



COUNTRY
REPORT
FOR
ROMANIA

A photograph of a woman holding a young child in her arms, walking down a narrow alleyway between brick buildings. The entire image is overlaid with a semi-transparent red filter. The woman is looking down at the child, and the child is looking towards the camera. The alleyway is paved with cobblestones and has a metal railing on the right side.

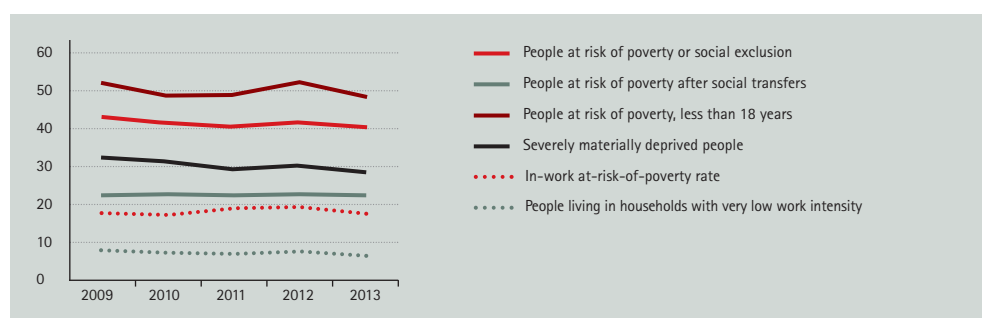
EUROPE 2020
SHADOW REPORT 2014

PROPOSALS FOR THE ANNUAL GROWTH SURVEY,
COUNTRY SPECIFIC RECOMMENDATIONS AND NATIONAL POLICIES.
CARITAS RECOMMENDATIONS FOR EUROPE 2020 MID-TERM REVIEW.

01 Poverty

1.1 Recent trends

Eurostat (% of population)	2009			2010			2011			2012			2013			EU average
	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	
Romania																
POVERTY																
People at risk of poverty or social exclusion	41.9	44.2	43.1	40.8	42.1	41.4	39.5	41.1	40.3	40.7	42.6	41.7	39.4	41.3	40.4	24.5
People at risk of poverty after social transfers	21.4	23.4	22.4	21.4	23.4	22.4	21.9	22.5	22.2	21.9	23.2	22.6	22.3	22.5	22.4	16.7
People at risk of poverty, under 18 years of age	50.3	53.8	52	47.3	50.1	48.7	47.2	51	49.1	51.3	53.1	52.2	48.2	48.8	48.5	27.6
Severely materially deprived people	31.8	32.6	32.2	30.7	31.2	31.0	29.2	29.5	29.4	29.8	30	29.9	28.5	28.5	28.5	9.6
In-work at-risk-of-poverty rate	19.4	15.2	17.6	19.1	14.6	17.2	21	16	18.9	21.3	16.2	19.1	20.1	14.4	17.7	8.9
People living in households with very low work intensity	6.5	8.9	7.7	6.0	7.7	6.9	5.8	7.6	6.7	6.5	8.3	7.4	5.3	7.6	6.4	10.7



Development of poverty and social exclusion indicators in Romania (2009-2013) based on Eurostat:

- ➔ Despite a drop in the rate of at-risk-of-poverty-or-social exclusion in the observed period (notably due to a drop in severe material deprivation), the rate of 40.4% remains the second highest in the EU (EU 28 average: 24.5% in 2013).
- ➔ Although poverty indicators are showing a slight improvement, child poverty reached a worrying 48.5% in 2013, the second highest rate in the EU (EU 28 average 27.6% in 2013).
- ➔ Similarly, in-work poverty (ilc_iw01) rose from 17.6% in 2009 to a worrying 19.1% in 2012, but started to decrease in 2013 (17.7%).(EU average: 8.9% in 2013).

