

Caritas Cares Romania Report November 2015

What this report is about

This report describes the main challenges related to poverty and social inclusion in Romania and provides recommendations for policy makers to address these challenges. The recommendations are based on an analysis of the grass-roots experience of the Caritas Romania Confederation, which is compared to the official data.

About the Caritas Romania Confederation

The Caritas Romania Confederation represents the 10 active organisations of Caritas united in a national network. Created in 1994, it promotes its members' social projects and contributes to advocacy and influence in social policies. All Caritas organisations in Romania have partnerships with local authorities and provide social services to disadvantaged children, people with special needs, the elderly, families with several children, low income families and adults, people with disabilities, the Roma, homeless people, unemployed youth, etc.

In 2014, the organisation reached a total of 71,300 beneficiaries in Romania; of these 62% were male, 38% were female, 25% were elderly people aged 64+, and 15% were children aged 0-14.

Consult our recent publications by the Caritas Romania Confederation:

[Proposal on Public Policy on Home Care Services for the Elderly](#)

More publications: <http://www.caritas.org.ro/cine-suntem/materiale>

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Combating poverty and social exclusion in Romania requires stronger political commitment. The Government needs to ensure that the strategy on Social Inclusion and Poverty Reduction is implemented through the involvement of all key actors, receives adequate financial support and has a consistent monitoring and evaluation system.

Romania's main challenges related to poverty and social exclusion:

❖ **Services and programmes for people most at risk of poverty and social exclusion are not adapted to their needs**

Services and programmes implemented in recent years have been quite ineffective at addressing the problems of poverty and social exclusion of most vulnerable groups. They normally are not based on a consistent analysis of the problems nor are they adapted to people's needs. Most have focused on passive measures, such as social benefits that have been decreasing over the past few years.

❖ **Services for people most at risk of poverty and social exclusion are insufficient in rural and deprived urban areas**

People living in these areas face a variety of challenges, mainly due to problems related to availability, affordability and barriers in access to key services (education, health, housing, employment support) that are essential to living an independent and decent life.

❖ **The implementation of public policies in the areas of education, health, social inclusion, disability and the digital agenda is ineffective**

The policies are not sufficiently interconnected, properly funded nor are they monitored or regularly assessed, in terms of impact, efficiency and effectiveness. They also lack adequate operational mechanisms.

Policy recommendations for the national government:

Adequate income support:

1. Revise the minimum income support schemes to ensure they cover the needs of vulnerable groups, both in terms of quantity and the extent of coverage, in combination with services aimed at low income families in order to better match their needs.

Inclusive labour markets:

2. Create job opportunities for vulnerable people, in particular young people, by creating more effective and adapted employment programmes, in collaboration with specialised civil society organisations.

Access to quality services:

3. Develop more supportive, comprehensive, affordable and quality social services for all vulnerable groups, based on long-term sustainable funding, paying special attention to deprived rural and urban areas.

Other:

4. Ensure that strategies and policies related to social issues are interconnected, properly funded and regularly monitored and assessed and have adequate operational mechanisms.

1. Poverty and social exclusion in Romania: the reality behind the data

The problems of most concern in Romania

- ❖ Poverty and social exclusion in rural areas
- ❖ Poverty and social exclusion in deprived urban areas or neighbourhoods

Poverty and social exclusion in rural areas

The poverty rate is three times higher in rural than in urban areas.¹ In addition, there are significant disparities between various regions. The highest poverty rate is located in two main areas: the North-East (34%) and South-East (30%), although one of the biggest challenges is that not enough reliable data is available about the needs and situation of the communities in these areas. Thus, planning for adequate services and resources is done based on subjective and estimated data.

People living in rural areas face a variety of problems:

- Low-income levels. The combination of high unemployment rates and a rise in costs of housing, health care and education is having a strong impact on child poverty, which reached 50% in 2012 in rural areas.²
- Poor educational levels. Education is not generally available or is of poor quality in two key educational stages: childcare services and high schools, which are often non-existent in deprived areas. This results in high rates of early school-leaving. There is also reduced or no adequate support for children with different educational needs.
- Limited or inadequate healthcare services due to a lack or a reduced number of medical units.
- Frequent family violence and alcohol abuse.

“The situations we face in rural areas is very complex due to the fact that the population is increasingly ageing and lacks the help of younger generations. Because of poverty and the lack of jobs, young people are choosing to go abroad to work in order to earn a decent income. More and more women are leaving their families and are often working in the informal economy with insufficient information about their potential situation in the destination country. Children often remain in the care of grandparents or of unemployed fathers who often have problems with alcohol. Neither mayors or local authorities know how to respond to this situation; they do not have solutions and receive no help from the central Government.”

*Social worker in Caritas Iasi,
Moldova region (NE)*

¹Ministry of Labour, Family, Social Protection and the Elderly, 2015, [National Strategy on Social Inclusion and Poverty Reduction for 2015-2020](#), p.18.

² Ibid. p. 10.

