

**Report on the Follow-Up to the
Regional Implementation Strategy
(RIS) of the Madrid International
Plan of Action on Ageing (MIPAA)
in ROMANIA**

Outline of the Report on the Follow-Up to the Regional Implementation Strategy (RIS) of the Madrid International Plan of Action on Ageing (MIPAA) in ROMANIA

ABSTRACT

Methodology

This report focuses on both qualitative and quantitative data regarding the ageing-specific policy actions and represents a synthesis of national informations on the identified progress in fulfilling the MIPA/RIS commitments.

The relevant data was gathered at national level from the statistics and research provided by National Institutions and from sectorial reports on social inclusion, action plans for employment, progress reports of the Government's Program 2005-2008. In addition, the report was drawn up based on the findings and proposals of the elderly organizations, NGO's or old persons themselves concerning the public policies effects and the roles of the public authorities and social partners in managing the ageing consequences in different areas of social and economic life.

For the future monitoring exercise, Romania will be prepared for a global approach of the ageing phenomenon and will create the necessary national mechanism able to coordinate policy process and to monitor the initiatives of all major stakeholders.

MIPA/RIS Commitments

In Romania, the economic and social costs of transition from communist regime to the market economy have suspended a comprehensive active ageing programme.

Recently, the issue of ageing population became a priority for public policy and public organizations, even Romania can be considered as "younger" than other European countries.

Three areas of concern can be identified in the programmatic papers of the Government: pension system, social and health care, labour market and employment.

RIS commitment 4

The pension system

The process of the pension system reform in Romania has been started on 1 April 2001 being focused on the improvement of the previous PAYG system.

Having in view that pension systems not only aim at ensuring a minimum income for older people, but more generally have to provide the appropriate arrangements to allow people to maintain the living standards they achieved during their working lives, the Government will implement, beginning with 2007, the second and the third pillars of pension system : a compulsory component and an optional one.

In 2005, it was set up, under the control of the Romanian Parliament, the Supervising Commission of the Private Pension System with multiple function of control, regulating, supervising and informing about the optional pensions.

In february 2007, the number of employment population is about 9,000,000 comparing with 5,597,400 pensioners. The proportion of the average monthly pension (including farmers) represents 30% from the net average wage.

During the last two years, the reform of the pension system was focused on:

- Establishing the equity within the system by recalculating the pensions` amount for more than half of the total number of pensioners;
- Annually increasing of the point pension value;
- Ensuring a permanent growth of the public pension insurance fund and rising the amount of the farmers pensions financed from the state budget;
- Improving the institutional capacity of the system for a better management of the funds.

The social assistance system and long term care services for old people

During the last two years, there were adopted a set of regulations which establish concrete measures and responsibilities in order to combat the risk of social exclusion of elderly persons and to improve the quality of their lives.

A wide range of social benefits were initiated, particularly for supporting families with children and vulnerable groups: family allowances, indemnity for child rising and parental leaves, maternity indemnity and maternal leave, financial aid for new married couple, incentive for child rising, minimum income guaranteed, allowance for disabled persons and complementary budget for disabled persons, indemnities for war veterans, invalids and their widows, financial aid for refugees, daily nutrition allowance for children and adults infected or affected HIV/AIDS, social, emergency and financial aids for persons with low income, heating aid for winter time.

The elderly persons in situation of dependency are benefitting by domiciliary and residential care services, protection measures against the risk of eviction, facilities for transport and cultural events, subsidized tickets for medical and balneary cure.

Care and assistance of old persons are still mainly remaining under the responsibility of the family; the law stipulates that the family caregiver can benefit by part time arrangements if she/he is employed by the local authorities.

The state is financially supporting the NGOs specialized in long term care and is co-financing civil works for the reahabilitation of the hostels and residential centres.

The Ministry of Labour, Family and Equal Opportunities elaborated the National strategy of social assistance development for elderly people, based on the objectives of the International Plan of Action on Ageing –Madrid 2002 and a new project of law concerning the protection of elderly people` rights which is designed as a framework covering: social security and social assistance benefits, social services and long term care services, active and healthy life, housing, participation and involvement, respect of dignity and judicial protection measures, prevention of abuse and neglect, financial sustainability of care services network.

Ris commitment 5

Employment and integration in labour market

Romania is a large south eastern European country characterized by a relative low proportion of older people in the workforce and a lower proportion of older than younger people among the unemployed population.

In order to accomplish the Lisbon objectives and to implement the European Employment Strategy, the Government adopted a set of programmatic papers comprising the key actions

in the labour market field. In the same time, the public policies provide a set of initiatives aimed at fostering active ageing and at extending working lives.

The target is to bring in the labor market more older persons so that the percentage of 39.4% in 2005 will increase to 42.7% in 2008.

The present programs are more oriented to the re- integration of older workers rather than their retention in employment. Therefore, there were initiated incentives for employees. The unemployment insurance contributions of employers are reduced for one year period, in proportion to the number of unemployed people over 45 years aged that they hired. The employers are also subsidized by an amount equal to the minimum gross wage for the employees that they keep on the payroll for at least two years before the legal retirement age.

In the same time, the National Agency for Employment is developing a lot of programs in order to support active measures for the unemployed older persons: “job bourses”, personalised action plans, counselling, adaptation and vocational training, e-learning, counselling services, identifying suitable jobs, in particular for the old workers from rural areas.

The legislation in force provides the financing of vocational training. Unemployed persons are entitled to benefit from vocational training free of charge; this includes transport and meal costs, if necessary.

RIS commitment 7

The health care system

In 2006 it was approved the Law no. 95 regarding the health reform package. According to the new regulations, the Government is focusing on:

- Improving the quality and security of health care;
- Reducing the present polarization of the access to health care, based on the income and residence of the patients;
- Securing a minimum package of health services for all members of the community;
- Focusing on preventive services and promoting healthy attitudes and early treatment;
- Increasing the emphasis on health education;
- Developing the social model and providing social services units within hospitals;
- Encouraging medical staff to work in poor regions and in rural areas.

According to the law, the pensioners are entitled to receive health care services without any personal contribution and to benefit by subsidised medicine.

The issue of occupational health care is also a priority. By statute, the occupational health physician has to monitor the employees` health, the work environment and work practices that could affect their health; the employees` working capacity is evaluated periodically and the physician recommend suitable work skills that match the employees health status and give advice regarding appropriate working conditions.

The Ministry of Public Health initiated a set of programs in order to increase the access of the population from rural and poor areas to health care services:

- training and payment the wages for community nurses working in disadvantaged regions;
- training and payment the wages for Roma mediators for health problems;
- developing the network of social services in hospitals;
- restructuring the inefficient hospitals and setting up socio-medical units;
- setting up programs to finance domiciliary health care at discharge from acute hospitals.

Romania made also major progress in the areas of elderly participation and gender equalities.

The legislation in social services field is defining the obligation of services providers to involve the users in all stages of services` planning and delivery.

The NGOs develop their own rules in order to facilitate the users`involvement in services provision, this topic being defined as one of the quality standards.

In 2000, the National Council of Elderly Persons (NCEP) was set up as an autonomous and consultative organism, having, as main objective, the institutionalization of social dialogue between public authorities and elderly persons.

According to law, the main tasks of the NCEP is to *support the governmental institutions to implement the recommendations of the UN Assembly on Ageing.*

In 2004, there were created by law the Consultative Committees for Civil Dialogue regarding the elderly problems. These committees are organized in each county and their activities are closely related to the Prefect Institution.

In order to implement the principle of gender equality, the efforts were focused on strengthening the institutional capacity of the public administration and, in April 2005, the National Agency for Equal Opportunities for men and women was set up.

Under the Romanian Parliament is functioning the National Council for Fighting against Discrimination, the national authority responsible with monitoring the non-discrimination principle observance.

Romania adopted a set of laws in order to sustain the gender equality and to combat any form of discrimination. These regulations have a direct influence on public policies in the areas of labor, education, health, culture and information, goods and services delivery and access, as well as in other fields.

In 2006, it was adopted the National Strategy for the equality of opportunities between women and men 2006 - 2009 and the General Plan of Action.

Conclusions

Even today the percentage of old population in Romania is lower comparing with the majority of European countries , the ageing trends are set to continue for the next decades.

Romania will face in short period of time with the decline of the volume of employment, with major problems of the pensions systems, with the increasing of the expenditures for social assistance benefits and long term care.

Romania, as a member of the European Union is fully committed to follow up the rules and recommendations of the European Commission regarding the accomplishment of the Lisbon objectives, giving more attention to the establishment of a comprehensive active ageing strategy as a key issue for further sustainable development.

