COMMISSION STAFF WORKING DOCUMENT

CASE STUDY - ROMANIA

Accompanying the document

REPORT FROM THE COMMISSION TO THE COUNCIL

on the evaluation of the Council Recommendation on the integration of the long-term unemployed into the labour market

{COM(2019) 169 final} - {SWD(2019) 155 final}

EN   **EN**

CASE STUDY – ROMANIA[1]

CONTENTS

---

[1] Study supporting the evaluation of the Council Recommendation on the integration of long-term unemployed into the labour market, Ramboll Management consortium for the European Commission, 2019

1. INTRODUCTION

The objective of this report is to assess and explore the actions taken at national and local level in Romania in response to the Recommendation on the integration of the long-term unemployed into the labour market (2016/C 67/01) (hereafter 'the Recommendation'). The aim is to establish whether and how the Recommendation has influenced policy, funding, activities, and long-term unemployment[2] in Romania.

1.1 Context of the implementation of the Recommendation

1.1.1 Evolution of labour market situation

Overall, there has been a decrease in unemployment levels in Romania in recent years. In 2014 the **unemployment rate** was 5.7% and fell to 4% in 2017 and 3.9% in early 2018.[3] In the same period the **long-term unemployment rate** similarly dropped from 2.4% to 1.5% (EU28 approximately 3.4%).

Simultaneous factors acting on the labour market including an ageing population (resulting in a reduction of the active population) and a high cumulative migration process may be contributing factors to the decrease in the share of long-term unemployment. There are currently around 3.4 million Romanians working abroad[4] with this movement, as well as population ageing leading to a labour deficit and skills shortage in some sectors. This also coexists with substantial levels of unused labour potential amongst more vulnerable groups such as young people, women, people with disabilities and Roma.[5]

Skills shortages and mismatches also have an adverse effect on the quality and quantity of labour supplied, which is exacerbated by limited opportunities for entrepreneurship and weak links between education and the demands of the labour market.[6] The decrease in long-term unemployment rate may also be linked to higher inactivity rates due to lower levels of registration, with Romania recording just a 12.3% registration rate compared to EU28 71.8% in 2017. However according to the national expert, active labour market policies have improved significantly since 2015, with interventions designed for some of the most vulnerable (including women with lower levels of education, Roma, and young people, mainly from rural areas).

---

[2] Long-term unemployment refers to unemployment (ILO/Eurostat definition) lasting for more than one year, with Eurostat data presented here including adults between the ages of 25 and 64 years old.
[3] Based on Eurostat data for Q1 2018 only.
[4] European Commission (2017), Learning on 'Improving measures to implement the Recommendation on integration of the long-term unemployed into the labour market', Synthesis Report (including information for Croatia, Estonia, Ireland, the Netherlands and Slovenia). Conference documents, including country reports on Croatia, Estonia, Ireland, the Netherlands and Slovenia: Available via:
http://ec.europa.eu/social/main.jsp?catId=89&langId=en&newsId=2853&moreDocuments=yes&tableName=news
[5] European Commission (2018) Country Report Romania 2018. Available at: https://ec.europa.eu/info/sites/info/files/2018-european-semester-country-report-romania-en.pdf
[6] https://eur-lex.europa.eu/legal-content/BG/TXT/?uri=CELEX%3A52018SC0221

Figure 1: Long-term unemployed share, unemployment rate, long-term unemployment rate, and very long-term unemployment rate in Romania, 2008-2018.[7]
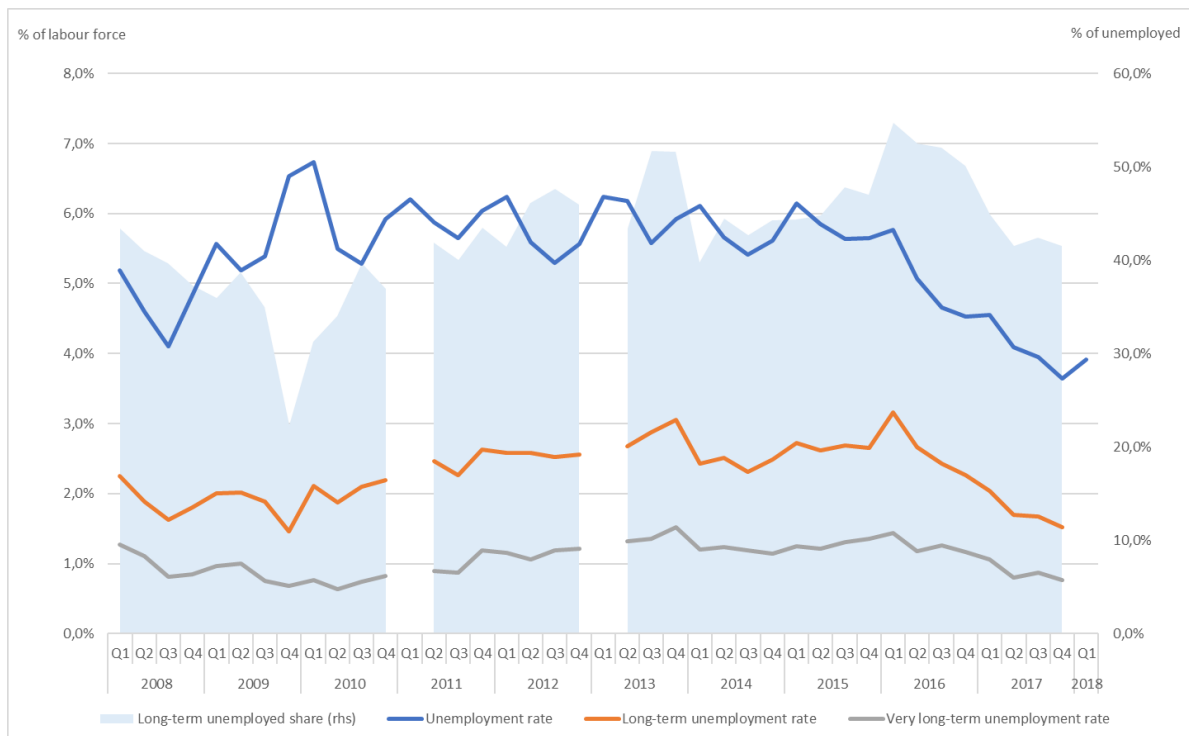

Source: Eurostat Note: Gaps in the graph refer to quarters where certain subgroups of unemployed classified by unemployment duration had no value and as such calculations could not be performed.

Since around 2007, Romania has mostly experienced higher short-term unemployment rates as a proportion of all unemployed when compared with long-term unemployment (see Figure 2). In 2017, the short-term unemployment rate (57.3%) was slightly higher than the long-term unemployment rate (42.7%), as shown below (EU28 49.5%). Data available for 2018 suggests a continuation of this trend with a short term unemployment rate of 56.17% and long-term unemployment rate of 43.83% as a proportion of total unemployed recorded so far.[8] Broadly speaking Romania matches EU28 trends in showing a peak difference between short-term unemployment and long-term unemployment rates as a proportion of total unemployed around the time of the financial crisis followed by a convergence in subsequent years. However, whereas the EU28 on average had a higher rate of long-term unemployment compared to short-term unemployment from around 2013-2016, with short-term unemployment and long-term unemployment reaching similar levels as a proportion of total unemployed in 2017 (50.5% and 49.5%), in Romania **short-term unemployment has more consistently remained a slightly higher proportion of total unemployed than long-term unemployment**.

