Trends in the field of social policies and welfare reforms in Romania

Monica Marin and Monica Serban

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SCENARI TRANSNAZIONALI DEL WELFARE DEL FUTURO

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1. **Main Issues and Positions in the Current Debate on the Transformations of Domestic Welfare System**

1.1. Key figures – Romanian socio-economic context

With regard to demographic tendencies it is possible to say that main trends in the European context apply also to the Romanian case. In other words, there is a constant decrease in the size of the population – from 23,206,720 people in 1990 to 21,584,365 people in 2006. This process has been determined by a decrease of birth rate (from 13.6% in 1990 to 10.2% in 2005), an increase of the mortality rate (from 10.6% in 1990 to 12.1% in 2005) as well as by a decrease of the natural increase rate from 3% in 1990 to 1.9% in 2005. The size of less-than-15 aged population is progressively decreasing (from 25.3% to 15.6% in 2005), whereas the population aged more than 65 years has increased from 11.2% in 1990 to 14.5% in 2005).

The same negative trends are to be found in what concerns labour market participation – for the period of 1999 to 2005 the number of employed persons has decreased with 13.2%. The difference between the employment rates by sex has been in 2005 of 12.4 percentage points (63.9 for men and 51.5% for women), while for rural versus urban of 6.6% (61.6% in rural compared to 55% in urban areas).

The number of school aged population is also decreasing, for 2004/2005 with almost 3.5% compared to 2000/2001. The current prognosis indicates that the school aged population will have a significant decrease with almost 20% in the interval 2005 – 2013.

**Table 1 – School aged population (Mill. inhabitants)**

<table>
<thead>
<tr>
<th>Population by</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>22.4</td>
<td>21.8</td>
<td>21.7</td>
<td>21.7</td>
<td>21.6</td>
<td>21.6</td>
</tr>
<tr>
<td>Male</td>
<td>10.9</td>
<td>10.6</td>
<td>10.6</td>
<td>10.6</td>
<td>10.5</td>
<td>10.5</td>
</tr>
<tr>
<td>Female</td>
<td>11.5</td>
<td>11.2</td>
<td>11.1</td>
<td>11.1</td>
<td>11.1</td>
<td>11.1</td>
</tr>
<tr>
<td>0-14 years old</td>
<td>4.0</td>
<td>3.8</td>
<td>3.6</td>
<td>3.5</td>
<td>3.4</td>
<td>3.3</td>
</tr>
<tr>
<td>15-59 years old</td>
<td>14.2</td>
<td>13.8</td>
<td>13.9</td>
<td>14.0</td>
<td>14.1</td>
<td>14.1</td>
</tr>
<tr>
<td>60 years and over</td>
<td>4.2</td>
<td>4.2</td>
<td>4.2</td>
<td>4.2</td>
<td>4.1</td>
<td>4.2</td>
</tr>
<tr>
<td>Urban</td>
<td>12.2</td>
<td>11.6</td>
<td>11.6</td>
<td>11.9</td>
<td>11.9</td>
<td>11.9</td>
</tr>
<tr>
<td>Rural</td>
<td>10.2</td>
<td>10.2</td>
<td>10.1</td>
<td>9.8</td>
<td>9.7</td>
<td>9.7</td>
</tr>
<tr>
<td>Average population age</td>
<td>37.4</td>
<td>37.8</td>
<td>38.1</td>
<td>38.3</td>
<td>38.6</td>
<td>38.8</td>
</tr>
</tbody>
</table>

Source: National Statistical Institute (NIS)

Furthermore, in what concerns other demographic prognosis, in all scenarios the size of young population will decrease, differentiated for urban residential area (between 12.3% and 13.1%) and for rural area (between 18.1% and 18.9%). Again in all prognosis alternatives, population aged between 15-59 years old will decrease in urban and increase in rural, after the year of 2010.

The raw statistical data also indicate an important landmark figure in what concerns poverty in Romanian context. World Bank estimations clearly state that more than 15% of the population live below the poverty line, most of these in rural areas. The period of constant economic growth (2000-2006) has resulted in a reduction in absolute poverty. Nevertheless, special attention has to be paid to the problem of deep pockets of poverty that still remain – with a concentration of poverty risk focused on rural areas, the North-East region, the Roma, the youth, the less-educated, the unemployed and the self-employed (World Bank, 2007).
Table 2 – Population (thousands)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Active population</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>11,447</td>
<td>10,079</td>
<td>9,915</td>
<td>9,957</td>
<td>9,851</td>
<td>10,041</td>
</tr>
<tr>
<td>Female</td>
<td>5,292</td>
<td>4,554</td>
<td>4,450</td>
<td>4,486</td>
<td>4,420</td>
<td>4,515</td>
</tr>
<tr>
<td>Urban</td>
<td>5,603</td>
<td>5,188</td>
<td>5,151</td>
<td>5,423</td>
<td>5,361</td>
<td>5,595</td>
</tr>
</tbody>
</table>

| Employed Population  |        |        |        |        |        |        |
| Total                | 10,697 | 9,234  | 9,223  | 9,158  | 9,147  | 9,313  |
| Female               | 4,978  | 4,203  | 4,166  | 4,178  | 4,136  | 4,239  |
| Urban                | 5,019  | 4,607  | 4,662  | 4,906  | 4,889  | 5,115  |

| Unemployed persons   |        |        |        |        |        |        |
| (BIM) Total          | 750    | 845    | 692    | 799    | 704    | 728    |
| Female               | 314    | 351    | 284    | 308    | 284    | 276    |
| Urban                | 584    | 581    | 489    | 517    | 472    | 480    |

Source: National Statistical Institute (NIS)

Table 3 – Pensioners (thousands)

<table>
<thead>
<tr>
<th>Pensioners</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pensioners of social insurance –</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average annual number thousands</td>
<td>6,311</td>
<td>6,342</td>
<td>6,275</td>
<td>6,205</td>
<td>6,042</td>
<td>5,785</td>
</tr>
<tr>
<td>Average amount of the pension (RON/capita)</td>
<td>104</td>
<td>133</td>
<td>156</td>
<td>203</td>
<td>246</td>
<td>298</td>
</tr>
</tbody>
</table>

| Pensioners of social insurance    |        |        |        |        |        |        |
| (without farmers)                 |        |        |        |        |        |        |
| Average annual number             | 4,544  | 4,665  | 4,703  | 4,731  | 4,750  | 4,780  |
| Average amount of the pension      | 133    | 169    | 195    | 244    | 289    | 336    |

| Pensioners of social state insurance |        |        |        |        |        |        |
| Average annual number               | 4,426  | 4,535  | 4,570  | 4,597  | 4,611  | 4,633  |
| Average amount of the pension        | 130    | 163    | 187    | 232    | 267    | 311    |

| Pensioners of social insurance –   |        |        |        |        |        |        |
| farmers                            |        |        |        |        |        |        |
| Average annual number               | 1,767  | 1,677  | 1,572  | 1,474  | 1,292  | 1,005  |
| Average amount of the pension       | 271    | 34     | 38     | 73     | 88     | 117    |

| Pensioners – social support         |        |        |        |        |        |        |
| beneficiaries                       |        |        |        |        |        |        |
| Average annual number               | 7      | 6      | 5      | 4      | 4      | 3      |
| Average amount of the pension       | 43     | 53     | 58     | 69     | 77     | 87     |

| Pensioners – invalids, orphans and  |        |        |        |        |        |        |
| widows                             |        |        |        |        |        |        |
| Average annual number               | 33     | 30     | 27     | 24     | 21     | 18     |
| Average amount of the pension       | 131    | 156    | 181    | 205    | 216    | 226    |

Source: National Statistical Institute (NIS)

Besides the individual poverty, community poverty also needs to be mentioned. The term describes the lack of access to public services within a specific community – meaning whether in a given local territory there are (or not) a postal office, a health care office, a drugstore, a cultural centre, a
playground, etc., and which is the dominant perception on the security and transport infrastructure quality of the area. While in rural areas there is a lack of access to services, the urban areas are more likely to be characterized of a higher degree of insecurity (World Bank, 2003).

1.2. The structure of local public administration in Romania

Romania has a two-tier local public administration: county and local level. Between the county and the local level there is no subordination relationship. There are 41 counties in Romania plus the capital, Bucharest (assimilated to the county level, comprised of 6 districts). Each county includes several localities of different size and rank (all of them are municipalities differentiated according to the size of population and availability of infrastructure – in urban areas – *municipii* and *orase* [towns] – while in rural area there are several communes [commune]). Although there are no formal subordination rules, in practical terms there have often been cases in which the president of the county council holds a “power” relationship with the mayors from the corresponding county, mainly due to the responsibility held in what concerns the distribution of equalization funds. The political influences from the county level exert a strong political pressure on the mayors, thus creating a large discrepancy between the transparent and improved Law provisions on Local Public Finance and the practical reality of implementing the legislative framework.

