

# RENASIS – REȚEAUA NAȚIONALĂ ANTISĂRĂCIE-INCLUDERE SOCIALĂ

## POVERTY WATCH 2020- ROMANIA

### CONTENT

- INTRODUCTION
  - WHAT DO WE MEAN BY POVERTY?
  - WHAT IS HAPPENING TO POVERTY IN ROMANIA?
  - WHO ARE THE GROUPS MOST AFFECTED?
- 
- WHAT ARE THE KEY CHALLENGES AND PRIORITIES? WHAT DO PEOPLE IN POVERTY THINK?
  - WHAT IS THE ROLE OF EU AND ROMANIAN GOVERNMENT?
  - WHAT EAPN RO IS DOING?
  - KEY RECOMMENDATIONS
  - REFERENCES

This Report is produced by the European Anti-Poverty Network Romania (EAPN RO) – RENASIS. The report aims to highlight the key developments and trends on poverty in Romania, to briefly assess the impact of the EU and national Government measures, to identify the key issues that have an impact on the poor population in Romania, to make recommendations supported by concrete examples and clear evidence and to make the voices of people experiencing poverty heard at local, national and European level.

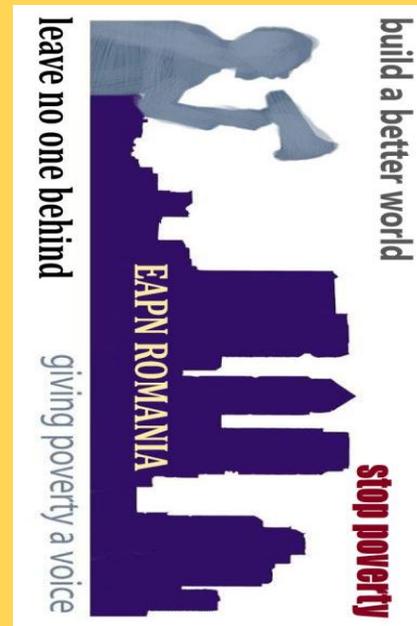
## INTRODUCTION

### WHO WE ARE

RENASIS was founded in 2008 by a group of 13 NGOs in Romania. Currently, RENASIS has 18 member organizations across the country and is part of the European Anti-Poverty Network (EAPN), the largest European network active in combating poverty and social exclusion. EAPN currently comprises 31 national networks and 18 European organizations.

The aim of the Romanian EAPN Network is to fight against poverty and for social inclusion by:

- **Strengthening the capacity of Romanian NGOs to take action in the fight against poverty at both, national and European level;**
- **Promoting active involvement of national NGOs at national and EU policy level in specific anti-poverty and social inclusion areas ;**
- **Raising the awareness of Romanian citizens on the principles and specific means of fighting against poverty, promoting freedom and human rights;**
- **Promoting concrete partnerships between NGOs, local authorities, public institutions, churches, social partners, private sector organizations and local communities;**
- **Fighting against the discrimination of individuals/ethnic and social groups/local communities based on poverty;**



- Promoting social inclusion and sustainable development.

## MAIN MESSAGES

RENASIS considers that persons affected by poverty in Romania do not find themselves in a state of vulnerability, defined only by low or total lack of income, but they experience a series of inequalities regarding opportunities and resources which are vital for the full participation in the economic, social and cultural life, as well as their involvement in the process of decision making concerning their life and their access to basic human rights.

The role of the Poverty Watch 2020 is to promote and raise awareness regarding the interventions and actions needed to eradicate and fight poverty in Romania. The report aims to provide a brief picture of the social situation in Romania and the situation of the persons affected by poverty or who are at risk of poverty and social exclusion. At the same time, the Report presents several measures to prevent and combat poverty and the risk of social exclusion in Romania as part of the main objectives of RENASIS and its member organisations.

This report equally addresses political, economic and social policies that Romania has developed to boost employment, increase the minimum wage and to ensure the financial resources needed for the social welfare and social benefits as well as to provide quality social services, access to healthcare and education. The Poverty Watch 2020 ensures that the voices and messages of people experiencing poverty are heard by decision-makers and the general public.

## WHAT DO WE MEAN BY POVERTY?

**Poverty** represents the situation of a person/family/group/community which manifests itself through the lack of resources needed in order to buy goods and services which are needed to ensure the minimum standard of living in a certain period of time related to the socio-economic state of society. The poverty line represents the quantification of resources and, the standards used to determine it, are influenced by the general cost of living as well as the specifics of the adopted social policies. (art. 6 - the Law of Social Assistance no. 292/2011, with subsequent modifications and completions).



# What is Poverty? & Inequality?

Definitions

Measure

Poverty could be both an absolute and a relative concept.

**Absolute or extreme poverty**

- is when people lack the basic necessities for survival. For instance, they may be starving, lack clean water, proper housing, sufficient clothing or medicines and be struggling to stay alive. The United Nations tends to focus its efforts on eliminating absolute or extreme poverty. The first goal of the United Nations Millennium Development Goals was to eradicate extreme poverty and hunger.

The European Union's Social Inclusion Process uses a **relative definition of poverty**.

- According to this definition, poverty is where some people's way of life and income is so much worse than the general standard of living in the country or region in which they live that they struggle to live a normal life and to participate in ordinary economic, social and cultural activities.

People are said to be living in poverty if their income and resources are so inadequate as to preclude them from having a standard of living considered acceptable in the society in which they live. Because of their poverty they may experience multiple disadvantages through unemployment, low income, poor housing, inadequate health care and barriers to lifelong learning, culture, sport and recreation. They are often excluded and marginalized from participating in activities (economic, social and cultural) that are the norm for other people and their access to fundamental rights may be restricted (European Commission, Joint Report on Social Inclusion 2004).

**Inequality**

- is a measure of how resources are distributed across the whole society. Generally, countries with high levels of inequality are also likely to have high levels of poverty and those with lower levels of inequality are likely to have lower levels of poverty.

Until 2010, relative poverty was the main focus when monitoring poverty at the EU level. In 2010, the EU adopted the Europe 2020 Strategy, aimed at guiding the EU towards a smart sustainable and inclusive economy. Among the five headline targets of this strategy, a poverty target was adopted for the first time, to reduce by 20 million the number of people 'At Risk of Poverty or Social Exclusion' (AROPE).

The AROPE indicator is defined as the share of population in at least one of the following three conditions:

- At risk of poverty (AROP), meaning below the relative monetary poverty threshold (60% of median equalized household income);
- In a situation of severe material deprivation (SMD);
- Living in a household with very low work intensity.

The AROPE composite indicator captures just part of the picture and does not fully describe the complexity of poverty. It is important that its three components keep being monitored separately. It is also important to measure other elements that capture the multidimensional nature of poverty: official indicators should be complemented by quantitative and qualitative information gathered by NGOs working on the ground.

To understand “official” definitions better, it is vital to ask people who are themselves experiencing poverty what the day-to-day struggle of living in poverty means and to involve them directly in identifying and delivering the solutions. Their answers can be more relevant than a mere collection of figures:

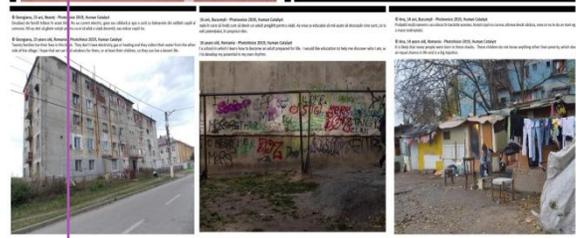
C.V. "I am 17 years old and it's painful to see a child who wants to learn but the conditions are preventing it and it's even more painful to observe the indifference of the community towards its youth and its future. We are told that we live in a developed environment, digitalized and with opportunities where one can fulfill his or her potential. But I realize it's not quite like this. Unfortunately, in our country, they do not encourage the self-development and education and access to knowledge and this limits us as persons, as citizens and human beings.



E.C. "I want us to break down the stereotypes we have about <the poor that do not work>, about <the state benefits that encourage people not to work>, about the <big amounts of money we are spending for the poor>. We must understand that the poverty in which hundreds of thousands of people live in this country is extremely high and it is perpetuated from one generation to another."



S.F. "It's important to stress the idea that any person can change their life and that it's possible to adapt to certain requirements like going for professional retraining and get a job and receive the assistance provided by NGOs. In fact, it's about giving chances and create opportunities."



P.A "It can happen to anyone to find themselves in a difficult life situation when you can lose everything, With this Covid-19 pandemic, a lot of people were hit hard, lost their jobs, or have been left without any resources. I believe that in such situation it's important to receive help and to have someone support you, as it's not possible to break through alone."



## WHAT IS HAPPENING TO POVERTY IN ROMANIA? WHO ARE THE GROUPS MOST AFFECTED?

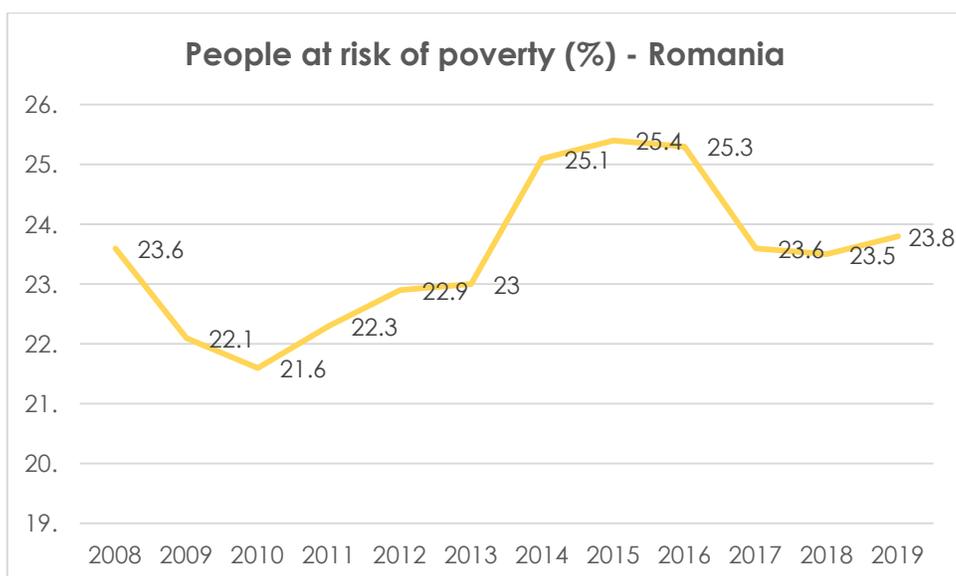
The poverty and social exclusion level faced by the Romanian population is quantified by analyzing the evolution of the number of people at risk of poverty or social exclusion (AROPE) and the three indicators from which AROPE is composed of: "relative poverty rate" (AROP), „severe material deprivation” (SMD) and „belonging to a household where work intensity is extremely low” (VLWI).

