



JOINT MEMORANDUM ON SOCIAL INCLUSION OF ROMANIA

In accordance with the provisions of the Accession Partnership, the Government of Romania has drawn up a Joint Inclusion Memorandum, together with the European Commission, Directorate-General for Employment and Social Affairs, which is designed to prepare the country for full participation in the open method of coordination on social inclusion upon accession. The Memorandum outlines the principal challenges in relation to tackling poverty and social exclusion, presents the major policy measures taken by Romania in the light of the agreement to start translating the EU's common objectives into national policies and identifies the key policy issues for future monitoring and policy review. Progress in implementing such policies will be assessed in the context of the EU social inclusion process, the aim of which is to make a significant impact on the eradication of poverty in Europe by 2010.

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Table of Contents

SECTION I – ECONOMIC BACKGROUND	6
1.1. General economic issues	6
1.1.1. Living standard	6
1.1.2. Restructuring of the economy	8
1.2. Labour market	8
1.2.1. Economic participation	8
1.2.2. Employment	9
1.2.3. Unemployment	10
1.3. Territorial Disparity	11
1.4. Social public expenditure	12
SECTION II - SOCIAL SITUATION	13
2.1. Demographic characteristics	13
2.1.1. Migration	14
2.1.1.2. Internal Migration	15
2.2. Poverty	15
2.2.1. Groups Affected by Poverty	15
2.2.2. Relative Poverty	16
2.2.3. Income Inequality	17
2.3. Health	17
2.3.1. Overall Assessment	17
2.3.2. Trends in the Population's Health Status	18
2.3.3. Issues relating to the Health System	19
2.3.4. Access to Health Services	20
2.4. Education	21
2.5. Housing	24
2.6. Vulnerable social groups	26
2.6.1. Children at High Risk	26
2.6.1.1 Poverty	26
2.6.1.2. Vulnerability to Social Disintegration Processes	27
2.6.1.3. Juvenile Crime	29
2.6.2. Young people 18+ no longer Covered by Protection Structures Available to Children with no Families	29
2.6.3. Persons with disabilities	29
2.6.4. Roma minority	31
2.6.5. The Elderly at High Risk	32

2.6.6. Homeless Persons	32
SECTION III - KEY CHALLENGES	33
SECTION IV – POLICY ASPECTS IN THE RELEVANT FIELD	36
4.1. Enabling Participation in Employment	38
4.2. Facilitating access to resources, rights, goods and services	41
4.2.1. Financial transfers	41
4.2.1.1. Pension system	41
4.2.1.2. Financial benefits for families	43
4.2.1.3. Minimum Guaranteed Income	44
4.2.1.4. Wage policies	45
4.2.2. Public services	46
4.2.2.1. Education	46
4.2.2.2. Health	49
4.2.2.3. Housing	51
4.2.2.4. Other public services	52
4.2.2.4.1. Judiciary	52
4.2.2.4.2. Police	53
4.2.3. The national system of social assistance services	54
4.3. Protection of vulnerable groups	56
4.3.1. Protection of persons with disabilities	56
4.3.2. Protection for the Roma Minority	58
4.3.3. Child Protection	61
4.3.4. Supporting the family and fighting domestic violence	63
4.4. Fighting certain specific forms of exclusion	64
4.4.1. Exclusion at territorial level	64
4.4.1.1. The development of the rural environment	64
4.4.1.2. Mono-industrial areas undergoing economic crisis	65
4.4.1.3. E-inclusion	65
4.5. Mobilising all the relevant stakeholders	67
SECTION V – GENDER DIFFERENCES AND THE POLITICS OF EQUAL OPPORTUNITIES FOR WOMEN AND MEN WITHIN SOCIAL INCLUSION	68
5.1. Gender inequalities	68
5.2. Policies and measures for promoting gender equality	69
5.3. Specific measures and necessary complementary structures	70
SECTION VI – THE SYSTEMS AND THE STATISTICAL INDICATORS	70
6.1. The present stage	70
6.2. Compatibility with Eurostat data	71

6.3. Evaluation and the key priorities for re-examining the next policy	72
SECTION VII – SUPPORTING SOCIAL INCLUSION POLICIES THROUGH	
STRUCTURAL FUNDS	73
SECTION VIII – CONCLUSIONS	74
STATISTICAL ANNEXES	77
1. Economic background	77
1.1 GDP growth; GDP per capita (PPS) and inflation rate	77
1.2 GDP per capita in Purchasing Power Standards (PPS)	77
1.3 Real GDP growth rate	77
1.4 Households real incomes growth	78
1.5 Households incomes structure	78
2. Labour Force	78
2.1 Activity rate for the population aged 15 years and over by gender and age	78
2.2 Employment rate, population aged 15 years and over by area, gender and age	79
2.3 Total employment rate, population aged 15-64 years	79
2.4 Unemployment rates for the population aged 15-74 years	79
2.5 Unemployment rates by educational level for the population aged 25 - 59 years	80
2.6 ILO Long-term unemployment	81
2.7 ILO long-term unemployment rate (12 months and over)	81
3. Social public expenditure dynamics including education (% of GDP)	81
4. Demographics (1992-2003)	82
4.1 Population and its demographic structure by gender, age and area	82
4.2 Natural increase and decrease	83
4.3 Vital statistics	83
4.4 Number and average size of the households at the last two censuses, by residential area	83
4.5 Structure of the internal migration flows urban and rural (1992-2003)	84
4.6 Net migration, including corrections (1992-2003)	84
5. Poverty	84
5.1 Inequality in income distribution (ratio between the first and last quintile)	84
5.2 At-risk of poverty rate before social transfers	85
5.3 At-risk of poverty rate after social transfers	85
5.4 Social transfers as % of the net average salary	85
5.5 Absolute poverty rates calculated using the CASPIS and WB methodology	86
5.5.1 Poverty and severe poverty rates, by residential area	86
5.5.2 Poverty and severe poverty rates, by educational attainment	86
5.5.3 Poverty rates by a series of individual characteristics	87
5.5.4 Poverty rates by a series of household characteristics	87

5.5.5 At-risk of poverty rates using relative thresholds	88
6. Health	89
6.1 Life expectancy at birth, total and by gender (1993-2003)	89
6.2 Life expectancy at birth (1993-2003)	89
6.3 Number of dentists per 100 000 inhabitants	90
6.4 Number of physicians per 100 000 inhabitants	90
7. Education	91
7.1 School net enrollment rates	91
7.2 Early school leavers	91
7.3 Lower secondary attainment rates	91
8. Child delinquency rates in Romania and other countries in transition	92
9. Housing	92
EU FOUNDING RELEVANT PROJECTS 2000-2006	93

SECTION I – ECONOMIC BACKGROUND

1.1. General economic issues

Apart from difficulties and delays during the 15 years of transition, Romania has, to a large extent, undertaken reform in all spheres: economically, politically, and socially. While the first 10 years were characterised by the restructuring of the economy (accelerated in 1997-1999), which suffered several crisis periods, a re-launching process was started in 2000. Macro-economic equilibrium, budget deficit, and the level of inflation have all been improved, along with a better coordination of budgetary and monetary policies. Restructuring has been gradually broadened to affect sensitive sectors and the privatisation process accelerated considerably and is now more advanced. However, the privatisation agenda is still unfinished and as a result further restructuring in key sectors, such as energy, mining and transport, is still to be expected over the next few years¹.

Since 2000, the Gross Domestic Product (GDP) has registered continuous growth: 2.1% in 2000, 5.7% in 2001, 5.1% in 2002, 5.2% in 2003 and for 2004 the value envisaged is 7.2%². The International Monetary Fund (IMF) and European Commission projections envisage sustained growth of GDP over the coming years of above 5%³.

On the basis of the sustained economic growth of recent years, the economic disparities between Romania and the Member States of the European Union have decreased. Romanian GDP per capita (calculated in PPP terms) reached 32% of the average for the EU15 Member States in 2004 as against 24.4% in 2000.

After being at an excessively high level, average inflation⁴ has been on a constant downward trend: from 40.7% in 2000 to 11.9% in 2004⁵. Continuing the reform process, the authorities' goal is to reach an inflation rate of below 7% by the end of 2005. In the next few years, inflation is envisaged to be brought down gradually, reaching 4% in 2007.

1.1.1. Living standard

In 2003, the standard of living as measured by GDP per capita in PPP terms was 27.1% of the EU15⁶ average and 29.6% of the EU25 average. Eurostat projections envisage a continuing growth towards 30.8% of the EU15 average and 33.4% of the EU25 average in 2006.

As a result of the economic crisis at the beginning of the 1980s, living standards have been depreciated and have been further affected during the transition period. Romania experienced two periods of severe depreciation of real income during the first transition decade (1991-1993 and 1997-2000). Households' real income saw an increase in 2001 (+9.9% compared to 2000) due to the

¹ The 2004 EC Regular Report Strategy Paper concludes that "Romania complies with the criterion of being a functioning market economy" and that "vigorous implementation of its structural reform programme should enable Romania to cope with competitive pressure and market forces within the Union".

² Eurostat data

³ National Commission of Prognosis (under the authority of the Prime Minister), 2004; World Bank Mission in Romania, 2004

⁴ Measured through Consumption Price Index

⁵ NIS, 2005

⁶ Eurostat data

implementation of structural reforms and the re-launch of the economic growth process. This trend continued with a 1.5% increase in real incomes in 2002 compared to the previous year, and a 4.7% increase in 2003. While the share of salaries in total income decreased throughout the first 10 transition years, reaching a minimum level of 36% in 1999-2000, it recovered to 45% in 2003 as a result of economic growth. An erosion of the real level of salaries also took place during the transitional recessions, implying a considerable fall in households' real incomes.

In recent years, and despite significant increases in the prices of public utilities, these remained insufficient to cover cost. Therefore, a considerable increase in the prices of public utilities is to be expected, in order to cover "the operational costs as well as most financial costs, long term investment and environmental costs". This will put the living standards of low income people at a great risk which could be alleviated if consumer subsidies were targeted and effectively paid to the most vulnerable groups.

The number of wage earners decreased from 8.2 million in 1990 to 4.6 million in 2003 due to an important extent, to the lay-offs provoked by the restructuring and privatisation of large State-owned companies. Although many who lost their paid jobs have become self-employed entrepreneurs, self-employment is presenting a declining trend (43.9% in 2000; 37.5% in 2003) and it corresponds in most cases to an extremely low average income.

Wage inequality is high. The ratio between the net minimum wage (equivalent in PPP terms of 150€ per month in 2003) and the average wage (equivalent in PPP terms of 353€ per month in 2003) increased from 21.0% in 1999 to 42.6 in 2003 and 38.9% at the beginning of 2004.⁷

An increasing number of employees are paid the minimum wage (in 2002 the percentage of employees on the minimum wage was 8.9%, and in 2003 it was 12.2%), or around that amount, which can be attributed partly to the decision to increase the statutory minimum wage, and partly to the fact that many investments have been channelled into low value added sectors, where minimum wage workers tend to be concentrated. Also, due to the high level of pay-roll taxes, it is not uncommon that employees are formally being paid the minimum wage while additional remuneration is paid out informally.

The tax burden on labour and the tax wedge, in particular at the lower end of the wage scale, are a major barrier to job creation and job take-up in the formal sector. In 2002, the tax burden on labour has been on a continuous downward trend. In 2004, the tax wedge is 45.2% as against 48.2% in 2000. Legislation to introduce a 16% flat rate on profit as well as on income was adopted at the end of 2004. Furthermore, the current Governing Programme specifies the "decrease of social contributions starting with 2006 until 2008 from 49.5% to 39.5%."⁸

Incomes from social benefits has been eroded, and more steeply than salary income. At the same time, over recent years, new types of benefits were created and general government expenditures for transfers and subsidies increased more rapidly than other expenditure categories, backed by high revenue growth.

⁷ The values of the net minimum and average wage are calculated without taking into account personal deductions

⁸ See Chapter 12 of the Governing Programme: Fiscal policy

1.1.2. Restructuring of the economy

Romania inherited an unbalanced structure from the communist regime, dominated by an industry based on outdated technologies, irrationally developed and inefficient, and with an under-sized service sector. Economic restructuring has been hampered by hesitant reform, badly designed legislative and institutional framework, and delays in the privatisation processes.

In 1997, the private sector contribution to the GDP exceeded 60%. In recent years, the private sector has recorded significant progress, contributing 68.0% to GDP in 2001, and 70.4% in 2003, which compares with the figures registered by the new EU Member States⁹. As a result of administrative measures pursued to reduce lengthy bureaucratic procedures and the ongoing economic recovery, the share of newly registered companies in the trade register rose from 8.1% in 2000 to 14.2% in 2003 and the total number of active enterprises has increased since 2000.

The contribution of the service sector increased from 26.5% in 1990 to 44.7% in 2003 whilst the share of the other activities declined: industry, representing 40.5% in 1990, accounted for only 27.3% of GDP in 2003 while the contributions of agriculture, forestry, and fishery dropped to almost a half over that period.

The informal sector has recorded a spectacular increase during the transition period, as a consequence of legislative inconsistencies and the lack of fiscal discipline. According to National Statistic Institute estimations, gross added value of the informal sector represented 27.1% of GDP in 2002 and 26.9% in 2003.

1.2. Labour market

Romania is characterized by the existence of a dual labour market with agriculture playing a buffer role for the employment losses in the restructuring process of the industry. Employment and activity rates have been decreasing in recent years indicating that economic growth did not yet have positive effects on employment. Diminishing the size of the hidden dimension of both employment and unemployment is of great concern for the future public action. While hidden unemployment may be high in particular in the agricultural sector and, more general, in the rural areas, actual employment, including those working in the large informal economy, is difficult to assess.

1.2.1. Economic participation

The activity rate of the population over 15 years of age¹⁰ decreased from 64.8% in 1996 to 54.7%¹¹ in 2003. The constant decrease in the relative size of the economically active population reflected structural pressure of the economy suffering radical transformations. Strategy errors sometimes have been added and played the role of easing this enormous pressure, as in the case of the early retirement wave. Despite some indications that early retirement may slow down (in 2004 the phenomenon was at 54.2% from its 2001 level) at least in certain sectors, the prospects are not clear, and a close monitoring is needed, in order to better assess the impact of early retirement on the activity rate and the sustainability of the pensions system placed under control only in the last years. In 2003 the

⁹ In 2000, the contribution of the private sector to GDP was 62.0% in Czech Republic, 63.2% in Poland and 71.7% in Hungary.

¹⁰ The data on labour force for Romania come from the Research on Labour Force in Households (AMIGO) 2004, compatible with Labour Force Research, EUROSTAT

¹¹ EU-LFS data

average rate of exit age from labour force was 59.8. - .

The activity rate of the working age population (15-64) was 62.2¹²% in 2003, which points to a high number of discouraged job seekers who are pushed into inactivity or the shadow economy. The female activity (55.3%) rate is 14¹³ % below men's. By way of comparison, the activity rate of the working population of UE-15 was 70,1% in 2003 and for the new EU Members was 65.5%.

The ageing of population and increasing inactivity rate generate an increase in the economic old age dependency rate. While in 1990 there were 3.4 employees for 1 pensioner, in 2003 the ratio was 0,7 employees for 1 pensioner.¹⁴

1.2.2. Employment

Although the economic growth was preserved for five consecutive years, it did not ensure a satisfying level of employment and new jobs creation. In fact, employment rates have been on a constant downward trend among people aged 15-64 years, from 65.4¹⁵% in 1997 to 57,6¹⁶% in 2003. The decrease in this period affected the male population to a greater extent (8,1% , compared to 7,6% in the case of women), rural and urban populations being affected in approximately equal proportions. In 2003 in Romania the level of the employment rate stands below the EU-15 average of 64,4% or the EU-25 average of 63% and above the new member states average of 55.8%.

The female employment rate was 51.5% in 2003, lower than the EU-15 average of 56.1.0% and than the EU-25 average of 55.1% in 2003.

The youth employment rate (for those members of the labour force between the ages of 15 and 24) declined from 36.5¹⁷% in 1996 to 26.4¹⁸% in 2003, below the EU-15 average of 39,9% or the EU-25 average of 36.8% and above the EU-10 average of 24.3%.

The employment rate for the age group between 55-64 has also experienced a downward trend, with its level in 2003 at 38.1%, 14¹⁹ % less than in 1996.

Romania is above the average in the new EU member states (31.7%) but is slightly below the EU-15 average of 41,7% or EU-25 average of 40.2% in 2003.

According to the National Accounts data available at Eurostat, employment in agriculture, forestry and fisheries still represents the bulk of total employment, with 34.1% in 2003, albeit falling from its all-transition period peak of 41.4% in 2000. The population employed in the tertiary sector (services, trade, banks, insurance, tourism, telecommunications, etc.) has been increasing and now accounts for 34,9% of total employment – close to the half of the EU-15 average of 71,4% or the EU-25 average of 69.2%.

¹² idem

¹³ idem

¹⁴ Ministry of Labour, Social Solidarity and Family

¹⁵ Eurostat estimates

¹⁶ EU-LFS data

¹⁷ Eurostat estimates

¹⁸ EU-LFS data

¹⁹ Eurostat estimates

Industrial employment has witnessed its sharpest fall since 2000. In 2003, employment in industry and construction represented 31% of the total. Comparatively, the EU-15 average was 24,6% in 2003 and the EU-25, 25.5%.

Large areas of subsistence economy still remain and to a certain extent prevail throughout the country. High shares of both subsistence agricultural employment and dwindling industrial employment point to the fact that further efforts are necessary to improve the investment climate, to put in place growth enhancing framework conditions, as well as upgrading of skills to match the needs of the labour demand and revision of the Labour Code. Thus generating more attractive jobs and driving the working age population out of subsistence employment and inactivity.

Estimates are of 1 million people employed by the informal economy, plus 4 million in subsistence farming²⁰.

Roma minority participation on the labour market

While a small part of the Roma minority are registered as unemployed (0.5%), many of them have no declared employment (13.2%). The employment rate of the Roma population is significantly lower than the national level (47,0% compared with the national average of 61.7% in 1998). Informal estimates give different values of unemployment rates, depending on where the data are from.²¹

The considerable lack of professional qualifications, often combined with discriminatory practices on the labour market, is one of the major obstacles that the Roma population face in accessing the labour market. Only 27.5% of the total employed Roma population are salaried, less than half the total population average. Most Roma work on their own (71.7%), being in a difficult situation in terms of how they earn their wages, and only 0.8% are employers. Day labourers make up the major part of the employed, with the majority working in agriculture.

1.2.3. Unemployment

The high rates of idleness in the economically active age category, the great number of people working in subsistence farming (estimated at 4 million people) and migration of labour are occurrences that could account for the decrease in the number of people earning wages, without any corresponding growth in unemployment rates. A factor partly mitigating the effect of lay-offs from state-owned businesses was the development of private sector employment.

In accordance to the harmonised Eurostat data-ILO definition, unemployment rate decreased to 5.8% in 2003, compared with 6.8% the previous year. In 2003, unemployment for men was 6.2% and 5,4% for women (compared with 7,4% and 9% in 2003 respectively – average values EU-15 or 8.3% and 10% for the EU-25). As a result, while the official unemployment rate will continue to remain low for a while, attention has to be paid to increasing the activity rate for the working age population.

The youth unemployment rate was 19.5% in 2003 in comparison to the 16.3% average in EU-15 and 18.6% average in EU-25. Youth represents one of the largest groups affected by unemployment (over 30%). This rate has stayed relatively constant in recent years.

²⁰ Source: EU employment observatory. Romania quarterly update 15 Oct.2003

²¹ 24% - cf. A. Ivanov, 'Roma Population in East and Central Europe, Avoiding the dependency trap, în Europa centrala si de Est, Evitând capcana dependentei', Bratislava, UNDP, 2002, p. 33

Unemployment²² has affected first and foremost workers, due to the industrial decline, where a large number of people were made redundant following the restructuring process, accounting for 75.1% in 2003 of the total number of registered unemployed persons.

Unemployment²³ affects people with primary and lower secondary education (6.2%) and upper secondary education (6.5%), and to a lesser extent categories that have completed some form of third-level education (2.9%).

Long-term unemployment²⁴ (one year and over) saw an increase from 3.2% in 2001 to 4.1% in 2003. In the same year, 61.9% of unemployed had been out of work for more than a year.

While overall unemployment is falling, long-term unemployment is constantly rising, thus forming a hard core mass of long-term unemployed towards which the ALMPs have to be focused during the coming years. The long-term unemployment rates were 3.3% in EU-15 and 4.0% in EU-25²⁵.

The increasing risk of dependency to social assistance and disconnection with the labour market is also illustrated by the growing share of children (under 18) and adults (18-59) living in jobless households. The risk rose in the 2000-2003²⁶ period from 7.2% to 10.2% for the children and from 8.4% to 11.1% for the adult generation.

1.3. Territorial Disparity

Pronounced economic and occupational disparities have been highlighted between the regions and within the regions. From the point of view of economic development, employment rates and population living standards, there are some disadvantaged regions: the North-east region, followed closely by the Southern region of Romania (South-east region, South, South-west and West). The most heterogeneous regions (taking into account the counties situation) according to these criteria are the South, Southwest and West regions.

With 10.1% of the country population Bucharest accounted for 21.1% of GDP having the highest share of employment in services²⁷ at 62.2% in 2002. On the other hand, the North-east region, which is Romania's poorest region, has 17.2% of the population but the lowest contribution to GDP (12.3% in 2002) and the highest share of agricultural employment at 51.1%.

In 2002, GDP per capita in the 7 regions amounted to less than half the GDP per capita of the Bucharest region. The lowest value was recorded in the North-east (34.4% of Bucharest GDP per capita), followed by the three southern regions (South-East, South and South-West). The same regional hierarchy also exists for the average income per person.

In 2003, in all regions the income from salaries was the main source for the total income. In the same year, income from salaried work came to 66.8% of total household incomes for Bucharest, 33.7% for the North-west, and an average of 44.8% for the remaining regions.

²² According to NAE's records

²³ ILO definition, data for 2003 regarding age group 25-59

²⁴ As per ILO definition

²⁵ For EU values, the age group used as a basis in the calculation is 15-74, while for Romania unemployment rates are calculated as a percentage of the active population 15+

²⁶ Eurostat

²⁷ Data referring to employment and unemployment are from AMIGO, 2003

The share of the population employed in agriculture is 1,6% in Bucharest and over 40% in the South-west, North-east and North-west regions. Of the 8 regions, half rely on small farming as their main form of employment. Industry and construction together make up 29.8% of total employment.

Between 1997 and 2003, the increase in the number of employees was of 0,7% in Bucharest and in the rest of the regions a decrease of 21%.

In 2004 the territorial distribution of the registered unemployment rate reveals 3 categories of regions: low unemployment (Bucharest 2,9%), medium unemployment (West and North-west with values between 4-7%) and high unemployment (North-east, South-east, South, South-west and Central with values over 7%).

The worst hit is the Central region with 7.6% unemployment as opposed to Ilfov-Bucharest region with a 2,9% value. National Agency for Employment figures for unemployment show larger disparities across the counties in 2002 (varying from 10,9 in Hunedoara to 2.0% in Satu-Mare). Administrative data from 2003 indicate that the disparities are getting smaller²⁸.

This discrepancy further highlights the dangers of a dual economy and of an uncoupling between the urban, more affluent regions of the country, the capital being first among them, and the rural hinterland, with a lower level of development.

1.4. Social public expenditure

During the transition period, the negative social effects of a difficult restructuring process were not sufficiently counterbalanced by a poorly resourced social protection system. Social public expenditure was 18-19% of GDP (including education) significantly lower levels than EU-15 and EU-10 countries, where the average in 2001 was respectively 27.6 % and 20,7% (without education).

The low level of social public expenditure is characteristic of all sectors of social protection: health, education, social assistance and housing.

Social public expenditure has increased in the last 4 years from 17.2% in 2000 to 18.4% in 2003. For the Romanian government social public expenditure is expected to reach 19.4% of GDP in 2004. For the future the need to establish priorities between all the public expenditures should be emphasised.

There has been an increase in all components, but especially in education and social assistance. The percentage of GDP allocated to education increased from 3.6% in 2002 to 3.9% in 2003, with public expenditure in education being expected to increase to 4.1% for 2004.

Expenditure in the public pension system accounted for 7.0% of GDP in 2003, this being 38% of total social public expenditure. As a result of the recorelation of pensions, the proportion of expenditure through the public pension system from GDP in 2003 was with 7.7% higher than in 2001. In view of the ageing of the population and the structural imbalance of the public pension system, which requires every year significant transfers from the state budget to the social security budget, to cover the shortfall of financing, because of a lack of a redressing policies, rapidly increasing expenditure and a persistently low replacement rate is likely to occur in the future. Although public health expenditure

²⁸ ETF Country Monograph Romania 2004, §6 p.5

hovered constantly below 3% of GDP until 1998, it started on an upward trend thereafter and reached 4%, which is the level it has remained at in the last few years. For Romanian government a considerable increase in the budgets allocated to this sector is deemed to be necessary in the coming years.

The funds allocated from the central budget for the payment of social benefits within the minimum guaranteed income (MGI) system accounted for 0.2% of GDP in 2003.

The funds allocated to the active employment policy accounted for 0.1% of GDP in 2003.

SECTION II - SOCIAL SITUATION

2.1. Demographic characteristics

Natural decrease in the population: The Romanian population has seen a continuous and steady decline since the beginning of the 1990s. The Census of Population and Houses of 2002 registered a total population of approximately 21.7 million persons, compared to 22.8 million registered in the Census of 1992 (95.1%).

This demographic decline is accounted for both by the negative natural growth rate and by external migration. The population is expected to further decrease by 1.8 million until 2020, primarily among the younger age groups (10-24).

In 2003, the birth rate was 9.8‰, the fertility rate was 1.3 children per 1 woman of fertile age, and the mortality rate was 12.3‰.

The average number of family members was 2.9 in 2002. For Romania the dominant model is the one child family (according to 2002 Census 52.2% of families had one child, 34.0% - two children and 13.8% - three and more children). The population of working age (15-64 years old) at Census was of approximately 15 millions people.

In 2003, the infant mortality rate declined in Romania: 16.7‰ compared with 26.9‰ in 1990. However, the level still remains higher than other EU countries and the 10 new Member States.