---

[7] There is a break in Eurostat data series in Q12010.
[8] Based on available Eurostat data for Q3 only.

Figure 2: Long-term unemployment (LTU) versus short-term unemployment (STU) rate in Romania, 2008 - 2018
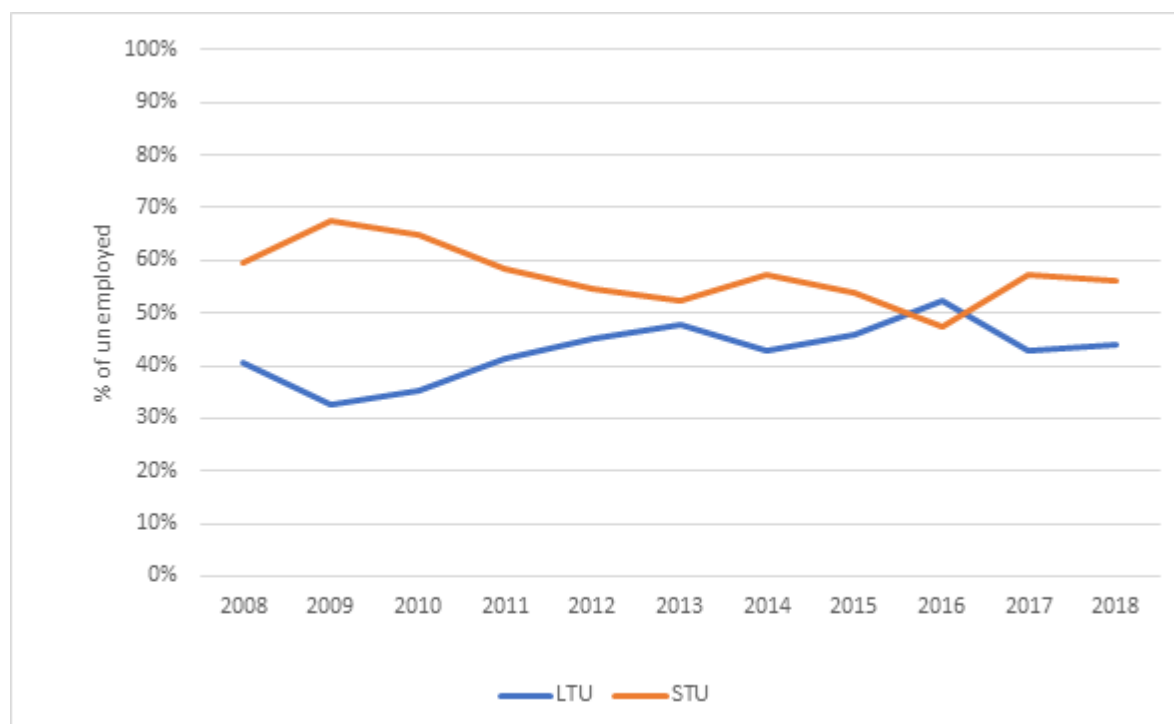
Source: Eurostat Note: data for 2018 is based on Q2 only.

In general, the long-term unemployment rate decreased in recent years (see Figure 1) and overall transition rates[9] between 2014-2017 and 2016-2017 have improved the most in three European countries including Romania (as well as Bulgaria and Croatia). However, there are some gender and generational differences. Men tend to suffer more long-term unemployment than women, while the 25-54 age group tends to encounter more challenges in this regard than the 55-56 age group (although rates of long-term unemployment for the latter group have increased slightly between 2014-2017). **Long-term unemployment remains an issue for low-skilled job seekers more so than other groups with higher levels of education**. The reason for lower rates of long-term unemployment amongst women when compared to men is largely linked to the fact that they are more likely to be inactive rather than unemployed and therefore less likely to transition to long-term unemployment. Increasing levels of technological change and related automation of jobs, as well as lower levels of flexibility in terms of movement within the labour force has been linked to the increasing levels of long-term unemployment for lower skilled and older workers, particularly after the economic crisis.

Table 1: Long-term unemployment rates (unemployed for more than 12 months) in Romania, 2014-2017

Country	LTU rate (>12 months)							
	Total	**Education level**			**Gender**		**Age**	
		Low	**Medium**	**High**	**Men**	**Women**	**25-54**	**55-64**
2014	2.4	2.4	2.7	1.8	2.7	2.1	2.6	1.3
2017	1.7	2.5	1.8	0.9	2.1	1.2	1.8	1.4

Source: EMCO monitoring data 2014-2017

[9] Defined as the percentage of long-term unemployed people transitioning into employment. The transition rate is an annual average of quarterly transitions (estimated probabilities) of long-term unemployed (12 months and over) transitioning into employment.

Figure 3 below shows the regional differences in Romania in long-term unemployment. In Romania, higher rates of long-term unemployment predominate in certain regions. Some regions show low rates of long-term unemployment (e.g. Bucuresti - Ilfov 0,6%; Nord-Est 0,8%), while regions in South Romania are facing a more serious issue with long-term unemployment, as shown in the figure below. This is the case, for instance, of Sud-Est (3,0%) Sud-Vest Oltenia (3,6%), and Sud-Muntenia (3,7%).

Figure 3: Long-term unemployment (12 months and more) by NUTS 2 regions in Romania, 2017
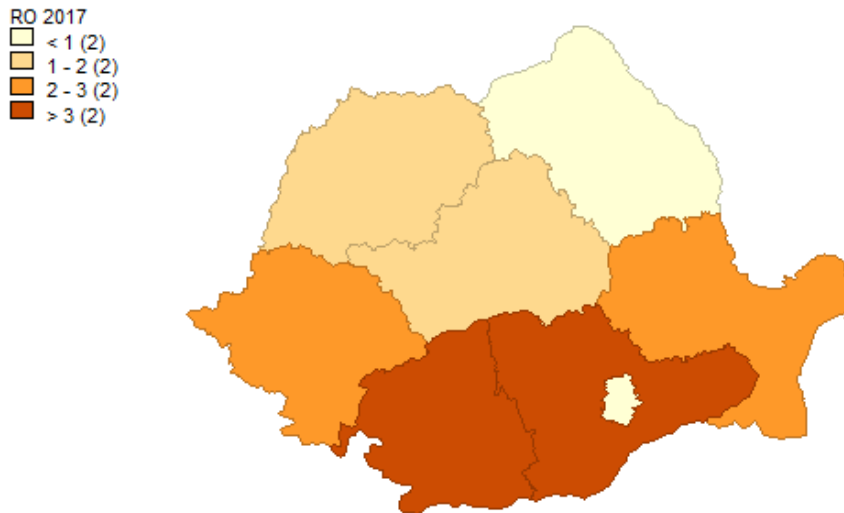
Source: Eurostat