In order to quantify indicators on poverty and social exclusion in the Member States and at EU level, it is mainly used the EU-SILC survey on incomes and living conditions conducted by each Member State.

### People at risk of poverty (AROP)

The share of the population at risk of relative poverty after social transfers (AROP) is the first of the three indicators used to assess the risk of poverty or social exclusion in the European Union.

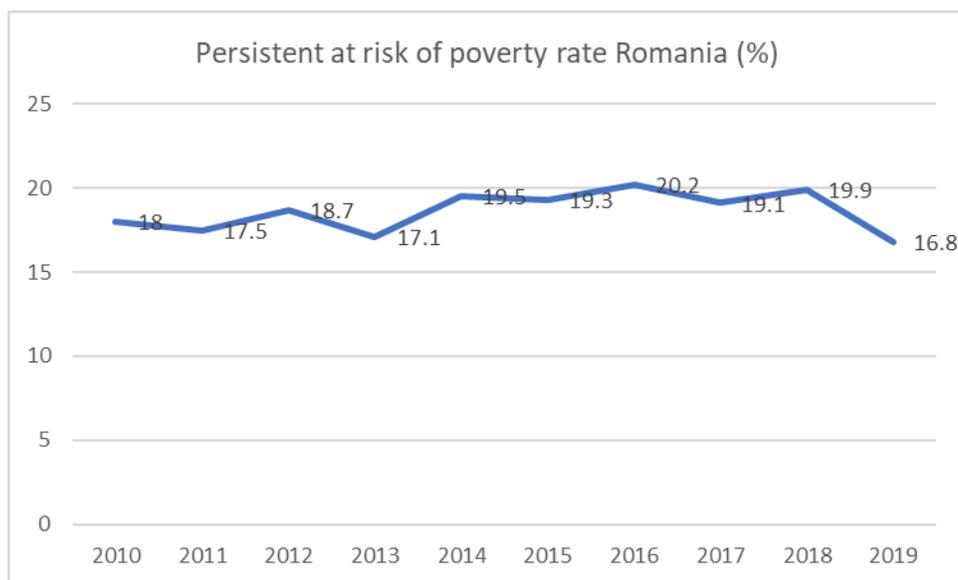
Although it declined by 3.5 percentage points between 2007 and 2010, the poverty risk rate in Romania followed an upward trend between 2010 and 2016, reaching 25.4% in 2016 as compared to the EU-28 average of 16.9%; **Romania has still both the highest poverty rate and the lowest relative poverty line<sup>1</sup> of all EU member states. In 2017 to 2019, AROP shows a steady value of approximately 23.5% of the total resident population; this means that about 4.5 million people are at risk of income poverty.**



Source: Eurostat, <http://ec.europa.eu/eurostat/en/web/income-and-living-conditions/data/database>  
03.09.2020

<sup>1</sup> In 2018, Romanian poverty threshold for 2 adults with 2 children under 14 was 7864 euro/year compared to 9121 euro/year in Bulgaria, and for a single person 3745 euro / year compared to 4343 euro/year in Bulgaria.

Almost 17% of people in relative poverty face persistent poverty<sup>2</sup>, decreasing by 3 percentage points compared to 2018, meaning that their income is below the poverty line in the reference year and in at least two of the past three years. **Inequality of opportunities remains one of the main challenges for Romania: unequal access to education, healthcare and other services, along with intergenerational transmission of poverty, prevents children or families from disadvantaged areas from reaching their full potential.**



Source: <https://ec.europa.eu/eurostat/databrowser/view/tessi020/default/table?lang=en>

Also, the Romanian population shows a high level of income inequality, disparities being highlighted especially between rural and urban areas. Although small improvements have been noted, **in 2020, Romania has the second highest level of income inequality in the EU, with the richest 20% of the population earning almost 8 times more than the poorest quintile, the S80 / S20 rate being 5.1 for EU-28 countries.**

According with The European Semester Report - Country Report Romania 2020, published by the European Commission, poverty continued to decline but inequality has deepened. Despite higher wages and pensions, income inequality increased in 2018 following a two-year decline, while slightly decreasing in almost all Member States.

This change is driven by both income increases for people in the highest income group and decreases for those in the lowest income group. **High inequality is due both to high inequality of market incomes and to low redistributive impact of the tax and benefit system.** In 2018, the income share of the poorest 40% of the population saw one of the greatest declines in the EU, remaining well below pre-crisis levels 17.6% compared to an EU average of 21.5%.

The Gini coefficient of the equivalent disposable income, according to EU-SILC research, was 34.8% in 2019, compared to the EU-28 average (30.8%), the second

<sup>2</sup> The indicator is defined as the share of persons with an equivalent disposable income below the risk-of-poverty threshold in the current year and in at least two of the preceding three years. The threshold is set at 60 % of the national median equivalised disposable income.

largest in the EU-28 countries after Lithuania but roughly the same as in countries like Greece, Spain or Portugal.

**Romania faces major disparities between urban and rural areas or between its development regions.**

The urban-rural disparities create very high income and opportunity inequality across the population. **The risk of poverty decreased in cities but remained relatively constant in rural areas, almost five times higher compared to cities. The average overall disposable income for a household member in urban areas is 1.9 times higher than in rural ones.** More than half of the rural employed population is not covered by pension, unemployment or health insurance, despite their compulsory nature. Access to health care is especially poor and self-reported unmet needs for medical examination was twice as high as in urban areas and four times higher than the EU average.

**The risk of poverty is three times higher in rural areas than in urban areas; 38% of those living in rural, sparsely populated areas were exposed to this risk, compared to only 11% of people living in densely populated or intermediate urban areas<sup>3</sup>; there are also large regional disparities in the AROP distribution; The regions with the highest percentages of people at risk of poverty are North-East (41.1%), South-West Oltenia (31.6%) and South-East (31.6%) compared to only 2.9% in the Bucharest-Ilfov region.**

Romania is affected by uneven development, with a significant gap between the Eastern and Western regions of the country. The Eastern part of the country (North-East and South-East regions) faces the highest levels of poverty and severe material deprivation. The southern part (regions: South Muntenia and South-West Oltenia) also contain areas of poverty and material shortages that are either higher than the national average or at least at the same level. The central and western regions have levels of poverty and material shortages that are below the national average.

**According to the European Semester Report - Country Report Romania 2020, GDP per head continues to converge with the EU average but regional disparities persist. Income disparities are among the highest in the EU, mainly driven by the large gap between the capital region of Bucharest and the rest of the country.** In five of the eight Romanian development regions (NUTS 2 regions), GDP per head grew faster than the EU average, while the three poorest regions saw their GDP per head shrink between 2011 and 2017. In the capital region, GDP per head corresponds to 144% of the EU average and has grown the fastest over the last six years. At 67% of the EU average, the Vest region has the second highest GDP per head in Romania. In the other Romanian regions, GDP per head ranges from 39% to 60% of the EU average.

Inequality of opportunities remains a challenge for Romania. Unequal access to education, health care and other services, along with intergenerational transmission of poverty prevents children and families in disadvantaged areas to reach their full potential. Rural areas are particularly affected by the inequality of opportunities due to insufficient infrastructure, insufficient employment opportunities and non-existent or poor quality public services.

---

<sup>3</sup> Source: World Bank, EU-SILC does not distinguish between urban and rural areas.

**Children (0-17 years) and young people (18-24 years) are the age groups at most at the risk of financial poverty, with rates above the national average, 38.8% in the case of children and 31.2% for young people compared to only 25.1% for the age group of 65 years old and over. The risk of being in poverty is by far greater for children than for other age groups; although in a slightly downward trend since 2014, the relative poverty rate among children has consistently been higher than the overall poverty rate (by more than 10 percentage points each year).**

In rural areas, one in two children lives in relative poverty, the lack of material resources, combined with lack of access to/ or poor quality of basic health and education services and an inefficient labor market, increase the vulnerability of these children to persistent poverty, even after they become adults.

**Child poverty in Romania remains among the highest in the EU, affecting 38.8 % of children compared to an EU average of 24.3%. Social transfers have a very low impact on poverty reduction.**

According to the European Semester Report - Country Report Romania 2020, low participation in early childhood education and care widens inequality of opportunities between pupils. **Only 15.7% of children below the age of three are in formal childcare. For children aged between four and the compulsory school age participation increased to 89.6% in 2017, but remains below the EU average (95.4%).** This rate is even lower for children in rural areas (29) and Roma children (30). This has a detrimental effect on the acquisition of basic skills and on the social mobility of children from disadvantaged backgrounds or marginalised communities.

Children's access to services is uneven, with higher costs for vulnerable groups. Monetary poverty of children has decreased but there has been no progress has been registered on access to services for children in vulnerable situations. Children in rural areas and vulnerable groups have limited access to (pre)school education, adequate nutrition, health care and housing.

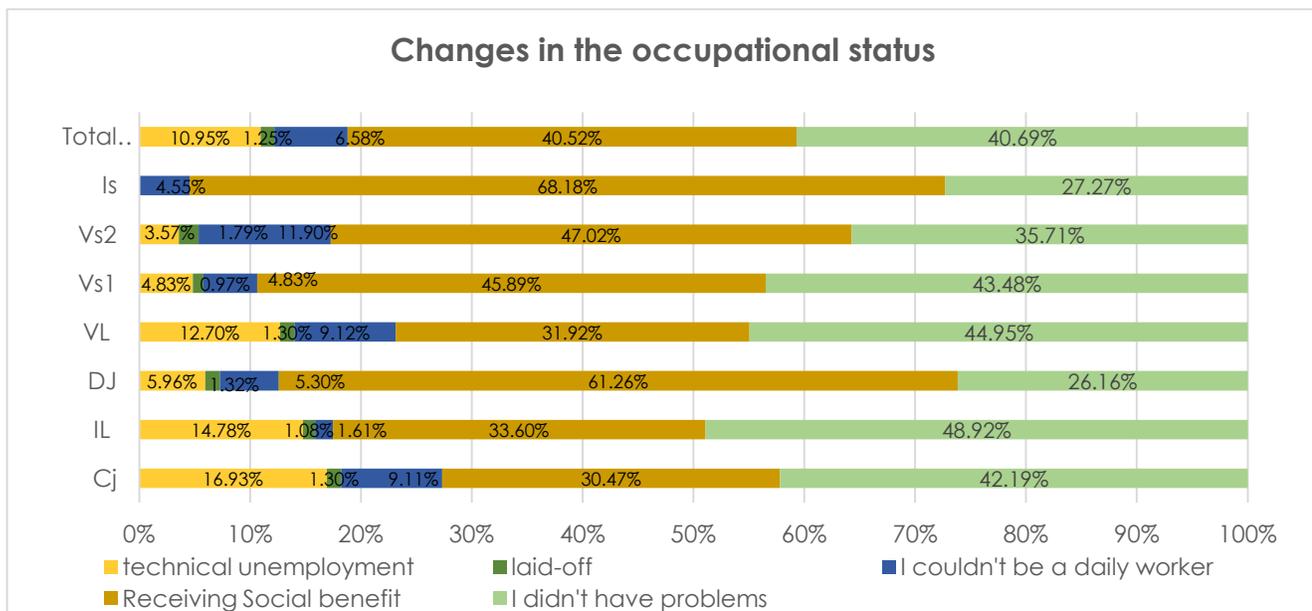
According to the 4<sup>th</sup> Child Wellbeing Report (World Vision Romania, 2018), a research conducted annually especially in the rural communities of Romania, the families in the rural area still lack sufficient income to cover the child's basic needs, school performance and high costs to access and continue education represent the main reasons why a child drops out of school, while working in the household continues to be a practice for many of the Romanian children. In addition, the report underlines the fact that in the Romanian educational system teachers are rewarded for the performance of the best students, not for the work done with those facing difficulties.