Romanian life expectancy at birth rose to an average of 71.0 in 2003 years, 1.4 years higher than at the beginning of the transition period. However, this remains lower than both the EU-15 (80.3 years) average and the EU – 25 (78.8 years).

The population structure by age group has shown significant changes. As a result of the decline in the birth rate, the share of the population below the age of 15 is continuously decreasing and the share of the mature population, over the age of 60, is continuously increasing.

Demographic ageing remains a key challenge for Romania, as elsewhere in the EU, putting as it does the financial sustainability of pension and healthcare systems at risk. However, it is less pronounced in Romania than in many EU countries. In 2000,²⁹ the percentage of persons over 65 in Romania was 13.1% lower than the EU average, while the percentage in the population of young people was 18.3%

²⁹ The last year for which EU data are available

The demographic “dependency rate” of both the young (age 0-14) and old populations (60+) (potentially inactive persons) in relation to working-age adults (potentially active persons) is about 0.6 to 1.

According to the last census, ethnic minorities account for nearly 10.5% of Romania’s population. Within these ethnic minorities, the highest figures refer to the Hungarian minority, which, makes up 6.6% of Romania’s population and the Roma minority is the second largest ethnic group, representing 2.5% of the population this figure being based on self-identification. However, estimates of that kind are always delicate for the Roma minority. Other sources indicate much higher figures, for instance 6,7% estimated by a research in 1998³⁰. This document often refers to different findings of this 1998 research.

Ageing is much less pronounced among the Roma population, reflecting lower life expectancy and higher fertility rate 33.9% are aged between 0-14 years and 4.3% are older than 65³¹.

2.1.1. Migration

2.1.1.1. External Migration

External Migration has been one of the factors that have contributed to the decrease in population, generating a negative balance of 270,000 persons during 1990-2002. After the explosion of the external migration flow in 1990, the year when 96,900 emigrants were registered, the number of emigrants gradually decreased, to 10,700 in 2003.

According to the Census of Population and Houses in 2002, nearly 159,000 Romanian citizens with residence status in Romania were actually out of the country for a period of longer than one year. It can be concluded that the definitive external migration phenomenon typical of the early 1990s has been gradually replaced by temporary external migration, without any change of residence, brought about by earning higher wages abroad.

According to IOM the trend for the following years will maintain and the flows of migration have not dramatically increased after lifting visa restrictions for Romanian in E.U countries. IOM also stressed the need of new strategies and innovative ways for more effective incentives schemes and sustainable programmes designed for reintegration of Romanian migrants and for "returned home money" to produce value and competition. As most of the returned migrants encounter difficulties of adaptation to the social and economic environment, it could be more effective to invest money in human capital, than finance small initiatives or compensations³².

The same Census also recorded the occurrence of a complementary trend: a total of 21,000 foreign citizens having their residences in Romania for over one year.

Romania is primarily a transit, rather than a destination country, although this may change when the country accedes to the EU.

³⁰ This research was performed on a sample of 3600 households and was accomplished by the Research Institute for the Quality of Life of the Romanian Academy in 1998. While the census, by design, uses the auto-identification method, this research used hetero-identification.

³¹ The Institute for Research and the Quality of Life, 1998

³² Migration Trends in Selected Applicant Countries Volume IV Romania IOM Autumn 2003

2.1.1.2. Internal Migration

Because of the elimination of restrictions on residence within big cities during the first period of transition, 1990 – 1996, the dominant migration flow has been from the rural to the urban areas. After this period, under the increasing cost of urban living and industrial restructuring, the migration flow changed direction, and in 2003 a total of 23 500 people³³ are registered as having changed their residence from urban to rural areas.

2.2. Poverty

Since 1995, Household Integrated Research, and since 2000, Research on Family Budgets, conducted by the National Institute for Statistics, have provided the data required for the measurement of poverty. The methodology was developed by the World Bank (WB), the Anti-Poverty and Social Inclusion National Commission (CASPIIS) and the National Institute for Statistics, and uses the population's consumption expenditure as an indicator of welfare³⁴.

According to this indicator, poverty levels in Romania increased from the late 1980s to 2000. This evolution, characteristic of many Central and Eastern European countries undergoing transition to liberal market economies, was especially marked during the two shocks of 1991 – 1993 and 1997 – 2000. From a poverty rate of 20.1% in 1996, Romania climbed to 35.9% in 2000,³⁵ but thereafter the national poverty indicator has decreased to 25.1% in 2003 – the lowest since 1996. Severe poverty shows the same trends, declining significantly in 2001 and 2003 (by 2.4 share points, and 2.3 share points respectively to a rate of 8.6% in 2003).³⁶

2.2.1. Groups Affected by Poverty

A number of elements define groups at risk of poverty:

- ***Social-professional status*** - the highest level of poverty is found in the categories of small farmers (peasants) and unemployed (39.3% in 2003), followed by the group of households concerning both the poverty risk (50.9%) and poor people overall (almost 1 poor person in 4). Retired people come close to the overall household average (20.7%). As might be expected, the lowest level of poverty is encountered in the group of households headed by an employee (9%).

- ***Education*** - is the most significant factor; the education deficit considerably increases the poverty risk. High school attendance almost annuls the poverty risk. Every extra graduated education cycle marks a significant step in decreasing the level of the poverty vulnerability. The poorest people live in households headed by persons who, at most, have completed secondary education.

- ***Territorial Distribution*** - Almost three quarters of poor people reside in rural areas, and the poverty

³³ Source: NIS

³⁴ Poverty is estimated against an absolute threshold calculated as being the value of the minimum basket including food and non-food products and services. Severe poverty is estimated on the basis of a more restrictive hypothesis, adding to the value of the food basket other values, even lower, considered as minimal for expenses on non-food products and services. It has to be emphasised that 'this is not in line with EU recommended practice to use income instead of expenditure for monitoring of monetary poverty, complemented with non-monetary indicators, and a relative approach instead of an absolute measure: see common indicators of social inclusion adopted under open method of coordination ("Laeken" indicators). The EU approach is only referred to from paragraph 2.2.2'.

³⁵ Source: CASPIIS

³⁶ The value of the severe poverty threshold per adult person equivalent in 2003 was, in PPP terms, €87.6, while the value of the poverty threshold was €26.9

risk is much higher within this residence environment (38%), but poverty is more accentuated in urban areas (the consumption deficit is higher on average). A fall in poverty and severe poverty has been a feature of the two environments in recent years.

Over the entire period, the regional distribution of poverty indicates higher risks in particular in the North-east and South-west (35.4%, and 32.1% respectively) and the lowest risk in Bucharest (8.1%). The most significant poverty decrease in 2002 – 2003 is registered in the North-east, at 7.1 percentage points.. Higher poverty rates are also found in the South-East and Southern regions.

- **Ethnic status - The Roma minority** is at extremely high risk of poverty. In 2003, the Roma population was three times poorer than the average. Until 2001 the Roma population has benefited from integrated governmental policies, but without having experienced an improvement in the welfare level. The adoption of the national strategy for the improvement of the Roma situation in 2001 was a very important step forward but unfortunately it was not followed by the allocation of sufficient resources to make for effective implementation of the measures envisaged.

- **Other characteristics** - in terms of age groups, young people are at the highest risk of poverty (31.9% for 15-24 year-olds), followed by children (29.9%). The elderly, 65+ range, have a medium poverty rate of 24.9%.

Families with more than 2 children and one-parent families are at the highest risk. While in 2001 only the families with many children did not experience a reduction in poverty., However, some measures have been taken in order to support these families and data from 2003 show a downward trend of the phenomenon in this category too (with a lower risk of 6.1% compared to 2002).

There is another list of significant social exclusion factors: poor health, alcohol and drug addiction, homeless persons, young people leaving care at 18 years of age, former prisoners, crisis situations brought about by domestic violence. Persons with disabilities tend to remain dependent on passive support and aid strategies, with the effect being an accelerated growth of the risk of poverty.

The re-launch of the poverty reduction process in 2001 covers all significant segments of the population but the reduction had a slower pace for the most vulnerable categories – small farmers (peasants), children, families with many children and also young people or persons resident in the North-east region.

What is characteristic of most of the poor is that they are at the threshold limit (their consumption being on average only 24% below the threshold value), meaning that this phenomenon is expected to decrease rapidly with the economic growth envisaged.

2.2.2. Relative Poverty

The proportion of people with incomes below 60% of the average total net incomes was 18%³⁷ in 2002, compared to 28.9% in relation to the 'absolute' poverty threshold calculated using the CASPIS and WB methodology.

In 2002, the proportion of at risk poverty population before receiving social transfers was 42% overall, 23% including pension but excluding other transfers, and after receiving social transfers it was 18%

³⁷ Source: NIS: the rates of relative poverty in relation to other thresholds used in the Eurostat methodology are: 6% in relation to the 40% threshold, 11% in relation to the 50% threshold and 25% in relation to the 70% threshold.

(EU 15 estimates for 2001 of 39%, 24% and 15% respectively).³⁸

2.2.3. Income Inequality

In 2002, income inequality in Romania remained similar to that in 2001 which is the last year for which EU aggregates are available. In 2001 the situation in Romania is similar to the average of the other EU countries, with a Gini indicator of 0.30 compared to 0.29 in EU-25. Enforcement of the law regarding guaranteed minimum income and the constant increase in the minimum wage are two factors that have contributed to a fairly balanced distribution of gains arising from recent economic growth, thus maintaining the Gini indicator at similar or even reduced level than in 2002

In 2001³⁹, the richest 20% of the population had an income 4.6 times higher than the poorest 20%, compared to 4.6 in EU-15 and 4.5 in EU-25.

2.3. Health

2.3.1. Overall Assessment

The healthcare system inherited from the communist era was based on free medical services delivered through a network of units with wide territorial coverage to those working in the public and cooperative system; in exchange, medication for outpatient care - with some exceptions - was poor as it was not covered by the public system. During the transition period, several factors contributed to deterioration of the healthcare system such as insufficient financial resources, coupled with the lack of an efficient health insurance system, bad organisation, obsolete technology, poor wages, corruption among health system personnel and limited access to good quality medicines.

In the transition period, the population's health overall continued to deteriorate as a result of the concomitant action of a number of factors:

- *A massive explosion of poverty* often accompanied by a dramatic decrease in access to minimum requirements of healthy food and to public utilities (households disconnected from the heating or, more frequently, from hot water supply systems), a deterioration of dwelling conditions and poorer access to health services.
- *Difficulties in the restructuring of the health services system.*
- *Social disintegration processes with negative impact on healthy lifestyles: tobacco, alcohol and, recently, drug consumption.*
-

As a result of these factors, the share of population vulnerable in terms of health remains high, which is illustrated by: high mortality rates; low healthy life expectancy levels (13 years lower than life expectancy levels); high infant morbidity and mortality rates.

A special situation is encountered in the remote rural areas where access to qualitative health services especially for elderly and disabled persons is some times extremely difficult.⁴⁰

³⁸ As for many countries during the transition period to data collection under the EU-SILC regulations, 2000-2002 methodology used for Romania (national data source ex-post harmonised towards EU-SILC, still to be launched in Romania) varies from that used for EU15 until 2001 (EHP). Given additional underlying differences in survey sources, results calculated using such data cannot be considered to be 100% comparable with indicators produced for other countries or aggregates at EU level..

³⁹ Eurostat

⁴⁰ Source: figures and comments concerning the urban-rural polarization in sub-chapter 2.3.4.

The reforming options adopted by Romania consist in:

- the implementation of a health insurance system, complemented by the guaranteeing of free access of the poorest segment of the population to healthcare services;
- moving to a system based on general practitioners;
- ensuring partial coverage of the cost of some basic medicines for insured patients.

Public health expenditure remained between 2.8% – 4% of GDP during 1990 – 2003, with 3.8% estimated for 2004. As a result of envisaged policy reforms, the Romanian government plans to bring expenditure close to a level of 5% of GDP, close to the minimum levels of health expenditures in countries where the system is functional (the EU average is 8.5%, and the average in Central and South-Eastern European countries is 5.3%).

Unequal development of the health system, prone to treating emergencies and neglecting preventive and primary healthcare activities, has led to the polarisation of access to health services and deterioration of health in disadvantaged groups of the population.⁴¹

2.3.2. Trends in the Population's Health Status

Significant improvements have been seen over the last few years in the values of some population health indicators.

An increase in life expectancy has been registered, reaching the average level of 71,0 years in 2003, with a level of 67.5 for men and 74.8 for women. This is 1,4 years higher than at the beginning of the transition period but lower than the average for EU15 - 80.3 years (75.8 years for men and 81.6 years for women) and EU 25, (78,8 years).⁴²

A significant decrease was recorded in terms of infant mortality rates, from 26.9‰ in 1990 to 16.7‰ in 2003, although the values are way above the EU – 15 average of 4.3‰ or the EU – 25 average of 5.0‰.

Post-neonatal mortality rates are almost 6 times higher than the EU average. These values are much higher in the rural environment, which is a reflection of the precarious sanitary conditions in which children are born in some disadvantaged rural areas.

Maternal mortality rates were 0.30‰ in 2003, dropping by almost one quarter compared to 1990. This figure again places Romania amongst the European countries with the highest maternal mortality rates. The incidence of HIV/AIDS in Romania is not high compared to other EU member countries. While at the beginning of the 1990s Romania witnessed a high number of cases in children, the present picture shows a diminishing number of new cases of HIV/AIDS in children.

The incidence of syphilis in 2002 was three times higher than it was in 1989, but the pattern of the phenomenon is firmly downward and the figures dropped in 2003 from 58.3 to 44.6 new cases per 100,000.

The incidence of tuberculosis (TB)⁴³ in Romania is much higher than in EU countries and followed an

⁴¹ Source: Research report, 'Sources of Social Exclusion in Romania' (Bucharest University, Elena Zamfir, Marian Preda, Adrian Dan), March 2004.

⁴² Source: EUROSTAT

⁴³ Source: Ministry of Health

upward trend until 2002 (from 58.3 in 1989 to 122.2 new cases per 100,000), before a reverse trend was seen in 2003 (dropping to 116.2 new cases per 100,000).

Among the reasons for this high incidence of TB, poverty, social exclusion, lack of hygiene and lack of access to modern facilities among the poor population can be mentioned. The healthy life expectancy indicator is 13 years below the values for life expectancy⁴⁴.

The perception of the health status slightly improved, with 9.4% of the population assessing it as unsatisfactory or totally unsatisfactory compared to 10.3% in 2002 and 9.4% in 2003.⁴⁵

2.3.3. Issues relating to the Health System

Implementation of the health insurance system generated serious access issues for some segments of population. The system based on general practitioners was not effective in replacing the provision of health services at territorial level. The shift to a system based on lists of patients has diminished the community component of the health services, and doctors have gravitated towards social groups with higher economic standards. Coverage is insufficient, especially in rural and isolated areas or in regions with poor economic development. Moreover, there is a shortage of necessary professionals in management and social assistance who are not sufficient to cover existing needs.

Taking into account all of these, the Ministry of Health is implementing the local medical assistance program with priority to the regions at risks (actually the program is carried out in 18 counties. The Ministry of Health is also implementing in 35 counties the program for Roma mediators. These 2 programs have been initiated in 2002 and will also be extended at the national level. Due to the fact that these programs are addressed to complex socio-medical problems that affect the population of different ages, in the future these activities will be carried out by local authorities).

The high level of social cases being cared for in hospitals has determined a change of use of some hospitals units into socio-medical assistance units⁴⁶. Out of the envisaged number of 106 socio-medical assistance units, only 54 are functional (in 2004 they had 7.045 beneficiaries). 45 of them have got rehabilitation funds from the Ministry of Labour, Social Solidarity and Family.

Since 1989, there has been a sharp increase in the price of medicines accompanied by a narrowing of the range of low-price products. To a large extent these trends, which made access to health more problematic for the poorest and most needy segments of the population, were provoked by full and instant liberalisation of imports of medicines which replaced lower quality/price domestic products. Inadequate procurement procedures and medicine prescription rules also have played a role. Significant investments have been made in modern technology, but the availability of modern equipment still needs improvement.

The reforms in the system overall have resulted in a growth of financial resources and created a context that stimulates the emergence of efficient management. There are, however, negative effects of these changes:

- social and geographic polarisation of access to health services;

⁴⁴ Source: National House for Health Insurance

⁴⁵ Source: NIS

⁴⁶ A socio-medical unit in Romania is a medical facility that is taking care of chronically ill individuals with insufficient means of living

- permanent growth of the cost of medicines requires financial efforts from the insurance system and from the population;
- prevention activities and community assistance services trailing behind.

The social dimension of the health system is still not sufficiently integrated. Coordination between health and social services should be improved. The health care system is still mainly a curative one and targeted to solve emergency problems, while the preventing component does not have the expected outcomes, despite of the efforts made by the Ministry of Health.

The fact that cardiovascular diseases are the main cause of death (646 deaths per 100,000 populations in 2002) is also the effect of a lack of prevention programmes. Thus, one of the highest death rates in Europe in this category of conditions is seen in Romania.

2.3.4. Access to Health Services

The population's health overall showed an aggravating pattern, and the coverage of healthcare services was also on a downward trend: while in 1989 figures indicated 9.6 medical treatments per capita, the numbers in 2002 dropped to 5.7 medical treatments per capita.

In 2003 only 18,978,161 persons are on the lists of the general practitioners. Data indicate that over half a million people –the majority of them in the rural environment and amongst Roma groups - are not registered with a GP. Out of the total rural population, 4.5% live in places with no general practitioners. The ratio in the urban environment is 301 GPs/100,000 persons, compared to 58 in the rural environment; 97.3% of outpatient care units are in the urban environment. There are 10.7 specialist doctors per 10,000 in Bucharest, compared to the South-eastern region of the country, where the ratio is 4.8 specialist doctors per 10,000 populations.

Satisfaction with the delivery of medical services is quite low. Data for 2003 show that 46% of the Romanian population are not happy with how medical services are delivered at local level⁴⁷ and that one-quarter of those who used medical services regard the health system as being inefficient and corrupt⁴⁸.

Polarisation of access to quality services is also determined by a growing discrepancy in terms of medical resources and technology. A whole range of hospitals and polyclinics require urgent replacement and modernisation of medical equipment.

Social-medical assistance at home is delivered in isolated cases at the moment; despite the emergence of a social assistance component, especially in healthcare units in county capital cities, there is no stable functional relation between the healthcare system and the family yet. The provision of home medical services by the NGO sector is underdeveloped and underfinanced at the moment. However the total number of beneficiaries (including children, elderly and persons with disabilities) of social assistance at home was almost three times higher in 2003 than in 2001: 12.187 as compared to 4.572.

Although family planning services have seen sustained development and contraception use rates

⁴⁷ 'What is your level of satisfaction regarding the medical services delivered at local level?' - total insatisfaction = 17.5%;

n partial insatisfaction - 28.3%.

⁴⁸ Question: 'In the last 5 years have you used medical services for medical appointment, treatment, surgery, and if yes, did you pay anything else besides the legal fees?' 24% of the respondents answered yes to both questions – source: FSD & CURS, October 2003, BOP.

increased threefold during 1993 – 1999, over half the women of fertile age do not use contraception or use high-risk traditional methods. Data available from research conducted in 1999 indicate 63.8% rates of contraceptive prevalence and 29.5% prevalence of modern contraception, with only 22% of women in the 15 - 44 age groups stating their intention of having a child in the future. The Ministry of Health distributes contraceptives free of charge to distressed categories of the population. The list of compensated medicaments does not include contraceptive medication.

As a result of these factors, access to health services was cut to a whole range of social categories. Among them the following groups could be identified: severed families; families with many children; Roma population; people living in isolated rural areas with no financial resources to access better medical services in urban locations; unemployed and people who have no constant incomes; elderly and homeless persons.

Health Issues in the Roma Minority

As a result of the poor standards of living and limited access to medical services, including reproductive health services, health among the Roma population is much worse than in the other categories of population. For example, the infant mortality rate is four times higher than the national average⁴⁹. Access to medical care is difficult for a wide segment of Roma because of physical/geographical isolation of Roma communities, discriminatory practices in the medical system and the fact that significant parts of the Roma has no health insurance and even no ID papers. As for access to modern family-planning means, it is very low: in addition to the barriers mentioned above, there are also aspects of the Roma traditional culture that hamper Roma women to access to this type of services. One issue for the whole population, but especially for the Roma, is the very high proportion of children from young mothers in this category. 37% of the children belong in 1998 to mothers below the age of 18 but there is a decreasing trend since 1992. Factors that have a negative influence on the health of the Roma population also include deficient nutrition, both in terms of quantity and quality of food intake, and, for Roma living predominantly in rural areas and remote settlements with poor connection to road infrastructure and public utilities, limited access to quality water and heating and limited availability of health care services.

2.4. Education

A phenomenon of poor school attendance occurred in all forms of education in the first years of transition, except for higher education.

Overall, participation in education⁵⁰ has increased steadily from 1995/1996 till 2001/2002, despite a small recent downturn. Enrolment in pre-school education has improved continuously, with the highest participation being registered in the preparatory group for school. The Ministry of Education and Research has developed a national programme to generalise the last grade in pre-school education, the group for school: presently the participation in this group would reach 90%, according to national figures⁵¹.

Also in accordance with figures the net enrolment rate is at a high level within primary education, at 94.0% in 2003/2004.

⁴⁹ CASPIS 2004 Study - Social support for Roma population (calculation for the period 1994 - 1999)

⁵⁰ Net enrolment rates

⁵¹ Source: MER

With the extension of compulsory education from 8 to 10 school years, Romania hopes to improve the participation rate in the secondary education (high school and vocational education), where participation rates, 65.2% in 2003/2004, have not increased over the last 3 years.

In the school year 2003/2004 TVET enrolment increased from 15.9% in 2002/2003 to 17.3%.

The measures taken to fight school dropout have led to a decrease in school dropout rates from compulsory education. However, the risk of school dropout amongst children who live in poor households is 2.3 times higher – 3.1 times if they live in severely poor households – than in the group of children who live in households that are not poor.⁵²

The early school leavers⁵³ rate recorded in 2003 was 22.7%, the highest rate compared with EU member States (apart from Malta) (average being of 18.0% in EU-15 and 15.9% in EU-25). This high value is the result of a number of social factors, such as poverty of families and poor educational provision in terms of compulsory education level in rural and disadvantaged areas.

The global change in the transition period brought about a whole range of imbalances and negative phenomena:

- 1) A small, but still significant segment of children not enrolled in any form of education, and high school dropout rates as early as elementary education.
- 2) The disadvantage of the poor and rural segments of population has led to polarisation in the quality and access to education. Polarisation of access at primary and secondary levels becomes more pronounced at higher education levels, with only 2% of the rural population having graduated from higher education.⁵⁴

Quality of provision is poorer in rural schools than in urban areas, especially regarding modern instruments for education (laboratories, computers, etc.). Out of around 267,000 teaching positions existing in 2003-2004 school year, 164,000 were in urban areas and 103,000 in rural areas. While in urban areas there were 1,003 unqualified teachers (teachers having only secondary education), in rural areas there were 2,703 such teachers. More than half of Romania's young population is located in rural areas, and the total share of the rural population (currently 47%) is growing.

A whole range of risk factors affect the rural environment:

- Children from families which suffer from poverty and social disintegration are not enrolled in school or they soon drop out.
- School dropout or dropping out of education after the compulsory cycle amongst children/teenagers who are used permanently or occasionally for housekeeping or farming work (cattle breeding, working the land, etc.).
- One important issue is that a high portion of the population in isolated rural areas do not complete the compulsory cycle of education or pursue their education to a higher level.

- 3) The link between school, community and family is deficient. Decentralisation has provided an opportunity to mend this aspect, but adequate institutional and cultural development is needed.

⁵² CASPIS 2003

⁵³ Proportion of people aged 18-24 whose last graduated form of education is junior high and who are not enrolled in any form of education at the present time, per total people aged 18-24.

⁵⁴ Rural education in Romania: conditions, problems and development strategies, ISE, MEC, 2001

Some components of the education process that produce significant effects in social integration are not sufficiently developed: combating certain negative processes (drug and alcohol consumption, violence, inadequate sex education), political participation and community involvement, education for life.

The last years of the communist administration were characterised by severe under funding, which resulted in a considerable deterioration of educational infrastructure and resources. Significant efforts have been made to rehabilitate and modernise resources; public expenditure on education as a share of GDP was the lowest among new Member States and Candidate Countries (EU average was 5.1%). It has been planned to grow from the equivalent of 3.2% of the GDP in 2001 to the equivalent of 4.1% of the estimated GDP in 2004. Key programmes funded from loans (WB IEB) or non-reimbursable funds (EU) contributed to improving the quality of the system. Though an increase in participation rates and consequently in costs is expected as a result of extension of compulsory education, the significant demographic decrease in the school age population which will come in the following years, together with the expected increase in the budgetary allocation to education will hopefully allow Romania to respond to all the demands connected to equity and quality of education.

An important programme was initiated to integrate children with disabilities into mainstream education; however, it only covers a small number of students from this category for the moment. The emergence of an inclusive learning environment is visible: teachers are being trained and curricula adapted to respond to the specific needs of these children.

Education for disadvantaged groups with a specific focus on Roma children

A special situation can be noticed in relation to Roma participation in education: school attendance dropped sharply straight after 1989, but this downward trend has been reversed in recent years as a result of sustained efforts to counter it. Participation of the Roma population is now growing at all levels of education, from pre-school to secondary and higher education. Educational participation of Roma children aged 7-16 improved from 50.6% in 1992 to 61.4% in 1998; the number of children who have never been enrolled in school also diminished considerably (from 26.3% in 1992 to 17.3% in 1998).⁵⁵

According to the data from the Ministry of Education and Research, there are 158,128 Roma children enrolled in pre-school and school, which represents 4.23% of all children registered in the education system for the school year 2002/2003.

