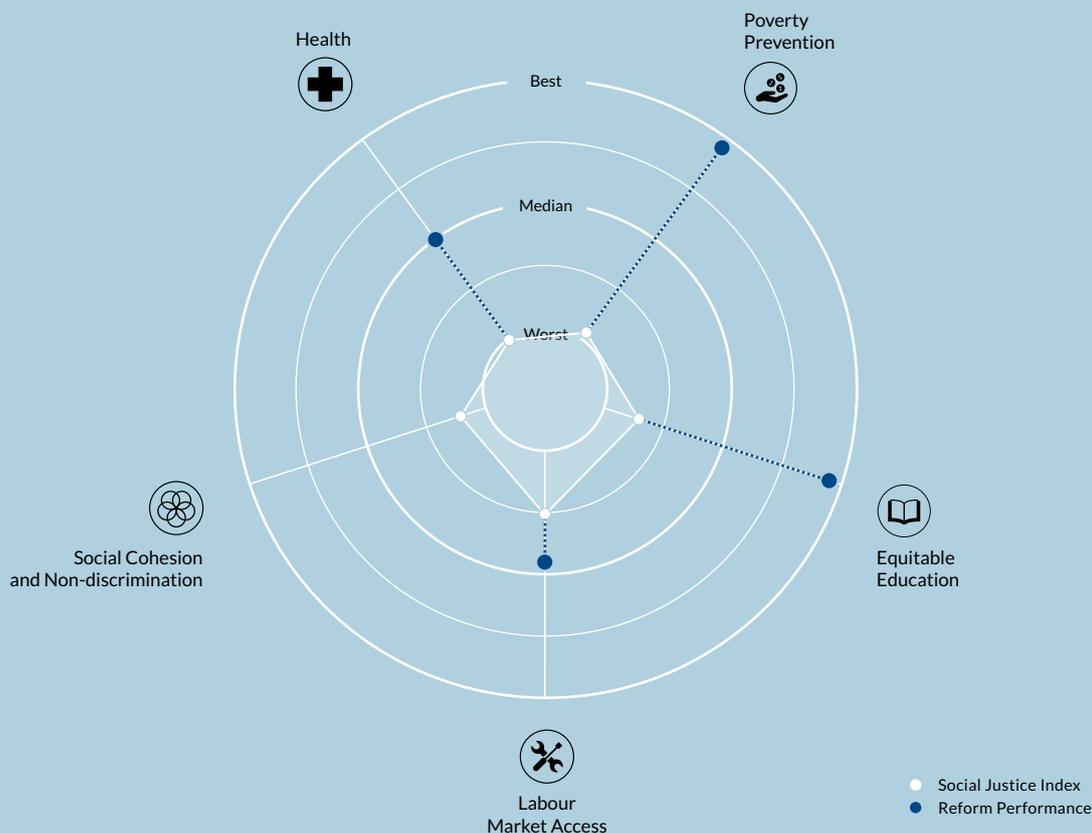


## Findings by Country



# Romania

How does the country rank in the EU?



## Overall Findings

**Need** Though the overall need for policy reform in Romania is high (2.27), it is certainly not one of the highest among EU countries, ranking Romania 13th out of 23 assessed EU member states. This is rather surprising, as the country performed poorly in the 2015 Social Justice Index (SJI), where it receives an overall score of 3.74 out of 10 and a ranking of 27th out of 28 countries.

Looking at the different dimensions of the 2015 SJI, Romania ranks among the bottom five performers in four of the five policy fields. In accordance with this, the experts evaluated the policy dimensions of Health (2.78, rank 20/20) and Equitable Education (2.47, rank 20/22) to be most urgently in need of reform. In contrast to the findings of the 2015 SJI, the experts assess Social Cohesion (1.83, rank 3/18), Labour Market Access (2.28, rank 9/19) and Poverty Prevention (1.96, rank 13/27) as less pressing challenges for the country – also when compared to other European countries. This can partially be explained by the fact that the subgroups of the foreign-born population and refugees are attested as having a low need for policy changes, which influences the overall need. For instance, while the need to increase employment

## Overall Reform Performance Ranking



## Overview of Reform Barometer Scores



for the total population is assessed at 2.43, the aforementioned groups only receive a need of 0.33 each. One expert explains that foreign-born people and migrants are weakly represented in the Romanian population, so fewer initiatives are needed to address their social inclusion.