**High rates of child poverty signal inequalities of opportunities in the future. Children with low educated parents and those from households with very low work intensity are the most disadvantaged. Particularly affected are children in Roma communities, those living in rural areas and in marginalised urban communities, where access to education and to social services is limited.** The decrease in school enrolment correlated with the increase in the dropout rate for these groups point to a polarization of education which is likely to contribute to a higher poverty rate for the future adults.

**The pandemic of Covid-19 worsened considerably the life conditions of children and their families living in rural areas**, shows a research conducted by World Vision Foundation in the period May-June 2020.

The researched focused on 6 counties: Cluj, Dolj, Ialomita, Vaslui, Iasi, Valcea where the organization develops its activities and interventions and aimed to assess the effects of the pandemic and lockdown on the accessibility to quality education for children in rural areas and their protection in the families to ensure the children benefit of a harmonious psycho-emotional environment. The research collected information about how the Covid-19 pandemic impacted the economic conditions of the families and further, on the children's wellbeing along with how the school provided education during the emergency period, how the education will be resumed in autumn as well as the challenges encountered and the measures that the local authorities have taken.

The study shows that the pandemic and the lockdown periods had impacted directly the occupational status of parents with important negative effects on the economic conditions of the family, as highlighted in the chart below:



Source of data: World Vision Foundation research, 2020

Out of the total number of respondents (n=1762), almost 19% declared that their income has diminished because of being in technical unemployment, being laid-off, or not being able to earn as an occasional daily worker. **In other words, 1 in 5 parents had financial challenges that translated in difficulties to ensure the necessities for their children and families. Almost 3.5% of the parents cannot provide food, basic hygiene products, school supplies, basic medicines for their families, and an average of 37.5% cannot provide these products sufficiently, to respond to the needs of their families.**

<sup>4</sup> <https://worldvision.ro/2020/08/04/studiu-world-vision-romania-viata-copiilor-din-rural-in-pandemie-40-dintre-parinti-au-reusit-sa-asigure-alimentele-si-produsele-de-baza-doar-60-dintre-elevi-au-facut-scoala-online/>

**The study indicates that 2 out of 5 parents included in the research (41%) had to adopt strategies to reduce the family expenses during the lockdown periods.** Analyzing their occupational profile, 27% declared they had no work due to being fired, unemployed and the impossibility to perform occasional works, while the rest are beneficiaries of the minimum guaranteed income and they were facing the same problems before the hit of the pandemic.

Despite recent improvements, early school leaving remains very high, deepening existing socio-economic disparities. **The rate of early school leavers from education and training stood at 16.4% in 2018, almost 6 pps above the EU average. This rate is particularly high in rural areas (around 25%) (31), for Roma (32) and children with disabilities (33).** Regional disparities persist, with the highest rates of early leavers being recorded in the South-East and North-East regions, which also face the highest poverty levels. **Romania also has the highest rate of early school leavers for girls in the EU (16.1% vs. 8.9% EU average),** posing challenges in terms of the likely future persistence of the already high employment gender gap.

An Human Catalyst Association's research study (June 2018) regarding the Equality of the Educational System in Romania, shows that **there is a significant polarization of undergraduate education units regarding resources, obtained results, basic indicators of school participation, and outcomes of learning;** Underprivileged schools are mainly concentrated in the economically and socially marginalized areas of Romania. In this regard, the impoverished areas of the North-East Region (Vaslui, Iași, Galați) and the areas where large Roma communities stand out (especially in the Central Region); In marginalized areas, the scores obtained in the National Evaluation tend to be lower compared to the rest of the areas. In this respect, the counties in the center, southwest and south of Romania are worth mentioning. Regarding well-performing schools, the average grade was higher than 8 (in 1,201 schools), while in the less-privileged schools (482) or highly underprivileged ones (148) the average was lower than 6. To significantly improve school attendance and results at a system level, investments in underprivileged areas are the most effective. In other words, the additional allocation of resources has a greater impact on the outcomes of underprivileged schools (they also have the greatest potential for growth).

**The impact of the pandemic Covid-19 on the access to education, especially in the rural areas** show that during the lockdown almost 40% of children didn't attend online schooling and only 64% of the teachers and educators implemented school online, the rest sent the exercises and homeworks on whatsapp, messenger or printed materials (as the children didn't have any means to connect online). Statistics available at national level indicate that around 55% respondents do not have a digital device for every child who goes to school in the family to ensure they attend the online classes in optimal conditions and around 10% do not have any digital device in the family.

According to interviews conducted with school principals<sup>5</sup>, **the school will start in autumn facing multiple challenges:**

<sup>5</sup> <https://worldvision.ro/2020/08/04/studiu-world-vision-romania-viata-copiilor-din-rural-in-pandemie-40-dintre-parinti-nu-au-reusit-sa-asigure-alimentele-si-produsele-de-baza-doaer-60-dintre-elevi-au-facut-scoala-online/>

- 1 in 4 schools has no Internet connection.
- 9 in 10 schools do not have laptops/ PC/ tablet for digital education.
- 87% of the principals stated that online education should not be extended.
- 60% of the respondents consider that the educational process will be very affected by the pandemic and the subjects must be resumed, 16% believe that the emotional state of the students will be affected while more than 12% consider that the risk of illiteracy and school drop-out will increase as a result of the Covid-19 crisis.

According to the Report of Inequalities from Romania, launched by World Vision Romania in October 2019, one out of three Romanians is at risk of poverty and social exclusion. In 2017, the rate of young (18-24 years old), who have left early the education system reached 18.1% in 2017, as follows: **27.1% from the rural areas, 77% are Roma, and 38.7% of the children are functionally illiterate, rates which are the highest from the EU<sup>6</sup>. In 2014, 72% of the families were unable to provide a minimal decent food for their children under the age of 5. In the rural areas, the level of poverty and social exclusion is two times times higher than in the cities.**

**The income obtained by 20% of the highest paid population is 6.5 times higher than the income obtained by 20% of the lowest paid population. These higher levels of inequalities of incomes are due to the fact that the poorer population is relatively poorer and the wealthier population becomes relatively richer. The poverty rate of the employed people is five times higher( 17.4%) among the workers with a low level of education than among the university graduates, while women are twice exposed as men at risk of being inactive, the pay gap between women and men is 3.5%, the smallest in the EU<sup>7</sup>.**

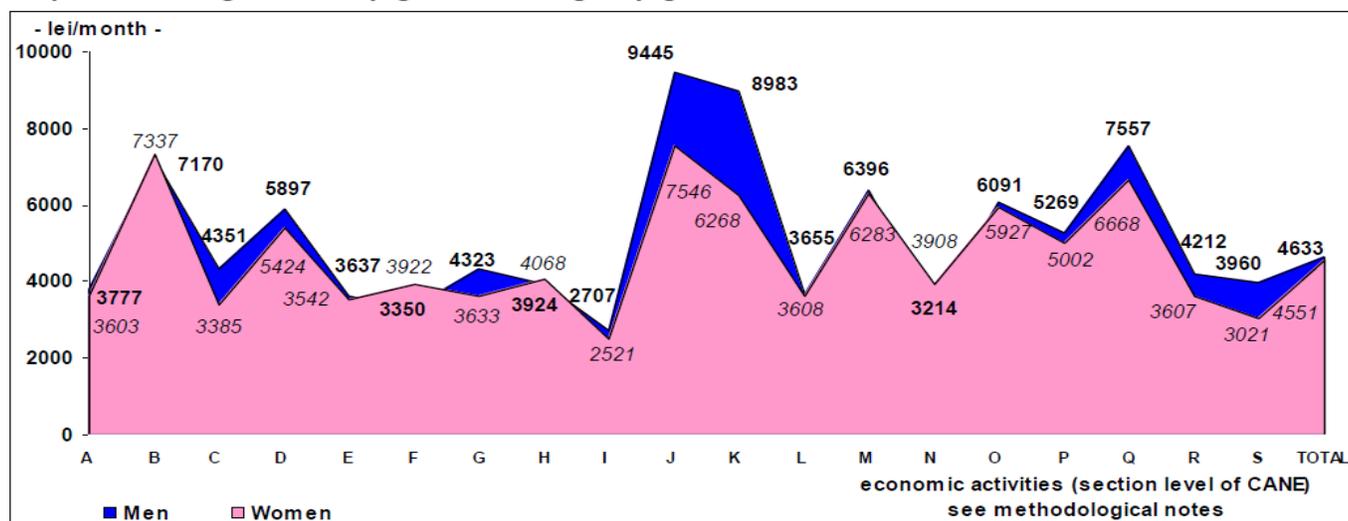
**However, according to the National Institute of Statistics, the economic data collected for the year of 2018 showed that in most economic activities, men earned more than women, the highest average gross monthly earning difference were recorded as follows: +43.3% in financial and insurance activities, +31.1% in other services activities, +28.5% manufacturing, +25.2% in informationa and communication, respectively +19.0% in trade (see the graph below)**

---

<sup>6</sup> <https://cdn.edupedu.ro/wp-content/uploads/2018/12/Rapoarte-Romania-Educata.pdf>,

<sup>7</sup> Eurostat. The gender pay gap in EU is an average of 16%., [https://ec.europa.eu/eurostat/statistics-explained/index.php/Gender\\_pay\\_gap\\_statistics](https://ec.europa.eu/eurostat/statistics-explained/index.php/Gender_pay_gap_statistics)

