Born by Law: Romania's Decree Generation and Its Impact on Today's Pension System

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Born under Nicolae Ceaușescu's 1966 abortion ban, Romania's Decree Generation is now reaching retirement age, placing increasing pressure on the country's pension system.

The political thinking in Romania during the 1960s and 1970s can be summed up in two statements:

> "Procreation is the social duty of all fertile women."[1]
> "Anyone who avoids having children is a deserter who abandons the laws of national continuity."[2]

In 1966, under the dictatorial rule of Nicolae Ceaușescu, the Romanian government enacted Decree 770, one of the most restrictive abortion bans in modern history. This policy aimed to counter declining birth rates by criminalising abortion for most women. It was a key social engineering measure intended to drive industrialisation through demographic growth.

The immediate impact was substantial: birth rates rose significantly, as abortion—previously a common method of family planning—was no longer legally available. The children born as a result, often referred to as *Decreții* or *Copii Decretului* (the *Decree Generation*), grew up in a society marked by economic hardship, political repression, and resource shortages.[3] Now, as this generation nears retirement, Romania faces an urgent demographic challenge: a shrinking workforce, a declining birth rate, and massive emigration are all straining the country's pension system.

The 1966 Abortion Ban: A Short History

During the early decades of state socialism, Romania's population policies played a crucial role in shaping demographic trends—particularly in fertility rates. After World War II, abortion was restricted, contributing to the stabilisation of birth rates that had fluctuated between 1940 and 1945. However, this stabilisation coincided with a shift in the traditional family model, as families transitioned from having three or four children to having only two or three.[4] By 1957, abortion was legalised and integrated into the state healthcare system, leading to a sharp decline in birth rates, which dropped to 1.9 births per woman by 1965.[5]

With the introduction of Decree 770 in 1966, abortion was not completely banned but was heavily restricted and closely monitored by the state. Although contraceptives remained technically legal, they were virtually unavailable. The immediate effects of the degree were striking:

> In 1967, the live birth rate rose to 27.4 per 1,000 people, while the natural reproduction rate increased to 18.1 per 1,000.[6]
> That same year, 526,000 births were recorded, nearly double the figure for 1966, when around 274,000 children were born.
> However, by 1969, the number of births had already declined to 460,000, revealing the limits of even the harshest pronatalist policies.[7]

Even state propaganda failed to counteract the trend of declining birth rates. In Andrei Blaier's 1975 film *Ilustrate cu flori de câmp* (*Postcards with Field Flowers*), a young woman dies from an illegal abortion. While the film appears to highlight the dangers of unsafe procedures, it was, in reality, a tool of state propaganda aimed at deterring women from seeking abortions.

Despite its severity, Decree 770 ultimately failed. Ceaușescu's pronatalist policies relied more on punishment than incentives, leading the initial population surge to give way to long-term demographic stagnation. Moreover, integrating the temporarily expanded generation of children born under Decree 770 into society proved—and continues to be—a significant challenge, as the state struggled to provide adequate education and job opportunities due to limited resources.[8]



Elena and Nicolae Ceaușescu surrounded by children, ca. 1980

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Ageing Decree Generation: The New Challenge for Romania's Pension System

Decree 770 led to approximately 1.4 million additional births between 1966 and 1989. Over the next decade, around 1.6 million individuals from this generation will retire, many becoming eligible for early retirement.

This increase in retirees is expected to strain Romania's already fragile pension system. As of 2024, the ratio stands at 0.8 pensioners per employee, but projections indicate that this could soon reach or exceed a 1:1 ratio—meaning one worker for every retiree.

Romania's Aging Population: Key Statistics

According to official data, Romania is undergoing significant demographic shifts:

> As of January 1, 2024, 20% of Romania's population was aged 65 and over, compared to 19.7% in 2023.[9]
> The population aging index increased from 121.7 older people per 100 young people (2023) to 123.8 per 100 (2024).[10]
> As of November 2024, Romania had 4,689,950 pensioners, a number expected to grow significantly in the coming years.[11]

The Impact of Emigration

Exacerbating this issue is Romania's high emigration rate, particularly among younger generations. A growing trend of secondary migration is also emerging, in which older generations follow their children abroad, further shrinking the country's workforce.[12]

However, there was a positive migration balance in 2023, with the number of immigrants exceeding the number of emigrants by 82,000 people. Despite this, women made up the majority of emigrants (52.4%), including 8,273 women over 60 (0.35% of the resident population) and 2,937 men over 60.[13]

Romania's Pension System and the Decree Generation

Romania's pension system operates on a three-pillar model, combining both state-managed and private components:

1. Pillar: A state-run, pay-as-you-go system, where current workers fund retirees.
2. Pillar: A mandatory, privately managed pension system with individual contributions.
3. Pillar: Voluntary private pension funds for additional savings.

The legislation establishes a standard retirement age but allows for early retirement under specific conditions, aiming to align pension benefits with individual contributions while ensuring a safety net for older individuals.[14] However, Pillar 1, the public pension system, faces significant risks due to a lack of financial reserves for future retirees, making it highly vulnerable to demographic and economic shifts. This issue will become even more pressing as the largest demographic cohort from the Decree Generation begins retiring in 2031.[15]

Challenges and Reforms

Political influences—such as the expansion of early retirement schemes and the granting of special pensions—have further exacerbated social inequalities within the system.

To address the challenges, proposed reforms focus on:

Raising tax rates to increase funding,
Extending the minimum contribution period to ensure sustainability,
Increasing the retirement age to balance the worker-to-retiree ratio.

However, these measures are often delayed or avoided during election years, complicating long-term solutions.[16]

Can Private Pensions Offer a Solution?

One potential solution is strengthening Pillar 2, the private pension system. Research suggests that if contributions were invested rather than immediately spent, the average Romanian pensioner could receive 3.23 times more than under the current public system.[17]

For context:

In 2024, the average state pension was 2,735 lei (549 euros).
The estimated monthly cost of living was at least 4,000 lei (803 euros)—well above what public pensions provide.

While expanding private pensions could offer long-term relief, the transition requires policy consistency and public trust—two factors that remain uncertain in Romania's political landscape.

Conclusion

Romania's Decree Generation was born out of a drastic population control policy. Now, decades later, its aging members present one of the biggest challenges to the country's pension system. With a shrinking workforce, mass emigration, and a growing number of retirees, Romania faces difficult choices.

Policymakers must act decisively—whether by reforming the public pension system, expanding private pension options, or introducing new economic incentives to counterbalance an ageing population. Otherwise, Romania risks a future where its pension system becomes unsustainable, leaving millions without adequate financial security in old age.

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