give us 1,000,000 lei..."

"If it is true and we receive there 1,000,000 lei in certificates of ownership we'll invest in our enterprises. Then each of us will work harder and better and the salaries will grow. We'll participate at the sharing of profits".

The subjects mention some of their countrymen who sold their certificates because they had no money to feed their children and they wanted to know who buys the certificates and why.

Only one person (young female) understood correctly what a certificate is, how it can be used and why. In fact she already had invested it at her factory but didn't receive the dividends yet.

Free Market Economy

D,C, Free market economy is described in forms like:

"... high quality products...", "... a serious privatisation helped by the state..". "...demand and supply...", "...the increase of production..."

B,E Bad parts of privatisation:

"...in its way from the producer to the consumer the merchandise travels through too many intermediate links and so the price grows...", "... few producers, too many merchants..."

Subjects fear of unemployment and they think only the lazy and incompetents should be dismissed.

F. In order to succeed in the free market economy "... the Romanians should be good shepards and should have faithful dogs, biting when necessary."

The subjects plan to work to work their land and to sell the farm produces, but they complain about the lack of agricultural equipment, seeds, fertilizers.

H. With the amount of 1.000.000 they will travel, buy some necessary things (TV set, washing machine, etc.) make deposits in banks, buy a horse, join few others and buy equipment.

I,J If someone is prosperous because be work hard is O.K. with me..."

"I work hard and from my salary. I don't become prosperous. Prosperity is for those who cheat and steal".

Subjects are aware that the free market economy is essential for democracy, but can't explain.

Mass-media; Messages

Though the collocutors said "... farmers have no time to watch TV or read newspapers because they are working hard..." they named the radio as the most credible source of information.

They listen to the radio during the day, when they work at the factory and in the evenings.

They don't buy newspapers ("... too expensive...") and they see on TV don't seem to be real "... if you watch TV you may think privatisation is easy. It is not true. You need money, you have to face the bureaucracy and so on. I wish TV programs were more realistic"

The subjects stressed their need of information about the taxes peasants have to pay and about the advantages they have if they invest their certificates in enterprises.

F. "we have no advisors, no one to ask about privatisation". Only one subject talked to the lawyer from his factory. They think that the trade union leaders should tell them more about privatisation.

If possible, they would like to talk to Ion Tiriac ("... a great man, a true patriot".

Conclusions

Eight subjects from nine think that their situation will improve in the next five years because of the profits they'll make from farming.

Only one subject is pessimistic.

FOCUS GROUP REPORT
IASI, July 28, 1994

MODERATOR: Mara-Ileana Galat
PARTICIPANTS: 9 students (out of which 5 women), 4 in engineering, 1 in conservatory,
 1 in economics, 2 in medical science, 1 in law
AGE: 21 to 26 years old

GENERAL AND PERSONAL CONTEXT

People around us are pessimistic enough. This comes especially from the material problems they have. They live in a great tension.

One can not see any change (from the material point of view), both for the present and for the future. There is a certain amount of fear regarding the day of tomorrow. The housing and the jobs are no longer secure.

"I lost my confidence in the people around me. They are thinking only at themselves. One should not wait for help from anybody."

We have the advantage of being young and this advantage generates hope. One should take care for making his own life better, nicer (that is to be able to forget the stress, to think about the day of tomorrow, to be able to let go the day of today).

"We live in a world where the God gave a too much to some people and almost nothing to some other people. But that's it. We should manage it." (Inequalities are seen as being mainly due to each person's fortune.)

People who are some years (3-4) younger than us are more opened to change than we are. This is due to the fact that they completed their highschool after 1989. We lost those years. For us things were very certain at that time (having a secure job after graduation etc.), which is no longer the case. When we applied for entering in a University, not being admitted and having to wait home some years was not a problem. Now, younger people have to go to work. They can not afford any longer just to stay home and wait (due to money difficulties). For these reasons, the younger can adapt to change easier than we can.

CHANGES DURING LAST FOUR YEARS

There were two dominant opinions:

1. There were some very important changes. Some changes of Government, having a new system, the economy goes for better. The privatisation started, but this is just a way of saying (because the process is very slow; partially, this may be due to the very bad economy we inherited from the previous regime). We try to build a market economy.
2. There were no significant changes. For changing anything, first one should change the people, their mentality. This did not happen yet. People are the same as before; they do not understand that they should work in order to obtain anything. People try to obtain as much as they can, investing as less work as possible.

Ten years from now (usually, the participants referred to their wishes toward the future, although this is not everytime the case):

- things will be a little bit better, but not enough (we did not change many things during these four years). People will be more content from the material point of view (money).
- anybody will feel that he/she works for something (satisfaction; having some kind of finality; this finality was not very well explained by the participants in the group);
- from the social point of view, the number of poor people will increase. The differences between people's incomes will be greater;

- from the political point, maybe then (ten years from now) the present Opposition will be in charge (will win the elections).

MAIN PROBLEMS FACING ROMANIA TODAY

One of them is unemployment. Graduation a faculty does not ensure a plc for work. There are some privileged fields (economy, law). For the rest of the students (engineering etc.) the demand on the labour market is low.

Medical assistance is not sufficient. Part of this is due to the fact that people do not have enough money to pay for the service they get.

The budgetary sector is not functioning well, due to the economical and financial blockage.

ECONOMICAL PROBLEMS

(The participants did not talk easily about this topic.)

The economical changes were minor ones. The participants were positive about Romania having an economical change. (The participants were more likely to talk about what was not changed in the economy, than about what was changed). The old links between various industries brooked, and now each factory is looking for a market.

The trade sector changed for sure.

Some industries privatised (constructions, wood, textile). This has a positive value. Unfortunately, not "all these privatisations" are in the way we wanted them to be. For instance, mixt companies (Romanian and foreign investors), that do not always bring profit for Romania. The work is ours, but the profit is for somebody else. (Reaction: "we are a small country, we have to face it.", "foreign capital has its good points: new technologies, new markets, higher salaries etc."). Still, the fact that the products of the mixt companies go for export, instead of being available on the domestic market, is valued negatively.

The goal of the economic reform should be the increase in standard of living. This generates anything else (social care etc.). Only one person mentioned that the State should take care of us during the economic reform.

Proportion between state/private property: the state should own and control the regie Autonome and the present budgetary sector (medical assistance, education, research). Everything else should be privatised. In this way, the competition will be very high, which will lead to better products.

The state should control the prices for ensuring a minimal (decent) level of living for everybody. Inequalities are something very normal; they depend on everybody's way of working, but a secure minimal decent level is necessary.

Effects of the economical changes upon personal lives:

- not having money enough;
- not being able to buy important things (a house, a car etc.)
- changing the material lives of those parents that managed quite well before 1989, planed their lives in a certain way and now feel uncertainty about the day of tomorrow, about the lives of their children.

CORRUPTION

The corruption is considered a major problem, existing almost everywhere.

Fields with higher rates of corruption: trade, education (moderator's note: especially in medical science universities, a student may pass a certain exam if he/she pays an amount of money to the respective teacher; obtaining such a high rank for the education field between those with the highest rates of corruption is due to discussing with students). "Corruption

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appears everywhere where exists a relation of dependence between me and a person from that specific field."

We have more likely something like a Mafia, than corruption. In a system of corruption, everybody is able to obtain a higher position by offering money to the appropriate person. In Mafia, one needs a network of personal relations and contacts.

People are those responsible for the corruption. We get used to offering money for obtaining various services. In the same time, there are not enough laws for regulating the corruption matters. Also, the system is to be blamed (not ensuring higher enough salaries for physicians etc.)

THE RELATION BETWEEN POLITICAL, SOCIAL AND ECONOMIC CHANGE

"Economy and politics are going together."

Social changes were the fastest: first we had a short increase in terms of income; later we had a serious decrease in standard of living.

The economical changes are the slowest. They are too slow. We should of have more investment, many more people with initiative etc.

PRIVATISATION

(Subject had difficulties in trying to define what privatisation is.)

Privatisation is necessary, benefic, positively valued, but not for all enterprises (RA and budgetary should remain state-controlled).

If the privatised enterprise has a high efficiency rate, privatisation is good for everybody (enterprise, employees, ordinary people). For the employees will be a better position, because they will have their share and through this their work will obtain finality (income increase, higher rentability rates, need for more working places etc.) (moderator's note: the participants associated from the very beginning the position of working in a private enterprise with those of necessarily having shares. This confusion was solved by the moderator without difficulties).

Against privatisation (moderator's note: the reaction at question was very slow) are:

- the Government;
- those who are making laws (the Constitution does not guarantee private property);
- the older generation, people who did not change their mentality. They do not see how they can have profit from privatisation.

In favour of privatisation are:

- younger people ("we do have many other choices"). Privatisation will lead to an increase in the importance of competence when somebody becomes employee. The participants do not consider that they will take a private initiative, but they are willingly to work for a private enterprise.

Known methods for privatising a state enterprise: bidding, renting (leasing), 'location de gestion', MEBO, selling.

MEBO

(The method is not very well known).

The method is considered as viable just in case that the enterprise is efficient. Is a good method, because everybody will work for himself/herself, so the results will be better. This method already had good results. (Moderator's note: the comparison with "social parts" has no object, because the participants were too young for being aware of the respective idea).

OWNERSHIP CERTIFICATES (OC)

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(The role of the OC is not enough understood. The subjects knew that one can buy and sell OC; they were not aware of the present Governmental initiative with respect to OC). The participants kept their OC (lack of initiative, precaution, impossibility of investing because of not being employee).

The degree of interest toward what one can do with OC is quite high. The need of information about this topic is low (mainly, curiosity) and concerns only list with profitable enterprises. Still, the OC is seen as a possible 'other' income sources (through obtaining dividends) apart of the regularly income.

FREE MARKET ECONOMY AND PRIVATE INITIATIVE

Free market economy (FME) means: privatisation, liberalising the prices, inflation, decentralising big enterprises, concurrence, offer/demand rate.

FME will lead to unemployment and a lower security.

"In Romania, the demand is not sufficient enough for establishing a FME; we will only have inflation" (moderator's note: here, 'demand' signifies that the offer contains products with lower quality, that do not stimulate the demand. So, it is not an adequate use of the word.)

Elth for having a FME and for being successful in a FME, a person: needs goodwill, a lot more information about the economical problems (serious books, readings etc.), courage, information about good businesses and good fields to invest.

FME is a condition for having a democracy (without any explanations).

ABOUT 1 MILLION. LEI

- this is quite a small amount of money.
- having an account into a bank and obtaining a 100%/3 month interest rate (6 persons).
- too less money for investing, too much for spending them all.
- buying clothes, making trips etc.

If the amount of money is raised at 10 mil lei, every participant will put them into a bank and will wait for obtaining the interest.

MASS MEDIA. SOURCES FOR OBTAINING INFORMATION

If somebody needs any information about privatisation, he/she should go the Commerce Chamber. They are the only reliable source, because they are official.

The biggest amount of information comes from discussions with friend, "hearing things"; then come the local newspapers, the press, the TV and the Radio.

The participants were not able to mention any TV programmes about privatisation, entrepreneurs etc. (Moderator's note: the interest toward the privatisation topic is very low).

ROMANIAN PEOPLE'S IMAGE

"We are gifted." Romanians can do anything (both positive and negative connotations). Naiveté. Lack of sense of responsibility. Lack of trust in other people. Lack of civic sense.

PROJECTION OVER FIVE YEARS

All participants were optimistic. In five years they will finish their studies and will have a place to work, so for these reasons their life will be better.

COMMENTS:

The participants were reluctant to use expressions like "democracy", "market economy", "freedom of speech" because these words do not cover their conceptual area within the everyday language and, also, because this type of expressions was overused during last years.

The interest toward privatisation, ownership certificates etc. is very low. In the same position sit and the amount of knowledge and information they have on topics like those stated above.

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FOCUS GROUP REPORT

Date:	July 27, 1994
Locality:	Craiova
Participants:	9 employees in private owned enterprises; 4M+5F; 24-38 years
Moderator:	Mircea Kivu

The Context

The state of the Romanians is very precarious: unemployment, low wages, high prices. They are frightened, concerned by uncertainty of the coming day.

The main source of uncertainty is employment. If one is discontented with his work, he cannot complain because he can be dismissed.

Before, if one wanted to claim for something, at least you knew where to do this. Now, you don't know where to go.

In schools, since the uniform was abolished, schoolchildren don't care, has no incentive to learn. Teachers, too, as they are so badly paid (by comparison with other employees), don't work well. They are not doing their job by vocation. The young generation states no more the reason for learning. Maybe there is too much freedom.

A lot of people are working in a different field than the one they are qualified for. They have to accept jobs under their educational degree, because they have to earn money in a way.

For us, employees in private companies, wages are lower than in the public sector, but the work is harder. One has to accept any conditions, any tasks. The relations between the owner and the employees are very tense. In a public company, you can negotiate, even corrupt your boss.

A private owner cannot afford to make a loan in order to pay his employees; the public ones can be subsidised by the State. If a private businessman has to cut somewhere, he will do on the wages.

[Another participant:] In the company where I work, we knew each other from the beginning. Practically, we started together. The relations between the employees and the owner are very friendly. [The rest of participants agrees that such a situation can be a happy exception.]

Most of people are living now worse than four years ago. Probably, the standard of life is now about twice-thrice lower than before. The main cause is the price increase. Before, one could save something from the salary. Then, there was enough money, but one could not find the needed goods (except on the black market). Now, one can find anything on the market, but there are not enough money.

Still, it seems that people have money. At least, part of them. Goods are expensive, but they are sold. In the store where I work (office products), prices are rather high level; well, people who are buying don't look as being very 'upper class'. Now, most of households own colour TV-sets, which are not so cheap. It seems that now more goods are available, and the needs are growing. As people cannot buy everything they wish, they feel poor. Now, we have more information, more choice and we want more things.

The most important problem: making the plants (what in still remained of them) produce again. For that, the managers in the public sector must have pecuniary and penal responsibilities. They must be controlled by independent organisations.

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Something has to be done in order to give to everyone the opportunity to have the right job, fitted to his abilities. A fair competition for the public jobs should be set (now, such competitions are ruled through bribery). There is a whole network, a kind of Mafia, allowing jobs in the companies.

Probably, in ten years, things will straighten in Romania, if the privatisation will be accelerated. As long as public companies will exist, there will be corruption.

A big gap will divide the rich and the poor people. Probably, a middle class will no more exist; or, in a normal society, this class sustains the others.

Economic Problems

The changes that occurred were almost cosmetic; most of them were done under the pressure of the West. As long as the same people are in power, nothing right will be done.

A good change was the opportunity given to everybody to start his own business, with a small capital. The problem is that the small initiative is dishearten by the lack of regard for the law. If you go to the market, gypsies will still all your merchandise and the police will not interfere - they say 'we cannot do anything because we have guns'. Am I supposed to buy them guns?

The Romanian economy should be centred on agriculture and tourism, not on these huge industrial monsters. We cannot compete with countries with a longer industrial experience.

In 1989, a monetary reform was needed. This was the biggest mistake: opening the borders. So, the values left abroad.

✱ Maybe, the political changes were too fast. For the common people, democracy meant that they are free to steal, to swear...

The goal of the reform should be to change the old structures; but the problem is what to put at their place.

During the last regime, a lot of people left the villages; now, they should come back. I think most of them do not come back because they are afraid of work. Probably, soon many people will leave Craiova and will find a better life in the country-side.

Normally, the public sector should keep some strategic sectors (the 'régies autonomes'). All the rest should be privatised. The state-owned sector is responsible for the prices' increase. It includes the 'non-work' in the price. Where is competition, prices decrease.

There are many big state companies that are not producing anything. Some few 'mastodons' pull down the whole economy. They cost a lot of money, that we are finally paying (through taxes). All this money could be used in order to improve the parts that are capable to live in these companies.

Corruption is now generalised to all levels. Corruption belongs to the old outlooks, but the new situation aggravated it. Everyone who has some power [in the bureaucracy] tries to get benefits from it. Those who are supposed to control (the Financial Guard) are the most corrupted.

Most of the directors of the state companies have their own private business. These companies are unfairly competing the public ones. The state company goes bad, but their private businesses are prosperous.

In the state companies, nobody works; people use the equipment (computers) for private jobs.

Privatisation

Privatisation doesn't mean booths (shops), bars, as it is to us.

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In Romania, banks' policy seems to be aimed to discourage any starting business, through their high interest rates. We heard that in the West, these rates are at 2-3%, not at over 100%. This is the cause of the inflation.

Taxes, too, are too high. And a private company has to pay higher taxes than the public ones, specially the 'régies autonomes'.

The privatisation goes too slow, because those who have to take the important decisions have not courage. Actually, there are people that withstand for privatisation.

Those who derive advantage from the privatisation are those who were in the key posts before. They had more knowledge about how to make a contract, a deal ... Also, they had enough money. In 1989, I had some money, but I preferred to buy a car. If I would invest in a business, now I would be rich.

The ownership certificates (OCs) are useless. They only produced a new loss (through the printing costs). It seems that OCs can be used when a state company is sold to its employees. It is right to keep them, because it is a value. Probably, when a state company will be in the position to reduce its staff, the criterion will be the amount of OCs brought. [Most of participants think this is not true.]. It is reasonable to buy OCs if you have the opportunity: sometime, they will be valuable.

The Government's initiative about nominal coupons is reasonable; because OCs could be used for washing dirty money. The Government is culpable because too much time elapsed since their emission. Probably, the same thing will happen with these coupons.

[The participants gave the right definition of **MEBO**]. This method is not appropriate for any kind of company. It is very close to the system of the 'social parts', existing during the Ceausescu's regime. It is quite unfair: a plant was not created with the only work of those who are now working there - why should they become owners over the whole company?

In some known cases, the director got the main stock of shares, while the rest of the employees got a small amount; the question is: from where had the director so much money?

Free Market and Private Initiative

Free market means:

- competition (loyal);
- price regulation through offer/demand.

There are monopoly prices for the raw materials. They make prices increase. Often, such prices are imposed by the State.

Many private companies are doing dishonest businesses: the accountings are faked; the work agreements are inexistent. The employees have no rights; practically, most of them are using black labour. In the public companies, employees have more rights, there are fewer abuses.

For people like us, the free market economy brings uncertainty about the coming day. Probably, this uncertainty will increase, because unemployment will increase.

Normally, if a company goes well, the employees should have good incomes. Even when the company has high profits, they prefer to make investments instead of increasing the wages. [Part of the participants doesn't agree, they feel that the good results of the company are reflected by the status of its employees.]

Two participants report that their family (parents) owns some land. This gives them a sense of security; this helped them to take the decision of leaving the public companies where there worked before and take the risks of working in the private sector. In the worse case, they will find a minimum of resources working the land.

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There are two categories: people who manage to fend for themselves, and people who don't. The first category is composed of those who took risks very quickly, at the beginning (after 1989). Such people worked hard - they carried the merchandise with the knapsacks. Now, they own big companies. For that, sometimes one has to abandon his profession, his training, and start something new.

With 1 million lei, one cannot do too much. If I were someone who knows how to run a business, I would invest in a private company; if not, I would put it in a bank, with an interest of 100%. To invest in a state company that is privatising, is too risky. If I would start a new business, I would try something different, not a boutique.

Mass-media; Messages

The most credible sources of information are the foreign TV networks, that are now widely available. The best way to be informed is to compare several sources (TV, radio, newspapers).

Most of the newspapers are politized, belongs to parties or interest groups. TV is more credible because it is addressed to the whole country.

At the TV, some young editors (Gabriel Giurgiu) do interesting broadcasts. Such broadcasts are not aired in prim-time. In these broadcasts, more explanations should be done, with concrete examples. They ostentatiously show too many examples of companies that are going well. It seems not realistic.

You can find a lot of comments about facts, laws. If you want to read a law, you can hardly find it.

For the economic information, we use specialised magazines ("Tribuna Economica").

There is in Craiova an office (consulting centre) of the PHARE program. I went there, asking for advice. They gave me wrong information. It seems that they were not fixed about the legislation. More reliable information about the laws concerning privatisation can be obtained at the Private Ownership Fund. If you need reliable information, tips, you have to ask those who already experienced the process.

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FOCUS GROUP REPORT

LOCATION: Podu Iloaiei (rural, Moldova, Iași county)
DATE: July 28, 1994
PARTICIPANTS: 10 persons (out of which 3 women), agricultural workers and land owners
AGE: 33 to 62 years old
MODERATOR: Mara-Ileana Galat

GENERAL AND PERSONAL CONTEXT

The situation is very difficult. The money has no longer value; one cannot work for obtaining enough money (for covering what he/she needs).

The unemployment is very high. Younger people have to work in private enterprises in order to obtain money, but the owners hire them on the black market. In this way, the employee has no rights to social care system; he/she is paid under the real value of his work. On the other hand, the enterprises are full with older people, who can retire, but who are not doing this. This is why there are not enough working places.

The youth cannot afford a house somewhere in the urban area, they cannot start a family of their own; so, they start to steal, to do "bad things". These young people cannot come back to country-side, because they do not know how to work the land; also, they do not like to be peasants, because they learned to be something else. "I do not have enough land to call my children back here. The land I owe is not sufficient for this."

Ten years from now:

- "If we will not work, the situation will be the same as now, even worse."

- "We will go back to bourgeoisie" (negative connotation: working on a daily basis for an important land owner). If the present situation will continue, we will not be able to keep our land (not enough money for working it). We will have to sell it and to work for somebody else."

ECONOMICAL CHANGE; PROBLEMS

Taxes for the land are very high. We cannot afford to pay them. The land is now very splited between us, so we cannot use machines etc. Each of us has a vary small piece of land; in this way, one cannot do agriculture. The initial system was better. (Moderator's note: in 1990, president Iliescu had the following initiative: each person from rural areas was supposed to receive 1/2 ha of land in possession. This initiative was put into practice, but after some time the land-law passed through Parliament and the situation changed). The subjects consider that 1/2 ha of land was sufficient for what a household need. The rest of the land could have been worked in a modern way. Such a solution is no longer possible,

There are a lot of goods on the market, but we do not afford them. Some people have a very good life, "a pink one"; others are going lower and lower.

We tried to build an agricultural association. At the end of the year, the association gave us 500 kg wheat/ha. In a neighbour village, the association gave 2000 kg wheat/ha. It is the same

land, so the results cannot be so different. The problem is with the president of our association. He bought the tractors, so he thing that he is entitled to all the profit. This is why, although we have the land, we do not get much out of it.

Responsibility for present situation:

- we all are to be blamed, because we did not know what to do when we had the chance;
- the Government and the Power are responsible. They are interested only in their own well being; they want to obtain as much money as they can;
- there are too many political parties. There is no single line to follow. Each of them has in mind only personal interests.

ECONOMICAL REFORM

In the reform we have now, those who have money are entitled to anything. The rest of us have no possibilities. The aim of the reform should be a better standard of living for each of us. A real reform should keep us away from bankruptcy, should increase the value of the leu, should ensure us some future. It is too late now for doing any kind of "good" economical reform.

In order to solve the hard situation we have now, all the important enterprises should belong again to the state. This way, the working places and some prices (energy, water, transportation) will be controlled.

CORRUPTION

They cheat you at every step you make. Corruption is everywhere. But those who are corrupted are in very high positions. Nobody can really know who they are.

The people who were in power before 1989 have the power even today. From them come all this corruption.

We had corruption and before 1989, but in those times, if somebody had money, he/she could of obtain medical care, a place to work and so long. "The demands" today are very high: one doesn't know how much money to offer and nor he knows who is the right person to be bribed in order to solve a problem.

PRIVATISATION

The privatisation we have now was designed very poorly. THEY (the Power) were not able to privatise the economy in a good way. A monetary reform should have been done before privatisation; without such a reform, those who had been privileged before have all the advantages today.

Privatisation was not done for the well being of all Romanians. Only the THEY (certain groups of people) benefited from privatised enterprises.

Doing privatisation only in agriculture will not be enough. If the industry is not functioning, nothing will change for the better. Anyway, with this splited land we have, there is no kind of privatisation able to help us.

Privatisation in industry is a good thing only if it's generates more working places; but this will not be the case.

Enterprises with foreign capital are not something well; the foreigner takes 90% from the profit; he/she exports all the products; the unemployment rate increases.

Participants agreed that a privatisation process that is able to generate competition and through this to reduce the prices is something very desirable. In the same time, all the persons in the group agreed that the privatisation process started in Romania has no chance to have such a result. Everything should be re-considered; a completely new line for privatisation should be designed.

Persons in favour or anti privatisation: those who have money are in favour of privatisation; those who do not have money, are against.

MEBO

The participants knew that such a method exists, but they did not know what the method signifies. Working in agriculture, the participants are not interest in any particular method for privatising an enterprise.

OWNERSHIP CERTIFICATES (OC)

(First reaction when hearing about OC is to laugh.)

The value and the use of the OCs are not very clear. The participants know that OC might be used to buy shares, but the method for buying is completely unknown.

All participants kept their certificates. "It is my OC. Why should I sell it?"

When investing the OC, all that one can do is to guess . A sort of roulette, gambling.

The degree of confidence in a privatised enterprise is very low (more that this, the confidence in privatisation is low). This is why the majority of the participants is not willingly to invest their OC. If one OC will value 1 million lei, all what one can do is to try to obtain the money. In case the law will not allow this, the participants will wait until they will receive (through newspapers) a reliable information about the enterprises that are going to be privatised. No investment will be made without exactly knowing that the enterprise will going to bring profit.

One of the participants mentioned an IAS (State Agricultural Association) as a possibility of investing money or OC, because there the state is in control and for this reason the things are going better; the amount of crops received by each person having land in a IAS is higher.

WHAT CAN BE DONE WITH 1,000,000 LEI

- One participant mentioned investing into an IAS.
- One participant mentioned buying shares at a profitable enterprise in order to obtain some dividends.
- All other participants intended to consume the million (weddings, repairs for the house, food, some other unimportant goods).

(All participants in the FGI had a very low level of living: many children, small piece of land, low income etc.)

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FREE MARKET ECONOMY (FME)

☞ "All we know is that we have free pockets." It is just a hotchpotch.

The participants did not have a clear understanding of what a FME is. After they were given some explanations, they agreed that having concurrence is good in order to have better products and lower prices, but in the same time they mentioned that in Romania this cannot be done, because RENEL, CFR etc. (the most important Regie Autonome) have monopoly in their fields. This problem might be solved only by having state-control upon such enterprises.

FME does not mean exploitation if the worker is well paid (around 500,000 lei/month).

MASS MEDIA; SOURCES OF INFORMATION

Reliable information for investing ones OC means: published lists of enterprises, showing the average wage obtained during the precedent year and, also, the amount of profit.

The highest confidence is in local radio and local newspapers.

☞ TV programmes about privatisation use a language that is not understood in the country-side.

Examples about people who succeeded in privatisation are not highly valued, because those persons who had enough money for owning a business obtained their money in a dirty way.

ROMANIAN PEOPLE'S CHARACTERISTICS

- having common-sense;
- hospitality; kindness;
- we value the moment, but we do not think enough about the future;
- lazy;
- we are good or bad, depending on how much money we have;
- ☞ - people are not so kind as they were four years ago;
- we can work good, if somebody comes to tell us exactly what we have to do;
- we are not very far from the point where we will have to beg from door to door;

FIVE YEARS FROM NOW

"We have hope. If we will not die until then, maybe we will have some equilibrium in the country."

"At least, we are not ill and we do not have wars. Maybe five years from now the things will be somehow better."

"Maybe the God will send us somebody able to lead the country."

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FOCUS GROUP REPORT

Date:	July, 29, 1994
Location:	Cluj
Participants:	small bussiness owners
Moderator:	Pintea Lucia Mirela

The Structure of the Group:

- M, 25 years old, real estate agency (student)
- M, 26 years old, accountancy firm (student)
- M, 29 years old, business in the service area
- M, 50 years old, merchant (Hungarian)
- F, 30 years old, foreign languages courses
- F, 36 years old, merchant

The subjects' firms were settled up 2 years ago. Two of them said that their business makes possible a decent life. It is necessary to mention that not all the subjects co-operated with the moderator. The moderator had to insist in order to get answers.

II. THE CONTEXT

A. The subjects consider that *"the Romanian people has many qualities, which unfortunately are in a latent state"*.

The main flaw is considered to be the fact that we do not benefit from the our qualities (diligence, intelligence).

B. C. The subjects are optimistic when they talk about their future (*"...if I'll continue to work hard my business will flourish"*). They presume that the rest of the population is confused and *change for me is the privatisation*.

The major political changes, characterised as *"more profound than the economic changes"* are *"the separation of the state powers"*, *"the political pluralism"*, *"the variety of political ideas"*, *"the removing of the communist yoke"*.

They also mentioned here that gifted young people can go to study abroad.

In spite of these achievements, Romania has great problems:

- the growing inflation (*"...it is amazing how process grow. Nobody is interested in taking the right actions."*).
- the alarming growth of the offences (*"everybody tries to cheat you, and you have no security"*).

F. The collocutors hope that the situation will be normalised:

"...once the privatisation is started, then is no way back und good results will appear for sure...".

"...the laws will be harsh and their non-observance will be severely punished".

"...there will be changes in the mentalities of the people".

III. ECONOMIC ISSUES

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A. B. Positive changes:

- the starting of privatisation which generated "...plenty of goods on the market...", "...the increase of quality...", "...new opportunities for those with initiative";
- the land reform which determined the growth of farm produce;
- the development of international tourism.

The subjects asserted that no negative changes took place and *"the effects of the positive changes are not always predictable. Frequently, they turn to be negative because of the people's inertia and because of the slow pace of the reform"*.

E. The goal of the reform should be *"the surpasses of the crisis, the reshaping of the main branches"* and *"though the political changes are faster than the economic ones, great attention must be shown to the economy"*.

F. The general opinion of the subjects is that the enterprises and the land should be privatised, because the state can administer them no more.

But they think that the electricity companies, the railways and the mail should be state monopoly (*"the prices must be watched with care"*).

G. *"Corruption is not a serious, but very serious problem". "Corruption is everywhere and we get used to it"*. The most affected domains of activity are the administration (*"you must bribe everyone"*, *"if you need an approval for something you must pay..."*) and the health services (*"...you can't go to the doctor with empty hand..."*).

"The corruption is based on the old mentalities" and *"the executive does nothing to stop it, because it's part of it"*.

"To think that you can eradicate corruption is an utopia. Corruption exists in all the countries".

IV. PRIVATISATION

A. When they talk about privatisation they understand *"the transfer of state-owned means of productions into private property"*, *"...the accumulation of capital..."*, *"...concurrence, competition..."*, *"...life-buoy..."*.

B. *"Privatisation is the main condition of development"* and *"the only way to surpass the crisis"*.

"The enterprises will have to improve the quality of their products, unless they want to go bankrupt".

"The managers will take their jobs seriously".

"Workers will have a different attitude when they do their jobs".

For the subjects, the starting of privatisation gave them the opportunity to be their own masters, to show their abilities, to put into practice what they had learned in school. They have the chance to have a better life.

E. The privatisation's opponents are considered to be:

- *"...those who try to gain time in order to buy the enterprises at a very small price"*.

- *"...the former members of Nomenklatura. Their ideology can't accept the privatisation. More than that, they are afraid to compete, because of their ignorance"*.

D. The supporters of privatisation are *"young, enthusiastic fellows"* and *"high adaptable persons"*.

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F. J. The subjects know all methods of privatisation and think that it doesn't matter which of them is applied "...at least now, at the beginning...". *"All that matters is to accelerate the reform"*.

They said it would be better to apply the total privatisation. This way, the employees will be highly motivated in their work.

They made a clear difference between the social-parts system ("*...when the workers receive no money...* ") and the Ownership Certificates ("*...the employees from URSUS receive dividends...* ").

G. H. Though the importance of the Ownership Certificates but they consider them to be "*...dust in the eyes...* " as long as people "*...do not know how and when to invest them*".

One of the collocutors said: "*...I don't have the courage to invest in Romanian enterprises because I don't trust Romanian managers*".

All of them receive then Ownership Certificates and bought some more (two of them).