The local councillors and mayors are directly elected and hold their power for a four year mandate, while the president of the county council is elected from among the elected county councillors. The mayor has executive power, local council has legislative power.

The representative of central government in the territory is the prefect, in charge with coordination and supervision of the legality of decisions issued by county and local councils.

Other important features of Romanian local government context are represented by a large number of communes (2851 communes in 2005), an important proportion of them with a small size of the population, making an efficient provision of local public services particularly difficult. One explanation for this large number is the continuous ambition, especially of some MPs to establish new communes in Romania (particularly in the period of 2001-2004). Another important aspect, also in what concerns efficiency of public service provision, is that of non-objective change of the rank of municipalities: often communes with no sufficient infrastructure become towns, hence with higher rates of taxes and fees but without a corresponding level of economic and social development.

According to the Framework Law on decentralization 195/2006, chapter IV, section 1, article 21 and respectively article 24: the local government, at communes and towns levels, exercises exclusive competences regarding: the management of public and private domain belonging to the local government; the management of the local road infrastructure; the management of local interest cultural institutions; the management of local interest public health institutions; urban planning; water supply; sewage, waste and pluvial water treatment; public illumination; sanitation; primary social assistance services for child protection and for the elderly; primary and specialized social assistance services for the victims of domestic violence; local public transportation.

Most part of the social services expenditures are conditional transfers as is the case especially for sums deducted from the income tax to subsidize the heat supplied to the population (from 2000), sums deducted from the PIT to provide the minimum income guarantee, sums deducted from the VAT to protect the rights of children with special needs and to pay the personal assistants of the disabled (from 2001), grants given by the NAD (National Authority for People with Disabilities) to cover the payments to the disabled (people with disabilities) made by the local and county

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1 2008 will most probably represent a breakthrough in this respect: the President of the County Council will be directly elected by the County population, similar to the mayor. Local elections will be held in Romania in June 2008.
authorities (from 2003); for the case of education – sums deducted from the VAT to finance pre-university education, to cover the staffing, school books and other supplies-related expenditures (from 2001), sums deducted from the VAT were provided to finance the purchase of the dairy and bakery products (from 2003-2004 a new National Program called “Milk and bread” for children in schools has been introduced as an incentive for reducing school drop out), etc.

*Figure 1 – Social protection expenditures for Romanian local public administration 1999-2003 (ROL in constant value)*

Source: Tobă, Giosan, Moraru, 2005
It is difficult to estimate the decrease or increase of these revenues as the Ministry of Public Finance does not centralize, at national level, separate chapters of revenues in a way meaningful for this type of analysis.

Table 4 – Evolution of the weight of social protection expenditures per total LG between 1999-2003

<table>
<thead>
<tr>
<th>Social protection expenditures</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>County Councils ( % of County Councils total revenues)</td>
<td>14,5%</td>
<td>15,0%</td>
<td>15,7%</td>
<td>9,5%</td>
</tr>
<tr>
<td>Municipalities ( % of municipalities total revenues)</td>
<td>8,2%</td>
<td>6,3%</td>
<td>9,3%</td>
<td>37,9%</td>
</tr>
<tr>
<td>Towns  ( % of towns total revenues)</td>
<td>10,2%</td>
<td>7,6%</td>
<td>13,4%</td>
<td>40,9%</td>
</tr>
<tr>
<td>Communes ( % of communes total revenues)</td>
<td>13,2%</td>
<td>8,7%</td>
<td>18,4%</td>
<td>42,5%</td>
</tr>
</tbody>
</table>

Furthermore, local governments exercise shared competences with the central government regarding district heating supply; the building of social houses as well as houses for the youth; state pre-university education, excepting special education; public order and safety; the payment of the social benefits for people in need; the prevention and management of emergency situations at local level; socio-medical assistance services for the persons with social problems; primary social assistance services for disabled persons; community public services for personal data records; the maintenance of the local road infrastructure of local interest at the level of communes.

1.3. Welfare system provision in Romania: main issues under debate

Within the above-mentioned context, the main issues under current debate, especially in the field of education, health and social assistance, are related to decentralization. The discourse about decentralization dates back in time, one could state the year of 1999 as the one commonly assumed as the year in which decentralization of local public finance has started to be implemented. The sectorial decentralization strategies for education and health have just started to be implemented at the national level, they have been so far experimented in pilot cases (For the year of 2004-2005, the pilot counties have been represented by: Braila, Cluj, Dolj, Harghita, Iasi, Neamt, Sibiu and Satu-Mare). A framework law of decentralization has been passed in the year of 2006².

The subject of pension system has been always a topic for discussion in the public discourse in Romania. This topic becomes increasingly “present” in the current year as 2008 represents an electoral year. The newest topics for discussion are related to the introduction of the private pensions system (second pillar) as well as to the sustainability of the most recent increased amount allocation of the pension (from 2007). In Romania the pension topic is a “must” for every political party and hence highly influenced by political discourse in all concerned aspects.

Another central issue in the current social policy debate, is the condition of unattended children. The National Authority for Child Protection Rights (ANPDC) Report of Activity for 2007³ states that the institution has implemented a program financed by Mayoralty of Vienna and ILO-IPEC, on Professional exchange regarding internal and bilateral protection system of unattended (unaccompanied) migrant children and children victims of human traffic. The same report mentions, that at the end of 2007, over 82,000 children whose parents have left to work abroad, out of which 35,000 children with both parents or single parent (the authority clearly states this figures represent the children that have been identified, without knowing the real number of all children whose

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² Further details on the decentralization problems in the particular subject areas will be presented in the section 2.4.
³ Available at (http://www.copii.ro/Files/Raport%20de%20activitate%202007%20ANPDC_20082182757953.pdf).

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parents have actually left to work abroad). The same document mentions the collaborations with Italy and Austria for Romanian children left unattended in other countries’ territory. In October 2007 a new Government Decision has been passed for the same type of cooperation to be initiated with France.

2. MAIN TRENDS AND CHANGES IN THE FIELD OF SOCIAL POLICIES AND WELFARE REFORMS

The set of the chronological horizon for each analyzed field is related to the process of decentralization. The presentation of main trends and changes is related to the starting point of decentralization, both in what concerns legislative framework as well as the implementation process.

2.1. Health system

For the health system the major change relates to the provisions of Law no. 145/1997, implemented from April 1999 onwards. The law has introduced several important amendments:

- Modification of the financing of health system
- Introduction of contracting relations between suppliers and contributors
- Requirement of accreditation of service provision
- Freedom of choice of physicians for the citizens
- Privatization of ambulatory units (medical cabinets of primary medicine – family and specialized) – provisioned as legal act in 1999
- Medical cabinets and diagnostic and treatment centres established as private initiative
- Establishment of new hospital units from particular investments
- Privatization of pharmaceuticals distribution.

<table>
<thead>
<tr>
<th>Table 5 – National Expenditure on Health</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Expenditure on Health (TEH)</td>
</tr>
<tr>
<td>% of GDP</td>
</tr>
<tr>
<td>% of GDP</td>
</tr>
<tr>
<td>3.6 4.6 4.4 5.0 5.1 5.2 5.6 4.9 4.9 5.1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>General government expenditure on Health, as % of TEH</th>
</tr>
</thead>
<tbody>
<tr>
<td>66.5 69.4 62.1 65.0 67.3 65.8 65.2 79.5 71.5 75.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Private sector expenditure on Health, as % of TEH</th>
</tr>
</thead>
<tbody>
<tr>
<td>33.5 30.6 37.9 35.0 32.7 34.2 34.8 20.5 28.5 24.7</td>
</tr>
</tbody>
</table>

Source: World Health Organization

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4 Please also see the references in the second part of the report to the study of Toth, Georgiana et all. 2007. Effects of migration: Children left at home. Soros Foundation. Romania. Bucharest.

5 Ministry of Public Health, Evaluation of the stage of decentralization process.
In what concerns the financing of health system from a special fund – National Fund of Social Health Insurance – it mainly refers to the fact that the money allocated through this fund are not in a direct competition with other state budget financed sectors (as education, military, culture, etc.). The Social Health Insurance Houses are the representatives of the insured persons and therefore, supposed to represent their interests during the negotiations with the medical services suppliers (the older system, especially the one before 1990 allocated money by authority decisions, through the County Public Health Directorates). One of the constant problems invoked in the public health discourse is the constant time and funds gap between what the drug stores pay as compensated pharmaceuticals and what the National Fund of Social Health Insurance covers (surpassing limits of funds allocation for compensated pharmaceuticals).

The main issue concerning the decentralization process relates to the material resources transferred in the property of local public authorities.

Medical units are at present both the property of local public authorities as well as that of physicians that are carrying out activity in the corresponding units.