**Graph 2. Average monthly gross earnings by gender and economic activities, in October 2018**



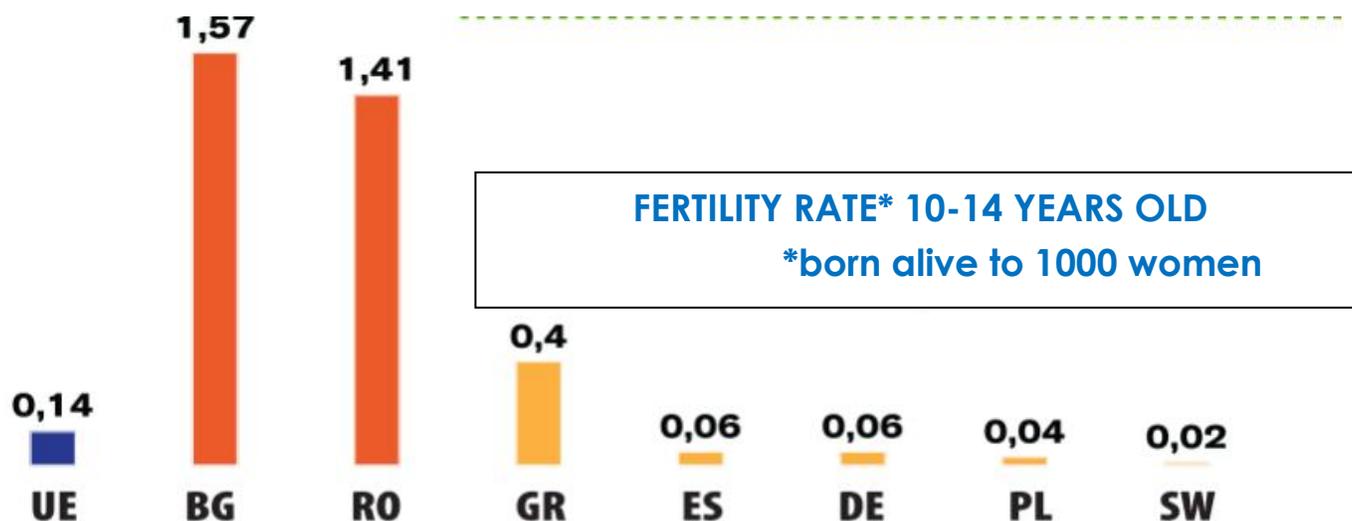
Source: National Institute of Statistics, Press release 21.09.2020

**Although the performance of the labor market has improved, the general inactivity, and above all, the inactivity of women, remain a cause of concern.** There are not enough people who have the skills that the labor market currently needs and it will need in the future. At the moment, the policies on social inclusion, the availability of the social services, and the social transfers are not fully efficient to take people out of poverty and they do not have an integrated approach that combines employment, health and education.<sup>8</sup>

**Romania ranks first in the EU on pregnancy and abortion rate among adolescents girls. A number of 6 out of 10 teenage mothers had never access to information on reproductive health and 20% of pregnant teenage mother have not been at the doctor until they gave birth. The maternal mortality in Romania is at least 2 times higher than the EU average and 1 out of 10 mothers who give birth is a minor while 25% women have no medical insurance.**

**After 2008, the incidence of early motherhood (mother under 15 years) in Romania increased substantially. More than 40% of all births of mothers under 15 years in EU are taking place in Romania and this share is permanently increasing (35% in 2015). The early fertility rate (in the 10-14 years age group) is 1.41 per thousand in Romania (second after Bulgaria) and ten times higher than the EU average.**

<sup>8</sup> [https://ec.europa.eu/info/publications/2019-european-semester-country-reports\\_en](https://ec.europa.eu/info/publications/2019-european-semester-country-reports_en)



Source: Eurostat data, Social Monitor Romania FES, 2020

Young people face the second highest poverty rate; in 2019, young people aged 18-24 have experienced an extremely high poverty rate, very close to the risk to which children were exposed; the high poverty rate among young people is mainly caused by the vulnerability and increasing risks faced by young people in the labor market.

The percentage of young people neither in education nor in employment and training is among the highest in the EU. In 2018, a share of 14.5% of young people (15-29 years) were neither in education nor in employment and training (NEET), compared to the EU average of 14.5%. More than a third of them were discouraged workers, short- and long-term unemployed (23). Despite the positive outcomes of some outreach measures, around 69% of NEETs remain inactive. In addition, a very high and increasing share of young people leave the country.

Romania has the highest relative poverty rate among UE-28 countries, and the most affected people of it are the children and adults belonging to single – parent families, or with more children, Roma families, young residents from marginalized communities with limited access to jobs or active persons as unpaid workers in their households or self-employed in the rural area.

The structure and size of the household is also a factor that significantly influences the risk of poverty or social exclusion.

The only type of household that is in a better condition than households without children is that of two adults and one child. **The household types most likely to be affected by poverty and severe material deprivation are the families with three or more dependent children (AROP at 61.9%), single-parent families (41.4%) and single persons, especially single women aged 65 and over (34.6%).** Single elderly women in rural areas have the highest poverty rate within their age group. On the other hand, households without any elderly (in other words, household-free of pensions) have a higher poverty rate than all other households.

Roma people are at a much higher risk of poverty than the general population, regardless of age, education or residence; According to the absolute poverty line based on consumption, Roma are ten times higher exposed to a poverty risk than the

rest of the population, with the absolute poverty rate among the Roma being 33% in 2013, while only 3.4% of non-Roma were below the absolute poverty line<sup>9</sup>.

According to the European Semester Report - Country Report Romania 2020, the integration of the Roma community remains a challenge. Roma people are much more affected by poor housing conditions (World Bank, 2014), while discrimination in accessing social housing and forced evictions are still present. The Roma also continue to face obstacles in accessing health services due to lack of identification documents, low coverage of social security, stigma and discrimination. Enrollment of Roma children in education is still below the country's average. Despite some progress, early school leaving is high and educational segregation remains a challenge. Several Roma inclusion projects, co-financed by the European Social Fund, are being implemented, but results have not yet been very visible.

Another important determinant of poverty is the employment status of people of working age. Unpaid rural workers in their own households or in self-employed forms are in the worst situation because more than half of them face the risk of financial poverty.

**A large percentage of the unemployed have also a high risk of poverty.** This is mainly due to the fact that the reference social indicator used to determine unemployment benefits and other social benefits, is only 500 lei (108€, unchanged, since 2008). Inactive people (such as housewives or people with disabilities) are also at high risk of poverty.

**Despite the relatively low unemployment rate, Romania shows a very high poverty rate among the employed population, with 15.7% of the employed living below the poverty line in 2019.** This represents almost twice the rate of the EU-27. The relatively high percentage of in-work poverty is due to the relatively large number of workers with almost zero official earnings: unpaid rural workers in their own household or self-employed workers in agriculture; there are also a high percentage of registered employees which earn the minimum wage (about one third of the total number of employees).

**According to the European Semester Report - Country Report Romania 2020, in-work poverty is among the highest in the EU while social benefits and minimum income are failing to reduce poverty.** In-work poverty has been declining but remains among the highest in the EU. This is also related to a lack of quality jobs, especially in rural areas, and the precariousness of nonemployees. There is a high rate of self employment in rural areas and a high proportion of non-remunerated contributing family members (in small family businesses) among non-employees. Most of the self-employed in Romania work in subsistence agriculture, some of them in construction and other small family businesses. The minimum wage increases have resulted in higher gaps between the income of employees and those of the self-employed, as incomes of the latter are growing at a slower pace.

---

<sup>9</sup> Source: World Bank calculations using ABF 2013 data, EU-SILC does not show distributions by the ethnicity of respondents.



**In Romania, people with disabilities have a limited support to obtain an independent job and they have limited access to the labour market.** The support for people with disabilities is mainly focused on providing health care and less on helping them to develop independent living skills. Also, children with disabilities have limited access to pre-school facilities and they drop out of the school twice as often as other children<sup>10</sup>.

**People with disabilities have limited access to support services.** The rate of persons with disabilities at risk of poverty or social exclusion in Romania is among the highest in the EU (37.6% vs an EU average of 28.7%). The lack of synergies and complementarity between educational, employment and social services further aggravates the situation of this group. Moreover, there are no licensed community services for adults with disabilities (48). The deinstitutionalization of care of adults with disabilities is only being taken up slowly, while significant EU funds are available.

According to the fourth statistical report for the fourth quarter of 2018, elaborated by the National Authority for Persons with disabilities, at the end of 2018, on 31th December, Romania had a number of 823.956 persons with disabilities, and 50.67% of them are aged between 18 - 65 (aprox. 417.558 persons).

According to the same report, only 30.271 persons were employed, approximately 7,25%, well below the European average, which is between 52–54% (Sweden, Finland, Switzerland), 50% in Luxembourg and 40-45% in Norway, Great Britain and the Netherlands. The labour crisis can be a very good opportunity for people with disabilities or from vulnerable groups, to activate them on the labor market. Because most of the time, these groups have a multitude of social, educational, or medical problems, and it is necessary that the public policies to invest in integrated service packages that will meet these needs and to offer support for employers. Also, supporting self –

---

<sup>10</sup> European Commission, (2019). Country Report 2019

employment and social entrepreneurship can be solutions to stimulate competitiveness and social inclusion tailored to the needs of people with disabilities.

**When we analyze the impact of the COVID-19 crisis on unemployment in Romania we notice that the most affected groups were youth and women, almost two third of the increase of the unemployment rate resulted from the rise of women becoming unemployed.**

According to the National Institute of Statistics, **in June 2020 there were 457 thousand unemployed in Romania, one hundred thousand more than a year or half a year ago. This number of unemployed is the highest in the last three years. The situation caused by the pandemic has particularly affected the economic status of women. Analyzing the situation of people over the age of 24, it can be observed that the share of unemployed women in the adult female population increased by 48% in relative terms compared to a year ago (from 2.5% to 3.7%); by comparison, the share of unemployed men in the adult male population increased by only 16% in relative terms (from 3.6% to 4.2%).** In absolute terms, two-thirds of those who have become unemployed in the last year are women.

### **People living in households with very low work intensity (VLWI)**

The second component of the AROPE aggregate indicator is work intensity that indicates the percentage of the population living in very low work intensity (VLWI) households.<sup>11</sup> According to this indicator, households with very low work intensity are those in which adults aged between 18 and 59 worked at less than 20% of their maximum work potential in the year prior to the study.

**EU-SILC data show that in 2019 only 6% of Romania's population under the age of 60 lived in families with very low work intensity. By comparison, the EU-28 average was 8.8%. A possible explanation for relatively low value of this indicator in the case of Romania could be the large number of people who work unofficially on their own, in the field of agriculture or those considered officially employed in their subsistence household with near zero earned income or the large number of Romanians who work in other countries of the European Union.**

### **People affected by severe material deprivation (SMD)**

The aggregate indicator on the population at risk of poverty or social exclusion (AROPE) focuses not only on poverty from the perspective of financial resources but also on material shortages that are the primary causes of poverty or social exclusion. Thus, people affected by severe material deprivation (SMD) are also targeted by EU measures to reduce poverty and social exclusion.<sup>12</sup>

---

<sup>11</sup> According to this indicator, the households with a very low intensity of work are those where the members of the family are aged between 18 -59, who worked at a level below 20% of their maximum work potential in the previous year of this study.