For the moment, they keep them waiting for information about the enterprises that are going to be privatised.

V. THE FREE-MARKET ECONOMY AND THE PRIVATE INITIATIVE

A. B. C. The free-market economy is understood as "*...an economy reigned by the demand and supply mechanism...* ", "*...an economy ruled by competition...* ".

"Competition leads to success, that's why I think there's nothing unfair about it. (Of course, unemployment is inevitable".

"Only the best will have jobs".

For Romania, "*...the free-market economy is the premise of the progress...* ".

"Being a period of transition, the natural laws of the market are distorted".

"The unemployment is still insignificant. The unemployment aid is given with too easy. While the land is not farmed, the unemployment prefer to stay and do nothing".

"Prices don't have a real foundation".

"Because there isn't a law for bankruptcy, the nonprofitable firms still exist... ".

D. E. Subjects think they have a long road to cover and great achievements wait for them.

"...the weak firm will vanish. We'll teach our children how to do business so that not to face the same obstacles as we do now".

"If the old mentalities will change, the whole society will be changed in better... ".

F. G. *"The Romanians must, first of all, have the wish to learn about the free-market economy. For these, more books and scholarships are needed"*.

"It is important for us to study a broad, to see how the advanced economies work".

"Lot of qualities are requested: intelligence, imagination, initiative".

As small entrepreneurs, the subjects consider themselves to have "*...courage to do something you don't know well...* ", "*...commercial qualities...* ", "*...optimism...* ", "*...the desire to build something...* ".

In case they receive 1 million lei, they would invest in their business.

I. Subjects think that social stratification is normally ("*some work harder, so they deserve more*").

I Real democracy can't exist without an economy based on the demand-supply mechanism

J. Real democracy can't exist without an economy based on the demand-supply mechanism, where everyone is his own master, produces what he wants and sells where he pleases.

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VI. MASS-MEDIA; MESSAGES

A. B. Due to their work, the subjects have no time to watch the TV with regularity. But they read newspapers (CAPITAL, WELT WOCHEN, BUSINESS, REVISTA ECONOMICA).

C. The subjects think that the examples of privatisation presented on TV can have a psychological effect only. They also said "...you can be sure if what you see is true...".
"The thief which is not caught is an honest merchant and we don't know what their real situation is".

The only economic programme the subjects remembered was the one that presented the case of Viorel Catarama, who sued the state (the RELAXA factory) and won 1 billion lei (*"It's a rare thing and a step forward"*).

F. Is hard to find information about the privatisation, but they would like to talk to Theodor Stolojan (*"a good economist"*), to Vacaroiu (*"I'd like to ask him if he really wants privatisation"*) or to those with more prosperous firms.

VII. CONCLUSIONS

The collocutors are sure about the improvement of their situation (*"...if the inflation will be stopped..."*).

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GP

FOCUS GROUP REPORT

LOCATION:	Bucharest
DATE:	July 27, 1994
PARTICIPANTS:	9 persons (out of which 4 women), small and medium business owners; businesses were either in trade, or in small production; two enterprises had a larger turnover than the other 7;
MODERATOR:	Mara-Ileana Galat

GENERAL AND PERSONAL CONTEXT

It is difficult, but on the personal level, we do not have other chance: we have to be optimistic.

People around us are very tensed. They are changed, tired, preoccupied with their *material situation. level of living.*

We (those in trade, construction etc., with small turnovers) feel that we are somehow outsiders in society. This is because people presume that we have a lot of money and, as a consequence, they envy us. People are not able to understand that we have a different life style: we have to work very hard, to encompass lots of difficulties. We do not obtain anything for free.

ECONOMICAL CHANGE; PROBLEMS

There were a lot of changes during last four years: we have now access to information (cable TV networks, freedom to travel abroad, free press); private enterprises exist.

During last months, there were some positive changes: the banking system works better, the inflation rate is no longer increasing day by day.

The most important thing is that economical changes are going too slow (but, on the other hand, if the Government will decide to make them faster, the miners may come again). Other negative changes also exist: older people live really hard. Educational system and medical care are in a very bad shape. The standard of living is continuously decreasing.

Unfortunately, with all the changes that our country passed already, the people did not change. They were used to work for the state: not doing anything and receiving their salary. Only their object of activity changed now: it is no longer belonging to the state; it belongs to the owner. People's attitude toward the work, their mentalities are still the same as before 1989.

One of the problems is that the higher strata of the older regime are now in very high offices. They will gain soon a lot of economical power. They will be able, in this way, to have a lot of decision power upon the lives of the others. They will decide what people with very high intellectual qualities will do, which is not at all desirable.

Romania needs foreign capital. Unfortunately, the actual Power is not interested in gathering foreign capital. Our laws do not support foreigners to come here and invest. We depend on the politics, but not from the Romanian part only. After entering in NATO, Turkey started to have a better position. It seems that the USA attitude toward Romania is not as favourable as we expected.

G.P.

ECONOMICAL REFORM

The goal of the economic reform should be the increase in standard of living ("...an increase of about 3 times in 10 years, let's say"). The reform we have now is moving too slowly.

We are disadvantaged by the fact that the State takes a lot of taxes from us in order to subsidise the bankrupt economy.

It is very sad that Romanians do not know how to promote the Romanian products. In any bidding, to sell a Romanian product, even if it is of high quality, means to admit to sell at a very low price. Romanian products have to be more present in advertising. We should learn to use domestic products.

CORRUPTION

The corruption is generalised. Those who work in public offices are the most corrupt. "They are able to make your living really very hard." A lot of corruption exists in duane (custom).

Corruption is generated by the generalised lack of money.

"The employee is the same as employer is". Corruption starts mainly from the Power (Government, high officials, Ministers).

In such a context, all that we can do is to take part in this corrupt system, because otherwise our businesses will never work.

PRIVATISATION

W Privatisation is the only chance for Romania. Unfortunately, for ordinary people to be involved in privatisation is bad (a sort of anathema).

The industry has to be privatised in order to be able to function. Privatisation means concurrence, motivation for employees (through high salaries), increasing the role of the competence. Privatisation will help for building the funds for social care etc.

For the moment, it is very difficult to find honest employees.. People get used stealing. They even get some satisfaction gaining by stealing, than by honest work, if they are allowed to choose. "Because I do not trust all people, usually when I hire somebody I use personal contacts, not advertising and such." On the other hand, for those who are good professionals, self-fulfilment is hard to find in Romania

J We have a savage capitalism now, but this the way capitalism started everywhere: by stealing.

When we started, it was a sort of suicidal privatisation: without capital and without a whole network of interpersonal relations, the initial chances were very low. The success or insuccess of each of us was and a matter of fortune.

G.P.

G8

Some of the participants feel that their businesses are decreasing. In order to solve this, they tried to change their initial object of activity toward trade. Because of those with huge capital, small businesses will disappear.

At the national level, apart of the big industries, all others enterprises should be privatized. In this way, the quality of the products will increase. The State should control some prices, but only if the State is able to be fair, honest.

Supporting privatisation:

- the former nomenklatura, in order to obtain the economical power; they try to take control over the privatisation process;
- the owners; anyway, the privatisation process is irreversible.
- political Opposition is not necessarily in favour of privatisation;
- maybe the peasants (land owners).

Against privatisation:

- some high officials;
- some of the owners do not want other similar firm on the market; they are interested in having the monopoly;
- the inertia embedded in Romanian people;
- the Ministers;

SMALL BUSINESS ASSOCIATIONS

Only one participant is involved in such an association. His association managed to lobby for a decrease of taxes in construction field, so the participant considers that the association is something very useful (offering material support and being a sort of interest-group).

The rest of participant would like a lot to be involved in such associations, but they do not know how the contact can be made, if they are qualified or not for such initiative.

The Chamber of Commerce looks for small entrepreneurs, but asking for some very difficult to realise conditions: having 5 properties, a lot of guarantees, money etc.

MEBO

This method is very similar with syndicalism; all unions are for MEBO.

MEBO is not a method for increasing capital, nor for obtaining foreign investment. "No foreign investor will come to talk with 200 share-holders.

MEBO is very similar with the former social-parts system.

What is good about MEBO is that employees will work being their own employers.

OWNERSHIP CERTIFICATES (OC)

There is nothing more than bureaucracy about these OCs. This is a very strange method; mainly, a game. The OCs represent nothing; they were useful just for the Power, in order to obtain some votes.

The OCs are a sort of how nice will be when we will walk on the Moon".

GP

All participants kept their OC, but the degree of pessimism toward this matter is very high. Also, there is a lack of direct concern. Some persons were aware that the Government tries now something new with the OC, but nobody knew exactly what.

WHAT CAN BE DONE WITH 1,000,000 LEI

Those participants with small businesses will invest the money.

Those who have big turnover, will buy presents etc.

An important thing for investing this money is that the inflation seems to be stopped. Five months ago, all participants would immediately spend the money. For all interviewees, 1,000,000 lei represented a ridiculous small amount of money.

FREE MARKET ECONOMY (FME)

FME means concurrence and a higher importance of the offer/demand rate. It will be established when the offer will be greater than the demand. FME will generate high-quality products.

"FME doesn't mean exploitation, if I pay enough salary to my workers."

Some owners do not offer high enough salaries because they consider that the employees come from the State sector; if one offers a little bit higher salary than the State is offering, the employee will be satisfied; this kind of thinking does not hold.

FME is not necessarily linked with democracy (examples from Latin America).

MASS MEDIA; SOURCES OF INFORMATION

Romanian TV is not 100% credible.

Information on small business associations is needed.

Business owners do not have usually time for informing themselves. Ideally, they would like to read as many newspapers as possible.

If a specific piece of information is needed, personal contacts are preferred (people working in the banking system, in Government, in the Chamber of Commerce etc.)

Romanian TV is not willingly to air positive things about business owners.

There is not enough information about where to invest.

ROMANIAN PEOPLE'S CHARACTERISTICS

We live in Balkans. We can manage in any kind of conditions (negative connotation).

Romanians are very well describe by the attitude "Doesn't matter. As long as this works, I do not care for didn't done my best".

We like to improvized things.

Provisional character becomes definitive.

(All participants are still proud of being Romanian, without any nationalistic connotations.)

FIVE YEARS FROM NOW

Hope. Optimism. Maybe more equilibrium, normality, nicer people. "Maybe some changes in the political system, although nobody dies taking care of me."

FOCUS GROUP REPORT PRIVATISATION NOV.1994

Date: 14 November, 1994
Locality: Petroşani, Petrila mine
Participants: 10 employees in state owned enterprise, skilled workers, M, 21-46 years old
Moderator: Ioana Speteanu

I. CONTEXT

The General and Personal Frame of Mind

The general frame of mind is described as "... pessimistic, grievous, sad..." and the personal state does not differ much.

People are worried about the uncertainty of the coming day, they have no confidence in what future may bring to them.

"...whom can we trust? Recently, the Government announced that some of the prices will be diminished. It was a shameless lie. Prices are higher and higher..."

"...what will happen if one of us become unemployed? Who cares and who helps us?..."

"...the demagogy is bigger than before December 1989. Everybody talks, but no one takes action. Nowadays, if you can't steal and foul the others you are lost."

Romania's Most Important Problems

Problems are similar to those which other countries confronted are the social assistance, poverty, but must buy everything, from anaesthetic to lancet."

"...here, in the valley, mortality is very high. Young people die because of the lack of medical assistance."

"Our wives don't work, we have children, our salaries go for food only, it's hard to live. Not mentioning that our children need school supplies and so on."

"...taxes are too big. On the paper, our income may seem enough for a decent life, but, after the state takes his share, there's nothing left for us to be satisfied with."

"We agree that taxes are necessary for the army, police, social assistance etc., on condition that they make their duty too."

"Prices are huge. Sometimes we think it's a nightmare what we see in shops."

"...life is tough here. Though the valley is surrounded by springs, we have no drinking water."

II. ECONOMIC ISSUES

Economic Changes

After the Revolution everything went bad. The Government destroyed the economy.

"They destroyed the economy. They almost killed the industry and agriculture. Everything was done deliberately, they were paid for this."

"...why do they import meat and wheat while our producers can't sell their crops? The imported merchandise is not better than ours...it is worse."

People have problems with the allocations for their children.

"...the allocations weren't paid since August and no one, i.e. the Government, cares. The Parliament is a bunch of thieves, we expect nothing good from them."

A major problem is the unemployment.

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"...in the seventies you were put to jail if you didn't work. Today you go to jail if you work. It is frightful to see all those young people who don't have a place of their own, a job."

The Pace of Changes

"Everything goes too fast. We are not prepared yet. We agree with the changes, but we want to know what these changes really means."

The Ideal Economy

"...The centralisation was better."

"We spin in a vicious circuit. We sell the coal on lei, but if we want to buy equipment, they ask for dollars."

"The state should own the enterprises and take care of people. He should also control the prices. Because of the intermediaries prices are bigger and bigger."

"The merchants would rather throw the products than sell it to a lower price."

III. PRIVATISATION

What Privatisation Means

"In our country privatisation is a parody, a joke."

"The Government gives laws and decrees but no one listens."

"Laws are only for their good, for us it's just the same, with or without laws."

The Formal Privatisation

The workers don't understand much about the formal privatisation.

"If those who have enough money buy a lot of shares in our enterprise they will lead us? The workers must have priority in their enterprises."

"How can anyone lead me if he has no idea about my work. Only because he has more money?"

"Those who make the laws will be the first to buy the enterprises."

"The gypsies are champions of the privatisation."

Is Privatisation Good?

"...if people were honest, maybe "

"In Romania is no good. Foreigners come in our enterprises, bring their own men and we loose our jobs."

"The employers treat their workers with lack of respect, they don't care and respect the people."

"For me privatisation will bring nothing good."

IV. THE FREE MARKET AND PRIVATE INITIATIVE

The Free Market System

"Free market means competition, but not here, in Romania. Here gypsies make the rules."

"Free market is good for thieves."

"Our existence will be very unsure in the free market system. The prices will kill us "

"You can make it only if you have no scruples."

"We don't even think to make loans. The interests are so high that a lifetime is not enough to pay back."

V. PROPERTY AND OWNERSHIP

"...private property is a good thing. If you know that it's up to you to have more and that you can do it in your way you give all the interest in the world."

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FGI-1 page3

"We can't start a business because we merely live from day to day."

"Those who work hard must have more than others. But in Romania, only crooks have fortunes."

"We know that if we are rich the country is rich. But not here."

VI. VALUE

The Prices Establishing

"...it's chaos."

"There's no rule in establishing the prices. Everybody wants to cheat us."

"Too many intermediaries..."

"If I were to do something in this direction, I would open a firm."

"After the revolution everybody started..."

"The *Caritas* game appeared to be a good chance to make some money. If the members of the Parliament and Government wouldn't have played and then destroyed the game *Caritas* would still exist."

"I know a family here, in the Valley, who sold their house to play and they lost everything. Now they are sleeping in a garage."

"At the moment we trust nobody."

VIII. THE IMAGE OF THE ENTREPRENEUR

"An entrepreneur must be honest and well informed."

"In Romania you have to be like a Jew."

Working in a privately-owned enterprise

"I wouldn't like to work for an employer."

"I'm afraid of not being at an employer's will."

"There are no trade unions in the private sector and that's bad."

IX. MAKING BIG MONEY

"Big money mean theft, corruption, bribery."

"I don't think that any of those who have a lot of money are honest."

X. MEDIA AND MESSENGERS

"Our national television is not reliable. TELE 7ABC is a very good TV station."

"I saw some broadcasts about the state of the economy but it was a total mess. Some so-called economists were quarrelling about the privatisation process. It was a shame."

"I saw some things about private enterprises, but didn't persuaded me."

"Why do they show only employers and talk only about their problems? I want to see workers and I want to hear about their problems."

"Why don't they show us how Nastase and Vacaroiu made their fortunes?"

XI. CONCLUSION

"Our lives will be harder five years from now."

"We don't see any improvement."

"The future is black."

FOCUS GROUP REPORT PRIVATISATION NOV. 1994

Date: 15 November, 1994
Locality: Craiova
Participants: 6 employees in privately-owned enterprises, 2 F+4M, 20-42 years old
Moderator: Ioana Spetcanu

I. CONTEXT

The General and Personal Frame of Mind

All participants agreed that both general and personal frame of mind is "...pessimistic...", "...hopeless..."

"People see that nothing is changing in better."

"Only gypsies are optimistic. They have all the reasons in the world, they have money, they cheat and steal."

"It was better before the Revolution. We were poor but we were sure of our jobs, it was order, the laws were respected."

Romania's Most Important Problems

The subjects consider corruption, bureaucracy and ignoring of the laws as being the major problems in Romania.

"Corruption is a curse."

"Our leaders are greedy, corrupted and shameless. So, why wonder when you hear that some seller cheated his clients?"

"Everywhere you look you see corruption, lack of interest..."

"...it is a bad legislation. Only thieves are pleased with the laws...too bad."

II. ECONOMIC ISSUES

Economic Changes

People think that all the economic changes are in our leaders' advantage.

"For us...hard days. Those who have the bread and the knife get all the profits..."

"When the commercial spaces were given in location we didn't have a chance. How could we if big money and high connections were the only things that counted."

"Privatisation is good for rich only."

"After the big fortunes were made, the rest of us counted no more."

The Pace of Changes

All the participants are persuaded that the privatisation process is too slow and the main cause of this situation is the carelessness of the authorities.

"...too slow..."

"Nobody is interested in true privatisation"

"...bad legislation, hard privatisation..."

The Ideal Economy

The participants consider the free market economy as being ideal.

"...we hope that when the law of demand and supply will function, the economy will improve."

"True competition, that's we badly need."

"A real market economy would bring prosperity."

III. PRIVATISATION

What Privatisation Means

Everybody knows what privatisation is (in theory). But when it comes to everyday life, things are different.

"Privatisation means the transfer of the state-owned enterprises into private property."

"In Romania privatisation is nothing but theft."

"They said privatisation will give birth to a new life in which we'll all have equal chances to become prosperous; it was a lie!"

Is Privatisation Good?

"In theory is very good. But when we came to practice..."

"When you know it's your money you are administering, you don't sleep and don't eat until you manage to make a profit."

"Working for the state makes you indifferent."

"When all started we thought good times were coming. Now I'm sure my situation will get worse."

"I hope that somehow I'll manage to succeed and make myself a better future."

IV. THE FREE MARKET AND PRIVATE INITIATIVE

The Free Market System

"Free market is given by offer and supply."

"Free market is when I put a price for my products in the morning and I can diminish it in the evening."

"The state still interferes in my affairs and I don't like it."

"Financial Guard, Sanitary Control, that's what bother me."

"The free market system will bring only misery."

"If you want to succeed you must work hard, have a lot of money and luck. But not in Romania. Here you must be the biggest crook."

"How can I be prosperous when I'm not well informed?"

"I don't know which enterprise is profitable and which is not. So, how can invest my certificate of ownership?"

"We don't have access to reliable sources of information."

V. PROPERTY AND OWNERSHIP

The general opinion shows that people have nothing against private property and big fortunes, as long as honesty and hard work are the sources.

"Private property is good."

"Those who enjoy hard working must have more than the others."

"Peasants have hard times. They are cheated and grow poor day by day. Their rights are not respected, everybody encroach upon their dignity."

"If I have some money, of course I'd invest them in properties."

"I'm working for a wholesaler. I can tell you he respects no rule. His prices are established chaotically."

"There's no economic motivation in their decisions."

Starting a Business

"To talk about starting my own business it is a bad joke. I live from a salary and I can't make loans because I don't trust the banks"

"I don't have the courage."

VII. "GET RICH QUICK"

People thought that liberty will bring prosperity. Now their opinion is different.

"After 1989 we were sure that our lives will be changed in better. Now we see the opposite."

"Those who were accustomed with breaking the laws made their fortunes easily. We get poor and poor everyday."

"Lotteries, Caritas game-what a foolish thing."

"I played at Caritas and I lost. I suppose that tells everything."

"Ordinary people played being convinced they'll surpass their poverty. They weren't stupid, they were desperate."

"All these games are manipulated by the rich ones."

VIII. THE IMAGE OF THE ENTREPRENEUR

An entrepreneur must be always alert, must have connections and money.

"...he must be clever..."

"In Romania you must be a crook with money."

"I think that the existence of the entrepreneurs is good for the country, but I can't tell why. I just feel it."

Personal Experience with the Employers

"My relation with my boss is very unsure. I don't have the feeling that he respects me. I'm convinced that as soon as I get ill or I have personal problems to solve he will dismiss."

"I work without legal papers. My employer treats me as I were a dirt and I can't leave him because I have no other place to go."

"I work 12 hours a day and I don't have weekends."

"Entrepreneurs don't respect the workers' rights."

"There are no chances of being promoted."

Though none of the subjects is pleased with his/her employer they don't feel like going back to a state-owned enterprise.

"Nowadays the state is no longer sure."

"I wouldn't return to my former job. The salary was a misery."

An entrepreneur differs from a state-owned enterprise manager because he takes risks and has great responsibilities:

"It's his money he is playing with..."

"An employer has great responsibilities."

"A manager from a state-owned enterprise is interested in how to steal and how to make trips on the public money. His competence never came into discussion."

IX. MAKING BIG MONEY

"Big money you get if you steal."

"I haven't heard about being honest and having a lot of money."

"Of course a rich one will never recognise that he earned his money by cheating the others and the fiasco."

"Corruption is everywhere ."

X. MEDIA AND MESSENGERS

"I'm so busy that I can hardly watch TV or listen to the radio. In the evening, when I get home, I fall asleep as soon as take seat in front of the TV set."

"Sometimes I watch TV, but never the economic broadcasts. I'm sick and tired of lies, demagogy .."

"I steady watcher of the economic broadcasts, but I'm not satisfied with them. There's nothing definitely in them, just big words."

XI. CONCLUSION

"Nothing will change. Big sharks will continue too lead us and we will continue to work for them."

"Things will get worse..."

"As time goes by, you realise that no one helps you. You can't sit and wait, you must take action."

"Everywhere is poverty and where is poverty there are diseases, lack of hope and unhappiness."

FOCUS GROUP REPORT PRIVATISATION NOV. 1994

A. The participants consider that the mood of the people from Romania is pessimistic. This is due to the uncertainty of the "day of tomorrow" and to the fact that, having in mind the majority of the population, for them almost nothing changed for the better during the last period of time.

B. The collocutors have a rather gloomy perception regarding the future: "the prices are high and the salaries are too low for our families", "our children do not have a job and they cannot find one easily", "the taxes are very high", "the managers of the enterprise are interested mainly of their own business and only afterwards of the situation of the employees".

C. As "most important problems facing Romania today" the participants mentioned:

1. Economical problem

- "The economical-financial blockage led to closing many enterprises, consequently the blockage led to unemployment and decrease in production."
- "All prices for raw material, electricity and gas are exaggerated, i.e. the costs of the enterprises are very high and also are the prices of the products."
- "The majority of the entrepreneurs invested only in trade. This way they didn't produce anything. This way one cannot reach the progress and the economy cannot be re-launched."
- "The quality of the products is not very high; this is why we aren't credible for the 'foreigners'".

2. Corruption

- "The traders' influence spheres are already attributed. This is why it is very difficult to enter any field if you don't spend huge amounts of money."
- "You cannot solve almost anything if you don't bribe."

3. Unemployment

- The collocutors gave as an example the situation of three state enterprises from the town which are already closed. Also, the participants mentioned that the two, new, private enterprises could not absorb all the available labour force.

III. Economical Issues

A. Having in mind the economical changes that took place after 1989, the participants outlined:

- Closing some enterprises did not affect themselves yet, but it inducted to them a real fear of unemployment. This fear is less sensed by the younger subjects, because they hope that for them it will be easier to find some other job if necessary.
- The privatisation of some of the stores is considered to be a good thing. In such stores one can find any product he/she wants. The only negative thing is that these stores operate with high and unjustified margins.
- Privatising some enterprises and creating joint ventures in the field of production is an output of these economical changes. In such enterprises "those who are more than 45 years old do not hope to find a job because the owners prefer younger employees".

B. C. While regarding the matter of privatisation, it's rhythm is considered to be too low, liberalising the prices is considered a too rapidly imposed measure. The collocutors would like the state to "control the prices at least for two years" and to "realise the decentralisation step by step, like in Hungary for example".

It is considered as absolutely necessary that the transport and electricity companies "not to be privatised, because such a privatisation will generate a complete chaos". Also, the state should firstly control the prices for the food-products.

IV.

A. Privatisation is considered to be, on one hand, "the coming of a Romanian or foreign owner, who buys a whole enterprises or just a part of it" and on the other hand "those boutiques that filled the town".

B. As advantages of the privatisation, the collocutors mentioned:

- Offering the incentives to the workers. "When you work for a private owner, the salaries are higher, the protection equipment are better, the work is easier because the technical equipment is more high quality."

- Modernising the enterprises. "Especially the foreign investors would come together with high-tech and high-quality equipment".

Also, the participants mentioned that there are some disadvantages with respect to privatisation: "All of them - managers, directors, they solve their personal problems linked with privatisation. This way, finally they are able to bankrupt the enterprises." Also, "the unemployment may lead some families to very tough situations; those who cannot live from that unemployment benefit they get."

C. The participants consider with hope and in the same time with fear the possibility that the enterprise they work in will be privatised. (In five of these enterprises their privatisation was already discussed.) "There is a possibility that we will be more content, that we will have greater salaries, but meanwhile there is a possibility that we'll be fired. In this last situation what can we do?"

On the other hand, with respect to privatisation, the subjects are content with the wide range of products on the market; the only problem is still the too high prices.

V.

A. When they hear the wording "market economy", the participants think at "demand and supply", at the fact that the "demand should be greater than the supply, this way the products will be easier to sell". They also think at the "quality, because one needs it in order to have a market for his products, at the "competition", at "producing exactly what is demanded". All these things they learned from TV, from books or from friends.

B. C. The collocutors hope to live better, in a richer country, in a market economy system. This will happen together with the privatisation of all enterprises. Meanwhile, the subjects wait a change of those in Power. Not necessarily changing the balance between the political parties, but changing people themselves. "We want more competent people to be in charge." - the future of their children, working places, the unclear situation of the present conditions. (Mostly the women are worried.);

- price-increasing: "Why do they import some products that we have? Only for that those from Ministers and banks, those who facilitates the transactions, to get rich from the trade margins?"

-generalising the corruption

E. Some of the subjects (those five over 35 years old) are afraid because they consider themselves as being too old to learn something new and to easily adapt toward the market economy. "We should have more skills for being sure that we will find a job in case on unemployment." "We should have a greater amount of general knowledge and to speak a foreign language for being able to become employee in a privately-owned enterprise." "We should have more courage, but this is difficult."

F. "The key for success in a market economy is in having huge amounts of money, which we don't have." The collocutors would like to find out how can be the banks used for starting a business, but this with restriction that such banks should offer credits for long periods of time and with very low interest rates. "Otherwise, it has no sense to risk, because we'll remain even without home."

The younger subject, more interested in the topic of this question, would like to have examples linked with success-business. This examples should be "only from Romania, not from abroad, because the situations are not comparable". Mostly they would like to have examples of persons which succeeded without initial having important amounts of money. Also, all the participants emphasised that they would like the economical TV broadcast to present "examples and explanations understandable for an average person, for those persons who do not know the specific language."

VI.

A. The fact that there exists now private property is considered to be "a start", "a step forward", "a core out of which we hope to raise a tasty fruit", "a very good thing because this way they can do the mass-privatisation". Through putting in practice the mass-privatisation the subjects hope that the country will get richer and, implicitly, that they will live better ("the competition will decrease the prices").

None of the subjects bought any property after 1989. Also, they do not see any opportunity to buy one in the foreseeable future. Still, the subjects have respect for those who managed to detain such properties in a honest way: "They were smarter", "they had more courage". "Still, the majority of them stole; only good things for those who managed to do it using honest means."

"The fact that they exist (the private owners) can only be fruitful for the country". This is because the private ownership creates working places, higher salaries i.e. the employees lives better and "the state gains from taxes on the profit".

VII.

A. The difference between the way of setting the prices in the socialist economy versus the way in the market economy was very clearly explained by the collocutors. They also mentioned that "today the prices are beyond any type of control", "everybody sets the price in a unjustified manner; they make big profits; a maximum limit for the trade margins should be settled, so that a private owner could use it". the subjects were not against setting freely the prices. They were just saying that a decent trade margin should exist.

B. The participants outlined that the possibility of gaining important amounts of money through work is an utopia, because individuals lack a starting-basis. The majority of the collocutors stated that they would become involved in a trade activity, because "this (trading) will work for another long period of time here; everybody needs food, firstly" and "trading brings immediately profit".

The younger subjects prefer to become involve in production ("I will check what is not on the market and I'll produce exactly that thing"), tourism ("this place is great for tourists") or they

would like to build "a place where children will play games and a kindergarten teaching in foreign languages, because this is something with future and there is no such thing in the town".

VIII.

A. The participants strongly agree that the majority of Romanians (including themselves) thought that they will become rich quickly in the market economy. "Everybody hoped a greater salary, in accordance with the type of work". "They hope that here will be like in Germany because they have a lot of relatives there, who presented them a wealthy life."

B. "The majority of Romanians tried to get rich through black market, bringing in and selling lots of things from abroad, becoming involved in tax-dodger businesses."

C.D.E. Each participant hopes to win at least once at Loto, Pronoexpres etc. for being in this way able to start a business. Or at least for being able to buy some durable goods (for them or for their children). 6 persons from the participants play rather regularly in such games. All of them (except one person) deposited up to 100.000 lei in Caritas. The majority of them rescued the exact initial amount of money from Caritas and left the rest of money in the game. In this way they managed to loose this part. Still, they do not put a blame on Mr. Stoica (the organiser of Caritas): "nobody forced us to put money in there", "some persons gained some money, isn't it?", "Caritas was organised by somebody from 'Above' (the Power), who initially used Stoica and after everybody who has to obtain money obtained them, they let Caritas down".

Even if the subjects were disappointed seeing that they lost this chance to obtain money (i.e. Caritas), they did not feel angry up to the moment when they understood that "somebody wants to destroy Caritas using the newspaper "Evenimentul Zilei". Somebody might have used them." Their question is "Why "Evenimentul Zilei" did not wrote from the very beginning something against Caritas?"

The participants are not convinced by the fact that if somebody was firstly aware by the risks he/she was not participated in the game afterwards. Any awareness would, for the best case, generated a little more precautions. The subjects said that they would have prefer to be explain from the beginning about the principles of a pyramidal game. these explanations were supposed to be given by economists, journalists. This is, in fact, what Iliescu done in Pitesti. If somebody have firstly explained to them the principles they would have deposit smaller amounts of money.

IX.

A. The private entrepreneurs are perceived as being split in Romania in two distinct categories:

1. People of courage, they new to take risks, they new how to manage. They had some capital and some relations in Ministers and Town Halls. This way they were able to obtain some visas and commercial surfaces. This categories holds about 40% from the private entrepreneurs.

2. Smart people, able to manage, who bribed people from the customs (nor paying taxes to the state), who have relations in the Financial Guard (this way they were not controlled). These people bribed some banks' employees as to obtain advantageous credits. This category "hires employees without any contract, on the black market; this way they do not pay social security taxes and, also, they can fire people easily".

B. The first category "are those who help the country: they create working places, bring in high quality products, find markets abroad for Romanian products, bring in foreign honest partners".

The other category "they make you loose your trust in private ownership; they continue the corruption phenomenon" "For them stronger laws should exist."

E. The only reasons for moving to a private enterprise would be higher wages and better work conditions. In such a situation the participants would be a little afraid: "not all the owners are correct", "you depend a lot of what they want; they can throw you out anytime", "a relation with an owner is much colder than the relation with a boss or manager in a state-owned enterprise."

For the moment, any participant took this idea, of moving in a private enterprise, seriously. This is because there are no private enterprises in their field of qualification in the town.

X.

A. Regarding various ways of getting rich, of "making millions" illegally, the participants spoken again by the same topics as in IX.A.2.