**Activity** Romania has the fifth-highest activity rate. According to the experts, 51 percent of the need for reform is being addressed by government action. The rate is the highest in the dimension of Health (62%, rank 9/20), Labour Market Access (60%, rank 6/19) and Poverty Prevention (61%, rank 2/27), for which only Luxembourg ranked higher. The activity rate is lower for the dimensions of Social Cohesion (32%, rank 14/18) and Equitable Education (38%, rank 9/22), though it is still above average in comparison to other EU member states for the latter one.

**Quality** The quality of reforms introduced in Romania are assessed as being high (0.77), ranking the country 6th out of 20 EU countries. Furthermore, Romania received the second-best quality score for its reforms on Poverty Prevention (1.20) and the best quality score for initiatives designed to safe-

guard Equitable Education (1.31). The experts also expect a positive impact on the Health system (0.52, rank 14/19), though they are less positive about the improvement of Labour Market Access (0.35, rank 10/17).

### Dimension Findings



#### Poverty Prevention

**Need** The 2015 SJI highlighted Poverty Prevention as a dimension most desperately in need of reform, as a significant proportion of Romania's population is living in or is at risk of poverty and/or severe material deprivation. Accordingly, Romania received a low score of 1.39, ranking the country 27th and only ahead of Greece. Though the experts see a pressing need for reform addressing Poverty Prevention, it is quite moderate in comparison to other EU member states (1.96, rank 13/27). However, the need is assessed very differently for various subgroups: Whereas introducing policies addressing the foreign-born population (0.87) and refugees (1.22) is a comparatively low need, addressing the poverty of children (2.79) and the total population (2.35) is assessed as being very high – also in comparison to other EU member states. These numbers more closely reflect the need for reform as assessed by the 2015 SJI.

One expert suggests that “single parents should be helped with special allowances, tax exemptions and other measures.”<sup>1</sup> Another one adds: “Higher wages and pensions should be introduced.”<sup>2</sup> One expert recommends: “The amount of social aid granted on the basis of the Law on the Minimum Income Guarantee (Law 416/2002 – revised) should be increased and differentiated according to one's housing situation. Now, there is no difference in the amount of the benefit for homeowners, rent-paying tenants and homeless families, or those living in sub-standard shacks at the peripheries (such as segregated and impoverished Roma settlements). Social services, in particular job-mediation and subsidized child care services for job-seeker parents, should be developed.” With regard to senior citizens, the expert adds: “The poverty of the elderly population is larger and deeper in rural areas, as they often receive the minimum social pension (less than €100 a month) and have limited access to subsidized care services. The minimum social pension should be increased and, due to the lack of public home care services in rural areas, larger subsidies should be granted to accredited NGOs providing home care services.”<sup>3</sup>

**Activity** The activity rate is assessed as the second highest out of 27 assessed EU member states. Again, very little is being done for the foreign-born population (0%) and refugees (15%), and a lot more with regard to children (90%) and the total population (70%).

The ‘National Strategy on Social Inclusion and Poverty Reduction’ and the ‘Strategic Action Plan for 2015–2020’ have been introduced in Romania. They include both policies addressing the individual across various dimensions (e.g. social benefits, improving education and health) and area policies which address rural and marginalised urban communities, including the Roma.

According to the experts, a large proportion of initiatives to prevent poverty in Romania take the form of social benefits. More specifically, children's

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<sup>3</sup> Cristina Rat, Sociology Department, Babes-Bolyai University Cluj-Napoca

allowances were doubled (in June 2015), a kindergarten attendance allowance has been introduced, the means-tested family allowance was increased (in December 2014), the minimum salary has been increased several times since 2012, pensions have been increased to adjust for inflation, and the minimum state pension has been increased by approximately 14 percent.

**Quality** The measures introduced are expected to have quite a positive effect on the prevention of poverty (1.20, rank 2/24), especially with regard to children (1.43). One expert argues: “For the means-tested family allowance for the needy, the conditionality of compulsory school attendance for each school-aged child (6–15) has strong adverse effects, as the neediest families, especially in rural areas, do not have the means to ensure regular school attendance for their children. Instead of promoting school attendance, this conditionality actually denies benefit to the neediest.”<sup>4</sup> One expert also addresses the involvement of stakeholders, stating: “Increasing the role of stakeholders (public, non-governmental or private organisations) during all stages of the policymaking process (as recently happened in the area of child protection, social inclusion of the disabled) may well increase ownership and ensure active involvement and collaboration in implementing the reforms. If assumed by all actors involved and effectively applied, the poverty exit policies will result in a constant reduction of poverty.”<sup>5</sup> With regard to the role of schools in the fight against poverty, another expert states: “A large body of medical and socioeconomic research provides evidence on the negative effects of hunger on children’s school performance. To improve the lives of the most marginalized children, education plays a crucial long-term role. In this sense, schools may constitute an efficient platform to attack and overcome the detrimental effects of hunger and poverty.”<sup>6</sup>