<sup>12</sup> The indicator measures the percentage of population that meets at least four of the following nine criteria: (1) they cannot afford to pay rent, loan rates or utility bills; (2) they cannot afford to keep their homes adequately heated; (3) they face unexpected expenses; (4) they cannot afford meat or other proteins frequently; (5) they cannot afford to go on an annual vacation away from home; (6) they cannot afford to buy a tv; (7) they do not have a washing machine; (8) do not have a car; (9) do not have a phone. The indicator distinguishes between people who do not

In 2019, the value of the SMD (14,5%) has decreased by 18 percentage points compared to 2008; a study conducted by the World Bank shows that this decline has not been uniform for all its components; ownership of a car, telephone or washing machine improved during the period 2008-2012, in contrast, the other categories had a negative course or remained relatively constant. The only group affected by severe material deprivation to a greater extent than the general population is represented by children under the age of 18.



### **People at risk of poverty or social exclusion (AROPE)**

The three indicators presented above are aggregated into a single indicator, indicating the number of people at risk of poverty or social exclusion (AROPE).<sup>13</sup> People at risk of poverty or social exclusion are the main target group of programs designed by the EU and its Member States to reduce poverty and the progress towards the poverty reduction targets of the Europe 2020 strategy is assessed on the basis of the number of people in this category.

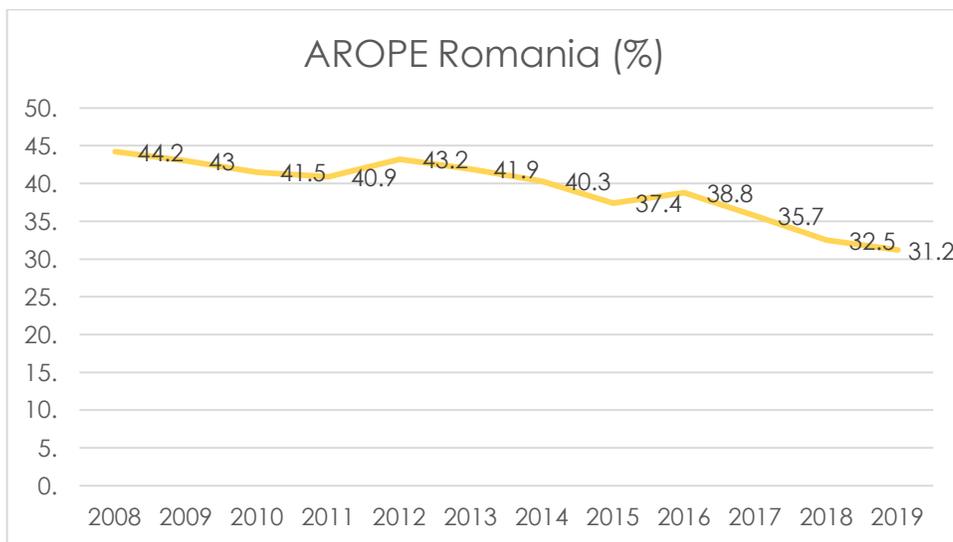
The 2019 data show that 31.2% of Romanians were at risk of poverty or social exclusion, down 13 percentage points from 2008 ( 43%); severe material deprivation (SMD) is the main factor associated with the risk of poverty or social exclusion, followed by AROP and VLWI, the latter having a minor contribution to the AROPE rate in Romania.

**The risk of poverty or social exclusion is high for children from poor families (AROP), families with many children or single-parent families; also, poor active people (self-employed workers in their own household or in agriculture), NEET young people, single elderly people, Roma children and adults from households without a sustainable income are at high risk of poverty or social exclusion.**

---

afford a particular item or service, and those who do not have this item or service for other reasons, for example, because they do not want or need it.

<sup>13</sup> According to this aggregate indicator, a person is included in the AROPE category if it falls into at least one of the three component indicators: (i) is at risk of poverty after social transfers (income poverty) (AROP), (ii) lives in households with very low work intensity (VLWI) or (iii) is affected by severe material deprivation (SMD).



Source: [https://ec.europa.eu/eurostat/databrowser/view/t2020\\_50/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/t2020_50/default/table?lang=en)

According with The European Semester Report - Country Report Romania 2020, despite a further decline in 2019, the percentage of people at risk of poverty or social exclusion was still among the highest in the EU, **with one in three Romanians still at risk of poverty or social exclusion.**

The high incidence of poverty is due to the work inactivity and unequal access to services and the social protection benefits of people living mainly in rural or sparsely populated areas, where jobs and access to services are very limited. Poverty and social exclusion risks affect rural areas and vulnerable groups more strongly and tend to be associated with low educational attainment and unfavorable socio-economic status.

**Social conditions continue to improve but vulnerable groups still face substantial challenges. However, one in three Romanians is still at risk of poverty or social exclusion: families with children, the unemployed, inactive, atypical workers, Roma, elderly women and people with disabilities among the most exposed. This rate is still more than twice as high in rural areas than in cities. Once in poverty, overcoming it is increasingly difficult, due to the high level of intergenerational transmission of poverty and inefficient labour activation measures. Regional disparities remain high. Severe material and social deprivation is among the highest in the EU. Close to one Romanian in two is unable to face unexpected expenses. Access to essential services, such as energy, is also a challenge.**

family support was of 3,7% and for the minimum guaranteed income: 5,8%. Share in the total budget 0,4% Romania compared to 1,8% EU average.

**Romania has the lowest public spending on education in the EU: 3.7% compared to 4.7% in the EU).** Romania allocates the smallest percentage of EU27 GDP for primary and preschool education (0.7% compared to 1.5% in the EU). Romania allocates fewer funds for rural education (37.9% education budget)

**Regarding the minimum income and minimum wages policies in Romania an interesting study (Friedrich Ebert Stiftung, 2018) that can be a starting point to fundament the**

legislative changes researched what is the minimum consumption basket for a decent living. According to the study, the minimum consumption basket for a family of two adults and two children is 6,762 lei/month (approx.1470 Eur) while for a single person, the basket value is estimated to 2,552 lei per month (approx 555 Eur). The structure of the minimum consumption basket for a decent living comprises 11 chapters: (1) food, (2) clothing and footwear, (3) dwelling, (4) endowment of dwelling, (5) dwelling, (6) and personal hygiene, (7) services, (8) education and culture, (9) health, (10) leisure and recreation, (11) the family savings fund. The the diet/food has a share of 20.77% and the dwelling 26.33%

### **Minimum income program**

**The minimum income program in Romania, was conceived as a financial security net for the poorest families and includes three social assistance benefits, non- contributory financial aid, selective and complementary income: Aid for the guaranteed minimum income (VMG), Allocation for support and aid for heating the houses (ASF).**

For both types of social assistance, VMG si ASF, has decreased at a worrying rate, both the number of the beneficiary families and the total amounts allocated for them; thus in the case of VMG, **the average monthly number of beneficiary families decreased from 245.000 in the first quarter of 2017, at 187.000 in the first quarter of 2019 (-24%); in July 2019 there were only 169.000 beneficiaries, having an average monthly amount per person (family or single person) around 262 lei (56€);**

**The minimum income program in Romania is inadequate, and with a low accessibility, that only encourages the participation of the healthy and able persons in the labor market.** The new law of minimum income for social inclusion (Law 196/2016) is considered one that will bring significant improvements to the current system, by introducing greater social benefits, less bureaucracy, and new incentives for (re)integration into the labor market. The minimum inclusion income reform has again been postponed. Though adopted in 2016, the entry into force of the minimum inclusion income law is postponed to 2021, due to lack of capacity of the public administration. **The social reference index used as a basis for most social benefits has not been updated since its introduction in 2008. The adequacy of the minimum income support thus remains one of the lowest in the EU.** The government is working on making operational the payment model (prepaid card) and on the revision of the indexation mechanism for social assistance benefits, with help from the EU.

**The tax and benefit system has a limited impact on reducing poverty and income inequality. Tax revenues are relatively low and tax structure has little progressivity. Government spending on social protection is much lower than the EU average. Social benefits have a very limited impact on reducing poverty. In 2018, social transfers reduced the at-risk-of-poverty rate by 16% and the poverty gap by 33% (compared to an EU average of 33% and 5% respectively). Family benefits have the largest effect on the poverty rate, followed by sickness and disability benefits. Unemployment benefits have very limited effect on the incidence and depth of poverty, possibly due to low coverage and short duration. Consequently, the power of the tax and benefit system (excluding pensions) to reduce income inequality is also limited.**

### **The role of protected units and social insertion enterprises**

**The activation of the people with disabilities can be carried out by a series of legally regulated institutions in Romania, which must act in partnership, adapting the assistance tools to the individual needs of each person.**

Those institutions are:

- Public and private providers of employment authorized on the HG 277/2002, in this case, AJOFMs and the NGOs/ SCs accredited on giving professional information and advisory services, respectively mediation on the internal market. In 2018, were accredited 89 entities according to the National Register of Accredited employment providers<sup>14</sup>;
- The protected authorized units according to the Law 448/2006 regarding the protection and promotion of the rights of the persons with disabilities. In January 2019, were authorized only 4 protected units;
- The social insertion companies are authorized according to law 219/2015 regarding the social economy. At the end of the march 2019, were registered only 9 entities, in which 80 persons were employed, and 42 of them were from vulnerable groups. 8 out of 9 were organized as associations and foundations, and just one as a trading company<sup>15</sup>.
- According to the MMJS site, as of 4.04.2019, were authorized 2.743 of public and private social service providers<sup>16</sup>, according to the social assistance law 219/2011.

Reported to the four categories of entities mentioned above, in particular the authorized protected units and the social insertion companies, they should have integrated in the operating structure the integrated package of social services and employment for the social-professional insertion of the persons with disabilities coming from the vulnerable groups.

The protected units should create sheltered jobs for the people with disabilities who face difficulties in integrating into the labor market and should serve as a transition entities or safety nets for those who faced repeated failures to enter the labor market. The social insertion companies can employ people from vulnerable groups and implicitly persons with disabilities who can prove through supporting documents their vulnerability and the need for employment.

By the end of March 2019, according to the Unic Register of Social Enterprises, a number of 83 social enterprises, and 9 of them were social insertion enterprises, with 80 employees, and 42 of them were from vulnerable categories. At the end of January 2019, were authorized 4 protected units, in which were active a number of 64 persons with disabilities, according to the data communicated by the National Authority for people with disabilities. The very small number of these entities is justified by the lack of a favorable framework for the development and support of these entities. The social enterprises of insertion and the protected units do not benefit from fiscal facilities or subsidization measures, so that their products and services are competitive on the economic market. Thus, they have much higher operating costs, due to the insertion

---

<sup>14</sup><https://www.anofm.ro/upload/2997/2018.pdf>

<sup>15</sup> The unic register of the social enterprises in Romania <https://www.eures.anofm.ro/registrul-unic-de-evidenta-a-intreprinderilor-sociale-octombrie-2018>

<sup>16</sup> The unic register of the providers of social services [http://www.mmuncii.ro/j33/images/Documente/Familie/2019/04042019\\_Furnizori.pdf](http://www.mmuncii.ro/j33/images/Documente/Familie/2019/04042019_Furnizori.pdf)

staff employed within the company, but also to the reduced work capacity of the people from vulnerable groups, which represents at least 30% of the employees and at least 30% of the total working time norm. Also, they do not have access to the economic market, due to the lack of competitiveness of the products and services provided and the reduced capacity to innovate.