Therefore, Romania considers as main priorities on short and medium term the issues of:

- pension adequacy and sustainability of private administrated pension funds;
- development and modernization of labour market having in view the rising of employment rate of old people aged;
- ensuring appropriate health and long term care services, as well as adequate minimum income schemes and integrated social services.

General Information

Country name : **ROMANIA**

Name of and information about the author(s) of the report: the official focal point nominated by **MINISTRY OF LABOUR, FAMILY AND EQUAL OPPORTUNITIES**

Contact details for the author(s) of the report:

Name of official focal point on ageing and contact details:

MANU Ileana Carmen

Director

Directorate of social services and social assistance rights

General Directorate for Inclusion and Social Assistance

Ministry of Labour, Family and Equal Opportunities

2-4 Dem.I. Dobrescu street, sector 1, Bucharest- ROMANIA

Email: cmanu@mssf.ro

Phone: 0040 21 315 71 43

Fax: 0040 21 310 05 99

Mobile 0040 740 068 342

Name, reference, and date of adoption or status of preparation of national strategy, action plan or similar policy document on ageing (please attach relevant documents in the annex):

**National strategy of social assistance development for elderly persons
2005-2008, adopted by Governmental Decision no. 541/2005**

1. Situation, Activities and Priorities Related to Ageing

National ageing situation

Romania is situated in geographical center of Europe (south – east of Central Europe) and, having an area of 238,391 sqkm, represents the twelfth country of this continent.

The Government form is republic, according to the Constitution adopted in 1991 and modified in 2003. The Parliament (with two chambers – deputies and senate) represents the legislative power. The Government has the executive power and the Prime Minister is nominated by the country`s president. Beginning with 2007 Romania is member of the European Union.

Romanian currency : Leu ; exchange rate : 1 Euro = 3,370 Lei

Demographic indicators

Romania`s population decreased from 23,206,720 inhabitants in 1990 to 21,623,849 inhabitants in 2005. From the total number of 21,610,200 inhabitants in 2006, 11,926,200 are living in urban areas and 9,684,000 in rural ones.

Until 2020, the population is expected to decrease to about 1.8 million inhabitants, especially affecting the 10–24 years age groups.

Before 1990, Romania had a positive natural increase, due to the pro-natalist policy of the previous communist regime. After 1990, the trend reversed:

- natural increase became negative : from - 0.2‰ in 1992, to -1.9‰ in 2005 and -2.5‰ in 2007;
- birth rate decreased from 13.6/‰ inhabitants in 1990 to a minimal value of 9.7/‰ in 2002 and is increasing slightly to 10.2/‰ in 2005; in 2007 is about 9.9% ;
- mortality rate increased after 1990 from 10.6 death/‰ inhabitants to 12.1 death/% in 2005 and 12.4‰ in 2007.

Life expectancy continuously increased to 71.76 years in the period 2003 - 2005, 68.19 years for men and 75.47 years for women (lower than European average). As a result of the life expectancy increase, international migration and fertility decrease, **the population aged 65+ years** increased from **13,0%** in 1999 to **14,8% in 2006 (less than the EU-25 average level of 16,5%)**. The population **aged 60+ years** is about **19%** in 2007 and will increase till about **23.3 % in 2030**.

The population under the age of 15 is decreasing from 19,0% in 1999 to 15,5% in 2006.

In these circumstances, the demographic “pressure” of the young as well as the old people (potentially inactive people) on the adults (potentially active people) is of 44 young and old people to 100 people of working age.

Economic indicators

In 2005, in accordance with data forecasted by the Statistics Office of the European Community (Eurostat), Romania produced 1,5% of the EU-25 Gross Domestic Product, calculated at Standard Purchasing Power Parity (PPP). In the same year, in Romania the GDP per person was of 7.700 PPP, being approximately three times smaller than the average the EU-25.

In 2005, the real households` incomes have come close to the average of the year 1995 (96, 5%).

Real income households dynamics

	2002	2003	2004	2005
Previous year				
Total incomes	103,0	104,7	122,0	102,4
Monetary incomes	105,5	103,0	123,5	107,6
Incomes in kind	95,9	110,4	117,8	86,3
Year 1995 =100,0				
Total incomes	76,2	79,7	95,7	96,5

National Institute of Statistics

Starting with the year 2000, the GDP has registered a continuous increase:

GDP per inhabitant at PPP

Year	2000	2001	2002	2003	2004	2005	2006	2007
EU -25	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
ROMANIA	24,9	26,4	28,4	29,8	32,2	32,9	34,2	35,2

In 2006, the real salary earning indices has increased with 31, 5% compared with 2004.

During the transition period to the market economy, the negative social consequences of a difficult restructuring process affected different categories of people, including the elderly. In order to achieve the social European standards, the Government`s Programme 2006-2008 provided clear targets and responsibilities in preventing the risk of social exclusion of vulnerable groups and building the basis of an inclusive society.

Instrumental assessment: policies, laws and regulations

Since 2002 when the MIPA was adopted, Romania made step forwords in particular areas such as:

► The pension system

The pension system reform process in Romania has been started on 1 April 2001 (Law.no.19/2000), being focused on the improvement of the previous PAYG system. Beginning with 2007 there will be implemented the second and the third pillars of pension system : a compulsory component and an optional component regulated by:

- Law no. 411/ 2004, modified by Law no.313/2005 and Law no.23/2007 regarding the pension funds privately administrated;
- Law no.204/2006 regarding the optional pensions.

► The minimum income guaranteed

The Romanian citizens, including elderly persons, without any income or with a low income are entitled to receive a financial aid according to the the Law no.416/2000, modified in 2006, regarding the minimum income guaranteed.

► The social assistance system and long term care services for old people

During the last two years, there were adopted:

- In 2005, the National Strategy for the development of social assistance system for elderly persons - 2005-2008, based on the objectives of the International Plan on Ageing;
- In 2006, the first programs of national interest addressing to the needs of elderly and financially sustained from the state budget;
- In 2006, the quality standards for domiciliary and residential care for elderly persons;
- In 2006, the National Strategy for the protection, integration and social inclusion of people with disabilities, 2006-2013;
- In 2006, the new legislation concerning the protection and promotion of disabled persons` rights.

Beginning with 2005, the NGOs specialized in domiciliary or residential care for elderly are recognized as a priority for the state program of subsidising the non profit organizations.

In 2007, the legislation concerning the social assistance for elderly (Law no. 17/2000) is expected to be modified by a new law regarding the protection of the elderly persons` rights; the new regulation is structured on strategic areas: development and diversifying social benefits and social services, promoting active and healthy life, ensuring housing, enhancing participation, improving long term care, preventing neglect and abuse.

► **The employment system**

The Law no 76/2002(supplemented in 2006) for employment establishes a set of active measures and incentives for the employers in order to encourage the employment of older workers; it also provides for the financing of unemployed people and the cofinancing of projects aimed at modernising long life learning services.

► **The health care system**

In 2006 it was approved a new law regarding the reform of health care system (Law no.95); as general rule, the pensioners and the old people beneficiaries of minimum income guaranteed are entitled to receive health care without any personal contribution; their contribution is supported from the social pension insurance fund or from the state budget; the costs of the medicine drugs for elderly are subsidized, according to a list annually approved by the minister of public health.

The main national priorities related to the ageing process are:

- Consolidate the public pension system and improve the life quality of elderly by introducing new pensions` funds, privately administrated;
- Set up a network of care services for elderly, delivered at home and in residential institutions;
- Diversify the social assistance benefits for elderly;
- Facilitate the access of elderly persons to health care services, especially in rural areas;
- Develop preventive health programmes and improve the quality of health services;
- Support the participation of elderly persons in all economic, social, political, cultural aspects of the society.
- Adapt the labour market to the ageing of workforce.

2. Methodology of In-Depth Evaluation of Identified Priorities

This report was prepared particularly based on both qualitative and quantitative information regarding the ageing-specific policy actions and represents a synthesis of national data and progress` results in fulfilling the MIPA/RIS commitments.

The relevant data was gathered at national level from the National Institute of Statistics, National Commission of Prognosis, Quality Life Institute, Statistics Bulletins of Ministry of Labour, Family and Equal Opportunities and from sectorial reports such as Social Inclusion National Report, National Action Plan for Employment, Progress Reports on the Governmental Program 2005-2008, National Development Plan 2006-2013, National Strategy of Reforms.

Other informations concerning socio-economic and health situation of the older persons have been collected from the evaluation reports prepared under the coordination of the National Council of Elderly Persons or elaborated by experts of the Romanian European Institute, National Institute of Geriatrics and Gerontology. In addition, the report was drawn up based on the findings and proposals resulted from the direct discussions with the representatives of elderly organizations, NGO`s or old persons themselves. This exercise was possible due to the active participation of the elderly in social and political life, encouraged and supported by civil society and state also.