- High migration rates from rural to urban areas, which is affecting the family unit, child and elderly people's well-being.

Poverty and social exclusion in deprived urban areas or neighbourhoods

Families and individuals living in deprived urban areas often face problems in relation to basic infrastructure (e.g. running water, electricity, heating systems), healthcare services, childcare and education services and employment options. The most important challenge is the lack of an integrated approach with clear coordination mechanisms among all actors, both horizontally and vertically. Therefore, policies are fragmented and less efficient and the impact constantly falls short.

People living in deprived urban areas or neighbourhoods suffer from the following situations:³

- A lack of active participation and engagement in all aspects of the decision-making process of groups living in situations of poverty and social exclusion. This results in very low public participation levels and often leads to increased dependency rather than promoting self-sufficient, independent citizens.
- Reduced availability of, and expensive and inaccessible social and childcare services, combined with family neglect, expose children to abuse, exploitation, and early school-leaving.
- Poor quality and segregated educational centres, often exacerbating social inequality and discriminatory practices, result in deepening the gap between children coming from different social or ethnic backgrounds. Differentiated, adequate support for children with diverse educational needs is often not available.
- Underprivileged communities are often affected by illness (i.e. hepatitis, TB) and lack rapid responses and adequate healthcare services from local authorities. Long-term preventive measures are also not prioritised by local authorities.
- High unemployment rates are caused mainly by poor educational and health levels.

"I am a teacher at a school in a former mining town during the communist era. The school is on the edge of town in a very poor neighbourhood, and students come predominantly from the Roma community who are established in makeshift housing on the outskirts. In this community there are periodic outbreaks of hepatitis; and the water, electricity and heating infrastructure is poor. The school has been renovated and is equipped, but the school dropout rate is high. Parents send their children to school to not lose allowance entitlement (which is conditional on the child's school attendance). However, children rarely come to school because they do not have proper clothes and do not have home conditions that assure their hygiene. Parents do not realize the importance of education and it is very difficult to convince children to pay attention to their education. In school, there are many substitute teachers; many of whom come and go because of low salaries and little or no motivation."

Teacher and collaborator in a Caritas day center in Petrosani

³See footnote1.

Groups at risk of poverty with the highest need for political action in Romania

- ❖ The elderly (65 years and over)
- ❖ Children (0-17 years)
- ❖ People with disabilities
- ❖ Youth (18-24 years)

The Elderly (65 years and over)

In 2014, 16.5% of the population was 65+.⁴ By 2030, this percentage is estimated to reach 19.7% and in 2060 to approx. 26.7%.⁵ According to Eurostat, it is estimated that old-age dependency ratios will increase considerably in the future (2015: 25.7%; 2030: 32.7%; 2060: 51.9%).⁶ Demographic aging is more pronounced in rural areas than in urban areas, especially due to the economic migration of young people. In 2015, the population 65+ in rural areas represented 17.6% of the entire population, while the elderly in urban areas were only 13.6% of the general population.⁷

Due to an increase of contributive and social pensions, the poverty rate of the elderly decreased between 2008 and 2012. However, the rate of material deprivation remains very high (48.7% in Romania, compared to 15% in the EU 28).⁸

Even if the relative welfare of this group has improved over the past number of years, there remains a significant disparity in poverty rates between women (19.3%) and men (9.2%), and the gap is even higher for persons 80+.⁹ Among elderly people, those dependent and living on their own comprise the most vulnerable group. This group has actually become a priority target group in the National Strategy on Social Inclusion and Poverty Reduction 2015-2020. Currently, approximately 1.2 million persons 65+ live alone (75% of whom are women); of these, 25.8% are poor compared to 5.8% of couples in the same situation.¹⁰

It is estimated that in the EU countries, on average, 2% of the entire population of a community needs home care services. Caritas studies show that over 20% of Romania's elderly population (65+) need home care. Currently, only 6% of the elderly population benefit from these services, that is, 0.23% of the total population.¹¹ This means that the home care needs of more than 19% of the population are not being met in Romania. 98% or half a million pensioners who worked in the agricultural sector have a pension below the minimum level of

⁴Eurostat, [Proportion of the Population Aged 65 and Over](#).

⁵ National Council of Elderly Persons, [Projections of the Elderly Population on the Horizon of 2060](#), p. 25, table 13.

⁶Eurostat, [Projected Old-Age Dependency Ratios](#).

⁷ National Statistical Institute, 2015. Statistics bulletin, [Romanian Population in Localities](#).

⁸Eurostat, [Material Deprivation Rate](#).

⁹World Bank for the Ministry of Labour, Family, Social Protection and the Elderly, 2015. [National Strategy of Social Inclusion and Poverty Reduction 2015-2020](#), pp. 19-20.

¹⁰Ibid.

¹¹SenioriNET network of service providers for home care services for the elderly in Romania, www.seniorinet.ro

subsistence, compared to 39.6% of those pensioners with a regular State pension.¹² Pensioners from the agricultural industry face the most minimal conditions with clearly the lowest pension payment.