1.1.2 Institutional framework for providing support to the long-term unemployed

Figure 4: Institutional set-up of stakeholders involved in supporting LTU labour market integration
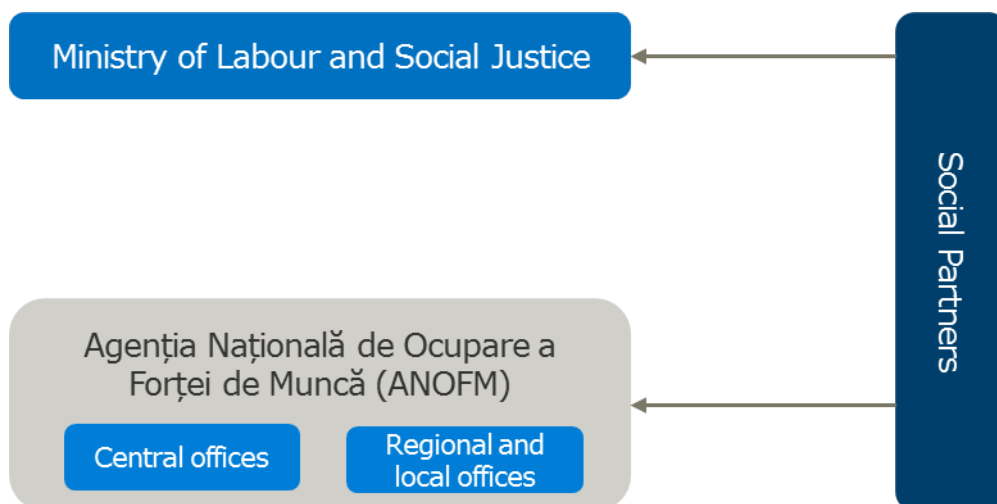
The main public employment service in Romania is the *Agentia Nationala de Ocupare a Fortei de Munca* (hereafter "ANOFM"). The **NOFM is the main executive labour market institution** and sits within the Ministry of Labour and Social Justice which oversees all matters relating to employment policy.

The ANOFM is responsible for registering people who are unemployed (including the long-term unemployed) and provides overall support for those wishing to re-enter the labour market, including the payment of unemployment and other benefits. The long-term unemployed have been a target group for the ANOFM since 2013 (when the definition of long-term unemployment was formally defined in legislation) and according to legislation, are entitled to access information and counselling services and work mediation. These services are provided via accredited external Specialised Service Providers.

Romania has a **centralised Public Employment Service model**. The ANOFM has central offices in Bucharest from where it coordinates the activities of 42 employment agencies, 71 local agencies and work points, eight regional adult training centres and one national staffing centre.

Social partners (including trade unions and employers' associations) have a supervisory role in the ANOFM with which they collaborate. Other actors involved in a form of tripartite collaboration with social partners and the ANOFM, include private providers of employment and vocational training schemes and local authorities. The social partners look set to have a more prominent role going forward as there is a growing move towards contracting specialised services externally, including the provision of information and counselling and what are known as 'work mediation services' to help people re-enter the labour force. In 2017 there were 1,208 registered providers of specialised services which represented a 19.4% growth over the two years prior.

In terms of the overall objectives of the ANOFM, the need to specifically **address the challenge of long-term unemployment is recognised within its operational aims** for 2014-2020. Even though recorded rates of long-term unemployment are relatively low in Romania, particularly low rates of registration with public employment services mean that long-term unemployment may not always be visible in national data and therefore the ongoing need to address the issue, particularly given the situation of certain vulnerable groups (see Section 1.1.1). The ANOFM operational aims are realised through partnership working with the range of actors referenced above (i.e. trade unions, employers' associations, private providers of employment and vocational training schemes and local authorities).

With regards to the Recommendation, the Government published an Opinion in December 2015 which initiated the implementation process of the Recommendation and thereby initiating the formal adoption of the issue of long-term unemployment within employment policy. European Funds have been used to support activation measures since December 2016.

2. IMPLEMENTATION OF THE RECOMMENDATION

2.1 Progress on implementation of the Recommendation

The following section outlines the progress on implementation of measures proposed in the Recommendation. It provides an overview of policy and practice changes in relation to:

- Registration of long-term unemployed
- Individualised support
- Coordination of support
- Cooperation with employers

The assessment of progress takes into account the expected impact from the2015 Commission Staff Working Document accompanying the proposal for a Council Recommendation [10] , and is based on the mapping of policy changes, and stakeholder consultations during field work. When available, indicators on outputs and results are included in the analysis.

In total 39 people took part in the case study via individual interviews or focus groups. A total of 17 interviews were conducted with policy stakeholders at national level (7); policy stakeholders at regional level (3); and policy stakeholders at local level (7). Of the local level policy stakeholders, two stakeholders represented civil society organisations (CSOs) working with and supporting the long term unemployed and other vulnerable groups and five stakeholders represented private employers from both urban and rural settings. Four focus groups were conducted comprising a combination of long term unemployment support practitioners and people who were presently long term unemployed.

Teleorman County was selected as a focal point for the fieldwork given its situation within South Muntenia, which is characterised by particularly high levels of long-term unemployment when compared to the national average and the access it provided to both urban and rural contexts.

Figure 5 summarises the progress on the implementation of the Recommendation on the integration of the long-term unemployed in the labour market by comparing the picture prior to the Recommendation (H1 2015) with the situation since.

---

[10] European Union, European Commission, Commission Staff Working Document, Document Accompanying the document Proposal for a Council Recommendation on the integration of the long-term unemployed into the labour market (2015) 176

Figure 5: Quality of measures - Romania[11]
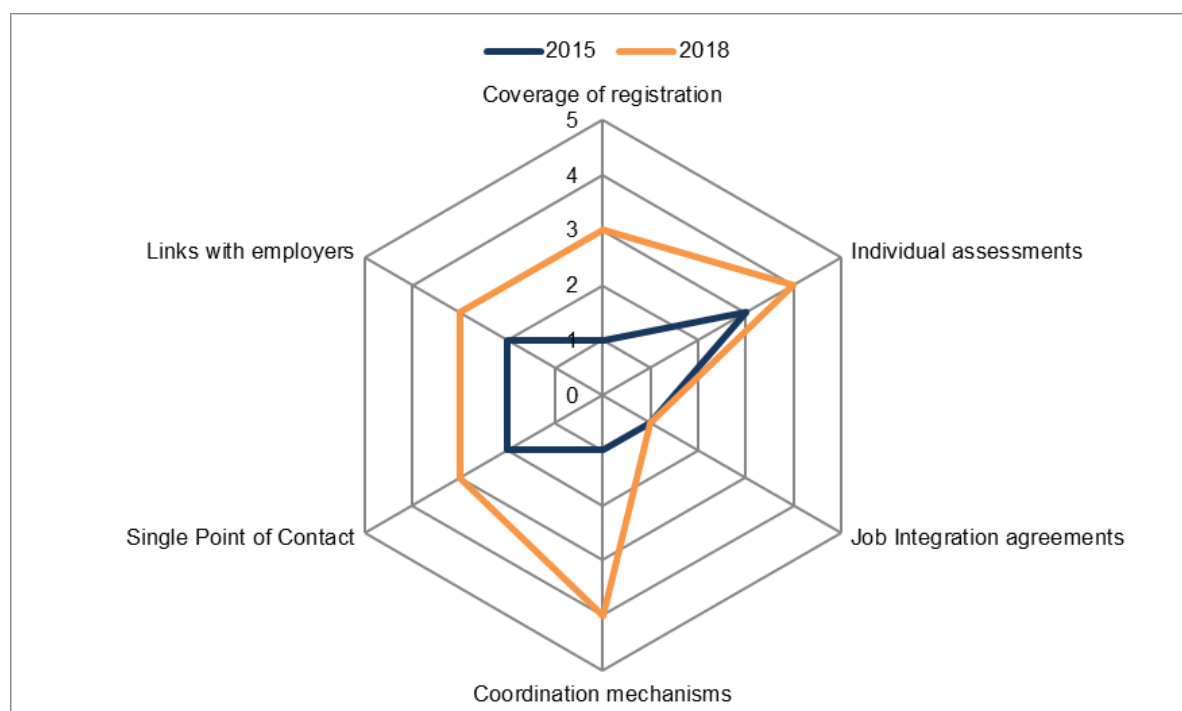
Source: Quality rating national expert