As a counterpart, the former manager of the "Tîrnava-Timişoara" textile enterprise was mentioned. This person was put outside the management after the Revolution. Tren, he made a joint venture with a German person (a former partner of his socialist enterprise) and built a new factory. This one works only for export in Germany.

B. The subjects do not eliminate the possibility of getting rich through legal means. (In this category falls those with relations abroad, the shepherds, those who intermediate various deals). Still, the participants consider that they (the participants) do not fall in neither of these categories. They also do not have money, so their chances are very low.

XI.

A. The colloutors followed some TV broadcasts about the mass-privatisation. ("Studio Economic"). These broadcasts were not appropriate with their level of understanding. On the other hand, the subjects consider that the "Good Morning, Romania!" broadcasts, since they are programmed at more accessible hours, are to be followed. Also, "Viaţa Satului" is positively appreciated.

B. The given examples referred only to new joint ventures and to investments in tourism. The participants loved the idea of "agro-tourism"; they admired those owners, because "of what they achieved", "because they induced trust, they seemed correct, judging from how they spoken".

C. The biggest part of the information concerning what is happening in Romania is from TVR Actualităţi (the main news bulletin) and also from the Radio. The participants do no longer read the newspapers, "because they are too expensive." they have the highest confidence in TV, because "you can also see what is happening". Still, the use to follow mostly cable TV.

C. On TV, the participants would like to see the following aspects linked with the privatisation matter:

- "How can somebody become involved in a business if that person has no money."
- How can the bank help a private entrepreneur who does not have any capital.
- Some explanation regarding the steps of the privatisation and the concrete advantages for an enterprise that goes in private property from the state property.
- The role of the employees in privatisation.

IX.

The subjects hope that in five years the situation of the country will be better. In this way, their personal situation will be better also. "We will have greater salaries, or the prices will be lower." "We will be able to buy some things for our home."

FOCUS GROUP REPORT PRIVATISATION NOV. 1994

Date:	November 15, 1994
Locality:	Boiu (village at 18 km from Sighisoara)
Participants:	Commuters, working in state-owned enterprises, 6F+5M, 25-53 years old
Modcrator:	Mirela Pinte

All the subjects (11 persons) work their land after they finish their working hours in the place they have the jobs. The participants obtained the land after 1989, without having, not even now, any certificate of ownership for it. Some (4) of the subjects have animal farms (pigs) and they have contracts with the state for their products. Still, the collocutors think that the income example, none of the collocutors was able to buy a tractor, because of the lack of money." Almost all the subjects (not the younger ones) would prefer to be able to earn as much from the agriculture as to have the possibility to give up the job and the commutation. None of the subjects consider this a real possibility.

II. Context

A. The subjects consider that the mood of the Romanians is one of confusion: "nobody understands exactly what really is happening and, more important, nobody knows what will be in the future".

B. They look with fear at the future: fear of unemployment (one of the subjects already changed its job because the factory he initially worked in closed) and fear with respect to the increase of the prices. This way more and more products will become not affordable.

C. The most important problems facing Romania today are considered to be the following:
- financial blockage: "It is like a chain: a factory cannot pay to another one, the latest doesn't have money to produce and to pay salaries, for this reason the factory is closed and this goes on and on."

unemployment: "This is due to the lack of money and to the lack of raw materials".

- prices: "All are very expensive. We are lucky with the vegetables we have in our garden":
"We pay a lot to the man with the tractor for the sowing; this way no money are left for other purposes. And, of course, I don't have money for buying my own tractor (10 millions lei)."

III.

A. the subjects mentioned the following economical changes:

- "There is chaos and disorganisation all over in the economy"; "Factory are closed without any utility, because nobody cares to find out what is to be done in order that those factories to be able to function well."; "The bring in products from abroad and afterwards they let them stay in the warehouse: sugar, oil etc."; "All of them steal."

- there is a lot of waste, at any level: "Things are produced, but nobody buys them"; "All kinds of unprofitable innovations are paid" (concrete example in the factory where one of the subjects works).

- "The fact that the 'boutiques' appeared."

B. C. The participants were not able to state if the rhythm of privatization is rapid enough ("we are not good for this kind of things"). In the same time, the subjects understand the necessity of privatization: "at the owner everything is more organised; everybody knows what he is has to do and is interested in doing well its job, because otherwise he will be kicked out".

All the subjects consider that the state should control the prices for the majority of the products: "to all of them, if this will be possible".

IV.

A. No definition of the privatization resulted from the discussion. It was mentioned only the case of an Italian who build a factory for ready-made clothes. To this the boutiques should be also added. Still, the subjects consider that "If the entrepreneur has something, the country has something also."

B. C. Advantages of the privatization:

- offering incentives to the workers: "there exists real negotiations for the salaries"; "The salaries are higher". "There are no more differentiation between the salaries of the workers and those of the administrative staff." (this one is merely a hope). Only two persons understand the importance of the administrative staff for the enterprise.

- the variety of the products on the market and the fact that one has the possibility to choose depending on the quality.

The disadvantages regarding the privatization come from the fact that the "prices may go up unlimited, as long as everybody has the right to set its own prices" and from the fact that "From a private enterprise one is easily kicked out". This last situation may happen to each of subjects at a certain moment.

V.

A. The expression "market economy" leads the subjects to the idea of "negotiating". Something on the line of "I give you the sugar beat, you give me its equivalent in sugar" "Everybody gives a percentage of what he has available or of what he produces and obtains the desired price on the market."

B. C. "We cannot really foresee the future." There are a lot of "obstacles for the agriculture". "We have to pay 400.000 lei/year for sowing and we get only 220 lei/kg of product". "Our work in the fields is not enough considered, but we are used to do this work and this is why we still do it."

The subjects consider that they will live the same or even worst in the market economy system (because of the prices). But, "if the state will be preoccupied more by the agriculture, if the state will make easier to buy equipment, we will live in more certainty and richer and the country will be richer also."

E. For being able to easily adapt toward the market economy the subjects consider that they should:

- know the laws. "This way we'll know what we are allowed to do and we are not allowed to do."

- be optimistic "This way we will not give up easily in front of difficulties."

- be honest and good organisers "This way the work will go well and we will obtain profit out of everything."

F. The participants will like to find out more about banks and credits. "How can we obtain credits with low interest rates and long duration?", "What shall we put as a guarantee and what is happening if we are not able to return the money?"

Also, the subjects consider important the idea of "agro-tourism" (some TV broadcasting on this topic were perceived as very interesting).

VI.

A. "The fact that there exists now private property is good.". "Having a lot of boutiques helps in order to decrease the prices." Still, the subjects will prefer the state to impose an upper limit for trading margins. This in order that "some privatized-people not to mock us."

B. Not having money, all the participants do not consider the idea of buying soon any type of property. 4 persons from the interviewed will sell their land "if they will obtain a good price for it and this way we will be able to buy a car or something for the house." (In this way they will not have to use commuters.)

C. The subjects think that the majority of the people who have big money and lots of properties "did not realise this through honest job". "They are the older Nomenklatura, the majority of them." Only very few people ("having a lot of courage and, maybe, some money from their relatives from abroad") had credits when the interest rates were lower and they had success in this manner.

The fact that some people own properties "is not bad for the country if they pay taxes correctly, on the contrary, the budget is greater. Still, even if this is good for the country, it has no impact, or significance for us."

VII.

A. The prices are a problem that they face daily and that makes them feel anxiety. "Everybody states whatever price he wants for the products; at the TV they say one thing, in the ~~corruption everywhere; everybody steals.~~ corruption everywhere; everybody steals."

B. The subjects never thought that they might be able to earn a lot of money from some activity. This is because "in the agriculture this is not possible. We already seen this: we work daily, together with our families and still for nothing." On the other hand, "In the trade we are not skilled". "Maybe, if somebody will teach us what to do exactly." (All the subjects sold up to now potatoes, corn, pigs, milk etc.).

VIII.

A. B. "Those who already thought at this become rich." "They went in Germany and Hungary, worked on the black market and returned here with money." Some others "entered in the politics. They are now in Government or in Parliament, they quarrel all day long; they become rich from their salaries and from the enterprises they have."

B. C. D. Only two men (48 and 53 years old) participated in games like Loto, Pronocxpres etc. Four people openly stated that they invested in Caritas. "They are all thieves. The Caritas went well until all the people from the Parliament took their money out. After this, Caritas gone to bankruptcy." Two subjects won small amounts out from Caritas. Two participants lost small amounts. They are not sorry, but if they knew more about such games maybe they would not invested. "The TV and the Radio should have spoke more about this from the very beginning, not only after all those who were supposed to win took their money out." "High-educated people should have explained these games."

All those participants who lost money in Caritas are not very disappointed. they were angry only for the moment, because they lost useless some money. Still, they mentioned that they know people who won huge amounts of money from Caritas.

IX.

A. The image of the entrepreneur: see what was said in VI C. and VIII A. B.

B. What they would like is that these entrepreneurs to be more often controlled. "In this way they will be obliged to respect the laws" and "in this way the country will obtain more money from taxes." "People will find all the products at lower prices and they will afford to buy anything."

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E. The subjects seriously considered the idea of shifting toward working in a private enterprise. Still, the opinion are different:

- They will move if the concerned enterprise will be a great one, where the salaries are greater. (This holds for the younger and for a part of the men).

- The rest of the subjects would not go to work for a private enterprise for various reasons: "I heard that the entrepreneurs pays you low salaries"; "They hire you on the black market; this way you loose the incentives for continuity in work". "The owner does not think at the people. He thinks only at himself." "If the owner goes bankruptcy, he does not have to pay you unemployment rights."

X.

A. Nine persons out of eleven think that those who have millions got rich using non-legal means: tax dodging, black market, bribe at the customs and for the Financial Guard, stealing etc.

Examples of people who managed to gain honestly some big money:

- one person from the village bought a tractor in 1990 and now rents it;

- one person raised 8 pigs and after that sold them, obtaining 2 millions (but "this person has no job, so he has a lot of time to spare).

B. All subjects agree that "there is very difficult to make a fortune in a legal manner." For doing this, "either somebody should help you with money, either the state should give advantageous credits. This is already impossible.

For the subjects, the only way for getting rich is to make a farm (an association), the state to give them very cheap husk, the credits should have 2-3% interest rates and they have to be returned in at least 10 years; they should at least be able to buy a tractor. With this in mind, all the subject think that "there is, overall, no chance for us."

XI.

B. Because the subjects are busy all day long (in the morning at the job and in the evening on the field) the do not have a lot of time to follow the TV and the Radio. This pattern changes only on Sundays.

"We don't have, by all means, trust in the newspapers." "In Radio we have a little and we have more trust in TV, because we see them all and we can understand when they lie."

The subjects follow especially the "Viața Satului" but they are not content, because "there is one thing that they say there and something completely different that you see in real life."

(E.g. they understood from one of these broadcasting that they will get fertilisers for free, which have never happened for real.)

As far as the broadcasting about the mass-privatization are concerned, the subjects either did not follow them, either they do not understand them at all.

C. The subjects would like the TV to show an example of "private enterprise that works very well, who is rich, in that enterprise they should interview everybody, from the manager to the broom-keeper and all of them to show - without lying, that they are satisfied."

Also, the subjects would like to be shown private farms and to be explained all the steps that should be done in order to have such a farm. Also, they would like to be shown how you manage after they manage to start the farm.

XII.

The subjects hope that their situation to be better in five years from now (to earn more from the agriculture and the prices to be smaller).

FOCUS GROUP REPORT PRIVATISATION NOV. 1994

Date:	November 22, 1994
Locality:	Bucharest
Participants:	Owners of private enterprises (more than 50 employees), 1F+5M, 34-66 years old
Moderator:	Mircea Kivu

II. Context

A. The general mood is rather pessimistic. This is due to the decreasing purchase power of most of the people. The right word is "surfeit" (saturation).

The cause lies in the indecision of the ruling group. It seems there is a split inside it: part of them is favorable to a market economy, while the other is not. People have no idea where are we going. There is too much confusion (the law system is changing, it is contradictory). When the owner of an enterprise has problems, it has some outcomes on the mood of its employees.

B. Personally, we have the feeling that nothing is done in order to help us [private entrepreneurs]. Everybody speaks about encouragement for free initiative, about the tax system. The financial regulations seem to be done in order to stop us.

C. What should be done, is a real "entrepreneur's protection". If the Government is really interested in private initiative, then it should help us. Actually, for any mistake we are penalized. They act towards private business as toward criminals.

The Government tries to solve problems through administrative measures (as keeping prices stables). There is a lack of political decision for solving the cause of the bad things.

III. Economic Issues

A. Of course, for us there was a big change. We are the ones who took the risks. Of course, we are richer now, but it does not mean that our life is better. We work hard, the stress is high. We expected a more radical switch. The bureaucracy, the bank system, they act as before.

B. The pace of changes is, obviously, too slow. Too many, absurd regulations. The regulations are often contradictory to the law. Even those who are supposed to apply them understand them differently. This is because in the state apparatus there are the same individuals. They interpret the regulations using the old patterns.

C. There are these huge state plants. Trying to keep them alive is as trying to cure a corpse. [Another participant argues:] These plants cannot be closed, we must think what will happen with those who are working there. [Another:] Bankruptcy does not mean to close them; it is just a kind of re-capitalization.

There are too many taxes for the private enterprises. Nobody understands that all these taxes are paid by the consumers, it means by those who should be protected. This is a false protection. Actually, we all are paying for the unproductive enterprises.

Of course, a market economy is not one where all the companies are state-owned. There are enterprises that cannot be privatized, because nobody will want to buy them.

IV. Privatization

A. Privatization means to create a good environment for free initiative. [The moderator explains the sense he proposes for this word].

B. Not only is it good for Romania, but it is necessary.

There are two kinds of private enterprises. There are those who took the risks, as we did, and started new enterprises. Then, there are those privatized through the so-called MEBO. This is not a real privatization, because those who became owners through MEBO do not have the spirit of initiative. This is essential for a good management. These enterprises will not function differently in the private system and, on the long term, their owners will lose what they have.

C. [Not asked. I felt it makes no sense, given the situation of the participants].

V. The Free Market and Private Initiative

A. Market economy means full competition. Competition does not mean that we fight each other.

It means also a new mentality. Everybody has to take risks. Not only the entrepreneurs. In a market economy, you cannot stay and wait for opportunities to come to you.

B. Of course we will live better. This is why we are doing what we are doing.

C. It depends. If things will go in the same direction as now, we will not have a real market economy. It will be a mixture, where some private companies will fight against a state-owned sector. The competition is not fair, because the Government will be in the meantime player and arbiter.

D. As it was told before, it is a lack of decision. It will be reasonable if it would be a trend, even very slow, toward a certain direction. Now, the pace is "one step forward, one step back". At present, it is almost "one step forward, two steps back". That makes most of people lose any confidence in the future.

E. There are not special knowledge or skills. Just a strong decision to make it. And, one have to know to take quick decisions. The management, in a private enterprise, has to be even more rigorous than in the planned economy. There in case of fiasco, one knew that the Government will help him.

F. We need to know daily all the new regulations. If not, we can do mistakes punished with high fines. For us, the best newspaper is "Buletinul oficial" [the official monitory]. I read it every morning.

We do not trust the banks. They look their own interest, that is not always yours. Most of them offer a good treatment at the beginning, then they are "squeezing" you.

Examples about successful business will be good for those who are starting, not for people like us.

VI. Property and Ownership [I skipped this chapter as inappropriate for this group]

VII. Value

A. There are some "big producers". They are establishing the prices. Most of times, it is the state. Even if the Government does not directly control a field, it does through the prices of raw materials, energy etc. This mechanism keeps prices high. If you want to sell cheaper, you may be prosecuted for tax evasion.

On the other hand, there are fields (cigarettes trade) where tax evasion with protection from "high". There, the prices are artificially low, and nobody can compete.

B. [Not asked]

VIII. "Get Rich Quick"

A. No, most of Romanians wished just to live a little bit better.

B. When people saw that nothing is going for better, they were so desperate as they were able to try anything. "Caritas" brought them some hope. It was good for the general mood. There

are not as many losers as it seems. Most of people got their money back once and they putted in only the extras.

C. [One participant] I did and I loosed. I was aware that I could lose. It was a gamble.

D. I think if people would know more, it would help them to be less unhappy when they are loosing. The fact that this is a game was not clearly pointed out; this was not fair.

E. Now, people trust only their own experience. Maybe also someone very close. For the rest, all information is so contradictorial.

IX. The Image of the Entrepreneur

A. [See V.E.]

D. In the private enterprises, wages are higher. Of course, the risk is also higher. As there are a lot of people asking for a job in our companies, it seems that they feel better.

They are working harder than in the state enterprises, but nobody asked to leave for that.

X. Making Big Money

A. B. [Actually, most of participants made big money] There are a lot of businessmen who "gave the big shoot". This is not at all dishonest. It makes part of the market economy mechanisms. Such people proved a better foresight. They knew how to use their opportunities.

XI. Media and Messengers

A. We do not have much time to look at the TV. Most of times, there are discussions too sophisticated for those who do not understand formal privatization.

There was an interesting broadcast that put together two leaders of the Opposition and two representatives of the Government. This is the way things should be shown, because the arguments of each part are easier to understand when they are together.

B. Generally, on the TV they show only the bad parts of the private sector (tax evasion, high prices etc.). The national TV played an important role in the bad image that the public has about privatization.

It is not the case of the private TV stations. They are more objective, maybe because they need to show something else than the national TV.

Maybe, the editors of the national TV are afraid of being prosecuted for illegal advertising when they show good aspects about private companies.

C. They should tell to people not only how rich is an entrepreneur, but also how much he pays to the Governments. People should know that the few social protection they enjoy comes from us.

I would like to be shown examples about how a private enterprise is started. It is the case of a series aired by *Tele 7abc* [a private TV], about the private enterprise in U.S.

XII. Conclusion

If we would not think will be better, we would not reinvest our profit - we would use it for buying cars, for travelling etc.

FOCUS GROUP REPORT PRIVATISATION NOV. 1994

Date:	November 21, 1994
Locality:	Cotnari, Jassy District
Participants:	11 agricultors, male & female, 24-71 years old
Moderator:	Răzvan Chelaru

CONTEXT:

The most important problem for Romanian people is the field sharing. There are a lot of problems and a small amount of hope for the people who are working at the country-side. There are a lot of things to do; we need a special elucidation for legislation, and we need people to defend our interests. People are afraid about what it could happen in the years to come in agriculture; "there is nothing that we can do". Our only hope is a new legislation, an impartial arbitrage and some young and honest people to do this.

ECONOMICAL PROBLEMS:

Changes in Romanian economy make the things go worse. There is a lack of authority, people have more freedom but they didn't know what this means. There is no respect for the public administration and the law. They make the justice on their own and usual people like us can't do nothing against them. We also see that corruption is everywhere even in justice department and we think that all these people fight for their group interests and for personal richness. So, things go worse and we have no hope that it will ever be better than now.

PRIVATIZATION:

Privatization it is something normal and this is what we need. But this is not enough, because for us (agricultors) it will not be much better than at the beginning. We need a governmental financial support to provide a modern agriculture. Prices will become low as a result of competition between state property and private property and all the people will live better. Privatization means now a recover of personal land property. But this is not fair; a lot of land is not used to agricultural production because the owners have no workers. So, in the actual context agriculture is not an efficient one. It is unproductive. One of the solutions could be the old idea of giving about 5000 mp of land to each citizen and the people will work this way all the land. But this is impossible now. Still are a lot of people who have no land. Still are a lot of people who have a part of their land.

Some part of the land is stolen by state agricultural institutions (I.A.S.). And all these problems are hard to solve.

For individuals, privatization is something good and offer a chance to make a good change in their lives. But first it must be solved all the other problems.

FREE MARKET & PRIVATE INITIATIVE

Free market means competition and a lot of advantages for individuals in agriculture. But to survive in a such competition you must work 14 or 15 hours per day and make a

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best user of time and land. You also need a lot of luck and a lot of money to start a better life and survive to "land taxes".

Most of the rich people took land by stealing the others and this support as a matter of fact the inequality of chances and opportunities. They provide a new generation of rich people who are not using legal ways for getting rich. Only a small part of people could become now rich using only their honest work.

So, now in Romania the economy is the world of some rich and selfish people who's actions are impoverishing the others, the simple and honest peoples.

THE PROPERTY

The property is one among the good things appearing after 1989. You could have your own land, your own house etc., and this is something good. It is a source of survive in a dangerous world that has no respect for the traditions and for the law, with high taxes and prices and low agricultural incomes. The value of work in agriculture is now smaller than before 1989 and the prices too. The primary law in our times seems to be: "The big fish eat the small one" and you must make a great effort not to become a "small fish". There are also great differences between incomes in the city versus the country-side, but the unemployment will determine more and more people come home back to the country-side.

It is harder and harder to become rich in our times and those who were trying to do this using gambling like "Caritas" were just the victims of the rich people and of their proper lack of honesty.

MEDIA & MESSAGES

The only source of information is for us the television. We receive only TV1 channel and we didn't know what to think about privatization. We saw all the time that there are a lot of problems and a lot of people with our problems. We are scared and we don't understand what is happening. There is no one who could help us to understand what it is the privatization.

There is not to much hope. We believe that God is the only one who could help us and we wait some young and educated people to help us. We have no trust in the old ones.

FOCUS GROUP REPORT PRIVATISATION NOV. 1994

Date:	November 14, 1994
Locality:	Iassy, 340 000 inhab., Moldavia
Participants:	9 students, male and female, 21-25 years old
Moderator:	Răzvan Chelaru

CONTEXT:

We, Romanians, are perceiving four different crises in our society. There is an economical one, a morale one, an ecological one and last but not the least a personal relationship one.

So, we are not so optimistic concerning what it means our future. Students are generally perceive their future like an uncertain one because they think that the contemporary social context doesn't offer enough opportunities for starting their social life.

Economical chances in Romanian economy had not bring us major improvement in our everyday life. Just some insignificant parts of the economy had grow up. Also the "speed" of changes was very low and although could have been very high.

Despite this situation the younger still have the courage to start a business but the chances to make it are very small. The most important problem in this sense is that there is not enough legislation to provide these chances. The bureaucracy of our formal institution develops a new decreasing of possibilities to starting a business. More, there is a kind of "circle of influences", made by corruption that stopped any emergence of a new business. The Power has a lot of links with this "circle".

PRIVATIZATION:

(Participants understood privatization like an equal share dividing of the state property to any citizen of this country).

Privatization must bring the most part of the state property to the private property. Participants perceived this "equal shares" as "equal opportunities" in starting a new business. They also believe that, in this moment, such an equal sharing it is not possible because there are already some people who posses more capital than others. So, an equal sharing will increase the differences between people' property and also the differences between "opportunities".

Then, even the liberty of economical action will be at a slow rate because the competition between agents will not be loyal.

For our country privatization means the future. A faster privatization will determined the highest economical development. Competition will be the key of a new attitude at work and for new relationships between people. So, it will be not necessary to have a control upon the prices at any kind of products, because competition push these prices to the lowest level. This is what is meant by "free market".

In a "free market" economy people will live better than today. But if you want to survive in this context you must be a good professional, you must have a good manager and you must have a bit of luck.

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Now in our country there is not a "free market" economy. So we need more "accessories" to survive with a small company: you must have a personal communication network, you need to make personal relations with different kind of people especially with decision makers in public institutions or governmental institutions. Private initiative is attractive for any young person who wants to start a life on his own but now is too complicated to survive. You don't have money to start a business, because the interest rates at the banks are very large and if you make a mistake you lose anything from the very beginning.

VALUE:

The value at work in Romania is very low. (Relative deprivation concerning the perception of the value of work in USA or Germany was very strong to all the participants). The prices are very high and the services are very bad. Despite this situation the prices are not relevant for the quality of work. People working for private companies make generally a good job at their workplace. They have a better life. It is not a honourable way to make money with trading companies and this is not what we need now.

We need now more productive private companies for the good of our country. The best thing is to make the both: production and trading at the same time.

People were tired to get richer using luck games like "Caritas" but this was in fact a way only for the rich people to become more rich. The ordinary persons were losing all their money and now they are in a desperate situation. One could see the participation at this game like an investment with 1000% profit, but one must be a child to believe this. So, this game used the lack of economical education and the psychological tendencies of the human behaviour to get rich without effort.

The most part of the rich people are still using illegal methods for having more money. There are some, a small part of them, who are using now legal methods.

MEDIA MESSAGES:

We only trust the TV when we are trying to find some information about privatization. But we feel there is a kind of propaganda for governmental method of privatization. We believe that TV presents more opinions than facts and we expect to see people who have some experiences in other countries. We don't have confidence in newspapers and we are expecting some specialised magazines to find what really means privatization.

Despite all this things we talk about it and we are optimistic about our situation in five years for now. We think that everyone of us will survive.

Date:	17 November, 1994
Locality:	Cluj (big city)
Participants:	9 owners of small companies, 7F+2M, 25-70 years old
Moderator:	Mirela Pintea

II. Context

- A. People' mood is one of confusion: "People hoped that we will get quicker out from the status of crisis. They don't know what to think now."
- B. The collocutors are quite pessimist. "There are too many problems to solve in the country: social problems, political problems, problems of people' outlook. There cannot be all of them solved soon.". Only one person (27 years old, prosperous computer manufacturer) thinks that "through privatisation everything will be solved".
- C. The most important problem facing Romania today: the people' outlook: "All of them are used to be told what they have to do." "Without bribes one cannot solve anything anywhere." Another important problem is the economy. "In order to develop, a country needs a healthy economy: a strong industry and to pay more attention to the agriculture then we pay."

III. Economic Issues

- A.
1. A market economy started;
 2. privatisation: "Privatisation helped me to find my vocation." "Privatisation allowed me to live better."
- B. The rhythm is too slow: "They should have done much more propaganda in favour of privatisation." "There still function a lot of enterprises that are really bankrupt."
- C. "The state cannot impose prices in a market economy."

IV. Privatization

- The participants gave a very accurate definition of privatisation.
- B. Privatisation is a good thing: "It will help for re-launching the production in some fields." "Some people make their living from what an entrepreneur works and organises."
- C. Privatization is for the better. "We found a meaning for our lives." " We proved that we are able to accomplish something."

V. The Free Market and Private Initiative

- A. The participants mentioned correctly the features. "An economy based on the supply-demand balance and where the prices are consequently established on the market."
- B. "Yes we'll live better, but not very well because of the tax system and because of the huge rents we have to pay for surfaces where one does trade."
Only one subject was optimist: "I want to expand my activity in the agriculture and this way probably that I will have better revenues."
- C. "Yes, it will be produced only what is needed. The marketing will be developed." "In a market economy, everybody has a chance to earn more." "One problem is the low level of population' education concerning the economical matters."
- D. "Generalising the corruption: one cannot obtain anything good (surfaces, visas etc.) without bribing."
- E. "It seems that we managed to adapt ourselves." "Maybe we lack the gumption, for being able to live better."

F. "There should be analysed what is viable; what it is not viable should be restructured."
 "Examples concerning successful businesses"

VI. Ownership

A. "Sometimes I have the impression that the privatisation is only dust in people' eyes and that they launch on the market all kinds of privatisation methods just for electoral purposes."
 "There are few enterprises on the list of those to be privatised and they might be bankrupt."
 "This is a start, a beginning. Privatisation is the only viable solution; history proved this."
 B. One tractor (for the subject that wishes to expand its business in the agriculture). Surfaces for trading ("In order not to have to pay the rent; in order not to depend on anybody.")
 "It would have been better if all properties would have things depending on its possibilities." "It would have should be developed in people' minds."

VII. Value

A. "In the past the prices were controlled. Today, they are free, sometimes even chaotically."
 "Many people have in mind only how to obtain immediate profits."
 B. "In agriculture" (one participant). "
 "We would not have as many money as we wish - tourism (hotel), production (anything)."

VIII. "Get Rich Quick"

A. "Yes, because they did not have enough knowledge about it."
 B. Caritas: "This explains how a business cannot be done without somebody to lose something." "This changes in an artificial manner the way of living."
 C. None of the collocutors didn't participate in Caritas and "We don't have spare time for lotteries."
 "The truth is that many - even ordinary people - get rich" (e.g.: neighbours, colleagues etc.)
 Still, "it was a shift of capital from a large mass of people to some few people on top." "I had larger selling in those times."
 D. E. "The state should have took measures from the very beginning, because similar examples existed world-wide." "In Cluj this become a real madness. I don't think that anybody would have listened to"

IX. The Image of the Entrepreneur

A. "He should gather evidences well in his profession", correct (honest), with high capacity toward taking risks, very resisting, being able to work a lot, a good psychologist, "it depends on the specific; it's something native".
 B. For the better: "It changes the look of the towns", "They produce what is demanded", "They help for price decreasing", " They integrate Romania in the world through import-export operations."
 D. In private enterprises "they offer different working conditions", "people have higher salaries", "people can promote easily". "those who are good indeed may become even owners" (example for a physician in the States).

X. Making Big Money

A. "Exclusively through honest work, it is too difficult" (8 persons, who gave their own example).

B. Legally fortunes belong to "those who were more prosperous" or "those who were more lucky, or had more capital, or tricked either the state (tax evasion) either those persons they were working with."

Examples of ways of getting rich honestly: "Those who started a business immediately after the Revolution", "those who were helped from abroad".

Examples of getting rich illegally: "using false documents at the border", "those who keep double accountings", "stealing", "from bribing: those from government, banks employees, peoples from ministers or from Financial Guard".

XI. Media and Message:

"We don't have a lot of time to spare on TV."

A. "They present mostly the successes, not the tough things one encounters."

B. "everything looks too pink." "I think that a lot of owners do not declare who helped them." The participants do not trust mass-media. They prefer TV, but they also read the newspapers:

"Evenimentul Zilei", "România Liberă" and professional books and magazines.

C. "The situation of those enterprises that will be privatised should be presented in details."

XII. Conclusions

"I hope that yes" (4 persons)

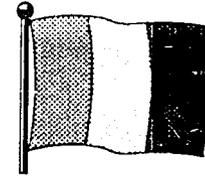
"Yes" (1 person)

"I don't know" (4 persons)

The situation to be better means that "the enterprise will be wealthy", "the taxes to be lower".

***TOP LINE REPORT
FOR THIRD PHASE***

ROMANIA:



PRIVATIZATION
RESEARCH FINDINGS
PHASE III

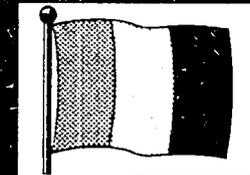
PREPARED BY

KRC RESEARCH AND CONSULTING

APRIL 1995

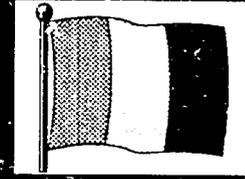
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METHODOLOGY -- FEBRUARY 1995



The February 1995 wave of the tracking research consisted of a nationwide survey of 1500 respondents.

POPULATION SEGMENTATION



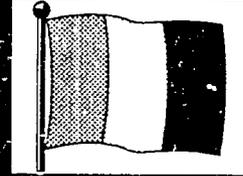
A cluster analysis of the benchmark tracking study in August 1994, revealed that Romanians can be divided into three groups depending on their attitudes towards different dimensions of change. The three schools were:

- The New School:
 - This group is already committed to change to a market system; they have a knowledge of the basics of privatization; are coping relatively well with current social and economic conditions; and need expert advice about the new economy.

- Old School:
 - This group is very unreceptive to communications; are very confused and ignorant about privatization; find economic, social and political changes difficult to cope with; and are resistant to change or information about change.

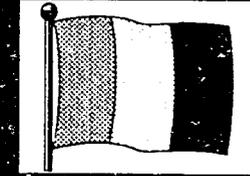
130

POPULATION SEGMENTATION



- Transitionals:
 - Are committed to moving away from the past, but need reassurance about harsh current conditions; are somewhat confused and ignorant about privatization; are highly receptive to communications about privatization; and need factual information and encouragement.