Last decade, the voices of the elderly became more and more powerful. According to the law, the representatives of the old people` national organizations are directly involved not only in national debates regarding the public policies, but in designing new legislation and regulations also. In the same time, there is a permanent collaboration and communication between policy makers and elderly people such as monthly meetings between the state secretaries of the Ministry of Labour, Family and Equal Opportunities and the National Council of Elderly Persons or, at local level, between public authorities and elderly`organizations.

In order to strengthen the collaboration with elderly people, the Ministry of Labour, Family and Equal Opportunities developed national programs in partnership with international bodies or Romanian NGOs. One of the most appreciated program, financially sustained by the Department for International Development of Great Britain (2002-2004), facilitated the organization of regional seminars, meetings and working groups with the participation of elderly persons, care services` managers, professionals and informal carers, representatives of central and local authorities, NGO`s and experts from universities. The program strongly contributed to the establishment of the Action Plan` goals of the Romanian Social Assistance Strategy for the elderly people. In 2006, there were also initiated strong debates concerning the pension reforms and the new legislation adressed to the protection of elderly people` rights.

If the first exercise of monitoring the MIPA /RIS was focused on specific ageing policies, for the future review Romania must be more oriented on the global approach of the ageing phenomenon. To do this, it will be necessary to create a national mechanism able to coordinate policy process and to monitor the initiatives of all major stakeholders, to encourage the research on ageing, to modernise the data collection systems, to provide the appropriate human and financial resources.

3. National Capacities for Follow-up to MIPAA/RIS

Institutional follow-up

The Ministry of Labour, Family and Equal Opportunities (MoLFEO) is the central public authority responsible for developing and implementing social protection policies and programs in areas of: pensions, labour regulations and security, employment, long life learning and vocational training, migrants workers, social assistance schemes, social benefits and social services for family and children, disabled, elderly and other vulnerable groups, victims of domestic violence, equal opportunities for women and men. MoLFEO is also responsible with monitoring social inclusion policies.

MoLFEO coordinates:

- National House of Pensions and other Social Insurance Rights, National Agency of Employment, National Authority for Protection of Children Rights, National Authority for People with Disabilities, National Agency of Family Protection (responsible with domestic violence problems), National Agency for Equal Opportunities, Labour Inspection, National Institute of Scientific Research for Labour and Social Protection.

The MoLFEO elaborates its own statistics bulletin providing data referring to the pension system, labour market and employment, social benefits and social services.

The minister of labour, family and equal opportunities lead the National Commission for Population and Development (NCPD) set up in 2005. The NCPD is entitled to develop a methodology of collecting data and to elaborate studies and analysis regarding the demographic evolution.

Health public policies are in the responsibility of Ministry of Public Health (MPH) and National House for Health Insurances.

The National Institute of Statistics and the National Commission of Prognosis are the main important bodies for providing data related to economic and demographic trends.

In 2007 it was created the National Observatory for Professional Education and Long Life Learning.

Beginning with 2008, it will be set up the Social Observatory entitled to collect data from the social sector, to collaborate with universities, research institutes, public administration authorities, civil society organizations in order to provide the necessary information for policy makers.

Till now, the monitoring activities related to MIPA/RIS implementation have been realized on sectorial basis.

According to the National Strategy of Social Assistance Development for Elderly Persons, within the MoLFEO it will be organized a specialized department in evaluating and monitoring the specific ageing public policies.

A comprehensive monitoring exercise has been finalized by the MoLFEO which prepared, in 2006, the Progress National Report on Social Inclusion Memorandum.

Elderly` organizations

In 2000, the National Council of Elderly Persons (NCEP) was set up by law as an autonomous consultative body having, as main objective, the institutionalization of the social dialogue between public authorities and the elderly` associations.

One of the main tasks of NCEP is to *support the governmental institutions to implement the recommendations of the UN Assembly on Ageing.*

Another similar body is the National Consultative Council of Social Dialogue for Persons with Disabilities.

The pensioners are encouraged by law to create their own associations, benefiting of facilities for registering the organizations, for developing economic and social non profit activities. The elderly associations can have direct dialogue with public authorities.

Educational activities related to ageing

In Romania, with more than forty years ago, Prof. Dr. Ana Aslan put the basis of the National Institute of Geriatrics and Gerontology. The medical speciality in geriatrics has been recognized in 1992 only. Presently, the family doctors can also be trained in geriatrics.

The social workers, during their university education, can follow courses in gerontology to develop specific skills for their future role in managing social problems of elderly in need. On the other hand, the personnel directly involved in delivering care services for elderly, such as formal carers or personal assistants for disabled persons, must follow training courses provided by authorized training organizations.

There is a lack of studies and research addressed to the global consequences of ageing on the Romanian society. The majority of the studies are focused on demographic subjects in relation to pension systems or poverty risk.

RIS Commitment 1: Mainstreaming ageing

After 17 years of transition, Romania has undertaken reform in all areas: economic, politic, social and cultural. While the first 12 years were characterized by the restructuring of the economy and promotion of social protection measures for unemployed and vulnerable groups, an accelerate process of economic development started in the last five years. Macroeconomic equilibrium, budget deficit, level of inflation, a better coordination of budgetary and monetary policies have been considered as the major areas of intervention.

In order to identify the policies in which ageing is mainstreamed today, it is important to put in evidence the characteristics and mentalities of the present generation of elderly people, living and experiencing, in a short period of time, two diametrically opposed regimes, communist and capitalist. They are living for more than 50 years “under pressure”: before 1990s hardly working for “building the communism” and after 1990s, hardly working for “ensuring the transition to the market economy and reconstruction of a new democratic regime”.

Specific needs and wishes are generated by specific life styles. By consequence, in Romania the debates between governmental bodies and elderly organizations are focused more on solving the present critical problems: low amount of pension, high costs of daily living, limited access to quality health care and medicines, lack of long term care services, risk of eviction due to the debts for the maintenance housing costs.

Therefore, the public policies have in view the fight against the risk of social exclusion and inequality by improving the systems of pensions, social assistance benefits and social services, health care and employment.

Recently, the policy makers became more oriented towards the development of the life course policies. This perspective came out from the necessity of strengthening the intergenerational relationships and social solidarity. In this respect, the Government's Programme 2006-2008 establishes comprehensive and coordinated family policies structured on all age stages.

In 2005, it was adopted the National Strategy of social assistance development for elderly people. The plan of action has been designed on the basis of the International Plan of Action on Ageing adopted in 2002 by the UN Assembly.

The general objectives of the strategy are :

- Establishing a coordinated and integrated social assistance system for elderly;
- Combating the risk of social exclusion and improving the quality of life;
- Promoting the elderly participation to all aspects of the society.

The operational measures are focused on :

- Encouraging studies and research concerning the ageing consequences in Romania;
- Improving the quality of social and health care services;
- Providing continuous training for formal carers and case managers;
- Providing financial support and other facilities for the informal caregivers;
- Implementing national programs to prevent early retirement and to promote the re-admission of older workers in labour market;
- Developing services to prepare older workers for retirement;
- Ensuring an adequate financial support for public and private social services providers;
- Facilitating the access to health and long term care, especially in rural areas;
- Promoting public –private partnerships on social services market;
- Encouraging the development of counselling and advocacy services;
- Promoting the involvement and participation of elderly in all areas of society;
- Encouraging elderly volunteers and supporting their initiatives;
- Organizing national public awareness campaigns to promote a better image of elderly and their role in society.

RIS Commitment 2: Integration and participation of older persons

In Romania, as a consequence of the totalitarianism regime, elderly persons used to develop an attitude of passive dependency to the state decision in all aspects of their lives.

Therefore, after 1990s, the state recognised as its own obligation the attempt of changing the non participatory mentalities and continues to make people to understand that, the participation of all the citizens in social, economic and cultural life of the society is a basic condition of social development and welfare.

Promotion of elderly involvement

The legislation in social services field is defining the obligation of services providers to involve the users in all stages of services` planning and delivery. The residential care centres have to organise a consultative body whose members are selected from the services` recipients and from the staff of the local public authorities.

The NGOs develop their own rules in order to facilitate the users`involvement in services provision, this topic being defined as one of the quality standards.

In 2000, the National Council of Elderly Persons (NCEP) was set up as an autonomous and consultative organism, having, as main objective, the institutionalization of social dialogue between public authorities and elderly persons.

This organization receives funds from the state, through the budget of the Ministry of Labour, Family and Equal Opportunities in order to support part of the administrative costs and wages of the council` employees and the indemnities of the permanent commission members.

