



MINISTRY OF LABOUR, SOCIAL SOLIDARITY AND FAMILY

NATIONAL STRATEGIC REPORT CONCERNING SOCIAL PROTECTION AND SOCIAL INCLUSION

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PART I – COMMON OVERVIEW

1.1. Assessment of social situation:

1.1.1 Economic trends:

In Romania, there is an economic growth process beginning with 2001, each year bringing 5,7% of growth. In 2005 a lower percentage for economic growth was recorded, namely 4,1%. During the first trimester of 2006, the Gross Domestic Product increased with 6,9 %, estimations for 2006 predicting 6,0%. The Gross Domestic Product per Capita was, in 2005, 7700 SPB, three times smaller than the EU-25 average.

In 2005, the total monthly income, in nominal value was 1212,2 lei per household , and 412,6, lei per person, with 11,6%, respectively 12,1%, higher than in 2004. The main source for the total income was, both in 2005 and 2004, the money income (79,6%, increasing with 3,8% as compared to 2004). A high percentage of the income in kind (20,4%) was also recorded, although this category decreased as compared to the previous year (-3,8%), mainly due to the equivalent value of food consumption from individual resources (- 4,5%).

The salaries and other related earnings, represent the most important income category and they have the highest rate within the households total income (47,3 %, increasing with 2,7% as compared to 2004). Nevertheless, their contribution to income is low comparing to that of the developed market economies, due to the small number of households members who are employed.

Another category of income which has an important role in the structure of households total income, not only in 2005 but also in 2004, is represented by the income from social benefits (20,4%, with 1,1 percentage higher than in 2004).

The income from agriculture, independent activities and those from estates still have a low share in the total income of the households (7,6%).

Regarding the total expenditure of households recorded in 2005, there was a monthly average of 1149,3 lei per household and 391,2 lei per person, close to the total income level (94,8%).

The main households expenditures consist in food and non-food products and transfers to the public administration and to the social insurances budgets, as taxes and contributions, and also expenses necessary for household production.

The greatest part of the household expenses is allocated for consumption. The highest level of consumption expenses was recorded in 2005 by the owners' households (1763,9 lei). Regarding other categories, the average consumption expenses proportion is: 64,2% - employees, 50,0% - independent workers, 42,1% - unemployed workers, 39,4% - pensioners and 37,3% farmers.

1.1.2. Demographic Trends:

The demographic changes recorded at European level, have negative effects in Romania too, a slow and continuous process of population decrease being registered. The elements which trigger this phenomenon are: low birth rate (from 13,6 ‰ in 1990 to 10,2‰ in 2005), high mortality rate (from 10,6‰ in 1990 to 12,1‰ in 2005), and also the natural spore declining from 3,0‰ in 1991 to 1,9‰ in 2005.

The consequences of these tendencies meant a built of pressure from the elder population upon the adult population, potentially active persons, and also upon the social protection system (employment, health, social assistance, social insurance).

The population under 15 years old is continually decreasing, from 19,0% in 1999 to 15,5% in 2005, while the population of 65 years of age and older increased from 13,0% to 14,8%. The percentage of population over 65 is, in Romania, 14,8% in 2006, representing less than EU-25 average level which is of 16,5%, while the youth population percentage is 15,5%, almost equal with the EU-25 average of 16,4%.

At the same time, there has been a constant change regarding the Romanian households. In 2005, as compared to 2004, there was a growing tendency of the urban households' number (from 55,8% in 2004 to 56,4% in 2005) and a decreasing tendency of the rural households' number (from 44,2% in 2004 to 43,6% in 2005). The medium size of a household is of 2,938 individuals (2,950 individuals in 2004).

The households made up of 1-2 individuals have been more numerous in urban areas than in rural areas (54,7% comparing with 45,3%); the same goes for those made up of 3-4 individuals (64,2% comparing with 35,8%). On the other hand, the number of the households made up of 5-6 individuals or more was higher in rural area (68,2%) than in urban area.

The households distribution, according to the number of children less than 18 years old who are supported by relatives, is characterized by a high number of households without children (66,7% of the whole), percentage which is high both in urban and rural areas (64,2 % - urban area, 69,8% - rural area). Regarding the households with children, the most frequent are the ones with one child (58,0%). The households with one or two children are mostly found in urban areas and the ones with three, four or more children in rural areas.

1.1.3. The Poverty Evolution

The poverty rate has been lately in constant decrease, a trend maintained in 2005, too. If in 2004 the poverty rate was of 18,8%, in 2005 it was of 18,2% (18,0% for male population and 18,4% for women).

From the residence's perspective, there is a higher incidence of the poverty and severe poverty in rural area, the poverty rate in 2005 reaching 28%, as compared to urban area - 10,2%. This means that almost 70% of the poor people live in villages.

From the household type's perspective, the poverty rate for single persons, registered at 25,9% (20,1% for men, 28,6% for women), is 7,7% higher than the poverty rate at national level. The poverty rate for households of a single person older than 65 reaches 30,2%.

The households of two adults and three or more children represent a category very vulnerable to poverty risk, the poverty rate - 43,6% - being 25,4%, higher than the poverty rate registered at national level.

1.1.4. Employment trends:

Between 1999 and 2005, the number of employees in Romania decreased with 1338 thousand persons, which means 13,2%. In 2004 the employees represented 9.158 thousand persons from the total active population of 9.957 thousand persons. In 2005, the employees represented 9.147 thousand individuals. The employment rate of the persons of working age was of 57,7% as compared to EU-25 (63,0%) and EU-15 (64,15%).

The difference between male and female employment was 12,4 percentages in 2005 (63,9% for men, 51,5% women), and the difference between the two residence areas was 6,6 percentages (61,6% in rural area and 55,0% in urban area).

For the population aged between 15 and 64 the employment was 57,9%, comparing to 63,3% in EU-25 and 64,7% in EU-15, and in 2005 the employment represented 57,7% compared to 63,0% in EU-25 and 64,5% in EU-15.

1.1.5. Participation to the education system

The available information for 2004/2005 school year indicates a decrease in students number, with almost 3,5% as compared to 2000/2001 school year. The most significant decrease is the one of the students registered for primary and secondary education, with 11,0% and 22,3% in the above mentioned period; in both cases the most severe diminishment of pupils number is recorded in urban area. The current prognosis shows that the population of school age will decrease with almost 20% between 2005-2013; the most important decrease is predicted for the 15-24 age group with some differences based on education level and regions. In 2005, the number of young people aged between 18-24 who dropped out early is 20,8%, with almost 2,3% lesser than in the previous year(in 2004 - 23,1 %),

1.2 General Strategic Approach

During the recent years the policies elaborated by the Romanian authorities aimed to create necessary premises for durable economic growth within the stable macro-economical framework that has been more and more defined in the last decade. This fact triggered the emergence of an environment suitable for creating new jobs and contributed to the development of a new efficient and modern social protection system.