POPULATION SEGMENTATION: FEBRUARY FINDINGS



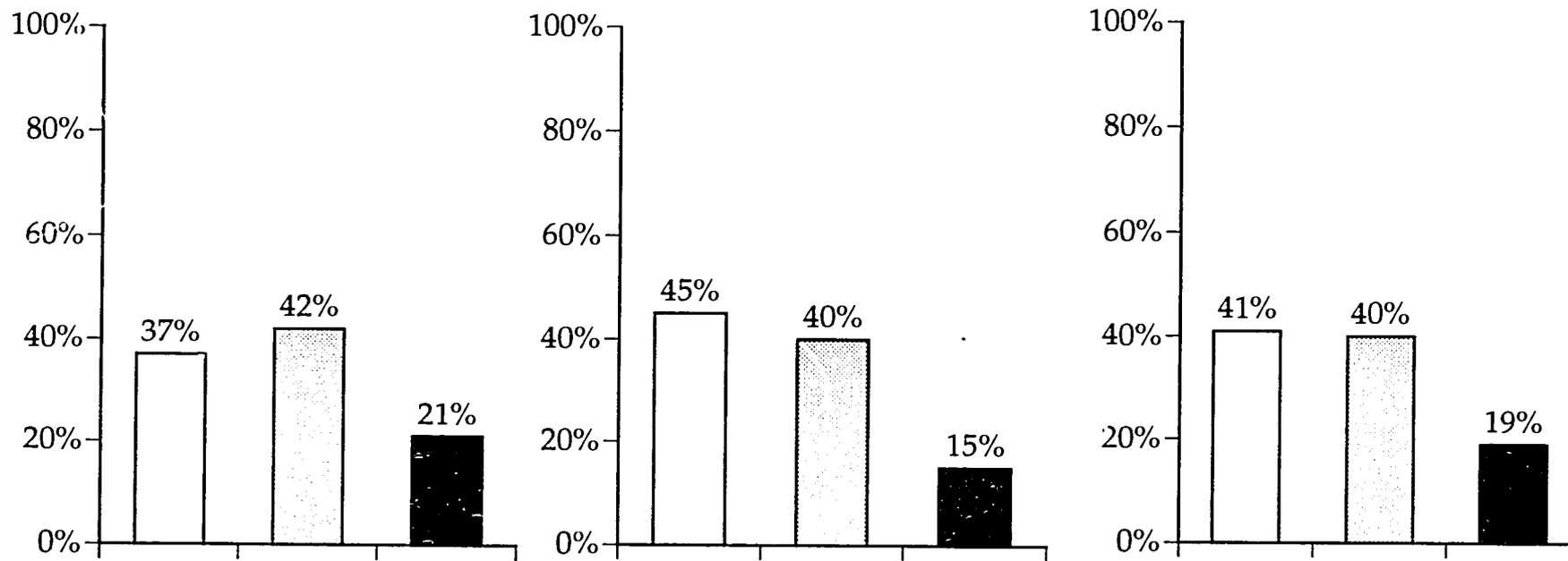
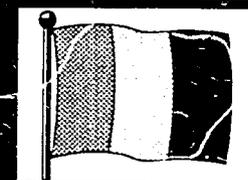
February data shows that opinion regarding the economic transition has not shifted significantly since November 1994.

- In fact, findings are very similar to those of August 1994.

There has been a slight movement into the Old School and out of the New School since November 1994.

- This indicates that, overall, Romanians are not feeling more positive about the market economy and economic transition in Romania.

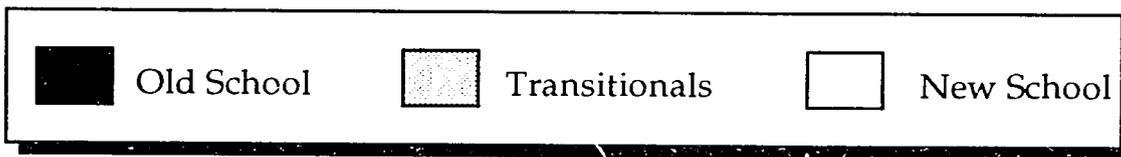
POPULATION SEGMENTATION



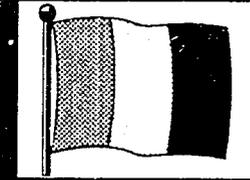
August 1994

November 1994

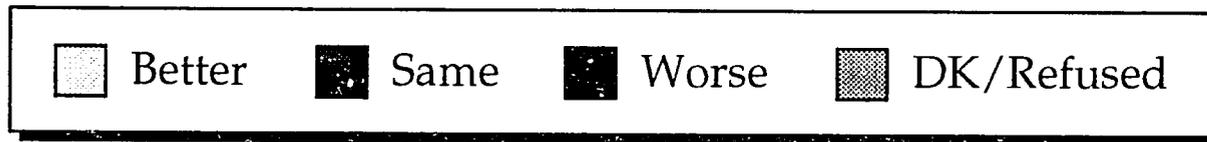
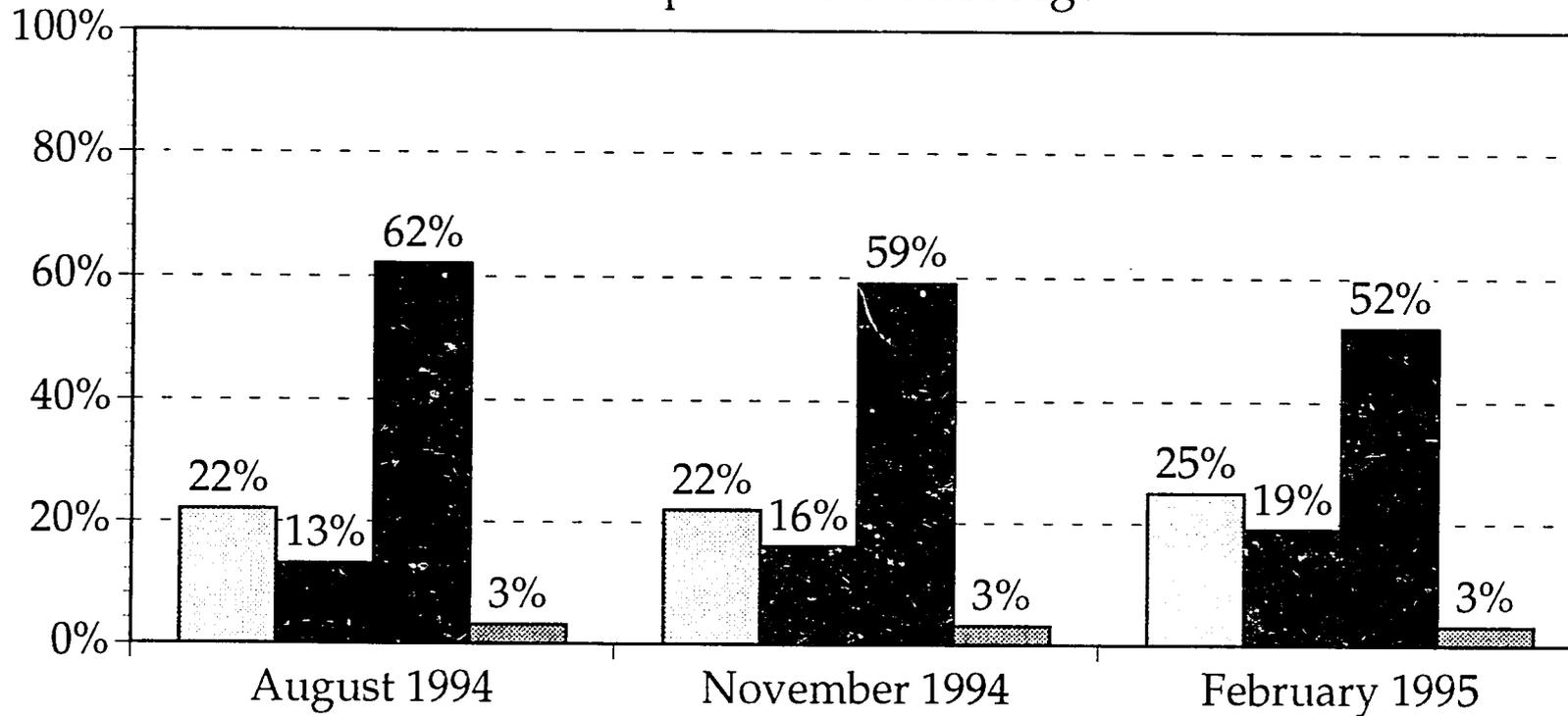
February 1995



ECONOMIC CONDITIONS IN THE COUNTRY IN GENERAL

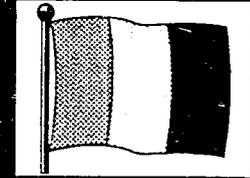


Compared to 4 Years Ago

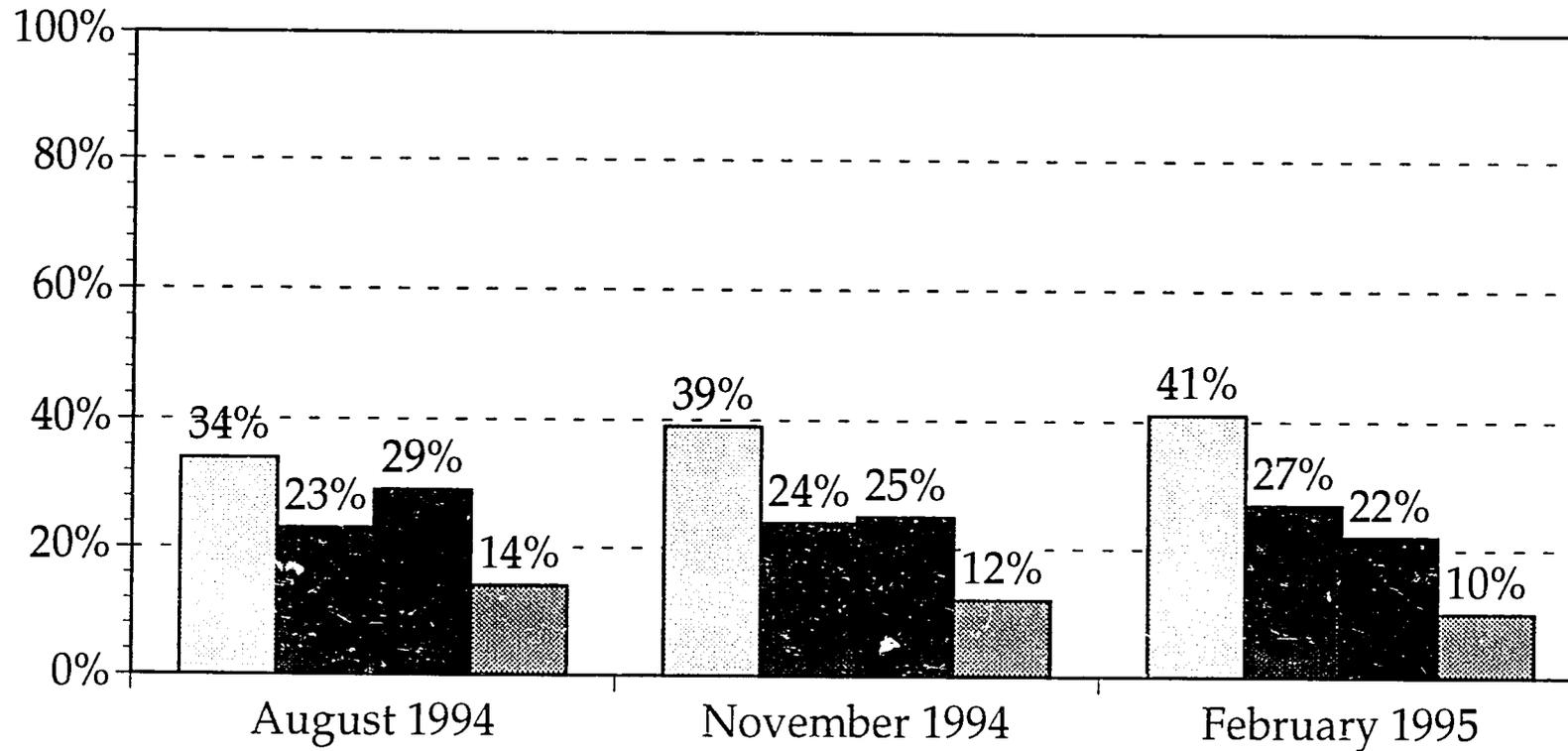


(c) KRC 8/94 Q2
11/94 Q2
2/95 Q2

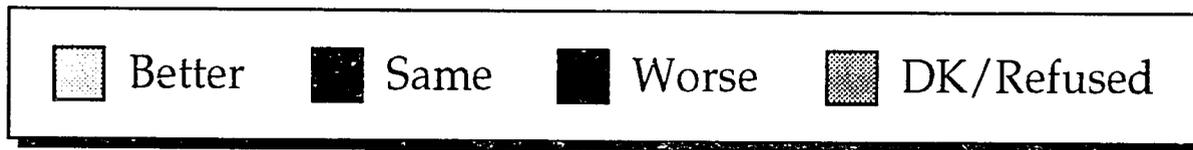
ECONOMIC CONDITIONS IN THE COUNTRY IN GENERAL



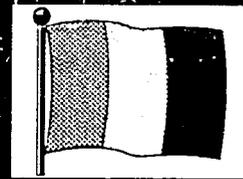
In the Next Year



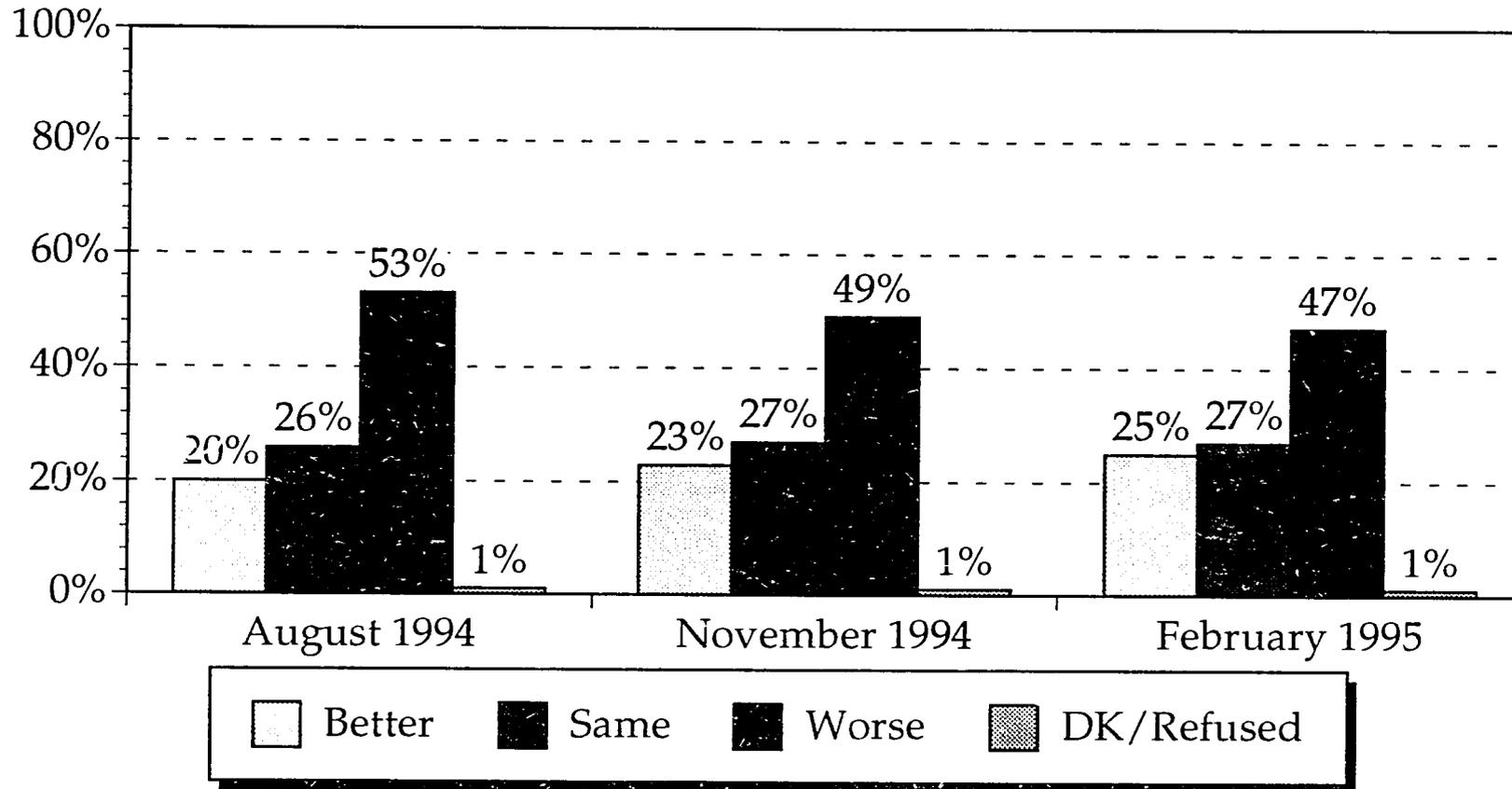
(c) KRC 8/94 Q4
11/94 Q4
2/95 Q4



ECONOMIC CONDITIONS IN THE COUNTRY FOR ME AND MY FAMILY

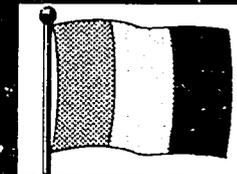


Compared to 4 Years Ago

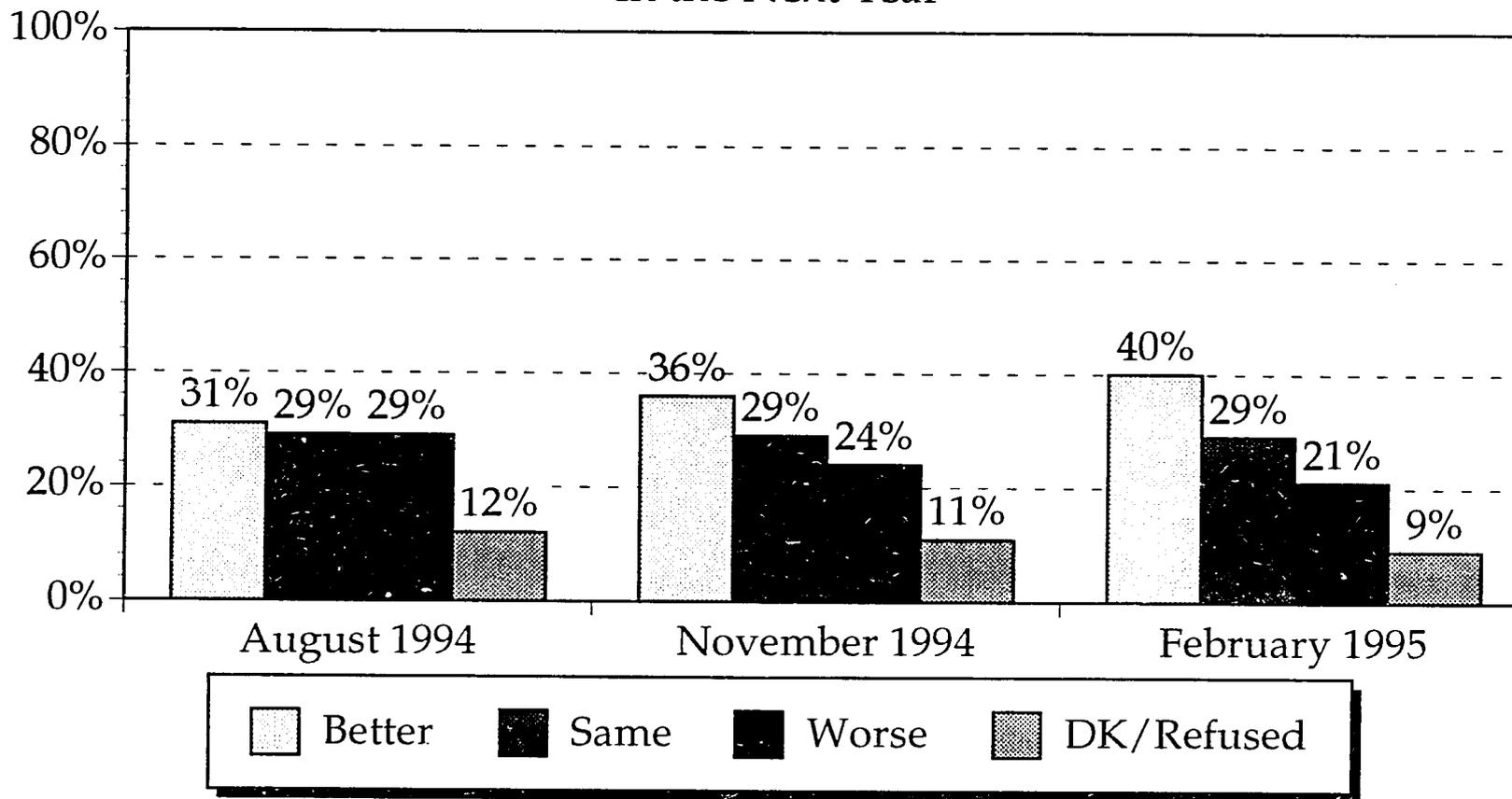


(c) KRC 8/94 Q3
11/94 Q3
2/95 Q3

ECONOMIC CONDITIONS IN THE COUNTRY FOR ME AND MY FAMILY



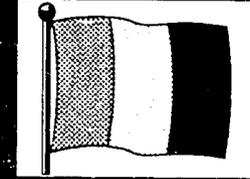
In the Next Year



(c) KRC 8/94 Q5
11/94 Q5
2/95 Q5

12/1

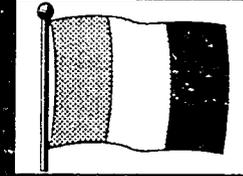
GENERAL MOOD



Overall, the general mood of the Romanian population has remained stable through all three phases of the research.

- It has shown a statistically insignificant but steady trend towards optimism.
- In all three phases of the research, Romanians have been shown to be consistently more optimistic about the future than the present.
- They are also consistently more optimistic about conditions for themselves and their families than for the country in general.

THE THREE ATTITUDINAL GROUPS

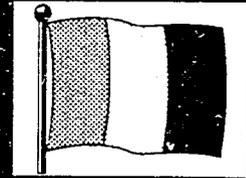


The structure of the three attitudinal groups (New School, Transitionals and Old School) in February was very similar to their structure in August 1994.

The New School, Old School and Transitionals were divided on the same issues as in August and November 1994.

- The Transitionals and the New School are still much more positive than the Old School about the market economy ideal and what it will mean for Romania.
- The Transitionals and the Old School are still much more pessimistic about current conditions and their ability to cope on a day-to-day basis than the New School.
- All groups are still unified in their desire for political direction and effective government.

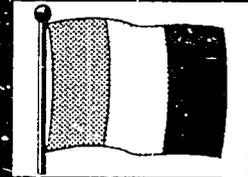
DOMINANT CHARACTERISTICS OF THE NEW SCHOOL IN FEBRUARY 1995



Although the New School reflects similar attitudes to those the group held in August and November 1994, there are minor differences worth noting:

- February data showed that members of the New School are becoming steadily more personally secure in the new Romanian and more confident in their ability to survive and succeed economically.
- The New School is more convinced that change is inevitable, that the market economy will serve to guarantee personal freedoms, that privatization will help make industries efficient and that enduring some suffering in the immediate short term is necessary to ensure change.
- However, members of the New School are still worried about the fairness of the economic system that is developing in Romania, although they do not feel as strongly about this as they did in November 1994.

THE NEW SCHOOL: MAJOR ATTITUDINAL SHIFTS



Economic change & privatization
are inevitable

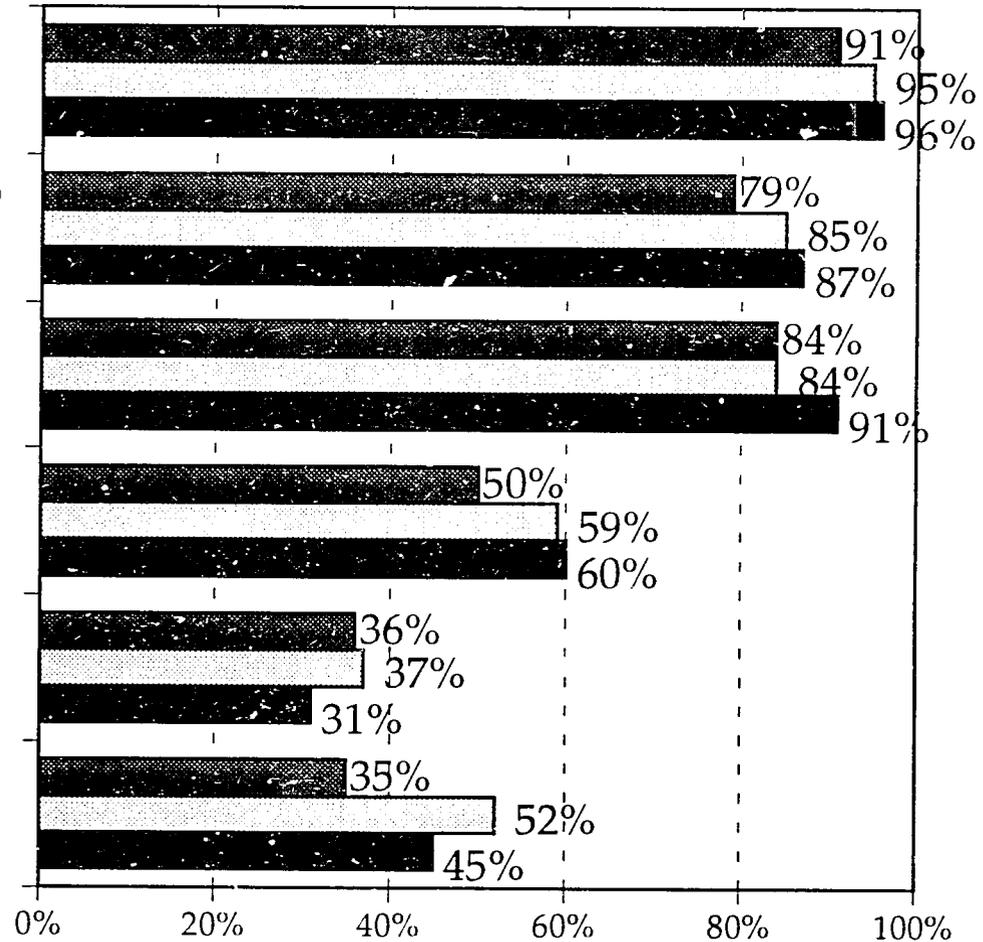
We must build a market economy to
guarantee our freedoms

Privatization means efficient
industries

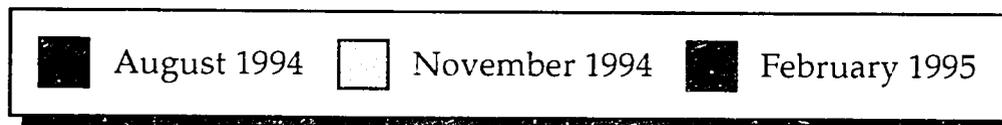
The market means things are not
fair value

I feel insecure and alone in this new
economic system

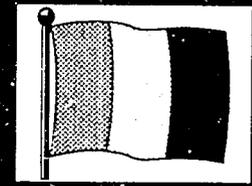
The market economy means
dishonest people make money
without working



(c) KRC 8/94 Q26
11/94 Q28
2/95 Q25



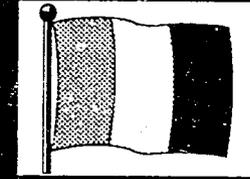
DOMINANT CHARACTERISTICS OF THE TRANSITIONALS IN FEBRUARY 1995



Members of the Transitional group in February 1995 have a similar outlook to those in August 1994.

- Transitionals in February were more optimistic about formal privatization than Transitionals in November 1994. They were also more likely to believe that privatization helps efficiency and that privatization would provide them with more opportunities.
- Members of the February Transitional group were also less likely to want to return to the old system and less likely to feel that the market system was unfair and corrupt, than they were in November 1994.
- However, they claim to be more in need of information about the free market than ever before and they are more worried about a decline of traditional values in Romania.

TRANSITIONALS: MAJOR ATTITUDINAL SHIFTS



Only corrupt people are able to benefit from the growth of private business

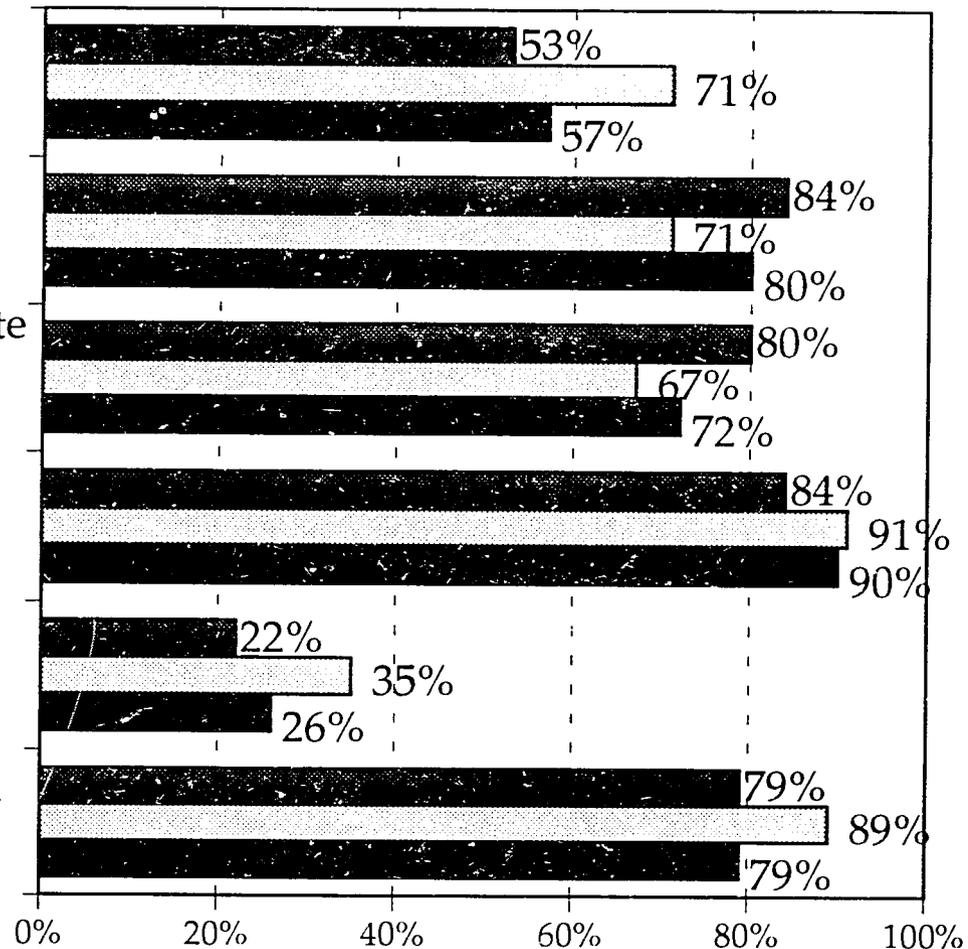
Privatization means that industries will become more efficient

Privatization should be done faster to create more opportunities for people like me

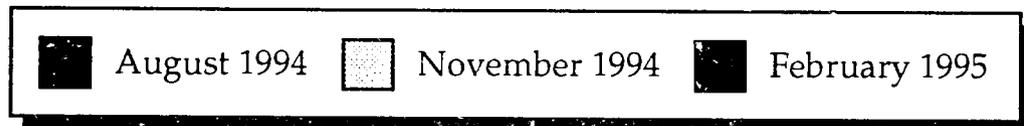
I find it difficult to accept the great differences between the rich and the poor that I see in free market economies

I would rather go back to the certainties of the old system than continue with change

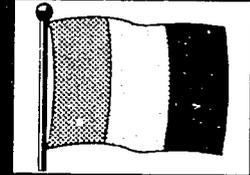
The market economy means that dishonest people make money without working



(c) KRC 8/94 Q26
11/94 Q28
2/95 Q25



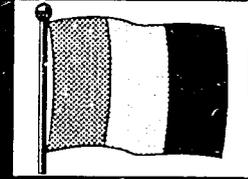
THE CONSERVATIVE MINORITY



The attitudes of members of the Old School in February 1995 are very similar to the attitudes of this group in August 1994.