Although protected units should play a very important role in employing people with disabilities who are hard to hire, they have disappeared from the market, with the adoption in August 2017, of Emergency Ordinance 60/2017, which amended Law 448/2006 on protection and promoting the rights of persons with disabilities. Thus, out of 740 protected units, in which over 2000 persons with disabilities worked, as of 31.01.2019, only 4 protected units, with a total number of 64 persons with disabilities employed, were authorized.

The significant change brought by this act consisted in repealing art. 78 paragraph (3) lit. b) of Law no. 448/2006 (to purchase products or services from authorized protected units, on a partnership basis, in an amount equivalent to the amount due to the state budget under the conditions stipulated in letter a)., Which has produced dramatic consequences, given that the authorized protected units were left without a market, creating problems of sustainability of the activity for which they were set up. A number of people with disabilities who were self-employed as an individual enterprise or an authorized natural person or associations of persons with disabilities, who decided to do social entrepreneurship, remained in less than a month without a market.

On the other hand, people with severe disabilities, were left without any measure of protected employment support, over 2000 people working in protected units and several thousand others who could have a chance to work in such structures were directly affected. Without transitional measures, without other support services in place and without a minimum of predictability and preparation of the implementation of the measures taken (the application was made in 22 days after the promulgation), the effects of this ordinance have been disastrous for a sector that has been operating since 2006. Thus, only a few months after the adoption of OUG no. 60/2017 numerous protected units were forced to cease their activity, motivated by the fact that their contractual partners, who purchased the products and services provided by the protected units, could no longer choose between such an action or the payment of a contribution to the state. Basically, an entire retail market was closed. On the other hand, although the public authorities were forced to employ people with disabilities, these hires did not take place, the organizational charts of the public authorities were not modified for the creation of the employment posts for people with special needs and neither the Ministry of Public Finance has allocated additional funds in this respect for public authorities.



<http://www.craigsewell.co.uk/bim-projects-role-of-manufacturer/>

## **WHAT IS THE ROLE OF EU AND NATIONAL GOVERNMENTS?**

**In 2019-2020, the fight against poverty and social exclusion continued to be a priority in Romania. The**

Romanian authorities made efforts in terms of project prioritization and funding for the groups and communities affected by poverty as well as actions and legislation to address specific areas such as: child poverty, access to healthcare and education, support for Roma communities, inclusive labour market for NEETs and other disadvantaged groups, infrastructure projects to reduce disparities between rural and urban areas.

**Specifically, for 2020, according to the National Reform Program, the key directions that the Romanian authorities focused to combat poverty and support social inclusion, were: Social and economic development of local communities; Reducing the number of people at risk of severe material deprivation; Developing the public social assistance system; Measures for the vulnerable group – children; Measures for the vulnerable group – old people; Measures for the vulnerable group – disabled persons; Fighting gender violence; Completing the reform of the minimum inclusion income; The reform of the national health care system.**

### **Measures taken by Romanian authorities to mitigate the social impact of the effects of the COVID-19 epidemic<sup>17</sup>**

Measures were adopted during the state of emergency to ensure the social protection and to guarantee the payment of social benefits to the beneficiaries and to meet all their needs:

**- the insertion incentive granted to parents returning to work before the end of the parental leave and the support allowance for raising children with disabilities continues to be provided, for a period of 90 days.** The payment of these rights does not end in case of: parent's employment contract has been suspended or ended by restructuring/restraining the employer's activity; during the parents' days off in case of the temporary closure of educational establishments, according to the Law No 19/2020 on granting days off to parents for monitoring their children; the technical unemployment of parents, according to the Law No 53/2003 - Labour Code, republished, with subsequent amendments; the parent benefits of medical leave for temporary work incapacity caused by common illnesses or accidents outside work, for preventing illnesses and recovering the work capacity, exclusively for situations resulting from accidents at work or occupational diseases and care for the sick child. After the 90-day period, if the parent obtains an income subject to taxation, then the rights will continue applying the legal provisions.

**- the beneficiaries of the child raising allowance will be given the allowance in case the child reaches the age of 2 years, respectively 3 years in the case of the disabled child, or who will reach the age provided by law during this period.** As an exception to the current regulations, these persons may subsequently request the insertion incentive from the date of submission of the application, if they achieve a taxable income, until the child reaches the age of 3 years, respectively 4 years, in case of the disabled child.

---

<sup>17</sup> According to the National Reform Programme, Romania, April 2020

- **the benefits of social assistance conditioned by the attendance of classes by children or young people, or the kindergarten in case of preschool children are given without interruption during the temporary closure of the educational institutions.**

- **the conduct of the social inquiry on providing the minimum guaranteed income (MGI) and the family support allowance is suspended.** After the end of the state of emergency, if the inspection finds that the beneficiary does not meet the conditions for granting the right, the right ceases.

- **the obligation of performing actions and works of local interest by the beneficiaries of MGI ceases,** the beneficiaries of MGI do not have to prove that they are searching for a job, that they have not refused a job, the participation in training and qualification courses, or performing seasonal activities. In addition, the obligation of beneficiaries of works to transmit to the mayor, in writing, the situation with the persons able to work from families receiving social assistance who have carried out seasonal activities and the number of hours performed ceases.

- **the activity of social public or private services such as residential care and assistance centres for older people, residential centres for disabled children and adults and for other vulnerable categories is forbidden to be ceased or interrupted.** GD No 867/2015 approving the Nomenclature of social services and the framework regulations for organizing and functioning the social services defines the social services.

**Provisions were approved for the administrative simplification of the relationship with the beneficiaries of the social assistance rights,** so that the applications for the social assistance benefits would be submitted in letter format or via e-mail. The decision to grant/ reject/ terminate/ interrupt a social assistance right will be notified to the beneficiary by a hard copy letter format or via e-mail by the issuing territorial agency. Only in exceptional cases, provided by the law, the territorial agencies and/ or the local public administration authorities may request the physical presence at the institution's premises of persons who submitted the documents via e-mail.

#### **Other measures aimed at reducing the social impact of the effects of COVID-19 aim at:**

- distributing hygiene products and food packages (financed through FEAD) for 70,000 people placed in quarantine, isolation and self-isolation, as well as the elderly institutionalized in care and assistance centres and children institutionalized in residential placement centres;

- payment (ESF through HCOP) of the salary for minimum 1,000 community social workers/ nurses who are involved in supporting elderly people self-isolated at home during the SARS-CoV-2 coronavirus epidemic, the target group served by them being 100,000 elderly people, over 65 years old. The initiative will afford protective materials for the personnel involved in providing support services and for their beneficiaries, as well as disinfection and hygiene materials for housing, transport means, goods and equipment. Tools will be developed to support the traffic limitation measures - call centre service.

- the local public administration authorities have the duty to identify and keep the records of persons over 65 years old without caregivers or other form of assistance and to ensure their support<sup>244</sup>, as well as of the homeless persons in order to ensure their shelter and care<sup>245</sup>. - other measures refer to associations, foundations, cults with legal

personality that manage social assistance units whose activity has closed because of measures to combat the spread of SARS-CoV-2 coronavirus. These would still benefit by the subsidy granted through the State Budget provided that they perform activities to support the local public administration authorities in implementing social measures for home-isolate persons, information and counselling measures delivered to these persons

- in addition, other civic and private initiatives aimed at using online platforms and call centre services that bring together people in difficulty - people with disabilities and the elderly - and volunteers who can help them. This support consists of placing orders, delivering packages with food and medicines, information about organizations that can help them to purchase products, etc.

**The National Authority for the Rights of Persons with Disabilities, Children and Adoptions (ANDPDCA) has undertaken several measures in the context of the COVID-19 epidemic, as follows:**

- elaboration and transmission to all subordinate structures (DGASPCs) of the Methodological Provision on the first measures of information, prevention and flexibility of the work programme in public social services, as well as on the modification of working procedures with community beneficiaries. Alternate communication means (post, e-mail, telephone, fax) for carrying out the administrative activities are to be used;

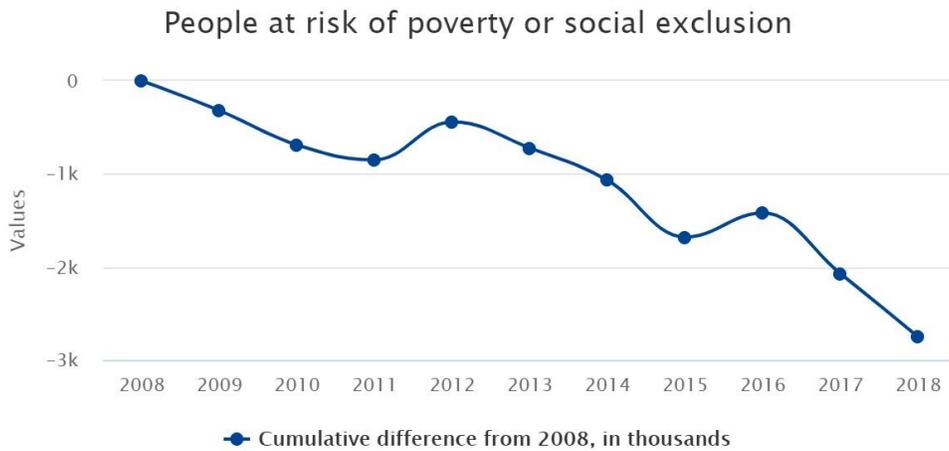
- development of COVID-19 Info Section on the andpdca.gov.ro website for posting the official information, prevention materials and dedicated measures;

- development of the Online Communication Group for a real-time communication flow; - development of a mechanism for a real-time reporting of the situation related to the COVID-19 crisis, from the perspective of beneficiaries and employees;

- development and transmission of a Guideline on the measures necessary to prevent and manage the situation generated by the COVID-19 epidemic in the public social services in DGASPCs. Other measures concerned the organization of services to be used if cases of infection with COVID-19 are registered among beneficiaries in the special protection system for children and disabled adults, as well. The Guideline was translated in English and disseminated with UNICEF support to other equivalent UN organisations in the region;

- collecting questions from community beneficiaries, disabled adults and parents of children/ disabled children and developing a QUESTIONS and ANSWERS section for the issues reported on the ANDPDCA website.