However, 17.3% of Roma children aged 7 - 16 have never had any formal education.⁵⁶ Over one third of Roma people (38.6%) are functionally illiterate.⁵⁷ Participation in pre-school education is four times lower in the Roma segment than in the population overall. Similarly, attendance of Roma pupils in elementary and secondary forms of education is respectively 25% and 30%, lower than in the overall population.⁵⁸ While almost 18.9% of the Roma population aged over 16 has completed no form of education, 40.1% of the Roma have completed a maximum of 4 grades; only 18.3% completed high school or vocational forms of education, and only 0.9% attended forms of higher education.⁵⁹

⁵⁵ RIQL database 1992 and The Roma, 1998, RIQL

⁵⁶ The Roma, 1998, RIQL

⁵⁷ Idem

⁵⁸ Research of the Ministry of Education and Research, the Institute for Educational Sciences, RIQL, funded by UNICEF – Educational Participation of Roma Children, Bucharest 2002

⁵⁹ The Roma, 1998, RIQL

Special attention must be paid in the years to come to the forms of early child education and the development of an inclusive educational system. Developing the adult education and educational culture can lead to significant progress for early child education – both education within the family and pre-school institutionalised education.

Besides the high rates of non-participation, significant polarisation of the quality of educational provision is visible. As a result of residential segregation, schools to which Roma children go together with other poor children are marked by a much lower quality of teaching staff and learning environment. In schools attended predominantly by Roma children, non-promotion rates reached 11.3% in 2002,⁶⁰ almost three times higher than in the education system overall.

Although there is a general consensus in favour of non-segregation of Roma in schools, unwanted ethnic separation phenomena emerge in classes in which Roma children are predominant.

Education of disabled children and vocational education for disabled adults

During the school year 2003/2004 the number of children with special educational needs (SEN) in special schools was 27,299, and 11,493 were enrolled in mainstream schools.

Special education is organised according to the type of deficiency (mental, hearing, visual, motor, associated) and at all levels of the pre-university education. Some special schools offer tuition in the language of minorities.

According to the type of deficiency, children participating in special education may follow the mainstream curriculum, a slightly adapted curriculum or a special curriculum. Schools do - gradually and to a different extent - open up to the demands for a change in pedagogical work arising from integration and inclusion. Despite the support, some severely disabled children and youths with SEN do not attend school. Some of them are educated at home by teachers of the respective school; some of them attend day centres and receive their education there. Others still do not receive any school education.

2.5. Housing

With the privatisation of the public stock of dwellings over the last 15 years, the proportion of privately owned households increased from 66.8% in 1989 to 97.5% in 2003, which makes Romania the second European country in this respect. Almost all dwellings privatised are flats in blocks, and the wear and tear on these flats is in many cases very severe. The transfer of flats, considered a fair method of promoting the right to property, has resulted in a reduction and eventually the disappearance of the stock of social dwellings, and in a number of difficulties for the new owners in terms of providing the management and maintenance of their newly acquired homes.

As part of the transition process towards a market economy, the State pulled out almost completely from funding and building houses from public funds, reducing its expenditure from 91% of the State budget in 1989 to less than 10% in the nineties. As a result, the average proportion of new dwellings built with public funds decreased dramatically during 1998-2002 (around 2 thousand dwellings built per year) before starting an upward trend only in recent years (6,137 dwellings built in 2003 and 4,296

⁶⁰ Data from the research *Educational Participation of Roma Children: problems, solutions, players*, 2002, coordinators: M. Jigau, M. Surdu, MarLink publishing house Bucharest 2002

in 2004⁶¹). In the last two years, most of the newly built dwellings are social dwellings and for the younger age category.

The transition inevitably triggered a spectacular growth in the price of property, as the demand for private building was high and private building did not until recently compensate for the decline in State-funded building.

The slow pace of building new dwellings throughout the transition period had placed Romania in a comparatively unfavourable position among CEE countries.

Segments of population have emerged during the transition, for which it is impossible to pay the price of a dwelling: youngsters coming from poor families or youngsters coming out of the residential childcare system. Along these categories, a number of people who have lost their homes independent of their will, as a result of poverty, impossibility of paying for the maintenance of the dwelling, eviction, fraud.

More recently, the pace of building new dwellings recovered significantly, pulled by increasing incomes and improved access to mortgage loans. However, for a significant part of population, the quality of housing and the access to housing continue to show a deficit, completed by the phenomenon of the homeless persons.

Another problem is the issue of poor quality dwelling conditions for a share of the population: overcrowded dwellings (7.4% of the population reports a density over 2 people/room), improper quality of building materials, and scarce access to utilities. Serious economic difficulties and high land prices in urban environments are two of the factors that have led in recent years to the vast majority (74%) of dwellings built from private funds being placed in rural areas; such dwellings are inadequate in terms of public utilities and often built of traditional, poor quality materials. At national level, 22.8% of existing dwellings are made of panels, clay, or other materials that are inadequate for housing facilities. Only 42.7% of the dwellings built in 1999 have running water and only 32.7% are connected to the sewer system.

An analysis of the quality of housing depending on the residential environment reveals a different profile of issues:

- A. In the rural environment, the problem revolves in particular around the lack of infrastructure and scarce endowment with long-life appliances. In 2004, 87% of households live with no hot water system, 83% have no sewage, 26% have no refrigerators, 62% have no washing machines⁶².*
- B. In the urban environment, the housing pattern is highly polarised, with a significant share of the population living in extreme conditions.⁶³ The increase in tariffs for public utilities, and of interruptions in payments of social subsidies by local authorities has lead to difficulties in paying the utility bills. Because of the insufficient incomes of a part of the population, the lack of a metering system and because of the lack of enforcement action concerning the penalties for the bad payers with insufficient incomes, there are frequent interruptions in the supply of heating services*

⁶¹ The Ministry of Transports, Buildings and Tourism, January 2005

⁶² ACOVI, 2002

⁶³ Source: NIS, Research on Life Environment in Households

for some buildings (15,5% of the blocks of flats are disconnected from the centralised heating network).

In 2002, approximately one third of urban households did not repeatedly pay maintenance bills (water, gas, heating). Recent legislation has instituted a less tolerant approach to energy arrears, creating better collection especially from those economic agents who are bad payers.

The infrastructure, especially in the rural environment, is scarcely covered with water supply networks, sewers, access paths. Electricity coverage is very high. There are still a relatively small number of villages that still do not receive electricity.

Housing Aspects related to Roma Minority

The main problems of the Roma related to housing result from the unclear legal situation of the houses they inhabit, isolation of some Roma communities and limited availability of public housing. While only 3% of the population overall do not own the house they live in, the figure is 21% in the case of the Roma population. Even when they are actual owners of the house, almost one quarter of them have no documents to attest ownership on the land on which the building is situated, thus risking eviction. Dwellings and settlements, frequently located on the outskirts of localities, are severely deficient in terms of utilities and long-life appliances; such deficiencies are more visible in the rural than in the urban environment, where the possibilities for maintenance and refurbishing are better. Another feature of the housing situation of the Roma population is overcrowding. Over 80% of the Roma households are above the national average in terms of density of persons per room inhabited. In Roma households (often improvised and/or illegal or rented), the number of people per household and per room is twice as high as the national average

Considering the high demographic growth rates, which have resulted in an extensive young population that is poor and has practically no financial support from their families, the problem of housing for young people belonging to this ethnic group becomes much more acute than it is for the population as a whole.

2.6. Vulnerable social groups

2.6.1. Children at High Risk

2.6.1.1 Poverty

According to national figures the incidence of poverty in the category of children is visibly higher than the average: 29.9% for children below the age of 15, 31.9% for young people aged 15-24, compared to 25% for the total population in 2003. The poverty risk is highest for single-parent families (48% of households in which a single-parent family lives are poor) and families with many children.

Children, too, in the Roma population are at very high risk: 80% of them live in poverty and 43.3% in severe poverty.

The increase in poverty risk is not only the result of economic polarisation (birth rates being visibly higher amongst poorer people), but also the consequence of deficient social support policies aimed at children. Child allowances have deteriorated rapidly since 1990, from approximately 10% of the average wage to 4.4% in 2003.

2.6.1.2. Vulnerability to Social Disintegration Processes

The disintegration of families connected with poverty, decreasing social control and the absence of a system of social assistance services to communities have generated an increase in the various risks children face: domestic violence, violence in school, on the street and even in the community, very early school dropout, begging, and juvenile crime. Delivering social assistance services to communities has mainly been dealt with by NGOs, but with the scarce resources and funds invested and with the lack of coordination and local strategies during the last decade, the effect of these activities has been rather limited. One judgment could be that they have accumulated significant experience to use in the future development of the sector. The 2001 Social Assistance law and its recently adopted secondary legislation places responsibilities for social protection at the level of the counties and will set up an inspection body to monitor delivery of social services on the basis of national standards and regulate the contracting of NGO's as social services deliverers.

Although abortion was legalised immediately after the revolution and access to family planning was promoted, factors such as polarised access to health services and high costs of family planning alternatives have contributed to maintaining a very high occurrence of unwanted pregnancies brought to term. The percentage of children born from mothers below 20 years of age was of 12,7% in 2002).

One direct negative effect of poverty is precarious health, as highlighted by a number of indicators, such as a high percentage of physically underdeveloped children and underweight new-born, high mortality rates in infants and children under 5, high incidence of TB and HIV/AIDS in children.

Not enough attention, relatively speaking, has been given to the issue of families with children in situations of extreme poverty and in particular social disintegration, in isolated dwellings, with insufficient family support, at high risk of neglect and abuse.

Special attention should be paid to economically exploited children. A specialized survey⁶⁴ estimated that between 2.1% and 3.7%⁶⁵ of children aged 5-17 years were involved in economic activities but only between 1.1% and 1.8% were involved in child labour – meaning activities physically or mentally harmful for child development. The estimated number of children engaged in household activity (in agricultural activities of their own) was significantly higher than those engaged in economic activities⁶⁶.

Children in Care

The focus of the social support system remains unbalanced: until recently, more effort has been made

⁶⁴ Survey on Children's Activity in Romania, Country Report, National Institute of Statistics (NIL) and International Labour Office (ILO), Bucharest, 2003

⁶⁵ The estimates were made according to two questionnaires, interviewing adults and children themselves; this is the source for the different estimates

⁶⁶ The study classified activities of the children in distinct classes:

Economic activity: economic activity includes all market production and certain types of non-market production of goods and services in order to obtain money or in-kind income or other benefits (food, clothing etc.).

Child labour: work that is mentally, physically, socially or morally dangerous or harmful to children and that interfere with their education by depriving them of the opportunity to attend school, obliging them to leave school prematurely or requiring them to attempt to combine school with excessive long hours and heavy work

Household activity: non-economic activity, e.g. production and consumption of domestic and personal services within the same household that does not lead to the production of market goods

to improve the situation of children in public care than to support children in families or in the community.

The growing numbers of children separated from their families throughout the transition period led to special focus being placed on the systems for protecting such children, and the achievements in this field are remarkable in only a few years.

Many of the old style residential institutions have since been closed down; a wide network of specialised foster care workers was set up and a number of abandonment prevention methods have been implemented. The number of children below the age of 5 in residential institutions represents a very small share of the total number of children in institutions at the present time (7,35%).

The 1997 reform devolved responsibility for child protection to the decentralised Departments for Child Protection. Another element of the 1997 reform was the de-institutionalisation of children. This positive change has been completed by the decentralisation of social assistance, within which child protection will be an integrated part.

Starting from January 1st 2005, the Directorates General of Social Assistance and Child Protection have been set up by merging the public services of the county social assistance service with the directions for children's rights protection.

In June 2004 a new legislative package was adopted (law regarding the protection and promotion of the child's rights; law regarding the juridical regime for adoption; law concerning the set up, organising and functioning of the Romanian Agency for Adoptions; law regarding the modification of EO no.12/2001 concerning the set up of the National Authority for Child Protection and Adoption) which aims at maintaining families and providing appropriate care for children temporarily or permanently deprived of family care, in accordance with the UN Convention on the rights of the Child.

Street Children

Although the number of children involved is not very high, the street children phenomenon is common to most large cities. According to the estimations offered by representatives of only 26 out of 47 County Anti-Poverty and Social Inclusion Promotion Commissions (including Bucharest sectors) the number of street children in 2003 was 1,624 and in 2004 it was 1,280. Almost all cases were in urban areas. The estimations of the National Agency for Child Protection for Bucharest showed that the number of children on the street registered a decrease from 700 to 400 during 2000 – 2003.

32% of street children in the country as a whole have no ID papers; almost 80% of them are involved in begging, 16% in washing cars and 14% in stealing.⁶⁷ Children from poor families form a distinct category and spend most of their time on the street, and risk to become victims of economic and sexual exploitation and even of trafficking of persons.

More than 18 shelters and 5 coordinating centres were set up in the big cities in order to reduce the problem.

⁶⁷ UNICEF 2000

2.6.1.3. Juvenile Crime

After spectacular growth, juvenile crime has seen an equally abrupt decline (from 2,054 juvenile offenders per 100,000 children aged 14-17 in 1998 to 1,535 offenders in 2002). Compared to other European countries in transition, juvenile crime (14-17 age groups) is substantially lower in Romania. What we are witnessing is the rapid increase of juvenile involvement in organised crime, a much more destructive form of crime than previous types.

The process of diversification and consolidation of approaches to crime and social reinsertion is at an incipient stage. Approaches to juvenile crime do not differ substantially from approaches to adult crime and are underdeveloped in terms of variety of measures.

Specialised public services have emerged in this field recently, and their efforts are complemented by initiatives from civil society.

2.6.2. Young people 18+ no longer Covered by Protection Structures Available to Children with no Families

Considering the large number of children brought up in institutions, many of whom are 14-18+ (in 2003, 13,553 children aged 14-17 and 5150 children aged 18+), Romania is facing complex issues in terms of the social integration of young people coming out of the residential childcare system. Characterised by a highly deficient social reinsertion capacity and lacking family support, many of these youngsters are unable to overcome the serious issues they face: no housing, no jobs, and no social support. Most of the time, their difficulties in social integration come from their lack of professional training and education for adult life. The complex issues young people are faced with in the current transition period can only be approached by strengthening coordination between social and other public services, such as school, access to the labour market, health services, and police.

In the last two years, a significant number of older children in public care (till 18 years old) have been transferred to family type homes, often apartments, to prepare for independent living with support of social workers. Further support is necessary to implement policies to facilitate access to the labour market and social housing.

2.6.3. Persons with disabilities

Although the situation has improved considerably for persons with disabilities, there are still issues remaining, generated on the one hand by the scarcity of funds available or adequate targeting, but also by the difficulties in putting in place a system to support this category.

As the expertise commissions have no members specialising in social issues (social workers, psychologists, alternative therapists), it is impossible to fully evaluate the situation of the people examined and accurately certify their disabilities, which makes the "classification of handicaps" and the focus of the aid forms directed at this category inadequate.

The total number of people with disabilities in the records of the protection system is 426,340 (1.97% out of the total population), 68,462 of them children. Most persons with disabilities live with their families and in the community, while 6,933 children with certified levels of disability and 19,248 adults with disabilities live in residential institutions⁶⁸. The share of persons with disabilities per total population in Europe and in the world is around 10%.

⁶⁸ Source: National Agency for Protection of Persons with Disabilities, 2003

The political option for reducing the number of persons with disabilities in residential institutions and encouraging support within families remains severely limited by underdeveloped community services in terms of coverage, variety and quality of services available. A shift away from institutional care towards community-based services has been beneficial, although the resources allocated to these community based services are insufficient to allow for a proper response to the specific needs of individual cases. The number of day care centres delivering therapy and social integration programmes for persons with disabilities or mentally ill is very small and nearly all these centres are located in the county capital cities. Many of these centres are run by NGOs. Out of the total of 150 specialised institutions for persons with disabilities, 73 are located in the urban areas and 77 in rural areas⁶⁹.

The State has made great efforts to fund personal care workers for persons with severe disabilities. A significant issue in this context is related to the qualifications of such personal care workers. Most of them are family members of the persons with disabilities, so paying them as personal care workers is actually an indirect form of providing financial support to the families. The advantage of this situation is that the care worker is permanently available to attend to the needs of the persons with disabilities. The disadvantage, though, is the fact that a significant percentage of these people have no special qualifications for such activities.

The massive decrease in the numbers of paid jobs has affected first of all persons with disabilities, as the number of 'protected' jobs has fallen sharply. The legal framework adopted in 1999, focuses more on promoting employment of persons with disabilities (although the measures didn't prove sufficiently effective so far) and less on setting up protected productive structures that would offer people with special needs the chance to improve their welfare through work instead of remaining passive beneficiaries of social schemes. In 2004, only 999 persons with disabilities were employed in the 42 protected units approved by the National Agency of Persons with Disabilities

Thus, most of the people with disabilities tend to remain dependent on passive support and aid strategies, the effect being an accelerated risk of poverty. Only 12,983 employed people with disabilities are recorded in 2003: and of these, approximately 70.7% belong to the category of people with severe disabilities. Another factor that accounts for this category of population becoming passive is a certain lack of focus in the effort to create jobs for people with different types of disabilities. This could be partially helped by public campaigns to employ persons with disabilities as a means to promote equal rights. .

At the same time, persons with disabilities are acutely affected by the systematic recessions in the health sector that occurred throughout the reform, mainly in two directions: access to medical services and attitude of medical staff. The barriers concern in particular physical and communication accessibility to medical institutions, supply and distribution of medicines and compensatory equipment, and insufficient training of medical staff in the field of disabilities.

5% of persons with disabilities live in residential centres. With the acceleration of the process of financial decentralisation of these services, residential institutions are challenged with serious problems generated by underfunding; at the same time, municipalities under the territorial jurisdiction of which such institutions existed were faced with serious budget problems, especially as the vast majority of them are located in rural environments.

A key root of poor social inclusion, which occurs in childhood, is the tradition of school segregation of

⁶⁹ Source: National Agency for Protection of Persons with Disabilities, 2004

persons with disabilities. Isolation of some children with mild disabilities in special schools was stopped in 2001, when a programme was initiated to integrate 18,158 children into the mainstream system - albeit without adapting the curricula, training the teachers or promoting the emergence of supportive attitudes. 4400 children with special needs were learning in the mainstream education system in 2002⁷⁰.

The efforts in this direction led to increases in the number of pupils integrated in mainstream education, 11,493 in the school year 2003/2004, while 27,299 were kept in special schools. A National Plan and County Plans have been developed in the framework of the Twinning Light "Access to education for Disadvantaged Groups" and special needs education is also a component of the Phare TVET reform projects.

2.6.4. Roma minority

A large majority of the Roma minority of population face extremely high risks of poverty, exclusion and isolation, due to historical conditions which resulted in limited access to resources, a substantial gap in development of Roma communities and the perpetuation of discriminatory attitudes.

The shock of pauperisation in the first 10 years of transition had a much stronger impact on the Roma than on the rest of the population, as they have benefited least from the advantages of the recent economic growth. The risk of poverty is considerably higher than in the population overall; three-quarters of the Roma live in poverty, half of them in severe poverty, according to data in 2003. There is still a considerable lack of resources to support the required coherent policies focused on Roma minority.

The Roma minority is faced with multiple and mutually re-enforcing deficits: low quality housing, very poor living environments, low access to quality education, low level of vocational qualification and low access to the labour market. Exclusion perpetuated from generation to generation leads to the emergence of marginal survival strategies. An unacceptably high number of people, the majority of who are Roma (approximately 46,500 people according to some reports⁷¹) have no ID papers, the effect of this being to exclude them from fulfilment of their social rights: social assistance, social insurance, legal employment.

One of the key problems in the Roma minority is low participation in the formal labour market. There are a lot of people who have never had the experience of a legally recognised economic activity, or whose history of participation is relatively short, interrupted by long periods of unemployment, while the percentage of people who earn wages is very small (only 13% of the average income in Roma families,⁷² which is half what it was at the beginning of the transition period). The main sources of income are occasional, primarily from the informal area of the economy, and cannot ensure more than precarious survival: occasional daily work, economic activities within their own households/as day labourers in other individual households. This fact restricts drastically the coverage of the Roma population in the social and health insurance system. A significant proportion of the Roma population is vitally dependent on social aid.

Limited economic opportunities lead to illegal migration to Western European countries of a segment

⁷⁰ Source: MER

⁷¹ Research conducted on a sample of 3600 households by the Institute for Quality of Life Research of the Romanian Academy, 1998

⁷² Institute for Quality of Life, 1998

of the Roma population, in search of a better life.

The Roma population is caught in a vicious circle: isolation as a result of the multiple deficits of support prerequisites and preconceived and discriminating attitudes which only deepen the social exclusion.

2.6.5. The Elderly at High Risk

The pension system inherited is highly comprehensive and covers almost all the elderly. Although the value of pensions has deteriorated quicker than wages (the real value of the average net pension in 2003 was 52.1% of the value in 1990⁷³), families of pensioners that live on two pensions are not at a risk of poverty any more than the average population overall compared to the pensioners that live alone. It is worrying, however, that pensioners account for approximately 20% of the total poor population⁷⁴. As a result of the financial imbalance in the pension system, the replacement rates are quite low: the ratio between the average value of a pension and the medium wage is 35% -40%. In December 2004, the average pension for farmers, the category most exposed at the poverty risk, represented only 31,5% of the average pension of state social assurance.

Some categories of pensioners are more exposed to the risk of social exclusion: pensioners living alone, farmer pensioners, people suffering from swindles or from inequities arisen from the recalculation of the pensions. The high poverty rates of elder women is the result of the combination of the following factors: the large number of women aged 65+ living alone due to higher life expectancy rates for women, and the low value of survivors' pensions.

At the threshold of 50% of the median income, the poverty risk is as high for the elderly as it was for the population overall (about 10%). In 2002, the risk of poverty at the threshold of 60% of the medium median income of people aged 65+ faced was of a 19% overall, (13% for men and 23% for women).

Expenses with medicines and household maintenance are the most difficult problem for most pensioners, especially those who live alone.

There is no comprehensive system of social services in place to compensate sufficiently for the missing family support in such cases. Although the legal framework has been set up, ongoing implementation of the assistance system for elderly needs to be strengthened, mainly because of insufficient financial resources and lack of proper coordination between administrative structures involved in the process.

2.6.6. Homeless Persons

While the history of Romania does not report significant shares of homeless persons, the last decade and a half finds Romanian society facing this growing phenomenon. Many families have lost their homes from a multitude of causes: restitution of nationalised buildings to their initial owners, without providing any social dwellings for the tenants evicted and incapable of buying a home; build-up of delays in paying maintenance bills; and an explosion of fraud, especially in the first years of transition. Young people who had no possibility of buying a home add to the numbers who lost their homes in these ways: those coming from poor families with many children, and especially those dropping out of

⁷³ Source: CASPIS estimations on NSI data

⁷⁴ Source: CASPIS

the abandoned child protection system at the age of 18.

Research conducted in 2004 with the participation of the local authorities estimated that the phenomenon of rough sleeping affected at least 11,000 and at most 14,000⁷⁵, the variation coming from different methodological assumptions regarding the number of homeless in localities whose representatives were not able to deliver an estimate.

With construction of social dwellings, and especially of emergency dwellings, being neglected, local authorities find themselves in the impossibility of dealing with this serious phenomenon.

There are approximately 60 day or night shelters in the entire country, located in 24 counties. One particularly acute problem is the fact that a proportion of the category of homeless people is made up of families with children.

SECTION III - KEY CHALLENGES

- 1. To significantly reduce poverty, which affects a large section of the population, and fight extreme poverty until full eradication of the phenomenon is achieved;**
- 2. Labour market liberalization, increasing the employment and reducing the unemployment rate; to create a flexible, inclusive labour market, based on better quality of the jobs on offer, increased productivity resulting in real income growth and sustainable change in the structure of employment, by:**
 - Stimulating the generation of new jobs in economic fields with high added value, especially in the services sector;
 - Regulating the relations between the employee and the employer;
 - Improving the quality of employment in rural areas and in farming by investing in training and vocational guidance of the rural population and encouraging an entrepreneurial culture;
 - Increasing the capacity of young people to capitalise on the opportunities for employment in the labour market, by fostering partnerships between the education system and business communities geared to vocational training and employment;
 - Promoting continuous professional training and lifelong learning;
 - Focusing active measures on long-term unemployment and the participation in employment of groups at high risk of exclusion.
 - Developing legal and institutional instruments for preventing and fighting discrimination in employment and labour relations and overhauling the Labour Code;
- 3. To lessen regional, zone and community discrepancies, by:**
 - Accelerating the process of rehabilitation of areas strongly affected by the economic recession: mono-industrial areas undergoing restructuring (especially mining areas);
 - Developing rural areas, presently characterised by subsistence farming, lack of employment

⁷⁵ The study was elaborated in 2004 by the Institute for the Quality of Life with the support of the National Institute for Statistics and had CASPIS and MoLSSF as beneficiaries. It covered the urban area, where the quasi-totality of the homeless live. The definition of homeless was: a person living in the street, under the bridges, in dumpsters or other similar locations. For Bucharest a former estimation of „Medicins sans Frontiere” of 5.000 persons was used.

- alternatives and deficient infrastructure;
- Economic and social recovery in the medium and small size cities, as well as in neighbourhoods in decline and slums;
- Strengthening the local partnership between public authorities, community stakeholders and NGOs.

4. To improve equal access to health services

- By reducing polarisation of access according to income and residence, especially to primary healthcare services;
- By setting up the National Insurance System for emergencies, with a view to covering the whole territory with paramedic service;
- By improving the quality and security of medical care; developing the home care capacity;
- By securing a minimum package of health services for all members of the community;
- By strengthening the focus on preventive services and promoting healthy attitudes and early treatment;
- By increasing the emphasis on health education and improving the access of the population to health education programmes;
- By developing the social services component within the healthcare system, both in healthcare institutions and at community level
- By encouraging medical staff to work in economical disadvantaged areas;
- By ensuring better access of the population to dental treatment care.

5. To improve school attendance rates and quality of education; and to correlate the education system with the labour market and the requirements of social participation, by:

- Improving participation in compulsory education and secondary higher education, at least to the level of European standards;
- Rapidly increasing the social inclusion function, promoting integration into a cohesive society;
- Linking the educational offer with the labour market demands
- Improving the matching of vocational and technical training with the requirements of the labour market;
- Reducing polarisation, both in terms of access to all levels of education and with respect to the quality of the education system;
- Improving employability and flexibility throughout the education system, promoting open attitudes towards lifelong learning and increasing participation in life-long learning programmes.