According to Law no.16/2000, the main tasks of the NCEP are:

- *To support the governmental institutions to implement the recommendations of the UN Assembly on Ageing;*
- To monitor the application of the legislation and to inform the authorities about the identified disorders;
- To develop, in partnership with competent institutions, studies and sociological analysis;
- To strengthen the associative movement of the elderly and their active participation in social life.

The NCEP includes 8 national organizations of elderly persons, it has a central body with a permanent commission and territorial structures organized at county level. The NCEP has representation in the administrative boards of different agencies or authorities, such as the National Health Insurance House or the National House of Pensions and other Social Insurance Rights.

With the financial support of the state the NCEP also contributes to the implementation of programs for poor and dependent elderly, provides counselling services and financial or in kind aids.

The NCEP is working closely with Ministry of Labour, Family and Equal Opportunities through monthly meetings with the state secretaries responsible for pension and social assistance policies.

In 2004, there were created by law (Government Decision no 499) the Consultative Committees for Civil Dialogue regarding the elderly problems.

These committees are organized in each county and their activities are closely related to the Prefect Institution. Annually, the counties` committees send to the Ministry of Labour, Family and Equal Opportunities reports concerning their activities at local level.

In Romania, unfortunately, is still remaining the perception that old age means frail and dependent persons, with physical and mental illness, less productive and less flexible. In this respect, there are very few media campaigns regarding the promotion of a better image of old generation. The national and local Radio and TV networks are more interested in hosting periodically debates focused on the problems of pension and health care systems or on solving individual cases of neglected or abused old persons.

Housing policies and transport facilities

The proportion of privately owned houses increased continuously, from 66,8% in 1989 till more than 97,5% in the last 5 years. Almost all dwellings privatised are flats in blocks. The transfer of flats has resulted in a reduction of the stock of social dwellings. The transition was accompanied by a spectacular growth in price of property, being now similar to the prices from the European Union market.

During the last years the homelessness phenomenon begun to be more visible. There are about 15,000 homeless people all over the country according to the estimation of the Physicians Without Borders`Organisation. In 2006, the Government initiated a national program to finance 50 local projects of emergency and night shelters.

Housing policies are more oriented for supporting young generation, especially young families. In relation to elderly persons, there is a high risk of eviction due to the debts for the payment of the maintenance` costs of their homes. The elderly living in rented houses are also in risk of eviction by former owners of the expropriated dwellings before 1949s who are entitled to receive back their properties.

Therefore, the Government adopted a set of measures to protect the elderly in risk of eviction:

- They cannot be evicted from the rented houses for 5 years period and the amount of the rent is established by law;
- Recently, it was adopted a new legislation according with the local authorities will have the obligation to provide houses for the evicted persons;
- The elderly with low income are entitled to receive an allowance for heating during winter times and financial aids to cover the rent or the maintenance costs of their houses.

To improve the mobility of the elderly people within their community, the intra urban transport is free of charge for pensioners and war veterans. In the same time, part of the local authorities in urban areas, in partnership with NGOs, created day clubs and day centres for elderly people in order to facilitate the interaction with other members of their generation or to enhance the intergenerational relationships.

The elderly are also benefitting by 6 free of charge annually travels on train. According to the law, they can receive the equivalent of the travel tickets` costs in cash if they did not used the tickets.

RIS Commitment 3: Promotion of equitable and sustainable economic growth in response to population ageing

Romania is now in a full process of consolidating the market economy, based on a range of structural reforms. From the perspective of the Lisbon objectives` achievement, the main targets of the Romanian Government on medium and short term are:

- ▶ Economic stability and public finance sustainability;
- ▶ Improvement the competitiveness and the economic productivity;
- ▶ Strengthening the labour market and employment.

All these targets are underlined by the National Programme of Reforms, prepared on the basis of the provisions of the Government`s Program 2005-2008, National Development Plan 2007-2013, National Strategic Framework 2007-2013, National Plan Anti Poverty and Promotion of Social Inclusion 2006-2008, National Strategy for Employment and Employment Plan of Action.

The economic policies have in view to continue and consolidate the restructuring measures in the field and, in the mean time, to keep the ratio of unemployment at low level by:

- introducing of new legislation regarding the 16% tax flat rate on profit as well as on income, set up in december 2004;
- decreasing of the social contributions starting 2006 until 2008, from 49.5% to 39.5%.
- the disinflation process under 10% to be continued : the annual inflation ratio was 8,6% in 2005 and 6 % in 2006. The prognosis for 2007 is about 4,0% \pm 1 %points;
- ensuring the growth of GDP with 6.7% in 2006 and 6.4% in 2007;
- keeping the restrictive monetary conditions;
- consolidating the principle of program- based allocation of the public funds (in 2006, about 68% of funds have been allocated on program basis, compared to 59% in 2005) ;
- reducing the governmental debt and the budget expenditure(under 20% of GDP during the period between 2005-2009);

Indicator	2005	2006
Labour productivity GDP/ employed person – in PPS	18200	21700
National gross income - MEuro	77.0	119.0
GDP(%annual)	4.1	6.3
GDP/capita –in PPS	7700	9300
Inflation ratio –annual average	9.0	4.0
Direct foreign investment balance	20.2	38.8
Deficit of current account - % of GDP	-8.7	-8.2
Governmental debt - % of GDP	15.2	14.6

National Commission of Prognosis

In order to accomplish the objectives of the national strategy, it will be necessary to give a special attention to human resources development. In this context, over than 50% of the total amount of the structural and cohesion funds for the period 2007-2013 will be allocated to support the Lisbon targets.

RIS Commitment 4: Adjustment of social protection systems in response to demographic changes and their social and economic consequences

Pension reform

One of the main objectives of the social protection policy represents the financial consolidation of the public pension system, in order to ensure an adequate income for the retired persons.

Public pension reform started in 2001, through the enforcement of the Law no.19 regarding the public pension system and other social insurance benefits. The new law has had as main objective the improvement of the previous pension system (PAYG model) by establishing a more equitable and modern methodology of calculating the amount of pension. The legal retirement age is 60 years for women and 65 for men. These levels will be slowly reached till 2014.

The inherited pension system is highly comprehensive and is covering almost all older citizens. Although the amount of pension income has been deteriorated more rapidly than wages, the families of two pensioners are not in a higher risk of poverty than the average population overall. But, for the future, if the pension will remain the only source of income, an important percentage of the old persons will became recipients of social assistance system.

Due to the necessity of finding better solutions for ensuring a decent income and to rise the quality of pensioners` life, there were prepared the additional privately administrated systems of pension. Two new components (second and third pillar) have been approved in 2006 and will be implemented in 2007: a compulsory component (in the first stage the contributors are 35 years old aged persons) and an optional one for all citizens.

In 2005, it was set up by law the Supervising Commission of the Private Pension System which has multiple function of control, regulating, supervising and informing about the

optional pensions. This new body represents an autonomous authority, under the control of the Romanian Parliament.

It is estimated that, in 2008, the total amount of contributions to the compulsory pension fund will be about 0.17% from GDP and, in 2016, it will be about 0.85% from GDP.

During the last two years, the reform of the pension system was focused on:

- Recalculating the amount of pension (for 3,557,474 persons);
- Increasing the point pension value: in 2006 it was registered a growth of 16.8% and in 2007 the value will be increased with 5%;
- Increasing farmers pensions` amount with 10%, starting with September 2005;
- Supporting the farmers` pension from the state budget;
- Improving the institutional capacity of the system for a better management of the funds.

In the period 2004 - 2007, the annual average pension for social insurance (including farmers) has been continuously increased.

Pension amounts in February 2007:

- Average monthly pension (including farmers) : **326 Lei**;
- No. of beneficiaries: **5,597,400 persons**;
- Average monthly pension of state social insurance system: **364 Lei**;
- No. of beneficiaries: **4,639,042 persons**;
- Average monthly pension for invalidity: **295 Lei**;
- No. of beneficiaries: 873,942 persons;
- Average monthly pension for war veterans and invalids: **273 Lei**;
- No. of beneficiaries: 16,728 persons;
- Average monthly pension for farmers: **140 Lei**;
- No. of beneficiaries: **958,327 persons**.

The average monthly pension is calculated taking into account all types of pensions, including early retirement pensions or survivor pensions.

The proportion between the average pension of public social insurance for **age limit** with **full length** of service and the net average salary earning is about 50% in 2007; the average monthly pension (including farmers) represents 30% from the net average wage.

In february 2007, the number of employment population is about 9,000,000 comparing with 5,597,400 pensioners.

In the same period, the average monthly gross salary earnings is about **1,264 Lei**, the average net salary earning is about **941 Lei**, minimum wage on economy is **390 Lei**.