In the following period, in order to achieve the objectives of Lisbon Strategy, the Romanian Government adopted some sectorial strategies for vulnerable groups, as well as The National Action Plan for Employment. The global objective of social policies development in Romania mainly refers to the the improvement of the citizens' life quality through better jobs, all these being accomplished through a global approach of all social policies (social inclusion with its multidimensional aspects, pensions, health and long term care).

The Strategic Report concerning Social Protection and Social Inclusion presents the main strategic steps which must be followed in the social protection field, through an approach based on partnership, also suggesting responsibilities to the society partners. The implementation of these priorities cannot be done only with the central authorities' effort, but only with the involvement of all participants: local authorities, the employers' organizations, trade unions, civil society organizations and beneficiaries' representatives, academic environment, etc.

The citizens' welfare implies ensuring a long lasting financial balance and it can only be accomplished through development of a high quality social protection system. In this way, social benefits will be diversified, taking into consideration the assessment of the individuals/groups/communities needs, trying at the same time to avoid the system addiction by developing "active" sides of social protection: employment, social services.

At the same time, the national pension system focuses on limiting poverty risk among the elderly and tends to permit keeping a high living level close to the one of the active life. The development of the second and third pylon of the pensions system will contribute to achieving these goals.

The promotion of integration policies on the labor market, especially the inclusion of the disadvantaged groups, will produce, as long term impact, the economic growth continuity, the social cohesion enforcement and will ensure the financial sustainability of the social protection system. In this context, the labor demand and offer must be globally and complementary considered; the existence of a good qualified laborforce offer will trigger the employers' wish to increase the number of well paid jobs. In this respect, a balance must be found between the advantages given to the employers and the harmonization of school curricula which should combine theoretical and practical education.

The social economy also begins to play an important role in developing the Romanian social inclusion policies. The objective is to create jobs for the benefit of disadvantaged people in order to answer to the social needs which have been identified and which cannot be easily solved.

The struggle against social exclusion will be based on developing integrated measures, taking into consideration the multi-dimensional character of the phenomenon and the socio-cultural aspects, the housing situation, the education level, the health state. In this context, having as purpose the integration in society of vulnerable persons in risk of social exclusion, vocational training programs, associated with social services and with consolidated partnerships at the local level, will be developed.

1.3 Key Messages:

- Continuation of economic and social reforms that will lead to a constant economical growth, as well as to the raising of citizen's incomes, in real terms;
- Decreasing the poverty rate in such manner that, by 2010, it would be, at most, equal to the one recorded in the member states;
- Development of an adequate and modern pension system;
- Development of active measures that will stimulate the increase of employees numbers, as well as creation of more and better job places;

- Continuation of the efforts for raising the rate of employment among disadvantages groups by removing all barriers as far as employment is concerned;
- Development of an adequate institutional framework that will guarantee the social rights in order to increase the system's efficiency and to reduce administrative costs;
- Diversifying social inclusion services that address the raise of life quality for the disadvantaged persons, in residential centers as well as in their own homes;
- Ensuring equal opportunities for women through he development of coordinated measures in the area of social protection and social inclusion;
- Strengthening the institutional capacity for assuring the promotion of social inclusion policies in national policy and for improving coordination between ministries, public institutions and governmental institutions and civil society.

PART II – THE NATIONAL ACTION PLAN FOR SOCIAL INCLUSION

Section 2.1. Key Challenges, Main Objectives and Goals:

The economical growth in Romania, in the last years, has had positive effects on increasing the citizens' living standard. The social protection system has given adequate solutions to the needs identified by society, being especially stressed the social integration of persons, through professional reinsertion and employment measures. In 2005, comparing with the previous year, an important employment growth was recorded in activities represented by: constructions, commerce, hotels and restaurants, real estate transactions, renting and services. The positive economic tendencies are represented by the constant growth of employment in private and mixed sector (76,3 % in 9 months 2003, 76,6% in 9 months in 2004 and 78,8% in 9 months in 2005). At the same time, the employment in public sector decreased (23,7% in 9 months in 2003, 23,4% in 9 months in 2004 and 21,2% in 9 months in 2005). The unemployed people's number, according to The International Labor Bureau, decreased from 799 thousand persons in 2004 to 704 thousand persons in 2005, and the unemployment rate decreased from 8,0% to 7,2%.

According to The National Employment Agency data, the number of unemployed persons registered at the end of April 2006 was 517,3 thousand persons. Comparing to April 2005, the number of unemployed persons registered by the employment agencies was with 6 thousand persons higher. From the entire number of the unemployed registered people, the women represented 39,4%. The implementing of active measures contributed to the integration or reintegration on the labor market of 507.363 persons in 2005, representing 67,89% from 747.225 persons who had access to these active measures for employment. From the whole number of integrated and reintegrated persons, 66.657 were disadvantaged persons.

For the next period, Romania is preoccupied with intensifying the efforts for integration of the disadvantaged persons on the labour market, by developing the adequate programs and measures.

Complementary with the employment active measures, the system of family benefits was redesigned, with the intent to address mainly the needs of the family. The integrated policies for supporting the families, especially those with children, contributed to the efficientizing of the efforts and of the allocated resources. The families with children are a category with a high poverty risk; in 2005 the poverty rate for families with three or more children was of 43,6%, with 25,4% higher than the poverty rate registered in Romania. At the same time, single parent families register a high poverty rate, namely 27,2%.

Between 2005-2006 the process of annual indexation of social benefits quantum, in function of consumption price increase index, has continued. Therefore, as compared to 2004, during the first quarter of 2006 the quantum average indexation is almost 12% for family allowance, indemnities and social aid provided to the citizens. However, the benefits amount is not enough to answer the families problems. Increasing the amount and diversifying the benefits in relation with social need dynamic was and will be a constant preoccupation in family policies field.

The social services system, another part of the social protection system, started to be developed in an institutionalized framework in 2004, when the legislative framework for this domain was elaborated, including an evaluation system of the social services quality. In Romania, the highest number of social services providers belonged to the non-governmental sector. Implementing the national strategy for social services, as well as the sectorial strategies for the social field, represents, for the next period, the major preoccupation for all the institutions involved in this field.

Concerning the educational system, during the school year 2004/2005, there was recorded a decrease of students number, with almost 3,5%, comparing to the school year 2000/2001. The most important number decrease is that of students registered for primary and gymnasium level, with 11,0% and 22,3% in the above mentioned period; in both cases the most severe scholar shortages can be found in urban areas. As for high-school education and professional technical education, there is an

increase of student number with 12,5% and 20,8%; the growths are different depending on the residential area, in favor of rural area. In the case of university education the students' number increased in the aforementioned period with 22%.

During 1990 and 2004, there can be observed the persistence of early drop-out high rates, at youth between 18-24, and the tendency is one of rising. Early drop-out is, of course, a negative phenomenon with direct impact on the competitiveness and the quality of human resource. The rate of school abandon increased from 22,4% between 1999-2000 to 23,4% between 2004-2005. There can be noticed a disparity comparing to European indicators: the rate of school abandon highly overcomes the value of 10 % which represent the reference European standard set for 2010.

