MINISTRY OF LABOUR, SOCIAL SOLIDARITY AND FAMILY

ROMANIA

SECTORAL OPERATIONAL PROGRAMME
HUMAN RESOURCES DEVELOPMENT
2007 - 2013

DRAFT
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## Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACD</td>
<td>Administration Capacity Development</td>
</tr>
<tr>
<td>AMIGO</td>
<td>Labour Force Survey in Households</td>
</tr>
<tr>
<td>APCPSI</td>
<td>Anti Poverty Commission and Promotion Social Inclusion</td>
</tr>
<tr>
<td>BIM</td>
<td>International Labour Bureau</td>
</tr>
<tr>
<td>CF</td>
<td>Cohesion Fund</td>
</tr>
<tr>
<td>CSG</td>
<td>Community Strategic Guidelines</td>
</tr>
<tr>
<td>CVT</td>
<td>Continuous Vocational Training</td>
</tr>
<tr>
<td>EBRD</td>
<td>European Bank for Reconstruction and Development</td>
</tr>
<tr>
<td>EC</td>
<td>European Commission</td>
</tr>
<tr>
<td>EDIS</td>
<td>Extended Decentralised Implementation System</td>
</tr>
<tr>
<td>EES</td>
<td>European Employment Strategy</td>
</tr>
<tr>
<td>EQHE</td>
<td>European Qualification in High Education</td>
</tr>
<tr>
<td>ERDF</td>
<td>European Regional Development Fund</td>
</tr>
<tr>
<td>ESF</td>
<td>European Social Fund</td>
</tr>
<tr>
<td>ETF</td>
<td>Education Training Foundation</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>GD</td>
<td>Government Decision</td>
</tr>
<tr>
<td>GED</td>
<td>Government Emergency Decision</td>
</tr>
<tr>
<td>HR</td>
<td>Human Resources</td>
</tr>
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<td>HRD</td>
<td>Human Resources Development</td>
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<tr>
<td>IB</td>
<td>Intermediate Body</td>
</tr>
<tr>
<td>ICT</td>
<td>Information and Communication Technology</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labor Organisation</td>
</tr>
<tr>
<td>ISCO</td>
<td>International Standard Occupations Classification</td>
</tr>
<tr>
<td>IT</td>
<td>Information Technology</td>
</tr>
<tr>
<td>JAP</td>
<td>Joint Assessment Paper</td>
</tr>
<tr>
<td>JIM</td>
<td>Joint Inclusion Memorandum</td>
</tr>
<tr>
<td>LEAP</td>
<td>Local Educational Action Plan</td>
</tr>
<tr>
<td>LLL</td>
<td>Long Life Learning</td>
</tr>
<tr>
<td>MA</td>
<td>Managing Authority</td>
</tr>
<tr>
<td>MA CSF</td>
<td>Managing Authority for Community Strategic Framework</td>
</tr>
<tr>
<td>MBA</td>
<td>Master in Business Administration</td>
</tr>
<tr>
<td>MoER</td>
<td>Ministry of Education and Research</td>
</tr>
<tr>
<td>MoLSSF</td>
<td>Ministry of Labor Social Solidarity and Family</td>
</tr>
<tr>
<td>MPF</td>
<td>Ministry of Public Finance</td>
</tr>
<tr>
<td>Abbreviation</td>
<td>Full Form</td>
</tr>
<tr>
<td>--------------</td>
<td>-----------</td>
</tr>
<tr>
<td>NAE</td>
<td>National Agency for Employment</td>
</tr>
<tr>
<td>NAESMC</td>
<td>National Agency Employment Small Medium Cooperatives</td>
</tr>
<tr>
<td>NAPCR</td>
<td>National Authority for Protection of Children Rights</td>
</tr>
<tr>
<td>NAPD</td>
<td>National Authority for Persons with Disabilities</td>
</tr>
<tr>
<td>NAPE</td>
<td>National Action Plan for Employment</td>
</tr>
<tr>
<td>NAPPRM</td>
<td>National Authority for Public Procurement Regulation and Monitoring</td>
</tr>
<tr>
<td>NDP</td>
<td>National Development Plan</td>
</tr>
<tr>
<td>NGO</td>
<td>Non Governmental Organization</td>
</tr>
<tr>
<td>NIRFLSP</td>
<td>National Institute for Research in the Field of Labour and Social Protection</td>
</tr>
<tr>
<td>NIS</td>
<td>National Institute for Statistics</td>
</tr>
<tr>
<td>NMS</td>
<td>New Member States</td>
</tr>
<tr>
<td>NSRF</td>
<td>National Strategic Reference Framework</td>
</tr>
<tr>
<td>ODL</td>
<td>Open Distance Learning</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
</tr>
<tr>
<td>OP</td>
<td>Operational Programme</td>
</tr>
<tr>
<td>PA</td>
<td>Promoting Action</td>
</tr>
<tr>
<td>PES</td>
<td>Public Employment Service</td>
</tr>
<tr>
<td>PhD</td>
<td>Doctorate</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>Research and Development</td>
</tr>
<tr>
<td>RDI</td>
<td>Research, Development and Innovation</td>
</tr>
<tr>
<td>REAP</td>
<td>Regional Educational Action Plan</td>
</tr>
<tr>
<td>RO</td>
<td>Romania</td>
</tr>
<tr>
<td>ROP</td>
<td>Regional Operational Programme</td>
</tr>
<tr>
<td>SAP</td>
<td>School Actions Plans</td>
</tr>
<tr>
<td>SEN</td>
<td>Special Educational Needs</td>
</tr>
<tr>
<td>SMEs</td>
<td>Small Medium Enterprises</td>
</tr>
<tr>
<td>SOP</td>
<td>Sectoral Operational Programme</td>
</tr>
<tr>
<td>SWOT</td>
<td>Strengths, Weakness, Opportunities, Threats</td>
</tr>
<tr>
<td>TAOP</td>
<td>Technical Assistance Operational Programme</td>
</tr>
<tr>
<td>TVET</td>
<td>Technical Vocational Educational Training</td>
</tr>
<tr>
<td>VET</td>
<td>Vocational Educational Training</td>
</tr>
<tr>
<td>WB</td>
<td>World Bank</td>
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Introduction

The Sectoral Operational Programme Human Resources Development sets the priority axes and the major intervention areas of Romania in the human resources area in order to implement the EU financial assistance through the European Social Fund, within the frame of „Convergence” objective, for the programming period 2007-2013.

Elaborated in the context of National Development Plan 2007-2013 and in tight connection with the Strategic Priorities of the National Strategic Reference Framework, SOP HRD is an important instrument in supporting the economic development and structural changes. Moreover, the investments in human capital will complete and will confer sustainability to increasing productivity on a long-term. A high qualified labor force, with a high level of education, having the capacity to adjust to the new technologies and to the changing needs of markets, is essential for a competitive and dynamic economy. Romania will promote active market policies to increase the adaptability and flexibility of employment and will invest in services for the development of the labour force productive capacity. It is envisaged to be reached a higher level of participation on the labour market, as a base for a competitive economy.

The global objective of NDP 2007-2013 aims to reduce disparities in the socio-economic development between Romania and EU Member States. In order to obtain this global objective and the specific objectives for the period 2007-2013, the measures and the actions taken into account are grouped in six national priorities for development:

- The increase of the economic competitiveness and the development of the knowledge based economy;
- The development and modernization of transport infrastructures;
- The protection and improvement of the environment quality;
- The development of human resources, promoting employment and social inclusion and strengthening the administrative capacity;
- The development of the rural economy and the increase of productivity in the agricultural sector;
- The decreasing of the development disparities between country regions.

SOP HRD was elaborated under the coordination of Ministry of Labor, Social Solidarity and Family. During the consultations there were involved the National Agency of Employment, Ministry of Education and Research, Ministry of Administration and Interior, Ministry of European Integration, National Institute for Statistics, National Institute for Scientific Research in the field of Labor and Social Protection, Anti-Poverty Commission and Promotion of Social Inclusion (CASPI), National Adults Training Board, Ministry of Small and Medium Size Enterprises and Cooperation, other line ministries and agencies. There also took place large consultations with social partners and civil society organizations.

The close consultations between the MoLSSF with the representatives of the Directorate General for Employment, Social Affairs and Equal Opportunities inside the European Commission had an important role in finalizing the structure and content of the Operational Programme.

The objectives and the aim of SOP activities were established on the basis of the analysis of the human resources development in Romania and were defined in concordance with the following documents:
- The Joint Assessment Paper on Evaluation of Employment Policies (JAP)
- The Joint Inclusion Memorandum on Social Inclusion (JIM)
- National Strategy on Employment
- The Integrated Guidelines for growth and jobs
- Pre-accession Economic Programme 2005
- The Strategy on the short and medium term on continuous vocational training 2005-2010
- The National Strategy on social inclusion of young over 18 leaving the State Child Protection System 2006-2008;
- The Strategy on Equal Opportunities between Women and Men.

The general objective of SOP HRD is the development of human capital and the increase of its competitiveness on the labor market, by providing equal opportunities for life-long learning and the development of a modern, flexible and inclusive labor market which leads, until 2015, to the sustainable integration on the labor market of 900.000 persons.

The specific objectives can be summarised as follows:

- Developing the initial and continuous education;
- Developing the human resources in the education system;
- Developing a flexible and personalised path in education and carrier;
- Increasing the education and vocational training level of the human capital;
- Promoting entrepreneurial culture;
- Facilitating the young people insertion in the labour market;
- Developing a modern, flexible, inclusive labor market;
- Promoting (re)insertion in the labour market of inactive people, including in rural areas;
- Improving public employment services;
- Facilitating access to education and in the labor market of the vulnerable groups
1. HUMAN RESOURCES DEVELOPMENT ANALYSIS

1.1 Education

- **Structure of the initial education system**

The benchmarks for the education and training systems set up by European Commission in 2002, at the European Council held in Barcelona, as well as the decisions taken at the European level in the “Bologna process” determined the reform of the initial education and training system in Romania.

For the time being, the initial education and training system is structured as presented in the table below:

Table 1. **Initial education system**

<table>
<thead>
<tr>
<th>Age</th>
<th>Grade</th>
<th>ISCED</th>
<th>Educational level</th>
<th>Qualification level</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;19</td>
<td></td>
<td>6</td>
<td>Post-university education</td>
<td>University and post university education</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5</td>
<td>University education</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Doctorate (PhD)</td>
<td>4</td>
<td>Compulsory</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Master</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Bachelor</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4</td>
<td></td>
<td>Post lyceum education¹</td>
<td>Post-secondary education</td>
<td>3</td>
</tr>
<tr>
<td>18</td>
<td>XIII</td>
<td>3</td>
<td>Lyceum – upper cycle</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>XII</td>
<td>3</td>
<td>Lyceum – upper cycle</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>XI</td>
<td>3</td>
<td>Lyceum – upper cycle</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2</td>
<td>Lyceum – lower cycle</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>School of Arts and Trades</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>X</td>
<td>2</td>
<td>Lyceum – lower cycle</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>IX</td>
<td>2</td>
<td>Lyceum – lower cycle</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>VIII</td>
<td>1</td>
<td>Lower secondary school (Gymnasium)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>VII</td>
<td>1</td>
<td>Primary school</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>VI</td>
<td>1</td>
<td>Primary education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>V</td>
<td>1</td>
<td>Primary education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>IV</td>
<td>1</td>
<td>Primary education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>III</td>
<td>1</td>
<td>Primary education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>II</td>
<td>1</td>
<td>Primary education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>I</td>
<td>1</td>
<td>Primary education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>0</td>
<td></td>
<td>Pre-school education (kindergartens)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>0</td>
<td></td>
<td>Pre-school education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>0</td>
<td></td>
<td>Pre-school education</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Sursa: ETF Scharing expertise in training –Country Monograph on education, training and employment services in Romania 2003*

Within this system, only the formal learning routes can be developed. There are not

¹ Vocational qualification for a maximum of 3 years offered to those who finish highschool (including those who do not hold the baccalaureate diploma);
² Level 2 of qualification is offered to those who finish the School of Arts and Trades after the completion year (XI grade);
³ Level 1 of qualification is offered to those who finish the School of Arts and Trades (IX-X grades).
operational systems for formal certification and validation of prior learning (learning outcomes acquired in non formal and informal learning environments).

- **Dynamics of enrolments**

Data available in 2004-2005 indicate a decrease of the enrollments by 3.49% as compared to school year 2000-2001. The most severe decrease is recorded in case of enrollments in primary and gymnasium education, respectively by 18.70% and 23.26% in the reference period (2004-2005/2000-2001); by residence, in both cases the most severe decrease of enrollments are specific to urban areas. In case of lyceum education and initial TVET, enrolments increased by 12.63 and respectively 20.85%; by residence, the situation is favourable, in both cases to rural areas. This dynamic of gross enrollments are the result of both the demographic trends and the increase in the number of school units in rural areas (especially in case of initial TVET). In case of university education, the enrollments increased, in the reference period, by 23% (see table 2 below).

### Table 2. Enrolments in formal education

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pre-school education</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>610817</td>
<td>615861</td>
<td>629703</td>
<td>636709</td>
<td>644911</td>
<td>5.58%</td>
</tr>
<tr>
<td>Urban</td>
<td>292182</td>
<td>293503</td>
<td>299936</td>
<td>300925</td>
<td>316817</td>
<td>8.43%</td>
</tr>
<tr>
<td>Rural</td>
<td>318635</td>
<td>322358</td>
<td>329767</td>
<td>335784</td>
<td>382094</td>
<td>19.92%</td>
</tr>
<tr>
<td><strong>Primary education</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1090172</td>
<td>1028288</td>
<td>990399</td>
<td>100586</td>
<td>969654</td>
<td>-11.05%</td>
</tr>
<tr>
<td>Urban</td>
<td>550038</td>
<td>501686</td>
<td>470689</td>
<td>465760</td>
<td>447198</td>
<td>-18.70%</td>
</tr>
<tr>
<td>Rural</td>
<td>540134</td>
<td>526602</td>
<td>519530</td>
<td>539326</td>
<td>522456</td>
<td>-3.27%</td>
</tr>
<tr>
<td><strong>Gymansium education</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1321333</td>
<td>1291338</td>
<td>1270729</td>
<td>116270</td>
<td>1025840</td>
<td>-22.36%</td>
</tr>
<tr>
<td>Urban</td>
<td>770073</td>
<td>743713</td>
<td>682467</td>
<td>615656</td>
<td>550658</td>
<td>-28.49%</td>
</tr>
<tr>
<td>Rural</td>
<td>551260</td>
<td>547625</td>
<td>524562</td>
<td>500614</td>
<td>475182</td>
<td>-13.80%</td>
</tr>
<tr>
<td><strong>Lyceum education</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>684461</td>
<td>706670</td>
<td>736608</td>
<td>755577</td>
<td>770888</td>
<td>12.63%</td>
</tr>
<tr>
<td>Urban</td>
<td>522387</td>
<td>532540</td>
<td>545167</td>
<td>552866</td>
<td>553970</td>
<td>6.05%</td>
</tr>
<tr>
<td>Rural</td>
<td>162074</td>
<td>174130</td>
<td>191441</td>
<td>202711</td>
<td>216918</td>
<td>33.84%</td>
</tr>
<tr>
<td><strong>TVET</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>239532</td>
<td>252331</td>
<td>270192</td>
<td>279110</td>
<td>289478</td>
<td>20.85%</td>
</tr>
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<td>Urban</td>
<td>138111</td>
<td>144042</td>
<td>149340</td>
<td>147333</td>
<td>146470</td>
<td>6.05%</td>
</tr>
<tr>
<td>Rural</td>
<td>101421</td>
<td>108289</td>
<td>120852</td>
<td>131777</td>
<td>143008</td>
<td>41.00%</td>
</tr>
<tr>
<td><strong>Postsecondary education</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>82027</td>
<td>72613</td>
<td>61789</td>
<td>54707</td>
<td>48664</td>
<td>-40.67%</td>
</tr>
<tr>
<td>Urban</td>
<td>63756</td>
<td>56388</td>
<td>47319</td>
<td>41848</td>
<td>37723</td>
<td>-40.83%</td>
</tr>
<tr>
<td>Rural</td>
<td>18271</td>
<td>16225</td>
<td>14470</td>
<td>12859</td>
<td>10941</td>
<td>-40.12%</td>
</tr>
<tr>
<td><strong>Pre-university education</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3812342</td>
<td>3967101</td>
<td>3895720</td>
<td>3847459</td>
<td>3749435</td>
<td>-1.65%</td>
</tr>
<tr>
<td><strong>University education</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>521483</td>
<td>571613</td>
<td>586567</td>
<td>611779</td>
<td>641400</td>
<td>23.00%</td>
</tr>
<tr>
<td>Public</td>
<td>370921</td>
<td>424864</td>
<td>447633</td>
<td>468024</td>
<td>486419</td>
<td>31.14%</td>
</tr>
<tr>
<td>Privat</td>
<td>150571</td>
<td>146749</td>
<td>138934</td>
<td>143755</td>
<td>154981</td>
<td>2.93%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4549825</td>
<td>4538714</td>
<td>4482287</td>
<td>4459238</td>
<td>4390835</td>
<td>-3.49%</td>
</tr>
</tbody>
</table>

Source: MoER, Report on Education, 2005

According to the available estimates, the school age population will record a decrease by about 20% during 2005-2013; the most severe decrease is expected to be recorded in case of the 15-24 age group, with differences by level of education and regions (table 3 below).

### Table 3. Demographic trends by region and level of education, 2013 as compared to 2005 (%)

<table>
<thead>
<tr>
<th>Region</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>North</td>
<td></td>
</tr>
<tr>
<td>South</td>
<td></td>
</tr>
<tr>
<td>South</td>
<td></td>
</tr>
<tr>
<td>South</td>
<td></td>
</tr>
<tr>
<td>West</td>
<td></td>
</tr>
<tr>
<td>North</td>
<td></td>
</tr>
<tr>
<td>Centre</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
</tbody>
</table>

-6
Participation in education

The gross enrollment rate at all levels of education (ISCED 1-6) recorded a continuously positive trend from 66.5% in 2000-2001 up to 71.7% in 2004-2005 (table 4 below).

Table 4. Gross enrolment rate in education, by gender

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total (%)</td>
<td>66.5</td>
<td>68.3</td>
<td>70.2</td>
<td>71.6</td>
<td>71.7</td>
</tr>
<tr>
<td>Female (%)</td>
<td>67.8</td>
<td>69.8</td>
<td>72.2</td>
<td>73.4</td>
<td>73.6</td>
</tr>
<tr>
<td>Male (%)</td>
<td>65.3</td>
<td>66.8</td>
<td>68.5</td>
<td>69.8</td>
<td>69.9</td>
</tr>
</tbody>
</table>

Source: MoER, Report on Education, 2005

Still, the participation rate in compulsory education (in the current structure of 10 years length) significantly diminished as compared to the enrollment rate recorded in the previous years (in the system of 8 years length of the compulsory education) – 98% in 2002/2003.

Thus, it seems the provisions extending the compulsory education from 8 to 10 years did not yet meet their goals, or at least not sufficiently, since a a large proportion of the pupils become early school leavers, especially the pupils form rural areas who encounter difficulties in continuing their study in lower cycle of lyceum education. In lyceum education and TVET, participation in education records an ascending evolution: at this level of education, the gross enrollment rate increasd from 71.4% in 2000/2001 up to 76.4% in 2004/2005. The increase in the enrollment rate is evenly distributed among lyceum education and TVET. In lyceum education, a slight increase may be observed in case of technological section as compared to theoretical and vocational sections during the reference period. A negative point is made in case of a 27 percent points difference in the gross enrolment rate by residence: 87.8%in urban areas as compared to 61% in rural areas in 2004/2005 (table 5 below).

Table 5. Gross enrolment rate in lyceum education and initial TVET

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>East</td>
<td>-16.2</td>
<td>-20.4</td>
<td>-19.7</td>
<td>-20</td>
<td>-19.8</td>
</tr>
<tr>
<td>East West</td>
<td>-16.5</td>
<td>-20.4</td>
<td>-19.6</td>
<td>-20.0</td>
<td>-18.9</td>
</tr>
<tr>
<td>West</td>
<td>-15.5</td>
<td>-20.3</td>
<td>-19.8</td>
<td>-19.9</td>
<td>-19.1</td>
</tr>
<tr>
<td>West East</td>
<td>-15.6</td>
<td>-20.6</td>
<td>-19.8</td>
<td>-19.9</td>
<td>-19.0</td>
</tr>
<tr>
<td>East West</td>
<td>-16.2</td>
<td>-20.4</td>
<td>-19.7</td>
<td>-20</td>
<td>-19.8</td>
</tr>
<tr>
<td>East West</td>
<td>-16.5</td>
<td>-20.4</td>
<td>-19.6</td>
<td>-20.0</td>
<td>-18.9</td>
</tr>
<tr>
<td>West</td>
<td>-15.5</td>
<td>-20.3</td>
<td>-19.8</td>
<td>-19.9</td>
<td>-19.1</td>
</tr>
<tr>
<td>West East</td>
<td>-15.6</td>
<td>-20.6</td>
<td>-19.8</td>
<td>-19.9</td>
<td>-19.0</td>
</tr>
</tbody>
</table>
| Source: MoER, Report on Education, 2005
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation rate in education at age of 15</td>
<td>85,11</td>
<td>92,12</td>
<td>87,17</td>
<td>80,50</td>
<td>85,32</td>
<td>86,74</td>
</tr>
<tr>
<td>Participation rate in education at age of 18</td>
<td>47,06</td>
<td>54,47</td>
<td>58,20</td>
<td>62,14</td>
<td>57,41</td>
<td>62,96</td>
</tr>
<tr>
<td>Participation rate in education at age of 20</td>
<td>26,76</td>
<td>29,92</td>
<td>31,20</td>
<td>36,04</td>
<td>38,34</td>
<td>40,06</td>
</tr>
<tr>
<td>Participation rate in education of 15-24 years age group</td>
<td>36,96</td>
<td>46,61</td>
<td>42,55</td>
<td>45,77</td>
<td>46,88</td>
<td>48,53</td>
</tr>
</tbody>
</table>

Source: National Institute for Statistics, 2005

The sinusoidal evolution of the participation in education, by age and age group, is the result of the combined action of several explaining factors:

- graduates of compulsory education from rural/disadvantaged areas do not continue their education due to specific social factors (e.g. low availability of offers for postcompulsory education in rural areas, poor living standards);
- the increasing interest of the graduates of compulsory education to continue their education through lyceum route, determined by existing broader opportunities for progression in university education and for employment for upper secondary and university graduates;
- the recorded progression rates between levels of education

In case of rural areas, there are serious problems of access to education due to poor access possibilities, (e.g. isolated mountain rural areas, isolated communities in Danube Delta etc.), poor learning conditions, poor educational infrastructure and endowments, insufficient development and poor quality of transport infrastructure etc. The relatively lower share of qualified teaching personnel in rural areas as compared to urban areas remains among the factors with negative influence for ensuring access to quality education in rural areas. The access and participation to education are seriously affected by the poverty of the rural community and the relatively high costs of education (including basic education) that this community cannot afford. The highest rate of non participation in education in rural areas are recorded after the graduation of 10th grade, in case of progression/transition from compulsory education to upper secondary education, which, in most cases, requires the pupils to move to urban areas (since the upper secondary education offers are quasi absent in rural areas), as well as in case (when progression to the last 2 years of compulsory education requires the travel or delocation in other localities).
In case of Roma community, almost 12% of the population in the 7-16 year age group dropped out school before graduating compulsory education and about 18% are not enrolled in any form of education and are not attending to a form of education. As a whole, about 80% of the persons not attending to any form of education are Roma population⁴ and 28.6% of the Roma are illiterate⁵.

In school year 2002-2003, Roma pupils represented about 4.23% of the total enrollments at national level⁶, in compulsory education. The participation in education of Roma pupils is lower in case of pre-school education as compared to primary education. Similarly, after primary education, the participation in education of Roma pupils continuously decreases, down to a participation rate of 1.04% in case of lyceum education. Additional to economic situation of Roma community, the educational attainment/background of older Roma generations seriously influences the low participation in education of Roma children.

Also, the absence of pre-school education and poor Romanian language speaking abilities of most Roma children seriously affects their school performance in school. All these elements lead to serious difficulties for the integration of Roma children in the formal education system.

Similarly, a low participation in education is recorded in case of children with special educational needs (SEN). The limited stock of qualified teaching personnel, inappropriate educational infrastructure and existing communication shortcomings between school and community contribute to the increase of the number of SEN children not attending to formal education and to the absence of monitoring of the integration of SEN children in regular formal education.

- Early school leaving

During the entire period 1990-2005, there were recorded high and increasing early school leaving rates. Early school leaving is phenomenon negatively affecting the quality and competitiveness of the human capital. The early school leaving rate increased from 22.4% in 1999-2000 up to 23.6% in 2004-2005 (table 7 below). A significant gap between Romanian and European indicators can be noticed; the early school leaving exceeds by far the 10% European benchmark set up for 2010.

<table>
<thead>
<tr>
<th>Tabel 7. Early school leaving rate (18-24 year age group)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
</tr>
<tr>
<td>-----</td>
</tr>
<tr>
<td>RO</td>
</tr>
<tr>
<td>------</td>
</tr>
<tr>
<td>Early school leavers (18-24 years age group), by gender</td>
</tr>
<tr>
<td>Male population</td>
</tr>
<tr>
<td>Female population</td>
</tr>
</tbody>
</table>

Sources: for Romania: NSI, AMIGO 2004; data for 2002, 2003 and 2004 were extended on the basis of the results of the 2002 Census; for EU-25 and EU-15: EUROSTAT, New Cronos, 2004

⁵ "Roma in Romania” CASPIS
⁶ idem, p.73
breakdown in yearly data. Data cannot be compared to previous years.

The drop out rate in primary and gymnasium education increased by 2.5 times in 2003-2004 as compared to 2000-2001 (table 8 below). In case of gymnasium education, a 3 times increase produced in the reference period.

Available findings indicate that, in case of children living in poor families, the probability of school drop out is 2.3 times higher as compared to the children living in families which are not poor and the probability reaches 3.1 in case of children living in families affected by severe poverty.

Table 8. Drop out rate in primary and gymnasium education

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate</td>
<td>0.6</td>
<td>1.2</td>
<td>1.2</td>
<td>1.5</td>
</tr>
<tr>
<td>Urban</td>
<td>0.7</td>
<td>1.4</td>
<td>1.2</td>
<td>1.3</td>
</tr>
<tr>
<td>Rural</td>
<td>0.6</td>
<td>1.0</td>
<td>1.3</td>
<td>1.7</td>
</tr>
<tr>
<td>Female</td>
<td>0.6</td>
<td>1.1</td>
<td>1.6</td>
<td>1.3</td>
</tr>
<tr>
<td>Male</td>
<td>0.7</td>
<td>1.3</td>
<td>0.9</td>
<td>1.7</td>
</tr>
</tbody>
</table>

Source:

At educational system and policy making level, few measures were undertaken for reintegrating the early school leavers in formal education, either immediately, or thorough latter education and training programs, during their active life. The high early school leaving correlated with the low number of early school leavers who re-enter in formal education are elements with severe negative effects on the quality of human capital in Romania.

- Progression in lower and upper secondary education

The progression from gymnasium in secondary education (9th grade) represents a critical point in formal initial education and initial training system. Significant differences are recorded in case of the transition from gymnasium to secondary education depending on the education/training pathways chosen. Thus, while the progression rate in lyceum education is stabilized around 55% during the 2000-2005, in case of initial TVET, the progression rate fluctuates around 35-39%, with a declining trend by the end of the reference period. The progression rate in lyceum education is by 15-17 percent points higher in case of female population, during the reference period, while, in case of initial TVET the data available show a significant difference, by gender, in favour of the male population. From the point of view of the participation in education, a relevant indicator is the progression rate to upper levels of education.

Although in dynamics, the progression rate records an ascending trend, data available for school years 2003/2004 and 2004/2005 indicate that a part of the 8th grade graduates do not continue their education in 9th or in the 1st year of the school of arts and trades, although the legal provision extending the compulsory education from 8 to 10 years entered into force in 2003 (table 9 below).

Table 9. Progression rate in lyceum and initial TVET

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>35.1</td>
<td>35.8</td>
<td>38.</td>
<td>37.1</td>
<td>36.9</td>
</tr>
</tbody>
</table>
Data and evidences collected indicate the existence of a breach in case of progression from gymnasium (to lower secondary education IXth grade) and in case of progression/transition from compulsory to postcompulsory education. In both cases, the most unfavourable situation, by residence, is recorded in case of rural areas. These data combined with data on school drop out and early school leaving emphasize the need for adopting specific measures for maintaining pupils in education together with measures for increasing access to education. The measuring for ensuring access to basic education for all should target not only population from rural areas, but also the early school leavers. Progression to university education continuously increased during 2001-2002 and 2004-2005 due to increased access (increase and diversification of university education offers, development of private universities etc.) and to increased demand for qualified labor force (which underpins the motivation of the upper secondary graduates to enroll in university education).

- **Initial TVET**

In case of TVET there are two training routes:

  a) Direct professionalisation route (technological lyceums) – 2 years of the lower level of lyceums (the last two years of compulsory education) + 2 years of upper level of lyceum;

  b) Progressive professionalisation route – School of Arts and Trades (2 years) + completion year (1 year) + 2 years of upper level of lyceum.

The recent restructuring of the pre-university education system, namely the extension from 8 to 10 years of the compulsory education, includes within the last two years of the compulsory education one pathway dedicated to professional qualifications achievement. These two school years are part of a progressive professionalisation route, which allows students to continue their studies up to ISCED 3 – high school and up to qualification level 3. The School of Arts and Crafts is an educational level recently introduced in the structure of the compulsory education.

The Ministry of Education and Research undertook measures aiming at improving access to initial education and training, by improving the attractiveness of TVET as well as by providing equal chances of access to TVET in disadvantaged areas, such as rural areas. The education system restructuring in force since the school year 2003/2004 has been planned having the aim to enhance the access to initial VET. The positive achievements in this respect are reflected by the fact that the number of students enrolled in vocational education route, 9th grade, continuously increased (in 2003/2004 as compared with 2002/2003 by 9.7%. and in 2004/2005 as compared to 2003/2004 by 5.67%) (table 10 below).

<table>
<thead>
<tr>
<th>School of arts and trades (SAM)</th>
<th>Total</th>
<th>35.1</th>
<th>35.8</th>
<th>38.</th>
<th>37.1</th>
<th>36.9</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Females</td>
<td>27.2</td>
<td>29.1</td>
<td>26.4</td>
<td>29.5</td>
<td>28.7</td>
</tr>
<tr>
<td></td>
<td>Masles</td>
<td>42.8</td>
<td>43.5</td>
<td>41.0</td>
<td>44.6</td>
<td>45.1</td>
</tr>
<tr>
<td>Lyceum education</td>
<td>Total</td>
<td>54.7</td>
<td>55.6</td>
<td>54.9</td>
<td>54.4</td>
<td>55.6</td>
</tr>
<tr>
<td></td>
<td>Females</td>
<td>62.3</td>
<td>63.7</td>
<td>62.9</td>
<td>62.4</td>
<td>64.0</td>
</tr>
<tr>
<td></td>
<td>Masles</td>
<td>47.2</td>
<td>47.6</td>
<td>46.9</td>
<td>46.7</td>
<td>47.3</td>
</tr>
<tr>
<td>Lyceum and initial TVET</td>
<td>Total</td>
<td>89.7</td>
<td>91.5</td>
<td>88.6</td>
<td>91.5</td>
<td>92.5</td>
</tr>
<tr>
<td></td>
<td>Females</td>
<td>89.5</td>
<td>91.8</td>
<td>89.3</td>
<td>91.8</td>
<td>92.6</td>
</tr>
<tr>
<td></td>
<td>Masles</td>
<td>89.9</td>
<td>91.1</td>
<td>88.0</td>
<td>91.2</td>
<td>92.4</td>
</tr>
</tbody>
</table>

Source: MoER, Report on Education, 2005

Table 10. Enrolments in initial TVET
<table>
<thead>
<tr>
<th>School year</th>
<th>TOTAL Initial VET</th>
<th>Vocational education</th>
<th>Lyceum education</th>
<th>Theoretical</th>
<th>Total lyceum education</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total no. of pupils enrolled (% in the rural areas)</td>
<td>Total no. of pupils enrolled (% in the rural areas)</td>
<td>Total no. of pupils enrolled (% in the rural areas)</td>
<td>Total no. of pupils enrolled (% in the rural areas)</td>
<td>Total no. of pupils enrolled (% in the rural areas)</td>
</tr>
<tr>
<td>2001-2002</td>
<td>565,665 (11.26%)</td>
<td>252,347 (15.8%)</td>
<td>313,318 (7.6%)</td>
<td>51,042 (2.6%)</td>
<td>346,303 (5.9%)</td>
</tr>
<tr>
<td>2002-2003</td>
<td>596,531 (11.47%)</td>
<td>270,215 (15.9%)</td>
<td>326,316 (7.8%)</td>
<td>53,951 (2.3%)</td>
<td>360,137 (6.2%)</td>
</tr>
<tr>
<td>2003-2004</td>
<td>618,951 (12.09%)</td>
<td>279,124 (17.3%)</td>
<td>339,827 (7.8%)</td>
<td>53,756 (2.1%)</td>
<td>365,334 (6.7%)</td>
</tr>
<tr>
<td>2004-2005</td>
<td>637,803 (13.24%)</td>
<td><strong>289,494 (19.4%)</strong></td>
<td>348,309 (8.1%)</td>
<td>55,537 (2.1%)</td>
<td>369,997 (7%)</td>
</tr>
</tbody>
</table>

Source: National Institute for Statistics

When referring to the number of schools hosting initial VET there is an increase from 844 school units in 2002/2003 to 1474 school units in 2004/2005. The number of school units providing initial VET in rural areas increased from 518 in 2003/2004 to 692 in 2004/2005. These schools are offering first chance education to the graduates of 8 grades, in their locality preventing from additional costs the parents have to afford for transport or accommodation in case those students should go in other localities for learning. In other words, the schooling capacity in rural areas increased substantially in case of initial VET. In order to improve the quality of education and in particular of VET supplied in rural areas, the Romanian Government, on the proposal of the Ministry of Education and Research initiated programmes supported by different external financing sources. The Phare assistance through the 2003 Phare programming and multi-annual projects 2004-2006 is concentrated on VET quality improvement in rural areas. The activities implemented had the following results:

- Development of institutional capacities of TVET schools in view of assuring inclusive education and training for students with special education needs (SEN);
- Improvement of initial and continuous training offer in rural areas.