- They are slightly more progressive in their attitudes than in November both in terms of their faith in the system and in their attitudes towards change.
- Members of the Old School also feel slightly less personally vulnerable than they did in November.

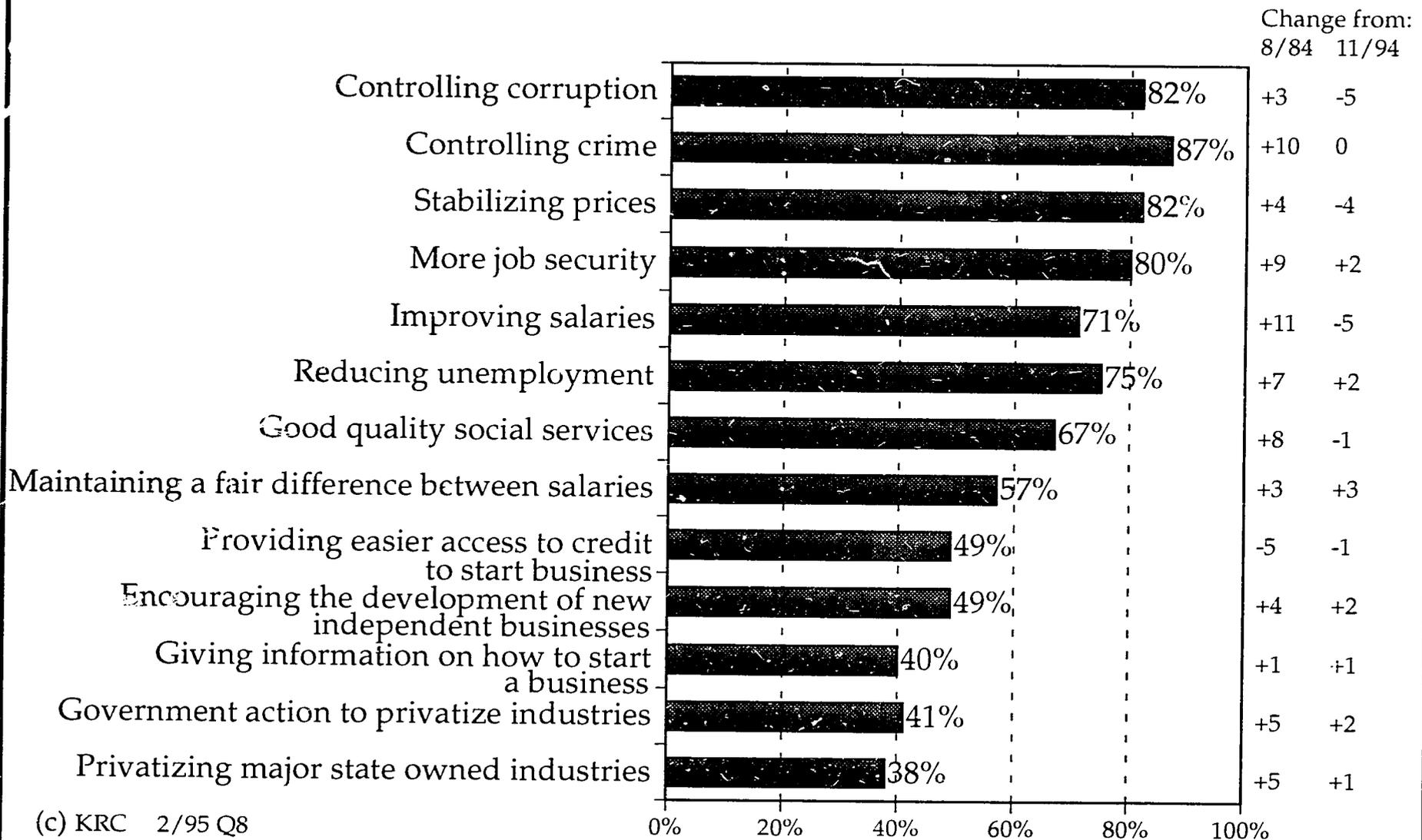
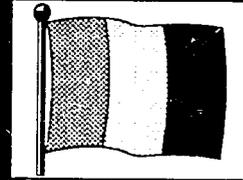
UNIFYING ISSUES



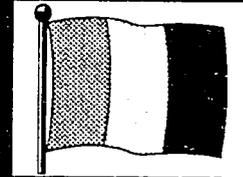
February attitudinal data showed that all three groups were united in their opinions regarding the need for personal responsibility, political direction and leadership, effective democracy and a strong social fabric.

- This data has remained virtually unchanged since August.

FACTORS IMPORTANT TO IMPROVING QUALITY OF LIFE



(c) KRC 2/95 Q8

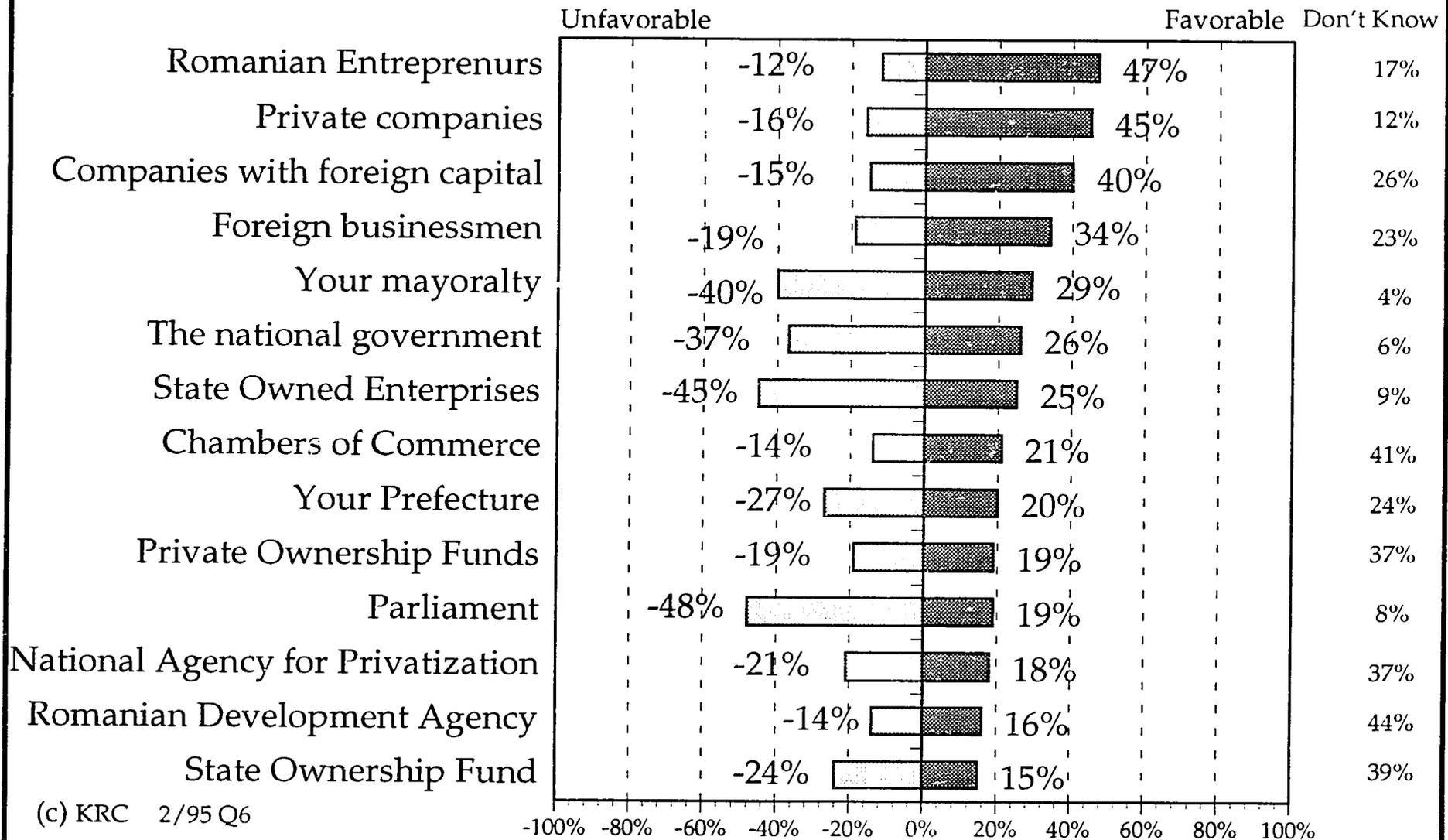
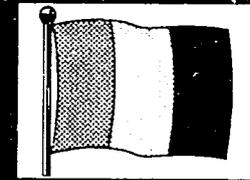


February data revealed that quality of life was strongly related to social and economic order during the transition, followed by the maintenance of a certain level of social and economic welfare.

- Encouraging privatization was considered to be third in importance for improving quality of life.

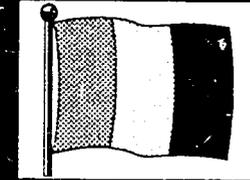
This data was consistent with the trends established in August and November 1994.

OPINION OF INSTITUTIONS



(c) KRC 2/95 Q6

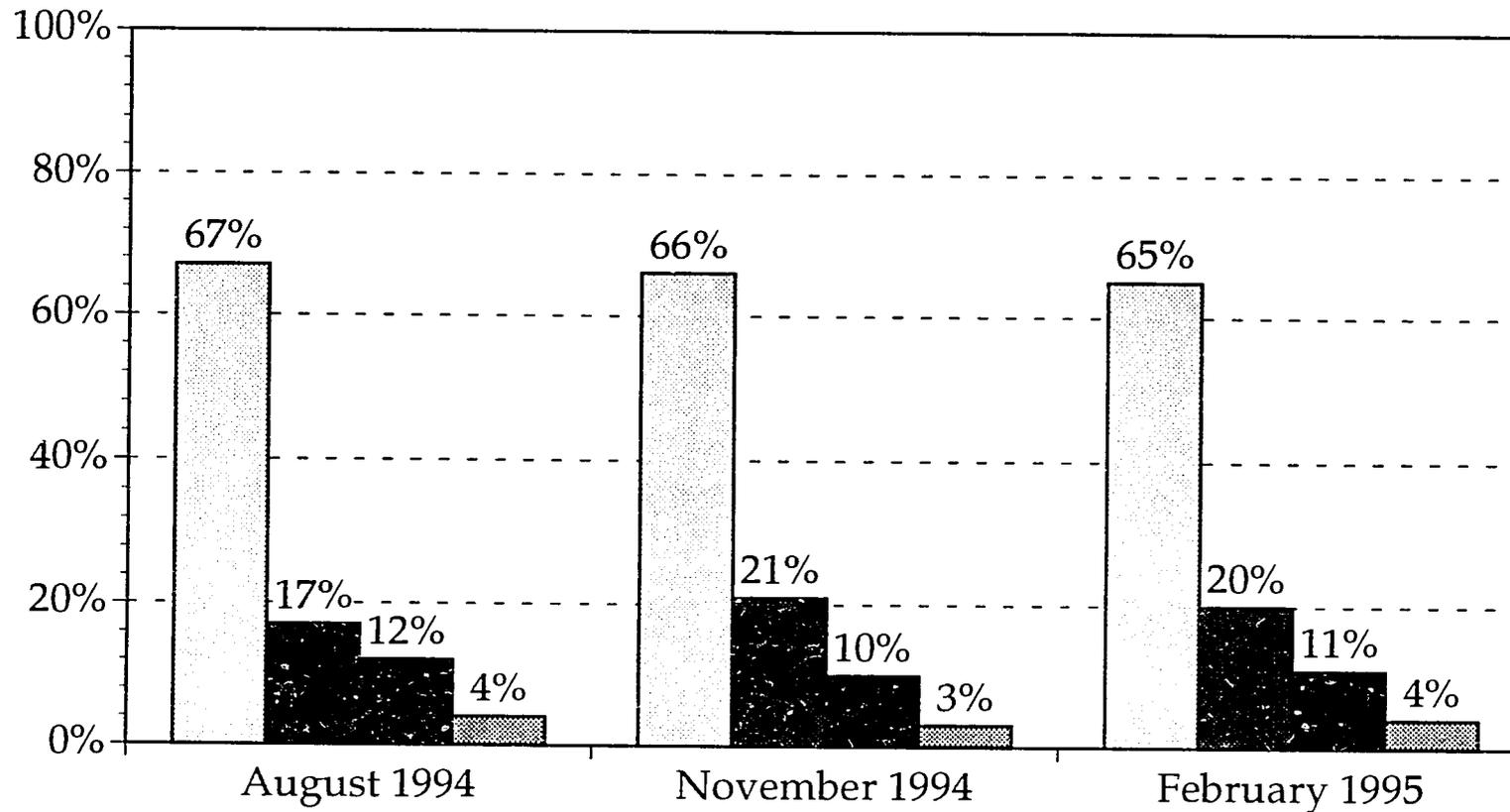
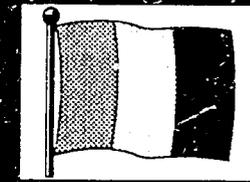
OPINION OF INSTITUTIONS



Overall, this has not changed significantly since August. Respondent still group institutions into the same three categories: independent entrepreneurship; agencies of privatization, and the state. Most significant support remains for the institutions and groups associated with independent entrepreneurship. Least support for the political organs of the state and state-owned industries.

- Extremely high “don’t know” responses for all the agencies responsible for privatization.
- Overall increased approval for independent entrepreneurship.
- Disapproval of political organs of the state (especially Parliament) has dropped slightly overall.

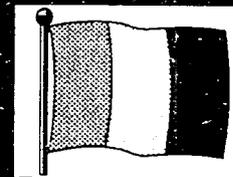
OPINION OF PRIVATIZATION



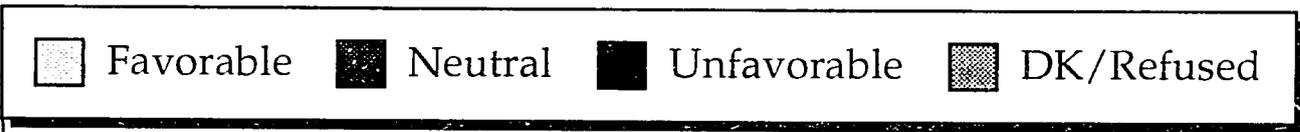
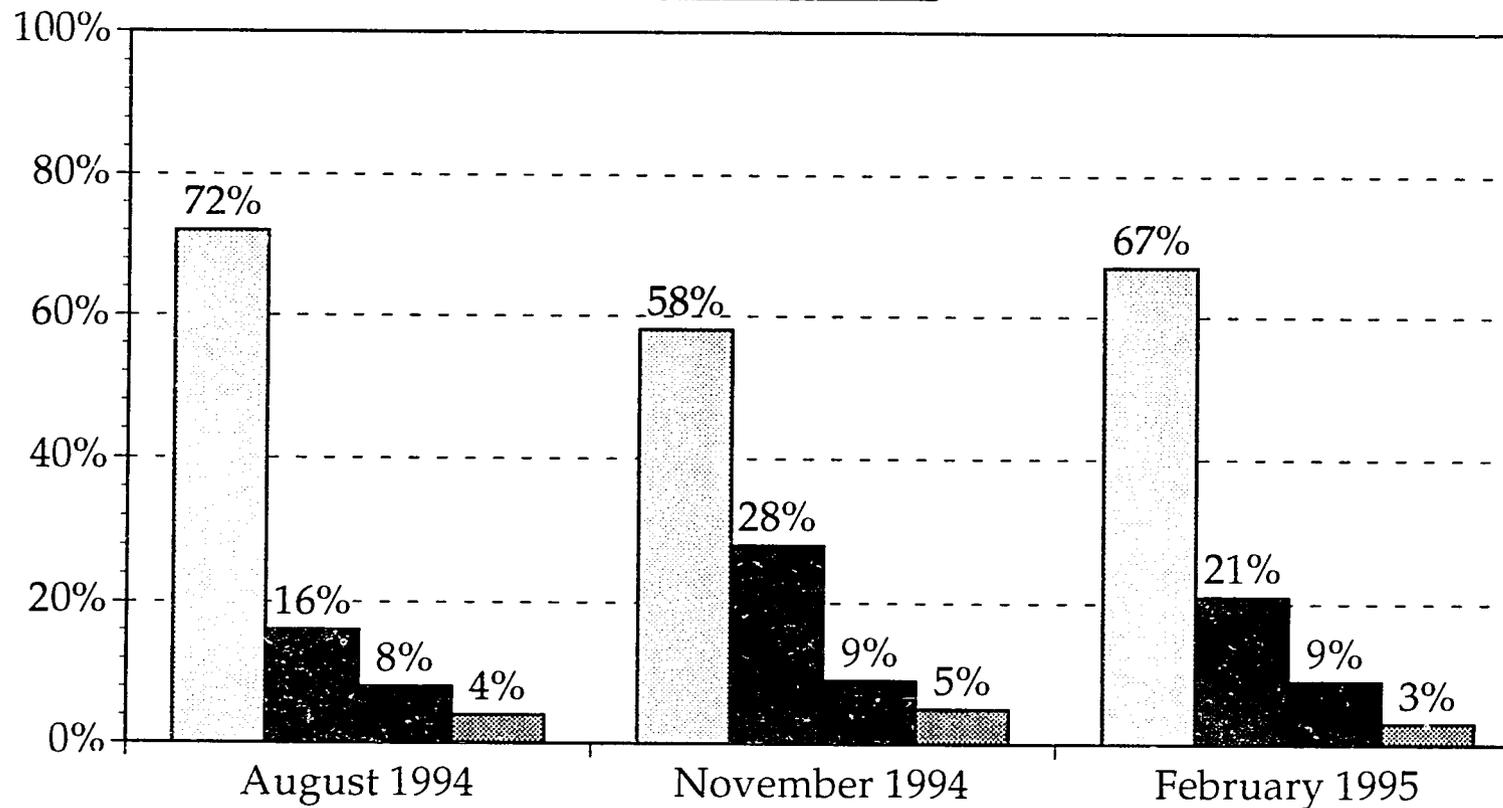
Legend: Favorable (white), Neutral (dark grey), Unfavorable (black), DK/Refused (checkered)

(c) KRC 8/94 Q10
11/94 Q9
2/95 Q9

OPINION OF PRIVATIZATION

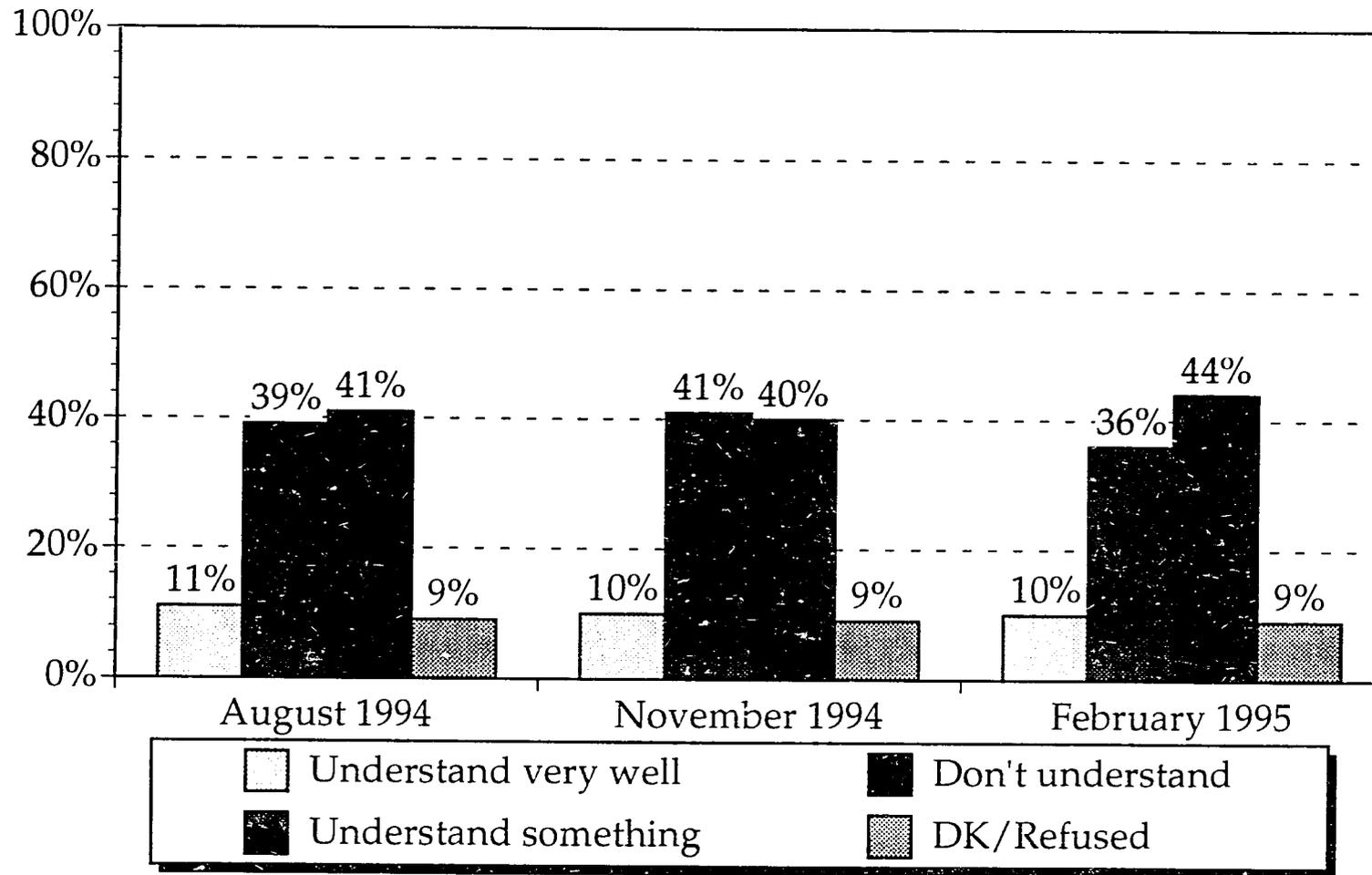
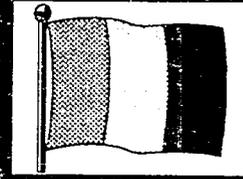


Transitionals



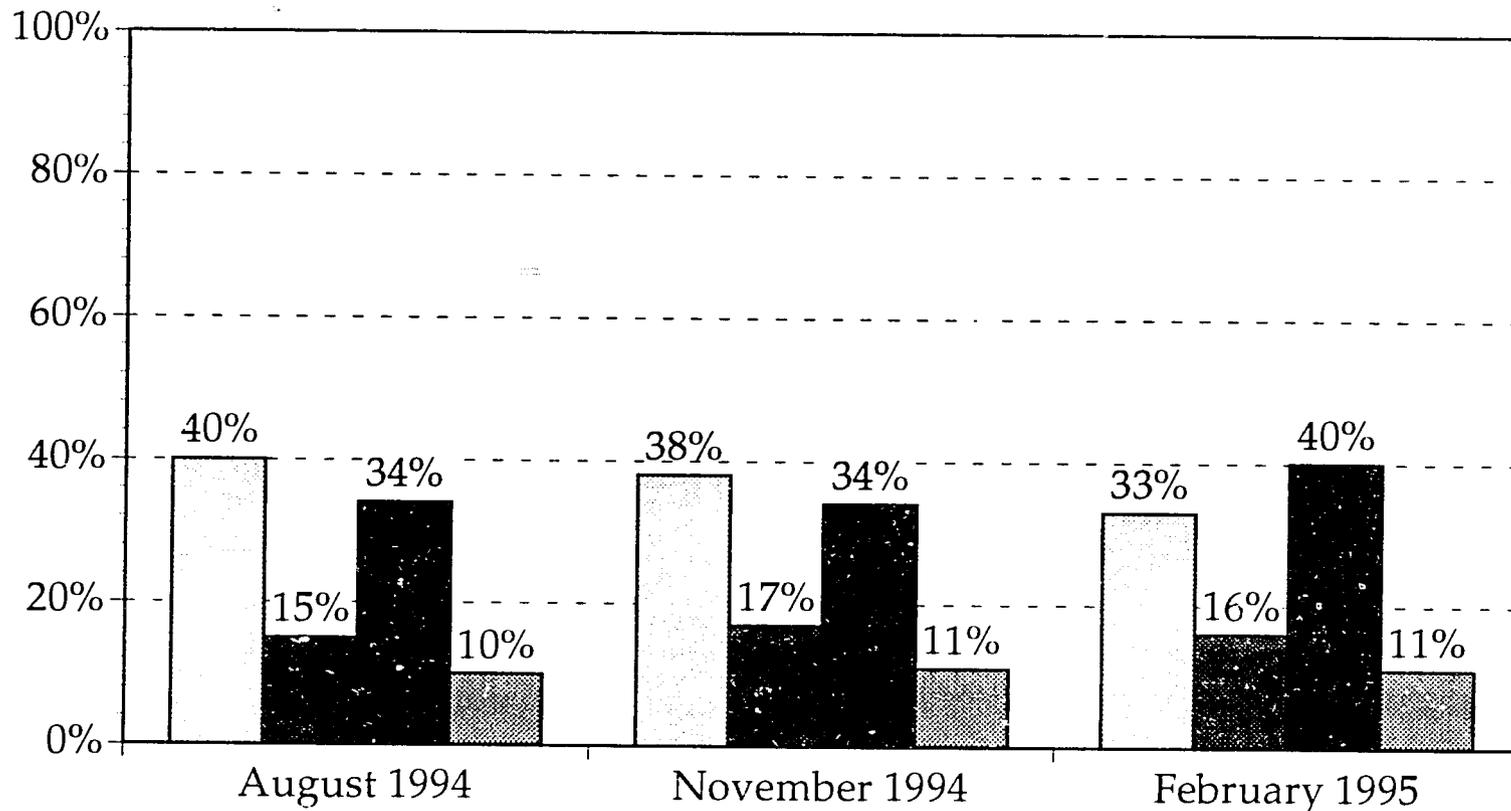
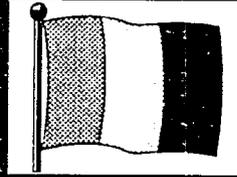
(c) KRC 8/94 Q10
11/94 Q9
2/95 Q9

UNDERSTANDING OF FORMAL PRIVATIZATION



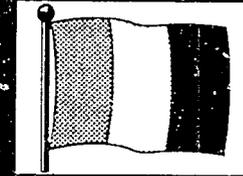
(c) KRC 8/94 Q12
11/94 Q1
2/95 Q11

GOVERNMENT'S ROLE IN THE DEVELOPMENT OF PRIVATIZATION



Encouraging Neither Discouraging DK/Refused

(c) KRC 8/94 Q27
11/94 Q29
2/95 Q22



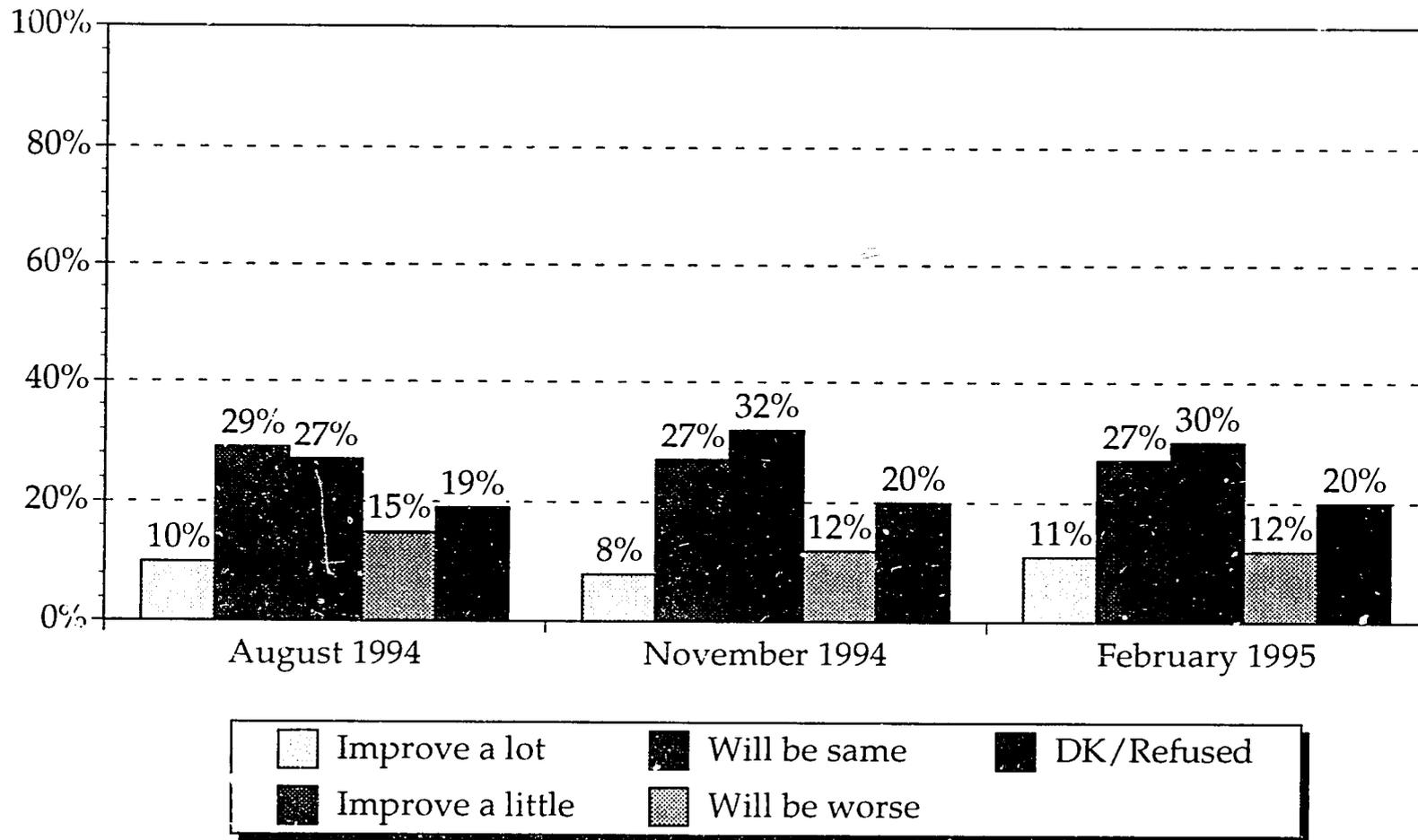
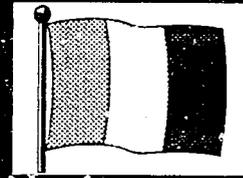
No significant drop in overall support for formal privatization in February 1995 (67% favorable in August; 66% favorable in November; 65% in February).

- Still significantly low approval for privatization among the Old School.
- The New School still has the highest approval.
- Recovery in approval among Transitionals (72% in August ; 57% in November; 67% in February).

No significant change in understanding of formal privatization in February 1995.

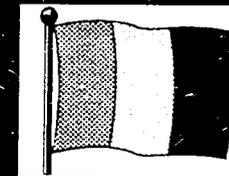
- There is a slight (not statistically significant) drop in understanding among all groups since November 1994.