The researches conducted indicate the fact that, for children who live in poor households, there are 2,3 times higher chances of school abandon, comparing to children who live in households which are not poor, this statistic raising to 3,1 times higher chances for dropping out for those who live in households affected by severe poverty. At the level of educational system and policies there were few measures taken for bringing back into the system the drop-outs, either right after the abandon, either later, through permanent education; The high rate of early school drop-out, combined with the small number of those who restart the school after leaving it, significantly affect the Romanian human resource quality.

At the national level, in the economic area, Romania's main objective is to continue and reinforce the progress that has been made lately, in order to ensure an adequate economic growth, able to sustain a high employment level and to facilitate the creation of a much more equitable society.

For 2006-2008, the strategic objective of Romania, regarding the social inclusion field, is to create an inclusive society in order to ensure, for all citizens, the resources and the means for a better living standard. The main priorities for achieving this objective are:

1. to increase the population's standard of living and to stimulate the obtaining of income through labor by facilitating the employment and by promoting the inclusive policies.

2. to facilitate the citizens' access, especially for the disadvantaged groups, to resources, to social rights and services.
3. to improve the life conditions of Roma population.

2.2. Main Objectives:

Priority no.1 - general raise of population's living standard and labor income stimulation by facilitating employment and by promoting social inclusive policies.

The measures for employment policies implementation are focusing on employment stimulation by removing the barriers in job accession, as well as by increasing the human resources instruction degree. The proposed measures are not only for the individuals who are actively seeking for a job, but also for those who have already have a job but, due to the process of continuous training, can apply for a better paid one.

During 2004-2005 the labor market had to face the economic reform, reorganization and privatization. In some economic branches personnel reduction took place. Pre-lay off services and social protection measures were taken to avoid social tensions and unemployment growth.

The labor market did not suffer major misbalances, due to the economic growth which consolidated the already existent jobs in some branches, generating other jobs, but also due to the measures of employment stimulation through supplementary financing.

The objective of Romania is to be in line with European Strategy regarding the labor market, and this objective is being approached from a multiannual perspective. Thus, annual national action plans for employment were elaborated. In order to ensure the transition to the new way of programming employment policies integrated with economic growth policies, the National Reform Program 2006-2008 was elaborated and operationalized.

The modernization of the employment management activities is reflected in:

- New programs for employment, based on types of employment stimulation measures, directed to the target groups that are disadvantaged on the labor market and to the localities with the greatest number of registered unemployed;

- Modification of the legislation in order to create a better balance in motivating the employers to hire persons at risk for social exclusion;
- Improvement of the management of the budget for unemployment insurance
- Raise of the percentage of active measures expenditures ;
- Initiating economical development programs, industrial parks and business incubators
- Promotion of consultancy activities with social partners during the advisory committees of the county employment agencies;

Among the proposed measures of modernization regarding social inclusion policies, there are some that refer to the unemployed:

- o Encouraging youth employment by offering stimulants/incentives to both: the youth and the employers;
- o Encouraging creation of new job places through advantageous terms of credit for small and medium sized enterprises;
- o Support when employing persons who are more than 45 years old;
- o Stimulating job creation in rural environment through industrial sector and services development;
- o Organizing free of charge qualifying and re-qualifying courses for persons registered at employment agencies as a jobseeker;
- o The raise of the national gross minimum salary, guaranteed in payment;

Monitoring indicators:

In order to monitor the accomplishment of objectives, the following indicators will be used:

- The long term unemployment rate;
- The percentage of the budget for developing active measures within the total budget of unemployment social insurance;
- The increase of number of programs for the development of the industrial parks and business incubators, as well as their efficiency;
- The number of persons belonging to vulnerable groups that were inserted on the labor market;

The main sources of finance for achieving the priority are the budget of the unemployment social insurances, as well as the state budget. The main institutions responsible for implementing the priority are the Ministry of Labor, Social Solidarity and Family, the National Agency for Employment and Territorial Agencies for Employment. In the same, time will be involved in the implementation the National Agency for Small and Medium Enterprises and Ministry of Economy and Trade for industrial parks and business incubators.

Within the Multi-Annual PHARE Programming 2004-2006 "Economic and Social Cohesion", funds for developing active measures were allocated and, beginning with 2007, sources of financing from The Social European Fund (The Operational Sector Program Development of Human Resources) will be made available.

Priority no.2 – Facilitating the Access To Resources, Rights and Services

The social policy promoted in the last decade, although it did contribute substantially to limiting the phenomenon of social marginalization under all its forms, is far from offering a satisfactory solution in this domain. The economic re-launch, whose signs can be seen at the present moment, will not be able to cover the huge cost of poverty/severe exclusion of the population during the present transition period, and that is why active complementary forms of aid and social intervention, coming from the community itself, are needed.

At the same time, the growth of economic competitiveness generated financial constraints on the expenditures directed to the system of social protection.

The demographic and social changes have major implications on systems of social protection. The biggest consequences are due to the decrease of birth rate and to the ageing of the population. As a result, one of the challenges that a modern system of social services must face is the capacity of providing quality and sufficient integrated social services, capable of fulfilling the needs of a higher number of persons in difficulty. Moreover, there must be taken into consideration the attitude changes within the family, where the children's willingness to take care of the older generations is continually reducing.

The necessary measures for reducing the poverty and social exclusion will be focused on implementing the sector strategies, meant to promote the social inclusion of the disadvantaged groups.

The policies which must be developed in the next period are multidimensional, covering many intervention areas like: education, health, family services, social services, accommodation, transport:

- The growth, in real terms, of the social benefits for disadvantaged groups, in order to ensure the accomplishment with the real needs of the families;
- The development of social services infrastructure in order to insure a better connection between the responsibilities of the families, the state, the private sector and voluntary organizations.

- The development of integrated policies in family's favor and the consolidation of institutional structures able to help the children with respect to their growth and care;
- The promotion and support of social initiatives aiming to develop the areas most affected by poverty;
- The development of programs for prevention of early school leavers, as well as for creating new opportunities for permanent education;
- The development of correlated and coordinated policies and programs that will prevent the increase in numbers of homeless people and will answer, at the same time, to the needs of those individuals who are in danger of losing their houses because of evictions, retrocessions, etc. The harmonization of the data collection system regarding this phenomenon represents another element on which efforts must concentrate upon;

In order to monitor the accomplishment of objectives, the following quantifiable targets will be considered:

- The increase of family benefits amount, taking into account the inflation rate;
- The increase of the percentage of the family benefits expenditures within the total social protection expenditures;
- The increase of the number of public-private partnerships aiming to develop social services for disadvantaged people;
- The development of a mixed market for social services;
- The increase of the number of social services in rural areas;
- An increase with 10% of the centers for shelter and protection of homeless people;
- Increase of participation rate to permanent education, in order to reach the level of participation recorded at European level;
- The decrease of early school leavers' rate with 5%.