### University education

Unlike the secondary and postsecondary education, in case of university education, the ascending trend of participation in education specific to early '90s continued also during 2000-2001/2004-2005. Thus, the gross enrollment rate in university education increased from 27.7% in 2000-2001 up to 40.2% in 2004-2005 (table 11 below). The increasing participation in university education is explained by the development of private university education, development of university networks by setting up new universities or by developing subsidiaries of large university in non traditional locations, increasing enrollments,
increasing interest for university education due to larger labour market absorption of highly educated people and lower unemployment risk for university graduates.

Table 11. **Gross enrolment rate in university education*)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total (%)</strong></td>
<td>27.7</td>
<td>31.2</td>
<td>35.3</td>
<td>37.9</td>
<td>40.2</td>
</tr>
<tr>
<td><strong>Females (%)</strong></td>
<td>30.2</td>
<td>34.6</td>
<td>39.3</td>
<td>42.6</td>
<td>45.1</td>
</tr>
<tr>
<td><strong>Males (%)</strong></td>
<td>25.2</td>
<td>29.0</td>
<td>31.4</td>
<td>33.5</td>
<td>35.4</td>
</tr>
</tbody>
</table>

*Source: MoER, Report on Education, 2005*

*) The indicator is calculated by reference to the population in the 19-23 years age group.

- **Quality of the human capital in Romania**

By level of education attainment, in Romania, the share of the population in the 25-64 year old age group with at least upper secondary education increased from 67.9% in 1999 to 70% in 2003, above the levels recorded in other European countries. Still, in the same age group, the share of the population with university education, although place on a ascending trend (from 8.7% in 1999 up to 9.6% in 2003), remains below the level recorded in the most developed countries (figures for 1999: USA – 27.7%, France - 16.4%, Germany – 15%, Great Britain – 15.4% (White Paper on Labour Force, DTI/UK – 2003). The competitiveness of the human capital is directly influenced by the educational attainment. For the 20-24 years age group, Eurostat indicates that, in case of Romania, in 2004, 75.3% of the population in this age group had at lease upper secondary education; this level is close to the average level of 76.6 recorded in case of EU-25 and above the level of 73.8% recorded in case of EU-15 (table 12 below).

In case of educational level attainment of the population in 20-24 years age group, the share of the population with at least secondary education is close to the EU average, but below the average level of the 10 new member states and the 85% EU benchmark for 2010.

Table 12. **Share of 20-24 years old population with at least secondary education - % -**

<table>
<thead>
<tr>
<th></th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RO</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EU-25</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EU-15</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share of the 20-24 years age group population with at least secondary education in the total population in 20-24 years age group</td>
<td>76.9</td>
<td>75.9</td>
<td>77.3</td>
<td>76.5</td>
<td>74.9</td>
<td>75.3</td>
</tr>
</tbody>
</table>

*Sources: for Romania – NSI, AMIGO 2004, for EU-25 and EU-15 – EUROSTAT, New Cronos, 2004*

In case of the educational attainment of the population in the 25-64 years age group, data show that the share of the population with at least secondary education increased durin 1999-2004 and differences by gender may be noticed (table 13 below).

Table 13. **The share of the 25-64 age group population with at least secondary education in total 25-64 age group population**
The dynamics of the share of the population with at least secondary education within 25-64 years age group shows an accelerated increase in 1999 and 2000, followed by a stabilization, between 2000-2004 at about 70.5%. There are differences by gender, higher values, above 75%, were recorded during the reference period in case of male population and lower values in case of female population for which the indicator stabilized at about 65% in 2004.

The evolution by gender reflects a slight decrease of the existing gap between female and male population with secondary and university education. If in 1999 the gender gap shown by this indicator was of 13 percent points, it reduced to 12 percent points in 2004.

In case of share of the population in 25-64 years old age group with university education, the evolution is presented in the table 14 below:

<table>
<thead>
<tr>
<th>Share of the population in 25-64 years age group with university education</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male (%)</td>
<td>9.8</td>
<td>9.3</td>
<td>9.8</td>
<td>9.7</td>
<td>9.6</td>
<td>10.6</td>
</tr>
<tr>
<td>Female (%)</td>
<td>7.7</td>
<td>8.3</td>
<td>8.9</td>
<td>8.9</td>
<td>9.1</td>
<td>10.0</td>
</tr>
</tbody>
</table>

Sources: NSI, AMIGO 2004; data for 2002, 2003 and 2004 were extended on the basis of the results of the Census 2002.

At national level, the 1 percent point increase of the share of the population within 25-64 years old age group with university education recorded in 2004 as compared to 2003 as reflected by a value for this indicator outrunning the threshold of 10% registered during 1999-2003.

There are gender differences for this indicator: the male population with university education, although maintained above 10% during the reference period is confronted with a decline after 2001, while in case of female population the indicator is placed on an ascending trend from 7.7% to 10% (table 15).
Data obtained from Population Census 2002 indicate an increase of the graduates of university education, within the 15-29 years age group, both in absolute and relative terms, during 1992-2004. Also the share of the graduates of post secondary and foreman education and the share of graduates of primary education increased in the same age group in the same period. A decrease is recorded in case of the share of graduates of gymnasium education within 15-29 years age group (from 43.2% in 1992 to 38% in 2002). On the whole, in 2002, within the 15-29 age group, about 8% graduated university education, 82% graduated secondary education, 8% graduated primary education and 3% had no education.

Increased competitiveness of the human capital could be achieved through life long acquisition of knowledge and competences and to the continuous update of individual stock of knowledge and competences, continuing education and training. The possibilities for continuing learning of the population are limited to the existing offers for continuous professional training for active population, since there are fewer offers for continuing education in the formal education and training system are fewer as compared to the existing offers for initial education, generally limited to complete postgraduate programs. The lack of the transfer mechanisms of the learning outcomes between various learning environments limits the possibilities of the population, especially for adult population, to obtain the formal validation of the competences acquired in the labour market and to re-enter into the formal education.

The supply of continuous professional training remains fragmented, since it is addressing especially the needs of individuals and not the companies’ needs. Most of the training providers avoid modular training programs due to legal vagueness and due to the fact that the completion of one or several modules of a training program does not provide a “profession” and does not give the right to the trainee to an occupation on the labour market. The complete qualification cycles/programs, finalized with a nationally recognized certificate of qualification, are more valued/praised since they provide the right to practice one or more occupations on the labour market.

- Human capital in education

<table>
<thead>
<tr>
<th>Total, of which:</th>
<th>(%)</th>
<th>(%)</th>
<th>(%)</th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>University education graduates</td>
<td>128584</td>
<td>2.4</td>
<td>285254</td>
<td>5.6</td>
</tr>
<tr>
<td>Post secondary and foreman education graduates</td>
<td>14171</td>
<td>0.2</td>
<td>109349</td>
<td>2.1</td>
</tr>
<tr>
<td>Lyceum education graduates</td>
<td>1644695</td>
<td>31.5</td>
<td>1465279</td>
<td>28.9</td>
</tr>
<tr>
<td>Graduates of professional schools and apprenticeship schools</td>
<td>923095</td>
<td>17.7</td>
<td>736700</td>
<td>14.5</td>
</tr>
<tr>
<td>Primary education graduates</td>
<td>184720</td>
<td>3.5</td>
<td>382711</td>
<td>7.5</td>
</tr>
<tr>
<td>No schooling</td>
<td>55874</td>
<td>1.0</td>
<td>137194</td>
<td>2.7</td>
</tr>
<tr>
<td>School graduates but undeclared</td>
<td>16845</td>
<td>0.3</td>
<td>3523</td>
<td>0.0</td>
</tr>
</tbody>
</table>

Figures available show, in 2004-2005, that human resource employed in initial education and training system represents 4.32% of the employed population in Romania. The analysis of the dynamics of the teaching personnel during the period 2000-2004 period indicates that: the personnel in initial education and training decreased by 3% - the most severe decrease was recorded in case of initial TVET (20%), while the lowest decrease is recorded in case of primary education (1%); in case of lyceum education there was recorded an increase of the personnel with 5.54% (table 16 below).

Table 16. Teaching personnel, 2004/2005

<table>
<thead>
<tr>
<th></th>
<th>Pre-school</th>
<th>Primary education (mass education)</th>
<th>Primary education (special schools)</th>
<th>Gymnasium (mass education)</th>
<th>Gymnasium (special schools)</th>
<th>Lyceum</th>
<th>TVET (SAM)</th>
<th>Post secondary education</th>
<th>University education</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000/2001 Total</td>
<td>34,023</td>
<td>57,171</td>
<td>2,595</td>
<td>97,172</td>
<td>5,122</td>
<td>64,018</td>
<td>4,894</td>
<td>1,438</td>
<td>27,959</td>
</tr>
<tr>
<td>Urban</td>
<td>18,734</td>
<td>25,529</td>
<td>2,074</td>
<td>48,999</td>
<td>4,130</td>
<td>59,863</td>
<td>3,943</td>
<td>1,408</td>
<td></td>
</tr>
<tr>
<td>Rural</td>
<td>15,289</td>
<td>32,188</td>
<td>521</td>
<td>48,173</td>
<td>992</td>
<td>4,155</td>
<td>30</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2001/2002 Total</td>
<td>34,631</td>
<td>56,724</td>
<td>2,254</td>
<td>100,868</td>
<td>5,074</td>
<td>64,729</td>
<td>5,576</td>
<td>1,578</td>
<td>28,764</td>
</tr>
<tr>
<td>Urban</td>
<td>19,013</td>
<td>24,527</td>
<td>1,870</td>
<td>50,895</td>
<td>4,198</td>
<td>60,562</td>
<td>4,307</td>
<td>1,565</td>
<td></td>
</tr>
<tr>
<td>Rural</td>
<td>15,618</td>
<td>32,097</td>
<td>384</td>
<td>49,973</td>
<td>876</td>
<td>4,167</td>
<td>1,269</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>2002/2003 Total</td>
<td>34,307</td>
<td>54,573</td>
<td>2,062</td>
<td>92,825</td>
<td>4,737</td>
<td>60,988</td>
<td>6,063</td>
<td>1,496</td>
<td>29,619</td>
</tr>
<tr>
<td>Urban</td>
<td>18,682</td>
<td>23,196</td>
<td>1,786</td>
<td>45,202</td>
<td>4,040</td>
<td>57,083</td>
<td>4,682</td>
<td>1,478</td>
<td></td>
</tr>
<tr>
<td>Rural</td>
<td>15,625</td>
<td>31,377</td>
<td>276</td>
<td>46,623</td>
<td>697</td>
<td>3,905</td>
<td>1,381</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>2003/2004 Total</td>
<td>34,585</td>
<td>55,415</td>
<td>2,121</td>
<td>88,750</td>
<td>4,224</td>
<td>58,925</td>
<td>5,782</td>
<td>1,333</td>
<td>30,137</td>
</tr>
<tr>
<td>Urban</td>
<td>18,717</td>
<td>22,965</td>
<td>1,867</td>
<td>42,778</td>
<td>3,635</td>
<td>54,999</td>
<td>4,425</td>
<td>1,324</td>
<td></td>
</tr>
<tr>
<td>Rural</td>
<td>15,868</td>
<td>31,350</td>
<td>254</td>
<td>45,972</td>
<td>589</td>
<td>3,926</td>
<td>1,357</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>2004/2005 Total</td>
<td>35,288</td>
<td>54,932</td>
<td>2,167</td>
<td>89,119</td>
<td>3,950</td>
<td>62,192</td>
<td>6,290</td>
<td>1,066</td>
<td>30,857</td>
</tr>
<tr>
<td>Urban</td>
<td>19,696</td>
<td>22,561</td>
<td>1,925</td>
<td>41,835</td>
<td>4,364</td>
<td>57,807</td>
<td>4,761</td>
<td>1,060</td>
<td></td>
</tr>
<tr>
<td>Rural</td>
<td>15,642</td>
<td>32,371</td>
<td>242</td>
<td>47,284</td>
<td>486</td>
<td>4,385</td>
<td>1,529</td>
<td>6</td>
<td></td>
</tr>
</tbody>
</table>

Source: MoER, Report on education, 2005

The forecasted decrease of the school population by 20% in 20013 (as compared to 2005) will trigger serious effects in case of school network, recruitment policy of teaching personnel; this demographic trend will trigger a decrease of the personnel employed in education and initial training by about 10%. The low attractiveness of teaching career, the relative persisting rigidity in the professional routes of teachers will also contribute to the diminishment of the teaching personnel. Evidences available indicate a relatively high fluctuation of young teaching personnel in university education who, in most cases, make use of their emerging career in education for developing a career in other more attractive areas. The estimated decrease of the school population will underline the importance of the qualification and quality of the human capital employed in formal education and initial TVET. There are still gaps between rural and urban areas in terms of qualified teaching personnel (see table 16 below). In 2004/2005, in primary education, 96.2% of the teaching personnel were qualified teaching personnel (98.4% - in urban areas, as compared to 94.7% - in rural areas). In case of gymnasium education, the share of the qualified teaching personnel out of the total teaching personnel was 91.4%, with significant disparities by residence (96.8% for urban areas, 86.6% for rural areas). In 2004/2005, in case of School of Arts and Trades, the share of qualified teaching personnel was by 12.6% higher as compared to 2000/2001. During the above mentioned period the share of qualified teaching personnel increased both for urban areas (from 81.5% to 94.6%) and for rural areas (from 69% to 82.8%).
Still differences by residence remain significant. In university education, the existence of qualified teaching personnel does not exist, since the indicator was of 100% in 2004/2005.

Table 17. Share of qualified teaching personnel, by residence and levels, 2004/2005

<table>
<thead>
<tr>
<th>Year</th>
<th>Pre-school education</th>
<th>Primary education (mass education)</th>
<th>Gymnasium education (mass education)</th>
<th>Lyceum education</th>
<th>TVET</th>
<th>Post-secondary education</th>
<th>University education</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000/2001</td>
<td>Total 84.9</td>
<td>91.3</td>
<td>79.1</td>
<td>84.4</td>
<td>90.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Urban 89.6</td>
<td>91.7</td>
<td>81.5</td>
<td>84.6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Rural 79.1</td>
<td>86.6</td>
<td>69.0</td>
<td>73.3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2001/2002</td>
<td>Total 88.6</td>
<td>92.5</td>
<td>79.7</td>
<td>88.1</td>
<td>92.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Urban 92.8</td>
<td>93.0</td>
<td>82.1</td>
<td>88.2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Rural 83.6</td>
<td>86.3</td>
<td>71.4</td>
<td>84.6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2002/2003</td>
<td>Total 86.4</td>
<td>92.7</td>
<td>85.7</td>
<td>93.2</td>
<td>86.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Urban 88.7</td>
<td>95.5</td>
<td>93.0</td>
<td>93.4</td>
<td>88.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Rural 83.6</td>
<td>90.8</td>
<td>78.5</td>
<td>90.9</td>
<td>79.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2003/2004</td>
<td>Total 93.9</td>
<td>96.0</td>
<td>90.8</td>
<td>97.9</td>
<td>95.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Urban 97.4</td>
<td>98.3</td>
<td>96.7</td>
<td>98.1</td>
<td>96.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Rural 89.7</td>
<td>94.3</td>
<td>85.4</td>
<td>95.1</td>
<td>83.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2004/2005</td>
<td>Total 94.7</td>
<td>96.2</td>
<td>91.4</td>
<td>97.8</td>
<td>97.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Urban 97.3</td>
<td>98.4</td>
<td>96.8</td>
<td>98.0</td>
<td>94.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Rural 91.5</td>
<td>94.7</td>
<td>86.6</td>
<td>95.5</td>
<td>82.8</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: MoER, Report on Education, 2005

- **Human capital in research**

In 2001 in Romania the number of R&D employees per 100 civil employed was 0.42-three times lower than the EU-15 (1.41), the number of R&D employees, especially highly qualified specialists, having a constant decrease trend.

Table 18. Human capital in Research & Development

<table>
<thead>
<tr>
<th>Year</th>
<th>1996</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total %</td>
<td>62,297</td>
<td>100</td>
<td>48,113</td>
<td>100</td>
<td>37,241</td>
<td>100</td>
</tr>
<tr>
<td>Number of employees of which:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Researcher</td>
<td>31,783</td>
<td>51</td>
<td>26,492</td>
<td>55.1</td>
<td>23,179</td>
<td>62.2</td>
</tr>
<tr>
<td>Certified researchers</td>
<td>15,987</td>
<td>25.7</td>
<td>10,341</td>
<td>21.5</td>
<td>8,926</td>
<td>24</td>
</tr>
</tbody>
</table>

Source: National Institute of Statistics

Low wages, poor physical material resources, as well as opportunities provided by Research programmes from other countries gradually led to an increase in the average age of the R&D highly-qualified staff, so that approximately 60% of the total number of researchers is over 40 years old.

Table 19. Researchers by age groups
The dominant weight is of the technical and engineering researchers (approx. 60%), which is also a field with a high capacity of adapting to the economic demand. In 2000 the specialised staff from Research & Development units requested a total number of 1,248 invention patents out of which 453 were issued in the country and 222 abroad.

- **Quality assurance and management in education and initial TVET**

Quality in initial education and training may be assured through modern school inspection, national evaluations, quality school infrastructure and physical endowments, quality curricula, development of the centers for promoting excellence, quality of the teaching-learning processes, effective school/university management, motivated and qualified teaching personnel and pupils/students, initial and continuing quality teacher training, increased exigence for teacher promotion etc.

The official statements made during the last 15 years referred to the education as national priority and to the fact that developments in terms of quality assurance should be pursued in reforming initial education and training. In case of formal education, prior to 2005, quality assurance in education was based almost exclusively on external mechanisms like school inspection, accreditation and external evaluation, while the internal mechanisms and procedures for quality assurance and management were not fully operational. New standards, instruments and tools for quality assurance (stipulated by new legal framework adopted in 2005-2006) should be developed and implemented by Romanian Agency for Quality Assurance in preuniversity education and Romanian Agency for Quality Assurance in university education. These new instruments will balance the use of external and internal mechanisms and instruments for quality assurance.

The proper implementing of these new tools in the formal education system require specific training and school/university staff development (over 45 000 persons) and specific training for external quality evaluators (about 4000 persons).

There is not available study of quality assessment of initial education and training. The good quality or the poor quality can be assessed, at present, mostly by the school/university graduates’ performances in the labour market, in terms of employment and unemployment rates, although the relevance of employment and unemployment rates in evaluating the quality of initial education and training is altered since other economical and social causes may produce affects in employment and unemployment rates and structures.
• Correlating educational and initial TVET offers and labour market needs

Increase of the initial education and TVET relevance to the labour market needs still remain a major goal in the policy making and activities of the education providers. The poor correlation between education and initial TVET with labour market needs is determined by several factors, among which the following could be considered:

- insufficient involvement of social partners/relevant stakeholders in the planning of educational activities/offers
- insufficient development and valorization of partnership in education and training, limited cooperation in developing continuing learning programs, work based learning programs etc.;
- limited availability of long term economic forecast at national and regional level;
- absence of mechanisms for monitoring the insertion and professional evolution of recent graduates (“tracer studies”)

The very high youth unemployment remain a major negative effect of the poor existing correlation between education and initial TVET offers and labour market needs. Youth unemployment remain high regardless the educational attainment level (table 15 below).

<table>
<thead>
<tr>
<th>Table 20. Unemployment rate by age and educational attainment</th>
</tr>
</thead>
<tbody>
<tr>
<td>University</td>
</tr>
<tr>
<td>University</td>
</tr>
<tr>
<td>Upper secondary and post secondary</td>
</tr>
<tr>
<td>Of which:</td>
</tr>
<tr>
<td>postsecondary</td>
</tr>
<tr>
<td>Lyceum</td>
</tr>
<tr>
<td>Professional</td>
</tr>
<tr>
<td>Low education/training</td>
</tr>
<tr>
<td>Unemployment</td>
</tr>
</tbody>
</table>

Source: Amigo – 3rd quarter, 2004

Data in table indicate that the more educated/trained/qualified a young person is, the higher are the chances to insert in the labour market (to get employed), unlikely the case of older persons. Still, for all recent graduates, regardless the educational/training attainment, a longer period of time is necessary for inserting in the labor market and adapting to the job requirements, unlike the case of older persons. These situations are directly influenced by the poor correlation between education and initial TVET offers with labour market needs. The lowest correlations are specific to intermediate qualification levels. In this respect, specific actions for increasing relevance of qualifications provided by initial education and training were undertaken and some progress was made in case of initial TVET.

1.1. Employment

Structural analysis of the labour market
The Romanian labour market faced significant changes in the economic transition process, emphasized by the reduction of the active and employed population, by maintaining the unemployment rate at relatively constant values, and by the increase of the long-term unemployment, being mainly affected by the limited job creation capacity. Important changes occurred alongside the decrease in the employed population regarding the structure of employment by sectors, fields of activity, regions, and types of ownership, age, and professional status.

The human resources evolution has been for the past decade under the influence of several demographic and social phenomena such as: the speeding up of the fertility decreasing process and maintaining mortality at high rates, the increase of the emigration, and the decrease of the medical and social assistance services’ quality. These facts contributed to the increase of the share of the 60 years old and over population, and also to the maintenance at high levels of the demographic dependency rate, especially in the rural areas.

### Table 21. Main indicators of employment 1999-2004 (annual average)

<table>
<thead>
<tr>
<th>Indicator / Year</th>
<th>ROMANIA</th>
<th>EU25</th>
<th>EU15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active population (thousand persons)</td>
<td>11,566</td>
<td>11,585</td>
<td>11,447</td>
</tr>
<tr>
<td>Activity rate 15-64 years old</td>
<td>68.7</td>
<td>68.6</td>
<td>67.5</td>
</tr>
<tr>
<td>Employed population (thousand persons)</td>
<td>10,776</td>
<td>10,764</td>
<td>10,697</td>
</tr>
<tr>
<td>Employment rate</td>
<td>63.5</td>
<td>63.2</td>
<td>62.6</td>
</tr>
<tr>
<td>ILO unemployment rate</td>
<td>6.8</td>
<td>7.1</td>
<td>6.6</td>
</tr>
<tr>
<td>ILO long-term unemployment</td>
<td>3.0</td>
<td>3.6</td>
<td>3.2</td>
</tr>
<tr>
<td>ILO youth people unemployment rate</td>
<td>18.8</td>
<td>18.6</td>
<td>17.5</td>
</tr>
</tbody>
</table>

Source for EU-25, EU-15 and NMS-10: EUROSTAT, New Cronos
Source for RO: National Institute for Statistics, Household Labour force Survey (AMIGO); data for 2002 and 2003 have been extended on the ground of the Population and Dwellings Census, March 2002

### a) Employment structure

- **Overall employment rate**

In 2004, the employed population reached the level of 9.16 million persons. Compared with 1999, in 2004 the employment rate dropped with 5.6 percent points reaching, thus, 57.9% (table 22):

### Table 22. Employment rate by gender and age group

<table>
<thead>
<tr>
<th>Year</th>
<th>15-64 years old</th>
<th>15-24 years old</th>
<th>25-54 years old</th>
<th>55-64 years old</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>M</td>
<td>F</td>
<td>Total</td>
<td>M</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The employment rate of the working aged population in 2004, situates Romania at a 12.1 percent points distance compared to the Lisbon objectives established to be achieved in 2010 – general employment rate of 70%. On the other side, women employment rate reaches 51.5%, by 8.5% lower than the Lisbon objective (60% in 2010).

The decrease in employment is in relation with the variations of economic growth. The decline of employment rate is the result of insufficient accumulation over a longer period of economic growth, expressed in number of consecutive years, respectively only economic growth registered during 2000, or 2001-2004, after negative economic growth during 1997-2000.

In 2004, the employment rate of 15-64 years old group registered a gap of 11.5 percentage points between employment rates of both genders (63.6% for men compared with 52.1% for women).

During 1999-2004, the regional disparities (table 23) became even more obvious, the employment rate for 15-64 years old group decreased, especially in the South-West Region with 8.7 percent, North-Vest Region with 7.4 percent and South Region, with 6.5 percent.

Tabel 23. The regional employment rate*)

<table>
<thead>
<tr>
<th>Region</th>
<th>Employment rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1999</td>
</tr>
<tr>
<td>North-East</td>
<td>65.9</td>
</tr>
<tr>
<td>South-East</td>
<td>60.3</td>
</tr>
<tr>
<td>South Region</td>
<td>64.6</td>
</tr>
<tr>
<td>South-West</td>
<td>68.6</td>
</tr>
<tr>
<td>West</td>
<td>62.8</td>
</tr>
<tr>
<td>North-West</td>
<td>63.5</td>
</tr>
<tr>
<td>Center</td>
<td>59.7</td>
</tr>
<tr>
<td>Bucharest - Ilfov</td>
<td>62.0</td>
</tr>
<tr>
<td>Romania</td>
<td>63.5</td>
</tr>
</tbody>
</table>

Source: National Institute for Statistics, Household Labour force Survey (AMIGO)  
*) Calculated compared to the 15 years old and over population

The employment rate decreased to lower levels in the others regions for the same period of reference. It worth mentioning that the North-East and South West regions which registered increased employment rates, i.e. 62.4% and respectively 59.9 %, benefit from the “protection” of the so-called subsistence employment in rural areas (the most important balance of people
employed in agriculture).

- **Employment by age group**

The 15-24 years old group registered a 6.6 percent decrease of the employment rate during 1999-2004 and situated in 2004 at 29.1 %, which is lower than the EU 25 (36.4%).

The 25-54 years old group registered a 5.2% decrease of the employment rate during 1999-2004, reaching 72.9 % in 2004, also lower than the EU 25 average (76.6%).

The 55-64 years old group registered a decrease of 12.7% during 1999-2004, reaching the value of 36.9% in 2004, compared to EU-25 (40.2%). The 2004 employment rate of 36.9% for the 55-64 years old group situates Romania at 13.1 percent distance compared to the Lisbon objective for 2010 – 50% employment rate for this target group.

- **Labour force in urban and rural areas**

In rural area, during 1999-2004, the employment rate of 15-64 years old group registered a more accentuated decrease, respectively 9.8 percents, from 72.7% in 1999, to 60.6 % in 2004. The afore-mentioned decrease is exclusively based on the shrinking of those segments of population employed in agriculture, from 73.3% in 1999, to 63.5% in 2004. The further economic growth registered during the last years would lead, on the one hand, to a significant decrease of the rural employment in its current structure (totally based on agriculture), by developing a rural employment based on services and industry and, on the other hand, to the increase of urban employment.

In the urban area, during 1999-2004, the employment rate for 15-64 years old group registered a 0.9 percent decrease, from 56.8 in 1999 to 55.9% in 2004. In the urban area, the balance of the population employed in civil engineering and industrial sectors remained relatively constant, registering a small decrease from 43.7% in 1999, to 41.7 % in 2004. As regards the services sector, the balance of employed population registered a slight increase of 4.6 % (from 49.7 in 1999, to 54.3 in 2004).

In 2004, according to the Labour Force Survey carried out by the National Institute for Statistics, the residents in rural area represented a share of 46.1% out of the total Romanian population and 46.4% out of the total population in employment (9,158 thou. persons). The rural residents with full time employment were 41.6 % out of the total and 87.1 % in part time employment.
From the perspective of employment status, the rural residents in full time employment were 25.1% out of the total employees (wage-earners), around 80% out of the total self employed persons and over 95% out of the total unpaid family workers. In fact, the self employed and unpaid family workers represented 32.3% out of the total population in employment in 2004 and 90.8% of them were rural residents.

More concretely, the number of self employed in agriculture, fishery and forestry, in rural area, was 1,364,017 persons and 1,195,392 worked as unpaid family workers in the same economic activities, while the number of employees (wage-earners) was 124,946 persons.

Farmers and skilled workers in agriculture, forestry and fishery, as well as artisans and handcraftmen were the main occupations of the rural residents (54.8% and 11.6% respectively).

The share of agriculture in total population in employment was 31.0% and in case of age bracket 15-64 the share is 28.1%. The activity and employment rate in case of the age bracket 64 + is more augmented in rural area in comparison with the urban one.

As regards the urban/rural disparities, in terms of unemployment rate, there is a significant gap between rural and urban areas (this gap seems to be narrow in 2004, as shown in the graph below). The gap remains constant throughout all age-brackets from 15 to 54, excepting the 35-44 where the urban and rural rates coincide (6.3%). The unemployment rate in rural area is practically imperceptible for 55-64 age bracket (in rural is 1.0% and in urban 6.6%).

So, the first assessment is that, in 2004, for the first time, the urban and rural areas register similar unemployment incidence in case of the 35-44 age bracket with the highest professional potential (in terms of skills, mobility, etc.). The second evaluation is about this widest urban/rural gap registered for 55-64 age bracket that is constant from 2002 to 2004 and is showing the tremendous challenge to „activate” on the formal labour market the population close to the retirement.

Chart 2.

Source: NIS

The facts presented above represents a clear image of the underemployment in subsistence in rural area, as afore-mentioned in the case of regional disparities. Having in mind the low rate of unemployment, the challenge resides in choosing the right active measures for social improvement and inclusion on formal labour market (including, in the value-added activities).

Moreover, according to LFS 2004, the average duration of unemployment was 22.4 months,
the rural area registering higher values than the urban one. The longest period is 35.1 months in case of rural residents aged over 55 years. Also, the rural area is preponderantly affected by the long-term unemployment (63.3% against 56.5% in urban area). In case of youth long term unemployment, a higher value was registered in rural area with 69.8%.

In terms of inactivity, the housekeepers share in rural area was 56.2% out of the total 1264 thou. persons. It is worthwhile to mention that the housekeeper category of population is exclusively feminine. As well as, the most augmented gap between the rural and urban area in terms of housekeepers number is registered in case of age brackets 15 – 34 where the rural area shows much higher figures (double than urban area in case of 15-19 and 20-24 age brackets).

The total inactive population was 11,735 thou. persons (pupils, students, pensioners, social assistance beneficiaries, housekeepers and others). Out of them, 752 thou. have declared that they looked for a job or expressed their willingness to start work.

Table 24. Structure of the employed population by activity sectors - %-

<table>
<thead>
<tr>
<th></th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RO</td>
<td>NMS10</td>
<td>EU25</td>
<td>EU15</td>
<td>RO</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Agriculture*)</td>
<td>41.8</td>
<td>42.8</td>
<td>42.3</td>
<td>36.4</td>
<td>35.7</td>
<td>12.4</td>
</tr>
<tr>
<td>Industry and constructions</td>
<td>27.6</td>
<td>26.2</td>
<td>26.2</td>
<td>29.5</td>
<td>29.8</td>
<td>31.3</td>
</tr>
<tr>
<td>Services</td>
<td>30.6</td>
<td>31.0</td>
<td>31.5</td>
<td>34.1</td>
<td>34.5</td>
<td>56.3</td>
</tr>
</tbody>
</table>

* Source for EU-25, EU-15 and NMS-10: EUROSTAT, New Cronos
Source for RO: National Institute for Statistics, Household Labour force Survey (AMIGO); data for 2002 and 2003 have been extended on the ground of the Population and Dwellings Census, March 2002

By economic sectors (table 24), 31.2 % of the employed persons used to be involved in 2004 in industrial activities and in the civil engineering area, showing an increased share compared to 1999 (27.6%).

During 1999-2003 the share of population employed in the agricultural area decreased with up to 10.2 percent, from 41.8% in 1999 to 31.6% in 2004.

The employment structure is significantly sensitive to the fluctuations of the economic growth. The current structure of employment is different than the one existing in EU-25, as a consequence of a slow economic restructuring process and of alternant periods of positive economic growth and negative economic growth.

Table 25. Employed civil population – differences between 1997 and 2004

<table>
<thead>
<tr>
<th>REGION</th>
<th>Total</th>
<th>Agriculture</th>
<th>Industry</th>
<th>Constructions</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Romania</td>
<td>-784.4</td>
<td>-751.1</td>
<td>-398.1</td>
<td>-19.7</td>
<td>384.5</td>
</tr>
<tr>
<td>1. North - East</td>
<td>-190.4</td>
<td>-140.4</td>
<td>-70.2</td>
<td>-5.8</td>
<td>26.0</td>
</tr>
<tr>
<td>2. South - East</td>
<td>-132.4</td>
<td>-109.3</td>
<td>-30.7</td>
<td>-2.8</td>
<td>10.4</td>
</tr>
<tr>
<td>3. South</td>
<td>-201.1</td>
<td>-136.6</td>
<td>-85.7</td>
<td>-7.3</td>
<td>28.5</td>
</tr>
</tbody>
</table>
During 1997 – 2004, the population employed in agriculture decreased in all the regions of the county and in particular in the Northeast and the South regions (see table 25). This reorientation of the migratory flows of the populations from the rural to the urban area may be correlated with the creation of new jobs in urban area, in the context of an increase of the share of the private sector in the overall economy and with the facet that many rural settlements acquired town status.

As a reflection of the trends of the economy in Romania, the population employed in industry and constructions has dropped in 2004 compared to 1997 in all the regions of the country, with only two exceptions: Western region, where it experienced a slight increase (+7.2 Th. persons) and the Bucharest-Ilfov region, where the construction industry evolves at an extraordinary pace, with an increase of 14.4 thousand persons in the number of persons employed in this particular sector.

Over the same period of time (1997-2004), the service sector registered an increase in seven regions, the highest increase being in Bucharest-Ilfov and the Northwest regions (171.4 Th. persons and 73.2 Th. persons respectively).

The gap between Bucharest – Ilfov and the other country regions from the point of view of employment in the service sector is caused by the rapid growth of the business sector, the relatively large number of persons enrolled in higher education and the big investments in the telecommunications sector.

In agriculture, the share of employed persons of the total employed population has remained relatively constant between 1999 – 2001 (from 41.8% in 1999 to 42.3% in 2001), followed by a decrease in this share to 36.4% and 35.7%, and respectively 31.6, during 2002 – 2004.