2.1.1 Registration of long-term unemployed

Baseline and development

In 2013, in Romania, there was a low share of long term unemployed persons registered with the Public Employment Services[12] (24.9%), and it further decreased to 12.3% in 2017 (EU28 72.8% and 71.8% for these years respectively). Thus, the need for Romania to increase the coverage of registration for long-term unemployed remains high.

According to the mapping of policy changes, measures already existed targeting registration of long-term unemployed at the baseline for the evaluation (H1 2015). These included: provision of information to non-registered people on the support available to seek a job on an individual basis, outreach actions (marketing and information campaigns), new services to non-registered people, and services to encourage the long term unemployed to remain registered (even if they are no longer entitled to benefits).

---

[11] Quality ratings ranged from 1– 5 whereby: **1 (low)** = no or basic implementation only, only on an ad hoc basis or not fully integrated into the overall services package; significant room for improvement; **2 (low-medium)** = More than just a basic implementation but falls short of being routinely implemented at national level and integrated into the overall service package; significant room for improvement; **3 (medium)** = Routinely implemented and integrated into the overall service package but recognise that the service/function falls short of guiding elements of the Recommendation guidance; **4 (medium-high)** = Established and well developed service/function that fulfils most guiding elements of the Recommendation but falls short of realising all of them; **5 (high)** = Established and well developed service/function that fulfils all the guiding elements of the Recommendation. This implies that mechanisms to constantly monitor performance and develop the service/function on the basis of what is or is not working well should be in place.

[12] See Commission Staff Working Document, Document Accompanying the document Proposal for a Council Recommendation on the integration of the long-term unemployed into the labour market (2015) 176, p. 10. Figure 7. Long-term unemployed by Member State, stock and share registered with the PES, 2013.

According to research conducted for the case study, the definition of long-term unemployment was officially introduced into legislation from July 2013.[13] This prompted **a focus on registering the long-term unemployed with the ANOFM prior to the Recommendation**.

The quality rating for registration provided by the national expert improved from 1 in H1 2015, to 3 in October 2018.

Case study findings

Following the formal introduction of a definition for long-term unemployment into national legislation in 2013, increased subsidies for employers became more common with the most recent legislation introduced in 2018[14] to **increase subsidies granted to employers** (see also Section 2.1.4). This increase in subsidies has reportedly become well known and was referenced during a focus group with long-term unemployed participants. The value of employer subsidies in comparison to the Minimum Income Guarantee benefit for the unemployed was mentioned explicitly by one long-term unemployed participant who underlined the fact that the latter is a much lower amount. As such the high wage subsidies for employers acts as a motivation to register given the arguably more promising prospect it gives for potential employment.

In addition to this, since December 2016 people who are registered as unemployed have also been **eligible for an Activation Allowance wherein they can receive a non-taxable starting bonus of 500 Romanian lei** if they stay in full time employment for at least three months, and this amount has recently been increased. In July 2018 the value of an Activation Allowance doubled to 1000 Romanian lei.[15] The Activation Allowance system can arguably be linked to incentivising registration given that registration with employment services is a condition of its receipt. The mechanism to increase the registration of the long term unemployed is indirect given that the activation allowance is granted following employment later on, but it nonetheless represents an incentive to register in the first place given that this is a requirement of its receipt.

At local level **"Jobs Caravans" act as key information providers when trying to reach people who are more remotely situated** and who may not have straightforward access to their local public employment office. According to a regional level interviewee working at a local employment agency in Teleorman, these are of particular relevance in reaching members of the Roma population who may be remotely situated. People who were long term unemployed who were interviewed, however, felt that the value of Jobs Caravans was limited when there were few jobs available in practice or if jobs were not available that matched the skills of the long term unemployed. Reference is made by the long-term unemployed participating in focus groups for example, to the centrality of traditional craftmanship to the Roma community (e.g. work as coppersmiths to make traditional cookware) with potential inference to be made to the subsequent difficulty in linking people with these specific skills to the jobs advertised by the Jobs Caravans.

A focus group with long-term unemployed participants from rural areas underlined a number of ongoing **issues relating to registration**, which are likely to then subsequently contribute to inactivity rates. In some cases, the relative isolation of people from their local ANOFM office

---

[13] L76/2002 at Art.5 point IV, modified by the L250/2013 in Art.1
[14] Ordinance no.60/2018 for the modification and completion of normative acts relating to the labour force.
[15] Approximately 214 euros.

hindered registration, particularly when public transport connections were scarce or expensive, or where people were not able to use the internet to make contact and register with the ANOFM. In some instances, the nearest ANOFM office was reportedly 20km away which was a significant barrier. Mobile "Jobs Caravans" attempt to overcome this issue by travelling to remote areas to provide information to the long-term unemployed. However, they appear to have fallen short in realising their aim, as exhibited by the varying knowledge that rurally based long-term unemployed focus group participants had with regards to the registration process.

2.1.2 Individualised support

Baseline and development

In the 2015 Commission Staff Working Document accompanying the proposal for a Council Recommendation it was considered that the recommendation on individualisation of support would have a strong impact in Romania, due to the fact that there were no individual approaches in place preceding it.[16]

Also, according to the mapping of policy changes, no formalised individual assessments (including profiling) or personalised guidance of long-term unemployed at the latest at 18 months of unemployment were in place in H1 2015.

The quality rating for **individual assessments** provided by the national expert improved from 3 in H1 2015, to 4 in October 2018.

According to the mapping of policy changes, job integration agreements targeting the long term unemployed that have reached 18 months of unemployment did not exist at the baseline for the evaluation (H1 2015).

The quality rating for job integration agreements provided by the national expert did not change and remained at 1 from H1 2015 to October 2018.

Case study findings

Since H1 2015 changes in measures have been implemented with regards to individual assessments related to assessment of education/work experience, distance from available jobs, and family situation/obligations. Even though initial interviews and Individual Action Plans were in place prior to the Recommendation, they were not formalised and more closely resembled job-search counselling sessions in 2015.[17] **Since December 2016 individual assessments are conducted *immediately after* registration with employment services**, based on a process to profile employability levels and to match people with the most appropriate support service provision. Through this a more comprehensive Individual Action Plan is created and is updated monthly and on the basis of face-to-face interviews where progress is gauged. There is however no (re)assessment process for people who have become long-term unemployed.