The Ministry of Labor, Social Solidarity and Family is the main institution responsible of this priority, together with The National Authority for Protection of Children's Rights, The Ministry of Education and Research, The Ministry of Transport, Construction and Tourism.

The funds for achieving the proposed objectives are:

- from the national budget by implementing the Programs of National Interest;
- from pre-accession Phare funding related to Multi-annual Phare Programming 2004-2006 Economic and Social Cohesion;
- from structural funding through The European Social Fund (The Operational Sector Program - Development of Human Resources) and The European Fund for Regional Development (The Operational Regional Program).

Priority no.3 –Improving the Life Conditions of Roma Population

The roma population represents, according to the census from 2002, 535140 persons (2,5% of total population), being the ethnic minority with the higher natural increase after 1990. In 1992, the roma population represented only 1,8% from the population total and the difference, compared to 2002, is 134053 persons, at the census from 1992 being registered 410580 roma individuals.

The monitoring report of Romania – May 2006 concerning "The Minorities Protection and Integration" underlines the fact that "the roma's access to identity cards, medical care, education, labor market and jobs is still a problem. Efforts also need to be made for fighting racism, xenophobia and other forms of intolerance. The coordination capacity of the National Agency for Roma does not reach a satisfying level".

In the last years, institutional mechanisms for coordinating the policies regarding the Roma population were developed. The National Agency for Roma was created, as well as its regional offices, in order to provide a "mechanism for sustainable development" and a mechanism for monitoring the Roma public policies.

At the same time, national programs and multiannual PHARE programs were developed, in order to prevent the risk of social discrimination of the Roma population, such as: special employment programs, programs of participation to the educational system, measures for providing identity cards, etc.

However, a series of measures must be taken in order to contribute to the full implementation of The Romanian Government Strategy concerning the improvement of Roma's situation, such as:

- ensuring participation of Roma children to preschool education and to compulsory and vocational education;
- developing training programs for social mediators and formators selected from the Roma youth, for the local communities with significant Roma population;

- continuing the national program concerning the solving of problems related to the lack of identity cards;
- stimulating Roma women's participation in informing and sensitizing campaigns for the improvement the access to public services;
- developing economical opportunities and creating remunerated jobs;
- elaboration of communitary development programs, focused on housing policies, development of Roma's entrepreneurial capacity and revitalising of traditional trades that are still demanded on the labor market;
- promoting informing campaigns with respect to fighting discrimination and to promoting of a positive attitude towards roma population;
- optimizing dialogue and inter-institutional cooperation, at central and local level, between institutions that plan, coordinate and implement public policies for Roma population;
- support for research and intercultural education projects.

The monitoring indicators for measuring the registered progress are:

- the increase of roma children's school participation rate in all educational levels;
- number of Roma persons inserted on the labor market through the employment programs of the National Agency for Employment;
- the increase of employment, especially for female roma employed;
- increase of the number of profesional sanitary mediators and formators of Roma ethnicity;
- the issuance of identity cards for 80% of roma population;
- number of strategic partnerships developed between The National Agency for Roma, resort ministeries, institutions etc. with responsibilities in implementing measures concerning Roma population's social inclusion;
- number of activities/actions, projects, programs.

For implementing the priority, funds from national and international sources (World Bank, European Union) were allocated. The Ministry of Labor, Social Solidarity and Family and The National Agency for Roma are responsible for coordinating the monitoring of the process of implementation of the priority. The Ministry of Administration and Interior, The National Agency for Employment, The Ministry of Education and Research, The National Agency for Small and Medium Enterprises, as

well as authorities from the public local administration, are partners in the implementation process.

2.3. The Good Governance:

After signing The Joint Inclusion Memorandum on June 20th, 2006, the role of coordinating the policies for social inclusion was attributed to The Ministry of Labor, Social Solidarity and Family. In this respect, through Government Decision no. 412/2005 concerning the organization and functioning of The Ministry of Labor, Social Solidarity and Family, with subsequent additions and amendments, The Directorate for Policies, Strategies, Programs of Social Inclusion was created, with the main attributions of supervising and coordinating the implementing of priorities identified in Joint Inclusion Memorandum, as well as collecting the qualitative and quantitative data in the field.

For coordinating the strategic process concerning the social inclusion in Romania, the Government Decision no. 385/2006 was adopted for constituting a Director Committee. The Committee includes managers of institutions responsible for social inclusion.

The Order of Labor, Social Solidarity and Family Minister no. 436/2006 regarding the monitoring mechanism of priorities identified in social inclusion area was adopted.

Based on this order, there were established the working method, the main attributions of the Directorate for policies, strategies, programs of social inclusion and the sector indicators proposed for use in the progress report concerning the social inclusion for monitoring were approved.

The coordination mechanism is realized in a transversal way, through the implication of the participants from the county. In this way, the Compartment for Social Inclusion was constituted for each territorial directorate on the basis of the Order of Labor, Social Solidarity and Family Minister no. 254/30.03.2006 regarding the approval of the *Organizing and Functioning Regulations of Labor, Social Solidarity and Family Directorates*.

As a consequence, the monitoring and evaluation of social inclusion is accomplished through an informational and managerial system which allows collecting and analyzing data on a local, central and territorial level.

In order to promote the dialog between all the involved partners for implementing policies of social inclusion, on November 30th, 2005, the first International Conference for social inclusion was organized. The reunion was organised by The Ministry of Labor, Social Solidarity and Family together with The European Commission. After almost one year from signing The Joint Social Inclusion Memorandum, between May 30-31st 2006, the second International Conference, titled "The Way from Good Practice to Social Policies -The Premises of an Inclusive Society", took place.

For 2006, Romania pledged to continue the efforts concerning the consolidation of institutional capacity for rationalization the policies of social inclusion in national policies and to enable the coordination between ministries and governmental and public institutions and the civil society.

In this respect, was approved the *Government Decision concerning the setting up of a national mechanism for promoting social inclusion in Romania.*

The normative act represents the previous step before elaborating The National Strategic Report for Social Protection and Social Inclusion from September 2006 and its goal is to extend the institutional consultation degree in the direction of involving more and more the territorial structures. It stipulates:

At central level:

1. Setting up The National Commission for Social Inclusion, with the task of establishing the national priorities for social inclusion and monitoring the implementation of these priorities.
2. Creating *a social inclusion unit* in each central institution with responsibilities in the field. The social inclusion unit collects and analyses the sector social indicators, creating the premises of elaborating periodical reports of the recorded progress.
3. Supplementing the personnel of The Directorate for Policies, Strategies, Programs of Social Inclusion within MLSSF in order to elaborate social statistics.