Hospitals are currently part of the public domain of communes, towns, municipalities and counties and in the administration of county or local councils. The universitary and tertiary hospitals are under the responsibility of the Ministry of Public Health.

To put it in general terms, the main change in the field of health system is represented by a distinction in the three main functions – control, acquisitions and governance – (Câmpean, 2005). This has meant in practical terms, in what concerns the autonomy of public hospitals, that they can hire directly the personnel, and the hospital managers have (at least theoretically) the right to hire, pay and fire the corresponding personnel. However, one still needs to mention that there still are a lot of political influences in the nominalization of hospital managers, therefore human resource management is not entirely an objective and non-partisan process. On the capital investments, the local public administration authorities have most of the responsibility, while the hospitals are free to decide the type of pharmaceuticals as well as the type of provided services.

To sum up, the county and local councils are responsible for the maintenance expenditures, supervising the revenue and expenditure budgets of the public health units as well as supervising the positions status (personnel scheme) of the public health units.

In what concerns the financing of the health system, the estimates provided by the Ministry of Public Health show that the private sector is a source of revenue for approx. 33% of the total funds, while the public sector covers almost 67% of the resources.

The 33% percent of private financing in the health sector covers the following:

- health units financed predominantly of public funds (family physicians units, specialized health units, diagnosis and treatment centres, drugstores, ambulances, public hospitals, institutes)
- health units financed predominantly of private funds (medical units, ambulances, hospitals, medical and Para clinical laboratories)
- externalized activities (laboratories, patients’ meals, wash-houses, imagistic).

The role of the Ministry of Public Health, especially after the new provisions started to be implemented from 1999 onwards is mainly that of policy maker, with strategic planning and coordination role.

In order to illustrate the importance of residential area in access to health services, it needs to be mentioned that current estimates show that there are approximately 300 localities without any physician, to which one needs to add other approx. 300 isolated localities, without good access
roads, placed at large distance from the sanitary units with medical personnel and benefiting from emergency material endowments⁶.

Decentralization has also been an underlying factor of reform in the field of education, as described below.

2.2. Education system

The legislative provisions in the field of education have been in a constant change since 1990s. Every new Minister of Education had her/his own vision about the reform, hence modifying the provisions enacted before. From the multitude of the changes, it is worthwhile mentioning the following:

- changes in the curricular reform (teaching plans, syllabi and textbooks)
- a strong development of private higher education units, hence a growing number of students.
- under financing of the educational system (only the last years have recorded a percentage of above 4% of GDP allocated for education, that however in absolute terms does not represent a comparable amount with other EU countries)
- polarization in what concerns access to educational services between urban and rural areas
- high rate of early school leaving for young people aged 18-24 years old (the rate has increased from 22.4% in 1999-200 to 23.4% in 2004-2005⁷)
- decentralization strategy piloted in several counties and brought into action from 2008 onwards, including the introduction of a completely different financing system of education (per student versus per teacher allocation formula).

In what regards financing, most of the proportion of the expenditures allocated for education represents personnel expenditures. This is not due to a high level of the salaries of the teachers, but rather to poor funds allocated for investment and capital expenditures. This latter responsibility is one of the local public authorities that receive earmarked transfers for teachers’ salaries but have to ensure the provision of material and investment expenditures from their own revenues of the local budgets.

Table 6 – Expenditure for education (% of GDP)

<table>
<thead>
<tr>
<th>% of GDP for education</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.5</td>
<td>2.9</td>
<td>3.3</td>
<td>3.5</td>
<td>3.5</td>
<td>3.4</td>
<td>3.5</td>
<td></td>
</tr>
</tbody>
</table>

Source: UNESCO Institute for Statistics (UIS)

The decentralization strategy in education has been focused on pre-university education. As stated above, capital and maintenance expenditures have been transferred to the local budgets, while the financing system proposed a per capita formula of funds allocation. County Inspectorates, schools and high schools benefited from institutional autonomy. Each school has its own council of administration – 50% composed of school representatives and 50% representatives of local public authorities, parents, companies, as well as other institutions’ local representatives. The director of the school is appointed by the local council, based on a contest with a methodology developed at

⁶ Source: Ministry of Work, Social Solidarity and Family, 2006, National Strategic Report on Social Protection and Social Inclusion

⁷ Ministry of Work, Social Solidarity and Family, 2006, National Strategic Report on Social Protection and Social Inclusion. The European standard set for 2010 for early school living is of 10%.
national level. The management of the school (more precisely the director of the school together with the council of administration) is responsible for administering the school patrimony. Schools are entirely responsible in what concerns budget projection, budget execution (except the investment part, for which the local council is held responsible) as well as for the development and use of own revenues sources.

2.3. Pension system

Table 7 – Average net pension of social state insurance (euros)

<table>
<thead>
<tr>
<th>Year</th>
<th>1998</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>43</td>
<td>39</td>
<td>45</td>
<td>49</td>
<td>48</td>
<td>49</td>
<td>65</td>
<td>78</td>
<td>106</td>
<td>148</td>
<td>152</td>
</tr>
</tbody>
</table>

Source: National House for Pensions and other Social Benefits. Data for all years (except 2008) represent December level. For 2008 information is presented at January level.

For the field of pensions, the chronological horizon is set for 2000, as this is the year to mark the issue of a specific legislative regulation for the pensions. The Law no.19/2000 introduced a notional system of computation, an increase of the pension age as well as an increase of the stage for contributions. The most important achievement of the Law is the change from a classical pay-as-you-go (PAYG) system to a notional PAYG with set contributions (Frunzaru, 2007). However, according to expert evaluations, the system introduced by the Law is still significantly dependent on political will, as the financial amount of the pension is directly linked to the annual evaluation of the ratio between the income and expenditure, meaning the size of the contributions (including state contributions) and the number of annual pension points that should be paid. This means that it is the subject of annual set of the social contributions, established yearly by the National House for Pensions and other Social Benefits. Finally these sums are approved yearly by the Parliament together with the State Budget Law.

The age for retiring has been changed from 62 years to 65 years for men and from 57 years to 60 years for women. The law has special provisions for some particular socio-professional categories like mine workers, personnel working in radioactive environment, pilots, specific artists’ categories (ballet dancers, stunt men, opera singers, etc.) who can benefit from a reduction of retirement age, if they have contributed for a specific number of years. The same law preserves the possibility for anticipated retirement but introduces a set of non-motivations to be used for anticipated retirement (by conditioning it from a surpassing of the complete stage of contributions with at least 10 years, Frunzaru, 2007).

Another important aspect that has marked the public discourse regarding pensions in the last year is the introduction of the second pillar in the Romanian Pensions system, that of private administered pensions. Its implementation (the law was issued in 2004) has been postponed and it finally came into action last year. According to it, persons under 35 years of age, contributing for the first time at the public pensions system are compelled to participate to a private pension fund. For the ones aged between 35 and 45, the private pension insurance is not compulsory. This contribution, to the private pension fund is actually part of the state pension contributions – the transition starts from 2%, with an annual increase from 0.5% to 6% in 8 years.

The general legislative framework for pensions still holds true special provisions for those who have been working in the military sector, with superior beneficiaries to those active in civil economic sectors. This category has a completely different scheme for computing the amount of pension, and the funds allocated for them are part of the budgets of the Ministry of National Defence, Ministry of Administration and Internal Affairs, Romanian Intelligent Service, etc.
The farmers’ pensions represented a very small amount and have been increased in the electoral year of 2004.

Again, for the electoral year of 2008 there has been a new correlation of the pension system, with the aim of increasing the individual amounts, however this increase has not been proved to be sustainable for the state budget unless new taxes are issued.

The global rate for social contributions is set to 47.8%, among the highest rates from Central and Eastern Europe.

The experts’ opinion states that the newest provisions for the private pensions funds have in fact postponed one more time the issue of a coherent legislative framework for the occupational pensions.

In the year of 2005, poverty rate for the pensioners aged 65 years old and above was of 17.2% (Eurostat). However, there are significant gender discrepancies 20.8% of the women aged 65 years and older are under poverty risk when compared to only 12% of the men.

The expenditures with the Romanian pensions system represent approx. 6.5% of GDP.

The 2006 report on social inclusion of the Ministry of Labour, Social Solidarity and Family⁸ states that there is a growing worrying about the large number of Romanian emigrants working abroad (estimated to about 2 million people). The report states that a significant number of them (without any clear estimates) work in the informal economy and therefore do not contribute to neither the foreign pension system nor to the Romanian one and hence, they represent a group of people potentially vulnerable to the social benefits, with a very small amount of the pension when retiring and most probably eligible for minimum income guarantee, that represents a form of social assistance system.