The share of population employed in the service sector of the total employed population increased with 6.6 percentage points from 30.6% in 1999 to 37.2% in 2004, primarily in the private sector (from 58.9% in 1993 to 76.7% in 2004).

### Employment by working time

<table>
<thead>
<tr>
<th>Region</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RO</td>
<td>UE25</td>
<td>UE15</td>
<td>RO</td>
<td>UE25</td>
<td>UE15</td>
</tr>
<tr>
<td>Total - full-time</td>
<td>84.3</td>
<td>83.7</td>
<td>83.6</td>
<td>88.4</td>
<td>88.6</td>
<td>89.4</td>
</tr>
<tr>
<td></td>
<td>11.4</td>
<td>10.6</td>
<td>8.2</td>
<td>82.2</td>
<td>82.1</td>
<td>80.6</td>
</tr>
</tbody>
</table>

Table 26. Employed population by working time

- RO: Romania
- UE25: European Union 25
- UE15: European Union 15
### Distribution of the employed population by level of education

The current distribution of the employed population by level of education reflects both the actual structure of the economy in Romania and the shortage in the population with higher education, even now after 15 years from the start up of the transition to the market economy.

![Chart 3. Employed population structure based on the level of education](image_url)

Source for RO: NIS, Survey on work force in household (AMIGO); data for 2002 and 2003 extended to reflect the results of March 2002 Census of Population and Households.

The proportion of the employed people with higher education has remained constant. Although modest, as of 1999, the increase in the number of graduates from medium and higher education institutions is common at the entire economy level, owing mainly to the development of the higher education system, which resulted into an increased number of highly educated persons accessing the labor market.

Persons with only medium education make up the great majority of the employed persons. The share of this segment is at present about 20 percentage points above the EU-15 share.
• **Contribution of SMEs to workforce employment**

During 2001 – 2004, small and medium size enterprises have had an important contribution to the creation of new jobs and implicitly to the employment of the workforce in Romania. Tendency of increasing of the personnel number within SMEs started during ’90 years, when the number of employees of big companies registered important decreases, in the mean time the number of SMEs employees evolving from 0 to the current level, respectively 2,349,725 till the end of 2004. The evolution of number of employees within SMEs presented during 2001, 2002, 2003, and 2004 an ongoing increase, respectively +3.2%, +0.7%, +13%, +10%.

As per SMEs size, there has been an increase in the number of employees for all types, i.e. small (+15.2% in 2000, +5.3% in 2001, +1.1% in 2002 and +12.9% in 2003 and +5.5% in 2004) and in medium size enterprises (+20.9% in 2000, +7.7% in 2001, +0.8% in 2002 and +13.2% in 2003 and +3.5% in 2004), whereas in the case of micro-enterprises the evolution was positive starting with 2003 (-0.4% in 2000, -5.5% in 2001, -1.9% in 2002, and as high as +24% in 2003 and +25% in 2004). Medium size enterprises are the most dynamic category in terms of generation of new jobs.

The highest increase rests with the industry and construction sector while the service sector and agriculture show a less significant growth during the reporting period. Industry number of employees grew with 5% in 2003 as compared with previous year, maintaining the same level in 2004, and construction industry growth reached 9-10% in 2003 and 2004.

**Chart 4. Employment in SMEs by enterprise size**

![Employment in SMEs by enterprise size](chart)

**Source:** NASMEC, MPF

**Table 27. Number of employees in SMEs by enterprise size**

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro</td>
<td>732.653</td>
<td>478.002</td>
<td>586.880</td>
<td>733.230</td>
</tr>
<tr>
<td>Small</td>
<td>613.959</td>
<td>635.689</td>
<td>689.056</td>
<td>726.953</td>
</tr>
<tr>
<td>Medium</td>
<td>776.005</td>
<td>829.274</td>
<td>859.020</td>
<td>889.542</td>
</tr>
</tbody>
</table>
The Western region, with a pronounced industrial profile and many SMEs, shows the highest growth rate in terms of employment in SMEs, with a modification index of 118; second comes the Bucharest-Ilfov region with an index of 112, followed by South Muntenia with 111, Central region with 109, South-East with 108, North-West with 105 and North-East with 104. The only region with a decreasing share of SME employment of the total population in the area is South West Oltenia. The most industrialized areas of the country, the North and the Central regions and Bucharest-Ilfov, show significant SMEs employment rates among resident population. However, the most revealing aspects are the positive growth in the South Muntenia and the South – East regions, with the highest values. These results indicate a possible convergence of some of the South regions, characterized by smaller shares of SMEs employment of the total resident population, towards the model of the more industrialized regions in the Central and the North parts of the country.

- **Employment in the regions**

Regional unemployment rates are yet another reflection of the peculiarities of the economic structure and the transition phenomenology in Romania. The regions with a more dynamic economy (e.g. Bucharest) have normally lower unemployment rates, as they follow to some extent the economic laws, the economic growth being associated with the return on the labor market of the portion of the workforce that has gone inactive or involved in self-sustenance activities during the economic recession, in a situation where new jobs are relatively scarce. Less developed regions (South- East, for example) will not disguise unemployment although they have still a large rate of employment in sustenance farming. That distorts to some extent the actual contribution of each development region to the total employment, mainly in terms of volume. At the same time, the high rates of unemployment in other regions (e.g. Central) prove that the restructuring is going on even today.

In 2004, the highest ILO unemployment rate was in South- East (9, 8%) and the lowest in the North – West (6, 5%) and North- East (6, 2%) regions.
b) Unemployment

Peak unemployment rate in Romania stood at 11-12% (in 1991 – 1994 and 1997 – 1998), which is almost 10 percentage points below the peak values during transition in NSM-10, and is currently 50% lower in Romania than the NSM-10 average.

ILO employment rates 1999–2004 were higher for men than for women.

In 2004, ILO unemployment rate for men at national level was 9.0% vs. 8.0% in EU-25, and 7.6% in EU-15. ILO unemployment rate for women in the same year stood at 6.9% vs. 10.0% in EU-25 and 9.1% in UE-15.
In the period between 1999 to 2004, more significant decreases in the ILO unemployment rates have been recorded more in urban than in rural areas. ILO unemployment rate declined from 10.3% in 1999 to 9.5% in 2004 in urban area and from 3.5% in 1999 to 2.8% in 2001 in rural area, followed by an increase to 5.4% in 2002 and a decrease to 4.3% in 2003, rising to 6.2% in 2004.

Source for EU-25, EU-15: EUROSTAT, New Cronos data referring to second quarter 2004
Source for RO: NIS, Survey on work force in household (AMIGO); data for 2002, 2003 and 2004 extended to reflect the results of March 2002 Census of Population and Households.

Source for RO: NIS, Survey on work force in household (AMIGO); data for 2002, 2003 and 2004 extended to reflect the results of March 2002 Census of Population and Households.
• Unemployment structure and evolution by specific groups
  
  o Unemployment by education level

Tabel 29. **ILO unemployment by gender and education level**

<table>
<thead>
<tr>
<th>Education level</th>
<th>1999</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total Male</td>
<td>Female</td>
</tr>
<tr>
<td>Superior</td>
<td>29.504</td>
<td>14.487</td>
</tr>
<tr>
<td>Medium</td>
<td>578.763</td>
<td>333.905</td>
</tr>
<tr>
<td>Low</td>
<td>181.646</td>
<td>114.157</td>
</tr>
</tbody>
</table>

*Source for RO: NIS, Survey on work force in household (AMIGO); data for 2002 and 2003 extended to reflect the results of March 2002 Census of Population and Households. Superior- short-term university (college), long-term university education (including MBA, PhD); Medium- specialized post-high school or technical school, high-school, vocational, complementary or apprentice, first high-school stage; Low- elementary, primary, without graduation*

The decrease in the number of the unemployed persons with medium or vocational schooling (see table 29) reflects the current structure of the Romanian economy, which characterized by the poor or medium added value production sectors representing in the present time the “main engine” of the economic growth. This calls for a shift in weight towards investment in vocational education and in particular towards continuing vocational training.

The differences registered by gender show, on the one hand, the effects of the restructuring process which, after the second recession experienced in the progress of transition, have affected primarily the sectors with a prevalent male employment, and, on the other hand, illustrate the characteristics of the current economic growth being “driven” to a considerable extent by the economic sectors where female employment prevails. The decrease in the unemployment rate among workers with very low education level is largely the result of their withdrawal from the labor market.

  o Youth unemployment

ILO unemployment rate for young people (aged 15 – 24) maintained relatively constant between 1999 to 2004 (3.4 times higher in 2004 than rate for young people aged 25 and over), ranging from 18.8% in 1999 to 21% in 2004. ILO youth unemployment rate by residence area is higher in urban than in rural area, with a declining tendency in the urban area from 29.2% in 1999 to 26.9% in 2004, with the rate slightly increasing in the rural area from 10.5% in 1999 to 15.5% in 2004.
ILO long-term unemployment rate increased from 3.0% in 1999 to 4.7% in 2004. Comparatively, in 2004 in EU -25 this rate stood at 4.0% and at 3.3% in EU-15. During 1999-2004, long-term unemployment rate rose at a higher speed for men than for women (from 3.1% to 5.5% for men and from 3.0% to 3.8% for women).

Long-term unemployment by areas (table 30) increased in urban (from 4.9% in 1999 to 5.4% in 2004) and in rural area too (from 1.2% in 1999 to 3.9% in 2004).

Table 30. ILO long-term unemployment rate by area and age groups

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Urban</th>
<th>Rural</th>
<th>Aged 15-24</th>
<th>Urban</th>
<th>Rural</th>
<th>Aged 25 and over</th>
<th>Urban</th>
<th>Rural</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>3.0</td>
<td>4.9</td>
<td>1.2</td>
<td>11.2</td>
<td>25.3</td>
<td>5.1</td>
<td>2.3</td>
<td>4.6</td>
<td>0.8</td>
</tr>
<tr>
<td>2000</td>
<td>3.6</td>
<td>6.1</td>
<td>1.3</td>
<td>11.7</td>
<td>20.0</td>
<td>5.1</td>
<td>3.0</td>
<td>5.0</td>
<td>1.0</td>
</tr>
<tr>
<td>2001</td>
<td>3.2</td>
<td>5.5</td>
<td>1.1</td>
<td>10.7</td>
<td>17.7</td>
<td>5.0</td>
<td>2.7</td>
<td>4.7</td>
<td>0.7</td>
</tr>
<tr>
<td>2002</td>
<td>4.5</td>
<td>6.6</td>
<td>2.2</td>
<td>14.7</td>
<td>21.3</td>
<td>9.0</td>
<td>3.6</td>
<td>5.4</td>
<td>1.6</td>
</tr>
<tr>
<td>2003</td>
<td>4.3</td>
<td>6.1</td>
<td>2.4</td>
<td>13.1</td>
<td>19.3</td>
<td>7.5</td>
<td>3.6</td>
<td>5.2</td>
<td>1.9</td>
</tr>
<tr>
<td>2004 – RO</td>
<td>4.7</td>
<td>5.4</td>
<td>3.9</td>
<td>14.3</td>
<td>18.0</td>
<td>10.8</td>
<td>3.9</td>
<td>4.5</td>
<td>3.2</td>
</tr>
</tbody>
</table>

Source for EU-25, EU-15: EUROSTAT, New Cronos
Source for RO: NIS, Survey on work force in household (AMIGO); data for 2002, 2003 and 2004 extended to reflect the results of March 2002 Census of Population and Households.

The incidence of ILO long-term unemployment shows an accentuated upward tendency from 44.3% in 1999 to 58.9% in 2004, a high raise compared with 44.1% in EU - 25 in the second quarter 2004. The incidence of long-term ILO unemployment by sex is higher for women than for men; for men, it raised from 41.9% in 1999 to 60.9% in 2004 vs. 43.2% in EU 25 in the second quarter 2004, and from 47.8% in 1999 to 55.7% for women in 2004 vs. 45.0% in EU- 25 in the second quarter 2004. The incidence of long-term ILO unemployment

Note: long term unemployment = 12 months and over; long term youth unemployment (aged 15 to 24) = 6 months and over
by area shows a higher incidence in urban than in rural area, with a rising tendency over the reporting period from 47.8% in 1999 to 56.5% in 2004 in urban and from 34.4% in 1999 to 63.3% in 2004 in rural area.

Long-term ILO unemployment rate among young people aged 15 – 24 has continuously increased from 11.2% in 1999 to 14.3% in 2004 (3.67 times higher in 2004 compared to the rate among young people aged 25 and over), being slightly higher for women (from 11.7% in 1999 to 12.5% in 2004) than for men (from 10.9% in 1999 to 15.5% in 2004). By residence area, ILO long-term youth unemployment in urban area has decreased from 25.3% in 1999 to 18.0% in 2004, whereas in rural area has increased from 5.1% in 1999 to 10.8% in 2004. The incidence of long-term ILO unemployment rate for young people in the period 1999-2004 has significantly raised from 59.5% in 1999 to 68.0% in 2004, being lower for women (from 63.0% in 1999 to 66.0% in 2004) than for men (from 57.1% in 1999 to 69.0% in 2004). The incidence of ILO long-term youth unemployment by area shows a decrease from 86.4% in 1999 to 66.9% in urban area in 2004 and an increase from 48.7% in 1999 to 69.8% in 2004 in rural area.

c) Work force adaptability and entrepreneurship

- General issues regarding adaptability to transition of the entrepreneurs and their staff

The measures designed to enhance work force adaptability serve the interest of both the workers and the employers so that labor recruitment should be carried out in profitable and competitive conditions for both parties, with positive effects on the economic and social life as a whole. Market regulation has been very active. Had been covered regulation of individual work relationships, collective work relationships, the general framework for the activities of the social partners, work administration (jurisdictional bodies and Labor Inspectorate), the activity of the trade unions, employers’ associations, tripartite dialog bodies. There has been created a system for the social protection of the employees and to cater for the employer’s interests, such as: ensuring the minimum gross income at country level, maximum work hours, minimum rest time, individual and collective layoffs, the right of the employer to organize the activity, the right of employers to apply disciplinary measures onto faulty employees. Also, a set of regulations has been put in place to protect certain activities or certain categories of people.

As regards health and safety at work, the national legislation establishes that the employer is the sole responsible for the application of the measures regarding the health and safety at work. In spite of the measures taken at national level and of the slight decrease in the number of work accidents and work-related illnesses, figures in this field remain high and the accident average duration indicator is slightly increasing. This shows an insufficient developed risk prevention culture in the enterprises and the necessity of the company social responsibility stimulation.

- Work organization, working conditions, working time

Following the enforcement of the Labor Code, progress has been made in the field of part-time employment, temporary employment and atypical work programs (work in shifts or night work), with direct impact on increasing employment rate.

8 Labor Code – Law no. 53/2003
The analysis on work organization supposes the approaching of the issues regarding the nature and the distribution of tasks, responsibilities, workers’ autonomy and control over their work performance and organization. The data for Romania regarding repetitive and boring activities show that 49% of workers execute repetitive work using their hands and arms (Q.9.3) all or most of their working time. The differences between countries are considerable in terms of this indicator, varying from 13% for Slovenia to 47% for Hungary. Comparatively, the indicator is 28% for the 12 candidate countries and 31% for EU-15.

As for autonomy and control at work place, the indicator regarding control over breaks from work, annul leaves and working hours, 46% of workers in the 12 candidate countries do not have the freedom to choose when to take their annual leave or days off vs. 57% in EU15, with the indicator for Romania standing at 55%.

Indicators referring to labor intensity work pace and breaks and interruptions during the working hours vary extensively between EU Member Countries and the candidate countries. In Romania, the work pace indicator (Q.19) stands as low as 53% vs 69% in EU-15 and 58% the average indicator for acceding and candidate countries, which reflects the candidate economies’ tendency to concentrate more on the service sector.

With regard to training and qualification, the values of the indicator for on the job training opportunities (Q.26) vary greatly from 12% in Romania and 19% in Bulgaria to 31% EU average.

In Romania, the indicator reflecting the number of employees included in training programs over last 12 months stands at 17% compared with 27% candidate countries’ average and 34% EU-15 average.

In general, the most qualified occupational categories are the most frequently trained. The most active sectors in the field of labor training are financial mediations, transport and communication sectors. The differences in training for women and for men are not significant. Usually, employees with employment contracts signed for undefined duration are more frequently participating to training than the temporary employees. In Romania, the average on-the-job training time was 3.7 h / person, equal with candidate countries average and less than the EU-15 average (4.4 h/person).

- **Access to training of workers and job seekers**

In preparing for participation of the European Employment Strategy, Romania has drafted a series of policy documents addressing worker’s adaptability on the labor market. Thus, by the Joint Assessment Paper on Employment Priorities (JAP) signed in November 2002, a series of challenges have been identified for the employment policies in Romania, with accent on: the need to enhance the access to programs of “second chance education” type at high-school and university education, in particular for the rural population; improve access to training and vocational development programs both for the employed and the unemployed; diversify the employment active measures so as to facilitate, test and assess the changes occurring on the labor market; ensure sufficient staffing at the Public Service for Employment so as to provide early assistance to job-seekers according to the new regulations regarding employment; ensure equal opportunities; promote a more active role of the social partners, mainly through bilateral dialogue.

The second chance education programs include part time and extramurral education; there are not imposed constraints regarding the age of the trainees and thus allow the continuation of studies for all persons which did not completed their education and did not graduates any level of education. Also, there are developed, by MoER, some second chance education programs addressing the needs od population confronted to the risk of social exclusion, as it is
the case for Roma population.

Enhancing access of employees to training is one of the challenges identified by JAP for the employment policies in Romania. Participation of workers to training, mainly of those with low level of qualification, is very low. The legal and institutional framework regulating the training activity at enterprise level is now in place, but without significant impact on the rate of participation to training. Training participation rate among the population aged 25 – 64 is as low as 1.1% in Romania and the lowest in Europe.

The main barrier against the access to training in Romania is the training cost. Low- gain enterprises and individuals cannot afford to pay for training courses unless these are absolutely necessary.

![Chart 10. Constraints or obstacles against the participation in training](chart)

Source: NIRFLSP –Explorative Study on Demand for Continuing Vocational Training 2004

Small income gains among employees and employers alike increase the demand for short-term courses for the first level of qualification with a minimum duration of 3 months. At present, the offer for continuing training is largely focused on 2nd level qualification courses with a minimum duration of 6 months, which are expensive and therefore hardly accessible for potential trainees.

- **Entrepreneurship**

Small and medium size enterprises (SMEs) account for 99% of the total number of companies in Romania. Given the important role they play in generating new jobs and their significant contribution to increased employment rates, the Romanian Government’s Strategy for 2004-2008 regarding the development of SMEs, has anticipated and established as one of its priority objectives the creation of 760,000 new jobs by supporting the long term development
Supporting the SMEs sector is an effective solution to counteract the negative effects of structural adjustments and industrial restructuring, capable to generate economic and social alternatives thereby improving the economic status of the less advantaged social categories. Therefore, the specific actions taken so far have mainly focused on the building of the institutional, legislative and financial framework to encourage SMEs development, private initiatives and investments through: creation of a favorable business environment for the set up and development of SMEs, development SMEs in production sector and in the services sector; improve access of SMEs to financing; enhance access of SMEs to external markets, promote the entrepreneurial culture.

- **Initial education and training in support for provision of managerial skills and entrepreneurship**

Great consideration was given to the reinforcement of the contribution of the initial education and training (through the learning outcomes provided and the curriculum development and revision) in providing, to their graduates, the competences needed for getting employed. The TVET reform, seen as a continuing and coherent process, is a good example for importance given to the the need to improve the cooperation with entrepreneurs and employers and to address the individual education and training needs. The new TVET curriculum introduced some innovations focused on developing pupils-based teaching methodologies and the tailored educational offers. The new curriculum, based on competences and the transferable credits system adopted creates the premises for a better adapting of the educational offer to the labor market needs and for promoting entrepreneurship. Entrepreneurial education is part of the horizontal competences and is reflected in all curriculum development activities. Entrepreneurial education is also part of the compulsory curriculum in gymnasium education (module within the technical education curricular area) and in 10th grade and lower lyceum education. TVET offer contains entrepreneurial education also in upper secondary education. In case of university education, entrepreneurial education is a less coherent and systematic activity as compared to pre-university education and to the experiences and practices of other EU member states which created chairs for entrepreneurship (Belgium), master programs in entrepreneurship (Denmark), centers for entrepreneurship development (Great Britain) etc.

According to the “Survey on labor skills and training policies in the Romanian enterprises”, employers’ policy in the field of human resource development are determined by a series of factors and conditions such as the performance level and investment capacity, position on the labor market, size of the company, line of business, staff stability and motivation etc. Investment in human resource development is considered more as an expense than a lucrative investment. There are also discrepancies in terms of managerial and administration strategies. The training programs seem to be more accessible to the workers especially in the restructured enterprises, these having as an aim the acquirement of new competencies. Employers explain the tendency of the training policies to address in principal the managers or the people with managerial positions and important tasks inside a company by the oversupply of low qualified work on the labor market.

According to the Monograph on Education and Training and Employment Services in Romania9, in 1999, Romanian companies invested on average only 0.5% of their staff budget in the continuing training, the lowest figure in the candidate countries. Romania occupied the last place in terms of total costs per headcount destined to ongoing professional training in

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9 Source: ETF and the National Romanian Observatory, Bucharest 2003.
e) Public Employment System analysis

Within the context of public administration reform, in 1999 The National Agency for Employment (NAE) was established as a public institution with a tripartite management, in order to implement the national policies for employment and towards complying with the most important requests concerning the quality of the organizing path and the quality of employment services addressed to unemployed people. Taking all these into consideration, the NAE has decided to achieve the following main objectives: to institutionalize the social dialog within the area of employment and vocational training, to implement the strategies for employment and vocational training and also the measures of social protection addressed to job seekers.

The territorial structure of the National Agency for Employment contains 42 county agencies for employment, 89 local agencies for employment and 175 working offices. In order to be able to offer the vocational training services for unemployed people, within the structure of NAE there are established: 6 regional centers for adults’ vocational training, 20 county centers for vocational training and one center for vocational training of NAE’ staff.

In 2003 NAE has taken the first step towards modernizing the management of the services offered, by developing and approving “The Strategy for improving the quality of employment services”.

Towards making the employment services more efficient and modern, having in mind the above strategy and taking into consideration the JAP recommendations, NAE has directed its interventions towards developing the territorial agencies network and leading its services closer to its clients, in order to minimize the distance between the clients and the local agencies or working points. However, the infrastructure needed for employment services awarding is not yet enough consolidates. Over half of the working spaces are not complying with the optimum conditions needed for carrying out the specific activities of direct approach with clients. On short and medium term, the financial resources are proving to be insufficient for setting up the spaces in a unitary manner and in correlation with the clients flow and the socio-economic development within the area.

The total amount of money allocated for 2003-2005 for the modernization of the Public Employment Service were insufficient and PES still needs substantial investments for an appropriate and modern organization of the clients free access spaces in order to get information concerning the services offered, vocational training of agencies’ staff, individual documentation regarding employment services, job offers and vocational training for clients, preparing the documents needed in order to access the services offered and also establishing a direct and confidential contact with the employment agents.

“The Electronic service for job mediation” was a programme launched in 2000, in order to give the possibility of finding vacancies within the entire country. This programme was enlarged until the level of local agencies, but it is not any more complying with the labour market evolutions and requests. Currently it represents an instrument which requires modernization and admeasurements in order to become a real tool for active job searching and for keeping a permanent contact between beneficiaries and labour market.

However, the territorial structures do not have special spaces established for this kind activity of finding vacancies using IT technology, and also do not own modern and performing IT
equipment needed for efficient “self-services”. The usage of ICT, modern and enlarged until the level of each working point, is more needed as the mobility, from an European approach, will become, during the next 20 years, a prevailing issue in engaging the functioning mechanisms of internal labour market.

The arrangement of the spaces dedicated to individual counseling must be reissued. A correct segmentation of these spaces will enable the development and enhancement of the quality standard of individual services (especially the one directed to persons who meet difficulties in reintegrating on labour market) which are: analyzing the individual requests of job seeker, identifying the possible obstacles which could affect the reintegrating on labour market, designing the individual action plans, individual career counseling.

Concerning the services provided for employers, because the insufficient financial resources, these one do not comply with the standard foreseen by the strategy for employment services modernization and development. In order to minimize the waiting time of clients in receiving employment services, the main objective of activity of NAE staff was reoriented so that at least 70% of personnel works directly with clients.

In 2005, NAE functioned with a number of 3,475 persons, out of which 68% were represented by women. The managing staff represented 11.9% of the total number of personnel.

<table>
<thead>
<tr>
<th>Tabel 31. NAE staff structure</th>
<th>Total</th>
<th>Medium level of education</th>
<th>Superior level of education – short period</th>
<th>Superior level of education – long period</th>
</tr>
</thead>
<tbody>
<tr>
<td>NAE – central level</td>
<td>205</td>
<td>44</td>
<td>7</td>
<td>154</td>
</tr>
<tr>
<td>County agencies for employment, out of which:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Local agencies and working points</td>
<td>3,155</td>
<td>1,304</td>
<td>162</td>
<td>1,689</td>
</tr>
<tr>
<td>- Vocational training centers</td>
<td>2,208</td>
<td>910</td>
<td>93</td>
<td>1,205</td>
</tr>
<tr>
<td>Regional centers for adults’ vocational training</td>
<td>98</td>
<td>30</td>
<td>3</td>
<td>65</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,475</strong></td>
<td><strong>1,360</strong></td>
<td><strong>177</strong></td>
<td><strong>1,938</strong></td>
</tr>
</tbody>
</table>

*Source: NAE*

Although almost 74% of NAE staff works directly with clients, their number is not enough having in mind the labour market requests and the number of beneficiaries. For example, a mediation agent regularly works with about 250 job seekers, and, during the period of massive lay-offs, the number of his clients could be about 300-400.

The insufficient financial resources, and also the lack of its own space for carrying out the programmes of vocational training, were a real obstacle in developing staff’ competencies which could allow a compliance of the personnel skills with the requests of providing specialized services. While in 2004, the number of civil servants which were trained was about 30% of the total number of personnel; in 2005 the percentage was only 25%. This weight is not satisfactory while NAE, throughout staff training, wants to achieve: a continuous improvement of professional competencies as regards labour market; the development of staff skills for face to face approach of working with clients (individual or by groups) and also skills for developing partnerships with all the major actors on the labour market (local and regional authorities, social partners, NGOs etc.); continuous improving of
knowledge within the area of ICT; the development of competences for monitoring the implementation of active measures etc.

Within the process of modernization the implementation of employment active measures, NAE also concentrates its interventions in developing the system of information management. In order to comply with the requests of the knowledge based society, in 2001 there were established the main components of an efficient and modern information system: computer’ networks, specialized software which transfers special information on labour market and unemployment insurance system; local and national databases.

The information system of NAE is currently under developing, but the lack of financial resources represents an obstacle in its currently updating and upgrading in relation with the evolutions on ICT area. All these fast changes determine psychical and moral usage within a short period of time, and the maintenance of the system on adequate parameters of functioning involves high costs. During 2001-2002, the investments designated for the information system for the entire national and territorial structure were remarkable (7 millions USD for computers, operating systems, network databases).

However, throughout extremely high human efforts, the information system is currently maintained within a good state of functioning, even if it has not the optimum capacity of providing an adequate database of information regarding the statistic indicators specific for labour market and needed for planning the employment policies and does not allow the interconnection of NAE’s databases with the European one.

Also, the reduce capacity of the information system of a permanent adaptation at the labour market dynamism and also the deficit of specialized human resources, restrict the NAE capacity for designing analyses and forecasts on medium and long term regarding labour market, which represents a real obstacle for enlarging the offer of employment and vocational training programmes designated for job seekers and for providing the needed information for redesigning the national and regional employment policies.

The social dialogue institutionalization is reflected on NAE activity even from its establishment, through its tripartite management system. Thus, NAE’ board consists of an administrative council which comprises 15 members as follows: 5 deputies of Government, 5 deputies of employers unions and 5 deputies of trade unions.

At the level of county agencies for employment, this tripartite approach is represented by an advisory council which has the main role to assist the executive director in solving different problems concerning the activities of the agency, concordant with the legal stipulations and which also comprise 15 members, deputies of local public authorities, trade unions and employers unions.

The tripartite approach established at the level of Public Employment Service it is not sufficient within the process of strengthening the institutional capacity of NAE and developing an institutional framework adequate for the regional employment policy. As a result of this it is mandatory the development of new partnerships with active actors on the labour market, such as: educational and vocational training providers, sectoral committees, private employment service providers, regional development agencies etc.

**d) Opportunities for integration on the labor market**

With regard to development of the services offered by the labor market, Law 76/2002
regarding the unemployment benefits system and stimulation of employment through active measures has been amended. As a result, the active measures in the field have been diversified and fine-tuned, and have expanded the category of beneficiaries eligible to receive free of charge training, assistance, business consulting, mediation and professional counseling as well as soft loans (interest subsidized from the unemployment benefits fund).

The Public Service for Employment (PES) has implemented a program designed to develop a national information and counseling system in career development. The main objectives were the elaboration of specific materials for career development information and counseling, development of modern procedures to test and evaluate professional skills and interests and the training of counselors in professional orientation. At present, at NAE territorial structures, there are 173 Centers for career orientation and counseling. In 2003, these centers offered services to 87,879 persons, which nevertheless accounts for only 0.01% of total unemployment.

Free training is also offered to people working in the rural area, who earn nothing or less than the unemployment benefit, as well as to those who resumed work after maternity leave or at end of military training, after rehabilitation from leave of absence due to work incapacity, as well as to prison inmates with at the most 9-month remaining imprisonment, and to foreign or stateless citizens who, during their domicile or residence in Romania, are legally employed.

Employment evolution will be influenced by several contradicting factors, which, in all, will determine, in 2005 – 2008, a slight decrease in employed population and an even slighter decrease in the active population, which will lead to a lower unemployment rate.

Demographic sources of the quantitative increase in labor resources will be limited and even decreasing. It is estimated that the total population, after a decline in 2003 and 2004 by 0.3% each year, will decline even more, mainly on the medium term. Within 2005–2008 total population will decrease by 0.4 – 0.5% each year. Likewise, even if at a lesser extent, the labor resources represented by the working age population (aged 15 – 64) will be diminishing. After a slight increase in 2003 (+0.3%) and 1stQ of 2004 (+0.1%) will be decreasing by 0.1% in 2005 and 2006, 0.3% in 2007 and 0.1% in 2008.

In addition, within 2005–2008 the changes in the employment structure already visible lately, namely the reduction in agricultural employment and the raise in construction and service sector employment will be continuously expanded. The results will be:

- a reduction in non-payroll population involved in agriculture, mainly among the people aged 64 and over by various measures including going out from the labor market;
- an increase in the employed population and in particular in the number of payroll employment in the service and mainly in the construction sector.

Thus, we estimate that the total employed population in Romania will experience a slight (0.1%) decrease each year. In contrast, the working age population (15-64) will increase by cca. 0.2% each year, which will lead to improved participation rate.
1.2. Social Inclusion

a) Present situation of the vulnerable groups on the labour market

- General premises

Starting especially from the 80’s, Romania has entered into an impoverishment process of the population, accentuated in the transition period by two shocks: 1991-1993 and 1997-2000. The socio-economical evolutions registered in the last years have led to the poverty level of 18.8% in 2004, and the extreme poverty rate level up to 5.9% in 2004. The drastically reduction of the number of work places, the diminution of the real level of salaries and the high taxation level have represented important causes of incomes’ depreciation. The increase of the life costs during 1997-2000 has not been accompanied by a proportional increase of the income, implicitly leading to severe poverty.

In 2000, the living level estimated on the basis of the poverty threshold, represented 42.2% of the net average wage. Through its ascendant trend during the following years, the poverty threshold was 36.4% of the net average wage in 2003.

Starting 2001, a population poverty decreasing process has begun, but only during 2002-2003 this process produced positive effects over the categories with high level of vulnerability.

Chart 11. Regional distribution of the relative poverty

Source: NIS calculations using EU methodology, 2005

\[\text{Methodology to measure the poverty level was elaborated by the National Institute of Statistics, the World Bank and the Anti-Poverty and Social Inclusion Promoting Comission on the basis of the level of population consumption costs.}\]

\[\text{The severe poverty represents the lack of the resources to satisfy the absolute minimal living needs of an individual: food, shelter, clothes.}\]
Factors influencing the risk of poverty

Social position and career. The analysis of the poverty level on individuals reveals a poverty risk reducing for the self-employed persons in agriculture, this social category being at a critical level in terms of deep poverty which is linked with the share of population (10.1%). During 1995-2004 the most significant poverty risk reducing in percentage was registered for employers and employees.

Education level. Participation of individuals to a high level of education (College or University) almost wipes off the poverty risk. Each additional education level acquired reduces significantly the risk of poverty.

Other characteristics:

In terms of age groups, the Poverty reducing in 2004 had an impact on all the age groups, mostly on the elders. If in 1995 the poverty risk was higher for the elders than for the young people and children, the most vulnerable groups in the latest years are from a distance, the young people and the children.

Though, as a result of the important share of the elders among the population, a significant high number of this group is affected by the poverty. The elders’ poverty level close to those economically “active” (25-64 years old) and the high poverty risk of the young people shows in Romania a proliferation of a poverty linked with the structural changes on the Labour Market.

Poverty distribution by areas. In 2004, the biggest part of the poverty reducing was due to this phenomenon’s incidence decrease in the rural areas, the poverty rate being lower by 10.7 percentage points or a poverty reducing by 28.1% compared to the previous year. Amongst the hypothetical reasons for this decrease stand the cumulative effects of some measures implemented in 2004, such as the pension raise for the people employed in agriculture or the agriculture subventions changed into cash for the previous year.

Although, the disparities between the two residence environments continue to exist, the rural area is considerably affected by poverty. The poorest people are from the rural areas (66.7% of the total poor) and the poverty risk is much higher within this residence environment; yet, in the urban areas the poverty is deeper (the consumption deficit is bigger). The reducing
tendency of the polarization between the urban and the rural areas is revealed also by the severe poverty rates evolution.