**In 2008, in Romania, there were 5 million people living in poverty and the Government stated as Europe 2020 goal to reduce that number by at least 580,000 until 2020. In 2012, the total number had already been reduced to 4.8 million, completing 30% of the objective. As the graph below shows, for the year 2016, Romania succeeded to reduce the number of people at risk of poverty and social exclusion by 1,42 million between 2008 and 2016, and had already met its national target in 2013. In 2018, the decrease of the number of people in risk of poverty and social exclusion was of 2.755 thousands persons compared to 2008.**



EU target: 20 million less people at risk of poverty or exclusion  
 National target: 580 thousands less people in combined poverty  
 Source: <https://ec.europa.eu/info/>

**The Romanian Government targets several groups which are the most vulnerable and at risk of social exclusion and marginalization, in order to improve their quality of life as much as possible. These are as follows:**

1. Persons with low income
2. Children and young people who don't have the care and support of the parents
3. People with disabilities
4. Alone or dependent old people
5. People with Roma ethnicity
6. Other vulnerable groups (drug or alcohol addicts, victims of domestic abuse, ex-convicts and persons on parole, refugees)
7. Persons living in marginalized communities

The Romanian Government has made progress in putting forward measures to reduce poverty and social exclusion. Romania adopted the National Strategy and Strategic Action Plan on Social Inclusion and Poverty Reduction for 2015-2020, and it passed a comprehensive anti-poverty package of 47 measures to combat poverty in the country through 2020. Some of the key measures, including increasing the employment rate, reducing early school leaving rate, scaling-up of national health programs and others will strongly contribute to narrowing the urban-rural poverty gaps.

In order to implement the objectives of 2015-2020 National Strategy on Social Inclusion and Poverty Reduction, a programme with a budget of 21 million Euro (2014-2020 ESF) will finance the technical assistance provided to local public authorities in order to establish and operate public social assistance services in territorial-administrative units where these services were not established (2014-2020 HCOP, PA 4 Social inclusion and fighting poverty, IP 9iv - Enhancing access to affordable, sustainable and high quality services, including health care and social services of general interest).

As in the previous years, in 2020 too, there is a high probability that a lot of measures will have a small and delayed impact or they will be considered overambitious, especially considering the impact of Covid-19 pandemic which has hindered even more the projects' implementation. For example, as most of the funding to support the anti-

poverty measures/ projects comes from the European Structural Funds and there is a delay in actually utilizing the funding, it's possible that most projects' implementation will face even more difficulties besides the administrative and bureaucratic ones. Also, the level of investing (including social investment) is very low. The longer-term success will hinge on the capacity to effectively target and absorb available EU funding.

Structural Funds are considered the panacea to all the difficulties Romania is facing as, in almost all the cases, the European Structural Funds represent the only funding available to support the proposed measures. The European Funds are the solution to respond to the challenges in the areas of social inclusion and poverty, inclusive labour market, access to quality social services, investing in social infrastructure, better access to education, labour market, healthcare and social services for the Roma or for people living in rural areas, support for people with disabilities or care for elder persons. Nevertheless, the level of attracting the EU funds period 2014-2020 is still low, however, a lot of calls on the above mentioned priorities have been launched in 2018 and 2019.

Some examples of projects funded with European Structural financing that can support the efficient delivery on national poverty target:

- In order to increase access to sustainable and quality services, in 2018, the Government allocated ESF funds to create and develop integrated community services in 139 disadvantaged communities (132 in rural and 7 in urban areas). The integration of health and social services, the development of affordable and quality social care and the community healthcare network will benefit from ESF funding.
- Other projects aim **poverty reduction and socio-economic integration of people in marginalized communities, including those with Roma population, both in developed and less developed areas**. The contracted projects aim investments to participate in facilitate early education and prevent early school leaving, facilitate access / retention on the labor market, entrepreneurship, social services and medical, improving living conditions, anti-discrimination actions and legal assistance. Investments that contribute to the physical, social and economic revitalization and to the improvement of the quality of life of the urban population are financed by the Regional Operational Program.
- **Poor infrastructure in the Danube Delta area represents a hindrance on its economic development and for new employment opportunities. Three investment contracts for local infrastructure (worth EUR 2,918 million), one for educational and social infrastructure (EUR 0,495 million) and one for water / waste water (amounting to EUR 1,211 million) were signed by March 2018.**
- **In the context of the implementation of the National Strategy for Promotion of Active Aging 2014-2020, from the ERDF 2014-2020 and state budget, funds were allocated for the development of social services infrastructure without a residential component for elderly people at risk of poverty or other vulnerability.**
- **Reducing poverty among people at risk of severe material deprivation is funded under FEAD to provide basic food packages and assistance facilitating the social inclusion of disadvantaged people.** During the 2014 – 2018 period, 6,347,777

people benefited by support, out of which 2,879,267 women, 1,277,604 children aged under 15 years old and 1,555,962 persons aged over 65 years old. **Moreover, 4.7 million packages comprising personal hygiene products, cleaning and home care products will be delivered to people at risk of poverty and social exclusion** through a project amounting 141.2 million euros. The project was launched in the year 2020. Another call for proposals worth over 28.767 million euros (FEAD and national contribution) will target people who are temporarily in critical life situations, including the homeless. In order to diversify the support given to these persons, **hot meals will be provided by social canteens**. Complementary to other national initiatives intended to reduce poverty, **pupils and students enrolled in the pre-school, primary and secondary education system and who come from the most disadvantaged families receive packs of supplies and schoolbags**. Therefore, 153,240 students receive schoolbags and 28,153 pre-school pupils receive packs of supplies. **Mother - new-born couples who are vulnerable and who are at high social risk will benefit of kits for new-born (12 million euros through FEAD and national contribution)**. The intervention will help mitigate the risk of abandonment of new-borns from disadvantaged families. **It is accompanied by other measures such as health education, first aid for new-borns, hygiene, access to medical and social services, etc**

**At the same time, the Romanian Government undertakes to assist people and families in difficult situations with a future programme – Minimum Inclusion Income (MII). MII conciliates measures to tackle poverty and consolidates three social assistance benefits (i.e. minimum guaranteed income, family support allowance and house heating aid). The MII is considered to be the main support measure to prevent and tackle poverty and social exclusion, including for poor families with children. MII was supposed to enter into force on April 2018, but was postponed until 2021 in order to develop the IT infrastructure and payment methods.**

## **WHAT EAPN ROMANIA IS DOING?**



EAPN RO (RENASIS) and its members support people affected by poverty to defend their access to rights and to improve their living conditions and also facilitate their access to social protection and quality services, as well as to increase their participation into the processes of influencing public policies that concern them directly.

The active members of RENASIS provide assistance and support to different groups of persons that include:

- children (e.g. World Vision Foundation, SOS Satele Copiilor Romania, Dorcas Aid Romania)
- young people (e.g. Novapolis Association, AUR-A.N.S.R.U., Bucovina Institute, Universitatea Petre Andrei)
- migrants and Roma community (e.g. Novapolis Association, World Vision Romania, SOS Satele Copiilor, Human Catalyst Association)
- women (e.g. Societatea de Educatie Contraceptiva si Sexuala, Center for Social Development)
- unemployed (e.g. Center for Social Development, Bucovina Institute, Dorcas Aid Romania) and
- other disadvantaged persons in rural areas (e.g. PAEM Foundation, World Vision Foundation, CENTRAS, ESTUAR, Bucovina Institute, Dorcas Aid Romania).

Main projects developed by RENASIS and its member organizations address the problems that people affected by poverty face in Romania: poverty among those who are employed, child poverty, poverty among young people and the elderly, the Roma minority, migrants, access to education and the public care services, access to housing and health services, support for children and their families in rural areas, women and unemployed.

**To respond to the Covid-19 crisis that had had even more acute consequences on the people that have already been facing difficulties, RENASIS member organizations** initiated and developed projects to provide packages with food, hygiene products, medicines, educational supplies for children, other types of support and assistance to cover basic needs in marginalized and poor communities, for disadvantaged and vulnerable groups, for people who lost their jobs, for families and children in rural areas. Moreover, the organizations worked with volunteers to address the needs of people in this health crisis, in hospitals and centers for children and elderly and cooperated with local authorities to make sure the assistance and support is provided to the neediest.

In 2020, RENASIS and its member organizations have undertaken a series of advocacy actions designed to draw attention to the importance of addressing the complex issues of poverty and social inclusion, especially in the context of Covid-19 crisis.

Thus, the Center for Social Development- RENASIS member organization- continued in 2020 its efforts for an **alternative policy proposal aimed at increasing the employment rate of people with disabilities**, a proposal that has was submitted to the Ministry of Labor and Social Justice, as follows:

1. Development of protected units for the employment of people with hard-working disabilities and who have a reduced work capacity due to a accumulation of social, medical, emotional problems and so on.
2. Improvement of the Unemployment Law 76/2002. Given that some of the vulnerable groups, as defined by the Social Assistance Law, are not included in the category of persons for whom employers can benefit from subsidy for each job created, we propose the introduction of a separate article aimed at subsidizing jobs from social enterprises of insertion and authorized protected units.
3. Stimulating the use of the reserved contracts provided by art.56, paragraph (1) of Law 98/2016, respectively art.69, paragraph (1) of Law 99/2016 by the public authorities

**In 2020, RENASIS joined the Coalition “Sustainability Embassy” which is a Platform of NGOs, third-sector and private entities and networks that promote social inclusion and sustainable development. As part of the Platform, RENASIS joined several advocacy actions that approached the Ministry of European Funds on the issue of the new EU structural funds programming and the funds allocated to fight poverty and the Ministry of Labour and Social Justice with a Proposal plan to fight poverty in Romania:**

- **consultation and participation for the adoption of the new “National Strategy for inclusion and to reduce poverty 2021-2027” and the “Action Plan to implement the strategy in this period;**
- **consultation and cooperation, as well as transparency and good governance as regards the implementation of the public procurement legislation of social services;**
- **Initiate a program of funding from the state budget at national level available to NGOs for the implementation of projects and programs complementing the social services, in poor communities in areas of: education, employment, housing, health, community development, medical assistance, services and public services infrastructure, digitalisation;**
- **Allocate funds for social services operators and NGOs under the Emergency Fund-Covid Investment Initiative besides Health and SMEs;**
- **Updating the Standards of quality and costs for the social services;**
- **Revising the legislation for the approval of the social inclusion indicators and the national Mechanism for promoting social inclusion in Romania**
- **Encourage participation on the labour market of the persons with working age that are in risk of social exclusions through active measures of counselling and social assistance;**

**As part of the “Coalition for work and decent work”, in 2020, RENASIS joined several advocacy actions that promoted legislative changes as follows:**

- **Changes to the Law for modifying and completing Emergency Ordinance 217/2000 regarding approval of the minimum monthly consumption basket for a decent living. This is of great importance as the minimum monthly consumption basket constitutes the base to fundament the minimum wage and further the social policies in this area. By not correlating the wage policies to the consumption basket meant that many employees and their families remain in poverty. The Law was approved by the Parliament and promulgated by the President.**
- **Changes to the legislation that introduced bigger fines for the supplementary working hours over the hours stipulated in the labour code. The Law was approved by the Parliament and promulgated by the President.**
- **Changes to the legislation to increase the “Social Reference Indicator”, an index that is taken into account when calculating the unemployment benefit, guaranteed minimum income and other forms of social benefits. This indicator has remained the same since 2008 and with the new Law will increase by 140%. The Law was adopted and it is necessary to adopt its implementation norms.**

**A major objective of EAPN RO is to build and develop a space for dialogue, so that the voice of people affected by poverty or exposed to the risk of social exclusion is heard, be stronger, both nationally and at European level.**

In this regard, the Annual Meetings of People Facing Poverty are key moments of RENASIS, which provides a framework for interaction between people affected by poverty and makes visible processes organized at local and national level, to fight poverty and social exclusion. [In the context of Covid-19 crisis and lockdown period](#), the participation of people experiencing poverty at national level encountered challenges related to accessibility, digitalization and the life situation in which people experiencing poverty (PEP) live.