IMPACT OF FORMAL PRIVATIZATION ON MY LIFE

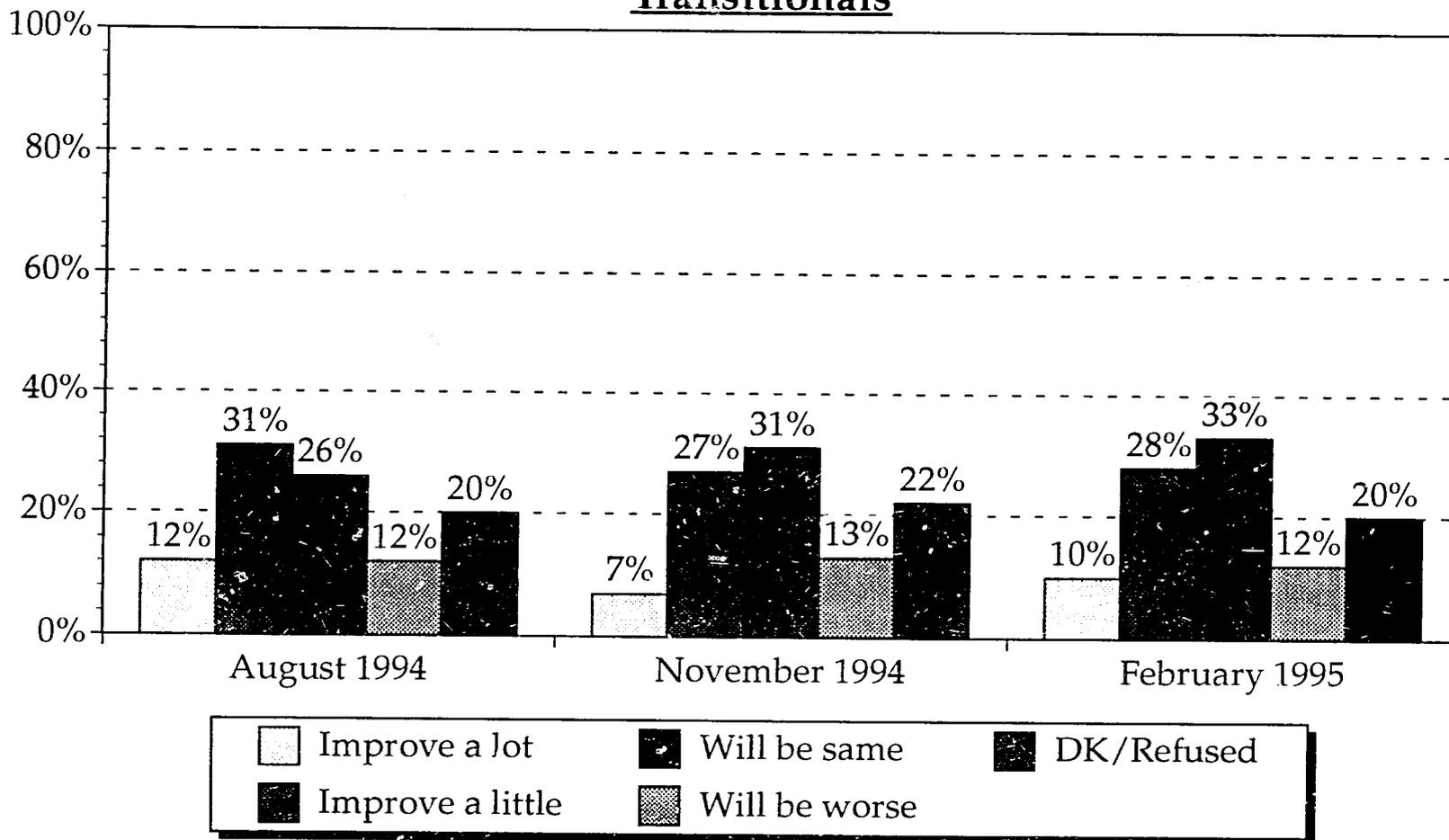


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2/95 Q17

IMPACT OF FORMAL PRIVATIZATION ON MY LIFE

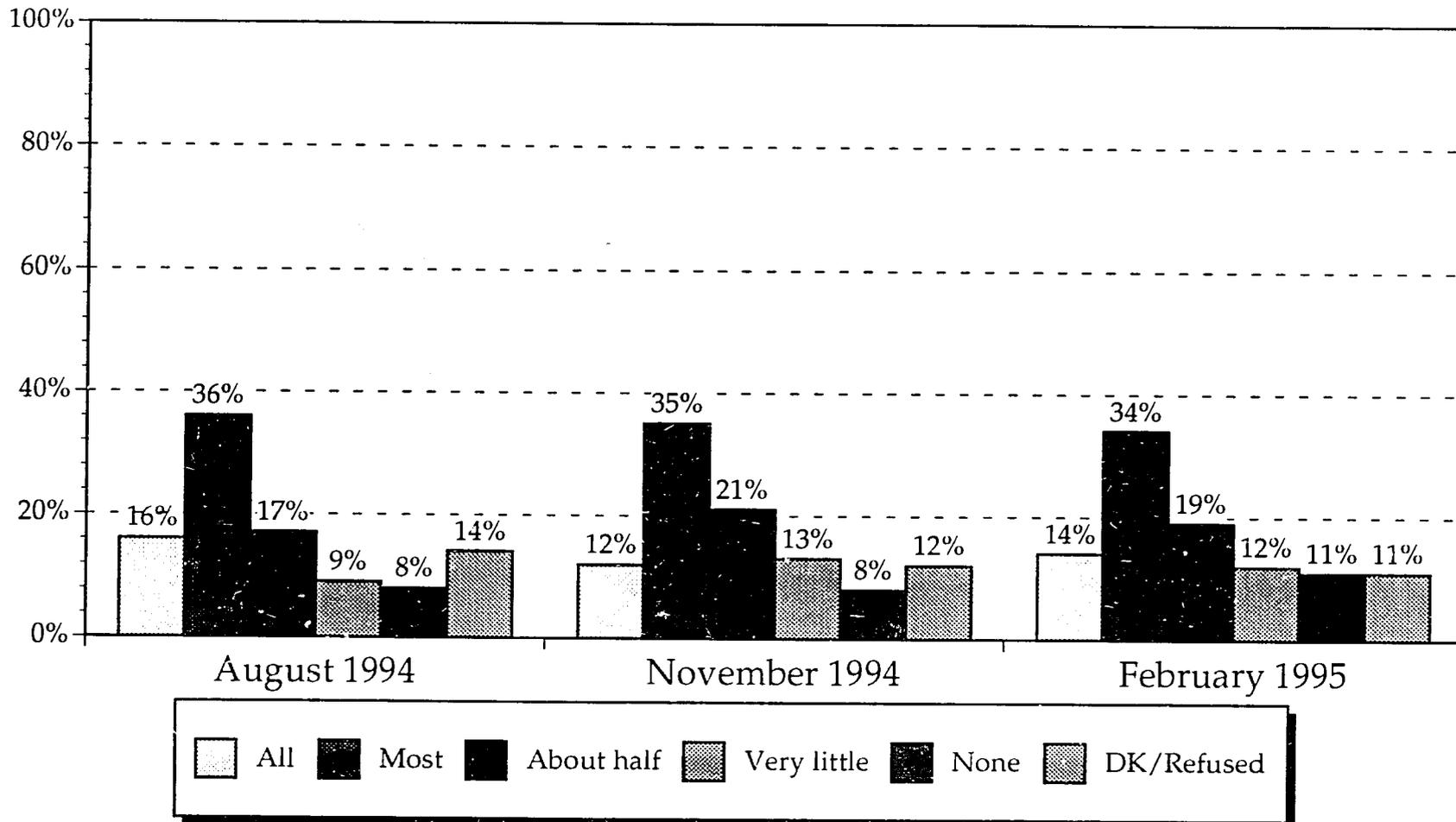
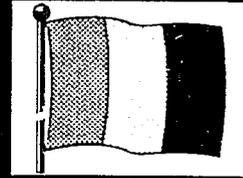


Transitionals



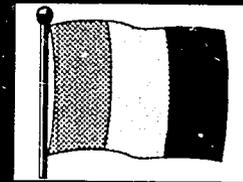
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2/95 Q17

PORTION OF STATE ENTERPRISES PRIVATIZED?

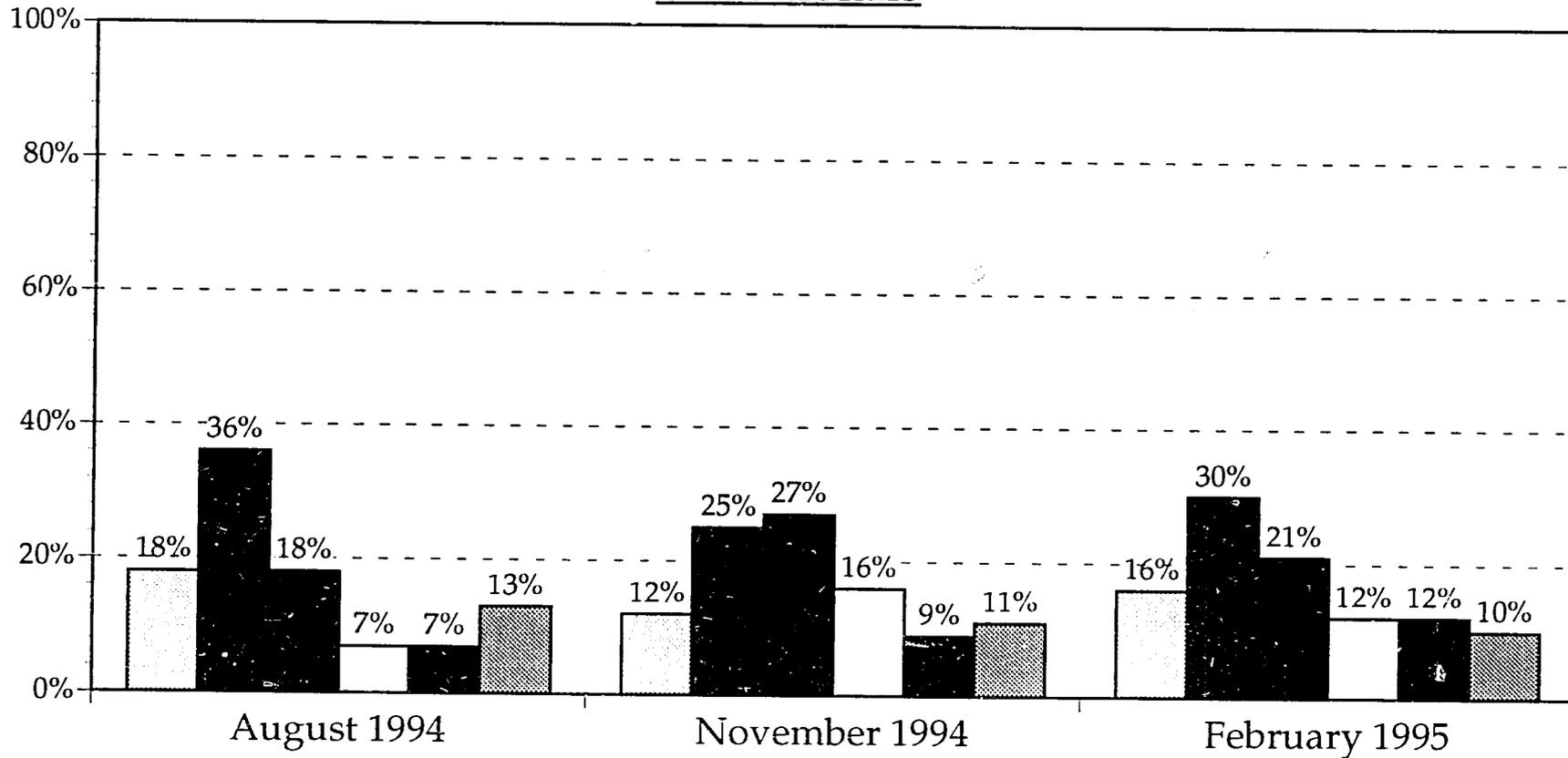


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WHAT PORTION OF STATE ENTERPRISES SHOULD BE PRIVATIZED?



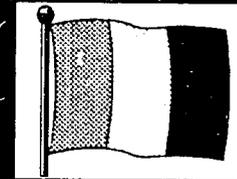
Transitionals



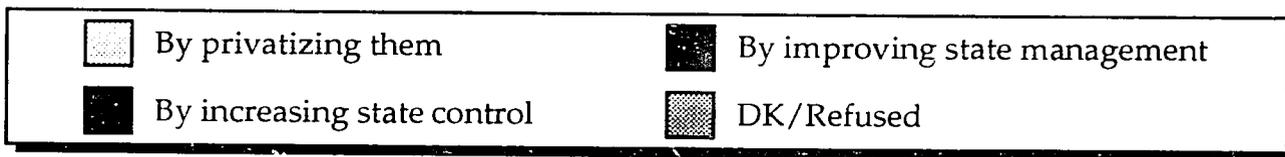
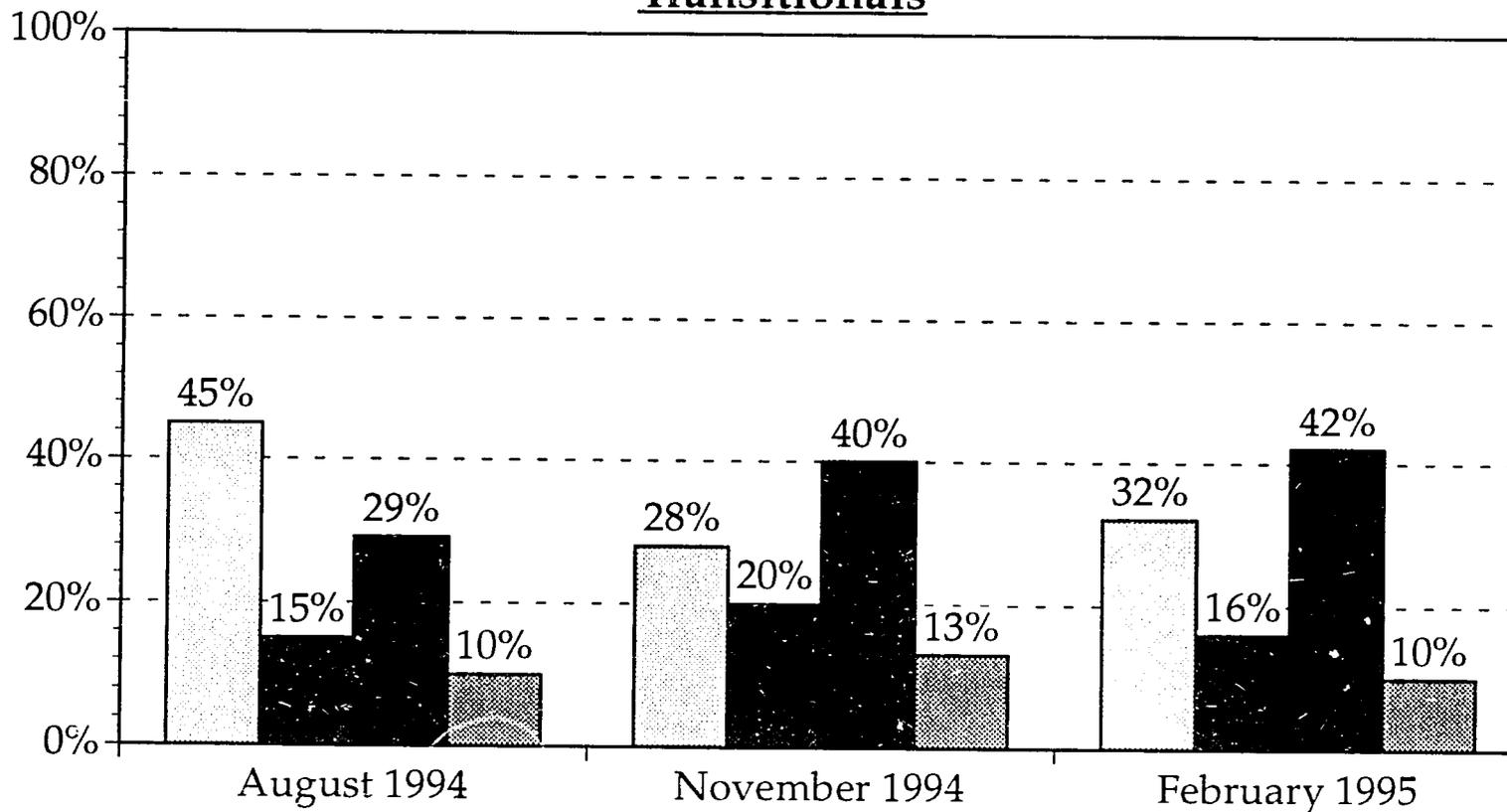
(c) KRC 8/94 Q19
11/94 Q19
2/95 Q19

All
 Most
 About half
 Very little
 None
 DK/Refused

HOW CAN THE ECONOMIC CONDITIONS OF STATE ENTERPRISES BE IMPROVED?

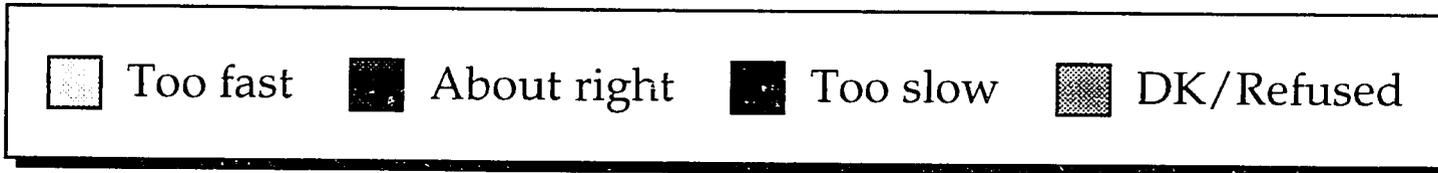
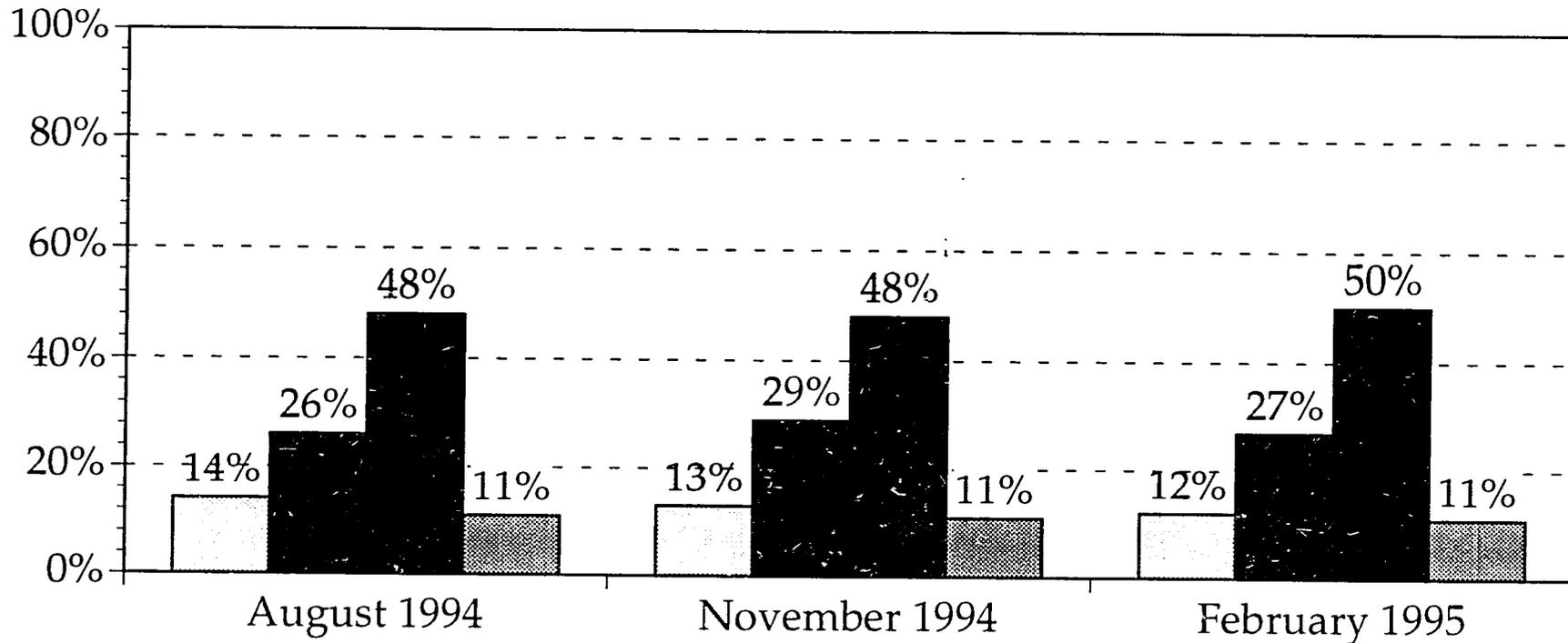
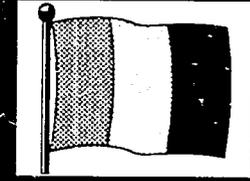


Transitionals

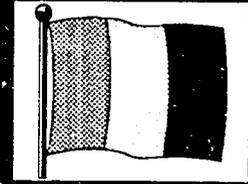


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11/94 Q18
2/95 Q18

THE PACE OF PRIVATIZATION



(c) KRC 8/94 Q11
11/94 Q10
2/95 Q10



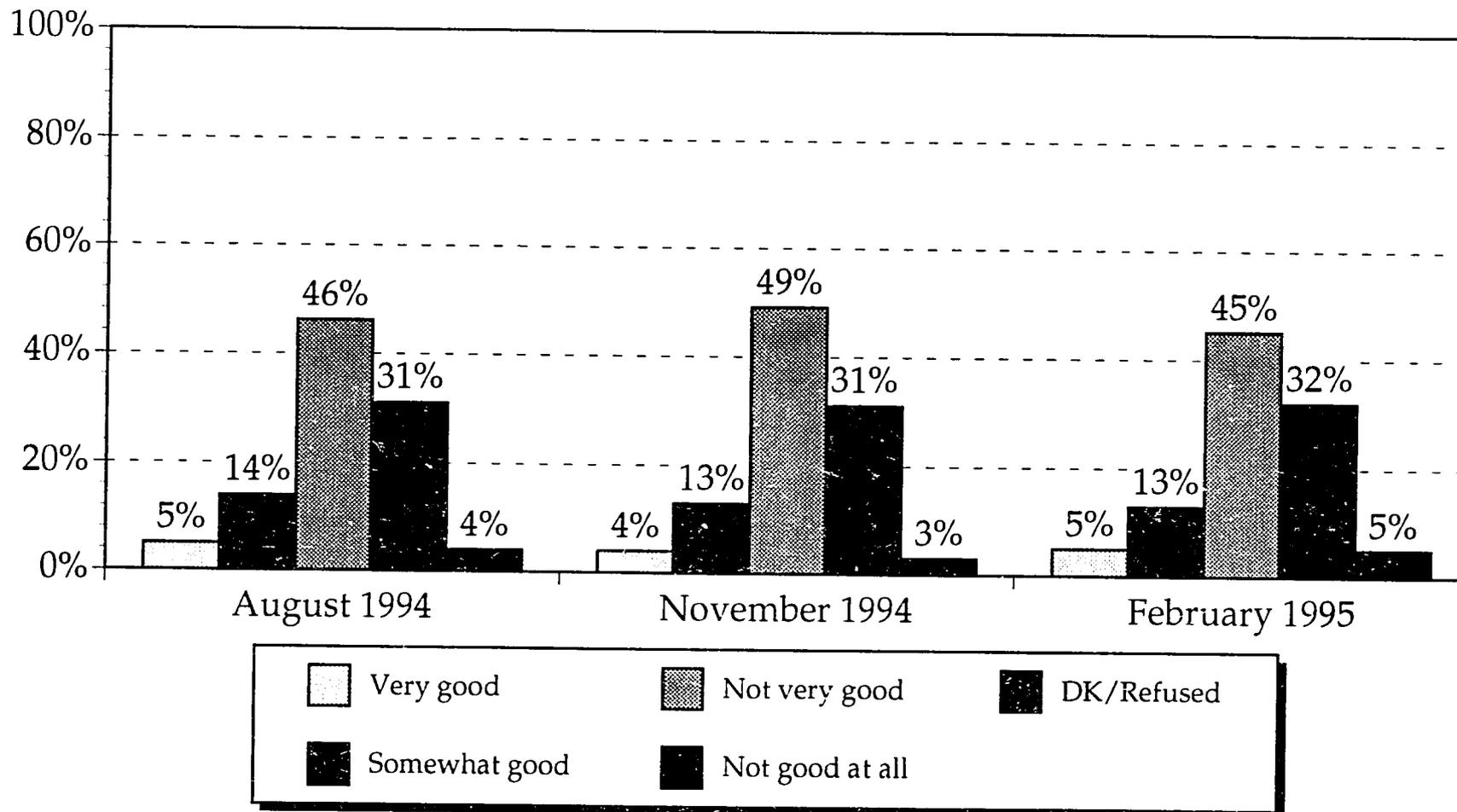
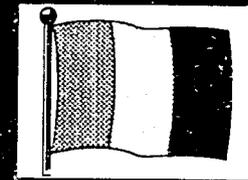
February data reflects no significant change in people's opinion of what sort of impact privatization will have on their lives.

Attitudes about the proportion of state enterprises that should be privatized have not changed significantly since August 1994.

- The Transitionals in February were more positive about the privatization of state-owned enterprises than they had been in November.
- However, Transitionals in February were still more likely to feel that improved state management was a better way of improving the efficiency of state-owned industries than simple privatization.

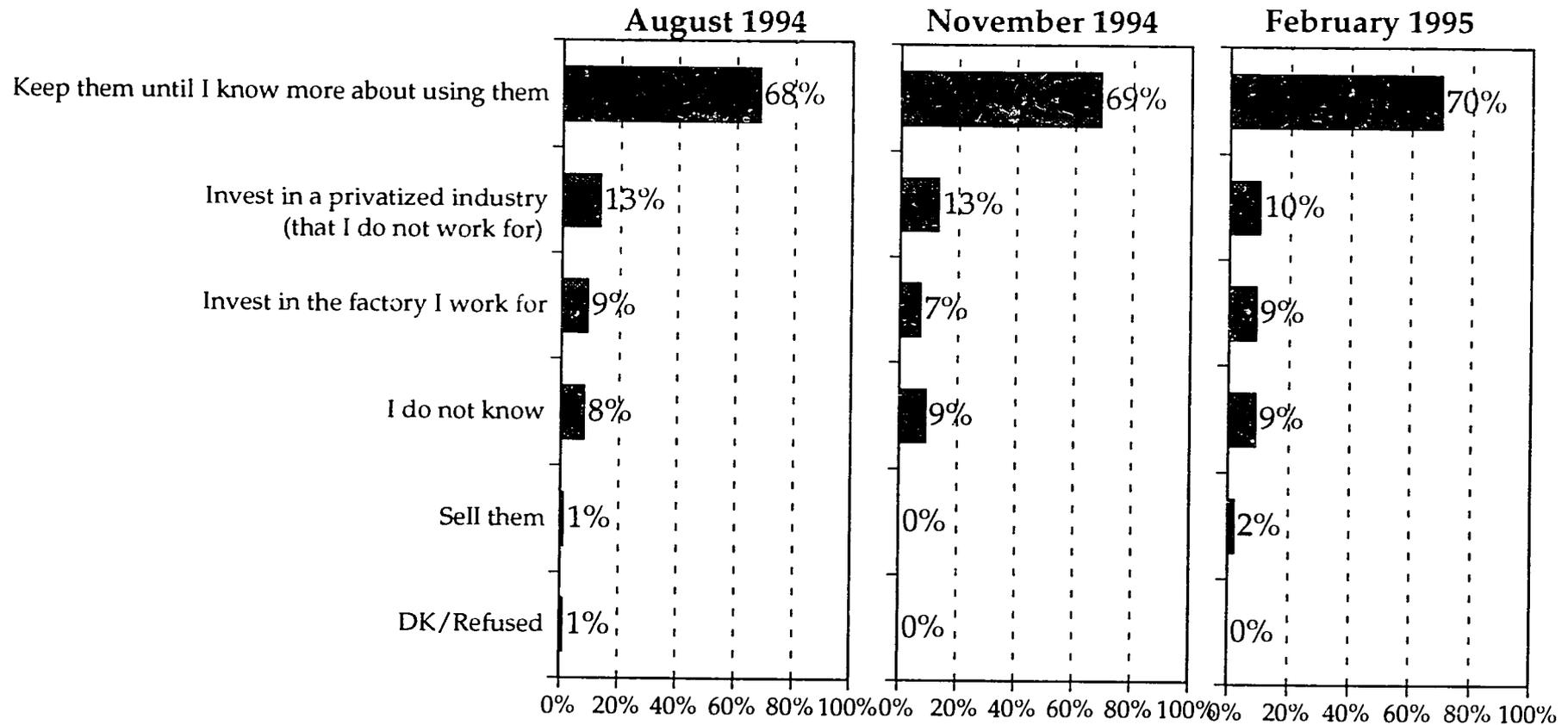
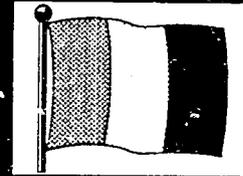
Opinion about the pace of privatization has not changed significantly since August 1994.

KNOWLEDGE OF HOW TO USE CERTIFICATES OF OWNERSHIP



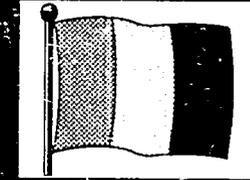
(c) KRC 8/94 Q13
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 2/95 Q12

WHAT WILL YOU DO WITH YOUR CERTIFICATES



(c) KRC 8/94 Q15
11/94 Q15
2/95 Q15

CERTIFICATES OF OWNERSHIP

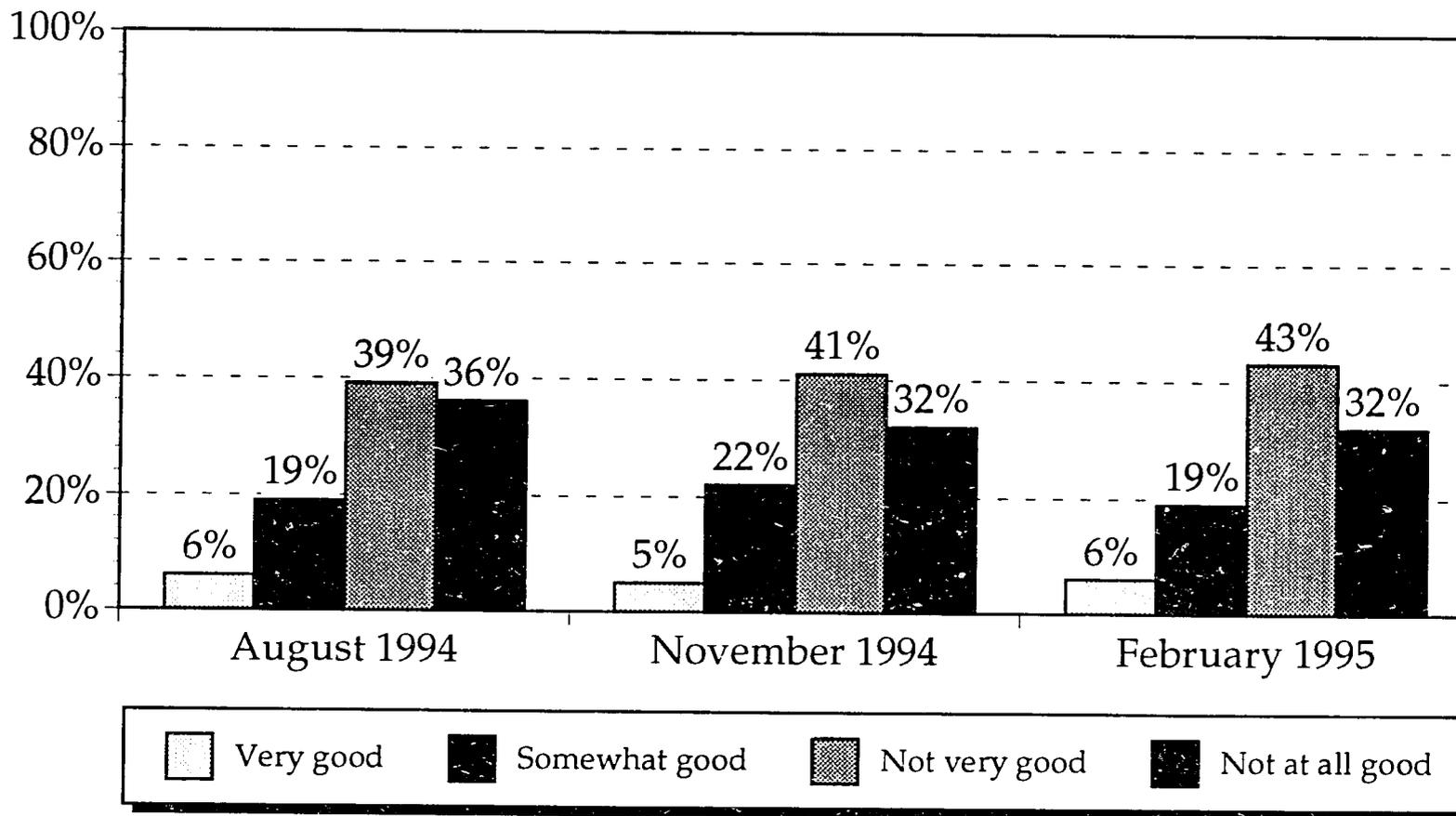
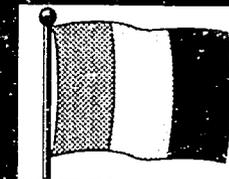


There is still significant ignorance regarding Certificates of Ownership.