### 2.4. Social Assistance System

Minimum Income Guarantee has been introduced in 2001 as a form of social assistance system in order to prevent the risk of social exclusion for those individuals that met the legislative criteria. However it has placed the responsibility of allocating the funds from the local budgets. Under decentralization general topic, previous analyses (Toba, 2005) showed that especially the social work cash benefits are not affordable by all local budgets. Decentralization process has brought social work institutions with beneficiaries from a large area (as is the case with the hospitals for people with mental disabilities) to be managed by a rural administration. Examples under this category mainly refer to the minimum income guarantee, to paying the salaries of the personal assistant of people with disabilities, heating expenditures for education units, other expenditures related to a proper functioning of the elderly houses, etc. Moreover, there is a significant discrepancy in delivering the same public service between urban and rural areas.

In what concerns the social assistance system as a whole some of the most important and most recent provisions will be mentioned in what follows, in order to depict the status of the current situation.

The risk of poverty for families with 3 or more children and for single-parent families is considerably higher than the general poverty rate in Romania. In the year of 2006 there has been a 12% increase for the amounts given as family allocations.

Financial social benefits are mainly represented by family allocations, social or special benefits for families, depending on their needs and level of incomes. Family allocations are targeted for families with children and are focused on child birth, education and caring.

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Social benefits are directed towards those families whose incomes are not sufficient to cover the minimum level of expenditures.

Persons with physical, sensorial or mental disabilities are entitled to special benefits.

In the year of 2004 a new legislative framework has been put in place for the social services provisions. Most of the social service has been provided up to that date by the non-governmental sector.

Primary social services include those types of services targeting prevention or limitation of vulnerability situations that might enhance the risk of social exclusion. Specialized social services are targeting maintenance, building or development of individual capacity for surpassing a social need situation. Socio-medical services are addressed to elderly, disable, chronically disease people, children with special needs, victims of family violence, etc.

The Ministry of Social Solidarity and Family has developed a system of subsidies from the State Budget for those associations or foundations establishing or functioning as social work units. Also, the same Ministry has developed a set of quality standards for social services that are monitored by specific national agencies subordinated to the Ministry (National Authority for Child Protection, National Authority for Disabled People, etc).

In general, the main target groups of social assistance systems are represented by the above-mentioned beneficiaries. The current results are presented according to the figures mentioned in the Operational Program administered by the Ministry of Labour, Social Solidarity and Family:

- **Children from child protection institutions**: the number of institutionalized children has decreased; the number of alternative child protection services has increased, similar to the number of professional maternal assistants and number of children from adoptive families.

- **Street children**: No evaluation analysis, just raw data for the year of 2004 – number of children living on the streets together with their families (225), or without their families (606); number of services provided for these children (106).

- **Single parent families with more than 2 children**: The risk of poverty for these families has started to decrease since 2003.

- **Youth of 18 years old and above, leaving the child protection system**: In the year of 2005 there were developed (after a long period in which no alternative solution has been provided) 50 social services for this specific group. These services operated in 22 counties.

- **Roma population**: The risk of poverty for Roma people is 3 times higher than the national average. The severe decreased level of education for Roma children is mentioned as one strategic problem to be tackled through social inclusion programs.

- **Persons with disabilities**: There is still a very small number of specialized centres offering therapeutic and social inclusion services for these persons, and there is still a severe insufficient development at local level of specific services for people with disabilities. In 1999 a legal provision mentioned the possibility of hiring personal assistants for these people. However the most important problem in this aspect is the degree of professionalism of personal assistants. In what concerns the labour market fares organized for people with disabilities, the labour offer has not been adapted to the qualifications and abilities of these persons.

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9 The analyzed time frame is from 2001 to 2004.

10 The problem of labor market inclusion of people with disabilities has only recently been considered as a clear policy option and regulated accordingly. In this respect, the information on this aspect starts with 2004, when the National Authority for People with Disabilities has reported a number of 11,872 employed persons with disabilities.
The social assistance sector is decentralized at the county level. Each county council has under its responsibility a County Social Work and Child Protection Directorate – that came into force at the beginning of year 2005. At the same time, social services are also delivered through the Local Social Assistance Public Services. However, studies show that the institutional framework of the social assistance system, comprised of different units, both at central and local level is rather confusing and does not currently work properly. For instance, for the County Social Work and Child Protection Directorate there are multiple institutions involved – the Ministry has a coordination and policy maker role, the National Authority for Child Protection sets the quality standards and controls them in the field of child protection, the National Authority for Disabled People sets the standards and controls them in the field of disable people, while the Local Social Assistance Public Services for municipalities also have to cooperate at the county and local level in order to ensure an efficient service provision.

<table>
<thead>
<tr>
<th>Table 8 – County Expenditures – Functional Classification (Percentage of GDP)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Expenditures</strong></td>
</tr>
<tr>
<td>Security</td>
</tr>
<tr>
<td>Education</td>
</tr>
<tr>
<td>Culture</td>
</tr>
<tr>
<td>Social Assistance</td>
</tr>
<tr>
<td>Public Housing Development</td>
</tr>
<tr>
<td>Transport and Communications</td>
</tr>
<tr>
<td>Other Expenditures</td>
</tr>
</tbody>
</table>

Source: Martinez-Vazquez, J. 2006

2.5. Role of international conditionality (context)

The main international conditionality for Romania case is the EU integration. The results of this conditionality are represented, in the current context, by the strategic financing priorities set in the Operational Sector Programme for Human Resource Development, administered by the Ministry of Work, Social Solidarity and Family. These are as follows:

- Education and professional training with the goal of economic development and knowledge-based society
- Life-long learning and labour market
- Increasing the adaptability of workers and companies
- Modernizing public occupation service
- Promoting active employment methods
- Promoting social inclusion
- Technical assistance.

These priority axes are financed by the European Social Fund, together with contributions from the state and local budgets. Total sum allocated for this operational program is over 3.4 billion Euros.

In addition to these fields, especially in the context of decentralization, one still needs to mention the Operational Sector Program for Improving Administrative Capacity, managed by the Ministry of Internal Affairs and Administrative Reform. Its priority fields of intervention refer to:

- Structural and process improvement of the public policy management cycle
• Improved quality and efficiency of the delivery of public services on a decentralized basis
• Technical assistance.

The three priority sectors targeted for support are: health, education and social assistance. The criteria used for their selection are, according to the provisions of the program:
• the advanced stage of decentralization process,
• the size of the public expenditure,
• number of civil servants employed in the sectors,
• number of subordinated institutions,
• the size of the targeted population.

The total sum allocated for this program is of 208,022,602 euros.

Concerning the developing regions, they are constituted by free-will in association of neighbouring counties (county and local councils), they are neither administrative-territorial units, nor they have juridical entity, or have been established by the law. Their main roles consist, on one hand, in managing the European funding allocation mechanisms and on the other hand, in improving the regional statistics. There are 8 regions in Romania: North-West, North-East, South-West, South-East, South, West, Centre, Bucharest and Ilfov.

2.6. Special focus on the decentralization process in the field of social policies

As mentioned above, decentralization has been a key factor of the public policies targeting the social sector. It has also been an underlying key point for the reform in the local public administration. It is therefore important to mention that the decentralization strategies (at sector level) as presented above has to be placed in the context of the fiscal decentralization strategy, currently coordinated by the Ministry of Internal Affairs and Administrative Reform. Besides what has been stated above, one important message has still to be emphasized at this stage: the problem of the two-tier level of local government - with county political influence over the local level. From a simple formula of allocating equalization funds, as has been provisioned in the newest Law on Local Public Finance, the State Budget Law from 2008 has practically abolished what has been achieved so far, letting the County Council decision as a unique criterion for distributing money from county to the local level. This practically means a return to a highly politicized system that will continue to increase the discrepancies concerning level and quality of social service provision.

Under these circumstances, the findings resulted from previous analyses still hold true in what regards current status of decentralization in Romanian local government\textsuperscript{11}:
• The high degree of administrative fragmentation;
• The influence of the central public authorities’ representatives on the activity of local public authorities;
• The undefined role of the developing regions within the decentralization process;
• The transfer of some competences to the local authorities without ensuring the funding resources;
• The reduction of local authorities’ own revenues;
• The structure of the transfer system;
• The lack of an integrated vision on decentralization in policy formulation.

\textsuperscript{11} Extracted from the initial drafts of decentralization strategy prepared by the Ministry of Internal Affairs and Administration Reform.
2.7. Specific focus on externalisation of public services to private (profit and no profit) actors

The legislative framework for public-private partnerships is currently under revision and the government does not allow for PPPs to be put in place until clear provisions will be issued. However, especially in the field of social services provisions, there are a growing number of non-governmental organizations that have to pass accreditation rules at the Ministry of Labour, Social Solidarity and Family and of course, comply with the quality standards imposed for each provided service. The Ministry constantly updates and publishes the list of private accredited social service providers.