It is worth highlighting that a National Strategy for Active Ageing and Protection of the Elderly (2015-2020) was adopted by the Government on July 15th 2015, but no concrete implementation plan has been made available.

Children (0 - 17 years)

Despite the fact that the general poverty rate decreased between 2008 and 2010 by 2.3 percentage points, this rate began to increase again between 2010 and 2013.¹³ Almost one-third of children currently live in persistent poverty in Romania. The risk of being exposed to poverty increased by almost 3 percentage points among children, between 2008 and 2013 (from 28.6% in 2010 to 31.2% in 2013¹⁴) due to a reduction in the budget allocation on child benefits and income support for families, a reduction of preventive services, and of the coverage of publicly funded services. The risk of poverty for other groups of the population increased by only one percentage point for the same period.¹⁵

There are particular groups of children who are at higher risk of extreme poverty, such as children with disabilities, Roma children, children leaving institutions, children experiencing abuse and neglect within the family or other institutions, children living in so-called “poverty pockets” in rural areas or in previously industrialised yet now shrinking cities, children who are victims of trafficking and children affected by juvenile delinquency.

Child poverty is a major issue in Romania, affecting all aspects of development: physical, cognitive, intellectual, social, and emotional, all of which play a significant part in ensuring that children are sufficiently prepared to succeed in school and life. Children are affected by poor nutrition, reduced medical monitoring and low-standard educational conditions, especially in certain rural areas. Even though medical access is free for all children, in reality, families face barriers in accessing these services due to a lack of healthcare services that are available. For instance, there are limited numbers of these services in rural communities and some families are unable to afford the transport costs to access non-emergency medical assistance. In 2014, the vaccination rate for some types of vaccines was under 75%.¹⁶ In addition, children face educational problems, including: reduced access to education and high early-school-leaving rates (92,000 children from primary and secondary grades dropped-out in 2009/2010).¹⁷ Disadvantaged children, mostly Roma children, children with special needs, street children and young people with

¹²National Council of Elderly Persons, 2014. *The Quality of Life of the Elderly in Romania*, quoted in the study of V. Stoiciu, 2015. [“Social and Labour Inclusion of the Elderly”](#), Friedrich Ebert Stiftung, p. 4.

¹³Ministry of Labour, Family, Social Protection and the Elderly, [Strategy for Social Inclusion and Poverty Reduction 2015-2020](#), p.18.

¹⁴Eurostat, 2014. [Persistent At-Risk-of-Poverty Rate by Age Group](#).

¹⁵ See footnote 11.

¹⁶Formare Medicala, 2015. [Acoperirea vaccinala in Romania se pastreaza sub nivelul recomandat de Organizatia Mondiala a Sanatatii](#).

¹⁷UNICEF, 2012. [Copiii care nu merg la scoala](#).

criminal records are more likely to attend school sporadically, and are consequently years behind their peers, usually failing to ever catch up.

People with disabilities

The situation of persons with disabilities is worrying as it has not changed much compared to previous years, despite some government efforts in the area of income support. The Strategy on Social Inclusion of Persons with Disabilities has not yet been adopted and the unification of certification procedures for persons with disabilities and invalidity pensions has also not been finalised. Currently, the situation of persons with intellectual disabilities as well as of those with complex dependency needs is the most problematic, due to the lack of support services or measures to foster inclusion and accessibility. All other categories of persons with disabilities face similar situations of exclusion and poverty, albeit to varying degrees. Single parent families with one or two disabled children are seriously affected by poverty. In March 2015, there were 744.499 persons with disabilities and 680.672 persons with invalidity pensions. Of these, only 7,45% of persons aged 18-64 were employed, that is, 30.902 persons.¹⁸

“The Caritas homecare nurses first came in January 2014 to take care of me and to help me deal with my disease. My wife learned from them how to take care of me, how to lift me up from bed, [and] to help me with my exercises. I suffered a stroke and I needed to be taken care of at home. The nurses help me mobilise myself to move, they walk with me each time they visit me, monitor my blood pressure and give me injections when I need [them]. In one word, they [have] revitalised me. We know other cases that are worse than mine. The homecare assistants are helping those people each day. They help them do the cleaning, they wash them, change the bed linen; they do everything for them. It’s a blessing for those who suffer from a disease to receive such support.”

Vasile S., Caritas Alba Iulia Home Care beneficiary, and elderly person living in a rural area

Although the government raised the disability allowance by 16% in 2014, this change in cash transfers was not accompanied with active inclusion measures. The child allowance was also raised to 200 lei (approximately 45 euros) for children with disabilities, starting in June 2015 (Law 125/2015). It is worth noting that no data related to the impact of cash transfers on the poverty rate of persons with disabilities is available in Romania.