6. To combine child protection with prevention policies to support families and communities, by:

- Supporting families with children, especially those in severe poverty, to achieve a decent standard of living;
- Raising the awareness of parents and activation of community solidarity in support of the family/mother who are facing the risk of abandoning a child;
- Implementing social services for children and rights protection within the family and community of origin;
- Developing a community-based system of social;
- Developing a coherent system for prevention of juvenile crime, and for social reinsertion;
- Reduce significantly the occurrence of extreme situations: children on the street, beggars, children being trafficked, children addicted to drugs, victims of abuse, neglect and violence,
- Involving the family in the community problems (education for health programs, civic

- education, education for the environment);
 - Promoting inclusive educational policies for the successful future integration of children active in the labour market and combating economic exploitation
 - Increasing support for family planning and support for parental responsibility programmes.
- 7. To cover the need for emergency and social dwellings and improve inadequate dwelling conditions in particular areas or for particular social segments, by:**
- Reducing significantly the phenomenon of homeless persons, firstly by building a network of **emergency dwellings**;
 - Preventing evictions due to a demonstrated lack of capacity to pay rents and mortgages and, when these cannot be stopped, providing social dwellings for the people evicted;
 - Infrastructure development in the rural areas;
 - Developing a viable building program for social dwellings for disadvantaged categories (young families, families with many children, etc.)
 - Implementing housing rehabilitation programs by assuring the electricity, potable water, sewerage, marsh gas.
- 8. To strengthen the institutional capacity to support persons with disabilities, by:**
- Improving the services delivered at home and in the community to respond to the specific needs of persons with disabilities, and collaborating effectively with the NGO sector to make use of the experience and expertise accumulated by NGOs;
 - Revising and implementing the Strategy on Disabled Persons regarding the special protection and employment of disabled persons, including closure/restructuring of residential care institutions;
 - Developing training and vocational training services for persons with disabilities and creating job opportunities for this category;
 - Developing urban structures for people with motor disabilities.
- 9. To support development and inclusion of the Roma communities, by:**
- Developing economic opportunities and creating remunerated jobs;
 - Improving access to all levels of the education system, backed by access of young generations to the minimum educational levels;
 - Identifying and assigning farmland in rural areas and land for Roma to build houses using traditional or modern methods; sustaining farming through low income credits and other forms of support
 - Ensuring full access to primary medical services;
 - Promotion of active participation and empowerment of Roma organizations in implementing, monitoring and evaluation of the programmes for Roma minority, as well as the encouraging of their participation in decision making process ;
 - Forcefully combating every form of discrimination against Roma in all sectors (employment, access to public services, etc.), and promoting a supportive collective attitude.
- 10. To restructure and implement the new system of social assistance services, by:**
- Elaborating a national strategy for the implementation of the social assistance services
 - Increasing the cooperation between the central and local governmental structures in order to create the proper legislative and administrative framework;
 - Supporting the existing and developing social services to families and communities;
 - Better correlation between social and medical services, especially as regards home care services;

- Fostering partnership with the entire community and in collaboration with the NGO sector, developing new social services targeting the disadvantaged segments of population, such as social services for alcohol/drug addicted victims and victims of domestic violence, persons with disabilities, the elderly, homeless people, and effective collaboration with the NGOs to make use of their experience and expertise.

11. To promote measures to eradicate the serious issues that affect Romanian society, by:

- Reducing drastically the 'street children' phenomenon;
- Achieving social integration of victims of abuse, neglect, violence and exploitation in families and communities;
- Actively promote providing ID's to people with no ID;
- Drastically reducing the incidence of trafficking in human beings.

12. To ensure coherence and continuity of social policies and action for the benefit of the elderly, by:

- Gradually increasing the pension replacement rate;
- Diversifying the range of pension schemes available;
- Develop a comprehensive strategy for reform of the pension system, including increasing the share of contributors in its financing with the twofold purpose of improving its financial sustainability and providing social insurance coverage for the entire currently active population;
- Promoting forms of active participation of the elderly in order to avoid social exclusion;
- Increasing the capacity of residential care for elderly persons;
- Providing social and medical care services at home and in residential institutions.

SECTION IV – POLICY ASPECTS IN THE RELEVANT FIELD

Policy guidelines for the creation of a more inclusive and socially cohesive society

Overall goal for the next decade: to continue to promote a cohesive and inclusive society, to increase the population's well-being and ensure fast recovery from serious extreme poverty and social exclusion generated by the recessions of the last decades.

1. Recent years have provided a much clearer view of social development. This has enabled public efforts to focus on ***building the foundations for a prosperous, inclusive society while overcoming the deficits inherited.***
2. During the first ten years of the transition period, economic recession created much social hardship which had to be tackled on the basis of the insufficiently resourced social protection system in place. In the National Anti-Poverty and Social Inclusion Plan the Romanian government has set itself **a firm commitment to increasing public social expenditure including expenditure on education** and health. A clear medium-term expenditure framework, which embeds this objective in a strategy of shifting public spending towards higher investment in human and physical capital, should be an important element to reach this objective. Furthermore, there is a need to increase efficiency in the administration of the social protection system and promote active social inclusion, by decreasing long-term welfare dependency of the most vulnerable groups, establishing clear policy priorities and consolidating reform so as to ensure the financial sustainability of social

protection.

3. The social protection system was based on traditional concepts, and focused on transfers. As a result of this, some social services are less developed than others. One of the urgent priorities brought in through the new legislation is *the implementation of the national system of social services*.
4. ***Institutional structure of the social protection and inclusion system:***
 - Increasing strategic planning capacity at national and local levels
 - Improving national coordination of the development of the institutional system and implementation of social policies
 - Increasing funding on social programmes and better use of such funds at central and local levels.
5. ***Increasing the capacity of the entire system to respond to urgent social problems***
 - Some of the serious social problems present in the system at this time do not have an adequate response structure in the existing institutional system: young people 18+ dropping out of the public protection system; families losing their homes independent of their will
 - As for other problems, the response is insufficient: people with no ID papers
 - A new institutional capacity needs to be developed in response to the new problems that have emerged: trafficking in human beings, drug consumption, domestic violence
6. ***A multi-dimensional approach to social issues through combined efforts of institutions with competencies in policy-making in the social field.*** Increasing the whole system's capacity to diagnose social problems and monitoring the social dynamics and policy-informing and evaluation programmes.
7. ***Developing a participation culture and increasing the capacity for dialogue between public structures, and between such structures, NGOs and other community stakeholders remains a key goal.***
8. ***The main effort so far has been to create the legal framework; what is important now is to focus on building the institutional system and implementing the new laws.*** A number of key normative documents have recently been adopted on minimum guaranteed income, the national social assistance system, social exclusion, allowances for families with children and for single-parent families, protection of persons with disabilities, protection of Roma, prevention and combating of domestic violence, etc.

A big step forward was made last year towards putting together social policy responsibilities at government level. The process needs to be completed by strengthening the responsibilities of the Ministry of Labour, Social Solidarity and Family, the key governmental structure for promoting social policies and the coordinator of Social Programme implementation. A decentralisation process is ongoing, in which the functions of county and local level public authorities are defined. Decentralised directorates for labour, social solidarity and family have the tasks of coordinating social policies at county level, while county and local councils' function is to implement social programmes. Policies in health, education and other social fields are also coordinated at county level through decentralised structures of the relevant ministries.

The need for a coherent anti-poverty and social inclusion policy led to the creation of the inter-ministerial Anti-Poverty and Social Inclusion Commission (CASPIIS) in 2001, under direct

coordination of the Prime Minister. The role of CASPIS is to coordinate development and monitor implementation of anti-poverty policies and measures. In 2002, the Government adopted the National Anti-Poverty and Social Inclusion Plan as a policy strategy to combat poverty and social exclusion. Anti-Poverty and Social Inclusion Commissions were set up in all counties and in sectors of Bucharest, and county-level Anti-Poverty and Social Inclusion Plans were developed. CASPIS is monitoring implementation of anti-poverty and social inclusion programmes at national and county levels. The experience gained during this process has been fed into the preparation of the Joint Inclusion Memorandum under the coordination of MoLSSF. The County Anti-Poverty Commissions will provide technical support for the process of monitoring the implementation of JIM under the coordination of MoLSSF.

The reforms in the administration have provided a favourable context and a clear direction for restructuring the protection and social inclusion system, with particular focus on the configuration of the social assistance system. A broad programme was launched to render public institutions more flexible and improve competence, responsibility and client-orientation of their administrative actions.

4.1. Enabling Participation in Employment

Main policies

The Ministry of Labour, Social Solidarity and Family has the overall responsibility to develop employment policies, national programmes and plans. It also has the responsibility to co-ordinate the implementation of employment policies, strategies, plans and programmes through the National Employment Agency (set up in 1998) and the National Council for Adult Vocational Training (set up in 1999).

A review of Romania's labour market policies was carried out through the drafting of the Joint Assessment Paper of Employment Policy Priorities in Romania in 2002 and a progress report in 2004, both outlining a number of key challenges grouped together according to policy priorities:

- 1. Increase the activity rate as a precondition for economic and social development and increasing employment to support economic growth;*
- 2. Support the economic restructuring by ensuring a functional labour market through the Labour Code provisions, development of economic alternatives in the rural area and improvement of the wage policies in relation with labour productivity;*
- 3. Increase and adapt labour force skills*
- 4. Strengthen the legal and institutional framework:*

The key legal instrument for implementation of labour market policies is the Law no. 76/2002 on the system of unemployment insurance and stimulation of employment, amended and complemented by Law no. 107/2004.

This new legal framework has enabled the development of annual employment programmes, structured predominantly on ***social groups recognized as vulnerable*** to the risk of long-term unemployment, and on ***areas with high unemployment rates***.

People eligible for **unemployment benefits** are people who have had a legal job, graduated through some form of education or completed military service; the level of the allowance is set at 75% of the minimum wage for payers of the contributions to the insurance funds.

The intention was to place the value of the unemployment allowance at a level below the minimum wage, in order not to discourage the large number of people working for salaries in this range, and at the same time to ensure minimal standards of living. The unemployment allowance in 2003 represented 35.4% of the net average wage, compared to 34.6% in 2002. The purchasing power of the unemployment allowance in 2003 represented 75% of the levels reached in 1991, this being the highest value seen after 1991, on a significantly ascending trend from 60.3% in 2002.

Unemployment benefits are granted for a period of up to 12 months, depending on how long the person had contributed⁷⁶ to the unemployment insurance funds.

In order to fight poverty and social exclusion in localities with high unemployment rates, and thus create jobs, **non-reimbursable funds** are granted to support entrepreneurial initiatives of the unemployed. A number of fiscal advantages have been provided in order to foster the development of businesses in areas declared as disadvantaged based in terms of their development level.

Subsidies are provided to support jobs employing persons with disabilities, young graduates, the unemployed aged 45+, and the unemployed who are the only providers in the family.

A loan scheme is in place for students up to the age of 30 who wish to set up and develop small and medium-sized enterprises or who wish to run an economic activity independently.

Job fairs have been organised both for a wide audience and for specifically targeted groups at risk, especially Roma and persons with disabilities.

In terms of active measures, the focus is being placed increasingly on *life-long learning* policies. An adequate legal framework has been set up to support professional training of adults in the public employment system, and a series of incentives have been given to employers to encourage in-service training. The category of beneficiaries of active employment programmes subsidised out of the unemployment insurance budget has been expanded to include people who work in the rural areas with no monthly incomes or with incomes lower than the unemployment allowance; people who go back to work after childcare leave, military service, invalidity retirement (when their working capacity has been restored); and prisoners (9 months before the term for their release).

Assessment

Employment expertise is essential. At present an in-depth assessment of the effectiveness of programmes needs to be carried out and measures taken to evaluate their impact, in an effort to find appropriate solutions and promote continuous improvement and more effective use of budgetary resources.

Attention has been paid to combating passivity, with social benefits being granted only on condition of job seeking, participation in on-the-job training programmes and participation in activities of public

⁷⁶ The share paid as contribution is 1% of the gross wage and 4.5% of the incomes acquired as a free lance worker or when active in some other form of employment

interest. The level of social benefits has been maintained at a flat rate and has only been awarded for limited or short periods of time in line with practices in other countries in order to increase motivation to be integrated into the labour market. In accordance with Law 76/2002 the NAE is allocating more resources to active labour market measures than has been the case before. This is in line with the policy objective of a more active employment policy. Although the resources for ALMM have increased, participation in training has not increased and remains at a very low level. The total number of unemployed that graduated from training courses organised by NAE decreased from 23,909 in 1999 to 19,250 in 2002 representing only 2.5% of the unemployed. The data for 2003 show 21,753 unemployed graduates. The measures aimed at increasing vocational training efficiency in terms of reintegration have resulted in a diminution of the number of beneficiaries from the unemployed. At present more than 75% of the training activities are finalised with 100% placement of graduates based upon contracts concluded with future employers. The remaining 25% of training activities are used for certain professions in order to meet the future needs on the labour market. A 60% reintegration rate is still required for this type of courses. NAE has introduced in 2004 courses with a 30% placement rate for professions which are constantly requested on the market. It plans to increase the training provision to 40,000, but training activities funded by the National Agency for Employment have been delayed in early 2004.

Actions to be undertaken:

Finalise, in close co-operation with the social partners, the revision of the Labour Code including the legal framework for the enforcement of provisions regarding the need of increasing adaptability of workers and enterprises;

- Actively consider an increase of resources for funding active labour market programmes and strengthen the Public Employment Service in order to implement active measures and to monitor;
- Increase the efficiency of prevention and absorption of unemployment for high-risk groups: young people, long-term unemployed, persons in rural areas, Roma, and persons with disabilities.
- Promote efficient ways of combating occupational discrimination, relating in particular to Roma, but also to other risk groups: young adults of 18 leaving placement centres, released prisoners, elderly persons, and women.
- Identify more efficient forms to improve job creation in areas undergoing economic recession (mining regions and areas of subsistence farming);
- Encourage the development of economic alternatives in the rural area and increase the number of persons covered by different training programs with a view of increasing employment and improving its structure as well as reducing the weight of informal sector; .
- Identify and implement measures to encourage employment of people over 45;
- Improve the wage policies in order to ensure a better correlation with labour productivity
- Make use of the existing legal and institutional framework for social dialogue and strengthen the capacity of employers associations and trade unions with a view of increasing their contribution to the working-out and implementation of employment policies
- Strengthen co-operation between education and labour market institutions in order to ensure a permanent adaptation of the structure of educational programmes to the labour market's changing needs;
- Monitor the enforcement of the new legal framework on adult vocational training, increase the resources allotted for funding training programs and adults' participation in lifelong learning.
- Elaborate a set of active measures in order to integrate into the labour market the unemployed

income providers of the families

Promoting Reconciliation of the Professional Career with Family Life

The main policies and assessment

A number of significant measures have been taken in the last few years to provide social support and encourage families with children (leave and indemnities for pregnancy and confinement, parental leave and leave for raising children up to 2 years of age, leave to look after sick children and children with special needs, etc.). After a significant drop, the education and care provision of kindergartens and especially nurseries has started to move on an upward spiral.

Actions to be undertaken

There is an urgent need to develop a set of services for childcare in order to allow mothers to participate in economic activities: kindergartens, nurseries with residential facilities and day-care centres, social and medical services in the community for nursing children under one year old. Another priority is to promote education to make both partners responsible for households' tasks, and improving access to water, sewerage, electricity and heat.

4.2. Facilitating access to resources, rights, goods and services

At present there are a wide range of financial social benefits, many of them at a reasonable level, but despite this, there is still a profound lack of social services coverage.

In this respect, a coordinated system of facilities, financial and social benefits needs developing.

4.2.1. Financial transfers

4.2.1.1. Pension system

Main policies

The public pension system underwent a reform by the adoption of Law 19/2000, which entered into force on 1 April 2001. Moreover law no. 294/2004 on occupational pensions (Pillar III) entered into force on the 1st January 2005.

Law no.411/2004, which regulates Pillar II (the NDC system of privately managed pension funds, based on individual investment and capitalization) will enter into force on the 1st of July 2006, and the administrators of the funds will start to collect contributions from the 1st of January 2008.

In the first year of collecting, the percentage of social insurance contributions directed towards private funds will be of 2% of wages. It will then rise by steps of 0.5 percentage points every year until a contribution rate of 6% is reached. These pension funds will be mandatory for people aged 35 or under, and optional for people insured in the public system who are no more than 45 years old. Introduction of privately managed pension funds will be done in such a way that there is transparent and effective public control of their administration.

The Government Pensions re-correlation programme was finalised in 2004. Re-correlation consists in

increasing benefits for many beneficiaries in order to even out disparities between various cohorts, caused by high inflation and differences in indexation.

As, this action has not entirely succeeded to reduce the inequities from compulsory pension system, the present Government decided to strengthen the process of recalculation of all pensions, with a view to establish the principle that “at equal pension conditions, equal pensions, irrespective of the year of retirement. Government has already adopted a Governmental Ordinance to recalculate and pay the pensions of those persons retired before 1980.

The pension system also faces the issue of the provision of agricultural pensions given that this category does not for the time being contribute to the pension fund.

In 2004, pensions for farmers doubled; however, they are still very low compared to the average pension level. A part from the necessary sums for the pensions of farmers will be supported from the state budget. The increase in the rate of farmer pensions will be faster than the increase in the rate of the compulsory pension system

Assessment

Although the pension re-correlation programme to restore equity among the various cohorts of pensioners who have retired with significantly different pension levels despite similar contributions has been finalised, the actual pension system still contains some inequities.

Pressures in favour of early retirement continue to be high despite the fact that procedures have become stricter. This calls for stepped up efforts in order to implement the planned increase in the effective retirement age. As a result of the drop of the number of salary earners to almost half, contributors to the pension system experience difficulties in ensuring a reasonable increase in the level of their pensions.

In view of the ageing of the population and the structural imbalance of the public pension system, which requires every year significant transfers from the state budget to the social security budget to cover the shortfall of financing, rapidly increasing expenditure is likely to occur in the future. Moreover, given the shortfall of contributors to the pension system, the replacement rate may stay persistently low, thereby increasing the disparity in living standard between the working population and retired population. Both financial and social reasons therefore accentuate the need to develop and implement a comprehensive strategy for reforming the pension system with the twofold purpose of improving its financial sustainability and providing an adequate pension level.

Therefore the viability of the pension system remains a vital problem to be solved and the reform process needs to be invigorated, together with a general increase of the employment rate, in order to reach this objective over the medium-long run.

Ways need to be found of encouraging self-employed workers, especially farmers, to join the insurance system.

Actions to be undertaken

Develop and implement a comprehensive strategy for reforming the pension system with the twofold purpose of improving its financial sustainability and providing an adequate pension level, in particular

by:

- Decreasing the dependence rate, by progressively increasing the number of contributors, restricting access to early retirement and revaluating the criteria for access to disability schemes;
- Monitoring pension levels, particularly at the lowest level, in order to ensure a decent living standard for all pensioners and correcting existing inequities built up within the system;
- Adapting the social insurance system which can take the form of some types of non-contributory benefits;
- Strengthen the reforms designed to build up reliable 2nd and 3rd pillars and developing the administrative capacity within these sub-systems
- Identifying measures to strengthen social insurance for independent worker, and especially for farmers.

4.2.1.2. Financial benefits for families

Main policies and evaluation

The distribution of child allowance is based on the universal principle; since 1993 it has been conditional upon school attendance. Since 2004, financial support for families with children has been significantly strengthened with the introduction of the new indemnity for single-parent families, and the increase in the value of the indemnity for families with children and expansion of its coverage (from families with many children to all families with children). Both allowances are granted with a specific focus, based on a social inquiry, to all families with children in which the average per capita income is below the ROL 1,5 thousand threshold. (81% higher than the MGI threshold for a single person in 2004).

Families below the above-mentioned threshold received in 2004 ROL 300,000 (10.7% of the minimum wage) for one child and ROL 50,000 for each additional child up to four. The single parent allowance is higher – ROL 450,000 (16.1% of the gross minimum wage) for the first child and ROL 75,000 for each additional child; this allowance is also limited to 4 children, in order to discourage the emergence of a poverty trap.

Making child allowance conditional upon school attendance has led to significant improvements in school participation; as a result, the condition now applies generally to all forms of support for families with children.

Financial support forms have been complemented with forms of in-kind support and services. An initiative in this respect is the ‘Milk and Bread’ programme, which provides a free meal to all children in public kindergartens and primary schools.

Assessment

The recent legislative measures adopted provide a more balanced approach between universal support (child allowance) and the focused financial support granted to categories at high risk (single-parent families and poor families with children).

There is still an imbalance between the support measures granted and the services provided, to the detriment of the latter (nurseries, kindergartens, day care centres, etc.). The policy of making family allowance depend on school attendance has proved to be extremely successful and needs to be

continued.

Actions to be undertaken

- Better correlation between the support granted and the needs of the family;
- Increasing the share of in-kind support and services in the total range of support forms available to families with children;
- Reviewing the state allowance for children so as to ensure a decent level;
- Diversification of the benefits and better targeting of the granted support.

4.2.1.3. Minimum Guaranteed Income

Main policies

In 1995 a social benefit system addressed to the poorest families was introduced for the first time in Romania. Unfortunately this program was under financed.

The system's functioning was assured through adoption of Law no. 416/2001 which introduced the Minimum Guaranteed Income as a targeted form of support for the poorest families, based on means-testing, the minimum income threshold being indexed annually by Government Decision. In 2002, the first year of operation, the minimum income threshold for a single person was ROL 630,000 (36.0% of the gross minimum wage); the value was increased for each additional member⁷⁷ up to a threshold of ROL 1,134,000 for families of 2 persons, ROL 1,575,000 for families of 3 persons, etc. (the ceiling for the increase is set at ROL 157,000 for each person in addition to 5 members of the family). The minimum guaranteed income index was raised by 17.1% in 2003 and by 11.4% in 2004.

370,000 applications per month, on average, were approved for payment in 2003⁷⁸, and in 2004, 420,000. The social benefit, calculated by reference to the difference between incomes available to the family from any source and the threshold value, is granted on condition of participation in activities of local community relevance and based on a social inquiry.

Meeting the requirements for MGI also represents a “passport” for access to other forms of support, such as medical insurance, emergency support, and support for heating. Implementation of the MGI was initially funded by the central and local budgets. Amendments to the law stipulate that financing be ensured exclusively by the central budget, in order to eliminate cases of local authorities not granting the benefits to eligible applicants for lack of funds for co-financing.

Assessment

10 years after the beginning of the transition, a coherent and sustainable system has been set up to grant financial support to the poorest segment of the population. Evaluation after two years of implementation⁷⁹ confirmed the right direction of the programme (superior to similar programmes in other countries in the region) and its efficient administration. MGI implementation has had a positive impact on severe poverty.

Innovative activation mechanisms accompanying this support grant (the benefit granted to active persons is conditional upon participation in an activity of relevance to the local community) have had

⁷⁷ According to an equivalence scale taking into account economies due to resources shared by the household members

⁷⁸ The number of MGI beneficiaries is not monitored within the system

⁷⁹ Assessment of MIG implementation, DFID and Ministry of Labour, 2004

a positive impact on the community.

Action to be undertaken

- Ensuring the financial sustainability of the MGI, gradually increasing it to a value that ensures elimination of severe poverty and providing active support to the entire family, e.g. through facilitating access to re-conversion training (in order to stimulate employment), to day care centres for different members of the families (children, elderly in dependency situations, disabled etc).
- Ensuring homogeneity in the system of evaluating the assets and incomes of the households such as to ensure the elimination of distortions created by too high-levels of discretionary targeting of the social aid.
- Simplifying the procedures for selecting the beneficiaries of this benefit and eliminating delays in granting this benefit.

4.2.1.4. Wage policies

Main policies

A guaranteed minimum wage has been in force since 1991. In the last few years a partnership agreement between the Government, the trade unions, and the employers' organisations included provisions to increase regularly the minimum wage with the aim of reducing poverty amongst wage earners. The gross minimum monthly wage in 2003 was ROL 2,500,000 or the equivalent of €181.1 calculated at the PPP; the value in 2004 was ROL 2,800,000. After a decrease to 29.3% in real value in 1999 compared to 1990, the gross minimum wage recovered to 58.8% of the same level in 2003 (an increase of 11.3% from the previous year). In the same year, the net minimum wage represented 42.6% of the net medium wage. In 2005 the minimum monthly wage was established by Government at ROL 3,100,000, confirming the growing trend of last years.

In the meantime, measures have been taken to fight illegal employment and increase the protection of employed persons. In recent years, a programme to gradually reduce direct taxation has been initiated, in order to make legal employment more attractive and increase the net value of income from work. In December 2004, the Emergency Ordinance on amending and completion of the Fiscal Code was adopted. It came into force at the beginning of 2005 and stipulated the reduction in the tax rate on profit from 25% to 16%, as well as the change of income tax system to a flat rate of 16%. The basic and supplementary deductions were increased so that the persons with low incomes do not be affected. This modification of the Fiscal Code was done to stimulate the free initiative towards the consolidation and development of free market.

Assessment

While contributing to prevent income poverty among low wage earners, encouraging integration into the formal economy and avoiding excessive salary polarisation, minimum wage policy may aggravate inflationary tensions and have an adverse effect on the economic-financial equilibrium. Therefore, minimum wage adjustments need to be closely assessed against the more general economic background. In the recent past, vigorous minimum wage adjustments contributed to bringing real wage developments out of line with productivity gains. Moreover, minimum wage policy has gained excessive importance among wage-setting mechanisms, thereby introducing unnecessary rigidity in

the economy and limiting the influence of productivity differences on wages.