Even in this challenging situation, the process of PEP participation and making their voices and messages to decision-makers and general public heard continued in 2020, as well. On one hand, the Poverty Watch 2020 deliver and promote the PEP messages and online meetings and meetings in the communities are taking place with PEP to prepare the Public Event to mark the International Anti-Poverty Day that will take place in Bucharest on 16<sup>th</sup> of October 2020

In 2019-2020, RENASIS has developed several national advocacy actions to draw attention to the European Pillar of Social Rights and to the achievement of the Sustainable Development Goals and the 2030 Agenda. An interesting campaign that continued in 2020 is represented by the campaign called "Romania, the country of cheap labour force" developed under the "Coalition for work and decent life" where RENASIS supported the activity of making the voices of people experiencing poverty and their life realities along with their messages to the general public: <https://monitorsocial.ro/romania-tara-muncii-ieftine/>

**At the same time, during the year 2020, EAPN RO implemented and got involved in 2 projects and initiatives aimed at bringing the issue of poverty and social exclusion to the**

public's attention and on Romania's public agenda, to raise awareness and to inform about adequate principles and means on how to fight against poverty and marginalization, to give voice to the people facing poverty and to empower members of civil society and the anti-poverty sector in general, to develop specific actions and interventions in this area:

**“JOURNALISM PRIZE GOES INTERNATIONAL 2019-2020”**, <https://youtu.be/6D83q-Bkv6o> project aim to select and symbolically award articles, journalistic reportages and videos, including online media products and other types of journalistic materials in Romania that show respect for the people affected by poverty and the reality they live in and also those that analyze the social causes of poverty. The Jury is composed exclusively of people experiencing poverty directly, and the prize is awarded for the following categories: written press, online media, radio and television.

**The Coalition for work and decent life** <https://monitorsocial.ro/despre-campanie/>, It is a project carried out by trade unions and NGOs, which aims to raise awareness about living and working conditions in Romania and to promote legislative or public policy changes that will prevent workplace abuses. The premise of the campaign is that democracy in the workplace is just as important as political democracy - one cannot exist without the other. The issues on which our campaign is focused are: discrimination in the workplace, obstruction of the union activity by the employers, excessive work, precarious work, access to public and social services of the disadvantaged categories, decent payment and fair distribution of the created economic value in an economy.

**Also, members of RENASIS implemented a series of projects, campaigns and initiatives including specific actions and projects to respond to the consequences of Covid-19 crisis such as:**

- Example of projects implemented by World Vision Foundation targeting children and youth on education, support of schools in disadvantaged communities, working in rural areas and campaigns to reduce school dropping and functional illiteracy. During the pandemic of Covid-19, World Vision Romania assisted 20.000 disadvantaged families and children (families with many children, single parent families, families beneficiaries of state social assistance) providing packages with food, basic hygiene products and educational materials for children: <https://worldvision.ro/ce-facem>
- Example of actions taken by Human Catalyst Association that runs advocacy campaigns so that all children, especially the children in disadvantage communities to have access to education and online education in times of Covid-19 pandemic <https://www.facebook.com/AEJSHumanCatalyst/>
- Examples of projects to fight poverty among unemployed, youth, among employed women as well as to encourage activation and participation on the labour market of persons with disabilities and entrepreneurship and trainship for students [www.centruldezvoltaresociala.ro](http://www.centruldezvoltaresociala.ro)
- Examples of projects to combat poverty and social exclusion, especially in rural areas, social assistance activities, sustainable development and emergency

assistance. During the pandemic of Covid-19, Dorcas Aid Romania assisted disadvantaged families and children (families with many children, single parent families, families beneficiaries of state social assistance) providing packages with food, basic hygiene products and educational materials for children, specific support and counselling <https://romania.dorcas.org/proiecte/>

- Examples of projects targeting child rights and protection implemented by SOS Statele Copiilor Romania. During the pandemic of Covid-19, SOS Statele Copiilor Romania assisted disadvantaged families and children (families with many children, single parent families, families beneficiaries of state social assistance) providing packages with food, basic hygiene products and educational materials for children, specific support and counselling: <https://www.sos-satelecopiilor.ro/pe-cine-ajutam/proiecte/>
- Example of project targeting the European, national and local decision makers and of public opinion about global interdependencies determining migration flows towards European borders implemented by Novapolis Association: <https://www.novapolis.ro/meeting-with-pope-francis-within-the-project-snapshots-from-the-borders/>
- Example of information campaigns targeting public opinion to support the access of young people to sexual education on schools, projects to ensure access to reproductive rights for people in disadvantaged communities, especially Roma communities implemented by SECS organization <https://secs.ro/english/>
- Examples of projects targeting NEETS, marginalized and poor rural communities, promoting social entrepreneurship, education and professional training implemented by Bucovina Institute Association. During the pandemic of Covid-19, Bucovina Institute Association assisted disadvantaged families and children by providing packages with food, basic hygiene products and educational materials for children, specific support and counseling and worked with volunteers in elderly centers and in Suceava Hospital (the most affected county in Romania by Covid-19): <https://bucovinainstitute.org/>

## KEY RECOMMENDATIONS

- ① *Prioritize the implementation of the Minimum Inclusion Income (MII) as a key measure to make the social transfers system more efficient (money paid directly to the beneficiaries) and increase its role of activation of vulnerable groups. MII unites the three programs based on the evaluation of the means (i.e. on the basis of a social survey): social assistance to ensure minimum guaranteed income, family allowance and heating allowance, and is a financial support from the state to families and lone people to ensure a minimum standard of living. At the same time, it will help to prevent child poverty and to stimulate their participation in the education system.*
- ① *Policy actions and interventions to address the massive emigration (migration of healthcare professionals, of educators, of youth “brain-drain”, etc. and its socio-economic negative effects (children/women, elderly left behind, depopulation, poorer quality of social/ educational/ healthcare services, in particular in rural areas, etc).*
- ① *Policy actions as well as legislation packages (economic and social) to tackle in-work poverty and to support quality jobs creation, in particular green and social jobs are needed.*
- ① *Allocation of financial resources from the state budget to fund social services at local level activities including services delivered by NGOs, with a focus on funding for the development of integrated social services for children at-risk or affected by poverty and abuse.*
- ① *Policy actions, targeted interventions and funding to tackle the rise of the number of teenage mothers, especially in the rural areas and to increase access to healthcare for women and also develop integrated measures to address the high percentage of maternal mortality.*
- ① *To support the process of integration of refugees, the Romanian authorities should make the legislative changes in order to correlate the legal framework on foreigners to the laws that cover specific areas of intervention such as education, access and participation into the labour market, healthcare, access to housing, access to social services.*
- ① *To support the protection and prevent the abuse of migrant workers in Romania, difficulties that were highlighted by the Covid-19 health crisis, the Romanian authorities should address the policy and institutional incongruence and propose clear actions and measures and institutional responsibility.*
- ① *In order to decrease poverty through raising employment and employability among persons with disabilities, it's necessary to create a framework favorable to social and professional inclusion of persons with disabilities who are vulnerable groups. The measures envisage the development of entities that create protected*

*jobs and serve as protected units to activate and transition of vulnerable groups towards a conventional labour market, with direct impact on decreasing the poverty level among persons with disabilities.*

- ④ *As regards the educational sector, Romania should allocate the 6% of GDP to fund education and to adopt policies and incentives to attract and keep the qualified teachers, especially in rural areas, to improve the access to quality mass especially for Roma and children in rural communities. To ensure a better access to early education and early care of preschool children. To increase the quality and access to education and vocational training , apprenticeship, tertiary education and life long learning and to adapt these to the needs of the labour market. To increase efforts to implement measures to support Roma integration on the labour market, to increase access to education and reduce early school leaving.*
- ④ *To guarantee the right of all children to education by ensuring also access to online education for all children living in disadvantaged communities or poor families, in the context of Covid-19 crisis. The local and central authorities must make sure that all schools are connected to the online educational platforms and have the digital devices available for all the teachers and children, especially those children affected by poverty or living in disadvantaged communities (rural areas, migrant children, Roma children).*
- ④ *As regards of social policies and access to the integrated public services it is necessary to increase the efficiency and effectiveness of social transfers, in particular for children and to continue the reform of social assistance, strengthening its links with the activation measures. The allocation of funds and the improvement of access to integrated public services, the extension of the basic infrastructure and the promotion of economic diversification, especially in the rural areas. A stronger commitment to cooperation and partnerships with many stakeholders, especially with actors working locally (including local authorities and civil society organizations).*

## REFERENCES

1. Law of Social Assistance no. 292/2011, with subsequent modifications and completions
2. Dimensiuni ale Incluziunii Sociale in Romania [Dimensions of Social Inclusion in Romania], 2016, 2018, Bucuresti, Institutul Național de Statistică (INS)
3. Report regarding social inclusion in the year 2017, Bucharest, Ministry of Labour and Social Justice
4. Child Wellbeing Report 2018, World Vision Romania, Cluj-Napoca, 2018
5. Social Monitor, Friedrich Ebert Foundation Romania, <https://monitorsocial.ro/data/protectia-sociala/>
6. Cosul minim de consum lunar pentru un trai decent pentru populatia Romaniei [Minimum monthly consumption basket for a decent living for the Romanian population], Friedrich Ebert Foundation Romania, <http://library.fes.de/pdf-files/bueros/bukarest/14759.pdf>
7. European Commission: European Semester: Country Report and Country Specific Recommendations: Romania 2020
8. Eurostat database, <http://ec.europa.eu/eurostat/en/web/income-and-living-conditions/data/database> 15.07.2017
9. National Institute of Statistics – Tempo database & Social Tendencies 2020
10. National Reform Programme 2020, [https://ec.europa.eu/info/sites/info/files/2020-european-semester-national-reform-programme-romania\\_en\\_0.pdf](https://ec.europa.eu/info/sites/info/files/2020-european-semester-national-reform-programme-romania_en_0.pdf)
11. National Strategy and Strategic Action Plan on Social Inclusion and Poverty Reduction for 2015-2020
12. Proposal of public policy: Employment of persons with disabilities, a response to the labour market shortages, Center of Social Development T&CO, 2019
13. World Bank, Study to support the National Strategy on Social Inclusion and Poverty Reduction 2015-2020