At county level:

1. Setting up county commissions for social inclusion in prefectures, with the responsibility of periodical evaluation of the the degree of implementation of the social inclusion measures on the local level.
2. Supplementing the main tasks of The Social Inclusion Compartment within The Directorate for Labor, Social Solidarity and Family with the actions regarding the monitoring of the process; supplimenting the number of posts in the Compartments.

This mechanism will create the premises for a better coordination of the elaboration and implementation of social inclusion policies, as well as for efficientizing the funds allocated for this purpose.

The monitoring of impact of the social policies initiated by the public administration institutions, as well as the elaboration of studies and analysis which can contribute to the efficientizing of the decision making process will be conducted by **The Social Observer**.

In order to make the national system for social assistance more efficient, able to insure equal treatment and opportunities for every citizen, an integrated and uniform system for the administration and payment of family benefits is taken into consideration, through the creation of the *informational managerial system*. Complementary to this system, **The National Agency for Social Benefits** will be also set up.

At the same time, the setting up of the **Social Inspection** targets the ensurance of an adequate implementation of legislation, providing of quality social benefits and services, as well as inspection of activities of the institutions involved in providing social benefits and services.

1. Assessment of the pension system

The Romanian Pension system has undergone numerous reforms in the previous decade aimed at improving the sustainability of a system coming to terms with a demographic challenge and likely issues of future adequacy to the European Union. The system, as reformed, is constituted of a mandatory, pay-as-you-go (p-a-y-g) scheme (first pillar), second pillar, voluntary and development of a mandatory system of individual accounts, named 1st bis pillar.

The reforms of the **first pillar** (referred to as the public pension system) were aimed at; creating a more equitable redistribution; an improvement in the link between contributions made and benefits received, increasing the overall level of individual benefits through a process of harmonization, and an improvement of the long term sustainability of the system.

The main characteristics of the new system are:

- raising of the standard retirement age from 57 to 60 years for women and from 62 to 65 years for men, in a gradually approach until 2014;
- increasing the minimum contribution period for both sexes will from 10 to 15 years;
- introducing a new formula for calculating pension levels, based on a points system, taking into account incomes throughout a career (rather than just focusing on a small portion), with strong redistributive elements inherent in the calculation

5.3 million workers out of an officially employed population of 9.1 million are currently accruing rights under the new p-a-y-g system and in comparison to previous provisions. Public system coverage of all types of workers has increased, with particular emphasis on the potential inclusion of those who were unemployed or self employed. However their inclusion is voluntary rather than mandatory enforced by the state. During the period 2001 – 2006 the number of insured persons from self

employed is relatively reduce, what mean that the system is not attractive and has a limited capacity to monitor this specific category.

The p-a-y-g system is funded by social security contributions paid by employers and employees. The employer's contributions are set at differing rates depending on the severity of the worw, as follows:

- 19,75% (normal conditions) amounting to some 4.3 million workers;
- 24.75% (difficult conditions) amounting 190 thousand workers;
- 29.75% (special conditions – such as working in the mining industry) 24 thousand workers.

The overall rate for social contributions is quite substantial at 47.8% (among the highest in the Central and Eastern Europe). The government is committed to apply a gradual reduction of about 2% annually during 2006-2008. The first reduction occurred in January 2006, when the rate of social contributions paid by employers was cut to 30.25% from 32.5% and social contributions to be paid by employees remained unchanged at 17%.

A key element of the new p-a-y-g system is that whereas previously the social insurance fund covered a lot of benefits, the new system is almost exclusively concerned with the calculation and payment of pension benefits. In payment in public system remained only death aids and treatment tickets.

Persons unable to contribute due to the periods out of paid work such as maternity leave, sickness, university education and military service are subject to a crediting system that rewards these periods of non contribution to the insurance fund.

Started with 1st January 2008 will into in the force the pillar 1 bis pre-finance component of the pillar 1, respectively a part of the social security contributions are to be compulsorily directed towards privately managed pension funds, such as:

- up to 2% of wages the first year and increasing in stages by 0.5 point each year until reaching a contribution rate of 6% after 8 years.

These pension funds will be obligatory for all those under 35 years old and voluntary for the 36 - 45 cohorts.

A second step in restructuring the social insurance system is represented by implementation of a new component, facultative private administrated with the purpose to provide additional incomes during the retirement period. In this sense, the law which regulates this new system (pillar II) was approved in April 2006 followed by finalizing the process of promoting secondary legislation until end of this year. The pillar II is estimated to be in force at the beginning of 2007.

Concerning **adequacy of the pension system**: Romania's pensioner poverty, in according with Eurostat figures for year 2005, show a poverty rate of 17.2% for those over the age of 65. Poverty levels have remained stable in recent years decreasing by a couple of percentage points in the last year. Attention should be paid to the large gender discrepancies at risk of poverty, where 20.8% of women over the age of 65 are at risk of poverty compared to only 12% of their male counterparts.

On average, the level of pensions covering the old age risk in relation to wages lie at around 33% (in net terms, 24% in gross terms), which is low in comparison with EU25 (data from ILO for 2003).

The median average net age-limit pension for an individual with a full contributory history in reference to the average net income was 51.3%, which reflects a marked improvement from the 2001 figure of 46.3%. This because of the recalculation process for all pensions from pillar I. However less than half of those eligible for the age-limit pension have full contributory histories (30 years of contributions for men – 25 for women) and the average pension with incomplete contributory histories, early retirement pensions, invalidity pensions etc. is 38.8% in relation to average wages.

The Romanian social protection system has specific provision to provide a minimum income for all persons without incomes or with insufficient incomes, respectively under the level established by law. In the same time, the persons with insufficient incomes can receive complementary financial aides or emergency aids, and social services.

All the citizens, including elderly persons have access at these benefits if they accomplish the eligibility criteria stipulated in the legislation.

Sustainability: Romania faces both demographic and economic challenges with regards to the sustainability of its pension system. In the period 1990-2005, the old age dependency ratio decreased from 3.43 to 0.77 and it is forecasted that these trends will continue in the coming years. However, because the independent farmer pensions are supported in present from state budget, dependency ratio was improved at 1,07.

The Romanian public system represented a Gross Domestic Product spend of 6,5% between 1995 and 2005 (considerably smaller than in EU). Starting with 1995, the p-a-y-g system registered deficits that were covered by transfers from the state budget. However, in 2006, early projections suggest that for the first semester there will be a surplus. The surplus mainly due to the increase the collecting degree of the contribution on the base of reducing the fiscal contributions and also because of the cut in social spending as a result of the externalization of short-term benefits and the removal of liabilities relating to the pensions of independent farmers.

One of the reasons for the pension system deficits in previous years was the rapid growth in the number of beneficiaries during the 90s. Between 1990 and 2002, the number of beneficiaries in the public pension system increased from 3.4 million in 1990 to 6.2 million in 2002 where the maximum point was registered. This situation was because of the demographic pressures, legislative changes which increased the coverage area (especially for independent workers). In the same time was an increase number of people taking early retirement and also of those retiring because of invalidity causes.