Tabel 32. **Dynamics of Poverty and Severe Poverty by Area**

<table>
<thead>
<tr>
<th></th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Poverty %</strong></td>
<td>33.2</td>
<td>35.9</td>
<td>30.6</td>
<td>28.9</td>
<td>25.1</td>
<td>18.8</td>
</tr>
<tr>
<td>million persons</td>
<td>7.4</td>
<td>8.1</td>
<td>6.9</td>
<td>6.3</td>
<td>5.5</td>
<td>4</td>
</tr>
<tr>
<td>Urban %</td>
<td>22.2</td>
<td>25.9</td>
<td>18.8</td>
<td>17.6</td>
<td>13.8</td>
<td>11.6</td>
</tr>
<tr>
<td>million persons</td>
<td>2.7</td>
<td>3.2</td>
<td>2.3</td>
<td>2.0</td>
<td>1.6</td>
<td>1.3</td>
</tr>
<tr>
<td>Rural %</td>
<td>46.3</td>
<td>47.8</td>
<td>44.7</td>
<td>42.4</td>
<td>38.0</td>
<td>27.3</td>
</tr>
<tr>
<td>million persons</td>
<td>4.7</td>
<td>4.9</td>
<td>4.6</td>
<td>4.3</td>
<td>3.9</td>
<td>2.7</td>
</tr>
<tr>
<td><strong>Severe poverty %</strong></td>
<td>12.5</td>
<td>13.8</td>
<td>11.4</td>
<td>10.9</td>
<td>8.6</td>
<td>5.9</td>
</tr>
<tr>
<td>million persons</td>
<td>2.8</td>
<td>3.1</td>
<td>2.5</td>
<td>2.4</td>
<td>1.8</td>
<td>1.3</td>
</tr>
<tr>
<td>Urban %</td>
<td>7.3</td>
<td>9.2</td>
<td>6.0</td>
<td>5.4</td>
<td>3.8</td>
<td>3.3</td>
</tr>
<tr>
<td>million persons</td>
<td>0.9</td>
<td>1.1</td>
<td>0.7</td>
<td>0.6</td>
<td>0.4</td>
<td>0.3</td>
</tr>
<tr>
<td>Rural %</td>
<td>18.7</td>
<td>19.3</td>
<td>17.8</td>
<td>17.5</td>
<td>13.9</td>
<td>8.9</td>
</tr>
<tr>
<td>million persons</td>
<td>1.9</td>
<td>2.0</td>
<td>1.8</td>
<td>1.8</td>
<td>1.4</td>
<td>0.8</td>
</tr>
</tbody>
</table>

Source: CASPIS calculation on the basis of NIS data

**Poverty distribution by regions.** The disparities between the regions by poverty level have been considerably flattened; the most vulnerable region, the North-East Region, is no longer detached from the other regions through poverty risk, like the previous period, due to the fact that this region was the most important beneficiary of the poverty reducing in 2003 and amongst the main beneficiaries of the poverty reducing in 2004.

Chart 13. **Poverty level by region (CASPIS methodology)**

Source: CASPIS calculations on the NSI data, 2005
The attenuation of disparities is also noticeable between the group of the poorest four regions (North-East region and the three southern regions) and the less poor regions. The only region recording a distinct situation remains Bucharest region, through the extremely low poverty risk.

**Table 33. Poverty level by Region**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>North - East</td>
<td>37.5</td>
<td>35.4</td>
<td>25.9</td>
<td>-30.9</td>
<td>-26.8</td>
</tr>
<tr>
<td>South - East</td>
<td>26.3</td>
<td>29.2</td>
<td>23.9</td>
<td>-9.1</td>
<td>-18.1</td>
</tr>
<tr>
<td>South</td>
<td>27.6</td>
<td>29.9</td>
<td>19.8</td>
<td>-28.4</td>
<td>-33.8</td>
</tr>
<tr>
<td>South - West</td>
<td>28.5</td>
<td>32.1</td>
<td>22.7</td>
<td>-20.1</td>
<td>-29.2</td>
</tr>
<tr>
<td>West</td>
<td>17.9</td>
<td>18.1</td>
<td>11.5</td>
<td>-35.8</td>
<td>-36.6</td>
</tr>
<tr>
<td>North - West</td>
<td>22.2</td>
<td>17.7</td>
<td>14.8</td>
<td>-33.4</td>
<td>-16.5</td>
</tr>
<tr>
<td>Centre</td>
<td>23.9</td>
<td>20.3</td>
<td>17.0</td>
<td>-28.9</td>
<td>-16.3</td>
</tr>
<tr>
<td>Bucharest</td>
<td>10.2</td>
<td>8.1</td>
<td>6.1</td>
<td>-40.6</td>
<td>-25.2</td>
</tr>
</tbody>
</table>

*Source: CASPIS, 2005*

- **Children in child protection institutions**

In practice, the results of this strategy during January 2001 and March 2004 are as follows:
- number of institutionalized children dropped from 57,181 to 32,456;
- number of alternative child protection services raised from 131 to 593;
- number of professional maternal workers increased from 3,228 to 12,979;
- number of children in foster families (professional maternal assistants, relatives including up to 4th grade) increased from 30,572 to 50,099.

- **The social inclusion of the street children**

Out of the existing data with respect of the street children, at the NACP level in September 2004, the following statistics are available:
- number of children living in the street together with their family – 225,
- number of children living in the street without their family – 606,
- number of children spending their life in the street without living in the street – 1720,
- number of the street social assistants – 95,
- number of services offered to the street children - 106

- **Families with more than two children and single parent families**

These families represent another category of people confronted with a very high poverty risk. In 2003, poverty level has started to decrease visibly among families with more than 3 children (a 6.1 percent points drop in poverty risk vs 2002).

**Table 34. Poverty rate by number of children in poor households**

<table>
<thead>
<tr>
<th></th>
<th>Childless</th>
<th>1 child</th>
<th>2 children</th>
<th>3 + children</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>28.1</td>
<td>31.2</td>
<td>37.5</td>
<td>66.4</td>
</tr>
<tr>
<td>2001</td>
<td>24.3</td>
<td>24.5</td>
<td>30.2</td>
<td>65.6</td>
</tr>
<tr>
<td>2002</td>
<td>22.2</td>
<td>23.2</td>
<td>30.7</td>
<td>60.2</td>
</tr>
<tr>
<td>2003</td>
<td>19.4</td>
<td>20.1</td>
<td>25.9</td>
<td>54.1</td>
</tr>
</tbody>
</table>

*Source: CASPIS*
• Young over 18 leaving the State Child Protection System

At the national level, social and professional integration of young people who leave the child protection system is a very important undertaking. For a very long time there was no solution for these teenagers, who had to leave the institutions without having the perspective of a home, a place to work and without the adequate skills needed to obtain and to integrate themselves within society.

Of the total number of 32,456 protected children within the public and private childcare institutions, at the end of March 2005, 12,148 persons were aged between 14 and 17 years old, and 6,329 were over 18 years old.

In order to prepare teenagers and young people for life, within the Child Protection Directorates’ structure, specific services were developed. At present, at the national level, there are 50 specific services, and some projects regarding the development of these services are carried on. The 50 services mentioned above are addressed to the teenagers and young people from the State Child Protection Service, and operates in 22 counties. These are Counselling Services, specially designed to develop the teenagers’ necessary skills for an independent life. These Centers’ specialists cooperate with the personnel from the Placement Centers, monitoring the activity from this point of view. In April 2004 the minimum compulsory standard requests for the developing of the teenagers’ necessary skills for an independent life were established for the Counselling Services. During 2005 there have been organized training sessions for the personnel working in these services.

• Roma population

Roma community represents one the largest minority in Romania: about 2.5 million persons (according to data provided by Ethnic Federation of Roma population in Romania). According to sociological studies conducted, Roma has the weakest self conscience and awareness as compared to all other large ethnic minorities in Romania. According to the Ethnic Relations Barometer, published in 2002, about 33% of the Roma population identify themselves as Romanian, 37% as roma, while the remaining population assumed with the local/regional identity.

Significant changes for Roma population, as well as the existing gap between realities and official statistics are explained by the fact that many romani prefer to voluntarily assume the Romanian identity for enjoying a better social statute and for distinguishing of the less educated Roma mass population.

Roma community is the second largest ethnic minority after Hungarians. The 2002 Census recorded 535,140 Roma, respectively persons that voluntarily assumed the Roma identity. Data from 2002 Census also show 60.1% lives in rural areas. Independent estimates made by Romanian and foreign sociologists as well as by Roma representatives indicate a Roma population for 1-2.5 million persons. The 2004 Progress report prepared by the European Commission estimates the Roma population between 1.8-2.5 million persons.

Roma population lives in extreme poverty. The poverty risk in Roma community is 3 times higher as compared to average risk at national level in 2003. A World Bank Report states that in 2000, about 68.8% of the Roma population lived with less than 4.3USD per day.

12 In concordance with G.E.O. no.26/1997 aproved by Law no. 108/1998 regarding the protection of the child in difficulty
significant part of Roma communities cumulates a large spectrum of social disabilities: low education attainment or no education, low or no qualification, history of non participation in formal education, high number of children, poor living conditions, low experience on the labour market etc.

Chart 14. Poverty risk by ethnic communities

Source: CASPIS, 2005

The recorded poverty level for the Roma population in 2004 is still above the level recorded in 1995 and at a very big distance from all the other ethnic categories, 3 of 4 persons being poor. In 2004 about 74.3% of the Roma population faced a high level of a poverty risk, social exclusion and marginalization, as a result of a chronic developing disparity, sustained by the maintaining of a discriminatory attitude. The evolution of the percentage of the Roma population facing the poverty risk recorded a general decreasing tendency for the last four years.

- Roma employment

The weak participation level on the labour market represents the key-problem of the Roma population. According to the official data from the “Housing and Population Census 2002” only 122,573 persons of the declared 535,140 Roma people (only 22.9% of the total number) are part of the active population, and out of these only 71.5% represent employed people, the rest of almost 28.5% being unemployed, seeking for a job. About 41% of them are working in Agriculture (of which one third are women) and 31% are unskilled workers.

Within the Roma population major vocational training deficiencies are recorded. Almost half of the Roma population has no qualification or they develop activities which do not require a formal vocational training.

The big share of daily workers 41.7%, of the total Roma population indicates the fact that they are in a difficult situation with respect of employment and implicitly, of ensuring the
There are lots of persons with no experience of a legally admitted economical activity, or had long periods of unemployment (more than 50% of Roma have been unemployed for over 27 months\textsuperscript{14} while the employed people proportion is very low (only 13\% of the medium income of the Roma families, compared to the beginning of the transition period). The main income sources are those by chance, mostly from the informal economy, which cannot ensure but a precarious survival: occasional activities, daily workers, etc. An important part of Roma families’ income is from social benefits. According to recent surveys, the real unemployment rate for the Roma communities is only 24\%, for the very many Roma people develop activities in the undeclared economy. According to the same survey, 16\% of the Roma persons live exclusively out of the State social benefits\textsuperscript{15}.

With respect of the Roma women employment there are some disparities compared to the Roma men situation. Thus, of the total number of the employed Roma population, women represent less than one third\textsuperscript{16}. Also, the weigh of the housekeepers within the Roma women is 4 times higher than the national average\textsuperscript{17}.

Table 35. Roma job placement through Public Employment Services between 2001-2003

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>30 iunie 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employed Roma population</td>
<td>5,188</td>
<td>5,535</td>
<td>8,781</td>
<td>6,406</td>
</tr>
<tr>
<td>TOTAL number of employed person no matter ethnic origin</td>
<td>470,644</td>
<td>540,416</td>
<td>557,735</td>
<td>289,856</td>
</tr>
<tr>
<td>Weigh of employed Roma population</td>
<td>1.10%</td>
<td>1.02%</td>
<td>1.57%</td>
<td>2.21%</td>
</tr>
</tbody>
</table>

\textit{Source: NAE}

- Roma child education

The poor living conditions and low incomes of Roma population produced effects in the terms of participation to education and educational attainment of this community. Thus, school drop out and non participation in education is more frequent in case of Roma population as compared to national average. In case of Roma community, about 12\% of children within 7-16 years old age group are leaving school before graduating compulsory education, while about 18\% are not enrolled in any form of education.

As a whole, about 80\% of the children not enrolled in any form of education (within the 7-16 year age group) are members of the Roma community\textsuperscript{18}. More than 1/3 of the Roma (38.6\%)

\textsuperscript{13} Research Institute for Quality of Life, „Indicators on the Roma Communities in Romania”, Bucharest, 2002, p.12
\textsuperscript{14} Census, 2002
\textsuperscript{17} Research Institute for Quality of Life, „Indicators on the Roma Communities in Romania”, Bucharest, 2002
\textsuperscript{18} MER, Institute for Education Sciences, Research Institute for Quality of Life, UNICEF, ”Participation to education of Roma children”, Bucharest, 2002, p.47
are affected by illiteracy. Apart from the material causes (of economical or logistical substance), the educational level of the parents and elder Roma heavily influences participation in education of current Roma youngsters. Also, the non participation in pre-school education and deficiencies in communicating in Romanian of many Roma children affect their performances in education. Some discriminatory practices of teaching personnel in relation with Roma population, among which Roma segregation in separate classes, produce the same effect in terms of participation to education and integration of Roma children.

During 2002/2003 school year, Roma pupils represented about 4.23% out of the total pupils enrolled in national education and training system. The analysis of the data available per education levels indicates: lower participation in pre-school education as compared to participation in primary education, declining trends in terms of participation in education from gymnasium to upper secondary education, level in which participation rate of Roma population is about 1.04% (internal reports, MoER).

In 2003/2004, about 20,528 of Roma pupils expressed their options for an additional curriculum for Romani language, literature, traditions, history. Projects aiming at reducing the drop out and stimulating participation in education of Roma population were developed by the Ministry of education and research. The teaching of Romani language intensified. There are estimates showing that, at present (2004/2005) about 18,000 pupils are studying Romani language, representing about 10% Roma pupils in education (according to official records). Unlike Hungarian minority which expressed their options for separate schools for their members, the Roma community refused this form of the organization of education.

The sensitive issue is that, generally, Roma population lives at outskirts, ill famed neighbourhoods and the schools located in these areas, in which Roma children are learning, provide poor learning conditions. In these schools of which population is mainly Roma, the rate of repeating is about 11.3%, above the national average indicator.

- **Disabled people**

Before 1989, there was little mainstreaming on the people with disabilities in Romania. Available information was limited to acknowledging the existence of people whose social inclusion was very difficult due to their physical, mental or associated disabilities. The state simply chose to institutionalize the persons with disabilities in “special centers” and did not care to involve or assist the family or the community concerned in dealing with the matter.


### Table 36. Distribution of persons with disabilities by sex

<table>
<thead>
<tr>
<th>YEAR</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL, of which:</td>
<td>409.523</td>
<td>402.275</td>
<td>425.847</td>
<td>423.393</td>
<td>408.120</td>
<td>410.286</td>
</tr>
<tr>
<td>FEMALE</td>
<td>212.952</td>
<td>209.183</td>
<td>224.048</td>
<td>225.191</td>
<td>210.422</td>
<td>216.836</td>
</tr>
<tr>
<td>MALE</td>
<td>196.571</td>
<td>193.092</td>
<td>201.799</td>
<td>198.202</td>
<td>197.698</td>
<td>193.450</td>
</tr>
</tbody>
</table>

*Source: NAPH*

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19 “Roma people in Romania” 2002” CASPIS  
20 Ministry of Education and Research addressed this issue through Minister Notification no. 29323/20.042004, regarding to the interdiction of the Roma children segregation.

In 2000, the tendency to apply a much too broad a definition of what disability and disability levels were, lead to a situation where any older person suffering from age-related illness could easily be classified as disabled. As a result, figures reporting the estimated number of the disabled persons in Romania started to soar uncontrollably. That called for a tightening in the legislation on this matter and for a more precise definition of the term “disability”. Two legal acts have been adopted. The result was that in 2003, figures went down to more realistic values. Statistics for 2003 show a decrease and for 2004 a slight increase in the number of persons with physical, somatic, hearing and visual disabilities except of the number of people with mental and neurological disabilities which is constantly raising (WHO estimates for 2020 show that bipolar psychosis will become the third cause of mortality in the world).

### Table 37. Distribution of persons with disabilities by level of disability

<table>
<thead>
<tr>
<th>Year</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL, of which:</td>
<td>409.523</td>
<td>402.275</td>
<td>425.847</td>
<td>423.393</td>
<td>408.120</td>
<td>410.286</td>
</tr>
<tr>
<td>SERIOUS</td>
<td>132.199</td>
<td>135.892</td>
<td>152.297</td>
<td>152.610</td>
<td>149.001</td>
<td>152.015</td>
</tr>
<tr>
<td>ACCENTUATED</td>
<td>250.298</td>
<td>238.946</td>
<td>241.221</td>
<td>239.302</td>
<td>230.322</td>
<td>227.534</td>
</tr>
<tr>
<td>MEDIUM</td>
<td>27.026</td>
<td>27.437</td>
<td>32.329</td>
<td>30.481</td>
<td>28.797</td>
<td>30.737</td>
</tr>
</tbody>
</table>

Source: NAPH

In 2004, 19,949 disabled persons were living in residential institutions. The staff working in these institutions was totaling 13,031 employees (16,071 normed) which illustrate 19% understaffing per beneficiary. The proportion of employed staff per beneficiary is not enough (0.65%) to ensure quality services for the assisted persons with disabilities.

The number of staff involved in assistance of the disabled people is insufficient (due to lack of funds), both in terms of support and rehabilitation personnel.

There is a serious shortage of social workers, psychologists, counselors, ergo-therapists, advisors etc. Medical and administrative staff is prevailing, which demonstrates a greater concern for the medical assistance of the patient and little or no care for his/her social inclusion. Lack of funds is yet another cause of the limited capacity to supply the amount of staffing according to the standards.

The decrease in the number of disabled people living in residential centers and the increase in the state support allocated to families to encourage them to keep the disabled person in their own care is still limited by the underdevelopment of the community services in terms of coverage, diversity and quality. The number of day centers at country level offering therapy services and social inclusion programs to the handicapped is extremely small (4 centers).
• Disabled people with personal assistants

With a view to stimulate family support to the people with disabilities, the Government Emergency Ordinance no. 102/1999 provides for the possibility to hire personal assistants for the disabled.

An important issue in this field is the qualification of personal assistants. Most of them are members of the families of the disabled person, so the benefits paid by the state represent a form of indirect family aid. The advantage in this case is that the assistant is available around the clock to cater for the needs of the assisted person. On the other hand though, family assistants do not have the special skills required by the kind of activity they are performing.

Personal assistant qualification started in 2001 following the passing of specific legislation. The data available as of 2003 show that 23% of the total personal assistants attended training courses, but there is no information about the quality assessments on the results of the training.

An important cause generating poor social inclusion rate is the traditional educational segregation of the persons with disabilities. The practice of isolating children with slight disabilities into special schools has stopped as of 2001, following implementation of a program which, although successful in integrating a number of 18,158 children with disabilities into the mass education system, has failed to concomitantly adapt school curricula, train teachers in acquiring special skills and adopt a supportive attitude. In 2002, 4,400 children with special needs were enrolled in the mass education system.

The educational policy pursued by MoER aims at modernizing and restructuring the “special education” (education for children with special educational needs - SEN) so that to create the premises for the beginning of school life in the nearest public school and for quality and diversified educational support services for the target goups. The most recent evolutions refer to the creation and development of educational support services for the children in difficulty and quality assurance in education for SEN children.

The training of the teaching personnel of the public schools concerning the special educational needs of this target group and their integration into public schools was accompanied by the provision of psiho-pedagogical professional assistance and support through accessory support personnel and by the creation of possibilities for enrollment at home etc.

Impact assessments indicate that their integration is rather physical than effective. Support services are insufficiently developed and still uneffective both for SEN children and for teaching personnel, pupils in public schools and their families.

The experience accumulated in using the services of itinerant teaching personnel shows that the existing methodology is insufficient: the statute of the itin erant teachers is affected by vagueness and some legal inconsistencies; there is an work overload since some of the tasks associated could be better performed by other categories of the personnel (school counsellor, school psychologist etc.); there are no transportation facilities for the itinerant teachers etc. The results obtained by the itinerant teachers in terms of the child development are poor, but they are more obvious in terms of transforming mentalities in SEN integrative schools and of the parents.

So far, few schools became SEN integrative schools. “Inclusive schools” is not a concept
reflected in daily realities, educational support services are underdeveloped, the community mentality did not improve much in respect with SEN children integration in public schools. During the last years there were developed specific projects aiming at development of “inclusive schools” in Romania. Despite these efforts, Romanian society preserved its traditional segregation mentality, and the best practices derived from these projects could not be extended at national level.

- **Employment of persons with disabilities**

Until 2002, the indicator on employment of people with disabilities had never been analyzed. Moreover, employment of the disabled had never been an active and coherent policy addressing the special needs of the persons with disabilities. Therefore, there is no data or information available describing the evolution in the employment rate among the disabled people during 1999 and 2002.

On December 31, 2004, the NAPD statistics showed that 11,872 persons with disabilities were employed. The records are based on the data supplied by the public social assistance services in the country and in Bucharest and by the Association for Blind People of Romania.

- **Employment by type of disability**

![Chart 15. People with disability employed (31 of Decembrie 2003)](image)

Source: NAPH

At end of 2004, the share of the employed disabled persons stood at 3.3 % of the total number of people with disabilities non institutional and at 0.1 % of the total population aged 15 – 64.

Giving access at workplace for the persons with disabilities and in particular at sheltered homes is a mandatory obligation for all employers.

Until 2004, there had been authorized a number of 40 protected manufacturing units in 11 counties including Bucharest, covering a wide range of activities from the manufacturing of brushes, cardboard packaging, brooms, furniture, modular prosthesis, wheelchairs to printing, embroidery, clothes, tailoring, locksmith and repair works etc. There are still 28 counties in the country without any authorized protected manufacturing units; there are in stead a large
number of workshops employing persons with disabilities now pending authorization. The expansion of the network of protected manufacturing units should become a priority for both the public social assistance services and the NGOs. At the end of 2004, 1,152 adults with disabilities were working in the protected units out of the total of 11,782 persons with disabilities employed.

The 2003 – 2004 job fairs for disabled show that, in spite of an increase of about 43% in the number of job offers, there are no significant differences in the number of the disabled persons employed. Thus, while in 2003 there were 7,461 job offers resulting into 284 hires, in 2004 these figures stood at 10,696 and 294 respectively. What was obvious each time is that job offer was not adapted to the qualification and the abilities of the disabled person.

b) The General Situation in the Social Assistance

A characteristic of the social welfare system in Romania is the increasing participation and contribution of non-governmental organizations and other social partners in social protection actions, in a situation where the Government cannot ensure but a limited financial support to cater for the social needs of the population and a small number of organizations.

The government program for 2001 – 2004 and the Priority Action Plan for European integration for 2003 and 2004 include a set of measures designed to tackling social exclusion and promoting social inclusion, also by elaborating a set of legislative regulations meant to ensure coherent system building, effective management, ongoing improvement of the various measures meant to financially support families, children, persons at social exclusion risk and to consolidate and further develop the national social service network.

- Social services system designed to reducing of marginalization and social exclusion

The social services system represent “a complex set of measures and actions that are implemented in response to the demand for social assistance of individuals, families or groups of people, designed to help them overcome difficult situations, to preserve individual autonomy and protection and prevent marginalisation and social exclusion in favor of social inclusion.

The achievement of a common framework for the organization and coordination of the national social assistance system, with the inclusion of the whole range of issues on this matter (protection of family, child, handicapped and any person in need) proved an absolute necessity. With joint assistance from international and local organizations, a set of NGOs active in the social assistance field were set up. Some of them have developed and reached a high performance and competence level that are very instrumental now for further development of the sectors, whereas others failed due to lack of resources.

In spite of the recent positive evolution the system is still fragmented and the range of social services available at the moment is still very limited.

c) Equal Opportunities

The 2002 census in Romania revealed that women accounted for 51.3% of the population. At present, due to decrease in birth rate and the attrition of the population aged 0-14, the number of women in the rural area seems to be decreasing whereas in urban area it has a slight upward tendency.
Table 38. **Romanian population by gender and areas**

<table>
<thead>
<tr>
<th></th>
<th>Population as at:</th>
<th>Differences:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,01,2003</td>
<td>1,01,2004</td>
</tr>
<tr>
<td>Total</td>
<td>21,772,774</td>
<td>21,712,552</td>
</tr>
<tr>
<td>Male</td>
<td>10,627,715</td>
<td>10,592,460</td>
</tr>
<tr>
<td>Female</td>
<td>11,145,059</td>
<td>11,120,092</td>
</tr>
</tbody>
</table>

(1) Urban

|                  | 11,622,258        | 11,644,722   | 22,464       |
| Total            | 5,580,354         | 5,583,794    | 3,440        |
| Female           | 6,041,904         | 6,060,928    | 19,024       |

(2) Rural

|                  | 10,150,516        | 10,067,830   | -82,686      |
| Total            | 5,047,361         | 5,008,666    | -38,695      |
| Female           | 5,103,155         | 5,059,164    | -43,991      |

*Source: NIS*

- **Employment rate for women**

In 2000-2004, the share of working women in Romania has registered a slight decrease from 46.4% in 1999 to 45.6% in 2004.

Table 39. **Share of women in total working population**

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Thou. persons</td>
<td>%</td>
<td>Thou. persons</td>
<td>%</td>
<td>Thou. persons</td>
</tr>
<tr>
<td>Total</td>
<td>10,764</td>
<td>100</td>
<td>10,697</td>
<td>100</td>
<td>9,234</td>
</tr>
<tr>
<td>Male</td>
<td>5,772</td>
<td>53.6</td>
<td>5,719</td>
<td>53.5</td>
<td>5,031</td>
</tr>
<tr>
<td>Female</td>
<td>4,992</td>
<td>46.4</td>
<td>4,978</td>
<td>46.5</td>
<td>4,203</td>
</tr>
</tbody>
</table>

*Source: NIS*

Employment rate for women aged 15 to 24 is the lowest vs other age groups and is comparable with the employment rate for men in the same age group.

Table 40. **Employed female and wage-earner female population by working time**

<table>
<thead>
<tr>
<th></th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employed female(^{21}) working full-time programme of the total employed female</td>
<td>81.8</td>
<td>81.4</td>
<td>81.6</td>
<td>87.2</td>
<td>87.8</td>
<td>88.8</td>
</tr>
<tr>
<td>Employed female working part-time programme of the total employed female</td>
<td>18.2</td>
<td>18.6</td>
<td>18.4</td>
<td>12.8</td>
<td>12.2</td>
<td>11.2</td>
</tr>
<tr>
<td>Wage-earner(^{22}) female working full-time programme of total employed female</td>
<td>98.3</td>
<td>98.2</td>
<td>98.6</td>
<td>99.2</td>
<td>99.1</td>
<td>98.8</td>
</tr>
<tr>
<td>Wage-earner female working part-time programme of total employed women.</td>
<td>1.7</td>
<td>1.8</td>
<td>1.4</td>
<td>0.8</td>
<td>0.9</td>
<td>1.2</td>
</tr>
</tbody>
</table>

*Source: NIS*

\(^{21}\) i.e. employees, employers, self-employed and unpaid family workers

\(^{22}\) Wage-earner – persons working under a labor contract or a labor relation in an economic or social unit or at a private individual for a salary, payment in cash or in kind, commission etc.
In terms of part-time occupation vs EU indexes, differences are high. Part-time working women accounted for only 11.2% of the total female population employed in 2004 compared to 31.4% in EU-25. In 2004 the share of male population working part time was above the EU-25 and EU-15 average (10.1% in Romania vs 7.0% in EU-25 and 7.2% in EU-15).

Violence and discrimination at work may take various forms and are perceived differently in Romania compared with the acceding and candidate countries and the EU-15. Physical violence at workplace (index Q.28.1 and index Q.28.2) affects men more than women both in the acceding and candidate countries (current NMS-10 plus the 2 candidate countries Romania and Bulgaria) and in EU-15. Compared with acceding and candidate countries, where 1% of employees have been affected by violence from people at their workplace and 3% from people outside their workplace in the last 12 months, in Romania these percentages are higher, namely 1.5% and 4% respectively, but are below the EU-15 averages (2% and 4% respectively).

Sexual harassment at work affects women more than men. In Romania sexual harassment is 3% compared to 2% in the acceding and candidate countries and 2% in EU-15.

Women income

Women income in Romania ranged between 82% and 83% of men’s income between 1999 and 2003. In the last decade, women over men wage ratio has seen ups and downs depending on the type of activity, with increases in some areas (e.g. financial & banking system where women are prevalent) and decreases in other (e.g. public administration).

An examination into the employment structure by gross wage earnings and sectors in 2004 has revealed that 66.4% of the female employees were earning less than the gross average wage, firstly because they were mostly employed in sectors such as textile industry and food industry where wages are low and secondly because women prevail on the low paid job market.

Numerically speaking, female population participation is prevalent in agriculture where the percentage of female working population per total sector stood to 45.6% in 2004 in spite of the slight descending trend recorded constantly from 1999 –2003. Secondly, it comes the industrial sector, where female participation is 43.8%. The economic sectors with highest women participation are health, education, financial mediation, hotels&restaurants and trade.

From 1999 – 2004 the share of female population between 25 and 64 years with at least medium schooling and that with complete higher education have increased by 3 and 2.4 percentage points respectively.

Women unemployment

Between 1999 and 2002, women unemployment rate in Romania has shown a slight increasing tendency reaching 7.7% in 2002 (with 1.5 percentage points over the 1999 rate). In 2004 the rate decreased to 6.9% reaching below the 10% rate in EU-25 and the 8.9% rate in EU-15.

Compared with the male unemployment in Romania, between 1999 and 2004 the female unemployment rate has been constantly slower by 1.9 to 3.5 percentage points.
1.3. Previous experiences in pre-accession assistance

Phare Programme 2001

- Institutional building in social service - RO 0108.02 (value 5 M EURO)

With a time span of twenty months, this project’s activities have been grouped in four components: Institutional Building, Training, Communication and the Development of social services. The program financed the development of institutional framework of municipal authorities to offer direct social service or to act like agent and catalyst by stimulating the supply of these services in partnership with other agents, public, private or non profit organisations.

The programme financed a large range of activities, including the creation, development and/or the improvement of social service, offered through, but not limited to, the following: day centres, day clubs, accommodation centres on temporary period, social workers, rehabilitation centres and social recovery, counselling centres, temporary housing, support for home assistance, emergency counselling phone line, protected workshops, the rehabilitation of selected institution and the endowment of aged hostels with specific equipment (medical, social, maintenance therapy and rehabilitation), emergency centres for post-institutionalized youths.

- Access to Education for Disadvantaged Groups with Special Focus on Roma Population - RO 01 04.02 (value 11.3 M Euro)

The implementing period of this project was September 2002 – November 2004. The proposed objectives were: quality assurance in preschool education as a precondition for stimulating interest in increasing enrolments in primary education and stimulating the children to participate to education, preventing, thus, early school leaving and drop outs. The final evaluation of the project (November 2004), indicates that the proposed objectives were achieved. In the case of this project, in 10 of the counties involved there has been recorded an increase of the participation rate to pre-school education (by 12% for preschool population, in general and by 28.5% in case of Roma population, an increase of the participation rate to primary education (1.3% in general and 9.5 % for Roma children) as well as an increase of the participation rate to lower secondary education by 0.8% in case of Roma children. This project also had a specific component of “Second chance education” addressing the specific needs of population lacking key competences and qualification. The aim was to prevent and fight against the social and labour market exclusion to which this group was exposed. About 335 Roma young persons participated to the program “A Second Chance” and only 50 of them dropped out. At the national level the main results were:
- 55 young Roma enrolled in the university ODL programs with the aim of being trained Romani language teachers for Roma communities;
- 74 persons from Roma community from specific target groups selected and trained as school mediators

- Investments in social service - RO 01 08.03.03.02 (value 1 M Euro)

The objectives of this subcomponent refers to the training needs evaluation for the personal who will work within local authorities (personnel with duties in social service field from town halls, county council), General Directorates for labour and social county solidarity, as well as, within the financed projects within subcomponent grants, the creation and dissemination of assessment courses in concordance with identified needs.
- **Technical Vocational Education Training PHARE TVET RO 01 08.01 (value 20.93 M Euro)**

The main results obtained were:
- Piloting of a quality assurance system for TVET in the 22 resource centers, based on the common reference framework regarding quality assurance, agreed at European level (Copenhagen process).

- Creation of Regional Consortia as tripartite consultative structures at regional level (chaired by Regional Development Agency), which are responsible for development of policies and strategies regarding TVET planning and development in the region. Developing and revising, by the above mentioned structures of the Regional Education Action Plans (REAP) regarding the technical and vocational education on 2013 perspective, for the 7 development regions which include schools participating in the multi-annual 2001-2003 PHARE TVET projects (in accordance to the 11 industrial restructuring areas with economic development potential, approved through GD no. 399/2001);

**Phare Programme 2002**

- **The establishment of the National Agency for Equal Opportunities between Women and Men -RO 02/IB/SO 01 (value 2 M Euro)**

The general objective is the creation of National Agency for Equal Opportunities between Women and Men. The activities of this project have been focused in principal on the elaboration of a draft law concerning the organisation and functioning of the agency, the strategy, the planning and the objectives of the agency and the preparation of at least 220 public servants within the new structures regarding EU regulation and the internal legislation of equal opportunities.

- **Social security for the migratory workers-RO 02/IB/SO 02 (value 1.9 M Euro)**

The project had like general objectives the establishment of a social security system for the migratory workers and the creation of an Information and Documentary Centre for migratory workers.

The outcomes have materialized in the elaboration of a legislative proposal for ensuring the conformity of internal legislation with community legislation, the improvement of the activity of responsible department for the coordination of the social security system, the elaboration of the informed strategy regarding the migratory workers, the development of a web page and the Documentary Centre for Migrants.

- **Support to the Ministry of Labour, Social, Solidarity and Family in the field of continuous vocational training - RO 02/IB/SO 03 (value 1.471 M Euro)**

This project intended to establish a institutional frame regarding the continuous vocational training in the context of economic restructuring in Romania, especially, the setting up of legislative and administrative frame in the field of adults continuous vocational training.