The rate of the total pension systems` expenditures from GDP is about 39.5%.

The pensioners are benefitting also by subsidised tickets for rest and balneary cure, granted from social insurance fund.

An important feature for avoiding increased poverty rates within older pensioners cohorts has been the annually indexation of pension with inflation rate. In the same time, the survivor benefits remain an important tool for ensuring an income for older women.

On short and medium term, the priorities of the pension system are targeted on : the performant management of the new privately administrated pensions funds, the growth of the pension`s amount, reducing of the early retirement schemes and the inequities between social insurance system and other special pension systems (army, police, magistrature) and on ensuring of appropriate incentives to keep longer the elderly in labour market.

Access to social assistance benefits

The Romanian social assistance system is covering both social benefits and social services and is mainly sustained from the state budget.

Social assistance benefits are defining family allowances, indemnities and other social aids:

- state child allowance granted to all the children until 18 years aged ;
- foster care allowance;
- complementary family allowance for families with more than one child;
- single parent family allowance;
- financial aid for new married couples (for the first marriage only);
- newborn child allowance, granted to mothers for each of the first four children born alive;
- indemnity for rising the 0-2 years aged child, similar to a payed parental leave is monthly granted to one of the parents; the indemnity amount of 600 Lei is high compared to the amount of other allowances or to the minimum wage; for the same period of time, the amount of the state child allowance is about 200 Lei comparing to the amount of 25 Lei for 2-18 years aged children; similar amount of indemnity is granted for 0-3 years aged disabled child and, for disabled children aged between 3-7 years the amount of the monthly indemnity is 400 Lei;
- incentive for child rising, monthly granted to the parent who returns in the labour market within the period of legal paternal leave (100 Lei);
- allowance for disabled persons, according to the handicap`s degree;
- complementary budget for disabled persons, covering part of the facilities established by law;
- indemnities for war veterans, invalids and their widows;
- financial aid for refugees;
- daily nutrition allowance for children and adults infected or affected HIV/AIDS;
- social, emergency and financial aids granted on an evaluation basis of the persons` needs and income;
- heating aid for winter time, granted on means tested basis; the amount of this benefit has increased with 74% during the cold season 2005-2006 comparing with the same period of 2003-2004;
- financial aid for persons who will improve the thermic system in their own houses.

Other social assistance measures: tickets for crèche supported by the employers for their employees, new born trousseau, food supplies for students from primary education system, scholarships for youngsters coming from poor families.

Access to social services

In 2000 it was adopted the legislation regarding the social assistance measures for elderly people, particularly focused on personal care services provided for dependent old persons. According to the law, elderly in need are entitled to receive a wide range of social services such as counselling, advocacy, accompaniment services, food delivered by social canteens, meals on wheels services, aid for small home repairs and care services to accomplish daily activities in order to keep them independent as long as possible.

Typology of services and institutions are very diverse : domiciliary care, day care centres, rehabilitation centers, memory centres for those affected by dementia, respite centres, palliative care centres, hostels and centres for assistance and care (similar to nursing homes), socio-medical units.

According to the regulations in force, the elderly persons are assessed based on the provisions of the National Grid of needs` evaluation, a standard instrument for assessing the level of dependency (ADL and IADL evaluation).

The local public authorities have the responsibility of managing and financing social services for elderly. They can deliver social services by themselves or can collaborate with

NGO`s. During the last decade, there were encouraged mixt arrangements, based on public private partnerships.

The NGO`s are the main formal providers of domiciliary care and the promoters of innovative projects within communities.

Care and assistance of old persons are still remaining under the responsibility of the family; the law stipulates that the family caregiver can benefit by part time arrangements if she/he is employed by the local authorities.

The old person assisted in institutions pay a contribution which cannot be higher than 60% of his total income. The difference is supported by the family or by the local public authority if the beneficiary has no relatives. The contribution of the recipient represents about 1/3 from the total cost of residential care, the rest being supported from the local budget.

The legislation allows the private initiatives on social services market and some projects have already been finalized, particularly in areas of residential care.

The needs assessment procedures, the responsibility of case managers in organising the individual care plans, the categories of professionals, the eligibility criteria for recipients, the financing rules are regulated by law.

The specific legislation concerning social services system has been developed by the Ministry of Labour, Family and Equal Opportunities beginning with 2003. During the last two years there were adopted:

- National strategy of social assistance development for elderly people; the plan of action is based on the objectives of the International Plan of Action on Ageing –Madrid 2002;
- Minimum quality standards for domiciliary and residential care for elderly people;
- National interest programs: there were initiated 9 national programs funded from the state budget and addressed to elderly, disabled and victims of domestic violence; the program for elderly sustains training and wages for the formal carers (2,235,294 Euro).

Other measures:

- Improving the quality of services : according to the law regarding Social Solidarity Fund, from the state budget there are allocated funds for the institutions`rehabilitation; in 2005 and 2006 there were rehabilitated 68 social assistance units (hostels, day centres, socio-medical units) for elderly and disabled persons (5,864,849 Euro);
- Sustaining the non profit organizations : annually, according to the law, the NGO`s are entitled to receive subsidies from the state and local budgets; in 2006 the allocated funds for this program have been doubled; the program is covering about 5,500 elderly beneficiaries in 2007 and more than 45% of funds are spent for elderly care services;
- Supporting the elderly people` associations: the wages of the personnel and the indemnities for the members of the central commission of the National Council of Elderly Persons (NCEP) are paid from the state budget; annually the state supports the celebration costs of the International Day of Elderly and the funds are administrated by NCEP also.

The social services network for elderly continuous to be not enough developed comparing to the real needs of care. There are about 4,800 beds in hostels and 8000 in nursing homes and very long waiting lists are registered in each county. There are no data available at national level regarding the old dependent persons in need of care. Domiciliary care services are provided in some urban areas and the percentage of such services in rural areas is insignificant.

By consequence, in 2006 it was elaborated a new project of law concerning the protection of elderly people` rights. This draft is designed as a framework covering: social security and social assistance benefits, social services and long term care services, active and healthy

life, housing, participation and involvement, respect of dignity and judicial protection measures, prevention of abuse and neglect, financial sustainability of care services network.

Disabled persons

The total number of persons with disabilities is about 479,388 persons, from which 424,571 adults.

In 2006, the number of disabled 60+ years old persons was:

Age group	total	out of which: women	In family	out of which: women	In institutions	out of which: women
60-64	31,453	17,887	30,431	17,431	1,022	456
65-69	35,133	20,275	33,866	19,700	1,267	575
70-74	33,221	19,523	31,981	18,866	1,240	657
75-79	28,298	17,275	27,198	16,589	1,100	686
80-84	19,631	12,828	18,780	12,228	851	600
85+	12,172	8,494	11,493	7,976	679	518

National Authority for Persons with Handicap

Characteristic for the present generation of the older disabled persons is the strong dependency to the family care and to the state financial support.

Although the situation of persons with disabilities has been improved considerably during the last decade, there are still a lot of problems to be solved. The National Strategy for the protection, integration and social inclusion of the persons with disabilities 2006-2013 and the new framework legislation concerning the protection of the disabled persons` rights, both of them adopted in 2006, stipulate that the disabled persons, including the older ones, are entitled to receive a monthly indemnity according to the handicap`s degree and a complementary budget regardless the level of their income; the persons with high level of handicap can also benefit by a personal assistant (caregiver) or a professional assistant if they have no housing place and an income lower than the average wage on economy.

The state already allocated the necessary funds to support national programs to ensure special equipments and prothesis, transport vehicles, adapted communication technologies and to promote vocational training and employment of the disabled people (creating protected working places, providing facilities for employers, organizing jobs` markets, encouraging initiatives such as social cooperatives models).

Poverty situation

In accordance with data provided by National Institute for Statistics, poverty dynamics show a constant decrease in the last years. If in 2004 the poverty rate registered a value of 18,8%, in 2005 this was of 18,2% (18,0% for male and 18,4% for female) and about 18% in 2006 .

Regarding the residence, the rural area further faces a higher incidence of poverty and severe poverty. The poverty rates of the rural area register in 2005 the value of 28% as compared to 10,2% in the urban area, therefore approximately 70% of the poor people live in the rural area.

The progressive decrease of poverty rate in the urban area in the first semester of the year 2005 can be explained by the effects of applying the 16% flat tax on income which had a positive influence on the population from the urban area.

In terms of age groups, young people are at the higher risk of poverty, followed by children; the elderly 65+ have a medium poverty rate.