The profiling component of the individual assessment reform package[18] was adopted in January 2018 and has been deployed since April 2018. **The profiling process sees jobseekers assessed**

---

[16] Commission Staff Working Document, Document Accompanying the document Proposal for a Council Recommendation on the integration of the long-term unemployed into the labour market (2015)
[17] *Ibid.*
[18] Ordinance no.60/2016 for amending and completing the Law no. 76/2002 on the unemployment insurance system and the stimulation of employment.

and their level of employability categorised as either easy, average, hard or very hard in terms of placement. According to this procedure, the criteria for assessing the employability of jobseekers are: geographical/location, level of education, age, belonging to a vulnerable group or group with special needs, and occupational profile. It is applied through a software application based on a mathematical model that uses data from the system and new data introduced by Public Employment Service staff following profiling. Also, since December 2016 the role of existing information and counselling services was formalised via legislation[19] which confirmed their role to support individuals or groups with regards to the provision of information on the labour market and available vacancies; and assessing the employability of individuals and which pathway of training or employment would be most suited to them.

According to Public Employment Service staff a **high client-staff ratio and staff shortage has however limited the capacity** for the Romanian Service (ANOFM) to provide individualised support to the long-term unemployed. The provision of truly individualised support is also limited by the lack of data sharing (due to a lack of interconnected or compatible databases) after jobseekers are registered, with spending on ALMPs particularly low in Romania which lowers coverage of support available to people by existing measures.[20]

In January 2017 the concept of Job Integration Agreements was introduced into legislation[21] which specifies that employment agencies will enter into a written employment agreement with anyone who is registered as unemployed (and who is not eligible for the Youth Guarantee) within 18 months of having registered as unemployed. It should be noted however that the *delivery* of job integration agreements is yet to be realised in Romania. The adoption of a more personalised approach for different categories of unemployment is part of the objective of an ESF funded project (of around EUR 24 million) for which contracting has experienced delays. As such, whilst a *legal basis* for the job integration agreement has been established, they have not yet been implemented. Given that practical implementation of the agreement is still pending there is no monitoring data available relating to the job integration agreement users.[22]

2.1.3 Coordination of support

Baseline and development

In the 2015 Commission Staff Working Document accompanying the proposal for a Council Recommendation it was considered that the recommendation on coordination of support[23] would have a high impact in Romania as prior to the Recommendation Romania had no formal coordination mechanisms[24] across organisations. **Mutual obligations and combination of service offerings** of different organisations in the form of a single point of contact did not exist in H1 2015 but have since been established.

---

[19] Decision no. 885/2016 for amending and completing the Methodological Norms for the application of Law no. 76/2002 on the unemployment insurance system and the stimulation of employment.
[20] https://openknowledge.worldbank.org/bitstream/handle/10986/29618/Synthesis-Note.pdf?sequence=1&isAllowed=y
[21] Ordinance no. 6/2017 for amending and completing normative acts, and establishing measures for the realisation of investments financed from public funds.
[22] EC (2018): Data collection for monitoring the integration of the long-term unemployed into the labour market 2017. Country Fiche: Romania.
[23] Coordination refers to coordination of support between support services of relevant to the long-term unemployed, including employment, social, physical and mental health, housing support services for example.
[24] European Commission (2015) specifies two mechanisms: a systematic referral system to the support needed and data sharing mechanisms across organisations.

The quality rating on **interinstitutional coordination** provided by the national expert improved from 1 in H1 2015, to 4 in October 2018.

The quality rating for **Single Point of Contacts** provided by the national expert improved from 2 in H1 2015, to 3 in October 2018.

Case study findings

In 2016 a policy initiative was developed by the Government of Romania with the aim of creating a large network of integrated services (including education, employment, social protection, healthcare and housing as well as cross-cutting initiatives) to meet the needs of people living in rural Romania. **The initiative formed part of a broader "Package of integrated measures to fight poverty"** and was launched in response to the growing awareness of the marginalised situation of the poor living in rural communities as well as those living in vulnerable areas in urban settings and Roma communities, and the lack of coordination between relevant services to support them.[25] This was in turn part of the pre-established National Strategy on Social Inclusion and Poverty Reduction launched in June 2015 which has the aim of lifting 580,000 people out of poverty or social exclusion by 2020 and forms part of Romania's commitment to reaching the goals of the Europe 2020 Strategy.[26]

The importance of coordination of support was further confirmed in December 2017, when a Memorandum was signed[27] and adopted by the Government with the aim of developing an **integrated package of measures for the reintegration of the long-term unemployed into the labour market**. The Memorandum reflects the recognition of the long-term unemployed as one of the most disadvantaged groups of people within the Romanian labour market. Whilst it is not possible to say definitively whether the Recommendation directly prompted the Memorandum, the latter nonetheless assures the necessary legislative framework and envisioned inter-institutional coordination for implementing the Council Recommendation. The Memorandum outlines this as taking the form of collaborative working between mentoring, job search assistance, continuing education and training, as well as support for housing, transport, childcare and healthcare. Overall **the national Memorandum is in line with key areas of the Recommendation**, namely registration with the ANOFM (main public employment service in Romania); individual assessments; the conclusion of the job integration agreement and single point of contact designation; and building closer links with employers.

---

[25] European Commission (2018) Study on integrated delivery of social services (IDSS) aiming at the activation of minimum income recipients in the labour market – success factors and reform pathways, Annex 1.

[26] Ministry of Labour and Social Justice (2015) National Strategy on Social Inclusion and Poverty 2015-2020: Romania. Available via: http://www.mmuncii.ro/j33/images/Documente/Familie/2016/StrategyVol1EN_web.pdf

[27] The Memorandum approved by the Government was signed by: MMJS, ANOFM, MEN – National Education Ministry, MS- Health Ministry, CNAS – National Health Insurance House, MDRAP - Ministry of Regional Development and Public Administration, MEF – Ministry of European Funds, ANPIS – National Agency for Payments and Social Inspection.

The follow up at 22 November 2018 in regard to fully implement the Council Recommendations are:

"According to the Memorandum signed by the Romanian Government in December 2017, ANOFM is to conclude protocols at territorial level through the territorial agencies, depending on the individual vulnerabilities of the identified SLDs, with local public administration authorities (mayoralties, county / municipal / local councils, county inspectorate's schools, health insurance houses, paying agencies and social inspectorates). The institutions and authorities with which ANOFM through Territorial Agencies will conclude, collaboration protocols will provide the necessary support according to the attributions of each institution or authority, so that both support measures tailored to the individual needs of the identified LTUs are proposed to be granted or to which LTUs are guided by the conclusion of the JIAs, as well as an exchange of relevant information for the monitoring of the support received by LTUs registered in the PES records".(clarification received 22 November 2018 from the designated SPOC contact person.

In October 2017 the ANOFM was nominated as the **Single Point of Contact at national level for the long-term unemployed.**[28] According to legislation establishing this role,[29] the services cover: job search assistance, in-work assistance, education and training, health and other social services, and support for increased mobility.

As a result, the ANOFM now has an **enhanced role in coordinating interinstitutional implementation of measures** to integrate the long-term unemployed into the labour market, from the national level. Whilst the ANOFM is working to ensure the implementation of the long-term unemployed into the labour market, their service provision is yet to be fully integrated with that offered by social services. It is also too early to assess the impact of the efforts outlined above as they have not yet been fully integrated.[30] According to a focus group with practitioners (i.e. staff supporting the long-term unemployed) at the local level, however, work is ongoing in terms of the full operationalisation of the role of the single point of contact and whilst the ANOFM has been *officially* assigned the role, the official norms and procedures of the legislation are still to be implemented. Participants from this local level focus group also said that in there is not yet a clear framework in place for the role of a single point of contact at the broader county (territorial) level.