In addition, the lack of support services and active inclusion measures, especially in small urban and rural areas, remains critical. The inclusion of children with disabilities into schools has progressively worsened since 2008, especially due to the lack of teachers’ training, the frozen positions in the public services system (and therefore the impossibility of hiring support teachers or school counsellors in the education system). Many children with disabilities are abandoning school or are completely neglected in the education settings. This situation is particularly severe in rural areas.

¹⁸Ministry of Labour, Family, Social Protection and the Elderly, 2015. [Quarterly Statistics Bulletin](#).

Young people (18-24 years)

Young people who grow up in poverty or social exclusion are at higher risk of being unemployed and of living in persistent poverty. Young people who have been institutionalised, street children, the Roma, and young people with mental health issues are more at risk. These groups, coming from poorer socio-economic backgrounds, often see a significant difference in their education, job-seeking and independent-living opportunities. Income deprivation is a key factor. Unfortunately, many young people enter the workforce with no or limited basic skills needed for accessing or maintaining a job. This affects their financial stability and even their future security. The result is high youth unemployment rates (24% in 2014).

Substance abuse and mental health issues affecting young persons are increasing in Romania. Those affected are struggling in terms of social exclusion and stigmatisation of the individual and their families, which has a high economic cost in terms of their employment opportunities as well as their rehabilitation. Another associated problem is limited access to appropriate housing: 50% of young people are living with their parents due to lack of financial means.¹⁹ Youth coming from institutions or violent families have little or no choice over where they live. Consequently, they are often found living on the streets, in overcrowded apartments or unhealthy and inadequate housing.

Another very worrying issue is the pregnancy rates among young girls, which is extremely high. Teenage girls, many coming from disadvantaged families, have children at too young an age, which undermines their education and employment opportunities. In some cases, young women are victims of human trafficking, especially those coming from rural areas, young girls who have been institutionalised and those from broken families.

The challenges in achieving active inclusion in Romania

- ❖ Adequate Income Support
- ❖ Inclusive labour markets
- ❖ Access to quality services

Adequate income support

In Romania, minimum income schemes are accessible, although they are inadequate in covering basic living needs. Currently, these schemes are being revised as those already in place – the current minimum guaranteed income (VMG); family support allowance (ASF); and support for heating– have become ineffective, especially for people with special needs, due to a change in the eligibility conditions, as well as the reduced allocation amount, resulting in the continual increase in living cost expenses. According to Caritas Romania, many groups have limited or no access to these schemes, especially homeless people. In many cases, these minimum income schemes have been connected to employment programmes, a requirement or

¹⁹Sandu, D. et al, 2014. http://www.fes.ro/media/2014_news/Raport-FES-Tineri_in_Romania.pdf.

conditionality that some people have difficulty complying with. This creates a stigma among certain groups, which worsens their social exclusion situation. Using the number of family members as a calculating criterion has also contributed to its ineffectiveness, as other essential criteria are not taken into account; for instance, the age of the children, special needs and material deprivation.

As of 2016, under the newly approved National Strategy for Social Inclusion and Poverty Reduction for 2015-2020, a new minimum insertion income (VMI) will be set up, which will combine wages with income support, reduce bureaucracy, unify admission criteria and ensure they are adapted to the individual and families' needs. It will also connect with other available services and it will encourage individual and families' efforts toward employment and financial stability.

Inclusive labour markets

The labour market in Romania is gradually becoming more inclusive, thanks to the adoption of new legislation; for instance, the Labour Code that guarantees temporary employees the same salary and annual leave as permanent employees performing similar work, or the Fiscal Code that stipulates a minimum wage increase every 6 months and reduces company taxes for employers who hire new graduates for a period of 2 years.

Despite this, in-work poverty is becoming a serious problem, the number of people who work in the informal economy remains high and unemployment is worryingly high among young people and those with disabilities.

The following issues have been identified as factors hindering the realisation of significant progress towards a more inclusive labour market in Romania:

- Inadequate implementation of relevant legislation, especially that which promotes access to employment for people at risk of poverty and social exclusion and people with disabilities, but also aimed at creating protected employment for disadvantaged groups or that encourages flexible working hours for parents and persons with limited working capacity or that have caring responsibilities.
- A lack of investment in programmes to improve the quality of the workforce (life-long and job training), prevention programmes, etc.
- Comprehensive long-term strategies to combat early school-leaving and prevent school drop-outs.
- The low salary levels in Romania are not encouraging the workforce to remain in the country. Many people are migrating to other EU countries, leaving behind children and families in the hope of decent incomes abroad.

Access to quality services

In recent years, services have become less accessible, especially for people at risk of poverty and social exclusion (children, young people, the Roma, vulnerable families and elderly people), in particular in rural and deprived urban areas. Very little investment has been made in early intervention or prevention services, especially in

the area of education and health. In general, local authorities do not have the capacity to develop or financially sustain such services. The presence of not-for-profit social service providers (NGOs) is almost non-existent in some regions, which leaves a lot of people with no alternatives. Unfortunately, in Romania, problems related to poverty and social exclusion have not been addressed through integrated policies nor with proper coordination mechanisms that involve local and national stakeholders from different fields (social, health care, education, internal affairs, financial and legislative). As a result, Romania lacks consistent evidence-based long-term strategies and policies that involve all key actors.