3. Short outline of Romanian international migration

Shortly after the fall of Central and Eastern European communist regimes, the Old Europe began to fear its Eastern neighbours’ invasion: a “feeling” supported by thousands of asylum seekers and ethnic groups trying to reach a better life in the Western part of the continent. At that time, with a population of more than twenty two millions inhabitants\(^\text{12}\) and a poor economy, after a long period of international isolation, Romania represented one of the main threats\(^\text{13}\). After eighteen years, it is difficult to assess if that initial fear was justified. Anyhow, we would rather say that Romania has properly performed its role as source of cheap labour force for Western Europe: continuously increasing, the number of Romanians working abroad (especially in European countries) have reached millions: recent estimates based on multiple data sources point to a number of about two millions as a relatively stable migrant population to which can be added a changeable segment of few hundred thousands (three to five) practising an accentuate (circular) mobility\(^\text{14}\). Despite its relatively short history\(^\text{15}\), even if it did not reach the notoriety of some of its eastern European counterparts\(^\text{16}\), Romanian migration probably incorporates for the moment (especially in its work migration component) some of the most important intra-European flows (we are particularly referring to migrations to Italy and Spain).

Romanian migration has experienced a complex evolution because the dominant types of migration have changed: different destinations have become important and loose their attraction power few years later, the composition of the flows has also changed. Given this evolution, in the Romanian case, it is probably most appropriate to discuss in terms of “migration phases”. One of the most recent classifications proposes three stages: an early one (from 1990 to 1995) with an emigration rate of less than 5‰, followed by the period 1996-2001 when the same rate reached about 6-7‰.


\(^{13}\) As population, between the former European communist countries (excepting ex-Yugoslavia), Romania ranked fourth place, after Russia, Ukraine and Poland. It is clear that it had a large potential for international migration.

\(^{14}\) UNFPA. 2007

\(^{15}\) Romanian communist regime practiced an extremely restrictive exit policy: the state severely controlled the (out) flows. Ethnic migration (the most important flows oriented toward Germany and Israel), reduced work migration (toward few communist countries in the region and some Arabic countries – partners of Ceausescu’s regime), political reasoning driven migration (mainly clandestine and very limited) and family reunification were the main types of pre-1989 external mobility. Specifically because of these reasons, we consider that Romanian international (e)migration (especially in its component for work) could be considered a post-December 1989 phenomenon.

\(^{16}\) Romanian builders or care workers have never reached the notoriety of Polish plumber. Roma migration or the criminal behaviors associated with Romanian’ international movements were far more popular in European media. “Sanctioning” this image, one of the first books dedicated to Romanian international migration was called Visible mais peu nombreux... les circulations migratoires roumaines après 1989 (Diminescu. cord. 2003).
The year 2002 brought significant changes in Romanian migration to European Union and increased the phenomenon intensity to an emigration rate of 10-28‰ (Sandu. 2006). It is probably correct to assume that Romanian accession to the EU (January 2007) brought new changes (in our opinion not so significant in number as in flow composition17). Basically, the mentioned phases are overlapping changing from the point of view of the main destinations and migration types. From this point of view, Romanian international migration is a highly diverse phenomenon, including: “ethnic migration” (the final stage of German and Jewish migration during the first mentioned phase), circulation based on asylum procedures (especially towards the rich centre of Europe: Germany, France, Austria) (first phase), “suitcase migration” in the neighbouring area (Turkey, Bulgaria, Hungary, Ukraine, Moldavia, Poland, former Yugoslavia) (first phase), to the definitive migration through “discovering” traditional immigration countries (especially Canada, but also US) (all phases). Work migration has constantly grown over the entire period (1990-2007): through legal means (international recruiting programmes or bilateral agreements, especially to Israel and Germany and more recently Spain) or through clandestine means18. However, the migration that has been growing almost unobserved from the beginning of the 90’s and finally has become the dominant is the work migration, in its most part a clandestine one19, oriented towards countries of Western Europe (particularly towards the Southern area of the Old continent). Italy and Spain have attracted more and more Romanians. From 2002 to 2006, 50% of Romanians departures abroad was oriented to Italy, followed by Spain (about 25% of departures), Germany – 5% and Hungary about 4%. The departures towards the rest of the countries totalise about 13%20.

The migration phenomenon has evolved by reducing its selectivity. If at the beginning men, educated people, and young adults had greater probabilities to involve in international migration, data suggests a gradual extension to women, very young and less educated people, directly proportional with the decrease of migration costs and associated risks. The above presented data are particularly important for the present picture of Romanian migration. They suggest that Romanian migration tends to be predominately defined by work flows, to have a high concentration (Italy and Spain as two main destinations) and including a probably substantial segment of clandestine migration. This particular configuration has a big impact on the way that Romanian migration produces its consequences in the origin area.

Even if the number of people migrating abroad significantly increased, Romania is still far from being attractive as an immigration country. The official statistics put the number of foreigners living in Romania at a level of less than 1% of population21.

In the recent years, as the (e)migration is continuously expanding, its dimensions and the visibility of effects opened the public debate and increased researchers’ interest for migration consequences.Remittances, children left at home, the lack of labour force in particular sectors (especially construction) have received permanent media attention. Still, the lack of any systematic effort to collect data over long period affects the content of discussions (in the public or scientific setting), the proper evaluation and (accurate) predictions.

17 See also Sandu. 2007. Annual Overview of International Migration in Central and Eastern Europe – 2007.
18 Basically, clandestinity could be defined on the base of different criteria. Broeders. 2007: 73 uses, for example, the entrance, residence and employment at destination. The three criteria could be combined in diverse forms, giving different clandestinity situations (degrees). If we use this combination of criteria to define a migration as clandestine or not, then we correctly can state that Romanian migration for work was in a significant part a clandestine one.
19 See previous footnote.
20 Sandu.2006.
21 The Ministry of Internal Affairs and Administrative Reform. 2007.
3.1. Remittances and its way of spending

Remittances, as one of the main consequences of international migration, received a constant attention in Romanian public space. However, there is little systematic work on the real size, uses or effects (especially indirect or on long term) of the money coming from abroad.

Estimates of remittances flow are using mainly official figures released by National Bank of Romania, including only money coming through official channels. This raises a serious problem of underestimation. The most recent estimations point to a figure of about 7 billions US dollars, ranking Romania between the top ten remittance-recipient countries of the world.

At the national level, there is a general consensus that the considerable amount of money remitted by migrants has played an important role in balance of payments, as far as beginning with 2000, the remitted money surpassed the threshold of one billion dollars, representing, for that period, in economists’ opinion, “...after the external credits, the most important source to finance the budget deficit” (Dâianu.2002: 17).

A limited number of opinion polls in areas of origin tried to identify the main patterns of remittances spending. The picture is completed with information gathered through qualitative methods especially at community level. At households’ level, one of the most recent opinion polls indicates, for 2006, a percentage of about 7% of households mentioning remittances between their sources of income. (Grigoraş.2006: 43) Regarding the spending patterns, the information indicates high similarities with other international cases. Households’ daily spending, houses, cars, and other consumer goods attract most of migrant households’ money. Less evidence indicates productive investments and almost no willingness to voluntarily contribution to social security system in Romania.

At a first look, all evidence indicates that remittances have less or no direct influence on what the Romanian states provides/redistributes through its welfare system. Except the amount of money that comes indirectly to the (local or state) budgets as taxes and fees (on goods and services – tax on added value; taxes for cars – or on properties – taxes on buildings, land), remittances are spent in ways that cannot be assimilated with a contribution to the state effort to provide social services or social assistance. The problem of who contributes and who benefits is dramatically challenged by current migration. Migrants, being by definition absent from the origin space, are not fully taxpayers, completely “escaping” taxes and fees associated with work participation. This situation does not raise problems in a classical migration definition: if the departure is definitive, then we a have a situation of the type “no one loses”: migrants don’t contribute and they don’t benefit. The contemporary forms of international migration seriously challenge this reasoning. Circularity within an origin-destination space, clandestine migration associated especially with work and transnational families (households) are seriously provoking principles that stay at the base of the welfare systems and efforts to coordinate/control systems in an origin-destination country partnership. Current Romanian international migration is displaying, in large measure, all above mentioned characteristics: it is in a very limited dimension a definitive one: it encompasses a large number of people who interchange the places (origin – destination) for variable periods of time, without changing their legal residential status; an important part of the migrants clandestine work and stay at destination and a considerable part of migrants continue to have their family members in

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22 Or estimates based on National Bank releases.
23 For in pocket transfers and, probably, more accentuated, for in kind transfers. Being the accentuated circularity of migration to EU it is presumptive to have large amount of money brought at home directly by migrants and also a large quantity of goods coming in the same way (or with shippers).
Romania and to keep opened the door for a possible/probable future return. Even if abroad, Romanians continue to be “present” in Romanian space and, to some extent, benefit of what it offers. This means that a person with a (repeated) migration experience and a non-migrant; a member of a migrant’s family and a member of a non-migrant family are equally entitled to the same benefices/services, even if they do not equally contribute to the funds that support these benefices/services. This problem is particularly pronounced in the case of non-contributory benefice/services. Child benefit, granted irrespectively of the parents’ status is one example. Access to education, access to health services granted for some categories of population on a non-contributory base are also opened to migrants. From this point of view, the solidarity principle exerts its effects from non-migrant to migrant population.