## Equitable Education

**Need** The high need to reform the education system in Romania is recognised both by the experts (2.47 rank 20/22) and the 2015 SJI (score 5.04 out of 10, rank 24/28). The need is evaluated as being high across five policy objectives, ranking Romania in the bottom five on four of them. The experts highlight that a public debate and new policies addressing the high dropout rate in the Romanian education system are urgently needed. One expert points out that a first step would involve gathering data on this issue, as only student associations collect data on school dropouts at present. Other aspects in need of more attention are early education for children under the age of three and lifelong learning. Two experts state that no coherent policy has been introduced at a national level on these issues, with one commenting: “We don’t have early-childhood and lifetime-learning educational strategies.”<sup>7</sup> Numerous experts also discuss the insufficient training of teachers in Romania.

**Activity** The overall activity rate for this dimension is 38 percent, ranking Romania 9th out of 22 countries. It is higher with regard to ensuring equal

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<sup>6</sup> Alina Botezat, “Gh. Zane” Institute for Economic and Social Research, Romanian Academy, Bucharest

<sup>7</sup> Alexiu Teodor Mircea, West University of Timisoara

opportunities (65%, rank 7/25), improving the structural conditions regarding financial and human resources (45%, rank 5/23) and safeguarding the independence of learning success from children's socioeconomic background (48%, rank 6/21). The activity rate is lower with regard to improving the quality of teaching (22%, rank 14/22) and reducing the rate of early school leavers (15%, rank 14/21).

The experts report that an assessment of the education system was undertaken in 2009. Together with reform targets, it was submitted to public debate in 2010. A new 'National Education Law' was drafted and then adopted in 2011. It addresses all levels and aspects of the Romanian education system, containing measures against unequal opportunities at all stages of education. The implementation process is gradual. One specific step already taken addresses pre-primary education. Following an initiative of the NGO Ovidiu Rom, the government introduced a national programme called 'Every Child in Kindergarten' in 2015. It aims to increase the attendance of children living in rural areas at kindergarten to at least 90 percent by 2020. It specifically targets disadvantaged families by introducing cash transfers as incentives for children's attendance at kindergarten. It is hoped that this will especially increase kindergarten attendance among Roma children, which is very low at present. Accordingly, the activity rate for ensuring equal opportunities for pre-primary children is particularly high (81%).

**Quality** The experts expect the reforms to have quite a positive effect on the performance of the education system (1.31, rank 1/21). They are particularly optimistic with regard to safeguarding equal opportunities (1.41, rank 2/18). One expert stated that she was particularly optimistic about the impact of the 'Every Child in Kindergarten' programme on Roma children's attendance and, subsequently, their learning success at the primary education level.

## Labour Market Access

**Need** Though the need to reform Labour Market Access is comparatively modest (2.28, rank 9/19), it is much higher for different policy objectives and subgroups. The need is assessed as highest for the objectives of reducing the number of temporary contracts on involuntary basis (2.50, rank 11/16) and reducing in-work poverty as well as the number of low-wage earners (2.50, rank 12/18). One expert comments that it will be crucial to implement the reform of active social protection under a programme the government has announced and parliament has approved already.

The need to increase employment overall is assessed as being comparatively low (1.85, rank 2/22). The experts see a very low need for policy changes addressing the employment of the foreign-born population or refugees (0.33 each) and, in comparison to other EU member states, little need to increase job opportunities for the long-term unemployed (2.29). However, a much higher need is assessed with regard to the total population (2.43) and young people, in particular (2.86).