It was elaborated the strategy for short and medium term for continuous vocational training and it was established the selection criteria for training suppliers.
- **Support to the Ministry of Labour, Social, Solidarity and Family to strengthen the administrative capacity to implement ESF-type activities** - RO 02/IB/SPP/02 (value 1.4 M Euro)

The general objective of the project was the development of the institutional capacity of Ministry of Labour, Social Solidarity and Family (as Managing Authority) and National Agency for Employment (as Intermediate Body), in order to participate at the financial assistance projects of EU in area of employment policy, especially financed by the European Social Fund. It was defined the coordination structures for the administration and implementation of ESF programme, including tasks and responsibilities, were elaborated the methodologies for programming, implementation, monitoring, control and evaluation of ESF-type interventions. It was also trained the personnel within MMSSF and ANOFM at national, regional and county level, as well as the project’s promoters, regarding the implementation of ESF type interventions, projects management and the achievement of partnership.

- **Insurance system for work accidents and occupational diseases**— RO 586.04.05.02 (value 4 M EURO)

It was followed the development of the legislative framework in order to achieve an efficient system for preventing accidents and to develop the insurance services in case of labor accidents and occupational diseases.

- **Technical assistance for TVET** - RO 02/000-586.05.01.02.02.02 (value 24.133 M Euro)

The project facilitated the elaboration of 7 regional studies on the “Provision of the development of regional labour market studies for estimation 2013 TVET supply”. The final Report was presented in June 2005 together with the main results of the 7 regional studies conducted for assessing the relevance of the TVET to regional labour markets needs. The studies showed that, despite the fact that in case of the TVET there is a high participation of social and regional partners in the planning process and tripartite structures are created at regional and local level, still the relevance of TVET for regional and labor market needs remains low.

The main results were:
- Revising, on the basis of Regional Education Action Plans (REAP), of the Local Education Action Plans (LEAP) regarding the technical and vocational education, at each county level, with the contribution of the Local Development Committees for Social Partnership, structures created under the project PHARE TVET RO 9405. Through the 2002 Phare TVET project LEAPs will be developed for all 42 counties and Bucharest.
- Continuation of the School Action Plans (SAP) development process. SAP represents the institutional development response at local level to the regional and county priorities, adapted to the specific of each of the 122 schools involved in the mentioned project.

**Phare Programme 2003**

- **Support for strengthening the institutional capacity of National Agency for Employment** - RO 03/IB/SO/04 (value 1 M Euro)

The general objective of the project was the development of the administrative capacity of
National Agency of Employment (as public employment service) for the participation in an adequate mode at the implementation of active measures and employment programs provided in National Action Plan for Employment, as well as implementation of projects financed by the European Social Fund.

- **Promoting of autonomous social dialogue - RO 03/IB/SO/02 (value 1.145 M Euro)**

It follows the strengthening of the administrative capacity of Ministry of Labor, Social Solidarity and Family to promote bipartite dialogue, the strengthening of social partners capacity to participate at the implementation and the developing of the community acquis and national legislation in the social dialogue area and the endorsement of capacity of the Economic and Social Council in order to give to the social partners the information and the professionals employment service.

- **Support to the Ministry of Labor, Social Solidarity and Family for elaboration and the implementation of employment policy and the preparation for EDIS - RO 2003/005-551.05.01.04 (value 1,55 Euro)**

The general objective of the project is the strengthening of the institutional capacity of the Coordination Programme Unit within MoLSSF and the 8 Programme Implementation Units at the regional level, that correspond to the 8 economic development regions, for the implementation of the Human Resources Development grant schemes, complying with the JAP and PNAO priorities.

- **Support for strengthening the National Agency for Employment to adapt the labour market statistics in accordance with those used at EU level - RO 03/IB/OT/06 TL (value 180,000 euro)**

The purpose of the project is the strengthening of the institutional capacity of NAE through the adaptation to the European requirements of the national system of statistic monitoring of the labor market. It has in view that the NAE is able to calculate all the statistic indicators used at the EU level in order to monitor the implementation of the employment guidelines. Similar, it is followed up the strengthening of the institutional capacity of other relevant institutions (National Institute for Statistics, Labour Research Institute, Ministry of Education and Research, Institute for Educational Sciences) for promoting a complete set of labour market data, consistent and comparable with EU data.

- **Strengthening the administrative capacity of the Social Inspection-RO/03/IB/SO/06 (value 2.5 M Euro)**

The objective of the project is to strengthen the Social Inspection administrative capacity at the national and territorial level, so that it can fulfill in an efficient way all the supervision functions on the respect of social benefits and services regulation in force and on the adequate use of public funds, to ensure an equal treatment adapted to the real needs of the resident population of Romania.

- **Investments in Social and Economic Cohesion - Subcomponent “Development of the Human Resources” (grant schemes) (estimate value 7.47 M Euro)**

The purpose of the project is to facilitate the access of the unemployed workers (youth and long-term unemployed) and to increase the level of the labour force skills based on training and retraining.
The priorities of this project are: the intensification of the labour active measures as system instrument to increase the employment rate, especially for youth and long-term unemployed, as well as the training and retraining of labour force according to the present requirements of the labour market.

- **The creation of an unitary legal system harmonised with the Community provisions related to the Labour Code RO 03/IB/SO/01** - (value 1 M Euro)

The objective of the project is the implementation of the new Labour Code and the secondary legislation. It is followed up the elaboration of the training curriculum, the strategy for continuing training and a National Training Program for labour inspectors. Also, it will be elaborate a guide related to the inspection of labour relationships, and there will be organised training and information sessions.

- **Access to education for disadvantaged groups** - RO 03/005-551.01.02 (value 11.33 M Euro)

The implementing period is November 2003 – November 2006. The general aim of the project is to prevent and to fight against marginalization and social exclusion and to support the development of a mechanism for improving access to education for disadvantaged groups (Roma population, disadvantaged groups from the socio-economic point of view and children with special educational needs). The project had specific components for pre-school education, for second chance education and for special education needs (SEN) pupils. The Project is an extent of the 2001 PHARE project in other 12-15 counties and it contains new elements like:

- extending the activities initiated by the previous PHARE project
- defining the target group (Roma children, SEN children, children from economically and socially disadvantaged groups) from the Priority Fields for Educatice Intervention, according to specific educational, cultural and socio-economical indicators
- the program “A Second Chance” for primary education - curricular development
- focus on the elimination of school segregation phenomenon (provision of training and educational materials)
- set up of Resources Centers for Inclusive Education in selected counties (about 15 counties).

In case of Roma population the low rates of participation to education has, in most cases, social causes: poverty which affects the capacity of the families to assume the cost of the education of their children; the use of children in various housekeeping and babysitting activities, agriculture etc. Also other factors like: low attractiveness of education, low education of the parents or cultural factors affect the participation of Roma population to education at all levels.

- **Phare multiannual Programme 2004-2006**

In the frame of reference of the multi-annual programme, Social and Economic Cohesion, projects under “Development of the Human Resources” priority are implemented on three main domains: the structural unemployment approach (22.92 M Euro), the improvement of the labour force long term adaptatability (33.51 M Euro) and combating the social exclusion (30.78 M Euro). In the same programme, the priority “Building the institutional structures in order to achieve, upon accession, sound and efficient management of EU structural instruments, and efficient management of programmes under EDIS requirements” benefits by an financing of about 7.75 M Euro.
2. SWOT ANALYSIS

The analysis of the current situation in the field of human resources and employment has relieved a series of characteristics, concretized in weaknesses, strengths, opportunities and threats.

<table>
<thead>
<tr>
<th><strong>Strengths</strong></th>
<th><strong>Weaknesses</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Macroeconomic stability;</td>
<td>- Quite high levels of school/early dropout;</td>
</tr>
<tr>
<td>- Reduced labour costs and low wages as compared to the EU;</td>
<td>- The absence of internal systems of quality provision and management in education and initial and continuous vocational training (EFPIC); EFPIC infrastructure is not adequate in rural areas;</td>
</tr>
<tr>
<td>- Continuous and sustained extension of information technology and communications market;</td>
<td>- Insufficient development of training provider network;</td>
</tr>
<tr>
<td>- Human resources with high qualification in IT and engineering fields;</td>
<td>- Insufficient development of national framework for competences;</td>
</tr>
<tr>
<td>- Good geographical coverage of educational offer and consistent network of schools and university;</td>
<td>- The low degree of involvement of the social partners in specific human resources development programmes;</td>
</tr>
<tr>
<td>- Legal framework outlining the mains measures concerning the social inclusion;</td>
<td>- Low level of adult participation to continuous education and training and the absence of continuous educational offers adapted to the needs of adults in the system of initial education;</td>
</tr>
<tr>
<td>- Initial national programmes aiming to support the categories of vulnerable persons;</td>
<td>- Low adaptation level of educational offers to the labour force requirements;</td>
</tr>
<tr>
<td></td>
<td>- Limited entrepreneurial culture;</td>
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<td></td>
<td>- High employment rate in agriculture, especially in subsistence farming;</td>
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<td></td>
<td>- Low mobility on the labour market;</td>
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<td></td>
<td>- Low level of participation in temporary working activities;</td>
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<td></td>
<td>- High long-term unemployment rate and high level of unemployment rate among youths;</td>
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<tr>
<td></td>
<td>- Insufficient integration of Roma population and other vulnerable groups in education and on the formal labour market;</td>
</tr>
<tr>
<td></td>
<td>- Insufficient development of community services able to address the needs of the persons belonging to vulnerable groups;</td>
</tr>
<tr>
<td></td>
<td>Low inclusion on the labour market of young people over 18 that leave the state institutions for child protection;</td>
</tr>
<tr>
<td>Threats</td>
<td>Opportunities</td>
</tr>
<tr>
<td>-----------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------</td>
</tr>
<tr>
<td>- Unfavorable demographic trend;</td>
<td>- New investment sources – the European Social Fund;</td>
</tr>
<tr>
<td>- International competition for the workforce with high qualifications;</td>
<td>- The acceptance in EU of Rumanian professional qualifications;</td>
</tr>
<tr>
<td>- Limited absorption capacity of structural funds/difficult adjustment to the structural fund requirements;</td>
<td>- Increasing internal demands of services and products;</td>
</tr>
<tr>
<td>- The migration of certain industrial sectors towards external locations with more reduced labour costs;</td>
<td>- Development of SME’s;</td>
</tr>
<tr>
<td>- The external migration of workers with high educational levels;</td>
<td>- Increasing importance of knowledge based economy;</td>
</tr>
<tr>
<td>- Low economic and enterprises’ competitiveness as compared to the EU partners;</td>
<td>- Strengthened cooperation and partnership in education and increased access on the labour market;</td>
</tr>
<tr>
<td>- The increase in prices of products and services will attract increasing poverty levels;</td>
<td>- Setting-up an institutional, legal and financial framework, favorable to the SME’s development and the private initiative and attractive for investments;</td>
</tr>
<tr>
<td>- The further restructuring of economic sectors that may result in major lay-offs.</td>
<td></td>
</tr>
</tbody>
</table>
3. STRATEGY

1. Rationale

The strategy on Human Resources Development is based on the analysis of the current situation in this field and on the SWOT analysis.

The OP also took into account the Revised Lisbon Agenda, Strategic Guidelines on the Cohesion Policy 2007-2013, the European Employment Strategy, the Integrated Guidelines for Development and Employment. The SOP HRD is developed according to the National Strategic Reference Framework 2007-2013 for the “Convergence” objective and follows the Government Program in the field of human resources.

According to the strategy outlined by the NSRF, increasing economic competitiveness requires a more effective utilization of human resources. In response to the structural labor market problems linked to the low participation rates and a lack of skilled workforce in specific regions and occupations, a strong focus will be given to the promotion of human resource development for the labour force as a whole. Accordingly, in line with the revised European Employment Strategy and the conclusions set in the Joint Assessment Paper (and its follow-up Progress Reports), high priority will be attached to delivering active labour market policies which target the unemployed (including youths and older workers), the low skilled, the vulnerable groups as well as the inactive population.

In the overall context of promoting socio-economic cohesion, there are some key areas where actions will be undertaken with a view to reach the objectives of this strategy.

The human resources development will focus on increasing investment in education and skills, attracting and retaining more people in employment, increasing labour supply, improving adaptability of workers and enterprises, promoting the social inclusion of the vulnerable groups.

The concrete actions that will be promoted will address the development of new professions and professional standards in education; promoting the entrepreneurship, strengthening the partnership with social partners, promoting continuous vocational training, promoting active employment measures, combating hidden unemployment, modernization of the Public Employment Service, promoting social inclusion in education and on the labour market.

The strategy on human resources development is in line with the Community Strategic Guidelines 2007-2013 and stands as an essential component in reaching the overall community objective for growth and jobs. The strategy will focus on investing in human capital, modernization of education and training systems, increasing access to employment and strengthening social inclusion for vulnerable groups.

Moreover, the SOP HRD will promote the entrepreneurship, the university-enterprise cooperation, the adaptability of workers and enterprises. There will be reinforced the participation of long term unemployed in the labour market and there will be supported sustainable communities through promoting social economy.

The situation in the rural areas will be particularly tackled since a large percentage of active population is living in these areas. The phenomenon of hidden unemployment and under-employment raises concern and requires specific action in relation with identifying and
maximising all opportunities for integration of long term unemployed in the labour market. Thus, there will be created new niches of non-agricultural employment in rural areas to which large categories of inactive population will have access.

The relation between the OP HRD and the CSG 2007-2013 is presented herebelow.

<table>
<thead>
<tr>
<th>CSG 2007-2013</th>
<th>Attract and retain more people in employment</th>
<th>Improve adaptability of workers and enterprises and the flexibility of the labour market</th>
<th>Increase investment in human capital through better education and skills</th>
<th>Administrative capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>PA1 Education and training in support for growth and development of knowledge based society</td>
<td>- Quality education and initial TVET in support for growth and employment; - University education in support for knowledge based society; - Competitive human capital in education and research.</td>
<td>- Quality education and initial TVET in support for growth and employment; - University education in support for knowledge based society; - Competitive human capital in education and research.</td>
<td>- Quality education and initial TVET in support for growth and employment; - University education in support for knowledge based society; - Competitive human capital in education and research; - Improving quality in CVT; - The development of the continuous vocational training system</td>
<td></td>
</tr>
<tr>
<td>PA 2 Linking life long learning and labour market</td>
<td>- Transition from school to active life; - Increasing access and participation in CVT.</td>
<td>- Early school leaving and second chance education - Increasing access and participation in CVT</td>
<td></td>
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<tr>
<td>P.A. 3 Increasing adaptability of workers and enterprises</td>
<td>- Promoting the entrepreneurial culture; - Promoting specific vocational training; - Developing partnerships and encouraging initiatives for social partners</td>
<td></td>
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<tr>
<td>P.A. 4 Modernization of the Public Employment Service</td>
<td></td>
<td></td>
<td>- Strengthening the capacity to provide employment services; - Training for PES staff</td>
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<tr>
<td>P.A. 5 Promoting Active Employment Measures</td>
<td>- Developing active employment measures; - Promoting long term</td>
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</tbody>
</table>
The OP HRD supports Lisbon Strategy in what concerns reaching the expected objective of full employment. The Operational Programme on Human Resources Development targets the inactive people in re-integrating them in the labour market (the long term unemployed), the hidden unemployment, particularly in rural areas, as well as the vulnerable groups, among whom Roma population represents the major group envisaged to be attracted in the labour market. For all these groups as well as for the active population, continuous vocational training will be a must in reaching a performant human capital in the next years. Promoting active employment measures (PA 5), developing continuous vocational training (PA 1), supporting the LLL and work based learning schemes (PA 2) will provide the necessary basis for enhancing employability and providing the needed skills for a competent participation in the labour market.

The knowledge-based economy will be tackled by promoting education in support for the development of knowledge based economy (PA 1) with areas of intervention on (1) ensuring quality education in support for competitive human capital; (2) university education in support for knowledge based economy; (3) competitive human capital in education and research.

Romania will pursue the objective of making Europe more competitive by supporting actions aiming at promoting the spirit of entrepreneurship and making the public services more efficient. The enhancement of the entrepreneurial culture and spirit is a specific area of intervention under PA 3 “Increasing adaptability of the labour force and enterprises” by which entrepreneurship can become a career option for everybody, as an important solution for counterbalancing the negative effects of the structural adjustment and industry restructuring processes, and by generating economic and social alternatives. ESF interventions will support the modernization of the Public Employment Service in what concerns the strengthening of its capacity to elaborate and implement strategies, develop new services and get closer to the needs of the unemployed, job-seekers and entrepreneurs.

Moreover, the OP HRD shall address the technological challenge both as a specific action
under the priority axis on increasing adaptability of the labour force and enterprises (PA 2), as well as a horizontal priority in relation with making information society accessible to all, regardless of social category. By ensuring this, OP HRD aims at promoting an important factor in improving competitiveness and job creation and at strengthening the potential to improve quality of life.

**Coherence with the Integrated Guidelines for growth and jobs 2005-2008**

The integrated guidelines for growth and jobs (2005-2008) were also considered at the elaboration the HRD strategy. The Operational Programme has as main objective the investment in human capital and increasing access to employment by reducing unemployment and inactivity, particularly for groups of people with high potential of being integrated in education and the labour market.

Thus, the OP will have a substantial contribution to attracting of and maintaining as much as possible persons within the active labor market (guidelines 17,18,19,20) and will improve the labor force and enterprises adaptability, in special to be able to respond to permanent introduction of new technologies (guidelines 21, 22).

The relation between the OP HRD and the integrated guidelines is presented herebelow.

<table>
<thead>
<tr>
<th>Guideline</th>
<th>PA 1</th>
<th>PA 2</th>
<th>PA 3</th>
<th>PA 4</th>
<th>PA 5</th>
<th>PA 6</th>
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</thead>
<tbody>
<tr>
<td>Guideline 16: Implement employment policies aiming at achieving full employment, improving quality and productivity at work, and strengthening social and territorial cohesion</td>
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<tr>
<td>Guideline 17: Promote a lifecycle approach to work</td>
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<td>Guideline 18: Ensure inclusive labour markets for job-seekers and disadvantaged people</td>
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<td>♦</td>
<td>♦</td>
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<tr>
<td>Guideline 19: Improve matching of labour market needs</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
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<tr>
<td>Guideline 20: Promote flexibility combined with employment security and reduce labour market segmentation</td>
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<tr>
<td>Guideline 21: Ensure employment-friendly wage and other labour cost developments</td>
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<tr>
<td>Guideline 22: Expand and improve investment in human capital</td>
<td>♦</td>
<td>♦</td>
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<tr>
<td>Guideline 23: Adapt education and training systems in response to new competence requirements</td>
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<td>♦</td>
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</table>

The OP HRD also supports the Human Resources Development Strategy promoted in the NSRF. The OP priority axis address the strategic objective set in the NSRF, i.e. to contribute to the increase of human resources qualifications and employability through the promotion of long life learning and the creation of a modern, flexible and inclusive labour market while favouring the modernization and innovation of Romanian educational, training and employment systems.
The relation between the priority axis and the strategic objectives of the NSRF is shown in the table herebelow, with the presentation of the areas of intervention as they support the respective strategic HRD objectives.

<table>
<thead>
<tr>
<th>PA 1</th>
<th>Education and Training</th>
<th>Promoting employment and combating unemployment</th>
<th>Promoting Social Inclusion</th>
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<tr>
<td></td>
<td>- provision of education and initial training for students, teachers; trainers; researchers; counselors; - support and career development for young teachers and researchers - provision of guiding and counseling for students, teachers; trainers; researchers; - quality education for pupils and students - validation and certification of prior learning - development of standards, tools, mechanisms needed for providing quality/competence based education - staff development in quality and education management - developing the continuous vocational training system; - quality assurance and HR development in vocational training</td>
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<td>PA2</td>
<td>assisted learning, remedial education and support schemes for early school leavers and low achieving students - increased access and participation in CVT - promoting education/research business partnerships</td>
<td>- work based learning, support and facilitated insertion in labour market for TVET and university students - increased access and participation in CVT</td>
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<td>PA3</td>
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<td>- promoting adaptability and flexibility of workers and enterprises; - promoting entrepreneurial culture; - providing specific vocational training; - developing initiatives for strengthening partnership; - encouraging higher quality of work; - supporting the reconciliation of work and family life;</td>
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<td>PA4</td>
<td></td>
<td>- enhancing capacity to deliver employment services; - training of the PES staff.</td>
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</tbody>
</table>
| PA5 | - attracting and retaining more people in employment;  
|     | - improving employment levels;  
|     | - developing active employment measures, including in rural areas; |
| PA6 | - improving access to education and vocational training for vulnerable groups;  
|     | - promoting measures for the integration of vulnerable groups in the labour market;  
|     | - promoting equal opportunities and fighting against social exclusion of women;  
|     | - enhancing delivery capacity of social services;  
|     | - promoting transnational initiatives on the inclusive labour market |

In relation with the **Joint Assessment Paper**, the SOP HRD addresses the following priority areas:

- Strengthen the efforts to ensure that all children can access and complete compulsory education and broaden access to upper secondary education. Intensify efforts to improve the provision of education for minority groups and implement the existing strategy. Complete as quickly as possible the reform of vocational education and ensure that it improves the adaptability of the VET system to long-term needs of the labour market. Assess whether higher education provision is adapted to its needs in a medium-term perspective in terms of strategy, infrastructure, curricula and financing mechanisms and resources. Ensure appropriate allocation of responsibilities and resources.

- Develop a strategy for continuing training in close co-operation with the social partners as well as appropriate framework and incentives for the training of those employed. Develop capacity for the training of the unemployed, taking into account medium-term challenges linked to the restructuring.

- Promoting active programmes in order to increase the provision of training. Monitor the implementation of the new framework for active policy, the targeting and impact of programmes so that active policy can effectively contribute to the transformation of the labour force requested by the future challenges. In relation with this, while pursuing the ongoing strategy to improve the PES quality and efficiency, the appropriate allocation of the staff at territorial level and the control of registration should be a matter of permanent concern of the PES management so that active support can be effectively targeted at the jobseekers who need it and PES resources efficiently used.

- Implement strategies to better ensure the integration of ethnic minority groups, in particular Roma, in education and labour market and monitor carefully its outcome.

- Continue the implementation of the legislation and measures to ensure equal access to the labour market for all persons irrespective of sex, racial or ethnic origin, religion or...
believe, disability, age or sexual orientation.

In the light of the analysis undertaken in Joint Inclusion Memorandum, the SOP HRD addresses the most immediate needs in relation to tackling poverty and social exclusion:

- 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;
- 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;
- improving the social assistance services;
- improving the access in education and in the labour market for the vulnerable groups, particularly for Roma population.

The HRD strategy took also into account the national strategies and relevant policy papers in the field of education, employment and social inclusion.

The actions proposed in the field of education in education are in line with the following documents:

- Strategy for Continuous Vocational Training on short and medium term 2005 – 2010;
- JAP and the Progress Reports
- Strategy for descentralization of education (draft, under debate)
- Regional Actions Plans for TVET

The line of action set in the priority axes and the major areas of interventions supporting adaptability, employability and tackling long-term unemployment were based on the following strategic papers:

- National Strategy for Employment 2004-2010;
- Strategy for Continuous Vocational Training on short and medium term 2005 – 2010;
- JAP and the Progress Reports;

In order to improve the situation of vulnerable groups and for promoting the social inclusion there were considered the following sectorial strategies:

- National Strategy for developing social services (G.D. no.1826/2005);
- National Strategy concerning the prevention and against domestic violence phenomena (GD no.686/2005)
- National Strategy for improving the Roma situation (GD no.430/2001)
- National Strategy on Equal Opportunities between Women and Men

Integration of EQUAL principles in SOP HRD

EQUAL’s four main principles of partnership, innovation, mainstreaming and transnationality shall be integrated into the operations funded by European Social Fund. Besides the
horizontal approach of these principles throughout the OP HRD, there are specific areas of interventions on each of them.

Partnership and innovation are encouraged under PA 3 “Increasing adaptability of the labour force and enterprises”, with an intervention area on “Developing partnerships and encouraging initiatives for social partners”. Mainstreaming shall be tackled under PA 6 “Promoting social inclusion”, with activities dedicated to ensuring equal opportunities for all vulnerable groups, and thus making sure that certain categories of citizens are not left behind, and that the fruits of growth are distributed equally. Transnational cooperation is also ensured specifically under PA 6, under area of intervention on “Transnational initiatives on the inclusive labour market”. By ensuring the transposal of EQUAL principles, the SOP HRD is aiming at encouraging the transfer of know-how and good practice acquired in successful ESF projects in other Member States.

**Strategy**

The Human Resources Development and the sustainable integration on the labour market are possible provided that life long learning is promoted as an overall principle and a general framework for the restructuring and developing of education and training systems is supported, ensuring thus key skills and the coherence between formal, non-formal and informal learning frameworks.

The contribution of education to economic growth and development has been intensively researched. Findings available indicate that education and training represents the main contributor to the economic development and progress. There are evidences showing that investments in education and training have very high return on investment rate and the rising of educational attainment of the labour force accounts for increased economic growth rates. The achievement of the Lisbon targets emphasizes the need for highly skilled and adaptable workforce able to make effective use of the knowledge and new technologies produced. This can be achieved by increased participation in LLL, advancing educational attainment, enhanced capacity of initial education of delivering skills and competences required by the labour market etc.

The facilitation of the graduates’ insertion on the labour market, the improvement of progression from compulsory education to the post-compulsory one and the diminishment of the dropout rate can be supported by measures of improvement of guiding and counselling services. In the initial education and training system, the guiding and counselling network and activities are not sufficiently developed, and they are not part of a separate approach of psychological and pedagogical counselling and do not provide the necessary framework for defining some customised training routes that would insure a more adequate positioning on the labour market.

The provision of modern quality education will fully support the well educated/competitive human capital and is a key element for building a base for the development knowledge based society. Good quality initial education provides the key skills necessary for life-long learning. The early stages of initial education are fundamental in the delivery of skills and competencies needed to develop a flexible workforce capable to face the challenges of a knowledge-based society. Increased sustainable employment and growth/development is possible by raising skills profile and structural qualifications of human capital trough education.

As concerns the continuous vocational training, the offer tends to focus on programmes for
full skills or on programmes for developing general skills and is mainly addressed to persons and not to companies, depending on punctual demands of the labour market. Since the continuous vocational training must provide the possibility of a rapid adaptation to the requirements of ongoing changes in the labour market, the diversification and increase in quality of the vocational training offer must be a constant preoccupation. Therefore, structure of continuous vocational training (CVT) will be designed as to correspond to the level of quality assurance and efficiency demanded on the labour market, in the sense that it will strive at having a modular and flexible structure that will stimulate the participation of employees and employers to promote CVT activities. The HRD Strategy will aim at setting up a structured vocational training system that implies the commitment and active participation of the social partners. The promotion of partnership in education, training and employment becomes a condition for ensuring coherence between initial and continuous education and training and the labour market. Generally, vocational training providers are small, not specialised institutions that adapt rapidly their training offer to the immediate needs of the market, however, not having any quality insurance mechanisms in place. In Romania, certain quality insurance systems for CVT were developed, different for the formal and the nonformal/informal CVT context, but there are other issues that need to be improved at a national level and which need a considerable financial effort in future. It is necessary that the strengthening of institutional structures involved in definition, validation, providing and assessing competencies should continue, as a condition for ensuring quality in initial and continuous education and training.

Romania’s priorities regarding employment policies, as identified in JAP, refers to combating the effects of structural and hidden unemployment resulting from the economic restructuring. To this ending there will be undertaken a series of actions aiming at:
- promoting adaptability of workers and enterprises and flexibility of labour markets by promoting investment in human capital;
- strengthening active and preventive labour market measures;
- promoting efficient and effective labour market institutions;
- facilitating access to employment to young people and promoting active ageing;
- promoting social cohesion by enhancing employability and access to education of vulnerable groups.

Increasing the adaptability of the labour force and enterprises is a must, given the process of structural changes ongoing in the Romanian labour market. By ensuring that, the capacity of the labour market to anticipate and absorb the economic and social changes will be increased. The HRD Strategy will encourage the setting up of modern forms of work organization and the well-functioning of the labour market, allowing more flexibility combined with employment security to meet the needs of companies and workers. The labour force and companies will have to adapt to new technologies and be in a position to innovate constantly. They will also have to be better prepared to respond to the increasing demand for job quality, both for workers and employers, in terms of new ways of working, enhanced exploitation of Information and Communication Technologies (ICT), changes in the working status, ageing workforce, geographical mobility etc.

The rigidity of the labour market and the still reduced capacity of the Romanian economy to create new jobs, especially in branches with high added value, contribute to the maintaining of a high unemployment rate. Promoting the entrepreneurial culture, both by supporting initial education and vocational training in obtaining management and entrepreneurial skills, as well through continuous professional training that makes entrepreneurship a career option for everybody, constitute an important solution for counterbalancing all the negative effects of the structural adjustment and industry restructuring process, generating economic and social
alternatives and the improvement of the economic status of socially disadvantaged groups. The potential of young researchers and graduates will be further capitalised through spin off or spin out initiatives.

The labour market in Romania has undergone significant changes between 1990 and 2003, especially shown by the reduction of the active and employed population, on the backdrop of a slow, but continuous process of population ageing. The evolutions on the labour market must be placed in the broader context of a negative demographic evolution, as Romania is facing a continuous slow process of population reduction caused by low birth rates and external migration. The short term impact will be the reduction of the number of the active population and the ageing of the labour force, which will create a burden for the social security and pension system.

Attracting and retaining more people in employment, reducing unemployment and inactivity, by increasing the demand and supply of labour, are key objectives of Romania’s HRD Strategy. The activities envisaged to be funded by the ESF shall aim at improving the attractiveness of jobs and the quality of labour productivity, preventing exclusion from the labour market, reducing regional disparities in terms of employment, unemployment and labour productivity, especially in regions lagging behind. Since youths’ and older workers’ unemployment rates are higher than other groups’, the Strategy will aim at facilitating progress in employment, whether it is first time entry, a move back to employment after a break or the wish to prolong working lives. The HRD Strategy will support operations dedicated to increasing the quality of jobs, working conditions, access to lifelong learning and career prospects.

As part of the social dialogue, the stimulation of initiatives for social partners is also an area that needs to be strengthened. The common actions for promoting economic growth and job creation will have to be better promoted in what regards equal opportunities. At the same time, the initiatives in the field of employment, in terms of flexibility and security on the labour market, especially for promoting the active ageing and participation of women on the labour market are insufficiently developed. As regards the support granted to the lifelong learning process, at the moment the contribution of social partners does not fully meet the growing need for their involvement in the identification and anticipation of skills and professional abilities needs, the acknowledgement and validation of skills and abilities, mobilisation of resources, information, support and counselling.

The modernisation of the Public Employment Service, i.e. the National Agency for Employment and its county agencies, started in 2002 and envisaged the decentralisation of employment services, the improvement and diversification of services provided to beneficiaries, i.e. the employers, job-seekers and the unemployed who wished to start up a business. With the modernization of the PES, more people will be expected to find better employment. The Public Employment Service will become better equipped to anticipate and resolve possible mismatches in the labour market, and to make sure that occupational and geographical mobility of workers will be ensured.

The social exclusion phenomenon affects social groups that are facing the risk of social marginalization. In the sense of the OP HRD, vulnerable groups are the following: Roma population, families with more than 2 children, including mono-parental families, young people over 18 years old who leave the state care institutions, the disabled, women, ex-offenders, homeless and drug addicted. All these disadvantaged categories face many difficulties in relation with their social integration, determined by discrimination in what regards their access to education and in the labour market. Facilitating access to employment
for these groups, ensuring that they remain closely attached to the labour market and increasing their employability are essential to increasing participation and combating social exclusion. The activities that will be undergone in the OP HRD will aim at motivating people in getting integrated/re-integrated in the labour market, assisting them with effective job searching, facilitating access to training and other active labour market measures, ensuring that work pays and removing unemployment, poverty and inactivity traps. The OP HRD will also promote the inclusion of the vulnerable people in the labour market through the expansion of social services and the social economy.

**Social services**, a component of the social protection system, consist of supporting measures targeted at certain personalised needs, and having as a result rapid efficient solutions for the social risk situations. The current situation of the social assistance system is characterised by a legal framework that favours social inclusion and access to fundamental rights, such as social assistance, employment, health, education etc. At the same time programmes were developed in order to support families, children and other groups of disadvantaged people. Even though efforts had been put into these developments, the current system still has a number of vulnerable issues that need to be remedied, such as: unequal development, the multiplication of institutional structures with similar responsibilities that generate confusions and lead to a fragmentation of the system; lack of means that are needed in order to cover all the demands in the field of social assistance and services; inability of the current social service system to solve the needs of people in difficulty, the existence of a low number of NGO’s as main providers of such services etc.

The development of **social economy** in Romania will be beneficial from several perspectives. With the strengthening of this sector, on the one hand, there will enhanced the creation of flexible employment, there will be set up strong local development policies, ther will be promoted services to people, active citizenship and social cooperation and solidarity. On the other hand, there will be encouraged the emergence in the economy of new actors such as cooperatives, aid associations, foundations and other voluntary associations. The combined activity of the social economy promoters will result in increased job opportunities for the vulnerable groups that are excluded from the labour market activities, making thus a significant contribution to social cohesion.

### 3.1 Objectives

The general objective of ESF intervention in Romania established in the National Strategic Reference Framework 2007-2013 is investing in human capital, modernization of education and training systems, increasing access to employment and strengthening social inclusion for vulnerable groups.

Such need to ensure educated and competitive human resources on the European labor market arises from the understanding that the competitive advantages that are determining Romania's current growth cannot ensure a long-term sustainable development given the growing pressures provoked by globalization and the continual introduction of new technologies. Only a flexible, high-qualified working force will be able to respond to the constant changes in the labor market.

From the previous socio-economic analysis we can highlight the following phenomena:

- Persistent low levels of participation in education and training at all levels of the lifecycle, in particular in rural areas, determining an overall low level of qualifications of the Romanian workforce.
• Incapacity of the education and employment structures to quickly adapt to the changing needs of the labour market
• A productive structure that has been suffering some changes in recent years with an increase of the services sector but that will not present a dramatic decrease of the primary sector to European levels
• A decrease of active and employed population on the background of a slow but continuous ageing process and increasing trends of emigration
• Increasing of the poverty, especially at risk groups (Roma people, one parent families with more than two children, young post institutionalised).