The newly approved National Strategy for Social Inclusion and Poverty Reduction 2015-2020 could be an opportunity to reverse this trend, should it be implemented as foreseen.

Access to rights is limited for people at risk of poverty and social exclusion in Romania

- ❖ Right to education
- ❖ Right to healthcare
- ❖ Right to housing
- ❖ Right to a pension
- ❖ Right to equality and non-discrimination
- ❖ Access to early intervention and preventive services

2. How effective are Romania's policies to fight poverty and social exclusion?

The Country Report for Romania,²⁰ published by the European Commission in February 2015, reflects the main problems and reality of poverty and social exclusion in the country. However, the National Reform Programme²¹ published by the Government of Romania only partly reflects the main problems and reality of poverty and social exclusion in the country, as will be described further on.

In general, it can be said that the current policies implemented in Romania address some of the problems related to poverty and social exclusion:

- The content of the strategies is very uneven. While the Strategy on Social Inclusion and Poverty Reduction includes several elements that could lead to a concrete improvement in the situation of the most vulnerable (guaranteed minimum income or “minimum insertion income”), development of a set of integrated community services in rural areas and urban marginalised areas, etc.), other strategies and policies related to social issues remain rather general, and their operational plans are not finalised. The problems are listed, but the measures addressing them are inconsistent, not always connected to the causes

²⁰ European Commission, 2015. [Country Report Romania 2015](#).

²¹ Government of Romania, 2015. [National Reform Programme Romania 2015](#).

and no enforcement or monitoring mechanisms are associated with their implementation.

- There is no political commitment towards the integration of measures from different sectors of intervention. The various programmes in place remain sector-based and their efficiency is poorly assessed. The reaction of government to certain extended phenomena (school segregation or school drop-outs, for example) is very slow. For instance, despite a constant increase in school drop-out rates²² and that a strategy²³ for fighting this phenomenon has been in the drafting stage since April 2015, no operational measures have been put in place.
- The measures included in the government strategies depend almost exclusively on European Funds and, therefore, their long-term sustainability is not guaranteed. Government measures are rather linked to ad hoc projects and programmes, not to systematic and strategic action.

Regarding social policies implemented in recent years, it can be stated that these have been quite ineffective at addressing the problems of poverty and social exclusion, as they are not normally based on a consistent analysis of problems or people's needs. For instance:

- School drop-outs continue to rise, and there are almost no early education or support services for pupils in rural areas.
- Community support services for the disabled or elderly are almost non-existent in small urban and in rural localities.
- Cash transfers are usually the main instruments to address poverty and social exclusion, which are generally quite ineffective.
- No impact evaluations are carried out so as to monitor the effectiveness of strategies and policies.
- Referral and counselling services for young people in search for employment are poorly developed and not directly connected with labour market opportunities. Work opportunities are few, especially in rural areas. Very little is being done to attract young people into work and therefore a large number of youth from rural areas register as unemployed as soon as they finish their education.
- Rural localities in several regions of Romania (e.g. the North East, South East, and South) are confronted with persistent poverty and large-scale economic emigration.
- Public employment in the areas of health, the social sector and education is still frozen and therefore these services lack qualified staff.
- Local social services (especially in small localities) are severely under-funded.
- Policies adopted in 2014 for addressing these issues do not yet have an operational plan and therefore their impact cannot be assessed. They generally address specific problems or vulnerable groups with no coordination mechanisms between them and they rely excessively on European Structural Funds.

²² See footnote 21, p. 42.

²³ http://isj.ro/htm/sitepr_new/pr/pdf/strategie%20ESL.pdf.

What policies are needed to address poverty and social exclusion more effectively?

Current policies in the areas of education, health, social inclusion, disability, the digital agenda, etc. should be: 1) inter-connected; 2) properly funded; and 3) monitored and regularly assessed in terms of impact, efficiency and effectiveness. Currently, the only strategy that includes a mechanism for identifying the causes of poverty and exclusion, as well as the main needs of the population, is the National Strategy on Social Inclusion and Poverty Reduction (adopted in March 2015). Its operational plan is still under elaboration, but no specific funding has been allocated to its implementation (as well as all other sectorial funds for operational plans).

In addition, a Strategy for Jobs and Growth is needed to tackle, in a coherent way, the high levels of unemployment among vulnerable populations. This would contribute to addressing the manifold problems related to poverty and exclusion.

In this context, the EU could support the Government of Romania in addressing the problems of poverty and social exclusion more effectively by:

- Monitoring, assessing and recommending concrete improvements on policies in the field of education, health, social inclusion, employment, housing, access to services, and local governance.
- multiplying infringement or sanction procedures for measures that are delayed (e.g. the recent infringement procedure related to the delay of communicating measures on the fight against the sexual abuse of children).
- Requiring immediate improvement of the management procedures related to EU structural funds, which continue to be extremely difficult to access and to implement in some of the operational programmes.