2.1.4   Cooperation with employers and businesses

Baseline and development

Among the interventions included in the Recommendation, two mechanisms were considered to enhance employment support: enhancing services to employers and focusing all labour market policies (ALMPs) on the competitive labour market and reducing to a minimum public works.

According to the mapping of policy changes, measures to establish closer links with employers related to the placement of the long term unemployed were in place in H1 2015 but were subsequently developed. Since 2013 the long-term unemployed have had access to mediation services wherein employment services (overseen by ANOFM) liaise between employers and potential employees depending on the needs of the labour market. As part of this process an interview is first held in order to establish an Individual Action Plan. The plan must be completed within the first month following initial registration. Mediation (i.e. matching with employers) itself can take place via so-called Worker Mediation Electronic Services (SEMM) as well as through EURES. As outlined above (section 2.1.1) subsidies for employers to hire the long-term unemployed also became more common following the official introduction into legislation of a definition of long-term unemployment in 2013. As such there has been some provision to foster cooperation with employers and businesses since before H1 2015 which has (as outlined below) been subsequently been improved.

The quality rating for measures to establish **closer links with employers** provided by the national expert improved from 2 to 3 in October 2018.

---

[28] Via Ordinance no. 73/2017 (Art. 6) for completing the Law no. 202/2006 on the organisation and functioning of the National Agency for Employment.
[29] *Ibid.*
[30] *Ibid.*

Case study findings

Since 2015 measures have been implemented in order to cover: screening of suitable candidates, placement support, workplace mentoring and training, and post-placement support. Since March 2018 subsidies available for employers who take on people who are registered as unemployed (including those who are long-term unemployed) has increased by 2.5 times[31] which constitutes a significant post-Recommendation enhancement of a financial incentive for employers to hire people who have been long-term unemployed. Financial incentives differ between those available for employers hiring anyone who is unemployed regardless of duration, and those who hire people who have been unemployed for a year or more. According to the 2018 legislative amendment[32] employers are entitled to higher subsidies for hiring someone who has been long-term unemployed (increased to 2,250 Romanian lei per month from 900 lei for a period of 12 months, providing that the position is maintained for at least 18 months) although the same higher amount is also available for employers who hire people from other groups at a distance from the labour market. This includes anyone unemployed over the age of 45, unemployed who are single parents, unemployed who within five years of the date of employment fulfil conditions to apply for partial early retirement, unemployed young people who are also not in education or training (NEET).[33]

There is however a possible administrative burden associated with employer subsidies which can act as a disincentive to use these i.e. subsidies often require employers to liaise with public employment services to agree on the terms of a contract for a long-term unemployed person whereas this would not be the case for someone who has not been long-term unemployed. A further limitation of this measure, as flagged during fieldwork, was that the subsidy is only applied for 12 months which arguably compromises their longer-term impact. An interviewee representing the employers did however commend the post-placement support to help with integration into the workplace provided by public employment services.

The mediation process overseen by ANOFM in place since 2013 was judged by interviewees (most of whom were practitioners supporting the long-term unemployed) as the most important support activity, with a very high proportion of long-term unemployed people finding work thanks to these. In order for Specialised Service Providers to be accredited at least 25% of the staff in charge of providing employment services are required to have higher education in psychology, pedagogy, law or counselling, and experience of at least 3 years in the field of service.[34] In 2017 there were 1208 registered providers of specialised services, with 19.4% grow rate comparing to 2015. According to the ANOFM Annual Activity Report for the years 2015 and 2017, in 2017 were 1208 Services providers registered as Specialised Service Providers for Employing Employment, which was in increase of 194 compared to 2015. Specialised Services Providers have subsequently almost doubled their capacity[35] from supporting 6,044 people into employment via mediation in 2015 to 11,597 people in 2017.[36]

---

[31] Ordinance no.60/2018 for the modification and completion of normative acts relating to the labour force amending Law no. 76/2002 on the unemployment insurance system and employment stimulation.
[32] According to Ordinance no.60/2018 for the modification and completion of normative acts relating to the labour force.
[33] Approximately 480 euros.
[34] According to HG 1122/2010
[35] While the enrolment in public post as public servants is blocked, the externalisation of the **specialized services** ("information and counselling" and "work mediation services") is on a growing trend.
[36] According to HG 1122/2010.

Although planned, ESF funded projects addressing the modernisation of the relationship between ANOFM and employers (about EUR 25 million) has not been contracted yet.

2.2 Examples of measures

The following measures are highlighted here given its thematic link to the measures proposed in the Recommendation. Whilst it is not possible to make a definitive connection between the Recommendation and the introduction of the examples given below, they are highlighted here given their key alignment with the main measures outlined in the Recommendation, mainly to provide individualised support to the long term unemployed as well as to increase coordination and engagement with employers. As such they are presented here as interesting examples of *relevance* to the Recommendation:

The aforementioned (see section 2.1.2) **Profiling Procedure introduced in 2018 can be highlighted as an example** of direct relevance to the Recommendation given its aim to provide more personalised support to long-term unemployed jobseekers. The procedure, which assess the employability of people who are long-term unemployed is based on a holistic assessment of their prospects following a face-to-face interview.

The **philosophy is to offer tailored services to jobseekers, without discrimination** and based on a multicriterial evaluation methodology that integrates essential aspects for a decent life like socio-economic factors, demographics as well as a so-called 'Place Based Policy' wherein the location of the individual is also taken into consideration. The procedure is designed to reduce the duration of unemployment through a better matching of individuals with jobs, taking into account both occupational and geographical mobility. According to the national expert, with relatively low costs of implementation the results are promising in the case of the long-term unemployed, even after just four months.

An additional example of a measure to mention is the fact that **social partners (including trade unions and employers' organisations) look set to have a more prominent role** going forward as there is a growing move towards contracting specialised services externally, including the provision of information and counselling and so-called 'work mediation services' to help people re-enter the labour force. In 2017 there were 1,208 registered providers of specialised services which represented a 19.4% growth over the two years prior.

2.3 Use of the ESF to implement the Recommendation

Support for implementation of the Council Recommendation is mainly provided through ESF. The ESF programme includes specific objectives for increasing the ANOFM institutional capacity through Adaptation of the Public Employment Services structures at national and territorial level by introducing new tools / systems / procedures / services / mechanisms, etc. on labour market needs and dynamics / matching demand with labour supply, monitoring of relevant labour market indicators, monitoring and evaluation of support services, development of a database with NEETs, long-term unemployed, vulnerable groups and to Increasing Satisfaction of Public Employment Service Clients, Diversity and Scope of Service to Employers and Jobseekers. It has not been possible to retrieve information on the specific projects supported to date from the public database of projects as this was not publicly available[37] however detail is

---

[37] i.e. via http://www.fonduri-ue.ro/

included below on the Romanian Human Capital Operational Programme (POCU) which channels European Social Fund investments.