Additional national data shows the severity of the problems reflected by the above Eurostat data:

- ➔ Additional qualitative analyses elaborated at national level show new groups of vulnerable people, e.g. a progressive impoverishment of families with children or adults with disabilities¹. The overall lack of accessibility, the lack of support services at community level, combined with the fact that people with disabilities often live in a single-parent family, lead to an increased degree of poverty, isolation and social exclusion.
- ➔ Moreover, long-term unemployment (generated by the economic crisis and by the lack of new jobs) leads to the fact that unemployed adults, aged 45+, especially those who do not receive financial support from the State, have become a significantly vulnerable group in the majority of the small municipalities of Romania². Frequently listed vulnerable and excluded groups in 2011-2012 are: children from families in which at least one member of the family is long-term unemployed, elderly persons with complex dependency needs, people with chronic illnesses without access to medical care or support services, Roma people from rural and urban marginalised areas, homeless people, children and adults in long term residential care (especially psychiatric wards, or old-style rehabilitation centres for persons with severe disabilities, etc.)
- ➔ Additional national surveys report, however, a slight improvement of the situation of families in rural areas, due to their access to a minimum guaranteed income. The percentage of families who regard their revenue as insufficient to cover their basic needs decreased slightly from 34.8% in 2012 to 30.2% in 2014, and an additional 8% of these families currently have access to utilities. Even so, 35.5 % of rural families declare that they have a single income and 29% live from their children's allowances³. Rural poverty remains among the highest in Europe.
- ➔ The overall situation of vulnerable groups is worsening progressively, mainly due to the lack of social and support services at local level, as well as the lack of active measures for inclusion or employment. The excessive reliance on social benefits, that are also not adapted to their individual needs and situations, leads to a poverty trap for these groups.

¹ Toth, A., Qualitative analysis "Assessment of the needs and expectations of families with children with neuro-motor disabilities, Sociometrics, July 2013

Conclusions of the qualitative analysis (needs assessment for social services), in three pilot counties of Romania (Arges, Iasi, Tulcea), within the project Strengthening of the legislation implementation in the field of social services, in the context of decentralization (MMFPSPV, SMIS 10845), a project co-financed from the ESF through the operational programme Development of Administrative Capacity, 2012

Badescu, G., Petre, N., Angi, N., Child welfare in the rural area, World Vision, 2014, http://www.worldvision.ro/_downloads/allgemein/Bunastarea_copilului_2014.pdf, page 84

Testimony

The access of persons with disabilities and their families to support and rehabilitation services in their communities is uneven and very limited.

V. is the father of a young man with motor neurone disease, who is also affected by a mental health condition. His wife decided to quit her job when the boy was very young and is now employed as the personal assistant of the disabled son.

V. has had to change jobs five times in the last five years, due to his need to have a more flexible schedule, in order to care for his severely disabled son. The frequent behavioural problems of the young man, the school environment which was unsupportive and discriminatory, required from V. and his wife a constant adjustment to the daily needs of their child. Their family income is below the poverty line and the parents renounced all medication or medical care for themselves, in order to cover the basic needs of their son. Their city is one of the poorest in Romania, in the North East region of the country. There is no public transportation available in this city, and therefore the cost of

transportation for the disabled child (to/from school, or to the rehabilitation services), is paid for entirely by the family. The personal assistant salary is too small and no one would like to be employed in such a position, except for disabled children's parents. Both V. and his wife are completely exhausted and hopeless. In Romania, there is no respite network for the families of children with disabilities or with rare diseases.

They cope under extreme difficulties, and they cannot think about the future anymore... they just take each day one at a time.

1.2

Recent policy developments

The Partnership Agreement between Romania and the European Commission was adopted at the beginning of August 2014, which allows the start of absorption of Structural Funds for the next 7 years. The Human Capital programme will finance programmes that support employment and mobility of the labour force, especially young people and people who are currently out of the labour market. It will support social inclusion and poverty-reduction activities, as well as education, lifelong learning and development of new skills for the labour market.

Several national strategies and laws are under construction in 2014, and they are expected to produce a long term vision and concrete action plans in order to reduce the impact of the crisis and to boost the social inclusion of vulnerable or marginalized groups:

- ➔ The National Strategy for Poverty Reduction and Social Inclusion
- ➔ The National Strategy for the Social Inclusion of Persons with Disabilities
- ➔ The National Strategy (and the consequent law) for Elderly Persons.

The unification of assessment methodologies for disability and "invalidity" is ongoing and should represent a significant step for further improving the access of disabled persons to adequate support in communities. The new criteria and procedures of assessment of the individual situation, environment and needs are supposed to be in line with the international classifications and will promote a person-oriented approach for inclusion and increased participation of these persons in community life.

No significant development is noticed in 2014, for the Recommendation on effective Roma integration⁴.