The impact of social protection system reforms

Social protection system reforms & modernisation in Romania

- ❖ The reforms have only focused on budget cuts without undergoing a reform of the social protection systems
- ❖ As a result, people most at risk of poverty or social exclusion have more difficulty accessing social protection services and benefits

Recent reforms of the social protection system have not generally had a positive impact on poverty and social exclusion in Romania.

Example of an ineffective policy or programme related to active inclusion

Specific employment programmes exist in Romania, targeted at vulnerable groups (for instance: single parents, the young unemployed, youth at risk of poverty and social exclusion, unemployed people over 45 years old, and the Roma). These are

implemented by the Ministry of Labour, Family, Social Protection and the Elderly. Although these types of programmes are welcomed, they proved far less effective or efficient than planned, mainly due to the fact that they are focused on passive measures: mainly job subsidising and contextual training with no direct link to the what is really causing people to be unemployed (i.e. low education levels, lack of connection between education and the labour market, lack of efficient and adapted mediation and support services, etc.). In general, training programmes in Romania, financed through the ESF operational programme, have been poorly designed, with little real applicability or link to labour market opportunities. They also lack monitoring mechanisms on their impact and results. The administrative capacity of the employment agencies is rather weak and little effort is made in implementing active inclusion measures adapted to the target group profile. As a consequence, the impact and performance of the employment programmes have been very limited, with extremely disappointing figures with regards to the employment of the Roma, disabled persons, and the long-term unemployed.²⁴

In terms of positive social protection measures, despite the adoption of new laws in areas of education in 2010 and social assistance in 2011, these have focused exclusively on social benefits and cuts in public expenditure, which have not been able to produce any significant change. However, we would like to highlight - as a potential initiative that could have a positive impact in the future - the current Strategy on Social Inclusion and Poverty Reduction (2015-2020) that entered into force in March 2015. The adoption of its implementation plan is foreseen for the autumn of 2015.

Example of a future policy or programme related to active inclusion that could have a positive impact

The Strategy on Social Inclusion and Poverty Reduction (2015-2020) “marks a significant change in the approach, by strongly promoting (a) the development of social assistance services, and especially integrated, community based services, that ensure a liaison between individuals’/families’ needs and existing services at regional level (especially unemployment services) and (b) the increase of support level and coverage of targeted benefits, while unifying these under a single minimum insertion income benefit (promised by the government in 2010 and expected to materialise in 2016).”²⁵

²⁴ Pop, L., 2015. [ESPN Thematic Report on Social Investment Romania](#), p. 11.

²⁵Ibid.

The use of EU funds in Romania

- ❖ EU funds are a good funding source to support the Government to promote policies and measures aimed at reducing poverty and social exclusion in Romania. However, programmes are not always adapted to the needs of the most vulnerable.
- ❖ Management issues in previous periods have led to excessive bureaucracy and changes to procedures, which have put pressure and a higher volume of work on beneficiaries who run the projects.

The Caritas Romania Confederation has been involved in the planning process of the European Structural and Investment Funds 2014-2020 in Romania as part of the CERE network – a coalition of NGOs for European Funds. One of the main recommendations made and sustained by Caritas was to introduce social services as an eligible operation for the new period 2014-2020. In the previous period, these were not considered eligible, as social services were not listed among the strategic priorities. As a result, many social service providers, especially those run by NGOs, had to close down because of lack of funding. In March 2015, Caritas Romania became a member of the Monitoring Committee of the Human Capital Operational Programme (POCU) 2014-2020 through an open competition through which it was recognised as an expert on the provision of social services to vulnerable people.

This Operational Programme, adopted in February 2015, aims at improving the situation in Romania in terms of employment, social inclusion and education. Its major objective is the development of human resources through increased access to a system of quality education and training, stimulating employment, especially for youth, reducing poverty and social exclusion by increasing access to health and social services. It includes the following investment priorities:

- Socio-economic integration of marginalised communities, such as the Roma.
- Enhancing access to affordable, sustainable and high- quality services, including health care and social services of general interest.
- Promoting social entrepreneurship and vocational integration in social enterprises and the social and solidarity economy in order to facilitate access to employment.
- Community-led local development strategies.

Theoretically, the stipulated measures should contribute to reducing poverty and social exclusion in Romania. Our scepticism is based on the experience of the period 2007-2013. The different reports carried out by the European Commission identified deficiencies that Romanian authorities (the Ministry of European Funds, and competent management authorities) were not always prompt in remedying or adopting preventative measures for. Often, the European Commission interrupted payments to Romania after EU funding audits found suspicions of irregularities in the public procurement of some projects. During the temporary cessation of the European Commission reimbursement of expenses incurred by Romania in European

projects, the Government had to provide further domestic payments to beneficiaries who run European projects in Romania, by temporarily borrowing from the State Treasury. All of these problems have led to excessive bureaucracy and changes in procedures (*after* signing the contracts), which have put pressure and a higher volume of work on beneficiaries that run the projects. From Caritas Romania's experience, European funded projects tend to focus too much on a system of evaluation that emphasises self-assessment rather than on on-site assessments that evaluate the projects' impact on the lives of the beneficiaries.