As part of the Operational Programme measures have been set in motion that target the "unemployed and inactive". By 2023 these are projected to have over 350,000 participants of which 60,000 should be long-term unemployed. These targets are ambitious in aiming to offer to any registered unemployed person (the average of registered persons in 2017 was 374.6 thousand persons) access to a measure to help them find employment. Measures of particular relevance to the long-term unemployed are situated under two Priority Axes of the Human Capital Operational Programme, namely Axis 3 and Axis 4.

Priority Axis 3 ('Jobs for All') has an EU allocation of EUR 1.1 billion[38] and supports access to employment with a focus on unemployed and inactive people. It includes a number of actions targeting both employees and employers, including the funding of vocational training programmes in accordance with job requirements, particularly for older workers; skills recognition; and stimulating employers to organise workplace learning activities.[39] The total allocated for Priority Axis 4 ('Social Inclusion and Poverty Reduction') is EUR 940 million.[40] Specific objectives include reducing the number of people at risk of poverty or social exclusion in marginalised communities, including where there is a Roma minority population by implementing integrated measures; improving the digital literacy of the population in disadvantaged communities (i.e. via e-inclusion); providing services to support social and professional integration (i.e. making social, medical, vocational training services available and accessible as required).

Despite being established for the period 2014-2020, the signing of Human Capital Operational Programme contracts began in the second half of 2017 and as such the first results will only be visible in the first half of 2019. Whereas Romania lacked integrated activation policies in 2015, in 2018 important progress was made in finalising intensive reforms to support harmonised territorial development through the introduction of legislation[41] which aims to initiate integrated services, including public employment services and social assistance benefits and services. The new regulation framework for activation policies initiates a "boom" for exploiting European Social Fund resources. According to Country Specific Recommendations for Romania, this will maximise the absorption of non-reimbursable external funds for the period 2018-2020 that relate to the 2014-2020 financial framework of the Human Capital Operational Programme. This development is a necessary part of realising the targets outlined by Romania for the 2014-2020 period and hopefully marks a more effective and efficient use of EU funding, including via the European Social Fund.

2.4   Monitoring of implementation

Every year the National Employment Agency completes a management performance contract with the Ministry of Labour, which involves a set of performance indicators that are used to assess how support mechanisms are functioning, one of which is an indicator for the share of long-term unemployed over the age of 25 who has signed a job integration agreement out of the

---

[38] https://ec.europa.eu/regional_policy/en/atlas/programmes/2014-2020/romania/2014ro05m9op001
[39] http://www.fonduri-ue.ro/
[40] https://ec.europa.eu/regional_policy/en/atlas/programmes/2014-2020/romania/2014ro05m9op001
[41] Including OUG 60/2016, HG 903/2016, OUG 6/2017 and OUG 60/2018.

total number of registered long-term unemployed. According to focus group participants, however, there are reportedly **no evaluations or monitoring processes planned or in place in relation to the Recommendation at national level**.

There are nonetheless evaluations planned on related issues such as young 'NEETs', employment growth and access to social services (in a general sense) which may overlap with issues related to long-term unemployment and thus contribute to an indirect assessment of the measures in relation to the Recommendation, although at this stage this cannot be definitively confirmed. An ESF evaluation is also in development, the framework for which is being prepared by the European Funds Ministry.

3. CONCLUSIONS

Since the Recommendation was introduced, the issue of long-term unemployment has become a subject of national policy through promoting the necessary legislative framework for the transposition of the Recommendation through legislative packages.

These legislative changes have ultimately prompted changes at an institutional level in terms of support mechanisms available for the long-term unemployed, including for example the nomination of a single point of contact; increased wage subsidies for employers; increased activation bonuses for the unemployed (including long-term unemployed) who find employment; and enhanced profiling procedures. Furthermore, job integration agreements are in the process of being finalised since being introduced into legislation in 2017. The measures outlined in the Recommendation have also been addressed through the coordination of strategies and policies, the aim of which has been to foster the creation of an integrated service provision (involving both employment and social support services) for the long-term unemployed.

Whilst measures have been implemented to improve coordination between institutions working to support the long-term unemployed, cooperation between the Public Employment Service with social and educational service providers is still judged to be limited[42] and measures like the job integration agreement are still being finalised. As such more time is needed for the full impact of the Recommendation to be felt. There is however arguably evidence of tangible efforts in response to a growing awareness and recognition of the need to meet the needs of the most vulnerable, including the long-term unemployed.

3.1 Relevance

Set against the backdrop of declining population levels, an ageing population, as well as particular challenges faced by groups including the Roma population, women and people with disabilities, the measures included in the Recommendation are relevant in their aim to provide support to some of the most socio-economically vulnerable people. The long-term unemployment rate in Romania has been below the EU average in recent years[43] however as outlined in Section 1.1.1, people with lower levels of education in particular continue to face challenges in this regard and there is significant regional disparity in Romania, with Southern regions tending to be the hardest hit by long-term unemployment. As such, and despite the fact

---

[42] https://eur-lex.europa.eu/legal-content/BG/TXT/?uri=CELEX%3A52018SC0221
[43] ec.europa.eu/social/BlobServlet?docId=14449&langId=en

that overall the rate of long-term unemployment is declining in Romania (albeit possibly linked to higher inactivity levels and therefore the importance of improving registration), the Recommendation remains relevant given the ongoing need to address long-term unemployment in this context.

Finally given the weak support in place for long-term unemployed in the Romanian Public Employment Service system, the measures outlined in the Recommendation have been overall relevant in the Romanian context. According to the national expert, the Recommendation brought to light new solutions, helping to identify new opportunities and improving targets set for integration. The action taken in response to the Recommendation in a relatively short space of time can be taken as a response to its overall relevance.

3.2   Effectiveness

There is evidence for the effectiveness of the Recommendation in Romania, with a series of actions seemingly inspired by its publication. According to the national expert, the Recommendation had a high impact in Romania with changes driven both by policy makers (top down) and by the economy (bottom up). Over a relatively short period of time significant efforts have been made to design and implement a number of actions such as in-depth assessment (profiling systems) and changes to legislation to provide job integration agreements and a single point of contact (although yet to be implemented). As such, given the significant amount of activity in Romania since the introduction of the Recommendation, it is possible to argue for its effectiveness at national level, both in terms of effectiveness and tangible approach.

It should be noted however, that there was already a national level interest in some of the areas relating to the Recommendation. For example, the 2015 National Strategy on Social Inclusion and Poverty Reduction had already placed a focus on the establishment of a large network of integrated services which echoes reference to interinstitutional coordination in the Recommendation. According to the national expert however, the Recommendation has been effective in placing more focus on the issue of long-term unemployment and may therefore be linked to the measures introduced or amended at national level since its publication. Therefore, whilst not all aspects of the Recommendation have been implemented to the fullest degree possible, its overall apparent impact so far can at least be taken as a good starting point for ongoing development.

3.3   Efficiency

It is too early to assess whether the costs generated by the Recommendation are proportionate to the benefits. The provision of job integration agreements and establishment of a single point of contact are yet to be implemented, and hence no costs or benefits can be identified yet. Case study interviewees were largely not able to give detailed information on costs for this reason, however a more qualitative assessment of the situation assessed the recent measures as potentially contributing to overall efficiency of service delivery via better coordination of services.