The problem of who contributes (and how much) and who benefits (and how much) is complicated even more by the fact that the state lacks coercive means to collect, at least in some cases, taxes and fees from migrant population. The example of “locked houses” and owners coming once at several years in Romania is a clear example of this kind of problem.

Remittances represent a challenge for the social assistance benefices/services based on testing the means of possible beneficiaries. Minimum income guarantee benefit (MIG), as one of the most important instruments to fight against poverty in Romanian social system, is using this kind of mechanism to distinguish households entitled to receive the benefit against those not entitled. Remittances as household’s income should, at least theoretically, count in this evaluation. The problem is to correctly identify the receiver, to establish if the remittances-recipient household has the right to use money or if they are received on a regular basis. International migration of one member of the household could act as ground for exclusion or, as far as remittances are not declared (and do not generate visible effects) for unjustified inclusion. Nevertheless, it is highly possible that the amount of money received from abroad helps some households to maintain themselves above the threshold of some social assistance benefits (including MIG), reducing in this way state’s spending, at least for some social assistance benefits/services.

Nevertheless, if we look more carefully at spending patterns, it becomes clear that, at least a part of the money coming from abroad is probably, if not to reduce the state spending, to contribute to the improvement of some services provided. For example, at least in rural area, 25.7% of households declare they use money from abroad to buy drugs or pay medical services26. It is clear that, under the circumstance of a health system that cannot completely ensure the subsidies for drugs, the money from abroad contributes to an enlarged access to needed medicines. An even higher percentage of rural households (32.1%) use remittances for their children education27. Even if this money does not reduce the direct state effort to sustain the education system, they probably contribute to the improvement of what is provided under the public system or enlarge access. Community studies suggest that remittances are used, at least in some cases, to support children access to secondary and tertiary education (high school and higher education)28 or to improve the education achieved in the public system by the mean of private (informal) classes. Isolated evidence informs about parents contribution to the school endowment, especially in the communities with high migration prevalence.

26 Rural Barometer 2007 (survey based on a probabilistic sample of 1511 persons, aged more than 18, rural area). The Agency for Governmental Strategies.2007.


28 If remittances increase some children chances to pursue their educational career at higher levels, the positive effect in this direction it is possible to be counteracted by the decision of some teenagers to drop out the school in order to go to work abroad.
3.2. Export of medical sector professionals

Recently, international emigration of medical personnel (doctors, nurses) has begun to retain Romanian mass-media attention. Periodically, information about the number of “good standing” certificates released to physicians in order to practice medicine in European Union opens a new round of debates about the subject: physicians’ opinions, explanations, officials from the health system discussing about the beginning of a crisis of medical staff in Romania and warning about a disastrous situation in medium run (2008-2009) if the current tendencies will continue. If the subject is recent in the public debate, migration of medical staff is not a new phenomenon in Romania. National Office for Labour Recruitment and Placement Abroad, during its five years of activity, has been facilitating few hundreds of work contracts for nurses and physicians, especially in Germany and Switzerland. For the same period of time, private companies (private mediating agents) have been more active than similar public institution (the number of contract mediated by private companies is considerably bigger as well as the number of destination countries). The figures in Table 9 represent probably only a part of medical staff migration for the concerned period. Data about medical staff migrating legally abroad, on a contractual basis, but without mediation are unfortunately not available in the Romanian data system. Being about highly skilled individuals, who possess the needed skills to look for an employment abroad by themselves, it is not only possible, but also probable that a significant number of departures take place without mediation. Moreover, the presence on the list of countries “open” to receive Romanian medical staff of some countries like Italy (linked to Romania through very developed migration networks), Germany or Hungary is a favourable auspice for individual departures. Data from destination sources seem to suggest that there is a significant number of departures “escaping” of Romanian registration system.

Table 9 – Medical staff: number of contracts abroad (NOLRPA and private companies’ mediation): 2002-2006

<table>
<thead>
<tr>
<th>Mediating agent</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOLRPA</td>
<td>178</td>
<td>157</td>
<td>97</td>
<td>74</td>
<td>79</td>
</tr>
<tr>
<td>Private companies</td>
<td>27</td>
<td>446</td>
<td>554</td>
<td>479*</td>
<td>475</td>
</tr>
</tbody>
</table>

*Partial data for first two quarters of the year


29 Document released by Chamber of Physicians to its members in order to prove her/his proper medical practice.
30 For example, Adevărul has published at least three articles (from the beginning of the year in its editions from: 02.15.2008; 01.11.2008; 01.03.2008); Evenimentul Zilei – at least three articles (03.13.2008; 02.06. 2008; 02.05. 2008); Very interesting analyses and comments offer the medical magazines. (see for example: http://medic.pulsmedia.ro/article--Util-Ne_pleaca_medicii--2110.html).
32 Destinations countries for 2002-2004: Italy, Hungary, USA, Great Britain, Israel, Cyprus, Oman, Saudi Arabia.
33 The Federal Republic of Germany, then the unite Germany was destination for an important flow of ethnic migration having as origin Romania (see above presentation of Romanian migration abroad). The ethnic flow set the premises for a particular “space” of circularity between the two countries. See Michalon. 2003.
34 The special character of migration flows between Romania and Hungary was favored by a consistent number of Magyar ethnicities living in Romania. The 2002 census registered 1.431.807 Magyar ethnicities in Romania National Institute of Statistics: (http://www.insse.ro/cms/files/RPL2002INS/vol1/table/t01.pdf).
For example, in Hungary, between 2002 and 2004, 403 Romanian citizens registered as nurses. For the same period, the number of contract mediated by public or private agents is only 5. In our opinion, the big difference between the two figures is coming (in a consistent share) from this kind of unmediated departures.

If health personnel migration is not new, it is highly probable that Romania’s accession to UE has accentuated the phenomenon. A recent research suggests that, at least in some counties, a consistent percentage of medical staff (about 60%) perceive Romania’s accession to the EU as an opportunity to find better paid jobs. In the case of Romania (and Bulgaria), the big majority of old EU members have enforced restrictions for access to their internal labour market. Still, in this case, we are discussing about a category needed by destination countries. The fear of an increased outflow of highly qualified labour is not groundless in the case of Romania as a new EU member. Experience of the “first integration wave” seems to justify such an attitude. There is evidence of a growing outflow of healthcare professional at least from Poland, Estonia, and Lithuania after EU accession.

According to press reports, in Romania, only in the first month after accession about 100 physicians have asked for a good standing certificate. Their number has constantly grown to reach 4700 requests at the end of July 2007.

According to the Chamber of Physicians, in Bucharest, for example, out of a total number of 10,643 physicians, 521 asked for a good standing certificate in 2007. According to the same source, the biggest share of the requests were concentrated on few specialities: general medicine physicians (4.4% of the total number of physicians with this speciality in Bucharest), general surgery (8.5% of total specialists), ATI (6.8%), Radiology (6.7%), Intern medicine (3.25%), Gynaecology (3.64%). About 58% of the requests were filled in order to practice medicine in two countries, France and Great Britain. Other destinations: Belgium, Italy, Sweden, Germany, Ireland and Spain.

However, in Romania there are few official records about the real dimension of the phenomenon. Good standing certificate represent only one of the steps in the process of migration indicating more intention to migrate (even if a structured one) than the behaviour in itself.

As shown by a research financed by Chamber of Physicians from Iași County, a significant proportion of the Romanian physicians are interested in working abroad. More than half of interviewed physicians declared their “wish” to practice medicine abroad. Most of them express a preference for Europe, (48% out of total number of answers). Still, a proportion of 6% (out of total) expressed their interested for other countries (particularly USA, Canada).

Intention to migrate abroad reflect potential migrants’ dissatisfaction with the context in which they live. The above mentioned research suggests a high level of dissatisfaction of physicians with the Romanian health system. Asked about the direction of the changes in the systems, only 18% of them appreciate that changes go in a good direction. In the same line, the participants to the research characterize funds management as “disastrous” in a large proportion (72% of answers).

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36 Survey based on a sample of 600 persons, in three counties: Călăraşi, Galaţi, Prahova. (for details, see: Rotilă, Viorel. (eds.) 2007).
37 Except Sweden and Finland.
40 See (http://www.infonews.ro/article77832.html). Representing about 10% of the total number of physicians from Romania (above quoted source), the percentage is considerable more consistent than in the case of Poland (the first seven month after its accession) (according to World Bank EU8. 2006).
42 Distinctively from other eastern European countries, Romanian physicians’ migration seems to be more dispersed.
Wages seems also to represent a consistent source of dissatisfaction: 33% of participants at the study appreciate their wages as very low and another share of 55% as low.