Given such context, the general objective of SOPHRD is the development of human capital and increasing competitiveness on the labour market, through ensuring equal opportunities for lifelong learning and the development of a modern, flexible and inclusive labour market that lead, until 2013, to the durable employment of 900,000 people.

Thus, the OP will have a substantial contribution to attracting and maintaining of as much as possible persons within the active labor market, with a strong social protection system (guidelines 17,18,19,20) and will improve the labor force and enterprises adaptability, in special to be able to respond to permanent introduction of new technologies (guidelines 21, 22).
### Sectoral Operational Programme Human Resources Development 2007-2013

**Romania**

#### PRIORITY AXIS AND MAJOR FIELD OF INTERVENTIONS

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<td>Quality education and initial TVET in support for growth and employment</td>
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<td>University education in support for knowledge based society</td>
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<td><strong>Linking life long learning and labour market</strong></td>
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<td><strong>Modernising the Public Employment Service</strong></td>
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<td>Promoting long term sustainability of rural areas in terms of HRD and employment</td>
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<td>Transnational initiatives on inclusive labour market</td>
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3.2 List of Priority Axis

Priority Axis 1  Education and training in support for growth and development of knowledge based society

Priority Axis 2  Linking life long learning and labour market

Priority Axis 3  Increasing adaptability of labour force and companies

Priority Axis 4  Modernising the Public Employment Service

Priority Axis 5  Promoting active employment measures

Priority Axis 6  Promoting social inclusion

Priority Axis 7  Technical assistance for SOP HRD implementation

The substance of the Priority Axis 1 to 6 addresses issues that reach the national and regional level, in what concerns systems and individuals.

Therefore, Priority Axis 1 “Education and training in support for the development of knowledge based society” and Priority axis 3 “Developing and promoting quality continuous vocational training” will tackle need for modernisation and better adjustment of both initial education and training and continous vocational training to the needs of the labour market, for developing a common approach of learning and training and for generating added value of the ESF interventions.

The education and training systems will be nationally approached in relation with quality assurance, curriculum development in support for competitiveness, relevance of the educational offers. The core principle of these priorities is that life long learning constitutes the general framework for the restructuring and developing of education and training systems, ensuring key skills throughout the whole lifecycle and the coherence between formal, non-formal and informal learning frameworks. The school can no longer be a place where only the formal initial education is provided but has to become a centre of continuous learning resources, giving new learning possibilities to the younger generations but also widening the continuous learning possibilities for the adult population. High levels of quality have to be guaranteed by these learning centers by modular and flexible educational structures, articulated with a coherent qualifications framework and delivered by highly qualified personnel.

The priority axis 2 “Linking life long learning and labour market” will address, at national level, the issues of ensuring that all individuals have equal opportunities for learning and are well equipped with the competences and skills for their sustainable integration in the labour market. Low educational attainments are considered to be factors increasing the risk of becoming unemployed and entering into long term unemployment or dropping out the labour market. The diminishment of early school leaving and support provided for increasing access and participation in CVT will fully contribute to create at lifecycle approach in learning and work and to support employability and integration in the labour market. This priority targets the specific needs of individuals before leaving/graduating education, as well as after their graduation as active persons, in national approach. This priority addresses nationally identified negative evolutions of early school leaving, high youth unemployment, low
participation in CVT; the magnitude of these phenomena requires national actions and not regional interventions with limited effect and impact.

Equally, under the and Priority Axis 4 “Modernising the Public Employment Service”, the modernisation of PES will be addressed at national level, in the attempt to diversify its services, upgrade their quality, making them more visible and accessible and bringing them closer to the beneficiaries. With the operations on the training of PES staff, there will be enhanced nationally the capacity of this service to provide labour market analysis, interpretation of data by anticipating trends and new evolutions of labour force and companies dynamics.

Priority Axis 3, 5, and 6 address to individuals, in what concerns raising their employability and adaptability, strengthening entrepreneurship and promoting social inclusion and equal opportunities. These priority axis will be addressed regionally also due to the existence of certain disparities among regions as regards employment rates, unemployment rates and specificities (long term unemployment, structural unemployment, hidden unemployment, including in rural areas), participation in CVT, different entrepreneurial culture, various poverty rates, specific Roma issues, improving the position of women in the labour market etc. All these things will be tackled at regional level, as the most appropriate level where communities and other local actors can identify them and resolve them effectively.

### 3.2.1 Priority axis 1: Education and training in support for employment and development of knowledge based society

**Objective:**

Providing grounds for competitive human capital by developing flexible lifelong learning pathways, delivering modern quality education and continuous training for all, addressing the specific needs of knowledge based society and labour market.

**Rationale:**

The contribution of education and training to economic growth and development has been intensively researched. Findings available indicate that education and training represents the main contributor to the economic development and progress. There are evidences showing that investments in education and training have very high return on investment rate and the rising of educational attainment of the labour force accounts for increased economic growth rates. The achievement of the Lisbon targets emphasizes the need for highly skilled and adaptable workforce able to make effective use of the knowledge and new technologies produced. This can be achieved by increased participation in LLL, advancing educational attainment, enhanced capacity of initial education of delivering skills and competences required by the labour market etc.

Romania is confronted with low level of participation in lifelong learning in age group 25-64 years old (1.6% in 2004 as compared with the EU target of 12.5% in 2010). The introduction LLL as the core principle of education and training systems should be achieved if systems and mechanisms for validation of prior learning in formal education are developed. Integrated and quality guiding and counseling could support the increase of participation in lifelong learning by early interventions in tracing personalised educational and professional pathways. The SOP will support the development and implementing of tools, instruments aimed at ensuring
progression, transferability of learning outcomes acquired in various learning environments, life long acquisition of skills and knowledge etc.

“Quality education” is the key word for developing a competitive human capital. Quality education is a prerequisite, creating the grounds for the educational system to deliver the knowledge, skills, qualifications and attitudes to support the competitiveness and further development of the human capital. Quality assurance requires specific actions in the field of educational offers consisting of: introducing new teaching techniques based on individual needs of the pupils, development of cognitive functions of pupils, promoting innovation in learning and teaching etc. In formal education, quality assurance based on extern mechanisms of school/universities accreditation and appraisal which represented the main tool for quality assurance. Internal systems for quality assurance are not operational. Specific standards and staff development are needed both at provider and system level. The poor performances of school and universities in providing quality education and relevant qualifications for labour market is critically dependent on the capabilities of the school/university management to exploit, in an effective way, the human, financial and knowledge resources available. Interventions made under this SOP will support: development of tools, instruments, internal mechanisms for quality assurance in education at system level as well a provider level; staff development in the area of quality management at system and provider level; staff development for an effective school/university governance and educational management.

The development of initial TVET represents a key objective of the Romanian mid term 2005-2010 Strategy for CVT. The provision of quality initial TVET is critically dependent on curricula development and update, teachers and instructors development etc. Current positive achievements (e.g. vocational training standards, curriculum relevance to local community etc.) will continue and enhancement will be aimed at through the SOP strategy. Still, the vocational pathways remain less attractive than academic ones. Under the SOP efforts will target the increase of initial VET attractiveness, development of professional standards, effective quality managements increased effectiveness of partnership in planning and delivering VET, enhanced capabilities of VET schools in delivering CVT, improvement in initial TVET curriculum of specific competences provision for career guidance and entrepreneurship, validation of prior learning, development of flexible transfer and progression routes (especially progression into higher education), developing effective links with labour market and supporting stakeholders involvement etc. Investments are needed for increasing initial VET attractiveness for employers and learners and for making it an important tool for equipping young people with the key competences they will require throughout life and for improving the skills and qualifications of the low-skilled people and for reducing of early school leaving. Most of the efforts made so far for developing initial TVET focused on youth needs, but the envisaged actions for the enhancement of VET schools to deliver CVT offers for adult population will creates premises for properly addressing the adults and older workers needs and for upgrading skills and competence development. Specific actions for developing quality attractive initial TVET will be complemented by actions targeting the professional development of vocational teachers and trainers. The actions undertaken under this SOP strategy are in line with the European recommendations for giving priority to ‘the use of common instruments, references and principles to support the reform and development of VET systems and practices, for example regarding (…) quality assurance (…)’, including ‘the strengthening of mutual links between these instruments and raising stakeholders' awareness at national, regional and local levels in Member States’ (…)

Council Conclusions on the Future priorities of enhanced European Cooperation in Vocational Education and Training (VET) and Maastricht Communiqué on the Future Priorities of Enhanced European Cooperation in Vocational Education and Training (VET)
and, to ‘the increased relevance and quality of VET through the systematic involvement of all relevant partners in developments at national, regional and local level, particularly regarding quality assurance’

Universities are critical players in delivering highly qualified graduates and in producing knowledge. Given that they are situated at the crossroads of research, education and innovation, universities in many respects hold the key to the knowledge economy and society.24 Universities are the very engine for the creation of the critical mass of specialists, levels of qualification and production of knowledge for developing the knowledge based society. Universities should be supported for developing their capability to train students with increasingly higher qualifications, and thus contribute to strengthening the economic competitiveness. In this respect, university should deliver qualifications relevant to the labour market needs. In order to increase the educational attainments and increase the structural qualifications of the human capital in Romania, consideration will be given to the creating possibilities for widening access of for non-traditional learners, such as those from low socio-economic backgrounds, including through the establishment of systems for the validation of non-formal and informal learning and increasing flexibility of the learning routes. Actions to be undertaken will also target the provision of quality university education, effective quality assurance and management, effective university education and research management and governance etc. Interaction of the Romanian universities with business community and research will be used as tool for increasing the responsiveness of university education and research to the changes produced in the society and for boosting competitiveness and innovation. For addressing the specific requirements of a knowledge based society, emphasis will be placed on actions aiming at developing graduate offers, doctoral programs and schools (in support for the production of new knowledge and for raising qualifications of the human capital) and on actions ensuring the grounds for competitive human capital in education and training (e.g. offers for training and retraining of teachers and researchers, pedagogical masters). The integration of research outcomes into teaching activities, especially in case of university education, fully contributes to the development of knowledge based society. The specific actions aiming at developing the human capital employed in higher education will complement and enhance the effectiveness of the efforts mentioned above.

The findings available for Romania indicate a relatively low correlation between the educational offers/qualifications provided by education and initial training and requirements of the labour market. The high youth unemployment rate, unfortunately, support this conclusion. Thus, investments in education (at all levels) should focus on ensuring an adequate supply, in quantitative and structural terms, of qualifications according to the changing demands of the labour markets. The development of the partnerships in education will provide grounds for increased relevance and responsiveness of initial education for labour market needs. Improved education-industry interaction and partnerships will enhance the capacity of Romanian schools and universities to support the industry and economic development. The job creation and employment objectives of this SOP will be addressed by support provided to education and initial training to enhance its capability to become a dynamic partner and to offer the knowledge, skills and qualifications relevant to the industry and community. The development and implementing of an overarching National Qualifications Framework will ensure a greater partnership and interaction between education and initial training and business community. The support provided in this respect by the SOP will target: development of standards of knowledge, skills and competences; support for quality education at all levels; development of tools, instruments and procedure for access,

24 European Commission, COMMUNICATION FROM THE COMMISSION, “The role of the universities in the Europe of knowledge”, February 2003
transfer and progression between various levels of education and training; development of a life cycle approach of learning and work.

The capacity of education to respond to the rapid changes in the labour market and development of the knowledge society is critically dependent on the continued development of HR employed in this sector. The objective of the Romanian educational policy of ensuring equal opportunities and access to quality education for all could be achieved if knowledge is delivered by well qualified teachers. The existing disparities between rural and urban areas in terms of qualification of teaching staff in pre-university education threaten this aim and affect the quality and the employability of human capital in rural areas. Significant efforts were made during the last years by Romanian government for reducing the qualification disadvantage of rural areas in terms of qualified HR in education and initial TVET. These efforts will be continued through this SOP. The demographic trends and forecasts available indicate the school population will decrease, in Romania, in average, by 20% by 2013. This evolution will produce effects in terms of an estimated reduction by 10% of the HR in education sector. Good initial education and continuing training should be developed to deliver to the teachers/HR in education the specific qualifications according to the European Teachers Qualifications Framework. Investments in the development of the HR in education are needed for supporting the capacity of the Romanian education and initial training system to respond to the rapid changes produced in the society and labour market. Investments made, initial and continuing training and development programs for HR development will target teachers in preschool, primary, secondary and higher education as well as instructors and other staff categories (including new professions) participating to education and training activities. Formal certification and delivery of credits will be envisaged. Modes of delivery will include conferences, seminars and modular courses, on the job training, outreach training.

The teaching career is not an attractive choice for university graduates. The chronic under financing of education (below 4% in average during the last 15 years) produced effects on the level of salaries paid to teachers and staff employed in education and training. This, together with relatively rigidity of the teaching career patterns lead to the low attractiveness of this career with the effect of a very limited the recruitment base and of an ageing trend of the HR in education. The interventions made under this SOP aim of overcoming some of these difficulties through support for enlarging career development and opportunities in education and provision of incentives for recent graduates starting their career in education etc.

RDI is the core pillar of the Lisbon strategy, fully contributing to the development of the European competitive knowledge based society. The production of knowledge, as output of the research activities, is critically dependent on the competitiveness of the human capital employed in this sector. In Romania, the number of employees in R&D decreased significantly since 1996, as shown in the previous section. This evolution is unfavorable affecting the potential for creating knowledge of Romanian R&D. The situation is even critical if it is taken into consideration the ageing trend of HR employed in this sectors, especially in universities and research institutes. The main causes reside also in low wages and low attractiveness of the career in research, especially for young university graduates. Romania is experiencing the same weakness as Europe in terms of the valorization of the results of the research. Poor entrepreneurial and managerial skills of the researchers could explain the poor valorization of the research results trough spin offs and spin outs as well as limited capacity of the Romanian researchers to access EU specific programs. The SOP HRD Strategy and actions will give particular attention to the development of human capital in research and will support continuing training of researchers, incentives and career development in research, development of managerial and entrepreneurial skills of young researchers. Actions will target exclusively researchers in universities and research institutes.
and not researchers working in private or public companies.

From the HRD’ perspective, CVT is still remaining a major challenge: participation in
continuing training is at the lowest level in Europe: 1.1% -2001, 1.1% -2002, 1.3% in 2003,
1.5% in 2004. This priority is aimed to increase the public and private CVT system’s capacity
of providing quality services in order to raise the participation in.

Enterprises should become the main driving force in providing CVT but their contribution in
raising adult learning participation is at very low level. According a survey organised in 1999
by the National Institute of Statistics only 11% of companies have implemented training
programmes for the employees and only 5.4% of companies have developed a HRD strategy.
Almost two third of companies have preferred to recruit new staff as opposed to allocate
financial resources for training. Large companies especially develop an active CVT policy;
SMEs are less in favour of HRD policy either because they are not yet aware of the
importance of CVT or because they have not the possibility of investing in human resources
development.

It’s crucial to encourage enterprises implementing training programmes for employees and to
support local partnership bringing together enterprises, unions, education training providers,
civil society organisations and career counselling providers in order to promote innovative
CVT opportunities.

Expanding CVT opportunities, both in the public and private sectors, is also important
because access for adults is unequal. Employers prefer to train higher skilled or younger
workers than low skilled or older, full time employees than part time or temporary workers.
Minorities, people with special needs and people living in small communities or rural areas,
unemployed people have also less access to training. It’s important to develop appropriate
training content, methodologies and delivery modes and to connect up training system
through career guidance services in order to meet the needs of different kinds of participants
in CVT. There is a need of using ICT methodologies and materials in order to facilitate access
of individuals to training programmes.

Recognition and validation of skills acquired outside formal context is very important in order
to develop individually tailored training programmes that allow individuals to benefit from
relevant training content at convenient place and time. Developing modular programmes
based on competencies is also a way to provide more flexibility and to reduce both the time
needed for acquire full qualifications and costs of training.

Increased attention must also be given to provide people with key competencies which all
individuals need for personal fulfillment, active citizenship, social inclusion and employment.

Speaking about quality in CVT the measures developed under this priority will contribute to
develop standards, national qualification framework and improve the professionalism and
status of trainers. It’s also important to understand the demand for training and to promote a
learning culture. There is a lack both of good quantitative and qualitative information
regarding skills trends, the demand for training, the needs of specific population segments and
impact analyses on participation of specific population segments. All of these are necessary in
order to develop appropriate training opportunities which could equip people not only with
the competencies needed on the labour market but also with other necessary skills in order to
fulfil personal development or develop active citizenship. The measures aim to meet a need of
developing studies, analyses and researches, identified at all the levels (national, regional,
local and company).

All the issues mentioned were identified related to the CVT system and tackled in line with the EC framework for tackling systemic reforms to education and training systems in a lifelong learning perspective and other relevant EC, OECD and World Bank documents.

**Key areas of interventions:**

1.1 Quality education and initial TVET in support for growth and employment;
1.2 University education in support for knowledge based society;
1.3 Competitive human capital in education and research;
1.4 Improving quality in CVT.

**Indicators**

- Number of teachers/researchers trained (target 2013 - 10 000pers.);
- Number of young teachers/researchers supported for career development (target 2013 - 5000 pers.);
- Number of schools/universities staff trained for quality and education management (target 2013 - 15 000 pers.);
- Quality assessors trained (target 2013 - 1 000 pers.);
- Number of teachers trained and certified; (target 2013 - 10 000 pers.);
- Numbers of quality assessors certified; (target 2013 - 1 000pers.);
- Share of researchers under 30 years in total researchers (target 2013 – 15 %);
- Participation rate in TVET;
- Increase in progression rate to upper secondary education;
- PhD graduates;
- Share of upper secondary graduates in age group 25-64 years;
- Share university graduates in age group 25-64 years;
- Increase of researchers /1000 inh;
- Frequency of ICT use in education.

**3.2.1.1 Quality education and initial TVET in support for growth and employment**

**Indicative operations:**

- Support and assistance for developing and implementing instruments and tools at system level;
- Support and assistance for staff development and for developing and implementing tools and instruments for quality assurance and management at system and provider level;
- Development of education and initial TVET offers with improved relevance for individual learning and labour market needs;
- Quality guiding and counseling services development in support for increased learning attainment and progression rates;
- Integrated programs for increasing progression rates between compulsory and post compulsory education;
- Promoting use of ICT and new teaching techniques in education and initial TVET;
- Transforming school into a continuing learning provider;
- Promoting innovation in education and training;
- Promoting effective partnerships and networks in education in support for increased relevance of education to the labour market.
- Developing entrepreneurial and business education.

### 3.2.1.2 University education in support for knowledge based society

**Indicative operations:**
- Support and assistance for developing and implementing instruments and tools at system level;
- Support and assistance for staff development and for developing and implementing tools and instruments for quality assurance and management at system and provider level;
- Support for tools and staff development for improved knowledge and university governance;
- Provision of quality university competence based education (relevant for the labour market/in line with EQHE);
- Developing postgraduate offers;
- developing doctoral programs and schools;
- Promoting use of ICT and and developing ODL;
- Valorising university research results in university educational offers;
- Networking and partnerships between university, R&D and business community (e.g knowledge transfer and facilitating the use of research result in teaching activities)

### 3.2.1.3 Competitive human capital in education and research

**Indicative operations:**
- Continuing training of HR in education;
- Continuing training of HR in research in universities and public research institutes;
- Promoting outreach and intersectoral mobility programs for training and retraining of HR in education and research;
- Support for career start and development in education and research;
- Developing entrepreneurial and managerial skills for young researchers in support for further spin offs and spin outs.

### 3.2.1.4 Quality in CVT

**Indicative operations:**
- Development of qualifications and competencies at national, sectors and branches level;
- Implementation of quality assurance and management systems in CVT at system and provider levels according to European framework for quality assurance;
- Implementation of a mechanism for assessment of competencies and qualifications;
- Development of modular programmes based on competencies;
- Diversification of CVT programmes (in terms of contents, training methods and tools, delivery modes) in response to the needs of different kinds of beneficiaries;
- Development of career guidance provision at the workplace;
- Development of training provision at the workplace;
- Implementation of a credit transfer system in CVT;
- Promotion of exchange of good practises and the use of voluntary peer review and networking;
- Development of studies, analyses and researches in order to provide good quality information and data for supporting LLL;
- Developing the capacity of the human resources involved in CVT to set up specific
new methods, techniques and tools;
- Developing the capacity of the human resources involved in CVT to use ICT;
- training of teachers and trainers according to European framework of teachers’ and trainers’ qualifications and competencies;
- Development of partnership for promoting learning conductive work environments;
- Promotion of learning regions.

3.2.2 Priority Axis 2 - Linking life long learning and labour market

Objective:

Providing grounds for improving educational attainments, developing work based learning and increasing employability of human resources in a life cycle approach in the context of knowledge based society.

Rationale:

Low educational attainments and early school leaving are considered to be factors increasing the risk of becoming unemployed and entering into long term unemployment or dropping out the labour market. Romania is confronted with a very severe phenomenon of early school leaving (a 23.6% early school leaving rate in school year 2004-2005). Early school leaving adversely affects the learning opportunities for those concerned their future position and performance in the labour market. The employability of the early school leavers is very low since they do not have the basic competences and knowledge needed. The persistence and magnitude of the high number of early school leavers (young people leaving school without a basic level of qualifications and competences) limits the capacity of initial education to provide the necessary foundations for lifelong learning. Therefore, the prevention and reduction of these phenomena will create premises for reducing unemployment and for developing qualifications, skills and competitiveness of human capital in Romania. The magnitude of this phenomenon requires a national based approach for properly addressing it. The SOP HRD nationally approaches early school leaving through early interventions supporting increased access to and provision of quality guiding and counseling, development of specific initiatives for maintaining potential early school leavers in education. Early interventions mean that the provision of guiding and counseling becomes a coherent and systematic action starting at 7th grade. Actions addressing this issue aim at increasing attractiveness of the education as well as maintaining in education the potential early school leavers. Actions undertaken for preventing and diminishing early school leaving are addressing the new Lisbon integrated guidelines\(^\text{25}\), European Youth.

Romanian faces severe youth unemployment (youth unemployment rate is 3.5. times higher than unemployment rate). The provision of relevant qualifications and offers for the labour market needs provided by education and initial TVET will contribute to the diminishment of youth unemployment. Transition from school to active life will complement these actions and facilitate the insertion of the recent graduates in the labour market. The education and training provided in TVET, upper secondary schools and universities will be accompanied by in-company training, apprenticeships, outreach programs for students etc. organized in close partnership with business community. The development and provision of guiding and counseling will complement the above mentioned actions and will facilitate the transition from school to workplace/change in the status from student to future employee. The actions

\(^{25}\) European Commission, COMMUNICATION TO THE SPRING EUROPEAN COUNCIL, Working together for growth and jobs - A new start for the Lisbon Strategy, 2005
under this area of intervention will provide a systematic character to internships as part of the educational process and will seek the preparation of the future graduate for the labour market and his/her relationship with the employer.

The guiding and counseling underpins the development of flexible and labour market oriented learning routes/opportunities, higher progression rates, increased employability and the diminishment of the existing gap between the output of the education and labour market needs. Analysis and studies conducted at European level\textsuperscript{26} highlights the contribution of the guiding and counseling to the achievement of three of the Lisbon targets/benchmarks in education and training: increased participation in upper secondary school; increased participation in adult education and training; reduction of early and unqualified school leaving. In Romania, the availability of the guiding and counseling services remains limited in educational system, at all levels. The students/counselor ratio in pre-university education exceeds 800 students/counselor (the legal threshold). The number of hours of guiding and counseling per student remains low at country level and regional disparities may be observed. A nationally based approach is envisaged in this case. Actions to be undertaken at system and education provider levels will consist of: development of tools for guiding and counseling, systematic provision quality guiding and counseling, enlarging access of students and staff to such services etc. This type of actions will be complemented by specific training of the counselors as part of the actions undertaken under this SOP for developing human capital/HR employed in the education and initial training sector. SOP will approach nationally the guiding and counseling issue through specific actions at system and school unit level and staff development. Actions undertaken under SOP in this field of intervention are in line with EU recommendations and address the issues of the provision of quality guiding and counseling and its integration into life long learning strategies, staff development.

From the HRD’ perspective CVT is still remaining a major challenge: participation in continuing training is at the lowest level in Europe: 1,1% -2001, 1,1% -2002, 1,3% in 2003, 1.5% in 2004. This priority is aimed to increase the public and private CVT system’s capacity of providing quality services in order to raise the participation.

Enterprises should become the main driving force in providing CVT but their contribution in raising adult learning participation is at very low level. According a survey organised in 1999 by the National Institute of Statistics only 11% of companies have implemented training programmes for the employees and only 5,4% of companies have developed a HRD strategy. Almost two third of companies have preferred to recruit new staff as opposed to allocate financial resources for training. Large companies especially develop an active CVT policy; SMEs are less in favour of HRD policy either because they are not yet aware of the importance of CVT or because they have not the possibility of investing in human resources development.

It is crucial to encourage enterprises implementing training programmes for employees and to support local partnership bringing together enterprises, unions, education training providers, civil society organisations and career counselling providers in order to promote innovative CVT opportunities.

Expanding CVT opportunities, both in the public and private sectors, is also important because the access for adults is unequal. Employers prefer to train higher skilled or younger workers than low skilled or older, full time employees than part time or temporary workers.

\textsuperscript{26} European Commission, “Education and training 20102”, WORKING GROUP “LIFELONG GUIDANCE”, PROGRESS REPORT, DECEMBER 2004
Minorities, people with special needs and people living in small communities or rural areas, unemployed people have also less access to training. It’s important to develop appropriate training content, methodologies and delivery modes and to connect up training system through career guidance services in order to meet the needs of different kinds of participants in CVT. There is a need of using ICT methodologies and materials in order to facilitate access of individuals to training programmes.

Recognition and validation of skills acquired outside formal context is very important in order to develop individually tailored training programmes that allow individuals to benefit from relevant training content at convenient place and time. Developing modular programmes based on competencies is also a way to provide more flexibility and to reduce both the time needed for acquire full qualifications and costs of training.

Increased attention must also be given to provide people with key competencies which all individuals need for personal fulfillment, active citizenship, social inclusion and employment.

**Key areas of interventions:**
2.1 Transition from school to active life
2.2 Early school leaving and second chance education
2.3 Increasing access and participation in CVT

**Indicators**
- Students assisted in transition from school to active life programs (target 2013 - 5000 pers.);
- Students in 15-19 age group assisted in “school after school” programs (target 2013 - ……);
- Students counseled;
- Students/counselor (target 2013 - 500 pers.);
- Counselors trained;
- Number of enterprises which develop and provide lifelong guidance services;
- Number of modular training programmes based on competencies;
- Number of employed people attending training programmes;
- Number of employed people attending career guidance services;
- Number of employed people benefiting from assessment and recognition of competencies acquired in non formal or informal context;

**Result indicators**
- Early school leaving rate (target 2013 -10%);
- Youth employment rate;
- Participation in LLL (target 2013 - ………..);

**3.2.2.1. Transition from school to active life**

**Indicative operations:**
- Work oriented learning schemes/programs for students;
- Support school/university/enterprise partnerships initiatives;
- Quality guiding and counseling supporting transition form school to active life;

**3.2.2.2. Early school leaving and second chance education**

**Indicative operations:**
- Integrated programs for maintaining pupils in education and preventing early school
leaving;
− “Schools after school” type activities, assisted learning and remedial education;
− Integrated programs and educational offers for reintegrating early school leavers in education;
− Development of tools and integrated information, guiding and counseling and personal development services.

3.2.2.3. Access and participation in CVT

**Indicative operations**
- Participation of employees in CVT;
- Participation of employees in career guidance services;
- Participation of employees in recognition and validation of competencies acquired in non formal or informal context services;
- Promotion of learning culture, especially of “hidden learners” or “hard to reach” individuals;
- Implementation, promotion and support of Europass portfolio;
- Subsidies or compensation to employer and employees during the training;

3.2.3 Priority axis 3: Increasing adaptability of labour force and enterprises

**Objective**
To increase employment through the promotion of skilled, trained and adaptable labour force and enterprises aimed to maintain employability, develop entrepreneurship, facilitating job creation and increase the human potential in research, science and technology.

**Specific objectives**
- Providing employers and employees with specialised knowledge, skills and competencies necessary to cope with occupational, structural and technological changes
- Increasing the accessibility of further education and training in organisations
- Safeguarding existing jobs that remain viable through adaptation and stimulating new job creation
- Extending the application of flexible work organisation schemes
- Developing activities of enterprises towards healthy and safe working environment

**Rationale**
Measures taken to improve the adaptability of enterprises, especially SMEs, and employees to the changing conditions, particularly in view of introducing modern technologies and organisational solutions on a large scale, should signify, among others, a promotion of organisational and employment flexibility (applying different forms of the work organisation and flexible working arrangements) and functional flexibility (changes in the scope of employee tasks as the firm’s tasks change). The actions to be undertaken will focus on creating a self-sustaining human resources development capacity within enterprises. The process of modernising work organisation should take place with the participation of social partners.

This priority axis enables the implementation of the second SOP HRD strategic objective, “promoting full employment”, focusing on the promotion of general and specific training to support the economic growth and to develop a more competitive labour force. The proposed
operations will therefore concentrate on the increasing of skills, expertise and competences of both employers and employees related to the current economic changes or evolutions. Increased attention must also be given to opening access to training to people who are at higher risk of early exit from the labour market, such as low skilled workers and women to adapt to the knowledge economy and to prolong their working life. Besides the development of training activities, the support shall also be provided in order to maintain and secure existing jobs, creating new employment opportunities, including self-employment and new flexible forms of work organisation.

Romania has only relatively recently opened to entrepreneurship and, therefore, there is still much to be done in expanding and rendering the private sector more dynamic. The OP HRD aims at promoting the entrepreneurial spirit by providing support and counseling on starting up a business. There will be provided training for better anticipation and positive management of change, including economic restructuring and notably changes linked to trade opening as to minimize their social costs and facilitate adaptation. Thus, there will be promoted innovative forms of work organization, including better health and safety at work and diversity of contractual and working arrangements, with a view to improving quality and productivity at work.

The priority axis will also include specific training in new technologies. The economic development will depend on the ability of enterprises and workers to absorb new information and to put it into practical use as well as the rapid involvement in research, development and innovative activities. The area of intervention for specific training concentrates mainly on the support of a new information economy development, a boost of professional qualifications in all sectors, mainly in industry, environment and tourism as yet, insufficiently developed areas, (e.g. innovation in industry, IT development, integration of environmental aspects in common activity management, regional marketing and management of tourism).

The priority is aimed to increase productivity and promoting better reconciliation of work and family life as well. This may also include raising awareness of corporate social responsibility and of ways to transform undeclared work into regular employment.

These interventions complement other significant interventions aimed at supporting SME and entrepreneurial development which are put forward in the Sectoral Operational Programme for Competitiveness. The delimitation with the OP Competitiveness is that OP HRD will train and support the adaptability of the employees, with a view to developing their managerial competences. The consultancy services and assistance will be addressed to individuals willing to start up a business, i.e. to physical persons only. Once they become legal entities, the support and assistance will be provided under the OP Competitiveness.

The training and consultancy services shall be undertaken by providers choosen by open competition selection.

Development of partnerships will be used to initiate various activities and operations that in various ways seek new methods and tests new models with the aim of changing both present traditional arrangements and attitudes. Promoting partnership is a specific area of intervention under this priority axis but it will also be encouraged under all others priority axis, where it will be found relevant. Partnership is acknowledged as an efficient means for pursuing development, and involvement together of key actors is another way of pushing forward cooperation for progress.

A special area where immediate action is needed is combating the undeclared work
phenomenon. This affects the Romanian economy and employment in a significant degree (with some 2.7 million people working without legal forms of employment).

Key areas of intervention:

3.1 Promoting entrepreneurial culture
3.2 Training support for enterprises
3.3 Development of partnerships and encouraging initiatives for social partners

Indicators
- Rate of enterprises participating in training as a percentage of total stock of active enterprises
- Number of trainees in business start-up
- Number of trainees in specific training
- Number of local & social partnerships for combating undeclared work
- Gross birth rate of new enterprises as a percentage of total stock of active enterprises;
- Number of newly born enterprises of year n that are still active in year n+3

3.2.3.1. Promoting entrepreneurial culture

Indicative operations:
- Increase awareness of and positive attitudes towards entrepreneurial culture;
- Implementing programs and new support services for developing entrepreneurial culture;
- Develop and provide modern managerial skills, especially for micro-enterprises and SMEs;
- Support services for pre start-up businesses;
- Encourage entrepreneurship, especially in the social economy.

3.2.3.2. Training support for enterprises

Indicative operations:
- Promoting and supporting training in new technologies, including ICT;
- Promoting training to the employed people at higher risk of early exit the labour market;
- Environmental protection training;

3.2.3.3. Development of partnerships and encouraging initiatives for social partners

Indicative operations:
- Assistance and support with a view to draw up action plans for encouraging and developing partnerships;
- Identifying and implementing paths towards boosting the interest of employers and other stakeholders in increasing investments in human resources and increasing the Corporate Social Responsibility;
- Develop social partners’ internal capacity to build human resources development capability, emphasizing standards and certification;
- Supporting innovating methods for flexible work organization, including health and safety at work;
- Supporting the reconciliation of work and family life;
- Transforming informal work in formal employment through raise-awareness
campaigns and supporting measures to formalize the labour relations;
- Encouraging the local & social partnerships for combating undeclared work phenomenon and promoting of flexible ways to organise the work in a formal manner.

3.2.4 **Priority axis 4: Modernisation of Public Employment Service**

**Objective**

Increasing the quality and efficiency of employment services provided by Public Employment Service, so that until 2015, the satisfaction rate of clients (employers, jobseekers and unemployed), measurable on a 1 to 10 scale, reaches 8.5 value.

**Rationale**

The dynamic and the rapidity of significant changes on the labour market in Romania imposes with necessity both the identification and implementation of new employment measures and the development and broadening of the existing one, as a response to new requests of labour market, and also the development and modernization of Public Employment Service, as a necessity also identified in Joint Assessment Paper 2005 (JAP).

The measures for modernisation and increment of quality implemented by now by PES have grounded the development of modern services within the employment area. In spite of that, the Public Employment Service has to emphasize its efforts for increasing the quality of services provided, and also for increasing the level of vocational competences of staff involved in providing these services, taking also into consideration one of the main objectives of the European Employment Strategy which stipulates that active measures should have the highest share among the employment services.