The data regarding the poverty situation are provided by the National institute of Statistics:

Poverty rate by sex and age group:

Nr. crt.	Poverty rate	
		2005
1.	Total population	18,2%
2.	<i>Population by sex:</i>	
3.	Male	18,0%
4.	Female	18,4%
5.	<i>Population by age group:</i>	
6.	0 – 64 years	18,4%
7.	65 years and over	17,2%

Poverty rate by household's type:

Nr. crt.	Poverty rate	
		2005
8.	Total population	18,2%
9.	<i>Households without dependent children:</i>	13,7%
10.	1 person, of which: - total - male - female	25,9% 20,1% 28,65
11.	1 person 65 years old and over	30,2

Poverty rate by occupational status:

Nr. crt.	Poverty rate	
		2005
12.	Total population	18,2%
13.	Persons 16 years old and over by occupational status:	
14.	Active population:	14,0%
15.	Employees	4,4%
16.	Self-employed (excluding farmers)	26,9%
17.	Self-employed (including farmers)	33,4%
18.	Inactive population:	19,5%
19.	unemployed workers	34,8%
20.	pensioners	14,2%
21.	other ones	23,3%

Minimum income guaranteed

The program regarding the minimum income guaranteed (MIG) was initiated in 2001, based on social solidarity principle, in order to have a direct impact on poverty reduction, especially extreme poverty.

The minimum income guaranteed represents a social financial aid delivered according to the income, the size and the structure of the household. The families has the right to a financial aid equal to the difference between the social minimum and the real income earned from any other sources, including the possible income earned from assets, such as lands and animals. The household members able of work must perform community work. MIG is managed by the local public administrations. The monthly average number of families benefiting by MIG was about 420 000 families in 2004, diminishing to 320.000 in March 2007.

MIG represents at the same time a complementary measure for granting or raising the amount of other benefits such as: complementary family allowances, health care insurance, emergency aid, aids for heating.

RIS Commitment 5: Enabling labour markets to respond to the economic and social consequences of population ageing

Due to the profound economic reforms during the transition period to the market economy, between 1990 - 2000 major transformations affected the labour market having as direct results high rates of unemployment. In the last decade, an important increasing of the labour force, both in quantitative and qualitative terms was registered due to the accelerate process of restructuring the economy and of privatization.

The reorganization of the labor market favoured the migration of older population from urban areas towards the rural ones or the external overboards migration of the younger generation.

The agriculture became an important employer, particularly for older persons. In the same time, the elderly residents in rural areas represent an important proportion from the not paid people active in agriculture.

Statistics

The evolution of the unemployment rate is marked by some reference points: 3% in 1990, 10.9% in 1994, 11.8% in 1999, 10.5% in 2000, 6.1% in 2006 and 5.2% in February 2007, of which 4.6% for women.

The unemployment rate from the total number of registered unemployed persons in 2006 was about :

- 27.9% for 30-39 years old age persons;
- 24.9% for 40-49 years old age persons;
- 13.8% for 50-55 years old age persons;
- 5.6% for 55+ years old age persons;

The unemployment rate for women was with 0.5% less than the men rate.

From the total number of long term unemployed, 21,7% of them have been benefiting by active measures.

The number of unemployed persons (defined in accordance to the criteria of the International Labour Office) in February 2007 was about 459,013 persons comparing to 1,032,303 persons registered in the same month of 2001.

The employment rate of the working age people has been slowly decreased, being in 2006 with 5.8% less than 1999.

The difference between the employment rates by sex is about 12,4 % in favour of men and by residence about 6,6% in favour of urban areas.

Positive economic tendencies are represented by the constant increase of employment weight in the private area and in the mixt sector.

The 55 years aged employed persons participating in economic activity is about 39.4% (for those 65 + aged is about 14.6%) from the total population of this age group comparing to 25.7% of young workers aged 15-24 years. The employment rate of 50-64 years aged is lower than the European average.

The higher percentage of workers 55 aged and over are registered in areas as agriculture (18%), education system (12.3%), health system (9.1%), electricity, water and gas enterprises (8.1%). The lower proportion of old persons is in whole sale and in retail trade, hotels and restaurants sector.

Indicator	2005 %	2008 %
Employment rate of the old-aged persons – total (persons on the labor market having 55 – 64 years old)	39.4	42.7
Long-term unemployment rate (the total number of the unemployed for more than 12 months, as percentage from the total active population)	4.0	3.6

Indicator	2005 %	2008 %
Employment rate (15 – 64 years old population)	57.7	58.3
Unemployment rate BIM - total	7.2	6.7
Percentage from 36 – 45 years old persons contributing to the compulsory pension system privately administrated	-	50

In order to accomplish the Lisbon objectives and to implement the European Employment Strategy, the Government adopted a set of programmatic papers comprising the key actions in the labour market field: National Strategy for Employment 2004-2010, Annual National Action Plan for Employment, National Training Plan of Working Force, National Development Plan 2006-2013, National Strategic Framework 2007-2013 – Operational Sector Program “ Development of human resources”, National Plan of Social Inclusion, Governing Programme 2005-2008.

Integration of persons over 45 years old on labour market

For the European Union the set goal is to have about 50% old persons employed by 2010 and to increase the exit age from the labor market (from 59.9 years in 2001 to 65.4 years in 2010).

Romania, as a member of the European Union is fully committed to follow up the rules and recommendations of the European Commission regarding the accomplishment of the Lisbon objectives, giving more attention to the establishment of a comprehensive active ageing strategy as a key issue for further sustainable development.

In Romania today, the job opportunities for persons aged 45 or 50 years and over become increasingly limited due to different reasons: a reluctance to take part in training, low adaptability to new working conditions, lack of knowledge of new technologies or foreign languages.

Therefore, the public policies are mainly oriented to the development and improvement of the labour market, having permanently in view the growth of the employment rate of older people.

The legislation in force (Law no.76/2002 modified in 2006) provides supportive measures for the employers of 45+ years aged persons :

- exoneration of the contributions` payment to the unemployment insurance fund and granting a financial aid equal to a minimum gross wage on economy /month/person for one year period;
- financial support equal to a minimum wage on economy, monthly provided from the unemployment fund for the employment of older workers legally registered as unemployed persons and having three or less years till the retirement age.

The target is to bring in the labor market more older persons so that the percentage of 39.4% in 2005 will increase to 42.7% in 2008.

The legislation also facilitates full time and part-time jobs after the retirement and non-discriminatory access to professional training for older workers.

In the same time, the National Agency for Employment is developing a lot of programs in order to support active measures for the unemployed persons: “job bourses”, vocational training, e-learning, public awareness campaigns, counselling services, incentives for employers.

The present programs are more oriented to the re- integration of older workers rather than their retention in employment.

The National Institute for Medical Evaluation and Recovery of Work Capacity conducts research concerning the evaluation and improvement of work capacity, including health education and studies concerning the work place accidents and contributes to the prevention of occupational diseases. The National Institute of Labour Medicine is another medical unit involved in studying professional diseases.

RIS Commitment 6: Promotion of life-long learning and adaptation of the educational system in order to meet the changing economic, social and demographic conditions

The prognosis show that the school age population will register a decrease by approximately 20% during the period 2005-2013; the strongest decrease will affect the age group of 15-24 years, maintaining differences on education levels and regions.

The proportion of older people with third level education is lower than the EU average. A higher proportion of workforce completed their secondary education, although fewer possessed a third level education as compared to the European average; the women over 50 years have higher level of education than men.

From the total employment population:

- 14% of persons between 45-54 years aged and 11.1% of those 55-64 years aged have tertiary education::

- 6.3% of persons between 45-54 years aged and 6.1% of 55-64 years aged have post high school education;
- 30.6% of persons between 45-54 years aged and 17.1% of those 55-64 years aged have high school, vocational or apprenticeship;
- 20% of persons between 45-54 years aged and 33.1% of those 55-64 years aged have secondary school;
- 3.8% of persons between 45-54 years aged and 23.0% of those 55-64 years aged have primary or without graduated school.

The level of participation in further education and duration of the training period both decreased with age.

Life long learning is an essential component of the Romanian Employment Strategy National Agency for Employment has the responsibility of organizing vocational training and elaborates the National Annual Plan of Training.

In 1999, it was created The National Council of Vocational Training of the Adult People which coordinates and controls the accreditation of the training providers, elaborates professional standards, certifies the competences obtained by the adult persons through the training process.

In 2006, it was set up The National Observatory of Employment and Vocational Training of the Work Force. The main functions are: the identification of the actors, facts and processes active in the field, collecting and analysing data, elaboration of studies and research, prognosis and reports, monitoring the implementation of the programmatic papers.

In 2007, according to the National Plan of Vocational Training, there will be trained 55.000 persons, from which 40,800 unemployed and more than half women. There will be organized 2784 training programs.