Actions to be undertaken

- Having in mind the need to maintain a downward inflationary path, while continuing to use minimum wage policy as a poverty averting instrument, increases will need to be brought in line with productivity developments and the general economic performance. In a longer term perspective, the general economic framework conditions should remain supportive to those economic branches that bring higher value added and therefore higher average wage levels.
- The level of the minimum wage will increase at least proportionally with the increase of the average wage.⁸⁰

4.2.2. Public services

4.2.2.1. Education

Main policies

The last 15 years have witnessed a global reform of the education system, in terms of both organisation of the system and content; this is implemented through:

- Curriculum reform in respect of economic requests, on the one hand, and the objective of promoting the integration of youth in an inclusive and socially cohesive society, on the other
- Increasing progressively public expenditure in education (the amendments to the Law on education indicate an increase from 4% of GDP to 6%)
- Administrative decentralisation of the educational institutions, increasing the local contribution to completion of the curriculum
- Reform of the educational system structure and generalisation of compulsory education from 8 to 10 years
- Reviewing the vocational education system, launching of programme for the improvement of the quality of education and for the adjustment of the educational system to the labour market

Programmes have been developed in the following directions in particular:

- Eradicating the school non-enrolment phenomenon and decreasing the dropout rate in compulsory education
- The integration of children with special needs into mainstream education
- The rehabilitation of schools, especially in rural areas
- Improving school facilities, updating equipment, to include informational technology
- Introduction of school mediators in Roma communities to facilitate school participation of Roma children
- Rehabilitation and endowment of schools in vocational and technical education through the TVET modernisation programme; participation in the TVET programme (vocational and technical modernisation programme) increased from 15.9% in 2002-2003 to 17.3% profiting from the extension of duration of compulsory education in 2003/2004.
- Including Art and trades schools in the compulsory education system.
- Diminishing the inequalities in accessing quality education among vulnerable groups, especially in disadvantaged areas - rural in particular -, for the Roma population and for

⁸⁰ According to the Government Program 2005-2008

- children with disabilities
- Intercultural tolerance is promoted alongside the fight against all forms of discrimination in education, including segregation of the Roma.

A series of programmes to support school participation have been launched.

- The introduction of a free meal for pre-school and primary school children in the public education system (the 'Milk and Bread' programme);
- Providing, free of charge, school supplies for children who come from poor families and who are enrolled in compulsory education;
- School network restructuring and transportation to school for students in isolated areas; with a view to providing equal and fair access to education, rural centre schools have been set up in all the counties and free transportation is provided for students;
- Social scholarships.
- The national programme "Bani de liceu"(High-school Allowance) which offers scholarship to children coming from poor families in order to support them in high school or in art and trades school

Assessment

The structure of the Romanian education system has acquired a coherent form through the extension of compulsory education to 10 classes, the generalisation of preparatory school and the restructuring of vocational and technical education.

There are still deficiencies in the support for students from rural areas to participate in secondary and higher education through different social programmes. Participation at normal levels of children from Roma communities and a high-quality educational provision for them still needs to be promoted. Programmes have been introduced to fight relatively high rates of school non-enrolment and drop-outs in compulsory education, which have created the conditions for the control of these phenomena and the rates reduction to a lower level.

Better selection of vocational training has been promoted, matching the global and local demand of the labour market. Special attention in this respect was focused on cooperation between the Ministry of Education and Research and the National Employment Agency. Curriculum reform has to be completed. The general implementation of the changes in the entire TVET system started in 1999; however, as schools greatly differ in terms of resources and infrastructure, the process is far from having been completed. The National Reform has started to affect positively the attractiveness of the VET system, which had seen a decline in recent years. The attractiveness of TVET is expected to profit from better planning in the school year 2004-2005 owing to the Regional and Local Action Plans (REAP).

Phare 2001-2003 and 2004-2006 TVET programmes (vocational and technical modernisation programme) cover a limited number of schools. The expertise that has been accumulated in this way should facilitate the generalization of the programme.

More emphasis needs to be paid to transition from school to work measures as part of the education policy for secondary education and second chance education. This requires a stronger involvement of local economic actors and employment services. This can e.g. be done through more attention to practical training and in particular practical placements and apprenticeships as part of the education

process, improved guidance and counselling and better cooperation between schools and enterprises, and between schools, parents, employers, and employment services. This means trying to go further than the training workshop approach in the Second Chance education project.

The development of a system for training and continuous retraining of teachers is also a priority. New learning methodologies are being promoted. Policies and legislation are continuously evolving to incorporate these developments, but implementation on the ground is lagging behind, partially due to lack of resources, in spite of unprecedented support to VET reform from EU through the 1994 - 2006 Phare allocations. Many actions were taken towards establishing and revising the legal basis but when it comes to actual results limited progress can be acknowledged so far).⁸¹

Although knowledge regarding life and citizen participation is greatly enhanced, there is still an imbalance in the educational system structure in this respect.

In order to offset school gaps, alternative recovery forms of education have been introduced by law in primary and lower secondary education.

Early education remains a priority for the promotion of social inclusion and human development and ensures a significant decrease of the drop-out rates in the future.

Actions to be undertaken

- To implement and monitor the new per capita system of funding compulsory education to increase access and quality education for children belonging to disadvantaged groups: e.g. children with special needs (therapy, support teacher etc), Roma (mother tongue education, school mediator, etc)
- Eliminating situations of children not enrolled in school;
- Continuing to reduce the school dropout rate in compulsory education;
- Diminishing the gap, in terms of quality, between rural and urban education, between prosperous and poor areas;
- Developing technical-vocational education and training in accordance with labour market requirements, specific to a knowledge-based economy;
- Increasing opportunities for access to pre-university and university education for children from disadvantaged groups (poor population segments, Roma, children with special educational needs), and also for children from isolated communities, rural areas, and areas undergoing economic reform;
- Increasing significantly the graduation rate for different education levels and increased participation in higher levels of education for Roma children;
- Completing the reform process in pre-university education by adapting it to the objectives set at European level in the field of education and training for 2010;
- Improving and enhancing school buildings and facilities in general, particularly in disadvantaged areas;
- Increasing school involvement in community life, developing initiatives for school – family – community partnership; enhancing the school's social integration functions;
- Developing forms of continuous vocational training (lifetime learning);

⁸¹ .Achieving the Lisbon Goals: The contribution of VET, Country Report – ROMANIA, ETF 2004,

- Developing the methodology for creating an inclusive education climate in schools; reviewing curricular content with a view to promoting equality and non-discrimination and having a better understanding of the Roma culture and tradition.
- Reforming the early education system, with a special attention to the kindergarden network:
- Improving the infrastructure of kindergartens and nurseries
- Improving the quality of the educational programmes offered within the kindergartens and nurseries
- Developing special programmes for early intervention in the case of children with special needs
- Training of the staff involved in the early education.

4.2.2.2. Health

Main policies

In the context of health care system reforms, the process of institutional reconstruction has gained pace over the past few years. The National House of Health was set up in 1997 to manage the social health insurance fund and ensure the implementation of health policies through county-level Houses of Health. The Ministry of Health reconsidered its functions, focusing on developing strategies in the health field and managing a series of national programmes to combat diseases with a high incidence.

The reform process has included: adopting the social health insurance system in addition to guaranteeing free access to the health system for the poor segment of the population; moving towards a system of family doctors and partial coverage of the cost of some basic medicines for those people with insurance.

Although major investments have been made in providing medical units with the modern technology required, there is still a lot to be done in this area.

The social dimension of the medical system is developed through a variety of measures: medical insurance for social benefit beneficiaries without payment of contributions, exemption from the medical insurance fund contribution for pensioners, medicine compensation or establishment of medico-social units for treating those vulnerable or at risk groups with chronic illnesses or diseases. An employment programme for social assistants and a network of medical mediators for working with the Roma population has been developed in hospitals.

The legislative framework concerning medical treatment received at home has been redesigned.

In 2001, the *Strategy to Re-initiate the Reform in the Health Field* was launched as a means of developing the current medical system (MHF, CNAT – 2001). This includes a series of action programmes to ensure reform in hospitals and formulate policies in the medicines and medical materials field, women's health, and the health of children and families.

Assessment

The health system is now outmoded and requires complete transformation. It needs to be modernised and access needs to be extended to the population as a whole if there is to be an improvement in mortality and morbidity indicators. A large part of population is out of the effective sanitary services. The budgetary allocation for health as well as the total health expenditure in Romania per citizen in relation to health places Romania in the last position within the E.U. The chronic sub-financing and

the low quality of the system management lead to financial shortages for the health services.

The health system continuously faces serious structural problems; this affects both the quality of services and access to them by socially disadvantaged groups:

- Big coverage discrepancies in medical assistance services;
- Management deficiencies, problems of access to the medicines that are partially solved by increasing the number of pharmacies from the rural area and by compensating 90% from the generic price for disadvantaged categories;
- The insufficiency and degradation of equipment in a series of hospitals and polyclinics.

The legislative framework concerning the treatment given by ambulatory services has seen an improvement but the system lacks organisation. The staffing of medical units with social assistants, still insufficient, and the development of both social assistance services and a network of medical mediators do not ensure quick and targeted social and medical provision for the community.

Following the family planning programmes, the use of contraception has increased but is still insufficient, especially for poor and socially disorganised families.

Actions to be undertaken

In order to finalise the implementation of the health service reform and to increase the quality of health, the following actions need to be taken into consideration:

- Increasing the level and efficiency of public expenditure for health
- Strengthening the capacity of the Ministry of Health to formulate health policies in order to:
 - improve the general health policy, and the development and administration of health programs,
 - improve the co-ordination, financing, monitoring and evaluating of national health strategies and programmes ;
- supply reliable and comparable data to conduct international comparisons and strengthen collaboration with relevant international organisations;
- strengthen simultaneously management attributions, functions and mechanisms of the National Health Insurance House and of the County Health Insurance Houses.
- Improving the primary health system by defining more clearly the responsibilities and mechanisms for evaluating the activities of family doctors, and by developing a system of community-based medical services;
- Introducing the accreditation system for providers of social-medical services in the home;
- Ensuring universal access to the minimum package of health services ensured by law;
- Reintroducing the health insurance contribution for all types of earnings;
- Promoting the organic link between the health system and the community by:
 - strengthening collaboration between the health and social services;
 - extending the existence of social workers in all hospitals;
 - using the network of medical mediators for a more focused intervention in the community as an interim solution until the efficiency of social and medical assistance services can be ensured.
- Developing health education with the accent on prevention;
- Increasing activities for promoting the health of women, children and families, with the focus on family planning services and on children's health;
- Eliminating the disparities of access to the medical system in terms of:
 - coverage and quality of healthcare services between urban and rural areas, poor and prosperous areas;

- access to free and compensated medicines in isolated and disadvantaged areas.
- develop a private health insurance system.

In order to regulate the system an important step will be the accreditation of both social assistance service providers and providers of medical assistance at home.

4.2.2.3. Housing

Main policies

Since 1990, policies in the locative field have been affected by mass privatisation of the public houses fund and the decentralisation process.

The privatisation of houses has been a way of promoting the right to property, but it has had two negative effects:

- the disappearance of the social housing fund, which has not been re-established due to low budgetary resources;
- serious difficulties in renovating and maintaining the houses owned by the poor population.

In the last five years a system of mortgage support with convenient conditions for building a house has been introduced. However, this has only been made available to medium and upper segments of the population. More budgetary resources have been allocated for building houses, not only for poor persons, but also for people who cannot afford to buy a house: young people, low income employees, etc.

The building of social and emergency houses or the modernisation or/and rehabilitation of houses is the responsibility of the local authorities. These authorities face difficulties in financing programmes of this kind.

Only in the last few years has there been an increase in the number of emergency houses, but their number is still too low. At national level, there are approximately 60 day and night shelters, located in 24 counties and with a capacity of around 2000 persons.

The tariffs for public utilities have been raised and, partly as a result, some low and medium income families have given up such utilities, or saw the delivery interrupted by the suppliers. The improved collection reflects stepped up enforcement of payment obligations and stricter disconnection of companies in default. Recent legislation has also instituted a less tolerant approach to energy arrears. However, heating remains a serious problem for the poorest households and the Government has granted subsidies which cover nearly 15% of households. In addition to this, local and public authorities have launched a rehabilitation programme for public utilities, as the high wear of such utilities is partly accounting for the high costs.

Assessment

In the housing sector, the social component of the strategy is underdeveloped and, even more so, is underfinanced; there is an insufficient supply of affordable houses, and the emergency housing that is available does not meet the demand.

Romania is facing problems of transport between localities due to the low quality of infrastructure and rapid growth of costs, increasing the isolation of some communities.

More budgetary resources have been allocated for social housing targeted at poor persons in general, and towards young people, low income employees, etc. However, such resources may prove insufficient in the face of the size of the problem.

A system of mortgage support has been introduced, which improved considerably the prospects of medium and upper segments of the population to buy their own dwellings.

Actions to be undertaken

- Ensuring decent housing for all categories of population;
- Increasing the number of social and emergency housing for young persons, low income persons, persons living in inappropriate housing conditions, homeless persons;
- Raising the local resources for social dwellings building for disadvantaged persons and revising the existing capacities (a national support campaign will be launched);
- Developing and implementing a strategy for the rehabilitation of deteriorated houses, including those at risk in the case of earthquakes; identifying the necessary financial resources;
- Increasing access to the housing services from the point of view of access to heating, running water, sanitary installations;
- Launching of development and rehabilitation programmes for infrastructure (water, sewerage, roads); increasing their quality and ensuring access to minimum public utilities for the poor segments of the population;
- Ensuring minimum transport facilities for isolated communities.

4.2.2.4. Other public services

4.2.2.4.1. Judiciary

Main Policies

Laws and legal regulations have been developed in order to adapt the legal system to the new social context and support assimilation of the *acquis* and this process is now close to completion. The institutional system to support different forms of corrective measures for delinquents is currently being developed. Efforts have been made to develop recuperative functions of prisons, especially for minors. Socio-professional re-integration of former prisoners, education in the penitentiary of both, minor and adult prisoner, as well as the penitentiaries' staff have been in particular developed with the support of NGOs. A new system of sanctions and alternative punishments will be adopted and a system of courts for children-related issues is being created. In order to complement this process, social assistance services for victims have been initiated. In the last few years, a set of regulations to combat corruption efficiently has been adopted and specialist institutions have been established in this respect (National Anti-Corruption Office).

New intervention methods have been developed in certain areas, e.g. drug addiction.

Assessment

The judiciary system has faced deficiencies in implementing the reform, especially institutional development.

The population still has serious problems accessing the judicial system: lengthy procedures, high costs for the judicial act, resulting in a fall in the number of people who access the judicial system, particularly the poor segments of the population, serious corruption, and also political interference in the judicial act.

There are still institutionalisation deficits in some areas: administration of alternative punishments, legal treatment of minors, solving domestic violence cases, etc.

Actions to be undertaken

- Diversification of forms of punishment, with special emphasis on sanctions being served in communities;
- Developing a large service of probation and social reinsertion of ex-delinquents;
- Consolidation of penitentiary capacity for vocational training and preparation for effective social reinsertion;
- Development of a legal and social assistance system for crime victims;
- Minors justice reform. Strategy and legal system for children's courts and consolidation of social inclusion capacity of the correction centres for children and young people are close to completion;
- Strategy to ensure wide accessibility, a fair and qualitative justice act to be set up.

4.2.2.4.2. Police

Main Policies

Even in difficult situations, the police have managed to ensure citizen security and crime control.

A large police reform is close to completion:

- Demilitarisation has already been achieved;
- Police bodies can specialise according to their duties, ensuring public order, crime fighting, border control, etc.;
- Subordination of the police to local public authorities is to be widely extended;
- A programme for community police development is currently under implementation.

Assessment

A rapid police modernisation process has been achieved, attitudes and values are changing, and therefore police forces are making steady progress in their contribution to the social inclusion process. The police are subject to corruption due to insufficient control mechanisms in place.

There is a lot to do in order to increase police competence and develop a progressive contribution from police forces to the social inclusion process.

The system is currently dealing with financing problems.

Actions to be undertaken

The thorough reform of the police means that attention can be focused on the following areas in the police force:

- Promotion of community police development;
- Development of trust and cooperative relations between police and the community as a whole, with particular attention being paid to the relationship with marginalised segments (e.g. Roma);
- Gradual increase in the contribution of the police to the social inclusion system and creation of a society characterised by high security and cohesion.

4.2.3. The national system of social assistance services

Main Policies

In 2001, Law no. 705 on the national social assistance system and the secondary subsequent legislative actions set the framework for the development of a complex system of social assistance services. The implementation process for this system is currently being developed.

In accordance with the new legislation in social assistance field, the public social assistance services are organized, at county and local level and are responsible for the implementation of the social assistance policies in the field of family, child protection, single persons, elderly, disabled, and any other category of persons in need.

The public social assistance services are responsible for:

- developing and administering social services, according to local needs;
- organizing and sustaining financially the social assistance services;
- promoting the partnership with NGOs, religious institutions recognized in Romania, and other civil society representatives;
- drawing-up, in accordance with the law, agreements to provide social services.

A crucial aspect of the reform system was the placement of the social assistance services under the responsibility of local and county public authorities, the government level focusing on policies and strategies and on methods for monitoring, evaluation and control functions. The reform in the area of social services has been particularly difficult, the allocation of financing, administration and responsibilities for social services to the lower levels of government leading to very limited capacities for implementation because of the scarcity of financial means and human resources. As a consequence social services currently provided are fragmented and characterized by inequality.

The difficulties of building a national social assistance system were due, among other causes, to the fragmentation of governmental responsibilities in this field. This fragmentation of government responsibility has since been corrected. Following major government reorganisation in 2003, most responsibilities in the social sector were concentrated in the MoLSSF, opening up the possibility for a coherent political and strategic approach.

. The traditional vertically organised administration is undergoing profound changes and an integration of the different public services is currently taking place at the different levels of government. The Child Protection Directorate and the public social assistance service, at county level became a unique department named General Directorate for Social Assistance and Child Protection.

The recent legislation, Governmental Ordinance no.68/2003 regarding social services approved by the

Law no.515/2004 amended by the Governmental Ordinance no.86/2004, increases the active role of the social services in fighting poverty and social exclusion. For that purpose, the social services have also the role to be in permanent contact with victims of poverty and social exclusion.

A legal framework for cooperation between the providers of social services from the public and private sectors has been created, opening up one of the main development perspectives of social assistance.

With the support of both Western organisations and the Government, a network of NGOs has developed quickly, focusing on social policy goals. Some of them have reached a high level of skills and these need to be capitalised on; others, however, have not survived for lack of resources.

Since 1990 a system has developed that provides higher education training for specialists in social assistance; a pool of approximately 15,000 has been trained in the system to date. The number of specialists attracted towards the public administration system, however, remains rather low.

A law was adopted in 2000 on the system of protection for the elderly. The Strategy to improve the lives of the elderly was developed recently and sets the general framework for implementation of the social support system targeting this category.

Assessment

There has been a lot of confusion and delays in the reconstruction of the national assistance service system.

The first part of the transition was marked by a gap between the financial support component, with a high level of efficiency, and the social service component, which was severely underdeveloped. For a long time, the development of the social assistance services was chaotic, focusing on certain critical social problems (abandoned children, severely disabled persons) and in particular on social assistance institutions, and ignoring almost completely the social assistance delivered directly to families and communities. Similarly, the development of prevention activities was scarce due to the deficiencies in the institutional and technical system. Large social areas had remained uncovered or had been covered insufficiently: social assistance for the elderly and disabled people, victims of violence and trafficking, alcohol and drug addicted persons, in spite of the isolated initiatives of NGOs in certain communities.

Actions to be undertaken

One of the principal, immediate objectives is to implement the new national system of social assistance services.

The following will be targeted:

- Revision of the legislation on social assistance to develop a coherent and integrated social assistance system
- The generalization of the needs assessment practice in the process of establishing the levels of social transfers and permanent monitoring of the social assistance system
- Setting up a coherent public system of social assistance services to communities, targeting directly families and communities;
- Developing a system of social assistance services delivered at home and increasing the quantitative and qualitative coverage of needy people in residential institutions;

- Setting up the system of social assistance services to communities means redefining the system's functions at county and national level, developing the MoLSSF strategic planning capacity, strengthening the Ministry's responsibilities in all fields of social assistance, developing a service monitoring, evaluation and quality control system;
- Decentralisation of social assistance services at local level will be complemented with the local and national support granted to the communities with a deficit of financial resources, in order to reduce discrepancies in social assistance services coverage;
- Development of a partnership between the Public Social Assistance Service and the key community stakeholders involved in social support (business community, NGOs, church, private organisations delivering social services);
- Development of national programmes to tackle serious social issues (child abandonment, street children, victims of domestic violence, etc.);
- Developing the social assistance component within certain institutions, such as schools, hospitals, police, other public services;
- Increasing the number of places in the higher education system allocated for the training of specialists in social assistance until the needs are covered, and encouraging the absorption of specialists in the public social assistance system. Developing a coherent system for training middle management in social assistance;
- Together with professional organisations of social workers, establishing procedures for accreditation and evaluation of organisations active in the social assistance system.

4.3. Protection of vulnerable groups

4.3.1. Protection of persons with disabilities

Main Policies

The responsibility for coordinating policies for the protection of disabled persons lies with the National Authority for Persons with Disabilities, an institution subordinated to the Ministry of Labour, Social Solidarity and Family. The National Authority for Persons with Disabilities (NAPD) has developed the National Strategy regarding the special protection and social integration of persons with disabilities, as approved by Government Decision, and The National Action Plan for the period 2003 – 2006 for the implementation of the National Strategy; the Plan sets out to promote active participation of people with disabilities at all levels of society and in all aspects of daily life.

Starting in 2002, continuous efforts have been made to mobilise all parties responsible for adjusting the physical environment to improve access for people with disabilities, but the coverage of the programme remains insufficient.

In order to increase the quality of life of persons with disabilities, a public-private partnership will be strengthened and developed, especially within the Romanian National Council for Disabilities.

Financial efforts have been made since the fall of the communist administration to improve the situation in institutions; the legislative system was amended, new lines were opened for institutional development, and forms of financial support have been developed to cover all people with disabilities. A programme was initiated to restructure residential institutions, as most of them are oversized and overcrowded and the living environment they provide is inadequate and excessively costly.

The choice was made to encourage support for persons with disabilities within families and

communities, and a range of specific forms of support have been offered: allowances for persons with disabilities, payment for personal carers. 75,283 personal carers were being paid in the country as a whole in 2002.

Assessment

Policies relating to persons with disabilities need to overcome the exclusive focus on protection by institutionalisation and treatment by medication.

The economic crisis of the communist regime resulted in severe and inappropriate living conditions for persons with disabilities living in institutions; this fact came as a huge shock to the general public. Efforts have been made since the revolution to increase financial allowances, restructure the institutions and refocus the support policy for persons with disabilities.

The network of personal carers is a considerable resource for providing care within the family for people with severe disabilities. The qualifications of such carers, however, are rather low. Most frequently, the system is merely another form of financial support for the family. The personal carer system has a number of inconveniences in addition: it gives rise to a family's financial dependence, decreases a family's motivation to look for alternative services and participate in rehabilitation programmes, and mothers give up their careers.

Community recovery and social reintegration centres remain scarce, limited to isolated initiatives by some NGOs in some local communities.

While social support for persons with disabilities has increased considerably, there has been a retrograde step in terms of their opportunities for participation in economic activities. Most of the 'protected' jobs disappeared in the first years of transition. In most of the counties, there are no protected units for people with disabilities. Measures have been taken to encourage enterprises to hire persons with disabilities, but the results are still unsatisfactory (for instance, legal incentives and employment programmes for persons with disabilities).

A structure of protected economic entities has been developed in the last years, authorised by the NAPD, which is part of a global strategy to develop a network of protected economic entities⁸². This network of protected units creates an alternative – still insufficiently explored – to dependence on public support; NAPD has authorised 44 protected units to date, and three more are pending authorisation.

Efforts have been made to improve access options for persons with disabilities, especially in public buildings, wide parking bays and public transport.

In addition, cultural and sports events have been developed and advertised on public and private TV in an attempt to bring about a change of attitude in Romanian society.

Thorough changes are needed in current practices if we are to promote inclusive approaches to the issues of the persons with disabilities. Social services are still not suitably adapted to the special needs of persons with disabilities, and the range of services available is not diverse enough.

⁸² Order 748/460 approving employment criteria and methods for authorising protected units

Actions to be undertaken

- Developing a system of community-based social services (day care centres or home services) to support persons with disabilities that are not in institutions;
- Introducing a system to monitor compliance with quality standards in the services provided to persons with disabilities, both in residential institutions, day care centres and at home;
- Developing a qualification system for personal carers providing social-medical services at home;
- Strengthening the capacity of the social services overall and training the staff for specialised support to adapt to the special needs of persons with disabilities (promoting inclusive education by including children with mild disabilities in mainstream education and adapting the educational system to their specific needs);
- Creating job opportunities for persons with disabilities and decreasing passive assistance based on allowances, both by encouraging employers to employ persons with disabilities and, in particular, by creating protected productive structures and ensuring better training in accessible fields;
- Achieving social reinsertion of persons with people living in residential institutions coordinated by the NAPD or living with their families and not receiving adequate support; social inquiries are being conducted with the support of local authorities in the places of origin of persons with disabilities to help them integrate into their natural families;
- Establishing a system of community services which allow persons with disabilities to live independently, assisted by a support network composed of qualified persons and by an adequate strategy.
- Systematically improving access to the social, institutional and work environment;
- Simplifying the methods of determining and attesting disability (including the medical criteria only), as well as the procedures for obtaining the specific support (and recognition of rights).

4.3.2. Protection for the Roma Minority

Current Policies

From the beginning of the transition process, social support for the Roma population has been a constant option for government, community and all stakeholders. Special attention has been given to the employment of Roma in the public system. Since 1990, Roma people have been employed at the County Department of Labour and Social Solidarity. There are Roma counsellors in county and local councils, Roma mayors, Roma specialists working for the county Office for Roma at Prefecture level, Roma people working for the Mayor's Office. The Roma community has representatives in Parliament and in government institutions.

In 2001, the Romanian Government approved "The Strategy for Improving the Roma Situation" (SIPS), which defines a long-term action plan and a General Action Plan for 2001-2004. The measures aim to improve the situation of the Roma population in all major areas: increasing school participation and success, improving vocational training, increasing employment, improving living conditions, identifying long term solution for solving cases of lack of ID papers, establishing the profession of school mediator and health mediator⁸³, etc.

⁸³ According to the data from the Ministry of Health, at the time of the third trimester 2004 165 health mediators of the Roma population working in 334 de communities from 36 counties were employed.