The employment trends are emphasizing tailored services and individual action plans. On this matter it is necessary an increment of the level of social and vocational competences of PES staff in order to design and implement individual action plans for and together with jobseekers and to pre-select persons by the labour force demands. All the information comprised in the individual action plan should be integrated into a jobseekers database which should also contain non-structured information concerning work experience and the level of jobseeker competence, as a standardized part for all jobseekers.

The information concerning the competences demands on the labour market is barely sufficient, as well hence the limited system of registering vacancies currently used by PES – the information are usually describing only the job title, according to the Romanian Occupations Classification, and some of job requests, especially the certificate which represents the requested level of qualification, which does not comprise all the competences achieved at the working place. This lack of information concerning vacancies classification causes difficulties in the process of job mediation. In this way, the Public Employment Service must develop its own system of vacancies registering, especially based on the International Standard Occupations Classification (ISCO) which has as main advantage the classification of occupations by the activity performed and by the level and type of needed competences.

At the same time, PES must develop its own system of registering of all the information needed for employment, in order to ensure the transparency of employment services provided and the implementation of “self-service” type of services at the level of all employment
agencies. By ensuring the transparency of services provided and the quality of information regarding labour market, PES can perform an adequate implementation of employment programmes. In order to improve the quality of information regarding labour market, as it is also recommended into JAP, the Public Employment Service must improve its own capacity of carrying on studies, analyses and forecasts on labour market. The information provided by these analyses, studies and forecasts on labour market are also needed both for the process of designing the employment strategies and policies at national level by the Ministry of Labour, Social Solidarity and Family, as well for these strategies and policies’ implementation by the Public Employment Service.

Taking all these into consideration it is compulsory to continue the improvement of quality and efficiency of provided services, to intensify the transition from passive measures to active measures and a preventive approach of unemployment, own staff training in order to increase the quality of employment services provided.

**Key areas of intervention:**

4.1 Strengthening the public employment service capacity for providing employment services;
4.2 Training of the PES staff.

**Indicators**
- number of staff trained (2,500 courses beneficiaries)
- number of analysis and forecasts on labour market (56 at regional/local level);
- number of employment agencies providing "self-service" – type of services (100 employment agencies)
- share of trained staff achieving certificate (80%)
- share of unemployed benefiting of "self-service" – type services (90% of total unemployed registered at the respective employment agency)
- share of young/adult unemployed becoming unemployed in month X, still unemployed in month X+6/12, and not having been offered a new start in the form of training, retraining, work experience, a job or other employability measure (54,35% and 53,6% in 2003 to 30%)

3.2.4.1 Strengthening the public employment service capacity for providing employment services

**Indicative operations:**
- Improving the transparency of employment services provided;
- Development of tailored assistance service for unemployed, specially for long term unemployed, youth and vulnerable groups;
- Development of „self-service” type services;
- Designing and implementing innovative projects regarding PES modernization, including ergonomic and unitary facilities;
- Promoting partnerships with Member States’ public employment services in order to identify and apply best practices;
- Support and develop partnerships for implementing employment policies and strategies, with the main active actors on the labour market (social partners, initial and continuous vocational training providers, sectoral committees, private employment services providers, regional development agencies);
- Developing the database containing all the needed information for providing
employment services and for measuring the real impact and the efficiency of active measures on labour market;
- Analyzes, studies, researches and forecasts regarding labour market;
- Broadening of quality management system;
- Improving the system of providing services of vocational training for labour force (e.g. adult vocational training centers);
- Creation and development of mechanism of collaboration with employers and accredited employment service providers in order to facilitate access to employment;
- Designing and implementing adequate tools for monitoring and evaluation of the real impact of active measures on labour market;
- Development of analyses and prognosis on labour market challenges related to undeclared work or informal employment and dissemination of best practices.

3.2.4.2. Training of the PES staff

**Indicative operations:**
- improving the system of vocational training for its own staff;
- development of staff competences in order to provide tailored assistance services, especially social and vocational competences;
- development of staff vocational competences in order to provide services to persons with special needs;
- development of staff vocational competences in order to provide specialized services, such as pre-layoff services and assistance in developing a new business;
- developing vocational competences of staff in order to perform analyses and forecasts on labour market;

3.2.5 **Priority Axis 5 – Promoting active employment measures**

**Objective:**

Attracting and retaining more people in employment and supporting formal employment, including in rural areas, for attainment of full employment. Providing training for 50,000 people who will leave the agricultural sector and will engage in services and new industries.

**Rationale:**

Increasing the employment rate to full employment, as establish in EES and in the national strategic documents, represents a key objective and involves promoting active and preventive employment measures leading to diminishing the unemployment and inactivity rate.

Taking into account the negative effects of the continuous demographic decrease, the economic restructuring and long-standing adaptation to the market needs, the Romanian employment policy aims at tackling unemployment and inactivity through innovative and flexible active and preventive labour market measures. These types of measures were addressed in the Employment Act (enforced in 2002 and subsequently amended to this date). The ESF programming period 2007 – 2013 will support the diversification and a better coverage of these active and preventive measures.

The measures envisaged have a lifecycle approach, being focused on the groups of persons with a difficult situation on labour market (youth and elder persons). Undoubtedly, a special focus will be put on the long term unemployed, who registers rates above the EU average.
Promoting active and preventive employment measures will have positive results both on the unemployed and employers' mentalities as regards employment. Moreover, it means removing different obstacles regarding the access in the labour market, providing assistance and consultancy for job seekers, facilities for access to different active measures and removing the inactivity trap.

The incidence of long-term unemployment accounts today for the largest share of total unemployment in Romania, which demonstrates that, while the functional short-term unemployment has decreased for various reasons, long-term unemployment has remained relatively constant and at times has increased slightly. Persistence in Romania of long-term unemployment rate reflects the poor capacity of the Romanian economy to generate sufficient jobs and the rigidity of the local labor market, which in some cases does not allow the match between job demand and job offer.

Another problem Romania is confronted with is the high rate of employment in agriculture (31.0% in 2004), but which is on a descending track. If we take into account the employment status in agriculture (almost preponderantly unpaid family workers and selfemployed) and the forthcoming release of labour supply from agriculture, Romania has to adopt urgent measures to redirect this huge supply. The most suitable direction is the services sector and the means to achieve this translation from subsistence agriculture to formal activity in other economic sectors are promoting training and employment opportunities for people living in rural areas, counselling and assistance for starting enterprises and other self-employed activities.

For the people in rural areas who will take up new occupations in new economic sectors, the objective will be to provide personalised services and counselling adapted to their specific needs. The objective of integrating the inactive people in the rural areas, following personalized activation measures will create the premises for ensuring long term sustainability, by reducing subsistence agriculture and developing lucrative enterprises.

Taking all these into account there were established two key areas of intervention: developing and implementing active employment measures, and promoting long term sustainability of rural areas in terms of human resources development and employment;

Since there is augmented regional and urban/rural pattern of employment discrepancies (in term of activity and employment rate, unemployment, economic sector share of employment, participation to labour market on age brackets, the key areas of intervention shall be adequately spreaded on regions and areas.

Key areas of intervention:

5.1 Developing and implementing active employment measures
5.2 Promoting long term sustainability of rural areas in terms of human resources development and employment

Indicators
- Number of participants in active employment measures
- Number of participants from rural areas in the integrated programmes
- Number of raise-awareness campaigns
- Number of formerly inactive persons activated on the formal labour market
- Number of rural residents who changed their main occupation from subsistence
farming to services and new industries
- Changes in activity, employment and unemployment rates
- Changes in regional and rural/urban discrepancies in terms of activity, employment and unemployment rates

3.2.5.1. Developing and implementing active employment measures;

**Indicative operations:**
- Supporting all activities related to active labour market measures:
  - job-searching, job-brokerage, job rotation, job club
  - vocational guidance, counseling & training, including acquiring specific knowledge on entrepreneurial skills
  - actions for professional motivation and development
- Tailor-made action plans providing job search assistance, guidance services and training for youth, older workers, long term unemployed and jobseekers returning to work after a period of absence;
- Promoting measures for activation of inactive persons through special personal guidance & training and job placement, and motivation activities
- Measures for promotion of professional and geographical mobility of labour force in order to take up all existing employment opportunities and to increase the regional cohesion
- Accompanying measures to take up and maintain employment (support for dependent family members, assistance services and other associated activities that enable the individual to participate in the labour market)
- Measures for a better match between the individual skills, education and work potential and labour market opportunities (balance and work diagnostics)
- Innovative schemes for promoting the employment of youth and long term unemployed
- Promoting dual systems of financing the youth employment
- Promoting programmes that supports the creation of new jobs/new forms of employment, sheltered workshops and workplaces and creation of jobs for self-employed
- Programmes aimed at involving the job-seekers in public activities
- Supporting integrated projects aimed at reducing the regional discrepancies on labour market
- Development of “partnerships for full employment” at national, regional, local and sectoral level
- Supporting the development of studies, analyses, forecasts on labour market situation and other related issues

3.2.5.2. Promoting long term sustainability of rural areas in terms of human resources development and employment

**Indicative operations:**
- Developing integrated programmes for education, training, employment and other supporting opportunities for rural areas residents aimed at reducing the subsistence farming/agriculture;
- Measures for promotion of occupational, sectoral and geographical mobility of labour force in order to take up all existing employment opportunities and to increase the regional cohesion;
- Accompanying measures to take up and maintain employment (support for dependent
family members, assistance services and other associated activities that enable the individual to participate in the labour market);

- Promoting programmes that supports the creation of new jobs/new forms of employment, sheltered workshops and workplaces and creation of jobs for self-employed.

3.2.6 Priority Axis 6 – Promoting social inclusion

Objective:

To promote a cohesive and inclusive society in order to ensure the welfare of all citizens by increasing the quality of life and assuring equal access to social rights and services.

Specific objectives:

- social integration and re-integration into labour market of vulnerable persons;
- equity and non-discrimination in access to social rights and services;
- promoting social economy;
- development and diversification of integrated social services addressed to the prevention of the risk of marginalisation and social exclusion.

Rationale:

The priority axis is focused on developing specific programmes for personal development in order to reinforce the motivation for learning and working for vulnerable groups and improve access to education and in the labour market.

Social inclusion can only be successfully achieved by using a complex approach that addresses all spheres of life (employment, education, housing, social protection etc.) and at the same time, making full use of the available resources in an efficient and concentrated manner. In order to implement all these integrated measures, coordination of planning, implementation, monitoring and evaluation is vital. However, effective coordination is only attainable with all stakeholders aware of the aims and benefits of such synchronised action and with all willing to participate. This can be achieved by providing adequate access to new information and communication technologies or to privatised utilities such as water, electricity, etc.

The far-reaching objective of Romania is to successfully build an inclusive society based on a general understanding and respect of human rights but still significant improvements need to be made in the allocation of resources and co-ordination.

Social re-integration of vulnerable groups

The main categories of vulnerable groups as identified in JIM are also the target groups for this priority axis:

- Roma population;
- Disabled people;
- Young people leaving the child protection system.

Other categories of vulnerable groups are: families with more than two children, including single parent families; ex-offenders; drug addicted; homeless persons etc. All these
disadvantaged categories can face many difficulties in relation with their social integration, generated by discrimination in access to education and consequently on the labour market.

The objective is to concentrate efforts on prevention and on helping these people to get the adequate training and to enhance their opportunities for integration. In the case of the most disadvantaged, the improvement of employability should be based on an integrated approach that will take into consideration the complexity and accumulation of problems arising from social and economic disadvantages. Personal intervention plans aiming to improve the employability, as well as supporting services tailored to individual needs should be the main action to be taken in the case of social inclusion of vulnerable groups. Roma population is one of the most disadvantaged groups in the Romanian society in terms of integration in the labour market; therefore, special attention will be given to ensure that more and more Roma people are involved in the supported integrated projects. The alternative training programs will provide new opportunities for Roma young people who have dropped out school, with a view to continue their studies in a training programmes adapted to their needs and specific condition.

In order to strengthen and promote social inclusion, the need of local partnerships setting up, whereas co-operation between NGOs, voluntary organizations and local governments should be also encouraged. Bringing disabled people in the labour market will be enhanced through training and helping them to find and retain jobs and through encouraging employers to open more opportunities to them. Training and employment of disabled people will require special accessibilities, equipment and devices.

Voluntary sector and NGOs will need to enhance their capacity through training of staff, improvement of their skills and by strengthening the co-operation between organisations. The experiences of PHARE projects show that technical assistance and appropriate support in preparation of the applications and implementation is needed for the increase of absorption capacity of NGOs and the voluntary sector and for the successful implementation of projects. In order to improve social integrated services a quality management system for operating in this sector should be elaborated and introduced.

The development of the new architecture of the national social assistance system includes social inclusion services which envisage the implementation of the new institutional system for social assistance services.

The next steps are to implement a new approach in the field of social services through a real implementation of the Strategy of social services recently approved by the Romanian Government and by developing appropriate integrated social services. Sustainable solutions can only be implemented by ensuring good co-ordination between measures in complementary sectors and involving different governmental and non governmental actors, at the national and local level.

*Gender equality*

The measures proposed will improve the employment opportunities of women through interventions on both the labour supply and the labour demand side. On the one hand, the employability of women will be improved, and on the other hand, new jobs will be created through the extension of care services. The enhancement of these services also serves for a better exploitation of the employment potential of the service sector. Training, distance learning programmes, employment services and counselling should be delivered to ensure the
updating of knowledge and skills necessary to get a job. Business starters and self-employed should be assisted through advisory services and the development of entrepreneurial skills. There is a strong need to create especially broad opportunities for women pursuing entrepreneurial activities in the service sector, an area not yet sufficiently developed. To ensure that women with children or looking after their relatives at home can participate in training programmes, take a job or pursue entrepreneurial activities, diversified care services are needed. Therefore, support will be given for providing such services, particularly when they offer employment to unemployed and inactive women.

The activities developed under this priority will focus on promoting new opportunities on the labour market and supporting the principle of equal access in employment for the social excluded groups and individuals, aiming thus to create an inclusive labour market.

**Key areas of intervention:**

6.1 Developing social economy;
6.2 Developing an integrated social services network;
6.3 Improving the access and participation for vulnerable groups to the education system and labour market;
6.4 Promoting equal opportunity on labour market;
6.5 Transnational initiatives on inclusive labour market.

**Indicators**

- number of training programmes for vulnerable groups;
- number of training programmes for professionals from the field;
- number of programmes for inclusion of the persons in danger of social exclusion, training / retraining / educational programmes;
- number of specific new jobs created for vulnerable groups;
- number of collective enterprises set up at community level;
- creation of new and sustainable jobs for people in danger of social exclusion;
- decreasing the employment rate among people identified in the target groups;
- an increase number of training/retraining programmes available for vulnerable groups;
- number of integrated social services provided;
- number of persons in danger of social exclusion integrated on labour market

**3.2.6.1 Developing social economy at regional and local level**

**Indicative operations:**
This area of intervention has as main objective to enhance the abilities of certain specific groups of vulnerable groups in order to protect their interests and improve their living standards. With a view to achieving this, the indicative operations are the following:

- Developing the necessary tools and mechanisms to fully implement the concept;
- Promoting employability and adaptability of low skilled people, disabled people and people at risk of social exclusion in the social economy entities;
- Integrating in the community the vulnerable groups at risk of marginalisation through the forms of social economy;
- Encouraging partnerships between all the stakeholders involved in community development (trade unions, public institutions, employers’ organizations, workers, non-governmental sector, enterprises, business environment, other associations etc.)
- Raising awareness in the field of social economy.
3.2.6.2 Developing an integrated social services network

Indicative operations:
In order to obtain the basic support for different social needs of the citizens and also to develop a highly skilled human resources network, the main operations envisage are:
- Promoting the partnerships between public and private social services providers, as a condition in delivery of good quality social services;
- Developing adequate tools and methods for delivering social services;
- Promoting programmes able to modernise the existing social services in order to obtain a more comprehensive approach and also to respond better to the complex conditions of persons;
- Providing, developing and establishing flexible and alternative services to look after children and/or other dependent family members during the day;
- Developing social services for persons with special needs for allowing other members of the family to reintegrate in the labour market; Developing training programmes for the professionals involved in the system (social workers, personal assistants, community nurses, family mediators, sanitary mediators, maternal assistants, care givers, staff from residential institutions).
- Analysing and improving the present curricula of all social professions identified by Romanian Occupational Classifications.

3.2.6.3 Improving the access and participation for vulnerable groups to the education system and labour market

Indicative operations:
- Programmes for development of the basic skills, education, qualification and training;
- Development of second chance education programs;
- Programmes to generate incentives for employers to employ vulnerable groups;
- Development of integrated programs/packages for increasing access and participation in education for pupils from vulnerable groups, including individual allocations and support for their families;
- Development of specific training programmes for the staff from employment services, non-governmental organisations, and other institutions actively in the field of social inclusion;
- Developing specific programmes focused on the reintegration of disabled persons;
- Special support for the development of new protected jobs in enterprises;
- Supporting community activities performed in order to promote the culture, language and traditions of different communities, within and outside the school environment;

3.2.6.4 Promoting equal opportunities on the labour market;

Indicative operations:
- Increasing qualifications for women and developing programmes to enable women to gain skills by attending training and retraining programmes and permanent vocational training;
- Supporting women to engage in the business sector;
- Support for specific programmes accessible to women interested for a change in career or to those interested in starting their own business;
- Creating child care facilities, as well as for the elderly and other dependent persons;
- Promoting employability of women in the rural areas;
- Providing support and awareness campaigns against domestic violence;
- Raising awareness campaigns and exchange of good practices in schools, enterprises on non-stereotypes gender role, including campaign designated for women, especially for the one from rural areas and from special needs groups;
- Supporting programmes focused on eliminating gender stereotypes in society especially by mass-media.

3.2.6.5 Transnational initiatives on inclusive labour market.

**Indicative operations:**
- Supporting transnational initiatives and partnerships at European level aiming to create an inclusive labour market;
- Developing joint programs for promoting employment;
- Testing of new methods for combating discrimination and inequalities within labour market;
- Promoting guidelines on best practices in the area of employment;
- Setting-up partnerships for sharing experiences on adaptation of vocational training to new technologies;
- Exchange of good practice in the field of human resources development, as part of transnational partnerships;
- Designing programmes with specialised technical assistance, including for reintegration of long-term unemployed and on multi-excluded families;
- Promoting transfer of expertise on inclusion and employment of the long-term unemployed;
- Developing comparative transnational studies;

3.2.7 **Priority axis 7 – Technical Assistance for the SOP implementation**

**Objective**

To provide support for the programme implementation process and effective use of the Community financial input and national co-financing through:
- A performing and qualified MA unit and Intermediate body;
- A strategic use of evaluation;
- A coherence between actions, providing compatibility of the realised projects with the acquis and the EU policies,
- A promotion of SOP HRD's objectives and operations.

**Rationale**

One of the fundamental conditions for participating to managing the European Union Structural Funds is to ensure that there is an adequate administrative potential for managing the funds in line with the effective community regulations. Technical Assistance is a tool to be used by Managing Authority in order to enhance the quality and speed up the coherence of actions, as well as ensure the best and the most effective use of funds to maximise the impact of the programme.

In order to ensure an effective management and administration of the programme, activities under this priority will include capacity building and facilitation, network development, servicing of the Monitoring Committee, provision of advice and guidance, monitoring progress, promotion and publicity, evaluation, the preparation of annual reports, partnership building, research, studies and the dissemination of best practice.
In addition, technical assistance activities will include the ongoing and final evaluations as well as the preparation of studies and analysis related to the preparation for the programming period 2007 to 2013.

The technical assistance elaborated as a sixth priority of the SOP HRD is complimentary to the assistance included in the Technical Assistance Operational Programme (TAOP) 2007 - 2013, issued at the national level by the Ministry of Public Finance.

It is also in line with the provisions of Article 44 of the Proposal for a Council Regulation laying down general provisions on the ERDF, ESF and the CF, presented by the Commission (COM (2004) 492 final, 14.7.2004), dedicated to Technical Assistance:

“at the initiative of the Member State, for each Operational Programme, the Funds may finance preparatory, management, monitoring, evaluation, information, control activities and activities to reinforce the administrative capacity for implementing the Funds”

and with the provisions of Article 9 of the Proposal for a Regulation of the European Parliament and of the Council on the European Social Fund (ESF) regarding the Technical Assistance

“The Commission shall promote in particular exchanges of experiences, awareness raising activities, seminars, networking and peer reviews serving to identify and disseminate good practices and encourage mutual learning, transnational and interregional co-operation with the aim of enhancing the policy dimension and contribution of the ESF to the objectives of the Community in relation to employment and social inclusion”.

The aim of this priority is to allocate resources to increase administrative capacity and quality of different level of the administration that is needed for implementation of the SOP HRD.

This priority will be financed by 4 % of the total amount allocated to the SOP HRD.

**Key areas of intervention:**
7.1 Support for SOP HRD implementation, overall management and evaluation;
7.2 Support for SOP HRD promotion and communication.

**3.2.7.1 Support for SOP HRD implementation, overall management and evaluation**

**Indicative operations**
- Reports, background studies and research relevant to the programme’s development,
- Support to different phases of the SOP HRD including preparation, selection, internal evaluation, monitoring and control;
- Support to SOP HRD Monitoring Committee with regarding to organisation and logistics;
- Improvement and use of evaluation methods including ex-ante, mid-term, ex-post and final evaluations exercises; external evaluation.
- Support to MA SOP HRD for tasks related to audit, interim control and other activities related to the improvement of functioning;
- Seminars and training sessions building skills capacity for MA/IB staff;
3.2.7.2 Support for SOP HRD promotion and communication.

Indicative operations
- Communication and information (setting up an website, issuing and distributing information);
- Preparation and dissemination of promotional and educational material, organising conferences, training, road-shows, workshops, in particular on “best practice”, for the general public as well as for social partners, civil society and potential beneficiaries;
- Interpretation and translation - to ensure a smooth relationship and a high quality of operation with the partners involved in the implementation of the HRD OP.

3.3. Coherence and consistency with Community and national policies

3.3.1. Coherence and consistency with Community policies

The SOPHRD was elaborated taking into account the community provisions in the area and the compliance with guidelines and principles comprised in the following documents:
- The Lisbon Strategy Revised;
- The European Employment Strategy;
- The Integrated Guidelines for Growth and Jobs 2005 -2008;
- The Action Plan: The European Agenda for Entrepreneurship;
- The European Strategy for Sustainable Development 2005 – 2010,
- The Strategic Framework on Equal Opportunities.

Thus, the SOP HRD strategic objectives support the common objectives fulfillment at European level, concerning the provisions of an increased participation on the labor market of a high qualified and adaptable work force. In Romania, the achievement of cohesion policy objectives supposes to increase the human capital investment, focus on the education system improvement and his adaptability to the labor market demands, to promote life long learning, to improve the employees and enterprises adaptability, to ensure the necessary qualifications and knowledge for integration and mobility on the labor market, supporting and facilitating the economic evolutions.

Full employment represents another strategic objective for Romania, as an important generating instrument of the economic progress and social solidarity promotion. Also, the Operational Programme aims to promote and develop all forms of social economy as an means to ensure the social inclusion of persons belonging to vulnerable groups.

Equal opportunities

Promoting equal opportunities between women and men is an assumed objective also within the National Strategic Reference Framework. The dismissal of structural inequalities between women and men will allow release the women employment potential and will contribute to social cohesion and to viability of social protection system. The development of an “equal opportunities” culture by promoting common actions with direct involving of all social actors from public and private sectors, including civil society, will ensure the implementation framework of equal opportunities policy as a horizontal priority.

Increasing the women’s participation on the labor market, encouraging women’s employment
in main male occupied position, promoting the working part-time programme, the women access to management positions, ensuring the reconciliation between work and private life of men and women will lead to the disparities dismission between men and women, also in terms of salary levels.

All of these will be supported by actions regarding the prevention and enforcement of all gender discrimination, work place sexual harassment, domestic and society violence against women, traffic and sexual exploitation.

By implementing strategic priorities in the human resources development field, equal opportunities will be promoted also for other vulnerable groups on the labor market: disabled persons, young people, Roma minority, older job seekers.

Thus, will be promote the social protection and the social inclusion by actions for fighting against discrimination, the basic rights promotion and the integration in the society of vulnerable groups that are facing the risk of social marginalization. In order to supporting this objective, SOP HRD will adopt an integrated perspective of equal opportunities (Gender mainstreaming) by promoting mechanisms and procedures which take into account this dimension in the selection, monitoring, control and evaluation projects, for the barriers dismission in the ESF access, determinated by discrimination by gender, sex, ethnic minority, disabilities criteria.

**Sustainable development**

A special attention will be conferred to the incentive factors of sustainable development:
- high level of population education;
- high innovative capacity;
- generating activities of high added value.

By achieving its objectives, SOP HRD aims to contribute at promoting a competitive, efficient and knowledge economy, in which the living level increasing and life quality will be supported.

The strategic objectives in the field of human resources development will lead to promoting safe and healthy work conditions and will contribute to ensuring the physical and mental health of the personnel, and to maintaining its work capacity. This will allow the employees and the enterprises to face the changes and growing demands on the labor market, as well as the competitiveness demands. By achieving the strategic objectives in the field of human resources development, the new technology and the changes in the demands and work conditions will have a positive impact on the labor force, on the professional performances and, finally, on the labor productivity.

Should the labour force in Romania get new abilities and professional skills, the introduction of new environment friendly non-pollutant technologies will be facilitated. This objective will be promoted through a series of actions in the field of sustainable education: the development of training programmes for teachers in order to get the necessary competences for the sustainable development inclusion in the teaching-learning process; the development of materials and tools specific to sustainable development; the development of a specific infrastructure education for sustainable development; the development of a specific national and international partnerships; the education development for the environment protection.
Competition and State Aid

This Operational Programme has been developed having regard to the Commission’s Guide to the Community rules on State aid. The provisions of Articles 87 and 88 of the Treaty in relation to competition rules are fully respected.

Acting according to its competence set out in the national legislation, the Competition Council, the national State aid authority\textsuperscript{27}, has provided support to the OP Managing Authority and its Intermediate Bodies in respect of State aid applicable rules and it is providing on-going operational advice and guidance. A special Task Force has been created at the level of the Competition Council in order to undertake these activities on a permanent basis.

The Competition Council, acting as the Contact Point with the European Commission, shall ensure the strict observance of the notification requirements and of the “standstill principle”. For those operations covered by a Block Exemption Regulations, the Competition Council shall provide the European Commission with all the information required by the relevant regulations. For the operations supported by State aid measures that, according to the Romania’s Accession Treaty, can be considered as existing aid, the Competition Council shall use the Interim Mechanism, once this mechanism is opened.

In accordance with Article 36 of the Council Regulation (EC) no\ldots, the Operational Programme contains a table with an indicative list of the proposed aid schemes (see Annex 1), under Article 87 of the Treaty. These schemes are expected to be submitted to the Commission within the programming period, whenever the EC rules request an \textit{ex-ante} approval from the Commission. Specific obligations with regard to individual notification of aid granted under aid schemes which apply to certain sectors and for certain large investment projects will be respected.

Authorities will have the responsibility to ensure compliance with State Aid rules. The actual implementation will be the responsibility of the Managing Authority. In case the responsibility for implementation of the state aid rules is delegated to the Intermediate Bodies the Managing Authority will discharge its responsibility for compliance with state aid aids by ensuring that appraisal systems include the analysis of potential state aid issues and the compliance with the relevant notification or block exemption as appropriate. Questions demanded of applicants and guidance given will ensure that the applicants understand the limitations on assistance given and provide sufficient information to highlight any potential issues. Procedures will ensure that compliance is checked during claim checks and on the spot checks during certification and verification. Where delegated, spot checks on the work of the Intermediate Bodies will ensure compliance and consistency.

The Annual Implementation Reports will detail the measures undertaken in order to ensure the compliance of all operations with State Aid rules with respect to the provisions of block exemptions, “de minimis”, aid for Small and Medium-Sized Enterprises, regional aid, risk capital aid and environmental aid. In addition, the information required by the Commission for each block exemption and the information required by the Commission and by the World Trade Organization for notified schemes will be provided annually as required.

\textsuperscript{27} Competition Law no. 21/1996, republished and the Law no. 143/1999 on State aid, republished.
Public procurement

The National Authority for Regulating and Monitoring Public Procurement (NARMPP) has as mission the creation at conceptual level, the promoting and implementing of the policy in the public procurement field;

NARMPP is organised as a public institution with legal personality, being subordinated to the Government and being directly coordinated by the Prime – Minister;

It ensures a fully harmonised legal framework with the community provisions in the field of public procurement, and also the application of the legal provisions in the context of managing the Structural Funds and the Cohesion Fund, NARMPP has the following responsibilities:
- the elaboration of the strategy in the public procurement field;
- ensuring a coherent and harmonised with the community acquis legal framework in the field of public procurement by regulating the procedures for awarding public procurement contracts;
- ensuring a conform application of the legislation in the field of public procurement by developing the implementing capacity at the level of the contracting authority;
- the fulfilment of the correlative obligations derived by applying the provisions of the EU Directives in the field of public procurement;
- monitoring, analysis, evaluation and supervision of the methods used for awarding public procurement contracts;
- ensuring a permanent communication channel with the structures within the European Commission, with the correspondent institutions from the member States of the European Union and with the national public interest organisms and representing Romania within the Consultative Committees, working groups and communication networks organised by the European Commission;
- methodological counselling of the contracting authorities in the process of awarding public procurement contracts, having a supportive role in order to ensure the correct application of the legislation in this field;
- initiation/sustaining projects or actions for training the personnel involved in specific activities related to public procurement, having a supportive role in developing the implementation capacity of the legislation at the level of the contracting authorities;

Ex-ante control

The proposed mechanism for the ex-ante control will be established at the level of the Ministry of Public Finance; this mechanism shall function as an independent observatory system which will ensure the analysis and quality review of the tendering and contracting documents for all public procurement contracts (services, supply and works contracts) amounting above the thresholds to be established by the main stakeholders.

3.3.2. Coherence and consistency with national policies

SOP HRD was elaborated taking into account the development objectives established at national level by the programming documents and the action plans in the human resources development field:

- The Continuous vocational training strategy by medium and short term, 2005-2010;
- The Joint Assessment Paper on Employment Policy (October 2002);
- The Joint Inclusion Memorandum – 2005;
- The National Strategy on equal opportunities;
- The National social inclusion strategy of young over 18 leaving the State Child Protection System 2006-2008;
- The Romania Government Strategy for improving Roma people situation -2001;
- The National Strategy for protection, integration and social inclusion of disable persons in 2006-2013 period “Equal opportunities for disable persons – towards a society with out discrimination”

In the general framework of economic and social cohesion promoting, the achievement of the SOP HRD strategy objectives, is carry out through operations enterprise in the key areas of intervention framework identified within the 11 priority axes.

3.4. Complementarity of the SOPHRD with other Operational Programmes and with operations financed under the European Fund for Agriculture and Rural Development and the European Fund for Fishery

3.4.1. Complementarity with the Competitiveness Operational Programme

The increase in the enterprises number on the labor market may be a direct effect of a promoting policy of entrepreneurial training, supporting the consultancy and assistance services and supporting self employment or start up a business.

SOP HRD will support the SME’s development by promoting entrepreneurial training and managerial competencies development and also by developing consultancy and assistance services for start up business. Therewith, will be promote training programme for the ICT using in order to support the enterprises to adapt for economic development demands of a competitive market.

Complementarities between SOP HRD and SOP for Economic Competitiveness may be identified in case of actions undertaken under SOP HRD PA 1 “Education and training in support for employment and development of knowledge based society” and under SOP Economic Competitiveness PA 2 “RDI in support for economic competitiveness” and PA 3 “ITC for public and private sectors” as follows:

Complementarities with PA 3

1. Investments in ICT infrastructure for school units (internet connection of schools) will be financed under the priority axis “Promoting information society”, creating premises for increasing the use of ICT in education and initial training and will complement the actions undertaken in this respect under the SOP HRD.
2. Under the key area of intervention “Promoting information society”, actions undertaken will support the implementing of e-learning programs, consisting of development of educational portals to be used in teaching activities and for the development of the educational offers envisaged under the SOP HRD. The development of educational software under the SOP HRD, priority axis 1, will complement the “e-learning program” developed under SOP Economic Competitiveness, priority “Promoting Information Society”.
3. All teachers’ training programs co-financed under SOP HRD will include a compulsory ICT module aiming at developing their digital competencies and ability to use ICT in their current teaching activities in support for developing information society in Romania. These approaches of the SOP HRD will provide grounds for
complementing actions undertaken under the key area of intervention “Promoting information society” of the SOP for Economic Competitiveness

Complementarities with PA2
1. Under SOP HRD researchers will acquire managerial skills to be used for spin offs and spin outs for the creation of which specific support/incentives will be provided under SOP Economic Competitiveness.
2. Incentives and career opportunities offered to young researchers, as well as continuing training and sectoral mobility of researchers supported under SOP HRD will create the grounds for developing RDI activities supported under SOP Economic Competitiveness

3.4.2. Complementarity with the Regional Operational Programme

Complementarities between SOP HRD and ROP may be identified in case of actions undertaken under SOP HRD Priority axis 1 “Education in support for employment and development of knowledge based society” and under Regional Operational Program priority axis “Development of regional public infrastructure”, as follows:
The investments for developing the necessary physical infrastructure in the initial and continuous education and vocational training system for creating the conditions for the development of human resources will be mainly financed under the activities provided in the Regional Operational Program, under the priority axis 1 “Development of regional public infrastructure”, key area of intervention “Developing educational infrastructure”. These actions will create proper conditions for learning and will support the aim of equal access to quality education for all pursued in actions undertaken under SOP HRD.

Actions undertaken under ROP will target: development, rehabilitation and consolidation of school basic infrastructure and provision of basic endowments and equipments (including ICT equipments); development of educational campuses (which integrate, within the same area, all activities of the educational process (teaching, practice, social activities, recreational activities etc.). Campuses can be used not only for initial education, but also, for continuing education. These campuses complements the actions envisaged for HRD in the SOP HRD by creating infrastructure for the education and training activities. Some of the components of the campus (e.g. the school and the apprenticeship facilities) may be used not only for initial education and training, but also for life long learning activities/adult education. These campuses complements the actions envisaged for HRD in the SOP HRD by creating infrastructure for the education and training activities.