3. The response of Caritas: initiatives that have been effective when addressing poverty and social exclusion

The following initiatives run by the Caritas Romania Confederation have contributed to the reduction of poverty in Romania:

ACCESS TO EMPLOYMENT & INDEPENDENT LIVING

<http://www.federatia-caritas.ro/servicii-sociale-persoane-fara-adapost-centrul-integrare-socioprofesionala-ferma-Pater-Paulus-Bacova.php>

Project "Bacova Farm – Social and Professional Reinsertion Centre"

Description

The Bacova Farm, located in Timis county, in the western part of Romania (with a surface of 100 hectares), was established in 2008 by the Caritas Timisoara Federation. The beneficiaries come from the Night Shelter in Timisoara, mainly young people over 20 years of age, who have had to leave the placement centre where they had lived all their life (typically due to family abandonment in early childhood). Beneficiaries tend to be either young, single persons or families in need and without shelter. The main aim of the programme is to integrate people coming from vulnerable social groups into society through professional and social assistance and accompanying activities. During the insertion programme, professional, social and family skills are developed. Beneficiaries are employed and each day they work to sustain the Bacova Farm by taking care of the animals, practising agriculture and doing household activities. The beneficiaries are integrated in the programme for a period ranging from 6 to 24 months, during which time they benefit from professional training, shelter, food, social assistance, and support in searching for a job. The programme is adapted to the needs of each individual or family, who receives guidance and social counselling aimed at living an independent life.

Problem addressed

This project addresses a challenge related to the "inclusive labour market" pillar of active inclusion with regard to integrating people considered to belong to vulnerable social groups in society. Through the project, beneficiaries are provided professional and social assistance and the opportunity to join in fruitful activities, which raises their self-esteem, enables the chances of increasing their social capital, allows them

to gain experience applying for jobs and helps them enter the labour market.

Results

Today, the farm provides fresh products, thanks to the beneficiaries' work and skills, has its own bakery and an artisanal pastry shop. In 8 years, the farm has been recognised as a promising practice example of preparing vulnerable persons for social and professional reinsertion, regionally and nationwide. Due to its original and useful activities, each year, mass media exposes the stories of its beneficiaries and promotes this integrative idea. Since its inception, the farm has been sponsored to the tune of over €1 million, from the organisation's sponsors and backers. At this time, the farm shelters 16 beneficiaries, however, over the years there have been over 332 assisted beneficiaries.

Innovative features & success factors

The programme is innovative especially for its integrated vision and approach: social, educational and professional. More than that, by specifically targeting homeless young people, one of the most vulnerable social groups, and adapting the services to their needs, makes this initiative even more courageous and unique in Romania.

SOCIAL INCLUSION OF ROMA CHILDREN & FAMILIES

<http://www.caritas-satumare.ro/centre-de-zi-pentru-colari-i-precolari/>
<http://www.caritas-satumare.ro/proiecte/>

Project "Social Inclusion and Rehabilitation Centre for Roma Children and Their Families, in Turulung, Satu Mare"

Description

The centre, established in January 2014 by Caritas Satu Mare (north-western region), targets people in need, who come from disadvantaged areas, especially rural areas in Romania. Most beneficiaries are Roma people, families with more than three children living in poor conditions, with no education or health system access, nor social assistance. The aim of the programme is to enhance the living conditions of Roma people and other vulnerable groups in need who are in Satu Mare and Maramures County by focussing on three pillars: Community, Development and Inclusion. The project has a special focus on children (who face a high rate of early school dropout), by providing social and educational support, thus encouraging them to access and continue their education. They also benefit from after-school programmes, socialisation, leisure activities, hygiene and medical assistance, and psychological and faith support. Their parents are integrated as well into educational and professional training programmes and also benefit from counselling services and job search support.

Problem addressed

This project contributes to addressing a challenge related to accessing services, a pillar of active inclusion with regards to improving education levels of the Roma. Most children in the programme have parents who work outside the country. This leads to a trend of grandparents being left to raise their children or children being raised by only one parent.

Results

The project is essential for this geographical area, as there are not many NGOs or local authorities that have developed this type of programme. 1,000 beneficiaries have been assisted. It has also had a powerful community impact. For example, in 2015, a group of German students helped in the construction of the first playground in Turulung for the children in the community.

Innovative features & success factors

Strong, loving families have proven to be important for ensuring the well-being and security of children. The innovative features of this project are evident by the fact that entire families are assisted, not only the children, resulting in a multiplier-effect. This approach likewise has a good rate of success in fostering the social inclusion of the beneficiaries.