The other significant factor relating to the deficit in the Pensions Fund is the collection of contributions. Of a potential working age population of 15.6 million, currently only 5.3 million are contributing to the p-a-y-g system. Of this 5.3 there are considerable numbers, especially those self employed, who are paying only a fraction of their real earnings as pension contributions. In the same time, the legislation gives the permission to these persons to be assured for a minimum income. A further problem, necessary to be taken into consideration by the

Government is also the non-registration of the self-employed and farmers, because of the facultative character of this system.

Furthermore there is a large black economy (estimated to be some 1-2 million people) where no contributions are being made, leaving these individuals with potentially little or no pension income in retirement.

Another feature of the Romanian social security system is the large group of emigrant workers, estimated at some 2 million individuals. Whilst many of these workers will be contributing to the host country's social security system- and where reciprocal arrangements exist, will benefit from these contributions in retirement - a significant group are working in the grey economy and contributing to neither the Romania or foreign pension system, leaving them potentially vulnerable to little pension income in retirement or eligible to a minimum income guaranteed.

The sustainability of the pension system has a dynamic activity relates to the creation of the new funded tier of the 1st pillar, which will come into effect in 2008. The redirection of a percentage of social security contributions, poses potential challenges to the overall system. The switch from fully p-a-y-g involves a reduction in the funds available for current pensioners in order to begin the accrual of individual rights for current workers and has implications for the deficits of the p-a-y-g system.

Modernization: For increasing the efficiency of payments and collection of contributions, in 2000 was set up National House of Pensions and other Social Insurance Rights and it assumed responsibility for the collection, control and enforcement of contributions. In 2002, was unified the controlling bodies of the National House of Pensions and other Social Insurance Rights and the National Agency for Employment, responsible for unemployment insurance.

In 2004, a new National Agency for Fiscal Administration was established not only for the collection of contributions, but also for the registration of individuals in official employment, control of contributions paid, and other functions, including the collection of taxes.

2. Perspectives and reform

Romania faces a particular challenge in regards to net migration, in particular that of the youngest generations, and the progressive decrease of the general population, suggesting that in the future the labour force of Romania will be ever limited in number and ever older.

The reforms to the p-a-y-g system have improved both the sustainability and equity of the benefits paid out. The new calculation links contributions made to benefits received, far more closely than the previous system and the replacement rate in comparison to average median wages of the population as a whole for a worker with a full contributory history is likely to be at or around 30 % of median incomes. For p-a-y-g pensions to remain adequate, the Romanian Government analyzes the possibility of increasing the overall levels of coverage, and prolongation of the contributory periods.

Regarding sustainability: A recent development has been the harmonization of the collection agency for both social security and tax contributions. The new organization, National Agency for Fiscal Administration has been operational for two years. In present it still needs improvements of the contribution collections and these need to be coupled with the improvement in collections from those not currently part of the system – such as the high numbers of independent farmers, those working in the grey economy, and others currently inactive. This is the single greatest challenge to the sustainability and adequacy facing the Romanian social security system.

Increasing employment (especially for older workers) from its current fairly low level will be crucial for the long term sustainability of the pension system. Romanian Government is committed to adopt a proactive strategy aimed at incentivising employers to hire and retain workers over 45 as well as those close to retirement through the use of subsidies

The recent reforms to the system have still retained the principle of early retirement, though with clear restrictions based on ensuring complete contributory records. The possibility of early retirement, of up to 5 years before the legal age, on a full

pension, is available and requires an extra at least 10 years of contributions above the current full limit.

The emphasis should be to encourage working up to and beyond the statutory retirement age and the reward for long contributory histories should be reflected in the pension amount, respectively in higher pensions rather than early exits.

In the same period was registered an increase in the numbers of those which taking invalidity pensions – now at around 18% of all those in receipt of the age limit pension.

From 2008 until 2012 deficits are expected to rise to nearly half a percent of GDP as a result of the development of the funded element of the first pillar, and the diversion of part of the contributions to this fund. These deficits are to be covered by the issuing of government bonds and the proceeds of privatisation.

An important measure in the next stage is represented by a gradually increase of official pensionable age, up to the year 2014, this represent a crucial approach to ensuring the sustainability of the system and reflect changes in demography.

As of yet there are no proposals to equalize the legal retirement age between men and women. This provision may also have a positive impact on gender inequalities in retirement, due to the lack of recognition for periods taken out of paid work for caring responsibilities, a feature inherent in the current p-a-y-g system.

Regarding **modernization:**

Romania's recent development of a funded tier will have potentially positive effects, through the diversification of risk and the development of capital markets.

Its approach to date has been to first develop and implement a voluntary (second pillar) method of individual savings, to be followed shortly by a mandatory diversion of contributions to a funded element of the first pillar. Expectations for the numbers contributing to the voluntary pillar are around half a million in the first year.

One of the concern is the charging structure proposed for both new types of fund (mandatory funded scheme has a 1.2% annual management charge of the overall fund and up to 2.5% charge resulting from any paid contribution, the voluntary Fund charges up to 2.4 % annual management charge and up to a 5% charge for any contributions made).

The establishment of a new institution responsible for the regulation of the new funded provisions is to be welcomed, and in 2005, was set up the Private Pension System Supervisory Commission (according to dir 41/2003/EC). It is independent but subject to legislative control (autonomous but answerable to Parliament) and is responsible for both the regulation of the private administrators as well as having a role in promoting education and information to citizens about the development and choices present in the funded sector.

Information for citizens with regards to the pensions system have been developed through an information campaign to explain the principles of reform to the population and to transmit precise information on the rights and obligations of participants to the system. The campaign involved mass media and the internet, as well as a program of conferences. In 2004 an information campaign promoting and explaining the new privately managed pension system was launched. Furthermore, the rights of information for citizens were enshrined in legislation through the 2001 Law no. 52/2003 on decisional transparency in the pubic administration.

PART IV – National Strategies for Health and Long Term Care

The objectives of national health system were based on developing those programs through which equal chances between citizens were ensured, guaranteeing the access to basic medical care. The ensurance of a proper financing was one of the previous year's challenges, the budget of the Unique National Fund for Health Insurance registering a deficit of 880624,5 thousand RON, which was covered by available assets from the budget of the unique fund in the previous years and from the reserve fund formed in previous years.

The objective of the health system reform was to achieve a balance between primary and communitary health care, provided at local level, including home assistance and specialized medical and surgical services.

In the last years, family medical services have decreased comparing with hospital care, a common tendency of avoiding the general medicine offices being observed. The population registered on the family doctors' lists was of 20.108.284 insured people in September 30 2005, representing 92,99% from Romanian population¹. From the whole number of insured people, 96,08% are in urban areas and 89,25% in rural areas. In spite of all these, a large number of individuals are not registered on the family doctors' lists.