Concerning the necessary infrastructure investment for human resources development in the field as education, employment promotion, health and social inclusion this will be financed by activities foreseen in the ROP framework.
SOP HRD will finance the investment for equipments and other technique installations, under condition that these will be needful for the operation achievement.

3.4.3. Complementarity with Agriculture and Rural Development Operational Programme

SOP HRD will finance the vocational training activities, as well as the entrepreneurship consultancy and promotion activities, except the workers from rural, woodsy and pisciculture areas which will be finance under Agriculture European Fund for Rural Development and European Fund for Fishery.
Therewith, in the framework of the active ageing promotion, the workers in the agriculture, forestry and fishery will be except from this measures.

3.4.4. Complementarity with Administrative Capacity Development Operational Programme

With respect with SOP ACD, SOP HRD will not finance the vocational training actions having as a target group the staff from the authorities and public bodies at central and local level, except for the staff in the National Eagency for Employment.

Also, SOP HRD will not finance studies on the analysis and development of the administrative capacity in Romania.
4. FINANCIAL PLAN

### Annual Allocation per EU Fund

<table>
<thead>
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</tr>
</thead>
<tbody>
<tr>
<td>ERDF</td>
<td>183.90</td>
<td>305.00</td>
<td>531.50</td>
<td>578.6</td>
<td>578.6</td>
<td>504.6</td>
<td>367.8</td>
<td><strong>3,050.00</strong></td>
</tr>
<tr>
<td>ESF</td>
<td></td>
<td></td>
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<td>CF</td>
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<tr>
<td>Total</td>
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</tr>
</tbody>
</table>

### Total Financial Allocation (2007-2013) per Priority Axis

<table>
<thead>
<tr>
<th>Priority Axis</th>
<th>ESF</th>
<th>Fund Contribution</th>
<th>Public</th>
<th>Private</th>
<th>IFI</th>
<th>Total</th>
<th>Total</th>
<th>Ratio of co-financing to EU (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6=3+4+5</td>
<td>7=2+6-4</td>
</tr>
<tr>
<td>Priority Axis 1</td>
<td>840</td>
<td>148.23</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>988.23</td>
<td></td>
</tr>
<tr>
<td>Priority Axis 2</td>
<td>730</td>
<td>128.83</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>858.83</td>
<td></td>
</tr>
<tr>
<td>Priority Axis 3</td>
<td>425</td>
<td>75</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>500</td>
<td></td>
</tr>
<tr>
<td>Priority Axis 4</td>
<td>155</td>
<td>27.35</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>182.35</td>
<td></td>
</tr>
<tr>
<td>Priority Axis 5</td>
<td>200</td>
<td>35.29</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>235.29</td>
<td></td>
</tr>
<tr>
<td>Priority Axis 6</td>
<td>582</td>
<td>102.7</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>684.70</td>
<td></td>
</tr>
<tr>
<td>Priority Axis 7 - TA</td>
<td>118</td>
<td>20.82</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>138.82</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>ESF</td>
<td>3,050</td>
<td>538.23</td>
<td></td>
<td></td>
<td></td>
<td>3,588.23</td>
<td></td>
</tr>
</tbody>
</table>

The characteristics of the NGOs in Romania, requires specific means and tools to further support the development of this sector. The financial potential of the social partners, NGOs and social economy structures is particularly weak and, therefore, measures aiming at encouraging them in undertaking ESF funded activities is crucial.

To this ending, a series of supporting measures were taken in respect of co-financing and pre-financing.

The co-financing from the Romanian part shall be ensured from the state budget, in proportion of 95%. In order to ensure ownership, the project promoters shall cover the remaining 5% of the co-financing.

As regards pre-financing, the initial payments shall amount to 20% from the project’s value for the operations set in Priority Axis from 1 to 5, and to 40% from the project’s value for the operations set in Priority Axis 6.
5. IMPLEMENTATION

5.1 Management

General framework for SOP HRD implementation

According to the new General Regulation regarding the Structural Instruments, art. 58 the following responsible authorities were designated for SOP HRD implementation:

Managing Authority (MA) – Ministry of Labor, Social Solidarity and Family through the MA SOPHRD, with a role of global coordinator and SOP implementation management. Details about the legal framework, structure and responsibilities of MA are presented in chapter 5.1.1.

Intermediate Bodies

The designed IBs for ESF implementation are the following:
- IB NAE for Priority Axis “Modernisation of Public Employment Service”;
- IB MER for Priority Axis “Education and training in support of employment and development of the knowledge based society” and “Linking life long learning and labor market”;
- 8 regional IBs under the subordination of MoLSSF for the Priority Axis “Increasing adaptability of labor force and enterprises”, “Promoting active employment measures” and “Promoting social inclusion”.

Each IBs will receive tasks regarding monitoring, financial and control management on the basis of a management agreement signed with MoLSSF, according to the provisions of the General Regulation. Details about the legal framework, the structure and responsibilities of IBs are presented in chapter 5.1.2.

5.1.1. Managing Authority for SOP HRD

According to GD 497/2004, regarding the establishment of institutional frame for coordination, implementation and administration of structural instruments, with the later amendment and completion, MoLSSF is the managing authority for the Sectorial Operational Programme Human Resources Development (MA SOP HRD).

For 2006 year, within (MA SOP HRD) is foreseen a number of 75 positions.

Within Directorate of Sectorial Operational Programme Human Resources Development is functioning:
- Phare Programme Implementing Unit
- SOP HRD Managing Unit with the following compartments:
  - Programming and evaluation
  - Monitoring and administration of informational system
  - Financial Managing and control

For the achievement of Managing Authority SOP HRD organizational scheme is taking into account, with priority, the principle of the functions separation.

Audit Unit, organized within the Internal Audit and Control Directorate of MoLSSF, under
the direct coordination of the minister, performs the system audit of MA SOP HRD. The direct reporting to the minister ensures the functional independence of the internal auditors.

5.1.2. SOP HRD Intermediate bodies

National Agency for Employment
According to GD nr.1700/2004 for the amendment and completion of the Status of National Agency for Employment (OG nr.968/21.10.2004), IB SOP HRD is organized at the directorate level, having in subordination the following specialised services for:
- Programming, Evaluation
- Monitoring, Financial Management and Control
- Management of the informational system

Ministry of Education and Research
According to Minister’s Order 3178/4.02.2005, 3500/2.03.2005, 4504/4.07.2005, 5046/28.09.2005, 3268/15.02.2005, the IB SOP HRD is organised as directorate IB SOP HRD in the Ministry of Education and Research with 30 positions. The organizational structure consists of 2 departments - Programming and Evaluation (including partnership development, information and publicity) and Monitoring, Financial Management and Audit, and 1 compartment – IT. At regional level there are organized 8 regional units of the directorate IB SOP HRD, currently organized within County School Inspectorates with 56 positions (7 positions/region). The regional units are structured as follows: 3 positions for information, publicity and partnership development (also the personnel is currently involved in programming activities), 2 positions monitoring, 2 positions for financial management.

At the regional level operates 8 IBs under the subordination of MoLSSF, corresponding to the 8 development regions:
- Region 1 North-East
- Region 2 South-East
- Region 3 South-Muntenia
- Region 4 South-West
- Region 5 West
- Region 6 North-West
- Region 7 Center
- Region 8 Bucharest-Ifov

The regional IBs are structured on 3 compartments:
- The implementation, monitoring, evaluation
- Financial Management and Control
- IT

The IB SOP HRD will undertake through contract certain delegated responsibilities from the Management Authority SOPHRD. The regional points/units will undertake the responsibilities monitoring, financial management, controlling, project preparation and partnership development.

5.2 Monitoring and Evaluation

5.2.1. Monitoring Committee
The Monitoring Committee shall be set up through a Governmental Decision within three months of the decision approving the operational programme (according to the new General
Regulation). The Monitoring Committee of SOP HRD shall include the following representatives:

- MA SOP HRD;
- MA CSF (MPF);
- IBs SOP HRD;
- Partner from Central Institutions;
- Partners from Academic Environment;
- National Agency for Equal Opportunities;
- Civil Society partners and NGOs involved in the preparation of SOP HRD.
- Audit Authority
- Paying/Certifying Authority
- Competition Council

The Monitoring Committee will ensure the monitoring of SOP HRD implementation, will ensure the compliance with the national and community legislation and will observe the accomplishment of SOP HRD objectives through a rational use of the allocated resources.

The Monitoring Committee has the following responsibilities:

a) it shall approve the criteria for selecting the projects financed through the SOP HRD; the selection criteria shall be revised in accordance with programming needs;
b) it shall periodically review progress made towards achieving the specific targets of the operational programme on the basis of documents submitted by the Managing Authority;
c) it shall examine the results of implementation, particularly achievement of the indicators set for each priority axe;
d) it shall approve the annual and final reports regarding the programme implementation before they are sent to the Commission;
e) it shall be informed of the annual control report and of any comments from the Commission on this report;

The Monitoring Committee shall draw up its rules of organisation and working procedures, as well as the decision making procedure. The MA SOP HRD chairs the Monitoring Committee and ensures its Secretariat.

5.2.2. The annual implementation reports and the final report

MA SOP HRD will annually submit to the European Commission, beginning with 2008, an annual implementation report of SOPHRD and a final report after the closure of programming period.

MA SOP HRD along with IBs have the responsibility to elaborate these reports. The implementation reports must include the following informations:

- the progress made in the SOP HRD implementaton and his priority axes compare to the established indicators – the stage of the implementation projects;
- the financial implementation – the breakdown on each priority of the performed expenditures, their distribution on the national contribution and ESF contribution;
- the stages follow-up by MA SOP HRD and the Monitoring Committee in order to ensure the implementation quality and efficiency, especially:
  • the monitoring and evaluation measures, including the collection data
arrangements;
• a summary of all the difficulties meet in the implementation and all the taken measures;
• the using manner of technical assistance;
• the taken measures for the publicity achievement and the information provision regarding SOPHRD;

- a declaration regarding the observance of the community regulations regarding the SOP HRD implementation;
- the progress in the major projects financing.

5.2.3. Evaluation of SOP HRD

1. Regulatory framework

Evaluation of Operational Programmes is an activity inseparable from the overall OP management and implementation arrangements, as a tool for assessing the relevance, efficiency, effectiveness of the financial assistance deployed, as well as the impact and sustainability of the results achieved.

The requirement to conduct systematic evaluation activities of the Operational Programmes and the general rules for those activities are determined in the Council Regulation (EC) No …/………, laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund (Articles 36, 45 – 47), hereinafter referred to as the “Council General Regulation”.

2. Types of Evaluation to be carried out

In accordance with Articles 45-47 of the Council General Regulation, three main types of evaluations will be carried out for SOP HRD:

- **An ex-ante evaluation** (before OP implementation commences)
- **Ongoing evaluations** (during the period of implementation of the OPs)
- **Ex-post evaluation.**

2.1 Ex-ante evaluation

For the programming period 2007-2013, the ex-ante evaluation will be carried out for each OP by an external evaluator (a single contractor).

Where relevant, the ex-ante evaluation shall also include the Strategic Environmental Assessment, done in compliance with the requirements of the Directive 2001/42 on the assessment of the effects of certain plans and programmes on the environment.

The management of the ex-ante evaluation contract will be ensured by the MACSF through the Evaluation Central Unit in close cooperation with the Managing Authorities and other main stakeholders.

2.2 Ongoing evaluations carried out during the period of implementation of the SOP HRD: shall be of three types – **a) interim, b) ad hoc** and **c) with a cross-cutting theme**, as follows:

*The Interim Evaluation* will aim at improving the quality, effectiveness and consistency of the
assistance and the strategy and implementation of operational programmes. The interim evaluations will support the OP management process by analysing problems which occur during the implementation and propose specific solutions to improve the operation of the system.

There will be 2 interim evaluations of the OP: one evaluation to be carried out in the end of 2009 or beginning of 2010 and one in 2012. The first interim evaluation will examine progress to date in implementing the OP, looking particularly at issues such as management of the OP, whereas the second interim evaluation will focus more on priorities, looking towards the next programming period.

*Ad-hoc evaluations* will be carried out where programme monitoring reveals a significant departure from the goals initially set or where proposals are made for the revision of operational programmes. Ad-hoc evaluations can also address either implementation or management issues of an individual Priority or Key Area of Intervention, or can be “thematic”.

*Interim* and *ad hoc evaluations* will be managed by the evaluation function of the Managing Authority and will be conducted externally, by independent evaluators.

*Evaluations with a cross-cutting theme* will be carried out where the evaluation is of a horizontal nature and completion of the evaluation demands involvement from more than one operational programme. These evaluations may examine the evolution of all or a group of Operational Programmes in relation to Community and national priorities. They may also examine particular management issues across all OPs. Evaluation with cross-cutting themes will be managed by Evaluation Central Unit of the Managing Authority for Community Support Framework and will be commissioned to external consultants.

Specific objectives, evaluation questions, tasks and expected results of *interim, ad-hoc and cross-cutting evaluations* will be defined separately for each evaluation to be conducted.

2.3 *Ex-post evaluations* shall be carried out by the Commission, for each objective, in close cooperation with the Member State and Managing Authorities, according to art. 47 par. 3 of the Council General Regulation. The Commission may also carry out *strategic evaluations*, as well as evaluations linked to the monitoring of operational programmes, in accordance to art. 47 par. 2 of the Council General Regulation.

3. *Institutional framework for evaluation*

The national institutional framework for evaluation comprises 2 levels:

- an overall coordination level, ensured by the Evaluation Central Unit established within the MACSF structure, Ministry of Public Finance
- a functional level, composed of the evaluation units established within each MA.

The coordination role of the Evaluation Central Unit can be summarized as follows:

(i) Carrying out cross-cutting evaluations;
(ii) Providing capacity building activities to support and develop the operational capacity of the evaluation units established in the Operational Programmes Managing Authorities.

(iii) Providing overall quality assurance activities to ensure the quality of all evaluations.

The evaluation unit established within the SOP HRD Managing Authority will be responsible for managing the following types of ongoing evaluations:

(i) *Interim evaluations* and

(ii) *Ad hoc evaluations.*

The evaluation unit will act in cooperation with the Monitoring Committee and will interact on a constant basis with the Evaluation Central Unit.

### 4. Evaluation Plans

The MA evaluation unit will draft an Evaluation Plan, which will comprise the indicative evaluation activities it intends to carry out in the different phases of the programme implementation, the indicative human and financial resources allocated for each evaluation activity, the actions aimed at capacity building, as well as the incumbent responsibilities. This planning shall be done in accordance with the new Regulations on Structural Instruments; the methodological working papers on evaluation issued by DG Regio; the methodological working papers on evaluation issued by MACSF - Evaluation Central Unit.

### 5. Operating arrangements

Steering Committees will be established for each evaluation, in order to fulfil, as a minimum, the following tasks: set the terms of reference for individual evaluations, facilitate the evaluator's access to the information needed to perform his/her work; support the evaluation work, particularly from the methodological standpoint; ensure that the terms of reference are correctly respected and followed; exercise quality control in relation to evaluation performed. Under the coordination of Evaluation Central Unit, a follow-up mechanism of the evaluation recommendations will be set-up in the SOP HRD Managing Authority.

As concerns the availability for the public of the evaluation results, the executive summary of the evaluation reports will be made publicly available. The means of communication will be readily identifiable and accessible.

#### 5.2.4. Financial management and control

The Ministry of Public Finance is designated by the Member State to fulfil the role of National Certifying Authority for all OPs, responsible for certifying declarations of expenditure and applications for payment before they are sent to the Commission in line with the provisions of Article 60 of the General Regulation ….. The Certifying Authority is built on the National Fund structure making use of the pre-accession experience.

A separate unit of the National Fund (FN) structure is designated by the Member State to act as the Competent Body for Payments, responsible for receiving all payments of ERDF, ESF and Cohesion Fund resources made by the Commission in respect of all OPs and for transferring payments of Community resources to the Beneficiaries (as defined in Article 75(2) of General Regulation ……).
An associate body of the Romanian Court of Accounts has been designated as Audit Authority for all OPs. In line with the requirements of Article 58 of the General Regulation …….., this Audit Authority is operationally independent of the Managing Authorities, Certifying Authority and Competent Body for Payments.

Certifying Authority and Competent Body for Payment – shall be responsible in particular for:

1) Certification – draw up and submit to the Commission certified statement of expenditure and payment claims in computerized form;

Is certifying that:

- the statement of expenditure is accurate, results from reliable accounting systems and is based on verifiable supporting documents;
- the stated expenditure complies with applicable Community and national rules and was incurred in respect of operations selected for funding in accordance with the criteria applicable to the programme and complying with Community and national rules.

Within this purpose, the tasks of the Certifying Authority are as follows:

- to ensure that the received information on the procedures and verifications carried out in relation to expenditure and included in expenditure statements provides an adequate basis for certification, which entails:
  - to verify the compliance of the claimed figures with the database;
  - to verify the correct calculation of the total amount of eligible expenditures;
  - to take account of the results of all audits carried out by or under the responsibility of the Audit Authority/internal audit body or European Commission.

2) Payments – with this purpose will be performed the following activities:

- receives the ERDF, ESF and CF instruments;
- transfers the ERDF, ESF and CF instruments and the co-financing amounts (if is the case) to the beneficiaries/paying units;
- draws up and submits the estimation of expenditures to the EC;
- based on MA assessment, compiles and submits to the EC updated payment forecasts;
- returns the EC non-eligible expenditures or the instruments that were not used, including interest of late payment;
- keeps a debtor ledger.

Each OP Managing Authority is responsible for managing and implementing its Operational Programme efficiently, effectively and correctly in line with the provisions of Article 59 of the General Regulation …….. Each OP Managing Authority will work closely with the designated Certifying Authority and Competent Body for Payments in fulfilling the responsibilities of financial management and control to ensure that:

- Money is used most effectively to achieve the objectives of each OP;
- Use of resources is publicly accountable to the EU and the Member State;
- Budgetary control is effective so that commitment is sustainable within each OP and financial planning profiles are adhered to;
- Contracting is within budget;
- Procurement of goods and services under projects financed:
  - takes place;
  - conforms to EU and Member State rules;
  - represents value for money;
• Financial statements sent to the European Commission and other bodies are correct, accurate and complete:
  o correct - funds are applied correctly;
  o accurately – free from errors;
  o complete – all relevant items have been included;
• Payments to Beneficiaries are made regularly and without undue delay or deductions;
• Co-financing resources are provided as planned;
• Payments are properly accounted for;
• Irregularities are notified in line with EU regulations;
• Any sums wrongly paid out are recovered swiftly and in full;
• Unused or recovered resources are re-committed within the respective OP;
• De-commitment is avoided – particularly in relation to the n+3/n+2 rule;
• Closure of each OP takes place smoothly and on time.

Within the purpose of expenditure certification to the European Commission verifications are carried out on four levels:
1) certification of expenditures at the Beneficiary level;
2) certification of expenditures at IB level;
3) certification of expenditures at MA level;
4) certification of expenditure at Certifying Authority level.

Verifications carried out at the IB level are delegated tasks from MA, based on its assessment regarding administrative capacity. The MA will remain responsible for the tasks delegated to the IB. The tasks performed in that sense will not duplicate checks carried out at IB level.

Regarding the payment process at the at the Ministry of Public Finance level, there was taken the decision to have two payment flows:
  a) direct payment for European Union financial contribution and co-financing amounts (where applicable) from Competent Body for Payment to the final beneficiaries, in the case of infrastructure projects and,
  b) indirect payment, through the paying units that are established near Managing Authorities, for the grant schemes.

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28 If no IBs have been designated for the Operational Programme, the second level of certification does not apply.
Financial flow of the OP

European Commission
- Transfer the pre-financing
- Approves and transfers the interim payments to the CA;
- Transfers the final payment to the CA after the approval of the specific supporting documents

Certifying and Paying Authority
- Verifies that there are appropriate control procedures at MA/IB level
- If necessary, performs on the spot checks at lower levels
- Submits the interim payment applications + their certification to the EC, 3 times a year
- Submits to the EC the final payment application
- Transfers unpaid sums + ineligible expenditure
- Makes payments to Beneficiaries/paying units

Managing Authority/Intermediate body
- Confirms that the claims include only expenditure:
  - that has been actually incurred
  - incurred in operations that were selected for funding in accordance with selected criteria & procedures
  - from measures for which all state aid has been formally approved by EC
- Performs on the spot checks at the lower levels, based on risk analysis
- Assures itself that there are adequate controls performed at lower level
- Submits the payment application + certificates to CA

Beneficiary
- Verifies the accuracy, actuality and eligibility of expenditures (ex-ante)
- Submits the payment application to the MA/IB + supporting documents

Contractor
- Issues the invoice to the B

Paying Unit (MA)
- Makes the payments to the Beneficiaries

Audit Authority
- System Audit
- Sample checks
- Statement of validity (winding-up)

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- System Audit
- Sample checks
- Statement of validity (winding-up)

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  - incurred in operations that were selected for funding in accordance with selected criteria & procedures
  - from measures for which all state aid has been formally approved by EC
- Performs on the spot checks at the lower levels, based on risk analysis
- Assures itself that there are adequate controls performed at lower level
- Submits the payment application + certificates to CA

Beneficiary
- Verifies the accuracy, actuality and eligibility of expenditures (ex-ante)
- Submits the payment application to the MA/IB + supporting documents

Contractor
- Issues the invoice to the B

Flow of documents
1 – indirect payment for grant schemes
2 – direct payment for individual projects
Identification and reporting of irregularities

The legal basis is represented by Commission Regulation no. 1681/94 concerning irregularities and the recovery of sums wrongly paid in connection with financing of structural policies, the Council Regulation no. 2988/95 on the protection of the European Communities’ financial interests and the Romanian Government Ordinance no. 79/2003 which settles the ways of control and recovery of sums resulted non-reimbursable EU financial assistance.

The objective of this section is to describe the identification and reporting of any suspected fraud or other irregularity. This section will also deal with the importance of the immediate implementation of corrective action (including sanctions and launching of civil or criminal proceedings) deemed necessary as a consequence of the investigation of an irregularity.

Irregularities involving loss of EU funds of less than 4,000 Euro are not required to be reported to the Commission under Commission Regulation (EC) No 1681/94 unless the Commission requests it.

Therefore, irregularities of over €4,000 and all irregularities committed intentionally must be reported to the European Commission. These reports are accumulated and checked by the Certifying/Paying Authority and then are forwarded to the Anti-Fraud Coordination Service (AFCOS) for transmission to OLAF on a quarterly basis. The Certifying/Paying Authority receives the reports from the MAs and it must include any reports on irregularities within the Certifying/Paying Authority itself.

In order to allow a proper process of prevention, detection and reporting of irregularities, at the level of the MA, IB and FB, an irregularities officer is appointed to this purpose. The irregularities officer appointed at the level of the FB prepares quarterly and ad-hoc reports and submits them to the IB. The irregularities officer appointed at the level of the IB prepares quarterly and ad-hoc reports and submits them to the MA. The irregularities officer appointed at the level of the MA prepares quarterly and ad-hoc reports and submits them to the Paying/Certifying Authority.

The irregularities officer takes action both from own initiative and on the complaints received. The irregularities officer carries out its activity based on the Irregularities Manual that will be prepared at the level of each structure involved (MA, IB and FB).

Internal audit

Within all ministries involved in the implementation of the Operational Programmes have been established Internal Audit Units that are independent from the structures performing the tasks of Managing Authorities (or Intermediate Bodies) and are directly subordinated to the head of the institutions concerned.

The methodological coordination of these Units is ensured by a special unit within the Ministry of Public Finance, namely the Central Harmonizing Unit for Public Internal Audit.

The Attributions of Central Harmonizing Unit For Public Internal Audit

- Developing and implementing uniform procedures and methodologies based on international standards agreed by the European Union, including internal audit manuals and audit trails.
- Developing risk management methodologies.
- Developing the Ethical Code of the internal auditor.
- Endorsing the methodological norms on PIA, specific to the different domains of activity in the field of public internal audit.
- Developing a reporting system for the results of all public internal audit activities and elaborating an annual report.
- Verifying whether norms, instructions, as well as the Ethical Code are respected by internal audit services in public entities; it may initiate the necessary corrective measures in co-operation with the Head of the respective public entity.
- Co-ordinating the system of recruiting and training in the field of public internal audit.

The tasks of the Public Internal Audit Unit

Public Internal Audit Units within the ministries that implement Structural Funds and Cohesion Funds, have specific audit manuals for the European Funds. According to the law, the tasks of the Internal Audit Unit are the following.
- Performing internal audits activities in order to assess whether the financial management and control systems of the public entity are transparent and comply with the norms of lawfulness, regularity, cost-effectiveness, effectiveness and efficiency;
- Informing CHUPIA on the recommendations not followed-by the head of the audited public entity and of their consequences
- Reporting periodically on the findings, conclusions and recommendations resulted from its audit activities.
- Preparing an annual overview of its activities in the annual report.
- Reporting immediately to the Head of the public entity and to the inspection unit in case of detecting any serious irregularities or fraud cases.

Audit Authority

Romania has established an Audit Authority for all Operational Programmes through Law no 200/2005.

The Audit Authority is an associated body to the Court of Accounts, without legal capacity, operationally independent from the Court of Accounts and at the same time independent from all the Managing Authorities and Certifying Authority.

In accordance with to the provisions of the Law 200/2005, art. 14², the Audit Authority has the following responsibilities:
- system audit, sample checks and final audit;
- checks and external audit for the structural funds;
- annual checks of the management and control systems;
- checks of the statements of expenditure, on the basis of an appropriate sample;
- carries out appropriate checks in order to issue winding-up declarations at the closure of measures and programmes;
- checks the existence and correctness of the national co-financing.

5.2.5. Management Information System

Concept of the Single Management Information System

The Single Management Information System is a nation-wide web-based information system, supporting all Romanian organisations implementing the National Strategic Reference Framework and Operational Programmes. The system is addressing the needs of all
management levels (Managing Authorities, Intermediate Bodies, Certifying Authority etc.) and through all the stages of the programme cycle (programming, tendering, contracting, monitoring, evaluation, payments, audit and control). SMIS main characteristic is that it provides its users with a single mechanism for assisting them in accomplishing their everyday tasks.

SMIS design and functionalities

The SMIS design follows three main principles: data availability (data are directly available following the request of an authorized user); data confidentiality (data are provided only to those users authorized for accessing that specific piece of information); data integrity (data processing should occur only by authorized users under authorized means). As means for implementing the three aforementioned principles the system supports multiple users categorized into a number of user groups/roles. In that way user permissions are easily organized and managed and the access to information can be thoroughly audited and logged in a flexible way.

In order to provide an effective management tool, the functional model of the SMIS is based on a set of subsystems, which together reflect the broad range of functionalities the System is designed to perform, as follows:

- **Programming** which allows the registration and the modification of the main information on the NSRF broken down at lower levels on OPs, priority axis, key area of intervention and operation;
- **Project accession and modification** (registration and the modification of the main information on projects, including the contracts);  
- **Monitoring** which allows observing the NSRF progress at all levels, where appropriate against targets previously set; It also allows automatically bottom-up aggregation of the actual value of the core data which are registered at lower levels of the System
- **Audit** which registers the control and audit findings and generates the audit reports;
- **Funds flow management** which deals with payment request forecasts, inflows, project revenues, suspensions and recoveries of funds.

Electronic data exchange with the European Commission will be done thorough an interface between SMIS and the EC management information system which is currently under development within the project SFC2007 – Electronic Data Exchange.

6. PARTNERSHIP

According to Chapter 21 provisions “Regional Policy and Coordination of Structural Instruments”, recommendations of monitoring missions from the European Commission - DG Regional Policy and DG Employment, Social Affairs and Equal Opportunities - as well as the provisions of the general Regulation regarding Structural and Cohesion Funds on the partnership principle in programming process, Sectoral Operational Programming HRD was elaborated within an extended partnership process.

As a whole, the consultation process provides the support from the social partners as regards the human resources development in the next years. The dialogue aimed at the following:

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29 A contract is a legal commitment concluded between the Beneficiary and the Grantee or Provider of the services, works or supplies necessary to implement a part of a project.
- Obtaining partners agreement on the development of priority objectives;
- Ensuring the transparency of the elaboration process;
- An increasing commitment and involvement of partners.

As the institution responsible for European Social Fund management and coordinator of Sectoral Operational Programming for Human Resources Development elaboration, the Ministry of Labor Social Solidarity and Family, through the Managing Authority SOP HRD, initiated the consultation process with the relevant institutions at central and local level, as well as with social partners and NGOs active in the social field.

The inter-institutional partnership involved Ministry of Education and Research, Ministry for Small and Medium Enterprises and Cooperation, Ministry of Health, National Agency for Employment, National Institute for Research in the field of Labour and Social Protection, the Anti-Poverty Commission and for Promoting Social Inclusion, the National Board for Vocational Training of Adults, the National Agency for Roma, the National Agency for Equal Opportunities between Women and Men, the National Authority for Disabled People, the National Agency for Family Protection, the National House for Pensions and other Social Insurance Rights, the Labour Inspection, other line ministries and relevant agencies.

Moreover, the consultations included the social partners and representatives of civil society. These consultations took the form of a concentrated conlucration, as it happened with the group of NGOs constantly active nearby the MoLSSF, which are permanently active in the legal consultations initiated by the ministry. At the same time, there were invited for consultations various NGOs with expertise in the social field, as in the case of the meetings organized in Bucharest or at regional level.

With a view to grant greater significance to the consultations with the organizations involved, MA OP HRD organized thematic meetings for submitting the OP HRD to public debates. Thus, there were organized separate meetings with representatives of NGOs active in the following areas:

- trade unions and employers’ organizations;
- child protection and youths over 18 years old who leave the state system for child protection;
- protection of disabled people;
- Roma population;
- equal opportunities between women and men;
- business environment

More meetings were organized at regional level, together with the Regional Development Agencies and the County Agencies for Employment, where there was a large attendance from the representatives of local councils, prefects’offices, town halls, local agencies for employment, county school inspectorates, universities and business environment – trade unions and employers’organizations – and civil society (associations, foundations, other NGOs).

Another target group was the NGOs with history in accessing Phare Funds, as an informed segment of future project promoters, but also the NGOs experienced in providing social services at national and local level, interested in the ESF funding.
These meetings were organized in several stages in the city centers of the Development Regions, i.e. Bucharest, Călărași, Craiova, Timișoara, Cluj-Napoca, Alba Iulia, Piatra Neamț, Brăila, by MA OP HRD and IB OP HRD. Besides that, there were held information sessions in other cities such as: Bistrița, Ploiești, Târgu Jiu, Turnu Severin, Sinaia, Oradea, a/o.

During January – March 2006, the series of meetings with civil society intensified and communications on the OP HRD were provided to the Association of Cities in Romania, the Association of Municipalities in Romania, to professional associations and other groups involved in the development of human resources belonging to business.

Furthermore, the electronic version of the OP HRD was posted on the MoLSSF internet webpage, so that local authorities, NGOs, companies, individuals interested in the Programme be able to send their comments.

The result of these consultations materialized in proposals for improving the socio-economic analysis, the SWOT analysis, the Strategy, as well as the fields of interventions and the indicative operations included in the OP HRD. Approximately 1,000 entities were involved in the consultation process and more than 100 suggestions were taken on board.
ANNEXES
## Indicative list of State aid measures included in SOP HRD
- ordered by State aid scheme -

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<tr>
<th>State aid scheme</th>
<th>Legal basis</th>
<th>Major fields of intervention covered</th>
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- Development of career guidance provision at the workplace;  
3.2.5.2. Promoting long term sustainability of rural areas in terms of human resources development and employment.  
- Developing integrated programmes for education, training, employment and other supporting opportunities for rural areas residents aimed at reducing the subsistence farming/agriculture; |
- Development of training provision at the workplace;  
3.2.1.4. Improving quality in CVT.  
- Development of career guidance provision at the workplace;  
3.2.2.3. Increasing access and participation in CVT.  
- Participating of employees in CVT;  
3.2.2.3. Increasing access and participation in CVT.  
- Participating of employees in career guidance services;  
3.2.2.3. Increasing access and participation in CVT.  
- Subsidies or compensation to employer and employees during the training;  
3.2.3.1. Promoting entrepreneurial culture.  
- Develop and provide modern managerial skills, especially for micro-enterprises and SMEs;  
3.2.3.2. Training support for enterprises.  
- Promoting and supporting training in new technologies, including ICT;  
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  - Environmental protection training.  
  3.2.5.1. Developing and implementing active employment measures.  
  - Supporting integrated projects aimed to reducing the regional discrepancies on labour market;  
  3.2.5.2. Promoting long term sustainability of rural areas in terms of human resources development and employment.  
  - Developing integrated programmes for education, training, employment and other supporting opportunities for rural areas residents aimed at reducing the subsistence farming/agriculture;  
  3.2.6.1. Developing social economy.  
  - Supporting partnership in developing the community/ collective enterprises in social economy;  
  3.2.6.4. Promoting equal opportunity of the labour market.  
  - Increasing qualifications for women and developing programmes to enable woman to gain skills by attending training and retraining programmes and permanent vocational training;  
  3.2.6.5. Transnational initiatives on inclusive labour market.  
  - Testing of new methods for combating discrimination and inequalities within labour market; |
  - Innovative schemes for promoting the employment of youth and long term unemployed;  
  3.2.5.1. Developing and implementing active employment measures.  
  - Promoting dual systems of financing the youth employment;  
  3.2.5.1. Developing and implementing active employment measures.  
  - Promoting programmes that support the creation of new jobs/new forms of employment, sheltered workshops and workplaces and creation of jobs for self-employed;  
  3.2.5.1. Developing and implementing active employment measures.  
  - Supporting integrated projects aimed to reducing the regional discrepancies on labour market; |
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<td>3.2.6.3. Improving the access and participation for vulnerable groups to the education system and labour market;</td>
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<td>- Programmes to generate incentives for employers to employ vulnerable groups;</td>
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<td>- Developing specific programmes focused on reintegration of disable persons;</td>
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<td>- Special support for the development of new protected jobs in enterprises;</td>
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<td>3.2.6.5. Transnational initiatives on inclusive labour market.</td>
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<td>- Developing common programs for promoting employment;</td>
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