



**REVIEW OF PROGRESS IN
VOCATIONAL EDUCATION AND
TRAINING REFORM
IN ROMANIA
2003**



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1. OVERALL ASSESSMENT

1

In 2002 the economy of Romania showed signs of recovery. The GDP grew by 4.9% over 2001 while the GDP per capita went up to €5,900 PPS (Purchasing Parity Standard), representing 25% of the EU-15 average¹. The economy of Romania is still to a large extent based on agriculture and industry, although the share of the services sector in the GDP has increased during the last seven years. In 2002 the structure of the Gross Value Added in the GDP was as follows: services 49.4%, industry 32.1%, agriculture 13.0% and construction 5.5%². Employment in services has grown as well, but the share of employment in services is still only 34.1% of the total employment, against 30.7% in industry and 35.2% in agriculture³.

The population of Romania is decreasing sharply. The figures from the 2002 census show a decrease of more than 1 million people over the last 10 years. Out of the 21.6 million inhabitants about 20% are over 60 years old. Based on the same data the

active population represents almost 9 million people. Over 40% of the inactive people are retired while almost 30% are in education or training⁴.

The educational attainment rates of the population aged 25 to 64 are similar to the CC-13 average as regards upper secondary education, but are lagging behind in tertiary. Based on the 2002 Labour Force Survey (LFS) results, 61% of the population has attained at least upper secondary education (AC-10 average was 66.2% and EU-15 average was 42.9%, respectively) and only 10% has attained tertiary education (AC-10 average was 14.5% while EU-15 average was 21.8%)⁵.

The number of people in education dropped in the last 10 years mainly due to demographic changes. The number of students enrolled at upper secondary level (ISCED 3) dropped by more than 12% between 1996 and 2001. However, at the tertiary level of education there has been a

1 New Cronos database, Eurostat, October 2003

2 Ibidem

3 *Employment in Europe*, European Commission, 2003

4 *Final Results of the 2002 Census*, National Institute for Statistics

5 *Statistics in Focus*, Theme 3 – 20/2002, Eurostat

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constant increase in the number of students. The distribution between general and vocational programmes has been rather stable in the last years. The school year 2000/01 saw 64% of the students enrolled in vocational programmes. That year the participation rate of 18 year olds at ISCED levels 1 to 6 was 57.5%. This is far below the EU-15 average (71.4%)⁶.

The early school leavers' rate is also relatively high with 23.2% of the 18 to 24 year olds with lower secondary education or less not being in education in 2002⁷. This is the highest rate among the candidate countries, apart from Malta. The rate has increased progressively since 1997. Although more students are going to university today, more young people than before break off their education prematurely.

The education system remains underfinanced. In 2000 only 2.9% of GDP went to education, down from 3.4% in 1999, which is the lowest level among the candidate countries⁸. Provisional data for 2001 show a slight increase (3.1%), but the policy target of 4% that was set in the law on education in 1995 was still not achieved. As a result Romania will face difficult choices as to how to match the expected temporary increase in participation due to the extension of compulsory education with the limited resources allocated in education.

Important changes in the education system were implemented in September 2003. The starting age of compulsory education has become six years of age (reduced from seven). Compulsory education will be extended from 8 to 10 years, as was already the case before 1990. Upper secondary education will be provided by high schools and Arts and Trade Schools. The existing high schools will continue to offer both technical and general education. The existing vocational schools and apprenticeship schools will disappear and

will be replaced by Arts and Trade Schools. At the end of compulsory education graduates in the Arts and Trade Schools can obtain a level 1 qualification. This enables the holder to perform relatively simple work. Level 2 and 3 qualifications, that are more in demand on the labour market, will still need an additional one to three-year further study after compulsory education⁹.

The Ministry of Education, Research and Youth (MoERY) continues to show commitment to the reform of the vocational education and training (VET) system. In the school year 1999/2000, following the final evaluation of the Phare VET RO 9405 programme, the integration of the results has started in the whole VET system in Romania. In particular, starting with the school year 2001/02, the national examination system, which was piloted in the Phare VET schools, is being applied to the VET system. The implementation of the new curriculum for Technical High schools also started in the school year 2001/02.