- The New School has significantly better understanding than the Old School. Transitionals are moderately confused.

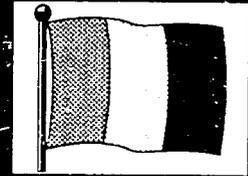
People still need and want information about what to do with their Certificates.

KNOWLEDGE OF MEBOs



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11/94 Q16
2/95 Q16

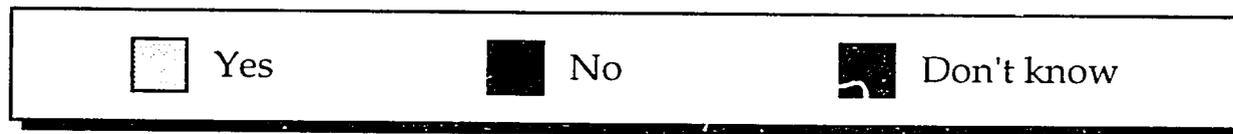
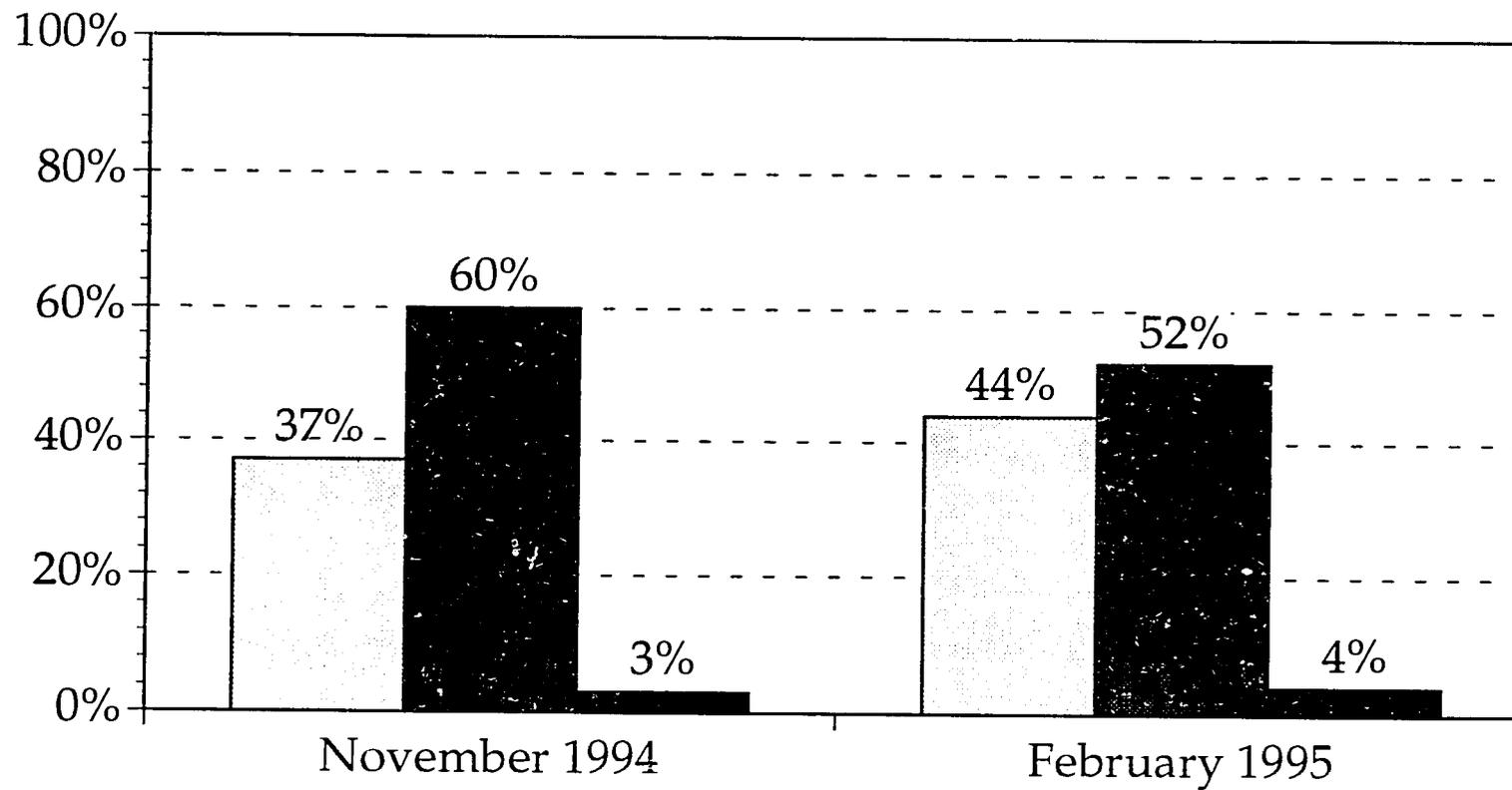
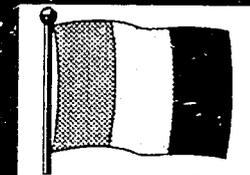
KNOWLEDGE OF MEBOs



Overall, a high level of confusion and ignorance remains regarding MEBOs.

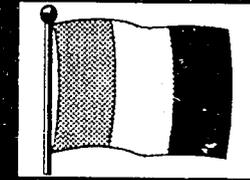
- The Old School still has the highest level of ignorance regarding MEBOs, followed by the Transitionals.
- The New School has the best understanding of MEBOs.

EVER HEARD OF "GOOD MORNING ROMANIA?"



(c) KRC 11/94 Q38
2/95 Q30

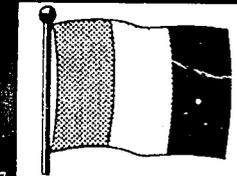
"GOOD MORNING ROMANIA"



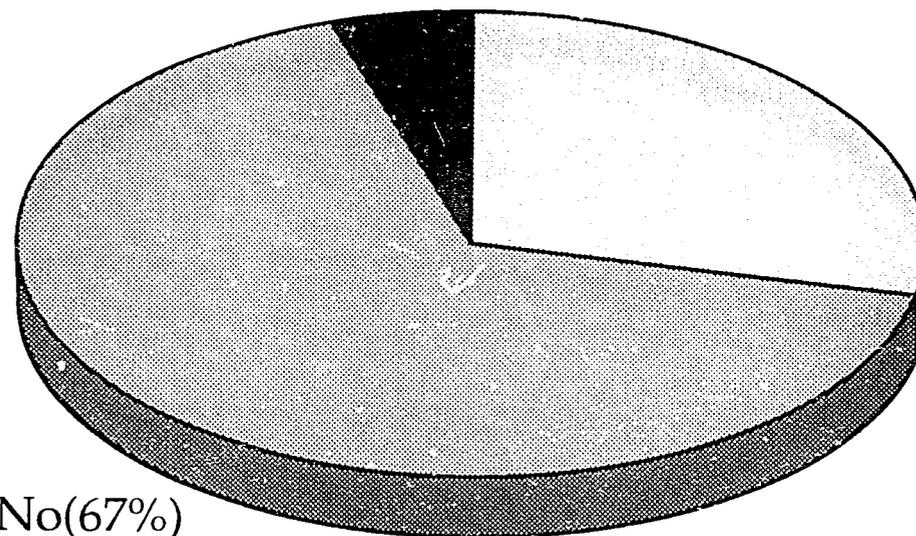
The number of people who had heard of GMR increased slightly from 37% in November 1994 to 44% in February 1995.

- While awareness rose among all three of the attitudinal groups, it was most significant among the New School (43% to 52%) and the Transitionals (34% to 43%).
- 71% of the Old School had never heard of GMR.

EVER HEAR A "GMR" PROGRAM ON THE RADIO?



Don't know / refused(5%)

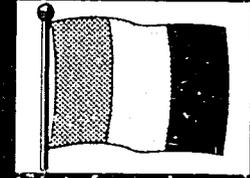


Yes(28%)

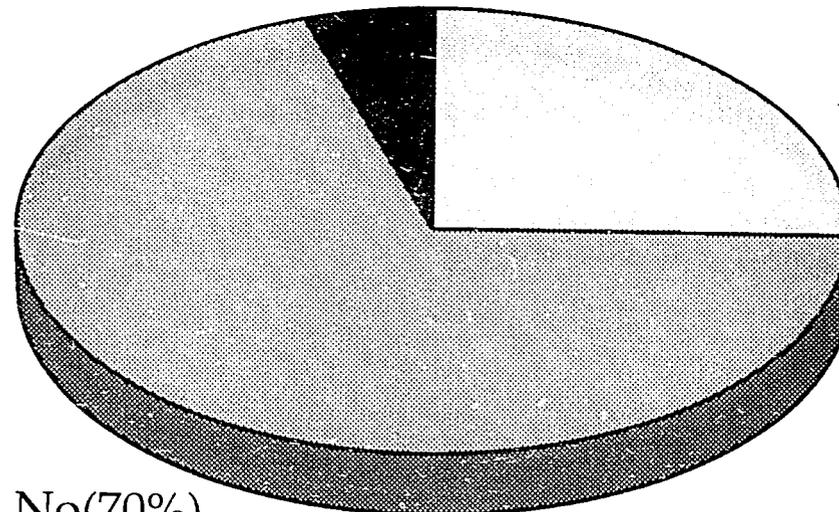
No(67%)

(c) KRC 2/95 Q31

EVER LISTEN TO WEDNESDAY 7:30PM PROGRAMS ON RADIO ROMANIA?



Don't know / refused(5%)

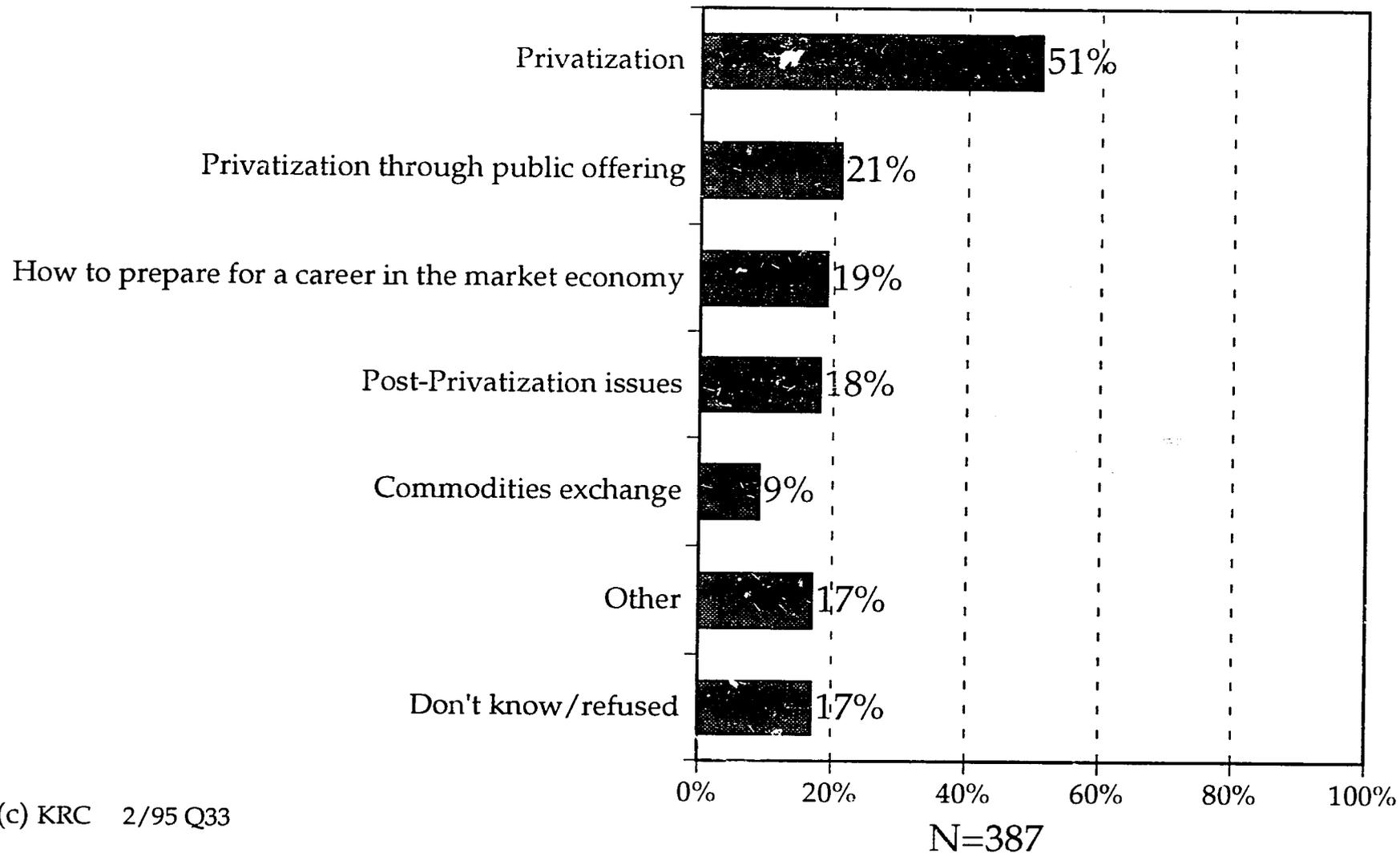
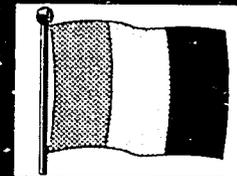


Yes(25%)

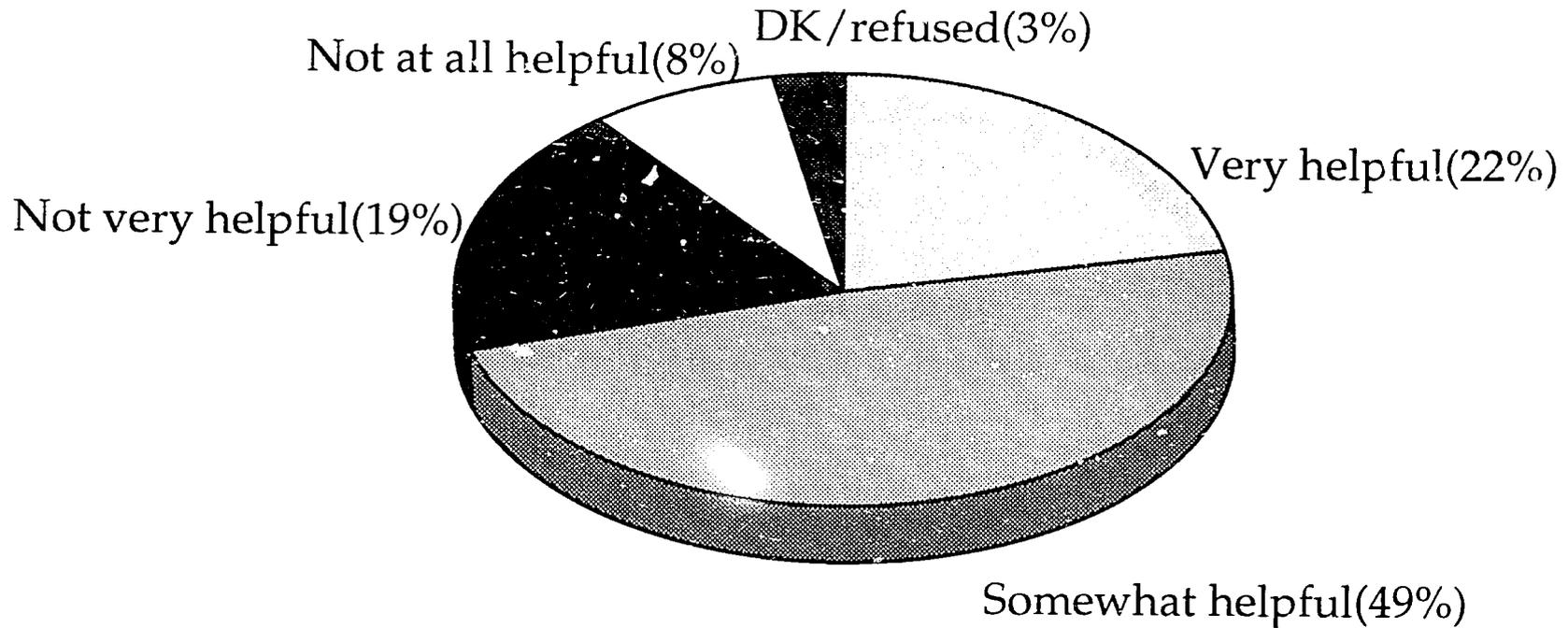
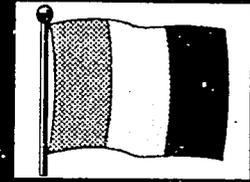
No(70%)

(c) KRC 2/95 Q32

WHAT TOPICS DID THE 7:30PM RADIO PROGRAMS DISCUSS? (UNPROMPTED)



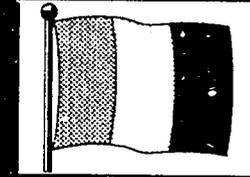
HOW HELPFUL WERE THE 7:30PM RADIO PROGRAMS TO YOU?



N=387

(c) KRC 2/95 Q34

"GMR" - RADIO



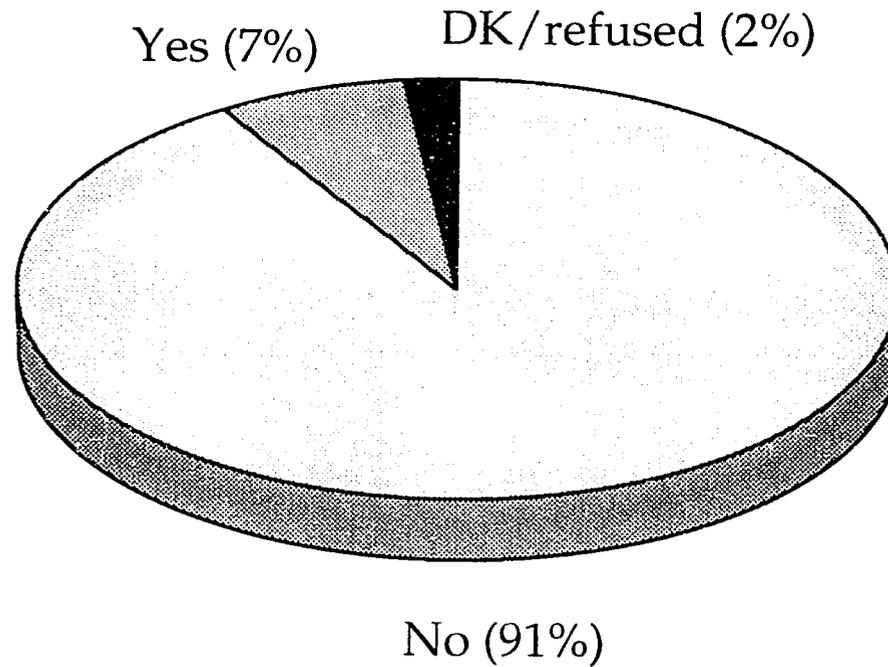
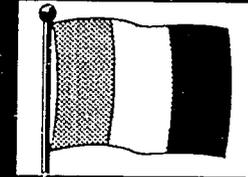
28% of Romanians said they had heard a GMR program on the radio.

- 32% of the New School and 30% of the Transitionals said they had heard a program.

A quarter of Romanians said they had listened to the GMR radio program at 7:30 pm on Wednesdays on Radio Romania.

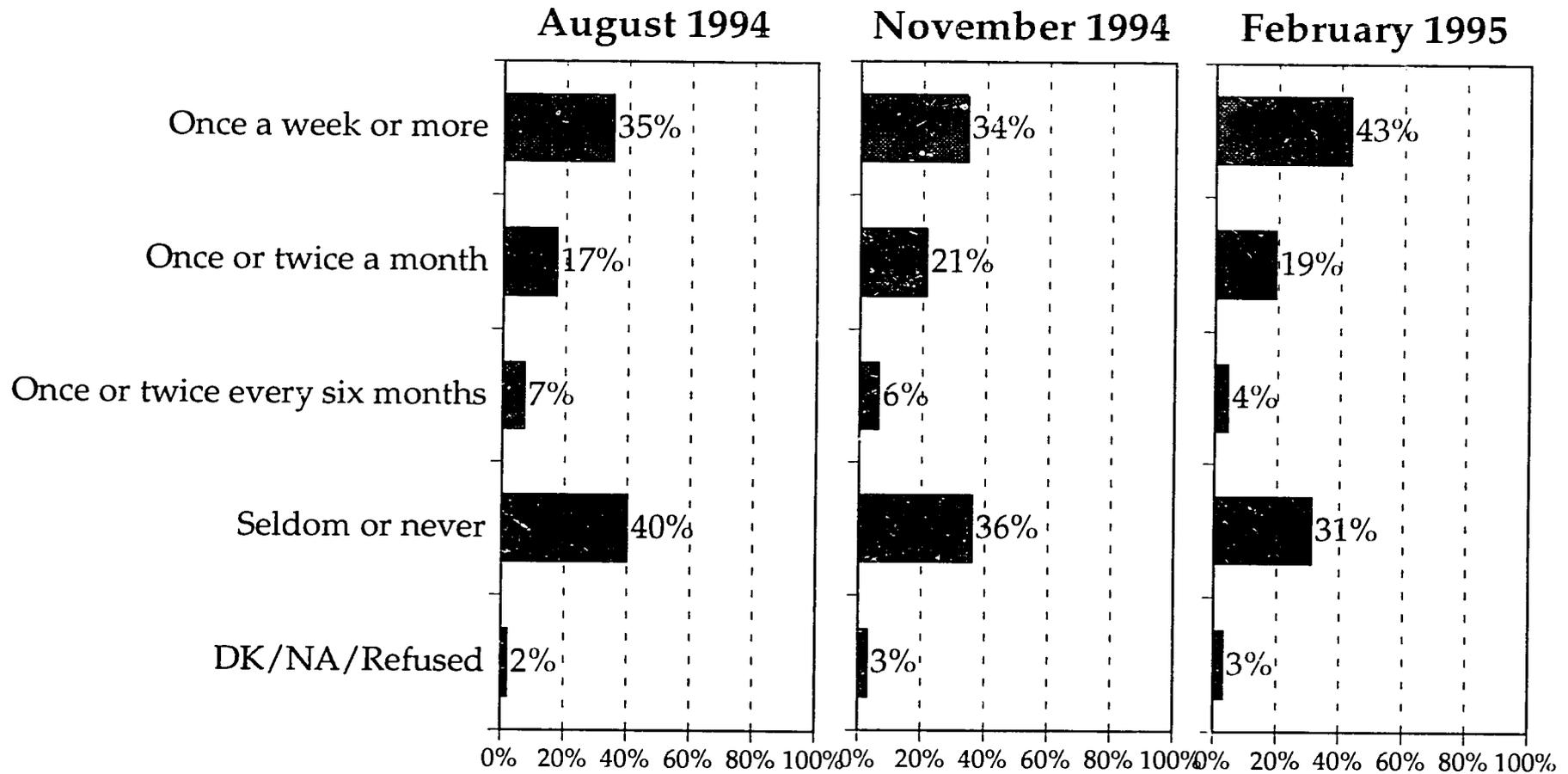
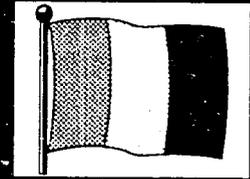
- 29% of the New School and 26% of Transitionals had listened to these programs.
- Comprehension of the content of these programs was high, especially among the New School.
- Almost half the listeners said they found these programs somewhat helpful, while 22% said they found them very helpful.
 - the New School was most likely to find these programs helpful, closely followed by the Transitionals.

EVER SEE ANY GMR POSTERS?



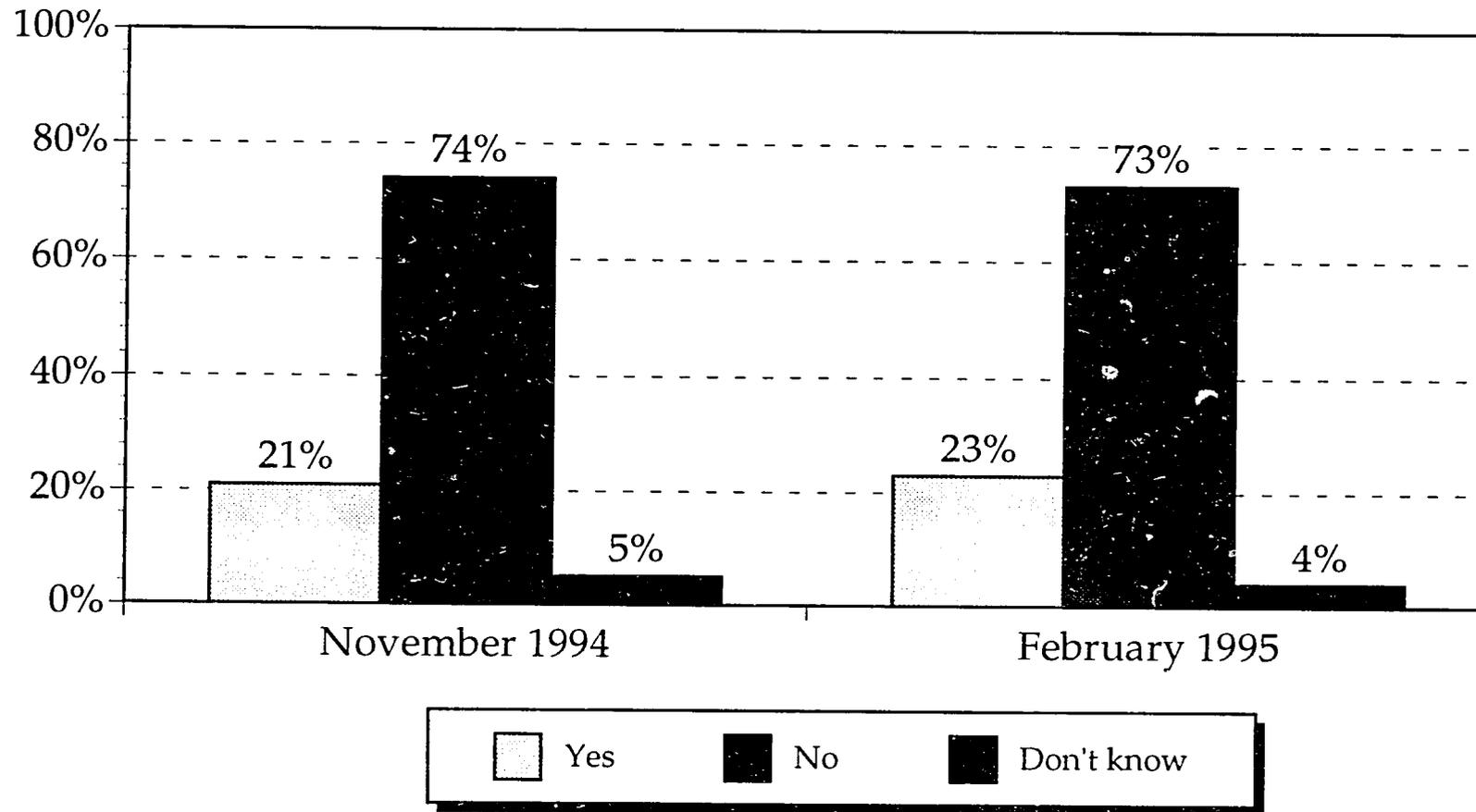
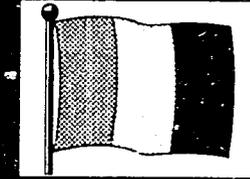
(c) KRC 2/95 Q35

EXPOSURE TO INFORMATION ABOUT PRIVATIZATION ON TELEVISION



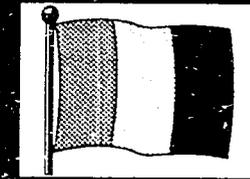
(c) KRC 8/94 Q352
 11/94 Q37
 2/95 Q38

EVER SEEN "GMR" FILMS ON TVRI?

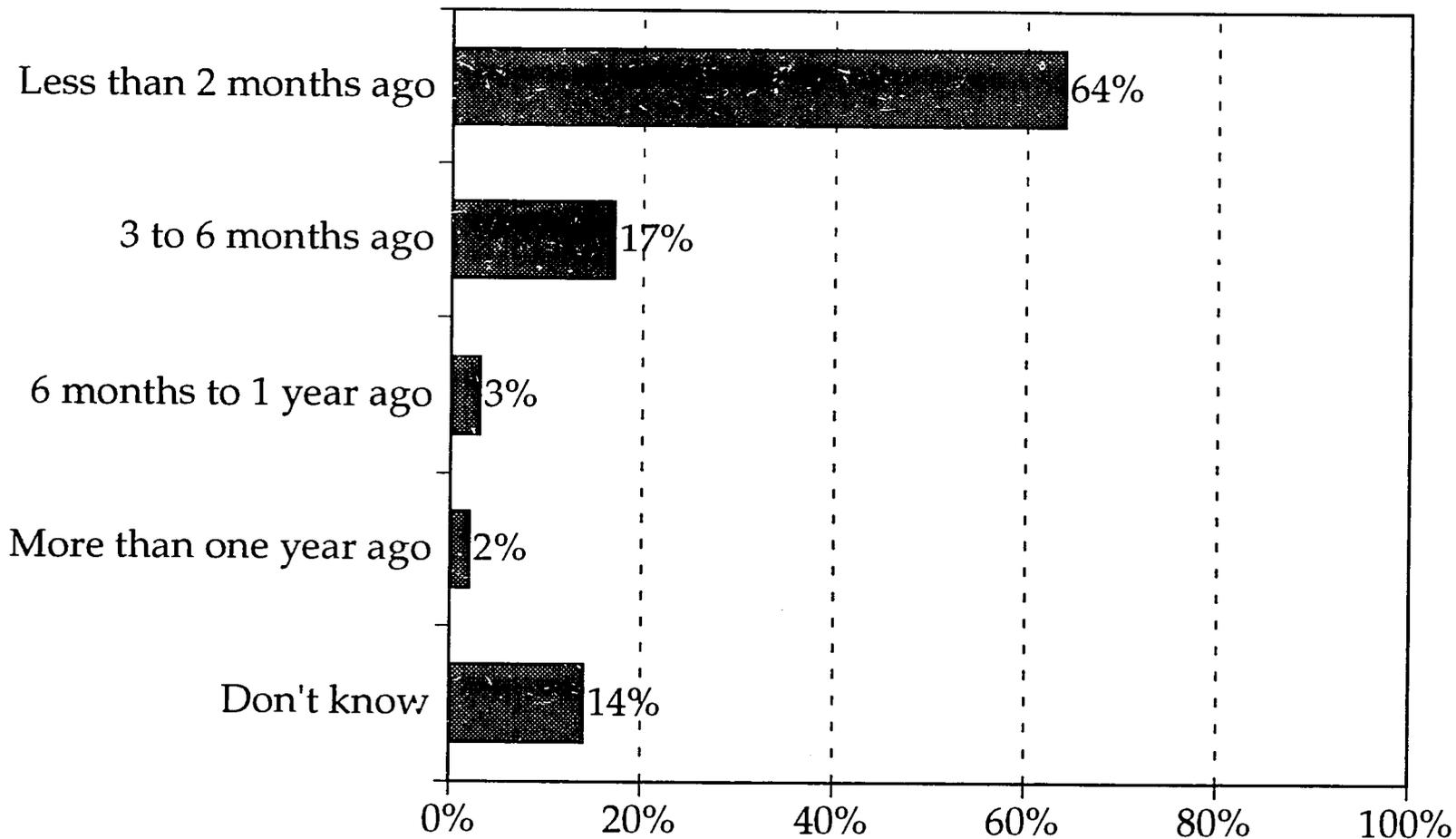


(c) KRC 11/94 Q39
2/95 Q39

WHEN DID YOU LAST SEE A "GMR" PROGRAM?