⁴ Council of the European Union (Employment, Social Policy, Health and Consumer Affairs Council Meeting), 2013, *Council Recommendation on Effective Roma Integration Measures in the Member States*

Assessment of Romania's Country Specific Recommendations (CSRs) adopted in 2014:

CSR2 on reducing the tax burden for low- and middle-income earners, CSR 3 on stepping up reforms in the health sector to increase its efficiency, quality and accessibility, CSR 4 on strengthening active labour-market measures and the capacity of the National Employment Agency, CSR 5 on increasing the quality and access to vocational education and training, apprenticeships, tertiary education and of lifelong learning, adapting them to labour market needs and ensuring better access to early childhood education and care, CSR 6 on increasing the efficiency and effectiveness of social transfers, particularly for children, stepping up efforts to implement measures to favour the integration of Roma in the labour market, increasing school attendance and reducing early school leaving, and CSR 7 on strengthening the capacity of public administration and accelerating the absorption of EU funds are considered adequate for achieving a reduction of poverty and social exclusion in Romania.

Social investment package: investing in children⁵

ASSESSMENT OF PROGRESS

- With regards to providing for adequate living standards through a combination of benefits
 - The access of children to early education and early intervention services is particularly limited in rural or marginalised areas. The number of services is low. The contracting and funding procedures for nongovernmental providers of early education services are still insufficient.
 - A reform of the assessment system in the disability sector was accomplished for children in 2014. If its implementation is successful, it will allow a more adequate response in relation to the needs and particular environment of each child.
- Regarding the reduction of inequality at a young age by investing in early childhood education and care
 - The reform of education, initiated in 2011, is not yet fully implemented. Early education services are very poor in rural areas and the number of places is limited in urban areas as well. The number of crèches is increasing slowly in cities, enabled by a recent regulation that clarifies the functioning of these services and their methodological background. However, local municipalities are reluctant to develop these services in small cities or rural communes, due to the limited budgets and freezing of public positions/salaries. Support services for inclusive education, or for children at risk of drop-out (including children left behind by parents working abroad) are severely affected by the lack of staff, methodologies and infrastructure, following the economic crisis and the implementation of austerity laws.
 - Early education, as well as early (re)habilitation services for disabled children is extremely limited, in comparison to the demand.
 - A slight improvement is reported at the level of families living in rural areas, as observed by World Vision⁶. The percentage of families that appreciate that their revenue is insufficient for their basic needs decreased slightly from 34.8% in 2012 to 30.2% in 2014, mainly because of the increased number of families that access the guaranteed minimum income.

⁵ European Commission, 2013, Recommendation Investing in Children: Breaking the Cycle of Disadvantage 2013/112/EU approved under the Framework of the Social Investment Package

⁶ Annual survey of World Vision, on Child welfare in the rural areas, 2014, http://www.worldvision.ro/_downloads/allgemein/Bunastarea_copilului_2014.pdf, page 84

➔ Concerning the improvement of the education system's impact on equal opportunities

- The discrimination of children with disabilities in schools is increasing, compared to 2004–2005. It is perceived by families, children, as well as by teachers, that incentives and support services for inclusion are underdeveloped and insufficient. Special schools are not reforming at the anticipated speed, while mainstream schools do not hire sufficient support teachers for children with special educational needs. The continuous training of teachers in all aspects related to the inclusion of children with special educational needs (SEN) is very limited, due to insufficient budgets at the level of School Inspectorates, local municipalities and County Centres for Educational Assistance.
- The same scarce number of support services and incentives for inclusion exists in the case of Roma children. Key priorities for the Romanian system remain the development of integrated services (education, employment, rehabilitation, mediation, etc.) as well as the development of alternative (complementary) educational facilities and methods for children with particular educational challenges.

➔ As regards to the improvement of the responsiveness of health systems to address the needs of disadvantaged children

- A new (extended) package of health services, free of charge for insured and non-insured inhabitants, has been adopted in 2014. It is expected that this package will improve the situation of access to health care, especially for the most deprived and marginalised groups.
- However, there are certain medical services that do not exist in rural or remote areas and which families cannot afford to attend in neighbouring cities, even if the services themselves are free-of-charge.