An analysis of enrolment figures by type of study programme and school type during the past six years shows that the technical and vocational education system responds very slowly to changes in the economy. Whereas economic and employment data show sizeable shifts between sectors, with decreasing importance of industries, the vocational education system does not seem to follow these trends. Student flows remain very stable. In order to improve planning for the school year 2003/04 and adapt it better to demand, Local Development Committees (LDCs) have been set up in each county with the involvement of social partners and the local employment services. The aim is to better identify the medium and long-term training needs and adapt school enrolment accordingly. The first results of the exercise do not seem to indicate substantial changes in enrolment. Moreover, the planning exercise for 2003/04 has been

⁶ *Statistics in Focus*, Theme 3 – 13/2003, Eurostat

⁷ Structural Indicators Webpage, Eurostat

⁸ *Ibidem*

⁹ Romanian vocational qualifications are based on the European five-level framework as defined in the Council Decision 85/368/EEC. A level 2 qualification enables the holder to perform work which may be independent within limits of the relevant techniques and a level 3 qualification enables the holder to perform chiefly technical work which can be performed independently and/or entail executive and coordination duties.

further complicated by the extension of compulsory education. The planning exercise is nevertheless a signal that cooperation between the MoERY and other ministries is improving.

The MoERY, the Ministry of Labour and Social Solidarity and Family (MoLSSF) and the National Agency for Employment (NAE) have signed a protocol to improve cooperation. Similar cooperation agreements have been signed with the Ministry of Transport and the Ministry of Agriculture, with a view to enhancing the quality and relevancy of VET provision in the respective sectors. However, continuing vocational training (CVT) under the responsibility of the MoLSSF remains separate from the initial VET under the responsibility of MoERY.

Further assistance aimed at consolidating the reform of technical and vocational education and training (TVET) that started with the Phare VET Reform programme RO 9405 (implemented between 1995 and 1998) is foreseen in a series of institution building and investment projects under the Phare 2001, 2002 and 2003 programmes to support economic and social cohesion. The programmes will be implemented in more than 100 VET schools located in 11 priority areas of industrial decline and will be disseminated to a national level at the same time. The programmes address initial technical and vocational education, as well as continuing education and training in schools.

The Phare 2001 TVET programme (RO 0801) started after a three-month delay in April 2003. It includes a proposal for a National Qualification Framework (NQF) in order to cover the provision of formal initial and continuing (vocational) education and training, as well as non-formal and informal learning. The NQF has also been addressed in a Phare 2002 Twinning project on continuing vocational training (CVT) with the MoLSSF. This project reviewed current adult learning policies. The involvement of social partners and other stakeholders was given special attention. The NQF was the subject of discussion during the HRD strategy debate

for 2004/06. Clear coordination mechanisms between the different programmes need to be ensured in order to maximise synergies and ensure close links between initial education and training, and adult learning.

A new law on adult training is in place (No 375/2002). The law focuses on accreditation of learning providers in order to raise the quality of private and public provision. Another indirect result of the law is the integration of the Council for Occupational Standards and Assessment (COSA) in the National Adult Training Board (NATB). The National Adult Training Board will focus more on regulating the CVT provision than on policy development.

Participation in continuing vocational training is very low. Based on the CVTS2 data¹⁰, the participation rate is only 8% for the employed, and the latest report from the National Agency for Employment shows that only 2.5% of the unemployed participated in training in 2002. Access to CVT is very restricted for people living in rural areas. The employment figures show that over 40% of employed people work in agriculture. It is therefore important to develop measures to raise participation in, and improve access to, CVT in order to prepare for shifts to other sectors and meet the changing needs of the labour market.

The policy priority as regards the quality of provision is likely to shift towards measures to raise participation in the years to come. For example, the new Labour Code of 1 March 2003 pays special attention to participation of businesses in CVT. Employers are obliged to provide training regularly (but this was already part of Law No 2/1971). Training plans are to be agreed between employers and staff representatives or trade unions.

The formation of social partnership bodies with a role in VET increased in 2002. Regional consortia have been set up with representatives from county school inspectorates, county employment agencies, regional development agencies and social partners. The regional consortia have a role in all Phare funded HRD activities,

¹⁰ *Statistics in Focus*, Theme 3 – 2/2002, Eurostat

including the TVET projects and the CVT Twinning project. The Local Development Committees have been active in the planning for TVET in all counties and county employment agencies have witnessed the start of the activities of county tripartite boards. These developments give social partnership an important local and regional dimension. However, the contribution of the social partners is generally limited to an advisory role on public policies. Sectoral issues are not raised because sectoral representation of social partners is rather weak.