Roma organisations have been very active in drawing up, implementing and monitoring the strategy. Following a series of discussions which took place in September 2004 between representatives of the Government and Roma civil society, the Government established in October 2004 the National Agency for Roma (NAR), as a special body of the central government, with legal personality, and subordinated to the Government. The NAR will have eight regional offices for Roma, one for each development region, as follows: North-East, South-East, South-Muntenia, North-West, Centre, and Bucharest-Ilfov. It will perform functions related to strategy, regulation, management of budget and non-budget funds for public policies on the Roma, representation, state authority, monitoring and evaluation of Roma-related activities of all central and local government bodies.

In 2001, the National Council for Combating Discrimination was founded and this institution is authorised both to establish and sanction any discriminatory act and to adopt positive measures designed to prevent and fight discrimination. One of the constant concerns of NCCD is to sanction all discriminatory acts against members of the Roma community.

In the last years, a significant number of Roma have been integrated in the labour market by various measures. Members of the Roma community who are in a difficult position are also part of the target group envisaged by the action plan carried out by the National Employment Agency and its territorial units in partnership with local Roma NGOs or due to economic development projects at the communities level. The job fairs organised for the Roma population had modest results in the first two years. In 2004, 9,079 Roma persons have been employed through the National Employment Programme.

The educational system has promoted a policy aimed at supporting the school involvement of members of the Roma community at all levels:

- Starting in 1992, some faculties have provided a number of special places for Roma persons, an initiative which was supported by the Ministry of Education and Research (MER) and extended in 1998 to high schools and vocational schools, and in 2004 also to the Arts and Crafts schools;
- In 2002, a multi-annual programme was initiated with EU support designed to facilitate access to education for disadvantaged groups with a special focus on the Roma, in particular to increase participation in pre-school education, graduation from compulsory education and the reintegration and vocational training of early school leavers.
- In 2003 the Government started implementation of an EU funded project “Support to the National Strategy to improve Roma situation”, which aims at supporting development at the local level through active involvement of the Roma. The supported projects include vocational training and income generating activities, local infrastructure, housing and access to health services. A similar programme, “2004 – the Year of Local Communities” was launched in 2004. In 2005 this project will enter a new phase to be completed by 2009 which will additionally cover the problem of the lack of ID papers and will organise national campaigns for informing and building awareness.
- In 2003 the Government financed and implemented the program *Partnership for the Roma support* and in 2004 the program *Activities for the implementation and monitoring of the Strategy for Improving the Roma Situation* was launched in partnership with UNDP. Within this last program, grants were allocated for projects regarding housing, infrastructure, farming land etc.
- The “Second chance” programme addresses young people aged between 14 and 25 who dropped out of school early and it offers them the opportunity to complete compulsory education in three and a half years, while at the same time specialising in a trade which is in demand on the labour market;
- Optional school activities focusing on the Romany language and Roma history have been introduced and textbooks have been published in the Romany language; Roma primary school

teachers and teachers for various school subjects are currently being trained. Roma persons have been employed as school mediators in order to encourage the members of the Roma community to go to school.

- In 2003 the Government financed and implemented the Programme „Partnership for Support of the Roma 2003”, which addressed the same fields. In 2004, the Government, in partnership with UNDP, launched the Programme “Activities for the Implementation and Monitoring of the «Strategy for Improving the Condition of the Roma» - 2004”, which continues efforts to improve the condition of the Roma. This programme is designed to support the improvement of Roma condition through grants for projects on housing, small infrastructure, income generating activities, farm land purchasing.

Assessment

The complexity of the problem means that the multiple efforts made to correct the situation of the Roma population still do not come up to needs. Roma support programmes have been developed at all levels of the public system (education, health, employment, police).

There are two major types of problems hampering the implementation of national and local programmes and strategies aimed at the inclusion of the Roma population:

- Limited financial resources;
- The institutions and components needed for such a programme focus on the social and economic improvement of the life of the Roma population are still in their infancy and the implementation of the measures foreseen in the strategy are still unequal.

Priorities

- Implementing a national programme aimed at finding sustainable solutions for solving the problem of lack of IDs
- Ensuring extended school participation of Roma children in the pre-school and compulsory education and vocational school cycles, and also encouraging their participation in the higher education cycles;
- Developing the capacity and motivation of the Roma families and communities to actively support the social development of their children with a view to their integration in a modern society;
- Fostering Roma employment by:
 - increasing their vocational training and promoting active employment measures;
 - stimulating their interest and motivation to get involved in formal economic activities;
 - combating discriminatory attitudes against Roma in the labour market and increasing the receptivity of employers to hiring Roma people;
 - promoting Roma specific occupations and handicrafts;
 - increasing employment in those fields which, by their nature, allow on-the-job training.
 - supporting economic development projects in Roma communities.⁸⁴
- Developing a system of social security and medical services focusing on the access of Roma individuals to primary medical services, information about healthy reproduction, as well as on the social and medical care of mother and child;

⁸⁴ Phare programme 2002: Support for the National Strategy for Roma

- Developing a system of health mediators, as a temporary solution until a relationship is established between the system of social workers and the community;
- Supporting the development of the community infrastructure in problem areas and providing support for the refurbishing and construction of residential buildings;
- Developing inclusion structures in all aspects and areas of social life (school, workplace, mass media), promoting support for Roma who try to integrate in a modern society;
- Strengthening the partnership between public institutions and the representative groups of the Roma;
- Running public awareness campaign aimed to combat discrimination and promote positive attitude towards Roma.

4.3.3. Child Protection

Main policies

The National Authority for Children's Rights Protection, which is under the MoLSSF, coordinates policies in the child protection field. The Government Strategy for child protection e aims to replace institutionalised child protection with family placement and adoption schemes and integration in community.

Social support measures have not managed to provide adequate compensation for the effects of poverty on the children segment of the population.

The economic difficulties encountered by families with children have added to the effects of disintegration and limited access to medical and education services, etc. The risks of children in critical situations have increased (cases of abandonment, neglect and violence, sexual and economic exploitation, juvenile delinquency, drug addiction, etc.).

During the communist regime the only form of social intervention aimed at supporting children in critical conditions was their institutionalisation: institutions for abandoned children, for children with disabilities, for children coming from disorganised families, affected by severe poverty.. The increased efforts made both at central and at local level by the authorities responsible led to a radical change at the beginning of 2001 in policies focusing on the protection of children in difficult positions and to the encouragement of foster care and national adoption.

A legal framework has been established which provides the basis for a modern, European system for the protection of children rights. A central option of this legal framework revolves around encouragement for greater national adoption and severe limitation of international adoptions.

Although a limited minority, street children are the social group at the highest risk of social exclusion. The factors contributing to this situation are poverty, inadequate social protection of families with many children and social disintegration.

A general allowance system has been set up in order to improve financial support for families with children in difficult situations, both for single parents and for families with a large number of children.

Assessment

If families with children have benefited from well-structured financial support, differentiated through

the allowance system, intervention targeting children in risky social situations has been rather unbalanced. As expected, the focus has been on the severe situation of institutionalised children. The results have been spectacular in this field.

Modern forms of family placement have replaced the badly organised institutions; the shelters have been radically reformed, in keeping with the focus on children's needs. Also, several important programmes designed to prevent abandonment have been successfully developed. On the other hand, too little focus has been placed on supporting children facing multiple risks both within the family and in society in general: abuse, delinquency, violence, economic and sexual exploitation, severe poverty, neglect, drug addiction, school dropout, trafficking, lack of support for personal development, etc.

Priorities

The main objectives for the next period are:

- Carrying on the decentralization of services and allowances by implementing the social assistance services at the level of each administrative - territorial unit, including the communal level. The accent in granting the social assistance will be on giving support as close as possible to the environment where each child is living, within the family and community of origin;
- The local councils will be supported to establish different alternative services: day centres (including children with disabilities), services for maternal assistance, counselling services (for parents as well), services for preventing the abandonment and supporting retention of the child in the family;
- Developing social services at family and community level, which take an integrated approach to the problems that families face: increased access to family planning, support for parental responsibilities, preventing abandonment, reintegration in the family of institutionalised children, encouraging adoption and support for families who adopt children, promoting school attendance, preventing neglect and any type of abuse, preventing delinquency, drug addiction, but also focusing on social integration of juvenile delinquents and the recovery of drug addicts, etc.;
- Complex social support for families with children who live in severe poverty and are also often affected by disintegration;
- Legislative and institutional reform of the juridical approach to juvenile delinquents;
- Promote reintegration of the street children into a normal family and social life and provide temporary shelters;
- Complex social support designed to integrate young people who are no longer covered by the social support system;
- Ensuring full access of all children to medical and education services;
- Strengthening security measures aimed at protecting children within the community against violence and other forms of social aggression;
- The achievement of a broad social partnership in the management of social protection system;
- Effective cooperation with NGOs as service providers on the basis of national quality standards and in order to use their experience in the field of child protection and achieve the strategic objectives in this field.
- Increase the outreach of social services to families with children at risk of being exploited for work and monitoring the child labour

4.3.4. Supporting the family and fighting domestic violence

Main policies

A number of legal and financial family support measures have been developed, as the family is regarded as the fundamental institution underlying society (special focus on families with many children and single parents).

It is only in the last couple of years that the problem of domestic violence has been publicly debated, both at international and at national level, and has become one of the priorities on the list of corrective actions. The urgency of this issue resulted in the adoption of Law No 217/2003 on the Prevention and Fight against Domestic Violence, as subsequently amended. Underdevelopment of the system of social services for the benefit of the family and the community has delayed the possibility of providing satisfactory preventive and recovery support, as there were no specialised institutions, barring a few exceptions.

In 2003, the National Agency for Family Protection was established, one of its prerogatives being to coordinate actions aimed at fighting domestic violence. The Agency coordinates in each county and in Bucharest the departments responsible for fighting domestic violence, which have been established as part of the decentralised directorates of MoLSSF.

Assessment

Presently, family support faces two critical problems:

- On the one hand, the lack of houses, especially for young families, and the lack of financial resources (in recent years, the allowances granted to young families to finance the building of social residencies have been increased, and have been accompanied by advantageous conditions for those who want to buy a house).
- On the other hand, a lack of social services, family planning, pre-nuptial planning, etc.

A serious problem, for which institutional and professional resources are still insufficient, is domestic violence. In terms of social policy, domestic violence represents a new area, and the social response to this has only begun to materialise in the past few years as far as the legal framework and institutional capacity are concerned. The difficulties encountered relate, on the one hand, to the fact that the legislation in this area and the organisational framework of the police institution do not provide sufficient grounds to ensure efficient intervention. On the other hand, we are confronted with underdeveloped social services, especially in terms of temporary shelters.

Priorities

Policies, programs, actions will be realised on the basis of an enhanced collaboration with other governmental structures, civil society representatives, etc.

- Diversification of the forms of support for families faced with difficulties, especially for young families based on the existing practices in the field (developed by the NGOs);
- Re-structuring passive social protection measures/financial support for families with special needs and accelerating active measures of familial solidarity;
- Reducing disparities concerning the access to development resources between families living in rural areas and those living in urban areas;
- Strengthening the legal and institutional framework regarding the maternity protection, increasing the birth rate and reducing the abandonment of children;
- Developing an institutional system for family support and training specialised personnel in this

- field;
- Developing a system geared to the prevention of domestic violence by ensuring economic, social and legal support for the victims of domestic violence (shelters and recovery centres for the victims and counselling centres for the aggressors, etc.);
- Promoting zero tolerance towards domestic violence by national campaigns designed to educate the population and raise awareness.
- Effective collaboration with civil society organisations, in order to use their expertise and experience existing in this field.

4.4. Fighting certain specific forms of exclusion

4.4.1. Exclusion at territorial level

4.4.1.1. The development of the rural environment

Main policies and assessment

Application of the Law on landed property turned most farming land into private property. This law had both positive effects (the extension of private property, the disappearance of inefficient cooperative structures of the communist type, the diversification of organisational structures, the development of connections to the market circuits) and negative effects (the division of farmed land; the failure to ensure, in connection with the proprietary right to land, any adequate means of farming). The standard of living in rural areas is noticeably lower because of the structure of the farmed land, its poor quality, and sometimes the lack of modern infrastructure. These facts limit the scope of the rural population, especially young people, for economic and social participation. Farming today is at subsistence levels; incomes in the agricultural sector are low while non-agricultural activities are underdeveloped.

One of the priorities in the National Development Plan (2004-2006) refers to the development of the rural economy, the main objectives being the following: an increase in productivity in the primary sector, the development of the rural infrastructure, the diversification of the rural economy, and the development of human resources.

A “National Plan for Agriculture and Rural Development” was drawn up; a framework document will help to implement the Community *acquis* during Romania’s pre-accession period. This document has been drawn up in conformity with Regulation (EC) No 1268/1999 on Community support for pre-accession measures for agriculture and rural development in the applicant countries of Central and Eastern Europe.

The Romanian Social Development Plan (FRDS), under the authority of the Romanian Government, is responsible for the coordination of grants for poor rural communities and disadvantaged groups.

Actions to be undertaken

- The development of the rural economy, both agricultural and non-agricultural;
- The improvement of the infrastructure of the rural localities;
- Finalising the reform of property rights;
- Stimulating the change of subsistence farm holding households into family agricultural commercial farms, promoting entrepreneurship in rural areas;
- The efficient allocation of budgetary resources for supporting agriculture industry;
- An increase in opportunities for young people to receive quality education at all levels.

- Regulating and promoting micro credit in poor rural communities.

4.4.1.2. Mono-industrial areas undergoing economic crisis

Main policies and assessment

The necessary process of restructuring has severely diminished the economic output in many mono-industrial areas, and has created as a result great social hardship. High unemployment and poor prospects for self-sustained recovery expose these communities to a much higher risk and prolonged risk of poverty than the national average. The problem is severe, especially in mining areas, as many of the mines have already closed and others are to be partially or completely closed, leading to a large wave of dismissals.

As a response a special support system for disadvantaged areas has been adopted, but this may be insufficient. The first stage of government intervention, with support from the World Bank, focused on subsidising the mass dismissals and on encouraging new economic activities and vocational rehabilitation. However the development of infrastructure and social services is a secondary priority.

Actions to be undertaken

- The development of integrated programmes of economic recovery in these areas, combining support to economic activities, rehabilitation of infrastructure and training.
- The complementary promotion of a social development plan, focusing on social services for those most at risk of social exclusion.
- The promotion of training and reconversion programs

4.4.1.3. E-inclusion

Main policies and assessment

The extent to which information and communication technologies (ICTs) are used has grown considerably in Romania in the past few years. The use of mobile telephony, for example, increased from approximately 18% in 2001 to about 30% in 2003. The number of personal computers increased from 700,000 in 2001 to 2.1 million in 2003. At the same time, the numbers of internet users has also increased, from 95 in 2001 to 16% in 2003. Significant growth, although not as striking as with the previous indicators, was also noted in the use of fixed telephony, as the number of direct telephone lines in 2003 was 11% higher than in 2001 (4.3 million in 2003). As of 1 January 2003, the fixed telephony market has been liberalised and thus Romtelecom no longer holds a monopoly.

Coordinating and increasing the use of information technology, especially in public institutions, and electronic access to public information is the responsibility of the Ministry of Communication and Information Technology.

The national strategy for the development of the Information Society and the implementation of an economy based on knowledge, starting with the “eEurope+” plan of action and the Strategy for the development of public services provided via electronic means, includes all aspects designed to reduce, by way of information media, differences in access to knowledge.

To make the public administration more effective and to ensure equal non-discriminatory access to public information, a National Electronic System has been launched, which is available on the internet

at www.e-guvernare.ro; this is a system that ensures access to public information, public services, and administrative forms online.

Extending the population's access to telecommunication services will be accomplished on the basis of the universal service principle, so that all service operators can cover both areas that are potentially profitable from an economic viewpoint and areas that are not profitable.

The Ministry of Communications and Information Technology has started the preparation of the Knowledge Economy Project. The project aims to support knowledge-driven activities at the national level, as well as directly within local communities, and in particular to accelerate the participation of disadvantaged communities in the knowledge economy and society. The Project will finance, among others, the establishment of an initial number of up to 30 Local Communities eNetworks (LCENs), through which communities will be offered access to knowledge through a number of services and technologies, including computers, the Internet and communication services and specific content provision for different target groups (citizens, businesses and pupils) in rural and small urban communities. In order to serve these clients, LCENs would have single or multiple nodes in each community which would be linked virtually.

While all high schools are progressively being equipped with computers and servers for internet connection as well as with educational software, 66.7% of existing schools in urban areas had at least one computer and 30.5% were connected to Internet. The figures for rural areas were 15.3% and only 1.1% respectively. Law 269/2004 came into force, granting a 200 euro financial aid for the purchase of a PC to all pupils or students under 26, coming from families whose monthly gross income is less than 1.5 millions ROL per family member, attending a state or an accredited private educational establishment. In order to bridge the digital divide, the government has initiated an ambitious programme for an ICT Aided Education System in 2001, which promotes the use of ICT on a large scale in the education and training system. After a pilot phase during 2001-2002, a project was launched in November 2002 to provide 1100 upper secondary schools with computer networks and to provide in-service training to teachers and administrative personnel. The development of educational software is also encouraged to promote the use of ICT in education and existing materials are being centralised. A third phase that should provide the rest of the schools with IT solutions is in preparation.⁸⁵

Actions to be undertaken

- Providing all institutions in the pre-university system of education with informatics equipment;
- Ensuring access to internet connection in schools, universities, student hostels and university libraries;
- ensuring the facilities to allow access of young persons from the poor segments of population to buy a computer.
- Introducing training programmes, scholarships, summer camps, and practice periods for young people to teach them how to use technologies, operating systems, etc., which are not included in the normal curricula of high schools and universities.

⁸⁵ ETF Country Monograph Romania 2004

4.5. Mobilising all the relevant stakeholders

Absorbing the multiple forms of social and economic deterioration caused by an adverse history, and launching a consistent programme for economic and social recovery calls for concerted efforts from all the relevant stakeholders in the field. The issue of poverty and social exclusion in Romania, being a country in transition, has certain characteristics generated both by its communist legacy and by the process of transition itself.

Decentralisation has opened up vast opportunities for the promotion of a complex public-private partnership between the public administration, the community as a whole and NGOs. The promotion of a multiple partnership at both national and local level is a route that Romania has resolutely taken and will be a priority objective for years to come.

The establishment in 2001 of a National Anti-Poverty and Social Inclusion Commission, and in 2003 of County Anti-Poverty and Social Inclusion Commissions, opened up an opportunity that needs to be exploited, the opportunity of turning all social institutions and stakeholders into a global coherent system for absorbing and preventing poverty and promoting social inclusion.

Social problems are grouped and coordinated for the first time within a single government body, the Ministry of Labour, Social Solidarity and Family (MoLSSF), which is responsible for the sector and can rebuild a structured social security and assistance system on the back of the framework law on social assistance that came into force in 2001.

Partnerships are an effective means of marshalling all existing resources, of providing incentives to participate, of heightening awareness of the problems, of increasing the collective commitment to solving these problems, and of promoting the central value of social inclusion.

The current government systems include the practice of implementing major social development strategies by means of institutionalised partnership mechanisms with representatives of civil society. An example of this is the broad partnership set up to support the Strategy for improving the situation of the Roma population, the collaboration protocol between MoLSSF and the National Council for Elderly People and other bodies. Another is the partnership between the National Council for Fighting Discrimination and the National Anti-Discrimination Alliance, conceived as a debate forum open to all non-governmental organisations and labour unions and aimed at supporting the prevention of discriminatory acts, which is the objective of the activities of the Council.

Last but not least, mention should be made of the burgeoning role of the Economic and Social Council, a structural body for partnership between the Government, labour unions and employers' associations, whose task is to develop social and economic policy and adopt important legal regulations.

Over the past few years, the most spectacular developments have been at local level as local public authorities have strengthened their capacity to develop plans and projects on the basis of extended partnerships with the both community and national and international stakeholders.

SECTION V – GENDER DIFFERENCES AND THE POLITICS OF EQUAL OPPORTUNITIES FOR WOMEN AND MEN WITHIN SOCIAL INCLUSION

5.1. Gender inequalities

Women represent 51.2% of the Romanian population, but their access to rights, resources and decision-making in society is, in certain cases, more limited than men's. Women's full social participation and the promotion of gender equality remain important objectives for Romania.

Education: at present, at all levels of the education system access is not more limited for women than for men, as girls are overrepresented in colleges and universities (in the academic year 2003/2004, 53.8%⁸⁶ of those attending courses of higher education were women). In the case of Roma girls, participation in the education system is lower than for boys (46.9% as compared to 52% in 1998).⁸⁷ Although access to education is not discriminatory, women's participation in the labour market is reduced after graduation and thus the risk of unequal opportunities for a successful career heightened.

The labour market: participation in employment does not show any significant difference between women and men: 44.6%⁸⁸ of employees are women and unemployment is lower among women than among men. Average salaries earned by women in 2003 were 17.6% lower than men's. These differences are due above all to the fact that in areas where women make up the majority incomes are below the national average (education, trade, health and social assistance), although recent figures show that in the well-paid sectors (banks, insurance companies) over 70% of employees are women. Women represent 71.4% of the unpaid family workers in agriculture activities. Two third of women with three or more children⁸⁹ are occupied in agriculture. Only 12% of people working in the IT sector are women; although this rate is higher than the EU average of 9.7%. Given the adverse conditions and the high rate of early dropout, Roma women are in a difficult position and the percentage of Roma women with no professional training is significantly higher than the percentage of men in the same situation (46.3% for women as opposed to 21.6% for men).⁹⁰

Decision-making: as regards women working in the business sector, 49.7% of the total number of registered companies surveyed between December 1990 and December 2000 had female associates or managers. The fact that women's access to managerial and other top positions has increased is also worthy of note. In the year 2000, the percentage of women in high managerial positions in Romania was 28.3%.

Opinion polls highlight role inequalities in the household – the household work in most cases is the woman's responsibility, but there is an ongoing process of household chores redistribution and of this being established by common consent. Given the fact that most households lack adequate home appliances and that most household services are underdeveloped, women overburdened with household work has become a problem.

Women's participation in politics is lower at the local level than at the central level, a fact that can be explained by the traditionalist mentalities in certain communities. During the past few years there has

⁸⁶ NIS, 2004, Women and men, Partnership in work and life, page 29

⁸⁷ A MEC, ISE, ICCV study, Roma women's participation in education

⁸⁸ NIS, AMIGO, 2003

⁸⁹ NIS, 2004 – Women and Men. Partnership in work and life, page 40

⁹⁰ ICCV, 1998

been noticeable collective interest in supporting women's participation in visible areas, such as political representation at national/local level and representation in high official positions in various organisations. During 1992-1996 the percentage of women in Parliament was 3.7% while in 2000 the percentage rose to 9.7% in 2000 and to 10,6% in 2004.

Health: the high percentage of pregnant women not included in the healthcare insurance system is still a major problem. An independent study estimated that the percentage of Roma women that did not undergo a prenatal medical examination is 30.8%, as compared to 11.4% for Romanian women in general.⁹¹ At present, over 92% of the births take place in health institutions equipped with beds, under medical care.

Single parent families: at present there are approximately 10% single parental families, which is comparable to the percentage in Europe. Single parent families are faced with higher risks in comparison to other families and the rate of poverty among them is approximately 28.9%. Women support the majority of these families.

Trafficking in women: is a problem (especially when it is for of sexual exploitation) that has increasingly aroused the interest of decision-makers in Romania. The spread of this phenomenon is caused by poverty and the lack opportunities for uneducated women. Romania is one of the countries of origin for trafficked women or women who, through poverty, immigrate to Western Europe and become involved in the sex industry. At the same time, Romania is, to a certain extent, both a country of destination a country of transit for trafficked women.

5.2. Policies and measures for promoting gender equality

At present, equal opportunities for women and men in Romania are ensured by the competent public authorities, as mentioned in the 2002 Law on equal opportunities for women and men. This law establishes the framework for public authorities to promote equal opportunities on the labour market, in education, health care, culture and information, participation in decision-making and in other sectors.

In 2001, a National Action Plan on equal opportunities for women and men was adopted. An Inter-ministerial Consultative Commission was established to make for better implementation of the plan. Support is thus given to greater participation of women in economic activities. Several legislative measures have been adopted which have a positive impact on the promotion of gender equality. The enforcement of the new institutional arrangement should remain a priority, as well as the coordination of existing structures, so as to ensure their impact is more significant.

The current policy has as its major objective the promotion of women's participation in the labour market.

The introduction of subsidies for single-parent families is expected to have a positive effect on the standards of living of these families. A growing need is also noted for specialised social services focusing on families of this kind.

The liberalisation of abortion, together with the establishment of a national network for family planning and contraceptive services at family doctor level, has led to a considerable improvement in the reproduction health care services.

⁹¹ Source: Serbanescu, Moris, Marin – The health of reproduction 1999, 2001

At the same time, the Ministry of Health has drawn up a national plan for prenatal care designed to improve the quality of medical care for the mother and the newborn.

Roma women in the traditionalist communities are exposed to a high risk of cultural discrimination. This discrimination against Roma women can only be fought effectively through cooperation between the Roma community and the community as a whole and employment of Roma school and health mediators to facilitate access to education, health services and other rights. To increase the participation of Roma women in the formal economy, a programme for vocational training needs to be launched on a large scale.