In 2004, 58057 doctors (including dentists), 8763 chemists and 112 683 hospital attendants were working in the health care system (public and private). From the doctors' number, including the dentists, only 11,7% worked in rural areas. The coverage with doctors is 222,2 physicians at 100.000 habitants, lower that in EU.

The number of family doctors, registered in September 30th 2005, was 11.455, from which 3676 primary doctors (73,34% in urban areas, 26,66% in rural areas), 5510 physicians (53,61% in urban areas; 46,39% in rural areas), 2217 doctors without

¹ (National Institute of Statistics – "The Social and Economic Situation in Romania in 2003-2004")

professional degree (42,63% in urban areas; 57,37% in rural areas). With some disparities on regions the is registered 222,2 physicians at 100.000 habitants.

The deficit in family doctors is 1009, 470 in urban areas and 439 in rural areas. The population in rural areas without family doctors is 145.110 inhabitants, representing 1,48% from total population that lives in rural area. Of these, 24.359 persons are not assisted by any medical personnel. The statistical data show that in Romania, for the population from rural area, which represents more that half of the number of habitants, the primary medical assistance is assured from less of 40% from total number of family physicians.

Also, is known that exist almost 300 localities without physicians. In the same time a similar number of localities are from isolate areas, with bad accessibilities or which are located at high distances from sanitary units were the specialized medical assistance can be offered.

The structure of the medical superior personnel who provide primary medical assistance has modified, in the sense of a large increasing of the percentage of physicians and primary doctors of family medicine, and also in the sense of acquiring special competences, this change leading to an obvious improvement of the quality of medical care services.

The health care services provided through a network of sanitary units (hospitals, polyclinics, health units and other institutions), belong to the public sector. In 2004, 416 hospitals and almost 36.700² sanitary units were part of this network.

The changes made in the structure of the healthcare network (mainly in the public sector) were due to the measures taken during the restructuring program, through changes in the sanitary units characteristics or through elimination of those which became inefficient. In 2004 by comparison with 2003, there was a general tendency of increasing the number of sanitary units (with almost 4,2%), the biggest increase being registered in the major private sector (with almost 9,3%).

² (National Institute of Statistics – “The Social and Economic Situation in Romania in 2003-2004”)

The privatization health system had an ascending character, so that in 2004, units with private capital owned 86,4% polyclinics, 89,4% pharmacies and 95,9% drug stores.

Another situation was related to the decrease of number of beds in hospitals at 1000 inhabitants (from 7,4 in 1997 to 6,6 in 2004). This decrease follows the world tendency and because of this situation ambulatory care must be taken into consideration.

The beds from hospitals were used 300 days/year, beds from tuberculosis sanatoriums 310 days/year, beds from observation sanatorium 257 days/year and beds from medico-social units 213 days/year. The mono-specialized hospitals represent almost 32% of total hospitals from all the country (26% from the number of beds) and 3% represent the proportion of emergency hospitals (11% from the number of beds).

The hospitals buildings are between 50 – 100 years old or even more and are not very well equipped in order to provide medical investigations. For the next period it is necessary to reduce the regional disparities concerning the acquisition of equipment in order to give adequate medical assistance.

In 2005 hospital medical assistance had a percentage of 45,0 % in total payments for medical services and medicines.

The territorial distribution of sanitary units with beds, the medical personnel and the facilities of these units, is not homogeneous and that is why there is a different accessibility to the health services of this type. Most of the hospital units are municipal units, but taking into consideration the number of beds, the percentage is higher in the county units.

For Ministry of Public Health an important aspect regard increasing the access to the medical assistance services for disadvantages groups: population from rural area, families with many children, persons and families in need, persons not covered by insurance system.

Other important point is that in localities with family doctor, they activity is focused in the last years on medical assistance provided in own cabinet only for persons covered by medical insurance and less on home visits or for active actions related with identification of public health problems.

In this context, are many situations where the patients, social cases, or persons which can not prove the payment of medical insurance and they are excluded form family doctor list, doesn't have the permanent medical assistance.

The lack of family doctors or non-registering on the assurance list generate incontrollable situations, with effects on population health status.

The Intervention System for Emergencies operates through integrated units from national, local and county level, having as components fire brigades, social protection units and the SMURD personnel. The assessment of their promptitude, carried out in 2004, indicates the fact that these are not capable to face important and emergency situation, mainly because there is not enough equipment or necessary materials; the organizational system also needs improvements.

The number of car ambulances indicated on September 30, 2005 that there were 3.224 cars, with 2,3 % lower than 2004 (3303 cars). The emergency medical assistance provided for population in 2005 was for almost 1.300.000 individuals, and the expenses for emergency medical assistance were of 3,0 % from the total number of expenses allocated to medical services and medicines.

At present, the answering units for emergency situations are located in towns, in the rural areas operating voluntary services for emergencies. The quality of protection and intervention equipment and the vehicles can be used only for fires extinction; the vehicles necessary for intervention in case of natural catastrophes are way below standards or even inexistent.

The SMURD services operate in case of rescuing situations³ and its purpose is to complete the ambulance services⁴ and to improve the services quality in critical situations and in special rescuing operations.

In order to increase the population access to medical assistance, through Law no.95/2006 concerning reform in the health field and the framework-contract regarding conditions for providing medical assistance in the health care system in 2005⁵, the contract between the medical services suppliers and the health insurance funds agency settled the obligation of the medical services suppliers to inform the insured people. The information refers to the basic services package, the minimal package of medical services and the package of services for the people optionally insured.

Moreover, for universal access to medical services, the family doctors provide medical assistance to all the insured individuals from their lists. In this way, according to the package of basic medical services, medical assistance is given to all the people in emergency situations, for people who do not prove that they are insured and do not contribute for The Unique National Fund for Health Insurance (according to the minimal package of medical services), and also for those who optionally insure themselves, according to the law.

Also, in order to promote universal access to medical services, family doctors provide medical assistance for all insured persons that are recorded on their own list. In this way, in accordance with the basic medical services package, medical assistance is provided in case of emergency situations for every person who needs these services; medical assistance is provided for persons who aren't insured and who don't pay any financial contribution to National unique fund of health social insurance and also for categories of persons who optionally insure themselves, according to the law.

By issuing the Order of the minister of health and of the president of National House of Health Insurance 681/243/2006 for approving the methodological norms to apply the Framework-Contract regarding conditions for providing medical assistance in

³ (car accidents, drowning rescuing, mountains rescuing, closed spaces rescuing, collapsed buildings rescuing etc)

⁴ (The TAIEX expertise on October 2003, indicated the lack of prompting capacities of the ambulance service on national/county level and the fact that rural areas and small towns are not correspondingly insured)

⁵ (Governmental Decision no.52/2005, with subsequent additions and amendments)

health care system in 2006, amendments by Ministerial Order no.845/2006, the list of medical services, medicines and the list of medical devices of which the insurant people can benefit, registered in the package of basic medical services, the minimum package of medical services and in the package of medical services for optionally health insured people were established.