The labour market developments in Romania have been quite different than in the other candidate countries. A decline in urban employment has been reflected in job growth in agriculture and, as a consequence, the employment rate has remained rather stable (57.6%)¹¹. Unemployment has not risen sharply – being estimated at 7% in 2002 – and is expected to increase steadily. Long-term unemployment (3.8% of the labour force) and youth unemployment (18.5% of the labour force aged 15-24) are close to the EU-15 averages (3.0% and 15.1% respectively, based on 2002 figures)¹².

Considerable progress was made in identifying priorities to implement the European Employment Strategy in 2002. The MoLSSF prepared the first National Action Plan for Employment, and agreed on a Joint Assessment Paper with the European Commission. The new employment law (No 76/2002) has led to a variety of labour market measures while the Public Employment Services started an extensive process of modernisation. More resources are available ensuring regular payments for unemployment benefits and there has been a shift, at least in the planning, towards Active Labour Market Measures (ALMM). There is still a gap between the policy documents and their implementation, however. Although

measures to improve the labour supply are stressed in these documents, measures to increase labour demand through subsidies and credits are at the moment more preferred as Active Labour Market Measures. Out of the budget allocated for active measures in 2002¹³, the funds allocated for job subsidies and credits were 46.4%, while actual expenses amounted to 81.2%. Training policies have become more restrictive. Most training is only funded by the National Agency for Employment (NAE) upon condition that there is a guaranteed job placement for the trainee. The funds allocated for vocational training amounted to 4.0% of the ALMM budget while actual expenses amounted to 2.6%¹⁴.

An evaluation of the Phare 1998 grant scheme for the development of human resources at a regional level, which was commissioned by the ETF, showed that the programme has made an important start with a large number of applications and successful training programmes. The impact of most of the projects funded has been positive and the programme has helped to strengthen the planning capacity of the regional development agencies. The success is due to the incentives for CVT that were offered throughout the programme. Recommendations for the Phare 2002 HRD were jointly formulated during a seminar that was organised to discuss the evaluation results.

A Twinning-light project will follow the Phare programme on education for special needs and disadvantaged groups, with particular attention to the Roma. The Romanian policy is to integrate these groups in regular education rather than separating them from the rest of society. The Twinning-light project will advise the MoERY on how to further this policy, which has already started its implementation, with the assistance of the aforementioned Phare programme in 2002.

11 *Employment in Europe*, European Commission, 2003

12 *Ibidem*

13 The allocated budget in the unemployment fund for ALMM in 2002 was ROL 3,109 billion (approximately 24% of the total unemployment budget allocated), of which ROL 1,556 billion was actually spent (14% of the total)

14 *Activity Report 2002*, National Agency for Employment, January 2003

2. KEY PRIORITY AREAS FOR FUTURE ASSISTANCE

2

Additional support should be provided for the preparation for the European Social Fund, in particular strengthening institutional capacity and coordination, and the integration of HRD policies in a common HRD strategy that takes into account the prospective needs of the workforce.

It would be advisable, through support to implementing institutions, to assess and further reinforce the level of integration and complementarity of the various programmes in human resource development at local level, with a view to making the best and maximum use of available resources. It would also be necessary to analyse how to increase the effectiveness of training activities.

Further policies and measures are necessary to breakdown the existing divisions between formal initial and

continuing (vocational) education and training, as well as non-formal and informal learning. One of the locally accepted tools to realise this goal is a common National Qualification Framework (NQF). Although the conceptualisation of the NQF is incorporated in existing Phare projects under the responsibility of the Ministry of Employment, Research and Youth (MoERY) or the Ministry of Labour and Social Solidarity and Family (MoLSSF), there is a risk that implementation will be fragmented. It is anticipated that progress will be slow without a common endeavour in which the MoERY, MoLSSF and social partners are equal participants. In order to ensure the labour market value of the NQF, its development needs to be facilitated through a social dialogue taking into account sectoral interests. This implies measures to strengthen sectoral representation of social partners.