5.3. Specific measures and necessary complementary structures

- *Engaging community forces, encouraging collective initiatives through the development of a culture of genuine partnership and social solidarity, including national awareness and education campaigns addressing the population;*
- *sustainable mechanisms, both at the central and territorial level, in order to multiply the cooperation between all social actors, the development of social solidarity and monitoring the integration of the equal opportunities principle in all sectors of activity;*
- *Developing a sustainable mechanism for promotion, responsabilisation and control in the equal opportunities area (The National Agency for Equal Opportunities for women and men) by the revising this body's statute in order to place it at a high level of decision;*
- *Encouraging women's participation in politics;*
- *Encouraging women's entrepreneurial spirit, especially in rural areas;*
- *Raising awareness among the relevant actors and public opinion of damaging practices in traditionalist communities, especially in the Roma communities where marriages at an early age significantly reduce women's access to education and social participation;*
- *Raising awareness among operators in the managerial structures to help promote equal opportunities for women and men;*
- *Encouraging equal distribution, by mutual consent, of chores and responsibilities within the household;*
- *Improving mechanisms to ensure equal opportunities in labour relations and sanctioning gender discrimination and sexual harassment;*
- *Developing a network for family planning and the use of contraceptives;*
- *Developing social services intended for families supported by women;*
- *Employing Roma mediators to support Roma girls'/women's access to social rights to develop an academic and vocational career.*

SECTION VI – THE SYSTEMS AND THE STATISTICAL INDICATORS

6.1. The present stage

Romania's social statistics from, an integral part of the national system of statistics, provide the information needed to evaluate, analyse and monitor the standard of living, poverty and social inclusion. The present mechanism is based on information from statistical surveys (among households and enterprises) and from administrative entries in the social protection system. Social statistics includes five fields: demography, living conditions (standard of living), labour force, social services (education, health, culture, justice) and social protection

Nowadays, the diagnosis of poverty at national level is mainly based on the absolute method of measuring the phenomenon, the indicators used allowing the dynamic detection of the monetary dimension of poverty and the identification of groups at the highest risk. Simultaneously with these evaluations, a social inclusion/exclusion indicator system has also been developed, based on the EUROSTAT methodology (which employs the population's incomes as a welfare indicator), the aim being to integrate national data within a common base for monitoring poverty and social exclusion.

Taking into account the complexity of the phenomenon, the set of indicators are structured on three levels:

- **Primary indicators**, which cover the main fields regarding the extent of social exclusion: (1) the risk of poverty rate (at a threshold of 60% of the median income); (2) the inequality of income distribution S80/S20 income quintile share ratio of the population in terms of standard of living; (3) the relative median at-risk-of-poverty gap; (4) the regional cohesion (coefficient of variation of regional employment rates); (5) the long-term unemployment rate; (6) the population living in jobless households; (7) early school leavers not in education or training; (8) life expectancy at birth; (9) the relation between the number of the persons in the lower fifth and the upper fifth of the population who regard their health as bad or very bad.
- **Secondary indicators**, intended to supplement the image described by the primary indicators with other aspects of the problem: (1) the poverty rate at the thresholds of 40%, 50% and 70% of average income; (2) the poverty rate at a threshold established over time; (3) the poverty rate before social transfers; (4) the Gini coefficient; (5) the share of the long-term unemployed among total unemployed; (6) the very long-term unemployment rate; (7) the share of persons aged 16 years and over with primary education out of the total number of 16 year-olds and over.
- **Tertiary indicators, which** could be used to identify specific national aspects and interpret the primary and secondary indicators: (1) the poverty rates, calculated on the basis of the poverty threshold, the severe poverty threshold and the cost of minimum food requirements, as established by the absolute method, using the methodology proposed and applied by CASPIS; (2) the poverty rate at the thresholds of 2 and 4 dollars PPC/day/person; (3) the share of persons from households with no access to the public water supply network; (4) the share of persons the households with no bathroom or shower; (5) the proportion of household expenditure spent on food; (6) the share of persons from households with televisions sets; (7) the share of persons from households with refrigerators; (8) the infant death rate; (9) the number of recent cases of tuberculosis per 100,000 inhabitants; (10) the net enrolment rate within all types of education; (11) the employment rate of the population aged 15-65; (12) the share of the population employed in the agriculture, of whom, freelance workers and non-remunerated family workers.

6.2. Compatibility with Eurostat data

All social statistics surveys in Romania have been aligned on similar ones conducted in the EU Member States. Alignment on the European statistical system took account of three basic elements:

- Concepts, definitions, classification,
- Methods of gathering data,
- Methods of sampling.

The social inclusion/exclusion indicator system is based on information gathered mainly via the following surveys:

- **The integrated survey on households** was carried out on a monthly basis on a sample of approximately 3,000 households during the period 1995 – 2000; the survey was based on a questionnaire with a large number of variables (income and expenditure – family, food and nutrition, employment and unemployment, health, education, internal migration, fertility, etc.). The

survey provided information on income, consumption and poverty until 2000, when it was replaced by the Family Budgets Survey.

- **The Family Budgets Survey** started in 2001 and is conducted on a monthly basis on a sample of approximately 3,000 households. In order to ensure continuity as regards the series of data from NSI, the expenditure and the incomes module from the Integrated Survey on households was kept, since the methodological and organisational conception is similar, and an adjustment was made to the EUROSTAT definitions and classifications. This survey is the main source of data for evaluating monetary poverty.
- **The Standard of Living Survey** is conducted on an annual basis on a sample of approximately 10,500 households and provides the information needed to analyse the population's standard of living: housing conditions, working conditions, life safety, households' ownership of durable goods, economic situation of households, etc. The data gathered by this survey can be used to establish deprivation indicators, thus making it possible to analyse multi-dimensional poverty.
- **The labour force survey** started in 1996, and is conducted on a quarterly basis on a sample of 18,000 households. It provides the main source of inter-variable information and shows developments in the size and structure of the inactive and active population. Through the additional modules generated each year, the survey gives detailed information on other aspects of the labour market, such as access of young people to the labour market, employment of the persons with health problems, type of work schedules, life-long vocational training.

An important step within the programme of aligning national statistics on European ones is the collection of 'Statistics on income and standard of living' (EU – SILC). This is a standard statistical instrument in Europe designed to be the main source of data on poverty and social exclusion. The survey includes two modules to provide information on households and its members: health, education, employment, housing conditions and income. The information collected by way of the transversal component of the survey will help to evaluate the standard of living and describe housing conditions. The information from the longitudinal component (panel) will help to measure changes in housing conditions and identify the main factors affecting poverty and social exclusion as well as the effects of the different policies on the population's quality of life. Severe poverty and other indicators regarding social inclusion will be evaluated by employing the data from the longitudinal module.

6.3. Evaluation and the key priorities for re-examining the next policy

An important phase in the harmonization of the national statistics with the European ones is the implementation, within the Romanian statistic systems, and starting in 2005, of the "Survey on the incomes and standard of living". This inquiry represents a standardized statistical instrument at European level (EU – SILC) and aims to become the main mechanism to evaluate poverty and social exclusion which will allow the link between deprivation and income. The inquiry will include two modules which sets out information at the level of the household and its members: health conditions, education, employment, housing conditions, incomes. The information gathered through the transversal component of the inquiry will allow the evaluation of the welfare level and a description of the standard of living at a certain moment. Information gathered through the longitudinal component (panel) will allow the measurement of changes over time, as regards the standard of living, the identification of the main determining factors of poverty and social exclusion, as well as the effects of different policies on the population's life quality. Based on the data from the longitudinal module, the persistence of the poverty and other indicators of social inclusion can be assessed.

The aim is to expand statistical activity towards new fields of interest and to improve the methods and techniques currently used. Efforts will therefore be focused on the following aspects:

- collecting and processing non-aggregated data from administrative sources on employment and unemployment, safety at work (accidents and occupational diseases) and the social protection system;
- undertaking a survey on the continuous vocational training of adults, health and use of time;
- developing statistics on specific groups (gender, age) and on specific fields (employment within the informal system);
- identifying adequate methods and techniques of sizing samples and establishing estimates on small fields;
- implementing efficient methods of quality control of the data collected.

SECTION VII – SUPPORTING SOCIAL INCLUSION POLICIES THROUGH STRUCTURAL FUNDS

At the end of 2003, the Romanian Government approved the 2004-2006 National Development Plan (NDP). The goal is to support Romania's economic and social development, as required to achieve the objectives of the European Union in terms of economic and social cohesion.

The 2004-2006 NDP is the first document to set up multi-annual planning and scheduling of the public investments in infrastructure, business community, human resources, environmental protection, etc.; these investments will result in greater economic and social cohesion in Romania and better institution building.

Since this is the last Plan to be developed before Romania's accession to the EU - being a predecessor of the plan on which negotiations for the Community Support Framework will be based - the 2004-2006 NDP was prepared in close cooperation with the European Commission and in accordance with both the EU's methodology and the underlying principles of allocating the Structural Funds.

The 2004-2006 NDP is based on sector planning documents - documents developed by the sector, representative ministries and Regional Development Plans (RDP), which have been prepared under the coordination of the Regional Development Agencies. The NDP correlates the regional development with sectoral priorities.

The Romanian National Development Plan 2004-06, providing the Romanian Government's overall strategy for the country and substantiating Romania's application for EU pre-accession funds, identifies the strategic priority of investing in human resources as a way both to increase employability and to fight social exclusion. In particular, the NDP specifies the need to:

- Reduce the problems generated by structural unemployment;
- Create job opportunities for the disadvantaged and socially excluded categories of the population;
- Improve vocational training (qualifications) in accordance with the new curriculum, in order to meet the needs of the labour market and the lifetime education demand;
- Develop permanent education, including for staff in the education system;
- Create job opportunities for women.

In order to face these challenges, a strategy has been set out around three main pillars: i) improving long-term labour market adaptability, ii) tackling structural unemployment, iii) actively combating

social exclusion. In the social field, the strategy is supported by three types of measures:

– ***Promoting social inclusion and equal access to the labour market.***

This type of measure consists of actions that promote employment opportunities for disadvantaged groups in the labour market. This solution is provided through programmes specific to the equal opportunity areas. The specified actions will address groups that are disadvantaged on the labour market and groups at high risk of social exclusion: ethnic minorities (mainly Roma), persons with disabilities, elderly capable of working and socially excluded, children coming out of the residential childcare system and other disadvantaged persons.

– ***Ensuring access to households for persons and families unable to access the free market, as well as improving dwelling conditions***

This form of social investment aims to ensure access to households for persons and families unable to access the free market: young people and young families, including those coming out of the residential childcare system who reached the age of 18, residents and other categories of persons with insufficient means to own or rent a house.

– ***Restructuring and developing social services***

This type of measure addresses the need to develop a network of social services provided to disadvantaged groups and persons in need, in order to prevent the risk of social discrimination or exclusion. While co-ordination of such measures is done at national level, assessment, monitoring and management of the projects is done at regional and local level allowing for partnership with NGO's and community involvement

Although not exhaustive, the strategy set out for the use of pre-accession funds constitutes a basis for the future National Strategic Framework 2007-2013. Indeed, the above-mentioned priority to 'invest in human resources to increase employability and fight social exclusion' can be considered a predecessor of the Sectoral Operational Programme on Human Resources to be defined during 2005 and to be funded by the European Social Fund.

During the definition of the OP Human Resources, particular attention will be given to the articulation between the European Employment Strategy, the priorities defined in the Joint Assessment Paper and the priorities identified in the present Memorandum.

SECTION VIII – CONCLUSIONS

The Government of Romania considers that tackling poverty and social exclusion is one of the most urgent challenges it faces and is fully committed to participating in both the European Union's social inclusion process and the Open Method of Coordination on poverty and social exclusion (OMC), following its accession. The absolute priority of social inclusion promotion led to the adoption, in 2002, of the first National Anti-poverty and Promotion of Social Inclusion Plan, as developed under the direct coordination of the Prime Minister and with the involvement of all ministries, agencies, employers' organisations, trade unions, international agencies and NGOs represented within the Anti-poverty and Promotion of Social Inclusion Commission.

The process of preparing the Joint Inclusion Memorandum has been an important means of preparing for full participation in the OMC. The production of this document provided an excellent opportunity for a deep collective analysis of Romanian society's problems, for adjusting existing social policies

and for emphasising the key challenges and priorities.

The participation model was integrated within the development and implementation of all the important strategies and action plans. The Joint Inclusion Memorandum and the first National Anti-poverty and Promotion of Social Inclusion Plan have been produced through full social dialogue between the public institutions, employers' organisations, trade unions, associations and NGOs.

The Government of Romania and the European Commission have identified the following as the most urgent challenges to tackling poverty and social exclusion:

- increasing employment levels for the high risk groups: young people, 55-64 year-olds, long-term unemployed, persons in rural areas, Roma and persons with disabilities;
- promoting equal access to health services, rehabilitating primary health care, lessening polarisation of access according to income and geographic location;
- raising participation in all education levels, by eradicating situations where children are not being enrolled for school, drastically reducing school abandonment in the compulsory education system, increasing participation in secondary schools and in life-long learning;
- eradicating the phenomenon of homeless persons as far as possible, preventing people from losing their house because of insufficient material resources, improving the situation of people living in inappropriate housing conditions;
- improving the situation of persons with disabilities, elderly people at high risk of social exclusion, children at risk, young people dropping out of the childcare system, families with children in severe poverty;
- overcoming the extreme poverty and exclusion experienced by the Roma community and promoting their full integration into society.

In the light of the analysis undertaken in this report, the Government of Romania and the European Commission have agreed that the most immediate policy priorities in relation to tackling poverty and social exclusion are:

- increasing the efficiency of programmes to encourage participation in employment, with an accent on life-long learning and vocational educational training and on fighting forms of discrimination in all socio-economic sectors;
- finalising implementation of the reform of the health services by improving the primary health system, eliminating discrepancies in coverage and quality of medical services, ensuring access to a minimum package of health services for all, modernising equipment in hospitals and polyclinics, improving collection mechanisms and redistribution of collected funds, strengthening the management, monitoring and evaluation of all different types of care;
- intensifying measures to eliminate non-attendance in compulsory education, reducing school dropout and increasing participation in secondary education, at least to European standards, improving the adaptability of vocational and technical education to the labour market demands and enhancing life-long learning;
- covering the need for emergency and social houses and improving housing conditions in particular areas or for particular social categories;
- implementing the new national system of social assistance services, gradually improving the minimum guaranteed income, the support granted to families with children and the public pension system to ensure the elimination of severe poverty;
- finalising implementation of the Government Strategy for the Improvement of the Roma Situation and in particular eliminating cases of people with no ID papers, supporting training and employment, education, healthcare, housing and infrastructure development programmes which promote the social inclusion of the Roma community and continue to fight against

discrimination;

Some of the key challenges identified are addressed in the options and programmes already promoted, while others are the expression of a political commitment that will be made operational in concrete programmes. From this point of view, the Memorandum is an innovative, exploratory look at the possibilities of collective action. The main follow-up to progress with the global policy of fighting poverty and promoting social inclusion will be the production of indicators for social inclusion.

The Government of Romania has set up the institutional structures for managing the pre-accession funds and has started the institutional building for accessing and managing the Structural Funds.

The Government of Romania will update both the National Anti-poverty and Promotion of Social Inclusion Plan for 2005-2008 and the County Anti-Poverty and Promotion of Social Inclusion Plans, and will continue the process of defining policy in the area of social inclusion in the context of the Open Method of Coordination at European level.

Other important steps in this political agenda will be the planning and organisation by the Romanian government in autumn 2005 of a conference with stakeholders, researchers, authorities on the monitoring of implementation of the JIM and the presentation to the Commission by June 2006 of a JIM follow up report.

STATISTICAL ANNEXES

1. Economic background

1.1 GDP growth; GDP per capita (PPS) and inflation rate

	1998	1999	2000	2001	2002	2003
GDP (1989 = 100)	78,8	77,9	79,6	84,1	88,4	93,0
GDP per capita (1989 = 100)	81,1	80,3	82,1	86,9	93,9	99,1
GDP as against the previous year	-4.8	-1.2	2.1	5.7	5.1	5.2
Inflation rate	59.1	45.8	45.7	34.5	22.5	15,3

Source: NIS, SEC95 methodology

1.2 GDP per capita in Purchasing Power Standards (PPS)

EU 25 = 100

	1998	1999	2000	2001	2002	2003	2004
EU 25	100.0	100.0	100.0	100.0	100.0	100.0	100.0
EU 15	110.0	109.9	109.8	109.6	109.4	109.2 ^(f)	108.8 ^(f)
Czech Republic	67,2 ^(e)	65,8	65.0	66.1	67.6	68.8	69.8 ^(f)
Hungary	51.8 ^(e)	52.6	53.6	56.4	58.6	60.5	61.7 ^(f)
Poland	45.1 ^(e)	45.7	45.9	45.9	45.6	46.0	47.6 ^(f)
Bulgaria	26.4 ^(e)	26.5	27.0	28.6	28.8	29.7 ^(f)	30.8 ^(f)
Romania	26,7	25,7	25.4	26.7	28.6	29.6	31.2^(f)

Source: Eurostat; (f) estimated value

1.3 Real GDP growth rate

- % against previous year- calculated in constant prices (1995)

	1999	2000	2001	2002	2003	2004
EU 25	2.9	3.6	1.7	1.1	0.9	2.0 ^(f)
EU 15	2.9	3.6	1.7	1.0	0.8	2.2 ^(f)
Czech Republic	1,2	3,9	2.6	1.5	3.7	3.8 ^(f)
Hungary	4.2	5.2	3.8	3.5	3.0	3.9 ^(f)
Poland	4.1	4.0	1.0	1.4	3.8	5.8 ^(f)
Bulgaria	2.3	5.4	4.1	4.9	4.3	5.5 ^(f)
Romania	-1.2	2.1	5.7	5.0	4.9	7.2^(f)

Source: Eurostat; (f) estimated value

1.4 Households real incomes growth

-%

	1997	1998	1999	2000	2001	2002	2003
1997 year = 100,0							
• Total incomes	100.0	93.8	84.1	80.9	89.0	90.3	94.4
Previous year = 100,0							
• Total incomes	80.6	93.8	89.6	96.2	109.9	101.5	104.7

Data source: NIS Households integrated survey 1995-2000, Family budget survey since 2001-2003

1.5 Households incomes structure

-% of total-

	1997	1998	1999	2000	2001	2002	2003
Money incomes	67.3	70.1	70.4	68.0	74.4	76.2	74.9
- Salaries, premiums, benefits	37.9	39.6	38.5	36.3	44.9	46.4	44.8
- Incomes from sales of agricultural products and livestock	4.3	4.1	3.8	4.3	3.3	3.2	3.2
- Own account activity incomes	3.6	3.7	4.1	3.6	3.2	3.3	3.6
- Incomes from social protection allowances	17.8	18.7	20.6	20.2	19.5	19.6	19.2
In-kind incomes	32.7	29.9	29.6	32.0	25.6	23.8	25.1

Data source: NIS Households integrated survey 1995-2000, Family budget survey since 2001-2003

2. Labour Force

2.1 Activity rate for the population aged 15 years and over by gender and age

	1997	1998	1999	2000	2001	2002	2003
Total population	64.8	63.6	63.4	63.2	62.2	56.0	54.8
Males	72.5	71.4	70.9	70.6	69.2	63.5	62.5
Females	57.7	56.3	56.4	56.4	55.7	49.0	47.6
15-24 years	48.3	45.8	44.0	43.1	41.5	38.9	34.2
25-34 years	84.8	83.4	83.8	84.5	83.2	80.7	79.4
35-44 years	88.3	87.0	86.7	86.5	86.0	83.4	82.8
45-54 years	80.6	78.9	78.7	77.6	75.7	71.9	71.9
55- 64 years	52.3	51.1	50.1	50.0	48.7	38.3	38.8

65 years and over	33.8	34.8	36.0	35.7	35.4	18.5	17.9
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Source: NIS. Household Labour Force Survey

2.2 Employment rate, population aged 15 years and over by area, gender and age

	1997	1998	1999	2000	2001	2002	2003
Total population	60.9	59.6	59.1	58.8	58.1	51.3	51.0
Urban	54.3	52.3	50.8	49.8	49.2	47.3	47.5
Rural	68.9	68.4	69.2	69.8	69.2	56.1	55.2
Males	68.3	66.8	65.7	65.1	64.3	57.8	57.9
Females	54.0	52.9	52.9	52.8	52.4	45.2	44.6
15-24 years	39.6	37.4	35.7	35.1	34.3	30.5	27.9
25-34 years	79.3	77.7	77.5	77.9	77.2	73.7	73.6
35-44 years	84.4	82.4	81.5	80.6	80.8	77.5	78.0
45-54 years	78.3	76.2	75.2	73.8	72.1	67.6	68.0
55- 64 years	51.9	50.8	49.6	49.5	48.2	37.7	38.1
65 years and over	33.7	34.8	36.0	35.7	35.4	18.5	17.9

Source: NIS. Household Labour Force Survey

2.3 Total employment rate, population aged 15-64 years

	1997	1998	1999	2000	2001	2002	2003
EU (25 countries)	60.6	61.2	61.9	62.4	62.8	62.9	63.0
EU (15 countries)	60.7	61.4	62.5	63.4	64.1	64.3	64.4
Czech Republic	:	67.3	65.6	65.0	65.0	65.4	64.7
Hungary	52.4	53.7	55.6	56.3	56.2	56.2	57.0
Poland	58.9	59.0	57.6	55.0	53.4	51.5	51.2
Bulgaria	:	:	:	50.4	49.7	50.6	52.5
Romania	65.4	64.2	63.2	63.0	62.4	57.6	57.6

Source: Eurostat; (:) Not available

2.4 Unemployment rates for the population aged 15-74 years

	1997	1998	1999	2000	2001	2002	2003	2004
EU 25		9.4	9.2	8.8	8.5	8.5	9.1	9.0
EU 15	10.0	9.4	8.7	7.8	7.4	7.7	8.1	8.0
Czech Republic		6.4	8.6	8.7	8.0	7.3	7.8	8.3
Hungary	9.0	8.4	6.9	6.3	5.6	5.6	5.8	5.9

Poland	10.9	10.2	13.4	16.4	18.5	19.8	19.2	18.8
Bulgaria		:		16.4	19.2	17.8	13.6	12.0
Romania	5.3	5.4	6.2	6.8	6.6	7.5	6.8	7.1

Source: Eurostat; (:) not available; (b) break in series

2.5 Unemployment rates by educational level for the population aged 25 - 59 years

- % -

	1997	1998	1999	2000	2001	2002	2003	2004
pre-school, primary and secondary education -level 0-2 (ISCED 1997)								
EU 25	:	:	:	11.7	10.3	10.7	11.4	:
EU 15	12.5	12.5	12.0	10.9	9.3	9.8	10.4	:
Czech Republic	:	14.0	18.6	20.0	19.3	18.0	19.7	23.4
Hungary	13.1	13.3	12.2	10.4	10.4	10.6	11.0	11.2
Poland	15.1	14.2	:	22.9	25.1	26.5	27.4	29.6
Bulgaria	:	:	:	23.9	30.5	28.1	24.7	20.4
Romania	3.9	3.5	3.7	4.8	4.9	5.9	6.2	8.1
vocational, high school and post high school education - level 3-4 (ISCED 1997)								
EU 25	:	:	:	8.0	7.6	8.0	8.3	:
EU 15	8.8	8.5	7.6	6.8	6.1	6.4	7.0	:
Czech Republic	:	4.3	6.4	6.8	6.1	5.5	6.1	6.5
Hungary	7.2	7.4	5.9	5.6	4.6	4.4	4.8	4.7
Poland	10.1	8.9	:	14.0	15.9	17.8	17.2	17.2
Bulgaria	:	:	:	13.8	17.3	15.9	11.2	10.2
Romania	5.0	5.4	6.7	7.6	6.8	8.0	6.5	6.4
tertiary education - level 5-6 (ISCED 1997)								
EU 25	:	:	:	4.4	3.9	4.3	4.7	:
EU 15	5.9	6.9	5.2	4.4	3.9	4.3	4.7	:
Czech Republic	:	1.9	2.6	2.6	2.0	1.6	2.0	1.9
Hungary	1.7	1.9	1.2	1.3	1.1	1.6	1.2	1.9
Poland	3.0	2.0	:	4.7	4.5	5.6	6.0	6.1
Bulgaria	:	:	:	6.4	8.0	7.7	6.4	5.3
Romania	2.1	2.2	2.4	3.5	3.4	3.5	2.9	2.6

Source: Eurostat; (:) not available

2.6 ILO Long-term unemployment

-% of total unemployed population, ILO definition –

	1997	1998	1999	2000	2001	2002	2003
6 months and over	66.3	60.0	62.7	69.7	66.7	72.2	77.6
Males	62.4	58.3	61.2	68.1	66.5	70.7	76.2
Females	70.5	62.2	64.7	71.9	67.1	74.2	79.5
Urban	69.5	64.6	67.3	72.8	70.6	77.0	81.0
Rural	58.7	47.7	49.4	58.9	52.9	61.6	69.4
12 months and over	47.7	41.8	44.3	51.5	49.5	53.1	61.9
Male	44.1	39.7	41.9	49.8	48.3	51.2	60.6
Female	51.6	44.5	47.8	53.9	51.1	55.7	63.6
Urban	51.3	46.3	47.8	54.6	52.8	58.9	64.2
Rural	39.3	30.2	34.4	40.9	37.8	40.4	56.1

Source: NIS. Household Labour Force Survey

2.7 ILO long-term unemployment rate (12 months and over)

% of total active population

	1997	1998	1999	2000	2001	2002	2003
EU 25	:	4.4	4.1	4.0	3.8	3.9	4.0
EU 15	4.9	4.4	4.0	3.5	3.1	3.1	3.3
Czech Republic	:	1.9	3.1	4.2	4.1	3.7	3.8
Hungary	4.5	4.2	3.3	3.0	2.5	2.4	2.4
Poland	5.1	4.8	5.8	7.6	9.3	10.8	10.7
Bulgaria	:	:	:	9.3	11.9	11.7	8.9
Romania	2.4	2.3	2.7	3.5	3.3	4.0	4.1

Source: Eurostat; (:) not available

3. Social public expenditure dynamics including education (% of GDP)

- % -

	1997	1998	1999	2000	2001	2002	2003	2004**
Social public expenditure (% of GDP)	15.9	17.3	18.4	17.2	18.2	18.1	18.4	19.4
of which								
In the pension	5.4	5.8	6.9	6.4*	6.5*	7.3	7.0	7.4

system								
Health	2.6	3.5	3.8	3.7*	4.0*	4.0	4.1	3.8
Social assistance	1.2	1.3	0.9	0.7	0.8	1.2*	1.0*	
Education	3.3	3.3	3.8	3.1*	3.2*	3.6	3.9	4.1
Unemployment								
benefits and active	1.3	1.4	1.5	1.2	0.8	0.7	0.8*	0.8*
labour programmes								

Source: Calculations based on data published by NIS. Ministry of Public Finances and
MOLSF (*); (**) projection