For a more efficient health insurance system, through the Law no. 95/2006 regarding the reform in health care and secondary legislation, the co-payment for medical services provided in specialized medical assistance will be introduced. This measure represents a first step for removing the informal payments and for decreasing the number of medical services unjustifiably requested.

Important changes in the structure of the health care system were considered in those three pylons of the legislative package adopted in 2006: efficient administration of the public funds, the beginning of some projects for infrastructure in order to rehabilitate the health system and rewarding medical personnel. The main efforts will be targeted for rehabilitating or building 15 county hospitals in The Program "County Hospitals" with dead line in 2008 and for improving the medical equipment quality. At the same time, the closing of some sanitary units unable to operate properly, the externalizing of some services, but also the redirection of some funds in order to finance medical services and to provide compensated medicines is considered; these measures will be carried out by The Ministry of Public Health which will take over some finance from the contributions that will be payed by tobacco and alcohol producers/importers.

For increasing the system performances through a better access, efficiency and equity of the medical services provided to population, health system informatization represents an important element in the reform. At the present moment, in Romania, there are some informational systems in health area which must be improved and integrated, by establishing a modern and integrated platform which could insure the interoperability security. The creation of The Integrated Unique Informatic Health System in Romania represents the necessary infrastructure needed for the access of the medical and pharmaceutical medical services suppliers and for the insurants to benefit of advanced services.

The objective of e-health services is to set up a national program for connecting the sanitary units to the internet through broadband connections and also to buy computers and to create e-health portals.

As a result of the new legislative package, the structure and the operability of the system were reconsidered and, in this way, the autonomy of The National House of Health Insurance was established. At the same time, the normative framework which gives an important role to the family doctor and includes the introduction of the minimum package of services for reducing the costs in the sanitary system was defined. A greater importance will be accorded to prophylactic medical assistance in the detriment of the medical assistance provided through the hospital system.

At the same time, voluntary health insurances will be encouraged, in order to reduce the pressure on the health insurance system.

In 2006, The Ministry of Public Health allocated important funds for the **mental health system**. The funds allocated to the National Program of Psychiatry were five times bigger, from 20 billion lei to 100 billion lei. The money is used for setting up 10 pilot centers for community mental health and for partial rehabilitation of 7 psychiatry hospitals. The activity focused on:

- ⇒ Elaborating and approval the National strategy for mental health⁶;
- ⇒ setting up, through a project financed by European Union, The National Action Plan for Mental Health. The action plan refers to concentrating the attention towards the community assistance and not towards the hospital assistance as it used to be;
- ⇒ starting some actions related to the setting up of a national mental health center;
- ⇒ The reexamination of the ill people who are in psychiatric institutions and in institutions which are in subordination of The National Authority for Disabled People;
- ⇒ Achieving a development plan (licensed in psychiatry) in order to train 300 psychiatric doctors who will cover the deficit. Also, the preparation curricula in psychiatry license will be revised, focusing on legal aspects

⁶ Ministerial Order no.374/2.05.2006

and the respect of human rights aiming to change mentalities within the system and society;.

⇒ Setting-up the National Center for Mental Health within the National School for Public Health and Sanitary Management⁷.

Integrating the mentally ill people in society becomes a short term priority for the Romanian authorities, so in the latest year was created the legislative framework for setting up and organizing the mental health centers, by transforming the laboratories for mental health. In these centers, the therapy and the reintegration into society of mentally ill persons will be realised.

Developing information campaigns for citizens/communities about health problems, informing the patients about their rights represents an important step in improving the access to health services.

Starting with 2006, the consolidation of national policies regarding social protection is established by extending the long term care, especially for elderly. The demographic changes from the latest decade have contributed to an integrated approach of employment policies, together with the welfare policies. Within these integrated policies, promoted for developing the long term care services, the fiscality guarantees efficiency and balance between material and human resources. A major objective in economic, human and social development is represented by the integrated policies of social inclusion through a permanent fitting for solving the social needs and problems concerning the employment and education.

The strategies promoted on sector areas became tools for institutional coordination, adjusted to the individual needs, aiming to develop the community.

These, without any doubt, derived from European Integration Plan. In this sense, health care networks or services, public or private, were developed, by granting financial resources within the sector programs for developing the social sector. In this way, an administrative and institutional flexible framework was created, in order to solve the priority problems, identified by each community.

⁷ Ministerial Order no.373/2006

Wherefore to increase the access to health services, a development of local assistance network is necessary, for improving the access to health and social services, in order to responsabilisation the own health status and to increase the community involvement to answer to the need of marginalized people.

The integrate health assistance at local level includes the following activities: education for health and for prevention the illness; social mobilization for health (vaccination program, preventive controls, etc.), home assistance for the new-born mother and child, home assistance for chronically ill persons, for mental ill persons, for disable persons, support for medical recovery and social integration, palliative care.

Services and activities of community medical assistance are develop for the following professional categories: social assistant, community medical assistant, health mediator, psychologist community medical assistant, home care medical assistant.

The new technologies brought more efficiency to the access to the social services (like the emergency ones) but they also created premises for taking part to the social life and for reducing the loneliness that many old persons are confronted with. It must be also mentioned that the advantages of this capitalization regarding the new informational technologies are reduced.

With all these concerns for promoting long term health care services, the system remains weakly developed and, in the future, it is necessary to find new solutions for promoting those measures which bring improvement for addicted individuals' behavior. The long term health cares should be for the old-aged persons, for individuals with disabilities, for persons who are in the terminal phase of an illness.

The development of care services for addicted persons concentrated especially on the residential aspect. Despite this, the capacity of these institutions is not enough and the accommodation does not correspond to quality standards regulated by legislation in force. Reorganization, modernization and increasing accessibility to these institutions began in 2005, but the efforts must continue. Until now, the financing of the long term health care system has been ensured from funds allocated

from the state and local budget or from the non-governmental organizations' own funds.

In order to ensure the system sustainability, a project of normative act was initiated, regarding the social protection of the elderly, which this aims at a global approach of the elderly problems.

The novelty proposed in the law project refers to instituting a dependency benefit for financing health care services, not only in residential system but especially at homes. The benefit will be given in full amount which is different depending on the dependency level and on the place (at home, in day or residential centers) on the basis of testing incomes. Also, the law project suggests a compulsory insurance for long term health care and the collected funds will insure the necessary amount for financing the dependency benefits. The implementation of this system will be done progressively starting with January the 1st 2007.

The priorities for developing the system focus, besides the implementation of the project of normative act, on the following aspects:

- increasing the number of the residential institutions for long term health care and improving the living standard in these institutions;
- the development and implementation of a quality system for the services provided in residential system or at the people's own homes;
- development of social worker's network for people in need, including granting facilities;
- promoting and supporting temporary cares;
- improving human resources quality in the system, both for formal or informal network;