**Activity** The activity rate for this dimension is high (60%, rank 7/19), especially as regards increasing employment (91%, rank 1/22). The activity rate is significantly lower with regard to reducing in-work poverty (31%, rank 11/16), the most pressing issue in this dimension. The experts report that, in order

to reach its Europe 2020 target of increasing employment to 70 percent of the population aged 20–64, Romania has modernised labour market institutions and increased institutional capacity, introducing reforms targeted at subgroups at the same time. Furthermore, Romania has introduced strategic objectives for the country as a whole, including a ‘National Strategy for Life-long Learning 2015–2020’ and a strategy to lower the percentage of early school leavers to below 10 percent.<sup>8</sup>

One expert reports that Romania modified its unemployment insurance act in 2013 with the aim of making more active measures available, including for the long-term unemployed and young people. A ‘Youth Guarantee Implementation Plan’ has been presented, with a second plan with more ambitious targets already underway. Using available financing from the European Social Fund extensively, 28 Youth Guarantee centres have been founded, and improved entrepreneurship programmes for young people and NEETs, in particular, have been launched. A law on traineeships has been adopted as of 2014, and the apprenticeship act has been modified as of 2013. Another expert reports that companies have been incentivised to hire young graduates and/or senior citizens in their last three years before retirement through financial grants.

The experts report that the minimum salary was increased several times by the government between 2012 and 2015. Furthermore, they observed “a very small increase in the minimum income (now 175 euro net)”.

**Quality** The quality of reforms regarding this dimension is evaluated at 0.35 (rank 10/17), implying that the experts do not expect a significant impact on labour market access. However, their assessment is much more optimistic as regards the policy objective of increasing employment (1.32, rank 1/19). One expert comments that the financial incentives for companies to hire young graduates and senior citizens close to retirement have already had a positive impact on the unemployment rate for these two subgroups. Another expert concludes that the reforms introduced have been well designed but lack adequate financing.

## Social Cohesion and Non-discrimination

**Need** The need to improve Social Cohesion and Non-discrimination is assessed as being comparatively low overall (1.83, rank 3/18), and the same holds true for the two policy objectives of reducing income and wealth inequality (2.00, rank 4/22) and improving integration policy (0.83, rank 1/17). However, one expert comments that the Roma population still faces strong discrimination in Romania.

Romania is struggling to reduce its rate of early school leavers. Therefore, the need to reduce the NEET rate remains high (2.25, rank 7/15). Furthermore, the need to improve gender equality is high, as well (2.25, rank 12/17). One expert points out that while a National Agency for Equality between Men and Women has been re-established, it mostly remains inactive. The most recent strategy for advancing gender equality dates to the 2010–2012 period.

<sup>8</sup> Cristina Lincaru, National Scientific Research Institute for Labor and Social Protection, Bucharest

**Activity** The activity rate in this area is comparatively low, with only 32 per cent of the need for reform being met. The rate is particularly low with regard to decreasing income and wealth inequality (12%, rank 21/22).



## Health

**Need** In the 2015 SJI, Romania only scored 3.09 out of 10, ranking last out of 28 countries for the Health dimension. The experts assess the need for reform at the maximum of 3.00 on four policy objectives, namely, the improvement of public health, the quality of health care, the sustainable and fair financing of the health system, and the outcome performance of the health system. The need for improving the health system's efficiency is rated at a high 2.80 (rank 18/20). With regard to health care governance (2.33, rank 12/19) and the accessibility and range of health services (2.33, rank 13/19), the need is assessed as being slightly lower.

However, with regard to the latter objective, one expert comments: "In 2011, a number of municipal hospitals and ambulatory clinics were closed by the government with the aim of raising the efficiency/cutting costs in the health care system. This measure was not followed by a solution for the communities that these hospitals were serving and, thus, increased the gap in health care accessibility between large urban communities and rural and small city communities. No one has ever made an impact evaluation of that measure in terms of costs saved vs. population health needs to be covered – and how much it actually cost to bring all those people into the big medical centres. There are still a lot of GP offices in rural areas that have no practitioners. There are no policies that would offer real incentives for GPs to practice there. This also applies to hospitals in small urban communities that have been renovated and equipped with EU funds, but function at minimal capacity due to lack of personnel."<sup>9</sup>

Furthermore, one expert comments on the need for political will: "Public health should have a more prominent part in the Romanian Ministry of Health's strategic planning and consequent resource allocation. Currently, there is an acute shortage of financial resources, not enough specialized human resources, zero political interest and poor population knowledge of/education in the importance of public health. In terms of recommendations, the causes are diverse and intricate, and so would the solutions. The most important thing that is missing is political interest. Once we manage to get that, things will move – faster or slower – in the right direction."<sup>10</sup> Another expert argues similarly by stating: "From previous experience, reforms are not fully successful due to lack of enforcement and political instability. The success of reforms is ensured when the change is related to an EU regulation that should be transposed by the country or is among the conditionalities established in order to attract funds from the EU or other international financial bodies."<sup>11</sup>