4. Demographics (1992-2003)

4.1 Population and its demographic structure by gender, age and area

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Total- thousands persons, out of which, in %	22789	22755.3	22730.6	22681	22607.6	22545.9	22502.8	22458	22435.2	22408.4	21794.8	21733.6	21673.3
Males	49.1	49.1	49.1	49.0	49.0	49.0	48.9	48.9	48.9	48.9	48.8	48.8	48.8
Females	50.9	50.9	50.9	51.0	51.0	51.0	51.1	51.1	51.1	51.1	51.2	51.2	51.2
0 - 14 years	22.4	21.7	21.1	20.5	19.9	19.4	19.1	18.8	18.3	17.8	17.3	16.7	16.1
15 - 59 years	61.0	61.4	61.7	62.1	62.4	62.5	62.6	62.7	62.9	63.3	63.5	64.1	64.6
60 years and over	16.6	16.9	17.2	17.5	17.7	18.0	18.3	18.5	18.8	18.9	19.2	19.2	19.3
Urban	54.3	54.5	54.7	54.9	54.9	55.0	54.9	54.8	54.6	54.6	53.3	53.4	54.9
Rural	45.7	45.5	45.3	45.1	45.1	45.0	45.1	45.2	45.4	45.4	46.7	46.6	45.1

-thousands-

Source: NIS. Demographic Statistics

4.2 Natural increase and decrease

- per 1000 inhabitants-

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
EU 25	1.6	1.0	0.9	0.6	0.6	0.7	0.5	0.4	0.7	0.7 ^(p)	0.5 ^(e)	0.4 ^(e)
EU 15	1.6	1.0	1.0	0.7	0.8	1.0	0.8	0.8	1.0	1.0 ^(p)	0.8 ^(e)	0.8 ^(e)
Czech Republic	0.1	0.3	-1.0	-2.1	-2.2	-2.1	-1.8	-2.0	-1.8	-1.7	-1.5	-1.7
Hungary	-2.6	-3.2	-3.0	-3.2	-3.7	-3.8	-4.2	-4.7	-3.7	-3.4	-3.5	-4.1 (p)
Poland	3.1	2.7	2.5	1.2	1.1	0.8	0.5	0.0	0.3	0.1	-0.1	-0.4
Bulgaria	-2.2	-3.0	-3.8	-5.1	-5.4	-6.9	-6.4	-4.8	-5.1	-5.6	-5.9	-5.7
Romania	-0.2	-0.6	-0.9	-1.5	-2.4	-1.9	-1.4	-1.4	-0.9	-1.8	-2.7	-2.5

Source: Eurostat; (:) not available; (e) estimated value ; (p) provisional value

4.3 Vital statistics

- rates per 1000 inhabitants or, in case of infant deaths, per 1000 live-births –

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Live-births	11.4	11.0	10.9	10.4	10.2	10.5	10.5	10.4	10.5	9.8	9.7	9.8
Deaths	11.6	11.6	11.7	12.0	12.7	12.4	12.0	11.8	11.4	11.6	12.4	12.3
Infant deaths	23.3	23.3	23.9	21.2	22.3	22.0	20.5	18.6	18.6	18.4	17.3	16.7
Natural population change	-0.2	-0.6	-0.8	-1.6	-2.5	-1.9	-1.5	-1.4	-0.9	-1.8	-2.7	-2.5

Source: NIS. Demographic Statistics

4.4 Number and average size of the households at the last two censuses, by residential area

Source: NIS. Population and Housing Census. 1992. 2002

	Number of population's households		2002 % against of 1992	Average household size	
	2002	1992		2002	1992
TOTAL	7320202	7288676	100.4	2.92	3.07
Urban	3958342	3970435	99.7	2.82	3.03
Rural	3361860	3318241	101.3	3.03	3.12

4.5 Structure of the internal migration flows urban and rural (1992-2003)

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Rural to urban	39.2	35.0	30.5	25.1	24.7	22.6	21.9	21.0	19.5	28.1	22.4	23.2
Urban to urban	24.3	25.4	25.6	26.1	27.4	25.0	26.0	26.6	23.7	31.5	25.8	27.3
Rural to rural	22.8	25.0	25.5	27.9	24.5	25.6	23.6	21.8	23.0	22.9	21.6	19.3
Urban to rural	13.7	14.7	18.4	20.8	23.4	26.8	28.5	30.7	33.8	31.9	30.1	30.2
Sold	25.5	20.4	12.1	4.3	1.3	-4.2	-6.5	-9.6	-14.3	-3.8	-7.7	-7.1

(% of total) Source: NIS. Demographic statistics

4.6 Net migration, including corrections (1992-2003)

- to 1000 inhabitants –

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
EU 25	2.9	2.2	1.7	1.8	1.7	1.2	1.5	2.1	2.6	3.0 ^(p)	2.9 ^(e)	3.7 ^(e)
EU 15	3.7	2.9	2.2	2.2	2.1	1.5	1.9	2.5	3.1	3.6 ^(p)	3.4 ^(e)	4.3 ^(e)
Czech Republic	1.1	0.5	1.0	1.0	1.0	1.2	0.9	0.9	0.6	-0.8	1.2	2.5
Hungary	1.8	1.8	1.7	1.7	1.7	1.7	1.7	1.6	1.6	1.0	0.3	1.5 ^(p)
Poland	-0.3	-0.4	-0.5	-0.5	-0.3	-0.3	-0.3	-0.4	-0.5	-0.4	-0.3	-0.4
Bulgaria	-10.7	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.9	0.0	0.0
Romania	-1.3	-0.8	-0.7	-0.9	-0.9	-0.6	-0.2	-0.1	-0.2	0.0	-0.1	-0.3

Source: Eurostat; (:) not available; (e) estimated value ; (p) provisional value

5. Poverty

5.1 Inequality in income distribution (ratio between the first and last quintile)

	2000	2001	2002
EU 25	:	4.4 ^(s)	:
EU 15	4.4 ^(s)	4.4 ^(s)	:
Czech Republic	:	3.4	:
Hungary	3.3 ⁽ⁱ⁾	3.1 ⁽ⁱ⁾	3.0 ⁽ⁱ⁾
Poland	4.7 ⁽ⁱ⁾	4.7 ⁽ⁱ⁾	4.8 ⁽ⁱ⁾
Bulgaria	3.8 ⁽ⁱ⁾	3.8 ⁽ⁱ⁾	3.8 ⁽ⁱ⁾

Romania	4.5 ⁽ⁱ⁾	4.6 ⁽ⁱ⁾	4.7 ⁽ⁱ⁾
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Source: Eurostat; (:) not available; (s) estimated value Eurostat

5.2 At-risk of poverty rate before social transfers

-% of population under 60% of the national median equivalised disposable income -

	2000	2001	2002
EU 25	:	:	:
EU 15	23 ^(s)	24 ^(s)	:
Czech Republic	:	18 ⁽ⁱ⁾	:
Hungary	17 ⁽ⁱ⁾	17 ⁽ⁱ⁾	15 ⁽ⁱ⁾
Poland	30 ⁽ⁱ⁾	31 ⁽ⁱ⁾	32 ⁽ⁱ⁾
Bulgaria	17 ⁽ⁱ⁾	19 ⁽ⁱ⁾	17 ⁽ⁱ⁾
Romania	21 ⁽ⁱ⁾	22 ⁽ⁱ⁾	23 ⁽ⁱ⁾

Source: Eurostat; (:) not available; (s) estimated value Eurostat

5.3 At-risk of poverty rate after social transfers

-%-

	2000	2001	2002
EU 25	:	:	:
EU 15	15 ^(s)	15 ^(s)	:
Czech Republic	:	8 ⁽ⁱ⁾	:
Hungary	11 ⁽ⁱ⁾	11 ⁽ⁱ⁾	10 ⁽ⁱ⁾
Poland	16 ⁽ⁱ⁾	16 ⁽ⁱ⁾	17 ⁽ⁱ⁾
Bulgaria	14 ⁽ⁱ⁾	16 ⁽ⁱ⁾	13 ⁽ⁱ⁾
Romania	17 ⁽ⁱ⁾	17 ⁽ⁱ⁾	18 ⁽ⁱ⁾

Source: Eurostat; (:) not available; (s) estimated value Eurostat

5.4 Social transfers as % of the net average salary

(%)

	1997	1998	1999	2000	2001	2002	2003
Average pension for age limit full seniority	52.0	49.5	60.0	57.9	58.2	58.6	54.7
Average pension - all kind of pensions	32.0	29.9	34.9	33.9	34.5	35.2	32.3

Average pension - farmers	10.9	9.9	9.4	8.8	9.0	9.1	8.0
Unemployment benefit	39.3	32.4	32.5	31.8	32.0	34.6	35.4
Support allowances	15.4	14.7	14.6	13.2	11.4	12.0	11.3
Social benefit	19.0	18.4	16.6	13.4	9.7	33.5	2.9
State allowances for children	7.2	6.1	5.3	4.1	5.0	4.2	4.4
State allowances for more than one child	2.8	5.6	3.7	3.0	2.3	1.7	1.3

Source: NIS

5.5 Absolute poverty rates calculated using the CASPIS and WB methodology

Poverty is estimated here against an absolute threshold calculated as being the value of the minimum basket including food and non-food products and services. Severe poverty is estimated on the basis of a more restrictive hypothesis, adding to the value of the food basket other values, even lower, considered as minimal for expenses on non-food products and services. It has to be emphasized that 'this is not in line with EU recommended practice to use income instead of expenditure for monitoring of monetary poverty, complemented with non-monetary indicators, and a relative approach instead of an absolute measure.

5.5.1 Poverty and severe poverty rates, by residential area

(%)

	1997	1998	1999	2000	2001	2002	2003
Poverty	30.3	30.8	33.2	35.9	30.6	28.9	25.1
Urban	20.2	20.6	22.2	25.9	18.8	17.6	13.8
Rural	42.3	43.0	46.3	47.8	44.7	42.4	38.0
Severe Poverty	11.2	11.3	12.5	13.8	11.4	10.9	8.6
Urban	6.4	6.3	7.3	9.2	6.0	5.4	3.8
Rural	17.1	17.3	18.7	19.3	17.8	17.5	13.9

Source: CASPIS computations on NIS data

5.5.2 Poverty and severe poverty rates, by educational attainment

(%)

	1997	1998	1999	2000	2001	2002	2003
No school	55.4	59.9	61.5	63.3	63.0	58.4	55.7
Primary school	44.0	45.3	45.7	48.2	45.3	42.3	37.7
Lower secondary	34.3	34.0	37.3	39.1	34.9	32.5	29.0

Professional and apprenticeship school	23.1	24.2	27.4	31.3	24.3	23.1	19.3
High-school	16.2	17.0	17.2	19.3	13.3	12.2	10.3
Post-high-school	7.1	7.4	7.9	10.3	6.0	6.1	4.3
Faculty or colleges	2.2	3.0	2.6	3.2	2.5	1.5	1.5

Source: CASPIS computations on NIS data

5.5.3 Poverty rates by a series of individual characteristics

		1997	1998	1999	2000	2001	2002	2003
Gender	females	30.0	30.5	32.7	35.6	30.1	28.5	24.7
	males	30.5	31.1	33.7	36.1	31.1	29.3	25.6
Ethnicity	Romanian	29.2	29.6	32.0	34.7	29.6	28.0	24.4
	Hungarian	26.4	25.7	28.0	31.2	23.9	22.6	14.9
	Roma	79.1	82.5	80.0	83.0	81.8	78.8	76.8
	Others	32.9	36.6	39.9	37.0	37.0	24.0	18.6
Occupational status	Employee	15.6	15.5	16.0	18.5	12.6	11.2	9.0
	Employer	1.9	2.2	2.5	3.1	3.7	2.5	1.6
	Self-employed in non-agricultural activities	41.5	41.4	47.4	50.1	41.0	41.0	35.6
	Self-employed in agriculture	52.9	52.4	56.6	57.3	58.7	55.3	50.9
	Unemployed	47.3	46.0	47.1	51.3	43.3	44.9	39.3
	Retired	28.7	28.9	29.7	31.1	25.9	24.2	20.7
	Pupil/student	28.6	30.0	33.4	36.7	30.0	29.2	24.6
	Unpaid family worker	43.5	44.2	44.7	47.4	43.2	39.6	34.8
	Others	39.7	39.9	43.9	47.8	41.7	39.6	35.8
Age	0 - 14 years	33.1	34.0	37.8	41.2	35.6	34.1	29.9
	15 - 24 years	37.8	38.5	41.4	44.6	38.9	37.0	31.9
	25 - 64 years	25.8	26.3	28.5	31.3	26.0	24.6	21.6
	65 years and over	34.1	34.0	34.8	35.2	32.0	29.4	24.9

Source: CASPIS computations on NIS data

5.5.4 Poverty rates by a series of household characteristics

		1997	1998	1999	2000	2001	2002	2003
Region	North-Est	43.2	42.8	48.0	48.5	44.3	42.5	35.4
	South-Est	33.6	33.3	34.4	38.4	33.5	32.3	29.2

Number of household members	South	29.8	33.5	37.3	40.0	32.8	33.1	29.9
	South-Vest	32.5	29.9	32.2	34.5	34.2	32.5	32.1
	Vest	23.9	26.1	25.1	30.1	24.9	22.2	18.1
	Nord-Vest	26.0	25.7	30.6	34.4	28.5	23.0	17.7
	Center	29.0	28.7	31.0	31.4	23.9	23.4	20.3
	Bucharest	15.0	17.1	14.5	18.2	11.4	10.6	8.1
	1	23.3	24.9	25.1	25.8	22.6	20.4	17.8
	2	25.3	24.9	24.6	26.5	23.0	20.9	17.5
	3	21.1	21.2	22.7	24.3	19.7	18.0	16.0
	4	23.7	24.7	28.5	31.7	25.5	24.5	21.1
	5	46.0	48.0	52.0	55.9	49.4	46.8	42.9
	No children	25.8	26.1	26.8	28.1	24.3	22.2	19.4
	1 child	23.7	24.5	26.8	31.2	24.5	23.2	20.1
	2 children	27.4	30.1	33.8	37.5	30.2	30.7	25.9
	3 children and more	53.6	54.2	63.5	66.4	65.6	60.2	54.1

Source: CASPIS computations on NIS data

5.5.5 At-risk of poverty rates using relative thresholds

		1998	1999	2000	2001	2002	2003
Poverty rates at the:	40% of the median income	4	5	5	5	6	5
	50% of the median income	8	9	10	10	11	10
	60% of the median income	15	16	17	17	18	17
	70% of the median income	23	24	25	25	25	25
Poverty rates at 60% of the median income	Before social transfers Total	37	39	38	41	42	41
	M	35	37	37	40	41	40
	F	38	40	40	42	43	42
	After social transfers Total	15	16	17	17	18	17
	M	14	16	17	17	18	17
	F	15	17	18	17	18	18

Source: CASPIS computations on NIS data

6. Health

6.1 Life expectancy at birth, total and by gender (1993-2003)

- years -

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Total	69.5	69.5	69.4	69.1	69.0	69.2	69.7	70.5	71.2	71.2	71.0
males	66.1	65.9	65.7	65.3	65.2	65.5	66.1	67.0	67.7	67.6	67.4
females	73.2	73.3	73.4	73.1	73.0	73.3	73.7	74.2	74.8	74.9	74.8

Source: NIS. Demographical statistics- adjusted life expectancy (computed on three years bases)

6.2 Life expectancy at birth (1993-2003)

-years -

Males

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
EU 25	72.3 (e)	72.6 (e)	72.8 (e)	73.2 (e)	73.5 (e)	73.5 (e)	73.8 (e)	74.4 (e)	74.7 (e)	74.8 (e)	:
EU 15	73.4	73.8	73.9	74.2	74.6	74.6 (e)	74.9 (e)	75.5 (e)	75.7 (e)	75.8 (e)	:
Czech Republic	69.2	69.5	69.7	70.4	70.5	71.1	71.4	71.7	72.1	72.1	72.0
Hungary	64.5	64.8	65.3	66.1	66.4	66.1	66.4	67.4	68.1	68.4	:
Poland	67.4	67.5	67.6	68.1	68.5	68.9	68.2	69.7	70.2	70.4	70.5
Bulgaria	:	:	67.1	67.1	:	:	68.3	68.4	68.5	68.9	:
Romania	65.9	65.7	65.3	65.2	65.5	65.5	67.1	67.7	67.6	67.5	67.5 (p)

Females

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
EU 25	79.2 (e)	79.5 (e)	79.7 (e)	79.9 (e)	80.2 (e)	80.2 (e)	80.4 (e)	80.8 (e)	81.0 (e)	81.1 (e)	:
EU 15	79.9	80.3	80.4	80.6	80.9	80.9 (e)	81.1 (e)	81.4 (e)	81.6 (e)	81.6 (e)	:
Czech Republic	76.4	76.6	76.6	77.3	77.5	78.1	78.2	78.4	78.5	78.7	78.5
Hungary	73.8	74.2	74.5	74.7	75.1	75.2	75.2	75.9	76.4	76.7	:
Poland	76.0	76.1	76.4	76.6	77.0	77.3	77.2	77.9	78.3	78.7	78.9
Bulgaria	:	:	74.6	74.3	:	:	75.1	75.1	75.3	75.6	:
Romania	73.3	73.4	73.1	73.0	73.3	73.3	74.2	74.6	74.9	74.8	74.9 (p)

Source: Eurostat; (:) not available; (e) estimated value ; (p) provisional value - estimated on data received on annual basis

6.3 Number of dentists per 100 000 inhabitants

	1997	1998	1999	2000	2001	2002	2003
EU 25	58.0	58.4	58.4	58.0	56.6	:	:
EU 15	55.8	56.5	57.2	57.0	55.5	:	:
Czech Republic	62.7	62.0	62.5	64.8	65.2	:	:
Hungary	37.6	44.4	45.7	32.9	36.2	:	:
Poland	45.6	44.8	34.3	30.4	26.2	:	:
Bulgaria	62.8	58.4	56.6	82.8	79.5	77.9	82.0
Romania	23.5	23.8	23.4	22.2	22.5	:	:

Source: Eurostat; (:) not available

6.4 Number of physicians per 100 000 inhabitants

	1997	1998	1999	2000	2001	2002	2003
Czech Republic	353.4	354.7	355.9	370.2	378.3	387.5	:
Hungary	311.1	312.2	314.9	272.7	293.2	318.9	:
Poland	235.8	233.0	226.4	220.0	224.4	228.0	:
Bulgaria	343.5	343.8	343.4	336.1	333.6	350.8	356.4
Romania*	178.8	183.4	191.1	188.7	188.8	190.3	195.4

Source: Eurostat; (:) not available

*) public sector

7. Education

7.1 School net enrollment rates

- % -

	1996- 1997	1997- 1998	1998- 1999	1999- 2000	2000- 2001	2001- 2002	2002- 2003	2003- 2004
TOTAL	63,4	63,8	64,9	65,7	66,9	68,2	64,2	64,4
Pre-school education	60,4	62,8	64,2	65,2	66,1	67,5	71,0	70,9
Primary and secondary education of which:	87,0	87,8	89,5	89,0	92,3	88,8	89,2	89,3
- primary education	92,5	90,2	91,6	91,4	94,2	93,8	93,1	94,0
- secondary education	81,0	85,1	87,5	86,9	90,8	85,3	86,3	85,7
high school and vocational education, of which:	56,4	56,7	57,0	58,4	66,0	64,8	65,6	65,2
- high school education	42,1	42,7	42,9	43,9	47,8	46,9	47,0	46,9
- vocational education	14,3	14,0	14,1	14,5	18,2	17,9	18,6	18,4
Post high school education	3,5	4,1	4,5	4,6	4,0	3,9	3,5	3,2
Tertiary education	11,6	12,0	13,7	15,5	18,1	20,3	23,0	24,6

Source: NIS

7.2 Early school leavers

	1997	1998	1999	2000	2001	2002	2003	2004
EU 25		:	:	17.2 ⁽ⁱ⁾	16.9 ⁽ⁱ⁾	16.5 ⁽ⁱ⁾	15.9 ^(b)	15.9 ⁽ⁱ⁾
EU 15	20.7 ^(e)	:	20.5 ⁽ⁱ⁾	19.3 ⁽ⁱ⁾	18.8 ⁽ⁱ⁾	18.5 ⁽ⁱ⁾	18.1 ^(b)	18.0 ⁽ⁱ⁾
Czech Republic		:	:			5.5	6.0 ^(b)	6.1
Hungary	17.8	15.9	13.0	13.8	12.9	12.2	11.8 ^(b)	12.6
Poland		:	:		7.9	7.6	6.3	5.7 ^(b)
Bulgaria		:	:		20.3	21.0	22.4	21.4
Romania	19.7	19.1	21.5	22.2	21.3	23.2	23.2	23.6^(b)

Source: Eurostat; (:) not available; (p) provisional value; (b) break in series; (e) estimated value

7.3 Lower secondary attainment rates

-% from population 25 – 64 aged -

	1997	1998	1999	2000	2001	2002
EU 15	57.3	:	62.2	63.4	63.8	64.6
Czech Republic	:	85.6	86.0	86.1	86.3	87.8

Hungary	63.2	67.3	73.2	69.2	70.1	71.4
Poland	76.3	77.8	78.5	79.7	80.0	80.8
Bulgaria	:	:	:	67.1	71.1	71.5
Romania	64.7	66.9	68.0	69.3	70.5	71.1

Source: Eurostat; (:) not available; (b) break in series

8. Child delinquency rates in Romania and other countries in transition

-per 100, 000 people aged 14-17 years –

	1997	1998	1999	2000	2001	2003
Czech Republic	4300	3959	3629	3335	3218	2739
Hungary	2471	2379	2190	2125	2247	2278
Poland	2700	2903	2617	2943	2786	2658
Slovakia	2685	2541	2350	2096	2118	3684
Bulgaria	3918	4202	3883	4286	4100	4285
Romania	1963	2054	1244	1270	1265	1535

Source: UNICEF "Social Monitor 2003. The MONEE Project. CEE/CIS/Baltic States"

9. Housing

New built dwellings, by residential area (1993-2003)

- Thousands –

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Total	30.1	36.7	35.8	29.5	29.9	29.7	29.5	26.4	27.0	27.7	29.1
Urban	14.8	18.0	15.0	10.0	10.5	10.4	10.3	9.2	9.5	11.6	14.5
Rural	15.3	18.7	20.8	19.5	19.4	19.3	19.2	17.2	17.5	16.1	14.6
From private funds	19.2	25.9	26.7	25.2	26.1	26.6	27.3	24.7	25.3	24.4	22.9

Source: NIS

EU FOUNDING RELEVANT PROJECTS 2000-2006

<i>Project Code</i>	<i>Contract Title</i>	<i>EU Amount</i>	<i>National Co-financing Amount *</i>
RO 0104.02	Access to education for disadvantaged groups with a special focus on Roma	7.000.000,00	1.330.000,00
2002/586.01.02	Support to the National Strategy for the improvement of Roma situation	6.000.000,00	1.600.000,00
2003/005.551.01.02	Access to education for disadvantaged groups	9.000.000,00	2.300.000,00
2003/005.551.01.03	Institution building in the field of antidiscrimination	900.000,00	34.000,00
RO.0104.01	Strengthening and diversification of the child protection activities - Continued Support for Children First	13.700.000,00	0,00
RO-2002/000-586.01.01	Strengthening and diversification of the child protection activities - Continued Support for Children First	13.000.000,00	4.300.000,00
B7-300	Access 1999 Programme	4.105.000,00	0,00
RO0008	Access 2000 Programme	4.310.000,00	0,00
RO0104.03/4.1	Civil Society 2001 Fund - Access Social	3.391.254,00	0,00
PHARE2003/005.551.01.05/05	Strengthening Civil Society 2003 Programme - Access Social	1.265.000,00	0,00
RO 0108.03.03.01	Social services investment scheme	11.000.000,00	3.760.000,00
RO 0108.03.03.02	Training for enhancing the skills to provide social services in Romania	1.000.000,00	0,00
RO 0108.02	Social services institution building	5.000.000,00	0,00
Phare 2003/005-551.01.04	Support to the reform of the disabled persons protection - component 1 (grant scheme)	11.500.000,00	3.500.000,00
Phare 2003/005-551.01.04	Support to the reform of the disabled persons protection - component 2 (TA for managing grant scheme)	1.500.000,00	0,00

Phare 2003/005-551.01.04	Support to the reform of the disabled persons protection - component 3 (Public awareness campaign)	1.000.000,00	0,00
2001 - RO 0108.01	Technical assistance for the reform of TVET (partially relevant through training of educators and adaptation of curricula for students with special needs)	3.000.000,00	0,00
2001 - RO 0108.03	Rehabilitation of 111 TVET schools in areas of industrial decline	12.000.000,00	4.000.000,00
2002 - RO 586.05.01	TA for the reform of TVET (partially relevant through the development of learning packages for students with special needs)	2.900.000,00	0,00
2002 - RO 586.05.02	IT and office equipment for 122 TVET schools (partially relevant)	3.825.000,00	1.275.000,00
2002 - RO 586.05.02	HRD grant scheme (partially relevant through measures targeting long-term and young unemployed and other vulnerable groups)	12.000.000,00	4.000.000,00
2002 - RO 586.05.02	Strengthening the administration capacity of MLSS for ESF implementation	1.200.000,00	0,00
2002 - RO 586.05.02	Didactic equipment for 111 TVET schools (partially relevant - see above)	12.000.000,00	4.000.000,00
2003 - RO 551.05.01	Support for the reform of TVET (partially relevant - see above)	1.000.000,00	0,00
2003 - RO 551.05.01	Support to MoLSS to design and implement social policies	1.350.000,00	0,00
2003 - RO 551.05.01	Support for strengthening the institutional capacity of NAE	650.000,00	0,00
2003 - RO 551.05.01	Workshop rehabilitation for 111 TVET schools (partially relevant)	6.000.000,00	2.000.000,00
2003 - RO 551.05.01	IT and didactic for 161 TVET schools (partially relevant - see above)	16.305.000,00	5.435.000,00

2003 - RO 551.05.01	HRD grant scheme (partially relevant - see above)	5.600.000,00	1.870.000,00
Total:		142.946.254,00	32.099.000,00