Another research suggests an even higher percentage of medical staff intending to migrate abroad: almost 69% are tempted by a work arrangement abroad, especially due to higher wages. Interesting is that, more than 80% persons interviewed declare that they already have had colleagues working abroad.

The great difference in wages is a serious push factor for health staff migration abroad. One of the above mentioned researches suggests that more than a half of the physicians intending to migrate abroad mention the wages as main cause. It is obvious that, for the moment, Romania loses “the competition” with the big majority of European countries from this point of view. But, in our opinion, the importance of income should not be overestimated. In the same research, about 40% of physicians mentioned work conditions as main reason that stimulate them to think about leaving the country. Another research concludes that “…over 36% of the interviewed people appreciates that a wage between 500 and 800 euros would definitely be enough to make them to abandon the idea to leave the country, and more than 46% considers that a wage of more than 800 euros would convince them to take the same decision.” The above mentioned dissatisfaction with the reform in the health system probably plays an important role in the process.

The process of health staff migration abroad has the potential to become a very serious problem for the health system in Romania. The output of educational system indicates, at least beginning with 2003/2004 a constant increase. (see Figure ). However, the number of physicians experienced a reverse tendency, at least for the last two years (see Figure ). Migration abroad could be one explanation about the difference, without being the only one (there is evidence suggesting a tendency of young graduates to leave the system and to find employment in proximate sectors – like pharmaceutical companies).

**Figure 2 – Tertiary education (human medicine). No. of students**


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45 (http://www.solidaritatea-sanitara.ro/subpage2.html).
46 (http://www.cmr.ro/).
With one of lowest number of physicians to 1000 inhabitants from Europe\textsuperscript{48}, Romania should face now the challenge of an increasing phenomenon of health staff migration abroad. The fact that, in 2005 the second highest rate of job vacancies was registered for health and social assistance sector (3.11) and it increased at 3.88 in 2006\textsuperscript{49} should represent a serious concern for Romanian authorities in the near future.

3.3. Who will take care?

Relatively recent concern for increasing female migration (or feminization of international migration) and applying the gender perspective in international migration, the new approaches in terms of “trans-nationalism”, and the traditional role of women as care provider are all inputs/conditions for new perspectives on international migration and its consequences. Care drain, care gain, care chains, (global care chains), trans-national care, trans-national motherhood are only a part of the terms coined to describe and explain processes directly linked to international (trans-national) women migration and their role as care providers.

Mainly generated by an increasing need in developed/destination countries (as a result of diverse processes, like the growing care needs of ageing populations, and a profound change of woman status – as more independent and active on labour market), women migration towards “care provider positions/jobs” seems to experience an ascendant trend. In the case of Romanian migration, the two most important contemporary destinations: Italy and Spain (see previous presentation of Romanian migration) incorporate a large and growing segment of migrant women orienting their migration project towards domestic work. A relatively recent study\textsuperscript{50} based on survey in origin area suggests a pretty spectacular increase of employment as housekeeper between Romanians working abroad. For the entire period 1990-2006, 20% of departures were associated with housekeeping work. The share of housekeeping jobs has constantly grown, evolving from a very low percentage (0 according to the mentioned survey\textsuperscript{51}) for 1990 – 1995 phase, to about 7% during 1996 – 2001 to peak 28% of total departures after 2002 (2002-2006 period). This specific job structure is, as expected, associated with an increasing women participation in international

\textsuperscript{48} Romania had, in 2005, the lowest number of physicians to 1000 inhabitants (1.95) compared to the countries that joined UE in 2004 or 2007, according to WHO data (http://www.who.int/globalatlas/default.asp). The indicator was comparable with that one for Poland (1,97) but far from the next two countries in this hierarchy (Cyprus: 2.37 and Slovenia 2.4).


\textsuperscript{50} Sandu. 2006.

\textsuperscript{51} Obviously, the 0 percentage is the result of research limits, more than reality.
migration. The share of women has grown constantly from a very low percentage of 12% of departures for the period 1990-1995 to 15% in the interval 1996-2001 to peak 45% during 2002-2006.

The increasing need for care providers in main destination areas probably plays a very important role in explaining Romanian women’s involvement in international migration. Once initiated, this type of migration bears in itself the “power” to perpetuate/accentuate new need for migration. On one side, the low payment accepted by women (especially in the first phase of their individual migration) it is highly probable to allow to some families/individuals that previously wouldn’t have been able to afford to externalize care tasks to do it. The low costs of (migrant) care services increase the segment of (potential) clients. Secondly, as documented, the migrant families have their own care need (especially for children) difficult to be satisfied within the family (women – traditionally care providers - work; usually there is no extended family to take over the care tasks).

In the Romanian case, it seems undisputable that 2002 opened new opportunities for women’s migration. There are authors relating the diminished costs of international migration with women’s increased access to migration. It is difficult to extend the quoted study conclusions to larger areas (even rural ones), but the documented increase in women’s migration after 2002 suggests it is possible that similar processes have taken place in many communities.

From an origin country perspective, women’s migration could be translated in “care shortages” as far as care tasks are mainly/powerfully associated with family/household (there is no developed system to sustain care externalization, especially for children and elders), and, within the family/household, with women in their positions as mothers/daughters/daughters-in-law.

From the point of view of domestic tasks distribution, Romania seems to be rather a traditional country. In spite of a long tradition of women participation on the labour market (encouraged during communist period), still, Romanian woman continues to be “responsible for the majority of domestic tasks” (Bădescu et all.2007: 21). The quoted study concludes that: “women spend on domestic tasks, on average, once and a half more time compared to that of their partners. In fact, domestic duties are the second cause for family problems” (Bădescu et all.2007: 24). A comparative study on values appreciates that “a smaller number of Romanians compared to the majority of Western European countries and even Eastern ones supports the equality between men and women. Within the household, the classical work division is still in place, woman has in fact two jobs: one on labour market and another one at home” (Popescu.2007: 197).

Without making specific reference to the care issues, the above mentioned studies suggest a traditional setting for Romanian family, centred on woman as main performer of domestic work, including care tasks. Under these conditions, women’s migration could seriously affect the position of the family as traditional care provider for its members in needs (especially children and elders).

In the Romanian public space, recent years (2006-2007) have witnessed an increased concern for international migration effects. “Children left behind” is one the main issues receiving attention. Initially developed in non-governmental area, projects aiming to investigate the phenomenon and

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52 Sandu. 2006 (for a detailed presentation of the research methodology, see Sandu. 2006: 6).
53 Beginning with 1 January 2002, Romanian citizens could travel to Schengen Space without a visa. The event considerably lowered the costs of migration to EU countries (being the accent that EU policies put on external border control combined with a weaker one at internal frontiers).
54 Vlase. 2006.
55 At least, because of Romanian regional differences (in terms of cultural areas).
56 In 2006, the NGO Alternative Sociale accomplished one of the first studies on this issue in Romania, in Iași county (north eastern part of Romania, an area of migration mainly oriented to Italy (Sandu.2000: 23)). The study used a mix of qualitative and quantitative methods to explore the problems of children left at home by migrants in two specific locations (Iași city and Rădăuțani commune) (see Alternative Sociale. 2006).
to intervene in helping the children living with one parent, with relatives or paid care began to multiply, involving state authorities and international organizations.

Trying to address the matter, in 2006, state authorities issued a decision (Government Decision 683/2006) obliging the beneficiaries of a working contract abroad, if they have children, to announce their intention of temporary leaving the family to the local authorities (public social assistance services - PSAS)\textsuperscript{57}. The act could be interpreted more as a mean to make the parents and the local authorities aware of a situation that could be problematic and to create a tool to monitor the cases of children living without one or both of their parents and to estimate the phenomenon dimensions, than a mean to intervene. This effort of Romanian State to address the process was severely limited by migration characteristics: Decision 683 concerned only mediated legal emigration for work, a migration representing a relatively small share out of total Romanian migration. In the same period (June 2006), a new law (Order 219/2006, issued by National Agency for Protecting the Children Rights - NAPCR) addressed the problem from a different perspective. The new act was specifically addressed to local authorities, asking them to identify, evaluate and monitor the situation of children having parents abroad on a permanent basis. The Agency tried to implement a system of continuous monitoring of children left at home by their migrant parents and to stimulate local authorities to intervene in the case of children with problems. One of the most problematic aspects of designed intervention was its reliance on local authorities, “forced” to take over a new problem without new resources (see Box 1). Even if we don’t take into account the “resources” issue, there are intrinsic limits of the designed mechanism, especially in its identifying/monitoring side: if identifying the children “left behind” using PSAS could work in the case of rural area, there is a big problem for the urban areas, especially large cities.