This was summarised by the national expert as potentially increasing the efficiency of service delivery for vulnerable people, by removing redundant processes and improving feedback procedures and subsequently addressing the needs of the long-term unemployed in a more sustainable way. Greater coordination procedures can therefore, albeit indirectly, be linked to

greater efficiency of the overall service offering in terms of enabling more effective and subsequently more sustainable impacts following engagement with support services. As already noted however, this finding is made on the basis of a more qualitative assessment of the *potential* gains to be made by drawing relevant services together in terms of the overall efficiency of service delivery.

3.4   Coherence

There is also a clear coherence with the European Social Fund which, as outlined in Section 2.3) plays a central role in the implementation of measures included in the Recommendation in Romania. Furthermore, the European Semester process has also underlined the issue of long-term unemployment as an area of proposed action for Romania: in 2018, Country Specific Recommendations outlined the existence of ongoing challenges for the long-term unemployed in accessing the labour market and therefore echoes the sentiment of the Recommendation in underlining the need for action in supporting this group. Similarly, whereas the 2016 Country Specific Recommendations for Romania acknowledged that the long-term unemployment rate appeared to be declining, specific recommendations were made nonetheless to strengthen services provided by the National Employment Agency 'in particular by tailoring services to jobseekers' profiles [and] better linking them with social assistance…' which echoes the emphasis on individualised support in the Recommendation.

The Recommendation appears to be coherent with the 2015 National Strategy on Social Inclusion and Poverty with which its overall aims can be compared. As outlined in Section 2.1.3 measures introduced as part of this Strategy (i.e. creation of a network of integrated support services in 2016) can be compared to the suggested approach on coordination of support included in the Recommendation. However, as most of the proposed measures in the Recommendation were not at an advanced stage of implementation at H1 2015 it is not possible to comprehensively assess coherence against the pre-existing national policy landscape. The subsequent impact of the Recommendation in terms of legislative measures introduced after its introduction does however suggest coherence with national level concerns or at least awareness in this particular area.

3.5   EU added value

The Recommendation had EU added value as it can be considered a catalyst for greater focus on long-term unemployment in Romania. According to the national expert, the Recommendation was the trigger for reforms to employment policy, particularly with regards to the role and function of public employment services, social assistance policy, and the integration of services. Whereas prior to the Recommendation key mechanisms outlined in the Recommendation (i.e. single point of contact; coverage of registration; job integration agreements etc.) were at a relatively early stage of development or did not formally exist, the introduction of the Recommendation seems to have *focused* work to further develop these measures. Staff from public employment services mostly supported this view, referring to the value of the Recommendation in increasing the focus on long-term unemployment within national policy measures. A clear example of this was the publication of a national governmental Opinion in December 2015 which, as outlined in Section 1.1.2, initiated the implementation process of the Recommendation and the formal adoption of the issue of long-term unemployment within Romanian employment policy.

In a nutshell, the EU added value of the Recommendation appears to have taken the form of energising national efforts to support the long-term unemployed and has also been used as a basis upon which to model these efforts.

4. LIST OF INTERVIEWEES

Level	Role / Position	Type of stakeholder
National/EU	Contact person designated by ANOFM to monitor the Council of Europe SLD Recommendation	Policy National Stakeholder
	Senior Staff in the Direction Labour Market Analysis, Employment and Vocational Training Programs, MMFS	Policy National Stakeholder
	Policy Maker in LTU / Senior Staff with Direction Employment, Competencies and Vocational Mobility Policies of the Minister of Labour and Social Justice	Policy National Stakeholder
	MMJS – Senior Staff: DPOCMP Employment Policies Service	Policy National Stakeholder
	Senior Staff working with the Minister of Labour and Social Justice	Policy National Stakeholder
	B.N.S. Sindical Confederation Representing	Policy National Stakeholder
	Senior Staff: Coordination of Projects with Non-refundable Funding from European Funds and Management of Data bases.	Policy National Stakeholder
	Ministry of European Funds. Senior Staff: Managing Authority for the Human Capital Operational Program	Policy National Stakeholder
	Senior Staff: Service Management Programmes	Policy National Stakeholder
	Senior Staff: National Council of Small and Medium Sized Private Enterprises in Romania - CNIPMMR, Senior Staff: Economic and Social Council	Policy National Stakeholder
Regional	Senior Staff: Labour Market Analysis and Social Economy AJOFM Teleorman	Regional national stakeholder

	Senior Staff AJOFM Teleorman	Regional national stakeholder
	Senior Staff: AJOFM Telelorman, Monitorizare Proiecte	Regional national stakeholder
Local	LTU (2001)	Beneficiaries LTU (rural)
	LTU (1993) înregistrat 07.2018	Beneficiaries LTU (rural)
	LTU (2015)	Beneficiaries LTU (rural)
	LTU (2015)	Beneficiaries LTU (rural)
	Employer LTU rural	Bussiness / Employers (rural)
	Employer LTU urban	Bussiness / Employers (urban)
	Employer LTU urban	Bussiness / Employers (urban)
	Employer LTU urban	Bussiness / Employers (urban)
	CSO/ONG urban	Associations /CSO /NGO support (urban)
	CSO/ONG urban	Associations /CSO /NGO support (urban)
	ALOFM Alexandria Teleorman, Employer Relations Department – Registration and Mediation, SPO	Practitioner (urban)
	ALOFM Alexandria Teleorman, Registration and Mediation, SPOC	Practitioner (urban)
	ALOFM Alexandria Teleorman, Register Fellowships, Professional Training, SPO	Practitioner (urban)
	ALOFM Alexandria Teleorman, Control Active Measures - Monitoring, SPO	Practitioner (urban)
	Senior Staff: Social Assistance and Benefit Service at the Alexandria SPAS Social Welfare Directorate, Alexandria City Hall	Practitioner (urban)
	Senior Staff: Personnel Assistance and Disability Benefits Department, Alexandria SPAS Social	Practitioner (urban)

	Assistance Directorate	
	Employed, before LTU LTU 12 months, employed since 8 January 2018	Beneficiaries LTU (urban)
	Employed, before LTU LTU 12 months, employed since 4 April 2017	Beneficiaries LTU (rural)
	LTU before Social Assistance Beneficiary, 63 years old	Beneficiaries LTU (urban)
	LTU request Social Assistance Beneficiary, 49 years old In 2017 October lose the job, accident in November 2017. Working at grey/black without social protection – medical leave	Beneficiaries LTU (rural)
	LTU before Social Assistance Beneficiary, 57 years old	Beneficiaries LTU (urban)
	LTU request Social Assistance Beneficiary, 26 years old	Beneficiaries LTU (rural)
	Employer LTU rural	Business / Employers (rural)
	ALOFM Turnu Magurele Teleorman, ALOFM Superior Inspector active control measures, monitoring, SPO	Practitioner (urban)
	ALOFM Turnu Magurele Teleorman, Superior Inspector, relations with employers, information, counselor, drawing up unemployed file, SPO	Practitioner (urban)
	ALOFM Turnu Magurele Teleorman, Counselor Information, Counseling, Mediation, SPO	Practitioner (urban)
	ALOFM Turnu Magurele Teleorman, Superior Inspector, Labor Force Mobility, SPO	Practitioner (urban)
	ALOFM Turnu Magurele Teleorman, Specialty Officer, unemployed registration ALOFM, SPO	Practitioner (urban)
	Turnu Măgurele Town Hall Social Assistance	Practitioner (urban)