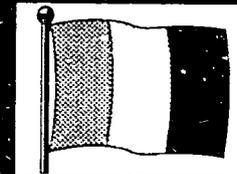


N=354 (Those seen "GMR" on TVRI)

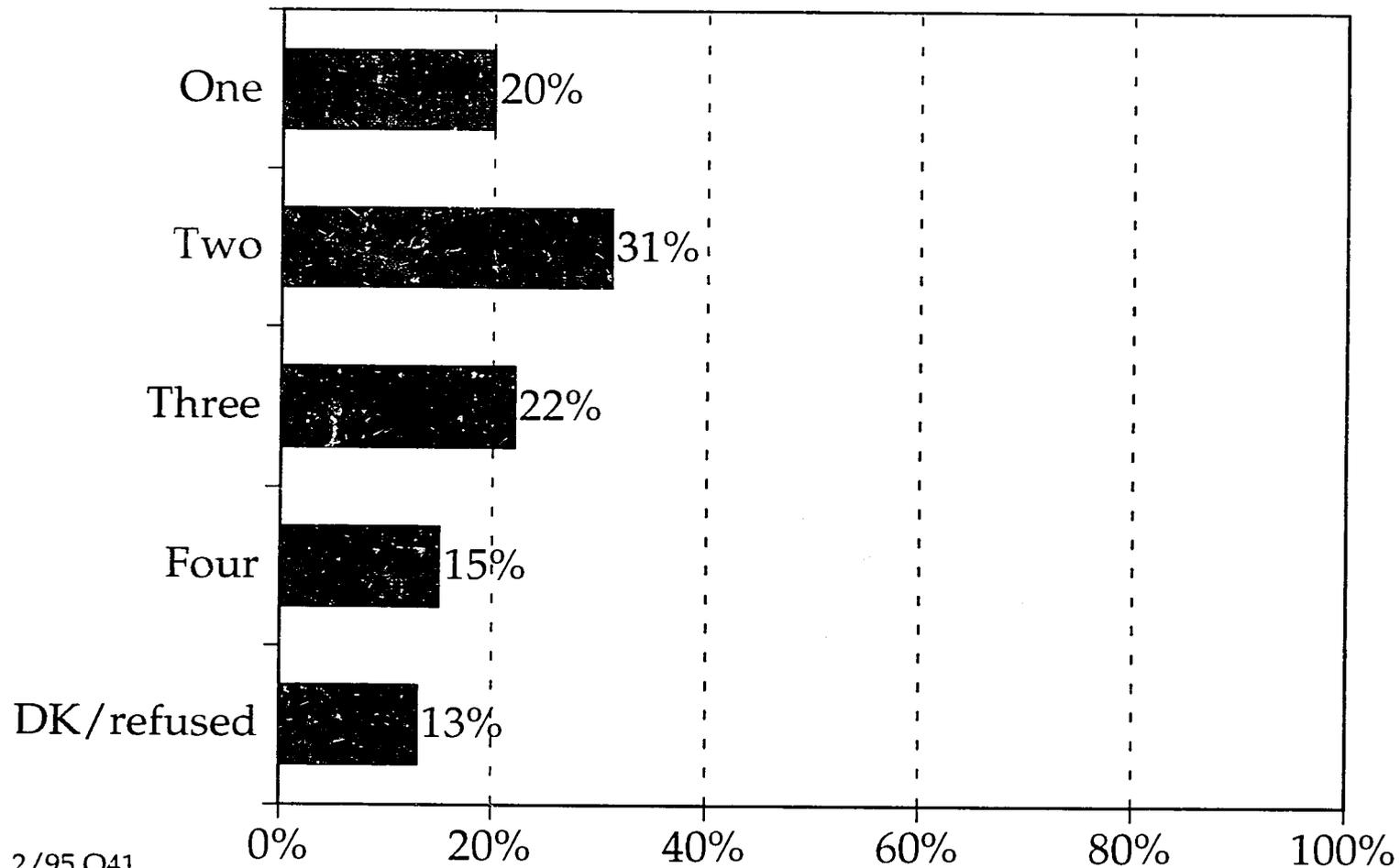


(c) KRC 2/95 Q40

HOW MANY DIFFERENT "GMR" FILMS DID YOU SEE ON TVRI?

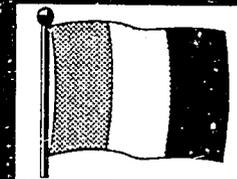


N=286 (Those who saw films in last 6 months)

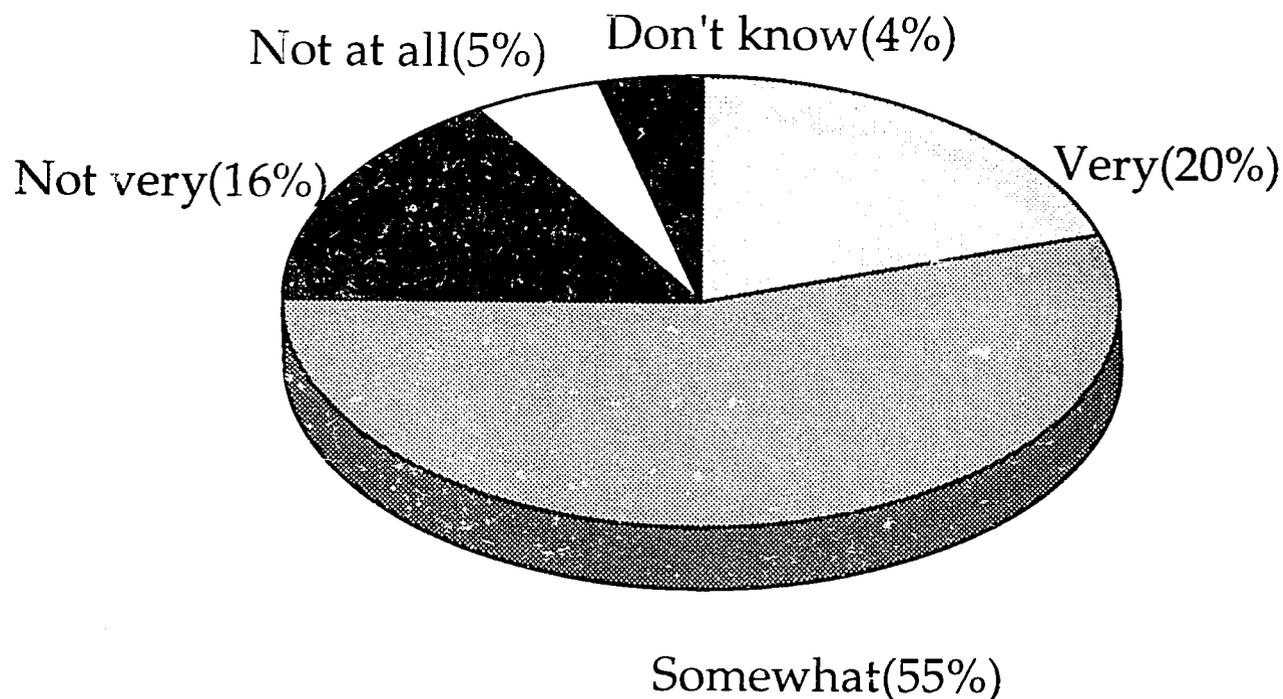


(c) KRC 2/95 Q41

HOW HELPFUL WERE THE FILMS TO YOU?

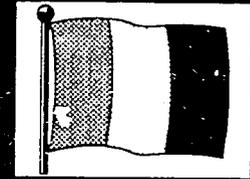


N=285 (Those who saw films in the last 6 months on TVRI)

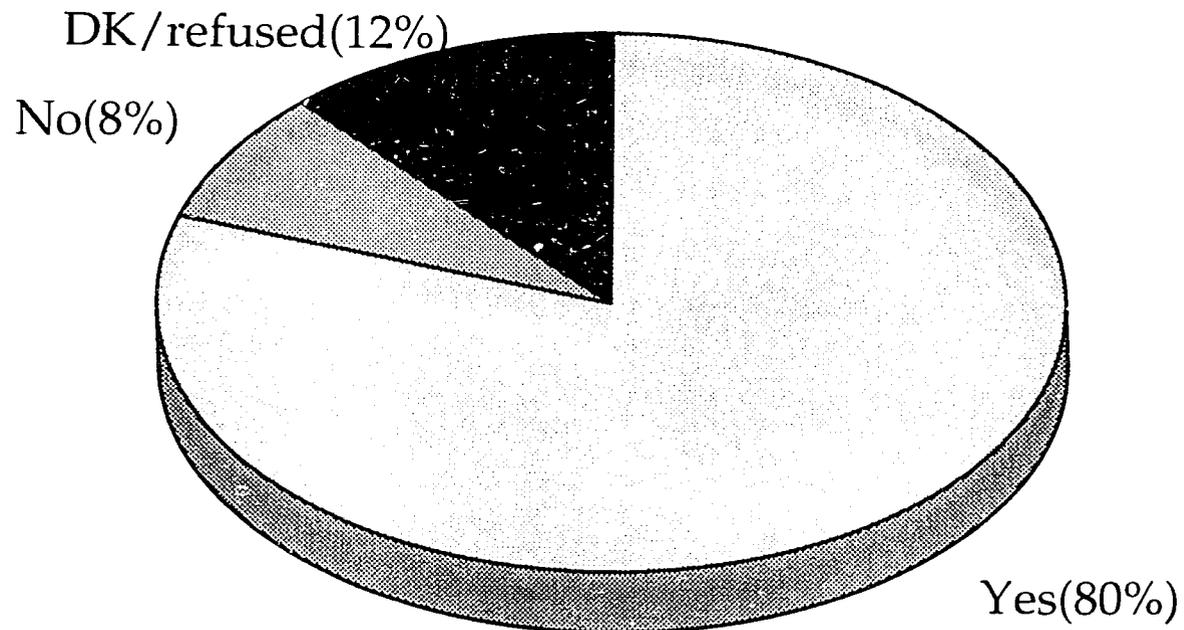


(c) KRC 2/95 Q42

WATCH FILMS LIKE THIS IN THE FUTURE?

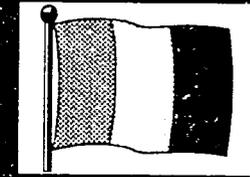


N=284 (Those who saw GMR Films)



(c) KRC 2/95 Q43

"GMR" - TELEVISION



February data showed that 6% of Romanians never watch television.

- 31% watch more than four hours a day while 45% watch between one and four hours a day.

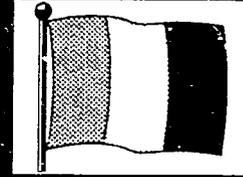
Frequency of exposure to information about privatization on television rose significantly in February.

- This was true for all attitudinal groups. Those saying they saw information once a week or more rose from 40% to 50% in the New School, from 15% to 25% in the Old School, and from 34% to 44% in the Transitional group.

Viewership of GMR films on TVR1 rose slightly between November and February.

- New School viewership rose from 27% to 30%, Old School from 11% to 13% and Transitional from 18% to 21%.

"GMR" - TELEVISION

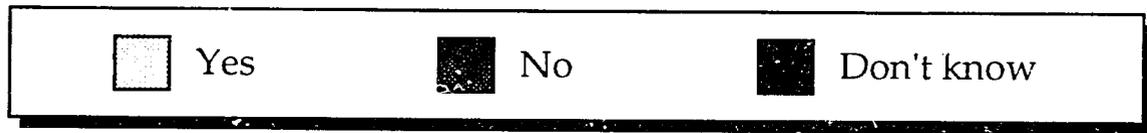
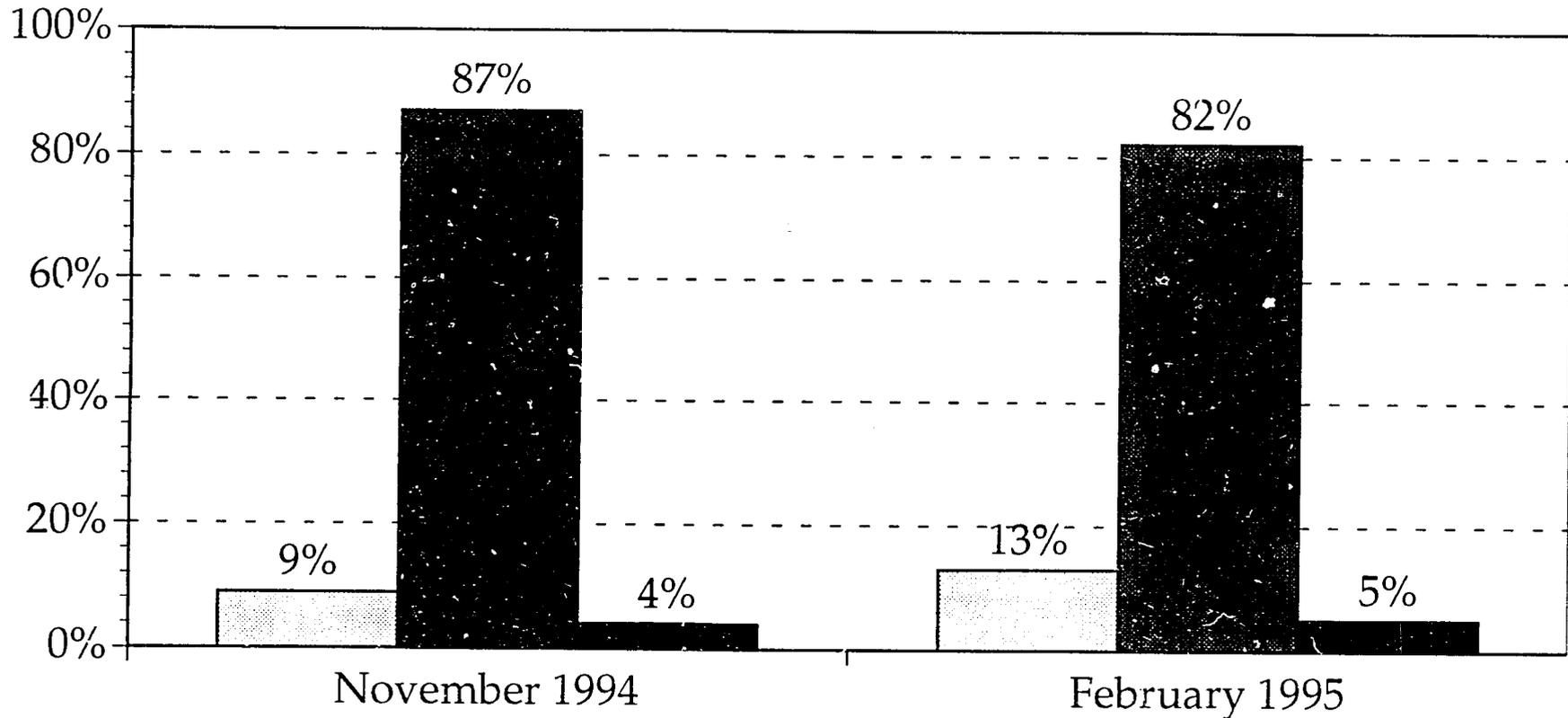
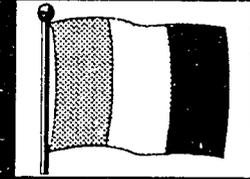


55% of those who watched a GMR film on TVR1 said that they had found the film/s somewhat helpful, while 20% said they had found them very helpful.

- 21% of Transitionals and 21% of the New School found the film/s very helpful.
- 61% of Transitionals and 59% of the New School found the film/s somewhat helpful.

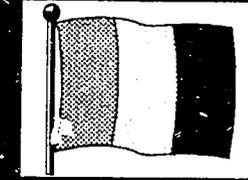
83% of Transitionals, 82% of the New School and 62% of the Old School said they would watch other films of this kind in the future.

EVER SEEN ANYTHING ABOUT "GMR" IN THE NEWSPAPER?

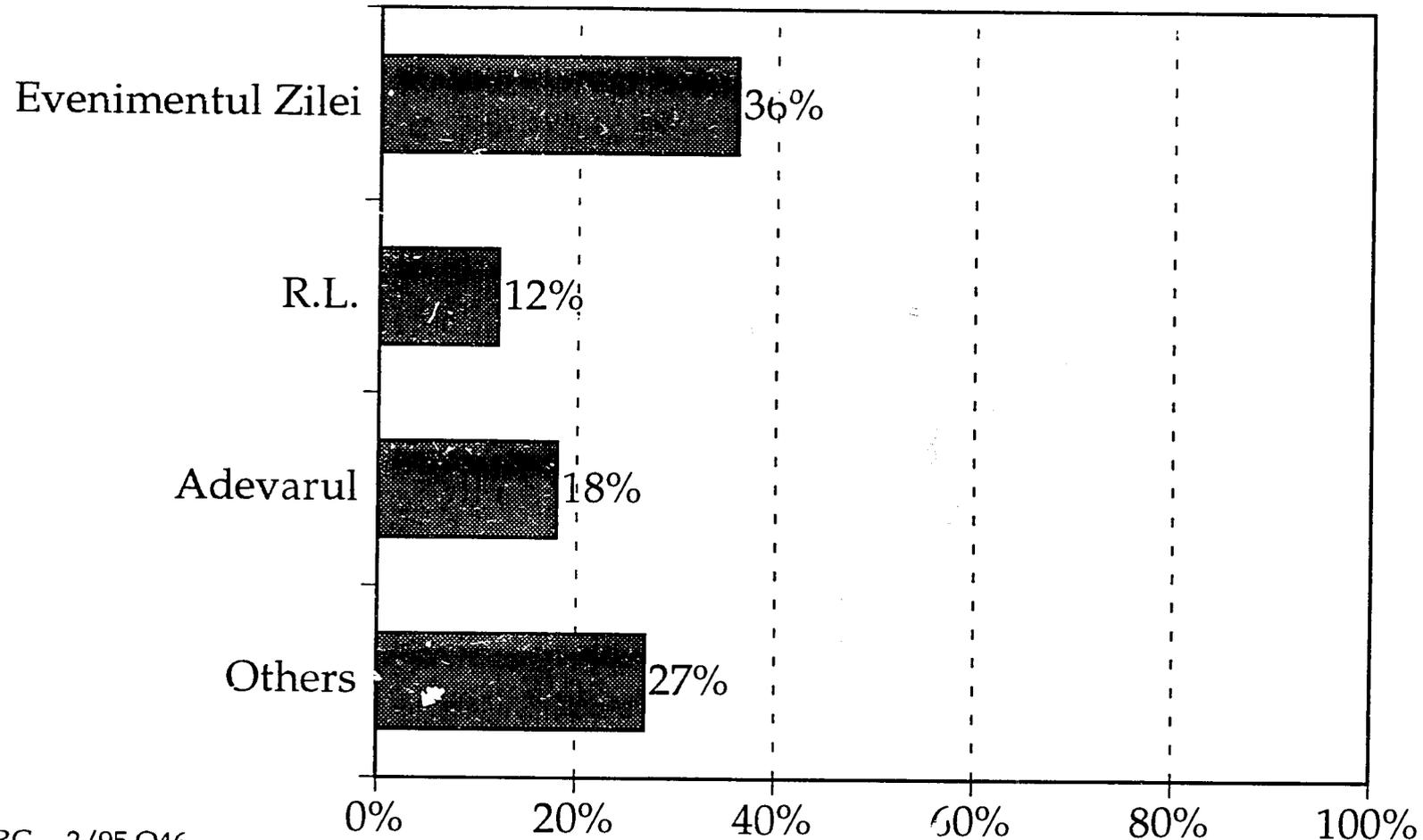


(c) KRC 11/94 Q41
2/95 Q45

WHICH NEWSPAPERS HAVE YOU SEEN "GMR" IN?

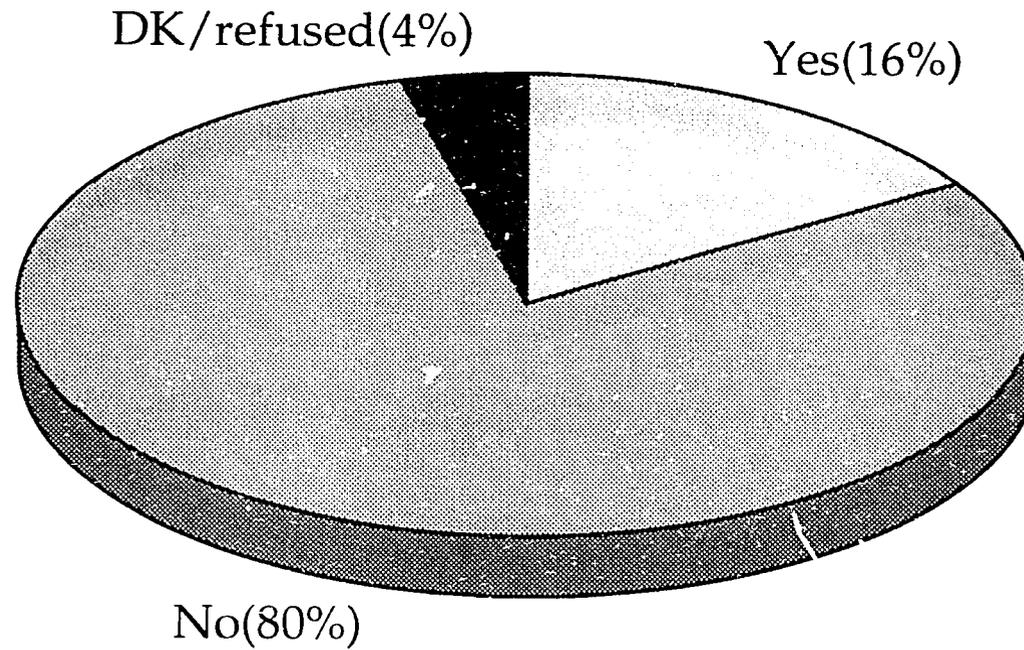
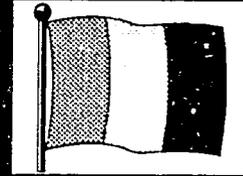


N=190 (Those who have seen "GMR" in newspaper)



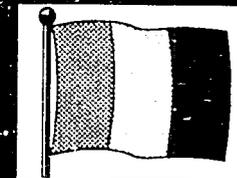
(c) KRC 2/95 Q46

EVER SEEN GMR 1000000 LEI CONTEST IN E.Z.?

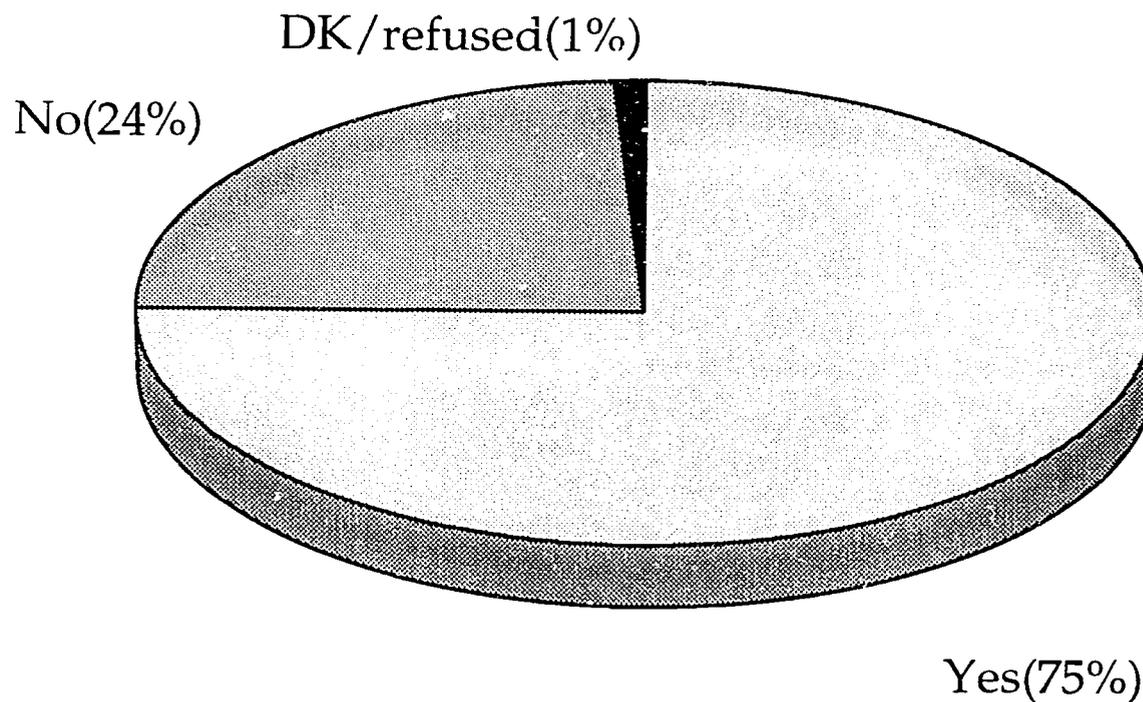


(c) KRC 2/95 Q47

EVER READ GMR 1000000 LEI CONTEST COLUMN ?

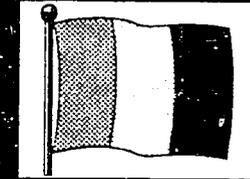


N=239 (Who had seen Column)

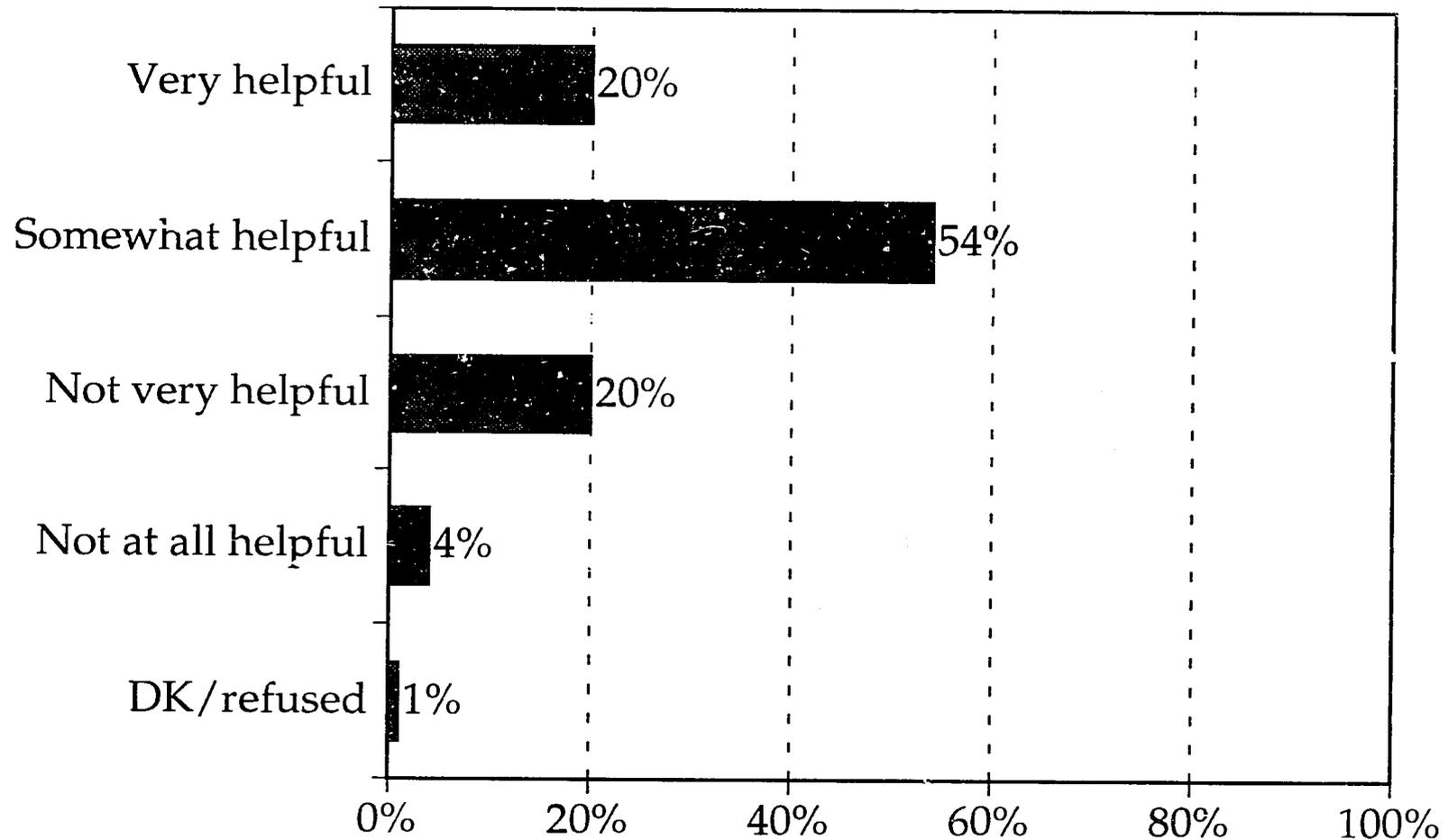


(c) KRC 2/95 Q48

HOW HELPFUL WAS THE GMR 1000000 LEI CONTEST COLUMN?

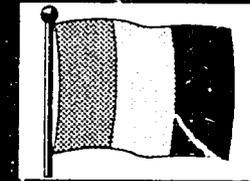


N=178 (Those who read the column)



(c) KRC 2/95 Q49

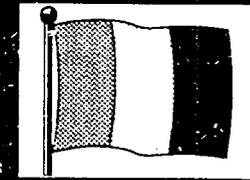
"GMR" NEWSPAPERS



Awareness of articles related to GMR in newspapers rose slightly to 13% in February compared to 9% in November 1994.

- Evenimentul Zilei was the newspaper where most people had seen something about GMR.

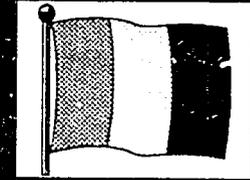
SUMMARY OF RESEARCH FINDINGS



Tracking research conducted between August 1994 and February 1995 showed no significant shifts in attitude among Romanians on the broad issues of economic transition and the free market.

- Research did show some consistent trends including:
 - a growing awareness of information about privatization in the media
 - a growing awareness of GMR and its programs in newspapers and on television
 - a very slight improvement in general mood and attitude towards the future
 - growing negative attitudes towards formal privatization in November 1994, which moderated again by February 1995 to reflect the original August 1994 data.

MEASURING THE IMPACT OF THE GMR CAMPAIGN



Because there are so many “uncontrolled variables” (i.e. things not related to GMR which impacted upon public opinion, such as actions by Parliament, changes in conditions of the economy etc.), it is impossible to determine the exact impact of the GMR campaign.

However, it is clear that during this period:

- Awareness of the GMR campaign grew steadily.
- The content of mass GMR communications was understood and appreciated by most of the people who were exposed to them.

It is also clear that public mood did not evidence any significant negative swings during this period of obvious hardship for Romanians.

Circumstantial evidence (in the form of phone calls and letters to GMR etc.) also indicates that the campaign had a significant impact, especially among those Romanians who may be categorized as falling into the New School or Transitional groups.