The legislation in force provides the financing of vocational training. Unemployed persons are entitled to benefit from vocational training free of charge; this includes transport and meal costs, if necessary. Furthermore, training programs organized by companies for their own employees are to be financed from the unemployment insurance fund - 50% of the training costs for no more than 20% of the total employees.

Unfortunately, for older persons there are no general education programs and very few vocational courses are initiated.

It is expected that the better access to Structural Funds will contribute to the practical realization of active ageing policies.

The Sectorial Operational programme - Human Resources Development 2007-2013, funded from European Social Fund, is focused on the improvement of educational and vocational training based on 6 priority axes: education and training support for developing the knowledge based society; linking life long learning and labour market; increasing adaptability of workers and enterprises; modernising the public employment service and promoting active employment measures; promoting social inclusion.

In order to ensure the competitiveness on the labor market, the objectives of the Reform's Programs of the Government are:

- Improving the system of education and professional training: the percentage of trained persons will rise from 1.6% in 2005 to 7% in 2010;
- Reforming the educational system, sustained by more funds; in 2006, 4.5% from GDP and in 2007 5 % from GDP;
- Reforming the early education;
- Increasing the quality of higher education;
- Promoting mobility and stimulating the labor force.

RIS Commitment 7: Striving to ensure quality of life at all ages and maintain independent living including health and well-being

The health care system inherited from the communist era was based on free medical services delivered through a network of medical units with wide territorial coverage. The young physicians were obliged to practice in rural areas for at least three years before to go for a specialization in different medical branches. Despite these aspects, the former system can be characterized by a poor quality of health services and the lack of necessary technologies to support a modern diagnosis and high performances.

A long period of major changes in the field came after the adoption of the health social insurance system in 1998. It was set up the National House of Health Insurance to manage the unique social insurance fund. The Ministry of Public Health reconsidered its functions, being focused on developing public health policies and strategies and managing national programs to prevent and combat a range of chronically diseases (diabetes, cardiovascular, mental and psychic disorders, geriatrics, HIV/AIDS, etc).

Between 1990-2003 public health expenditure remains about 2.8% - 3.5% of GDP; in 2006 the percentage was 3.61% and for 2007 it will be about 4.12%.

In 2006 it was approved the Law no. 95 regarding the health reform package. According to the new regulations, the Government is focusing on:

- Improving the quality and security of health care;
- Reducing the present polarization of the access to health care, based on the income and residence of the patients;
- Securing a minimum package of health services for all members of the community;
- Focusing on preventive services and promoting healthy attitudes and early treatment;
- Increasing the emphasis on health education;
- Developing the social model and providing social services units within hospitals;
- Encouraging medical staff to work in poor regions and in rural areas.

Specific legal provisions facilitates the access of elderly persons to health care services :

- The framework legislation on health and pension system provides free accessibility of pensioners to health care services, their contributions being covered from the social fund for pensions; Beginning with 2007, the pensioners having an income over 900 Lei will pay the contribution (6,5% of the total income);
- The old persons beneficiaries of minimum income guaranteed have also free access to health system, their contributions being supported from the state budget;
- The costs of medicines are covered from the health insurance fund in different percentages: 50%, 80% and 100%.; the list of medicine drugs with subsidized costs is annually approved by the minister of health;
- The war veterans, the elderly who suffered for political or ethnical reasons, the disabled elderly persons have free access to health care units and medical treatment.

The Ministry of Public Health initiated some programs in order to increase the access to basic health care services:

- training and payment the wages for community nurses working in disadvantaged regions (a programme within 18 counties, and 554 local communities, addressing to a number of 259.229 beneficiaries)
- training and payment the wages for Roma mediators for health problems (a programme implemented within 35 counties, for 159.182 Roma persons till now);

- developing the network of social services in hospitals; 60 social workers have been employed, and 200 persons from the medical network have responsibilities within the social work area;
- restructuring the inefficient hospitals and setting up socio-medical units; from a total number of 106 old and inappropriate hospitals, only 54 rehabilitated socio-medical units are functional (for 7000 beneficiaries); a medical social unit represents a medical facility providing health care for chronically ill persons with social problems;
- setting up programs to finance domiciliary health care at discharge from acute hospitals; the services are delivered by non profit organizations; the program is not enough developed because of bureaucratic procedures and the lack of specialized NGO's at national level;

One of the priorities of the Government is focused on the mental health care system's reform. An Intersectorial Committee was set up in 2006 to revise the Action Plan for implementing the Mental Health Strategy adopted in 2005. The mental health care in Romania now is subordinated to an excessively biological model. The paradox is that the number of psychiatric beds is one of the lowest in Europe (76 beds for 100,000 inhabitants). There is no formal communication between health care units and long term care institutions for disabled persons with mental disorders.

The problems of the elderly with dementia are generally forgotten by the health system. Usually, these persons and their families receive support from the social assistance system. The mentally ill disabled persons, including the elderly are entitled to receive a personal assistant or an indemnity. In reality, formal care is not well developed because of the lack of personnel. The elderly persons remain to be cared by their own families and the number of the claims for admission in nursing centers are rising continuously. There are only few day centres specialized in supporting the elderly with dementia and their families. Due to the efforts of the specialists and with the financial support from the Government, there were employed 110 observers of patients' rights in psychiatric hospitals.

The integration of mentally ill persons in society becomes a short-term priority for the Romanian authorities, so in the last year large funds were allocated for setting up 50 community medical care centers, by transforming the mental health laboratories. These centers will perform the therapy and social insertion of mentally ill persons in society. According to the new legislation a special attention goes to community health assistance, financially sustained from the state budget through national programs.

RIS Commitment 8: Mainstreaming a gender approach in an ageing society to support families that provide care for older persons and promote intergenerational and intra-generational solidarity among their members

Romanian Constitution, adopted in 1991 and republished in 2003, underlines the unity of the people and the **equality** between them, regardless the race, nationality, ethnic origin, language, religion, **gender**, political affiliation, or social origin.

Under the Romanian Parliament is functioning the National Council for Fighting against Discrimination, the national authority responsible with monitoring the non-discrimination principle observance.

In 2000, it was adopted the Government Ordinance no 137/2000 regarding the prevention and punishment of all forms of discrimination which provides special rules regarding the equality in the matters of economic activities and recruiting. Any discrimination in relation

to the participation to an economic activity or to the free exercise of any profession represents a contravention.

In order to implement the principle of gender equality, the efforts were focused on strengthening the institutional capacity of the public administration and, in April 2005, the National Agency for Equal Opportunities for men and women was set up, having a central body and county commissions.

The National Commission has as main functions: promotion of the integrative approach of the equality between women and men principle in order to eliminate gender inequalities and gender discrimination; inclusion of the equality principle in the elaboration and implementation of the sector policies; evaluation of the specific legislation` implementation; elaboration of recommendations for central authorities regarding the specific policies and programs in the field.

Romania adopted a set of laws and regulations in order to sustain the gender equality and to combat any form of discrimination.

The Law no 202/2002 stipulates measures to promote the equality of opportunities and treatment between women and men; these measures directly influence public policies in the areas of labor, education, health, culture and information, goods and services delivery and access, as well as in other fields regulated through special laws.

In 2006, it was adopted the National Strategy for the equality of opportunities between women and men 2006 - 2009 and the General Plan of Action. The main objectives of the strategy are :

- analyzing the socio-economic situation of women;
- supporting the equal access of women and men on the labor market;
- reconciliation the family life with work life;
- monitoring the principle of equal opportunities in professional promotion;
- facilitating insertion on the labor market of women in risk of marginalization.
- strenghtening equal participation in the community;
- promoting equal participation in carrying out family responsibilities;
- preventing human traffick, gender violence, prevent sexual harassment.

A set of instruments were created in order to support communication with other stakeholders and the whole population: the web site of the Agency (the web page can be used by the blind persons as well), the magazine “Public M.E.O. – the Magazine for Equal Opportunities”, an advertising clip “Take part to the decision!”.

Romania has also legislation promoted for the reconciliation of family life with work life: the protection of maternity at working place (Law no.25/2004), maternity leave about 126 days, paternal leave and indemnity for child rising, paternal leave for ill child or disabled one. According to the law, anyone of both parents can be entitled to receive the paternal leaves.

RIS Commitment 9: Support for families that provide care for older persons and promote intergenerational and intra-generational solidarity among their members

The Law no.17/2000 regarding social assistance for elderly persons stipulates that the family members who are taking care of their dependent old relatives are entitled to benefit by part time arrangements if the local authorities will employ them as formal care givers.

For the elderly with severe disabilities, a member of the family has priority to be employed as personal assistant (personal caregiver) by the local authorities. The disabled person can choose for an indemnity instead of a personal assistant.