With regards to unmet needs, one expert states: "Financially, the law regulates access by providing health insurance, but funds are extremely depleted and ineffective, such that a great part of the population which is entitled

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<sup>10</sup> Petru Sandu, Department of Public Health, Babes-Bolyai University, Cluj-Napoca

<sup>11</sup> Silvia Gabriela Scintee, National School of Public Health Management and Professional Development, Bucharest

to guaranteed tests and treatments is placed on waiting lists with delays of 3 to 6 months. Secondly, there are no at-home services performed for those in need of house care, not even on a monthly basis. This is all due to the inefficiency of the way funds are allocated, but also to the fact that the system receives insufficient funds.”<sup>12</sup>

**Activity** The activity rate for the Health dimension is relatively high (62%, rank 9/29). The lowest activity rate is assessed for the objective of improving the outcome performance of the health system. All other objectives receive high activity rates (of 50% or higher), with 100 percent of the need to improve health care governance being met. The experts report that a ‘National Health Strategy 2014–2020’ (known as ‘Health for Prosperity’) has been introduced by governmental decree. The strategy consists of three strategic areas with different targets: (1) public health development (maternal and child health, combatting double burden of disease in population, health in relation to the environment); (2) health services development (a system of basic community support services for vulnerable groups, regionalisation/concentration of hospital care and creating regional networks of referral, creating networks of health care providers); (3) transversal measures development (development of health system governance; strengthening national, regional and local management capacity, planning and monitoring of public health and health services; promoting research and innovation in health).

One expert adds: “The National Authority for Quality Management in Healthcare was created in 2015. Its roles include: elaborating, in collaboration with the Ministry of Health, the national strategy for quality assurance in health; drafting legislative proposals to ensure harmonisation with international regulations; elaborating accreditation standards, methods and procedures for health care providers; accrediting training and technical consultancy providers in the field of health quality management; evaluating, re-evaluating and accrediting health providers and monitoring that appropriate quality standards are in place in health care facilities at all levels of care; performing research activities in the area of health services quality.”<sup>13</sup>

With regard to increasing the efficiency of the health system, one expert summarises the reforms aimed at cutting costs: “introduction of claw-back tax for reimbursed drugs (2009); modification of the reference price system (2009, enforced in 2014); new mechanisms introduced to monitor on a monthly basis health care expenditure (2012); introduction of e-prescriptions for reimbursed drugs (2012); introduction of the health insurance card (2015); increasing efficiency in the health system through e-health (piloted at the moment, proposed extension).”<sup>14</sup> Furthermore, she also lists reforms at the hospital level: “decentralization of administration of public hospital (2010); National Strategy for Hospital Rationalization (2011); National Plan for Hospital Beds (reduction) for 2014–2016; introduction of patient copayment in in-patient care (2013)”.<sup>15</sup>

<sup>12</sup> Alexandra Gheondea, Research Institute for Quality of Life, Romanian Academy, Bucharest

<sup>13</sup> Silvia Gabriela Scintee, National School of Public Health Management and Professional Development, Bucharest

<sup>14</sup> Silvia Gabriela Scintee, National School of Public Health Management and Professional Development, Bucharest

<sup>15</sup> Silvia Gabriela Scintee, National School of Public Health Management and Professional Development, Bucharest

**Quality** The quality of these new reforms is positively evaluated at 0.52 (rank 14/19). However, two experts illustrated with an example (the health card) how a good reform could miss its target when its implementation is inadequate. One expert states: “The patient’s electronic health card was introduced in order to have a more clear picture of the health services provided and avoid fraud (i.e. requests for state reimbursement of services that were never offered). However, the way this service was introduced and how it’s currently (not) functioning, make most of the people in the health system believe this was yet another preferentially allocated contract. The card doesn’t store patient records, and many times the validation system is not functioning properly.”<sup>16</sup> Another expert adds: “[The health insurance card] is likely to facilitate the better use of public funds for health. However, most passwords for the cards have been set by the medical nurses and doctors without asking for the patients’ opinion or preserving the secrecy of the code. In this way, most cardholders’ PIN numbers are the date of birth of the owner. In this way, this leaves room for fraud.”<sup>17</sup>

<sup>16</sup> Petru Sandu, Department of Public Health, Babes-Bolyai University, Cluj-Napoca

<sup>17</sup> Alexandra Gheondea, Research Institute for Quality of Life, Romanian Academy, Bucharest