4. Recommendations to address the described problems

Recommendation 1: Revise the minimum income support schemes to ensure they cover the needs of vulnerable groups both in terms of quantity and the extent of coverage, in combination with services aimed at low income families in order to better match their needs.

- **Problem addressed if implemented:** inadequate child and family benefits for the most vulnerable families. Overall, the expenditure on child and family benefits, income support benefits and unemployment benefits are the lowest across Europe, and have decreased over the last 4-5 years. Also, financing of social programmes in Romania has decreased over the last six years, with decreasing expenditure for each component of the social protection system. Expenditure on education has decreased constantly in real terms since 2008 and expenditure on national health programmes has also decreased as a consequence of the economic crisis. It is not surprising, therefore, that the rate of poverty is one of the highest among the EU States. Some challenges include:
- implementation of the Education Law (2011) which established two types of benefits aimed at increasing support for low-income families for childcare services prior to pre-school education (the social coupon which replaces the crèche ticket and a €500 educational coupon for new-borns). This has been delayed and will not be granted in 2015;
 - the 'Money for High School' programme aimed at supporting low-income families to keep their children in high school had a lesser impact than expected, as many children in high-risk situations had already abandoned school or were close to abandoning school.

The child allowance has been the most important cash support for families with small children, especially for those not eligible for child-raising compensation (e.g. parents who are not formally employed, mostly in rural areas or in poor households).

- **Governmental department that could lead this measure:** the Ministry of Labour, Family and Social Protection and the Ministry of Public Finance.

- **Policy framework:** The EC Recommendation on the active inclusion of people excluded from the labour market (the “adequate income support” pillar), and the Strategy on Social Inclusion and Poverty Reduction (2015-2020).
- **How the European Commission could support this measure:** By facilitating recommendations and guidance on how to establish cost-effective benefits aimed at the social inclusion of low-income families.

Recommendation 2: Develop more supportive, comprehensive, affordable and quality social services for all vulnerable groups based on long-term sustainable funding, paying special attention to deprived rural and urban areas.

- **Problem addressed if implemented:** lack of availability and affordability of quality social services. The social assistance reform, started in 2010, has mostly focused on social benefits. However, the number of social benefits has been reduced over the last few years. Social services have been ignored by the reform, thus leaving most vulnerable groups not only deprived of services, but also of social benefits, which used to be the only support provided to many people. Individualised, needs-based social services are the most effective measure for fostering social inclusion among vulnerable groups. In the long term, investing in social services is more cost-effective.

- **Governmental department that could lead this measure:** The Ministry of Labour, Family and Social Protection.

- **Policy framework:** The EC Recommendation on the active inclusion of people excluded from the labour market, Strategy on Social Inclusion and Poverty Reduction (2015-2020), POCU 2015-2020 (Human Capital Operational Programme).

- **How the European Commission could support this measure:** By facilitating recommendations and guidance for national governments on how to carry out social protection system reforms that foster and promote integrated social services based on successful experience, and by encouraging Governments to make use of ESF funding using a sustainable perspective for this purpose.

Recommendation 3: Promote employment of vulnerable groups, in particular young people, by creating more effective and adapted employment programmes in collaboration with specialised civil society organisations.

- **Problem addressed if implemented:** low employment rates of the most vulnerable groups in Romania (i.e. Roma people, single parents, the young unemployed, the unemployed over 45 years of age, youth at risk of poverty and social exclusion, and disabled people) due to low education levels and lack of skills required in the labour market.

- **Governmental department that could lead this measure:** The Ministry of Labour, Family and Social Protection.

- **Policy framework:** The EC Recommendation on the active inclusion of people excluded from the labour market (the “inclusive labour markets” pillar), the Strategy on Social Inclusion and Poverty Reduction (2015-2020) and the POCU 2015-2020 (Human Capital Operational Programme).
- **How the European Commission could support this measure:** By facilitating recommendations and guidance on how to establish employment programmes targeted at vulnerable groups based on research and experience that have proven good results.

Recommendation 4: Ensure that strategies and policies related to social issues are interconnected, properly funded and regularly monitored and assessed and have adequate operational mechanisms.

- **Problem addressed if implemented:** insufficient interconnection between thematic social policies and strategies (social inclusion, disability, equality, Roma inclusion, etc.) which are generally not properly funded, nor monitored, nor regularly assessed in terms of impact, efficiency and effectiveness. One of the key problems is the lack of adequate operational mechanisms.
- **Governmental department that could lead this measure:** The Ministry of Labour, Family and Social Protection and other ministries responsible for thematic social policies and strategies.
- **Policy framework:** The EC Recommendation on the active inclusion of people excluded from the labour market.
- **How the European Commission could support this measure:** By developing and providing monitoring and evaluation mechanisms to ensure that the strategies and the policies related to social issues are implemented adequately (in terms of funding, monitoring, beneficiaries’ involvement/participation in decision-making and assessment of the policies’ strategies and impact).



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