The Romanian NGOs are particularly interested in care services provision for physically and mentally ill persons. Therefore, the NGOs play an essential role in supporting the family members to accomplish their obligations as basic caregivers.

Civil society organizations are very active in empowering marginalized persons, including elderly persons. According to one report of the Civil Society Development Foundation, the Romanian citizens recognize the NGO`s activities in the field and place them on the second level after the international organizations, before the Church, state and business sector.

RIS Commitment 10: Promotion of the implementation and the follow-up of the Regional Implementation Strategy through regional cooperation

The involvement of civil society organizations is strongly encouraged by the Romanian Government. According to the law regarding the transparency of the public information, all the projects of laws and other regulations must be presented for public debates, particularly with the representatives of civil society.

At institutional level is functioning the Commission for economic and social dialogue and the policy makers have the obligation to consult it.

Within the Government is functioning a consultative commission of the NGO`s.

There are legal instruments to provide financial support for NGOs such as the program developed by the Ministry of Labour, Family and Equal Opportunities according to the Law no.34/1998. The NGO`s involved in delivering social services receive annually subsidies and have priority if they provide services for elderly persons. The NGO`s can be financed from the state budget for social services projects, selected at national level and from the the Romanian Found for Social Development also.

Common projects with other countries have been developed by NGO`s such as Caritas Organization, Geron Foundation, Yellow Cross Foundation or Community Care Foundation.

Official representatives and national experts have been involved in European projects such as peer review programs on social inclusion, homelessness, mentally ill persons, social services for vulnerable groups.

The office of the United Nation Development Fund sustained public authorities in developing workshops, seminars or conferences and in providing information and data in different areas of intervention. For example, the Ministry of Labour, Family and Equal Opportunities received financial and logistical support for preparing the International Conference for Population in 2006 and for the preparatory workshop on monitoring MIPA/RIS organized for eastern and central-eastern European Countries in 2007.

5. Conclusions and Outlook for the Future

Romania is still characterized by a “younger population” comparing to other European countries. The demographic evolution characterized by the continuous growth of older people begun to affect Romania as well as the other regions of Europe.

The recent Green Paper on Demography published by European Commission deals with the issue of population ageing. The main economic consequence of this process will be the significant decline of the volume of employment, but also will influence the sustainability of the pensions systems, social assistance benefits and long term care for elderly .

Romania, as a member of the European Union is fully committed to follow up the rules and recommendations of the European Commission regarding the accomplishment of the Lisbon objectives, giving more attention to the establishment of a comprehensive active ageing strategy as a key issue for further sustainable development.

Three areas of concern can be identified in the programmatic papers of the Government: labour market, pension system and social and health care.

The decision related to the reform of social insurance pension and health care systems is based on the following data:

- the population aged 60+ years about 19% in 2007 which will increase till about 23.3 % in 2030;
- the life expectancy related to the age of retirement will rise from 15.8 (male) and 19.2 (female) in 2000 to 20.2 (male) and 23.1(female) in 2050;
- lack of performance of the PAYG pension system when there is a high number of pensioners related to total active population and total population in economy;
- the risk of poverty due to the low amount of pension comparing to average wage;
- the demographic pressure of the elderly and young persons on the active adults of 44 elderly + young /100 adults;
- the dependency rate of the elderly expected to increase from 13.4% in 2000 to 50.9 % in 2050.
- the active population of 15-64 years old will increase, the activity rate reaching about 63% in 2010.

In Romania, the economic costs of transition have suspended an comprehensive active ageing programme.

Despite current reforms of the Romanian Government, ageing will increase expenditure on pensions, health and long term care. In the same time a range of weak points still remains in diferent areas of intervention.

- the pensions` income is still low;
- the proportion of older people with third level education is lower than the EU average;a higher proportion of workforce had completed their secondary education, although fewer possessed a third level education as compared to the European average;
- even life long learning is an essential component of the Romanian Employment Strategy, generally participation in life long learning decreases with age, due to the lack of projects related to older persons;
- the public actors do not focus on all aspects of the comprehensive process of ageing, being more generally involved in classic areas: health and pension;
- very little coordination between the different actors, having as a result, the lack of harmonization between the different measured implemented; Romania has no specialized body that focuses solely on the monitoring of the public policies mainstreaming ageing;
- extending the working life for old people does not seem to constitute a priority issue in policy today; the delay of the implementation of measures addressing active ageing is caused by the lower life expectancy and poor health status of the population, lower employability of older persons, long standing traditions regarding early retirement, a lesser focus on the specific needs of older workers and a lack of funds for financing different initiatives;

- strategic measures are generally targeted at vulnerable groups in the labour market and they address to older people problems indirectly; the majority of the programs tend to focus on re integration of older persons rather than on keeping them in employment for longer;
- the legislation promoting social cohesion by stimulating community solidarity in relation to the most vulnerable groups of people, adopted by the Government with regard to older people refers mainly to developing the social assistance system rather than to their integration into the labour market.

The economic development seems to be more favourable during the last years and the issue of the ageing population begun to be reconsidered on the agenda of public policy makers. Romania is fully aware of the importance of using the older persons` potential, particularly today when the country is confronted with the emigration of younger people to other countries to search of higher wages.

Therefore, Romania considers as main priorities on short and medium term the issues of:

- pension adequacy and sustainability of private administrated pension funds;
- development and modernization of labour market having in view the rising of employment rate of old people aged;
- ensuring appropriate health and long term care services, as well as adequate minimum income schemes and integrated social services.

Romania is seeking to reduce the early retirement and to extend the working life by implementing more specific active employment schemes focused on individual employees, by enabling flexible working arrangements and creating incentives to remain longer on labour market, better policies related to recruitment, training and development, re-qualification promotion, career management, health and well being, decent wages, intergenerational relationships.

Two major policies will be developed in order to avoid the decline in individual replacement rates at a given age: promoting longer working lives and sustaining or increasing the development of private pensions.

It will be also important to design a more comprehensive reform strategy taking into account all taxes, social contributions, in work benefits, benefits levels, enforcement of eligibility criteria and stimuli for activation.

For the future, the main challenge remains how to grant to older persons financial independency and appropriate services to keep them active physically and mentally as longer as possible, in order to give the opportunity to enjoy life till the end.

Romania is interested in strengthening the international cooperation through common projects related to successful pension schemes, performant management of long term care services and innovative models for retaining the older workers in labour market.

Annex

1. List and contact details of organisations in Romania directly involved in preparing this report

Ministry of Labour, Family and Equal Opportunities

2-4 Dem.I. Dobrescu street, Sector 1, Bucharest , Romania

Secretary of State : Theodora BERTZI

Phone +4 021 3144 759

Fax +4 021 3110 580

2. List and contact details of organisations in Romania involved the follow-up to MIPA/RIS by sector (government institutions, NGOs, academia, private sector)

Governmental

Ministry of Labour, Family and Equal Opportunities

2-4 Dem.I. Dobrescu street, Sector 1, Bucharest , Romania

Phone +4 021 3144 759

Fax +4 021 3110 580

National Agency for Pensions and Other Social Insurance Rights

8 Latină street, Sector 2, Bucharest, Romania

Phone/Fax +4 021 2509 111

National Agency for Employment

3 Sfântul Dumitru street, sector 2, Bucharest, Romania

Phone/Fax: +4 021 3139 140

email: mass.media@anofm.ro

Ministry of Public Health

1-3, Cristian Popișteanu street, sector 1, Bucharest, Romania

Phone: + 4 021 3072 500 Fax: + 4 021 3072 600

National Institute of Statistics

6, Bd. Libertății, Sector 5, Bucharest , Romania

Phone: + 4 021 3124 875 Fax: + 4 021 3181 851

email: romstat@insse.ro

National Commission of Prognosis

2-4, Cristian Popișteanu street, sector 1, Bucharest, Romania

Phone: + 4 031 1002 340; +4 031 1002 336 Fax: +4 031 1040 809 email: prognoza@cnp.ro

Nongovernmental

National Council of Elderly Persons

9 George Vrăca street, Sector 5, Bucharest, Romania

Phone/Fax: +4 021 3124 431

email: cnpvro@yahoo.com

Geron Foundation

6 Aleea Salaj street, sector 5
Phone +4 021 4232 472

email: geron@xnet.ro

Caritas Foundation

4/79, Amman street., PO 63, 0117614, Bucharest, Romania

Phone /Fax +4 021 2308 420, +4 021 2308 421 e-mail: hcprogram@caritas.org.ro

Community Care Foundation

74 Constantin Dobrogeanu Gherea, sector 1, Bucharest , Romania

Phone /Fax: +4 021 2324 98

email: homecare@dnt.ro; office@fic-droguri.ro