At the end of the year 2006, according to NAPCR, the total number of children left at home by one or both migrant parents was about 60,000 individuals, about 54\% of children having one parent abroad, 36\% both parents and about 10\% - children from mono-parental families with the single parent abroad. Out of total number, 2707 children were beneficiaries of one form of protection (4.5\% of total number of children with parents abroad, but the percentage is probably overestimated due to a (normal) underestimation of the total number of children with one or both parents abroad put in relation with a probably correct number of protected children). However, since the Agency does not release any kind of data about the status of children in the moment when their parents migrated, we can mistake by assigning their entrance in the public social protection system to international migration.

**Box 1: Public Social Assistance Services (PSAS)**

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“According to NAPCR centralized data (...), on 30th of September 2007, public social assistance services (PSAS) have been set up only in 575 towns and communes out of total number of 3170 territorial administrative units. 6606 persons were hired, 21\% of them with specialized tertiary education, 7\% with post high school education and 72\% without specialized education.” (The Ministry of Labour, Family and Equal Opportunities, National Agency for Protecting the Children Rights, Annual Report, 2007: 18)
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Even though difficult to monitor (because of an accentuated circulation of parents and children, probably increased after Romania’s accession to EU), the phenomenon certainly reaches significant dimensions. If state authorities released an estimation of more than 80,000 children having parents

\textsuperscript{57} Government Ordinance no 683/2006, article 1.
abroad (for the mid of 2007)\textsuperscript{58}, survey estimates raise the number at about 170,000 schoolchildren (\textit{only} gymnasium students – classes V to VIII) having at least one parent living/working abroad\textsuperscript{59}.

**Box 2: Actors taking action for children left at home by migrant parents**

\textit{Alternative Sociale} is one of the most active Romanian NGO’s in the field, developing projects in different directions: trying to contribute to an appropriate evaluation of the phenomenon and its effects supporting research, implementing awareness campaigns, developing specialized services for children having parents abroad, and supporting the specialists working in the field\textsuperscript{60}. In October 2007, Alternative Sociale launched a website dedicated to the issue of children with migrant parents. Achieved within the frame of a programme developed with UNICEF funds, www.singuracasa.ro is a webpage offering information and support for three different kind of actors: children, parents (actual or potential migrants) and professionals working in the area.

\textit{Soros Foundation} Romania included in its program addressing migration and development in Romania a component regarding children left at home. In 2007, Foundation financed a survey on national sample (gymnasium students) and released the first estimation of the population of gymnasium age children living in Romania and having one or both parents abroad. The research programme is accompanied by a pilot project “School and community” addressing the issue in three communities with a high incidence of phenomenon.

\textit{UNICEF} is one of the most important international organisations showing interest in Romania for the issue of children left at home as effect of international migration. In 2007, UNICEF financed a new research on the matter (including a survey at national level)\textsuperscript{61} within the Institution efforts to contribute to a policy better addressing this segment of population.

\textit{National Agency for Protecting the Children Rights – NAPCR} is the main public authority taking actions in the field. One of its first initiatives was the implementation of Order 612/2006. For 2007, the Government Decision 289/2007 (issued in March) assigned six programmes of national interest (PNI), including “the development of a network of specialised services for the children having parents working abroad” (budget: 1278000 lei). In June, a new Government Decision (683/2007) restructured the previous PNI-s plan, limiting their number to four. “The problem” of children left at home was addressed in the frame of a new programme (“Development of a network of community social services for child and family and supporting the family in crisis in order to prevent children separation from the family”), being one of the two objectives to be achieved with a budget of 6410000 lei.

The consequences of parents’ absence on children are difficult to be evaluated. Children evolution is dependant on so many factors so that there is a “danger” to assign in a wrong way children’s problems to their parents’ international migration. However, there is evidence that justifies intervention to support children during the periods of parents’ absence and to monitor their adequate attendance. Recently, more NGO (some with state support) developed interventions in communities with high prevalence of international migration (see Box 2).

International migration and particularly women’s migration raises another problem which, for the moment, has not reached the public attention: elderly care. Experiencing an ageing process\textsuperscript{62}, Romania should be prepared in the future for a growing segment of old population having children abroad. The relatively short history of external (e)migration (basically the phenomenon could be

\textsuperscript{58} Romanian authorities seem to be aware of the limits of the implemented system. NAPCR Annual report for 2007 specifies “...this is the number of \textit{identified children} (our emphasis) without stating this is the real one”. (:18).

\textsuperscript{59} Toth et all. 2007: 7-8.

\textsuperscript{60} In 2007, under Cătălin Luca and Alexandru Stelia Gulei coordination, Alternative Sociale launched a paper aiming to help professionals working with children left alone at home: “Methodology. Social, psychological and legal assistance for the children left alone at home as a consequence of parents’ migration for work”.

\textsuperscript{61} The result of the study has not been released.

\textsuperscript{62} See Ghețău. 2007.
assimilated with the movements after 1990\textsuperscript{63}, the “natural” tendency of migration to be a selective in relation to age and the low age at the first birth in Romania are all factors that favour the probably low incidence/visibility of elderly care problem at the moment. The widespread idea that remittances compensate for the problems generated by “absence” could also be interpreted as a factor that “blocks” any preoccupation in this direction.

Agricultural pensioners represent, in our opinion, a particularly vulnerable group to the effects of migration in terms of “care drain”. With very small pensions, these persons will probably be in the future one of the most exposed groups to the negative effects of “children’s migration”.

3.4. What to do...

As an (important) emigration country, Romania should probably invest more in improving its system of collecting data about migration and especially in monitoring the process. The interventions aiming to maximize the positive effects of migration or to minimize the negative ones should be based on an adequate knowledge of phenomenon and its continuous change. Moreover, there is a need for specialists in the field of migration which can not be supported without an effort of institution building. Romania is a country that still does not have a specialised research centre on migration.

The dimension of emigration (about 10% of the population is living abroad) makes it necessary to systematically include a targeted assessment of the impact of migration in the most diverse fields of action. The questions like “how migration does influence...” probably should be present in more decision processes, at the most different levels.

In spite of an obvious general awareness of the importance of remittances, there is small effort invested in evaluating their effects from different perspectives (for example, different time perspectives: effects in short/medium/long run) and to actively intervene (to stimulate the remitting behaviour or the remittances use, for example towards more productive investments or contribution to public goods set up).

Migration (even in its circular form) supposes physical “absence” of some persons that otherwise are very connected to the Romanian reality. In many situations, the migrants’ needs or duties could be met by implementing special system that allows them to act from a far place. (An example could be a flexible system of paying taxes and fees from abroad using electronic means of payment).

At household’s level, remittances could be an important income source. However, the idea that the presence of one migrant in a family/household “means” a priori and necessarily remittances is wrong and could induce unjustified exclusion of migrants’ family/households from receiving certain benefits/services. On the contrary, there are also cases in which households/families receiving remittances do not declare their effective income. There is, therefore, a special need to monitor and adequately evaluate this income source in the case of social assistance benefices/services based on testing means.

The health staff migration increase is a phenomenon which could have been foreseen time ago. The experience of countries integrated into EU in 2004 was only one sign. The discussion about what can be done should, in our opinion, take place under, at least, few auspices: Romania can not block the free circulation of its citizens and can not compete (not for the moment) with wages for similar position in Western developed countries. Nevertheless, the difference in wages in not the only cause of health staff migration and this migration can not be stopped simply by raising salaries. The effort in this field should, in our opinion, be more diverse including the preoccupation to exploit the possible benefits of this type of migration: offering real incentives for return, encouraging the communication between migrants and health staff from Romania etc.

\textsuperscript{63} See previous short outline of Romanian migration.
Care drain seems to become a significant problem. Two categories are especially concerned: children and elderly people. In the case of children, there are already efforts in place aiming to monitor/control/eliminate the effects of care “lack” that a part of children could experience. In this case probably more attention should be concentrated not only on what can be done but also on evaluating (accurately) the effects of what is done. Parents living abroad could be important partners in these projects and without an appropriate understanding of what “trans-national parenthood” means in Romanian case, programmes aiming to help children “left behind” probably can not be appropriately developed.

Elderly care will probably represent a new “problem” related to migration in a near future. Left behind, like children, they will probably need public support. The need to develop a system of services for a growing aged segment of population should be considered.
REFERENCES


### ANNEX 1. HUMAN DEVELOPMENT INDICATORS

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Source: UNDP, Romania

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**Figure III-3: Sector expenditure - State Budget**

Source: Ministry of Internal Affairs and Administrative Reform, 2007, Operational Program for Development of Administrative Capacity
Source: Ministry of Internal Affairs and Administrative Reform, 2007, Operational Program for Development of Administrative Capacity