Innovative services or programmes implemented by Caritas Romania

DESCRIPTION OF THE SERVICE OR PROGRAMME

Caritas Romania Confederation created the National Home Care Programme to offer basic services in the form of food, means of transportation and housekeeping, to improve the lives and meet the basic needs of people who are bedridden. This programme comprises a person-centred intervention: a team of doctors, nurses, social workers and volunteers who provide medical services and psychosocial support to elderly persons with complex dependency needs. Since July 2013, Caritas Romania Confederation along with its partners have been developing a nationwide homecare network, named "Seniorinet". Caritas Romania Confederation addresses the nation's growing elderly population with social campaigns for seniors that want to remain active despite the problems associated with old age.

While these services are very extensive in Western Europe, the system of integrated home care services for elderly is innovative for Romania and therefore it is widely promoted by Caritas Confederation and its partners at national level.

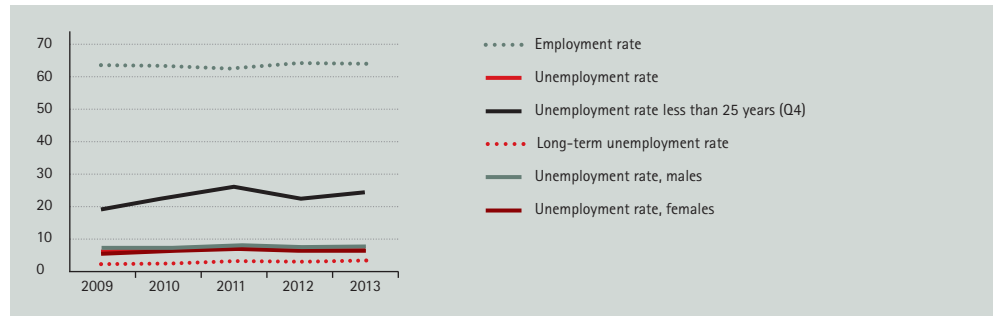
1.3 Recommendations

- ➔ **Extend social assistance services**, including funding for NGOs and private suppliers of social services, to cover all areas of Romania, especially the southern and eastern parts of the country. **Improve the regulatory system for social services** (including needs assessment, funding, monitoring and evaluation methodologies and procedures). Improve data collection and informational systems related to the activity of social service providers and their beneficiaries.
- ➔ Provide vulnerable groups with **adequate and accessible social services, including in rural areas and marginalized urban areas**. **Develop integrated services** and adjust the legislation in order to allow communication and implementation of integrated measures among various ministries or professionals.
- ➔ Reduce the youth unemployed rate through the implementation of the **national plan for employment** and by offering Youth Guarantees. Create active links between the labour market and vocational training programs.
- ➔ Continue education reform and ensure increased access of learners to **early education, lifelong learning, and adapted educational measures for pupils in remote or deprived communities**.
- ➔ Implement measures to promote the **employability of older workers** and develop concrete measures for promoting and valuing active ageing.
- ➔ Create more efficient social transfers.
- ➔ The **National Strategy for Roma Inclusion** should be enhanced, guaranteeing that it has sufficient funding to be implemented efficiently.
- ➔ Reduce excessive bureaucracy and poor communication between the ministries and civil society.

02 Employment

2.1 Recent trends

Eurostat (% of population)	2009			2010			2011			2012			2013			EU average
	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	
Romania																
EMPLOYMENT																
Employment rate ⁷	70.7	56.3	63.5	70.8	55.9	63.3	69.9	55.7	62.8	71.4	56.3	63.8	71.6	56.2	63.9	68.4
Unemployment rate ⁸	7.3	5.4	6.5	7.6	6.2	7.0	7.7	6.5	7.2	7.4	6.1	6.8	7.7	6.3	7.1	10.8
Unemployment rate, under 25 years of age ⁹	19.1	19.3	19.1	22.8	22.3	22.6	25.7	26.4	25.9	21.4	23.9	22.4	23.7	26.1	24.4	23.1
Long-term unemployment rate ¹⁰	2.4	1.7	2.1	2.8	2.0	2.4	3.3	2.6	3.0	3.3	2.8	3.1	3.5	3.0	3.3	5.1



Development of employment indicators in Romania (2009-2013) based on Eurostat:

- ➔ Employment increased slightly (from 63.5% in 2009 to 63.9% in 2013). Despite this minor improvement, the gender employment gap widened in the observed period, registering a gap of 15.4 p.p. in 2013 compared to 14.4 p.p. in 2009. The employment rate for men was 71.6% in 2013 (EU28 average – 74.3%) and for women it was of 56.2% (EU28 average – 62.6%).
- ➔ Unemployment registered a rate of 7.1% in 2013, a rise of 0.4 p.p. since 2009, which is especially affecting young people whose unemployment rate rose by 2.8 p.p., to 23.6% in 2013.
- ➔ The highest proportional increase occurred in the long-term unemployment rate, which rose from 2.2% in 2009 to 3.3% in 2013, increasing more sharply among women (from 1.7% in 2008 to 3.0% in 2013) but continuing to affect more men (3.5% in 2013).

Additional national data shows the severity of the problems reflected by the above Eurostat data¹¹

- ➔ The number of salaried persons in the Romanian economy increased slightly from April 2011 (4,130,700) to April 2014 (4,415,700).
- ➔ The number of unemployed persons who are out of the indemnity period is increasing: 326,103 persons in June 2014, compared to 272,558 in June 2012. These persons are mentioned as a growing group living in poverty.
- ➔ The unemployment rate has increased progressively since 2011: 4.87% in June 2014 compared to 4.58% in June 2012.
- ➔ The access of Roma and disabled persons to the labour market remains very difficult for reasons related to very limited job creation, lack of accessibility, discrimination and prejudice of employers and workers.
- ➔ The unemployment rate reported by Eurostat for 2012 (7%) is higher than the one communicated by the Romanian Ministry of Labour: 5.59% in Dec 2012, with an annual average of 5.08%¹².
- ➔ Despite such statistics, a significant number of people continue to work in the grey economy (without job contracts or formal salaries), especially in rural areas. Young people are particularly affected by unemployment; there is an absence of a system that adopts active measures for employment, encourages apprenticeships and adopts continuous learning and (re)qualification opportunities for workers.

⁷ <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&tinit=1&language=en&tpcode=tsdec420&plugin=1>

⁸ <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&tinit=1&language=en&tpcode=tsdec450&plugin=1>

⁹ <http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

¹⁰ <http://epp.eurostat.ec.europa.eu/tgm/refreshTableAction.do?tab=table&plugin=1&tpcode=tsdsc330&language=en>

¹¹ All figures mentioned in this paragraph are communicated by the Ministry of Labour, Family, Social Protection and Elderly in the statistics bulletin "Unemployment and vacant jobs, 2014", www.mmuncii.ro

¹² idem

2.2

Recent policy developments

The minimum income increased twice in 2014 (January and July), however it remains very low: 900 lei gross, 672 lei net (153 euro per month).

The Romanian Government announced a decrease in social taxes of 5% in the second semester of 2014; this measure is supposed to represent an incentive for the raising of net salaries and also an incentive for employment.

The Romanian Government initiated a National Plan for Youth Employment (in 2013) which led to 13,000 young people being employed by the end of 2013.

Two new projects for youths of 15-24 years (under the Youth Guarantees initiative) have been implemented in 2014 (between December 2013 and June 2015). A total of 5,052 persons are targeted by these 2 projects.¹³

Assessment of Romania's Country Specific Recommendations (CSRs) adopted in 2014:

- ➔ The following are considered to have a positive impact on the employment situation in Romania: CSR 2, 4, 5, 6 and 7.

2.3

Recommendations

- ➔ Extend and implement active inclusion strategies in order to activate the labour market.
- ➔ Create and guarantee jobs for young people by including them in the labour market after they finish their studies. Develop internship and apprenticeship systems.
- ➔ The retirement allowance reform should be developed and implemented in order to offer elderly people the possibility of continuing their professional career and to be active in the labour market.
- ➔ Develop support services for access to employment for marginalized groups (mediators, job coaches, adapted transportation) along with the accessibility of workplaces for the disabled.
- ➔ Offer opportunities of professional reorientation to unemployed people, with a focus on persons over 40 years old and the long-term unemployed.
- ➔ Develop and improve the system of vocational schools, especially in rural areas. Re-connect these schools with local employers and real labour-market demand.

¹³ „Garanții pentru tineri” și „Investiția în tineri, investiția în viitorul nostru!” (MMFSPV, 2014)

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