



# **Exploratory study: filling in the knowledge gaps and identifying strengths and challenges in the effectiveness of the EU Member States' minimum income schemes**

Country Fiche - Romania

Written by  
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# **Exploratory study: filling in the knowledge gaps and identifying strengths and challenges in the effectiveness of the EU Member States' minimum income schemes**

Country Fiche - Romania

Directorate-General for Employment, Social Affairs and Inclusion

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## Summary

Romania has one minimum income (MI) support scheme, the guaranteed minimum income (GMI), and two complementary means-tested schemes, the family support allowance (FSA) and seasonal heating aids (HA). The design of all three benefits underwent significant change as part of the 2011 social assistance reforms. Over the past 20 years, the GMI scheme evolved from a scheme that granted substantial discretionary power to local authorities (means-testing procedures, eligibility criteria, funding) into a scheme with standardised and simplified means-testing procedures, with benefits supported from the State budget and managed by county-level organisations of central government agencies. The decision to standardise assessment procedures and re-centralise funding was in response to low administrative and financial capacity among local administrations, which created significant horizontal inequity. Nevertheless, the uneven development of local social assistance public services (*Servicii Publice de Asistență Socială*, SPASs) and availability of professionals across local administrative units continues to present a challenge to the effectiveness of these schemes.

Personnel shortages at local level, particularly professional social workers, and a lack of integrated community-based social assistance services is an important barrier to effective implementation of the GMI scheme. These issues persist despite the standardised eligibility testing procedures and the supervision provided by county-level organisations of the governmental agency for payments and social inspection.

While the design of the GMI scheme includes elements supporting labour market and social inclusion (e.g. active job search, community work), the effectiveness of activation measures is affected by the low capacity of local administrations, which struggle with a shortage of professional social assistance services to assess needs and provide integrated support/guidance to vulnerable individuals, low capacity to coordinate with county-level/regional employment offices, as well as difficulties in organising effective community work for beneficiaries. Similarly, county-level employment services have low capacity to reach out to the most vulnerable segments, especially those without a work history and who are living in remote/ rural areas without employment opportunities. The GMI scheme thus became a monetary supporting measure rather than a measure facilitating social inclusion. As a result, the elements intended as instruments of social/ labour market inclusion are used to sanction opportunistic behaviour and prevent abuse of the scheme by those unwilling to work or those working in the informal sector.

All means-tested schemes saw a deterioration in their adequacy in recent years. Eligibility thresholds and benefit levels have not been updated in seven years and there is no transparent mechanism to update or link them to labour market-related incomes.

Several new legislative measures promise improvements in the implementation of MI schemes and the adequacy of MI benefits. Firstly, the Law on the Minimum Inclusion Income (MII), adopted in 2016 and expected to take effect in 2022, replaces the three benefits with a single benefit, with a redefined focus on social inclusion. Secondly, community integrated services are in the process of being mainstreamed and promise to ensure a more integrated approach to social inclusion. Finally, a new law was passed in 2021, putting in place a transparent mechanism for updating social benefits.

The following sections, first, outline the features of the MI support in place; secondly, describe the eligibility criteria and coverage and consider the adequacy of the financial support provided and the links with other benefits; thirdly, examine the extent of integration with labour market measures to help those supported into employment; fourthly, consider the access provided for the people concerned to social services; fifthly, summarise the governance mechanisms in place; and, finally, review

the evidence on the impact on reducing poverty and assisting beneficiaries to find work.

An annex (7.2.) outlines the underlying situation in terms of the relative number of people at risk of poverty or social exclusion and the changes that have occurred over recent years, as well as the characteristics of the people concerned – their gender, age, employment status, education level, country of birth and the structure of the households in which they live. As such, it provides the context in which MI support is operating and indicates the groups on which support needs to be targeted.

## **1 Description of national schemes providing minimum income support**

**National minimum income thresholds.** While Romania has no official poverty line, it has a minimum statutory wage and, as a basic income line, the Guaranteed Minimum Income (GMI). The minimum wage is nationally regulated and its value is periodically revised and approved by the government. Legislation on the minimum wage regulates the number of monthly hours of work corresponding to the minimum monthly gross salary. For the last three years, the national minimum gross wage is differentiated by education level (with/without higher education) and the work sector (increased for construction sector). All social benefits are expressed as a proportion of the Social Reference Index (SRI). The Index is defined in the Law on Unemployment and is intended to link income from social transfers to labour market income. The adequacy of social benefits therefore relies on the updating mechanisms of the SRI, but its value has remained unchanged for the last 12 years.

**Brief description of the MI schemes.** Three complementary means-tested schemes are currently in place: the Guaranteed Minimum Income (GMI), a family support allowance (FSA), and seasonal heating aids (HA). While all three schemes will remain, significant changes in their design will take effect from 2022. Firstly, eligibility criteria and benefit calculations for seasonal HA are expected to change in line with Law No. 226/2021, on vulnerable energy consumers, adopted in November 2021. Secondly, Law No. 196/2016, on the Minimum Inclusion Income (MII) is expected to take effect in September 2023, after several delays since being passed in 2016. It provides a legal framework for the integration of all means-tested schemes and harmonisation of targeted social benefits.

The **GMI** is the main means-tested social assistance benefit and is granted to low-income people or families, irrespective of their age or employment status. In place since 1995, Law No. 416/2001 saw the scheme undergo significant revisions in its design and arrangements. It is intended to provide a minimum income level, defined by the GMI threshold. Local authorities implement the scheme, but expenditure on the benefit is paid from the State budget. As a result, the Ministry of Labour and Social Protection (MLSP) is actively involved in (a) monitoring employment services provided to beneficiaries through regional public employment services (PES), (b) managing payments, and (c) supervising implementation procedures.

The **FSA** scheme targets low-income families with children. The benefit was established in 2002, redesigned in 2004 and reformed again under Law No. 277/2010, as part of social assistance reform. The scheme provides a benefit to low-income families with children, differentiated by income level (two income brackets), number of children and type of family (single/two-parent families). The eligibility testing procedures and implementation requirements are similar to those for the GMI scheme.

The **seasonal HA** scheme was put in place in 2004 to support low-income families with steadily increasing energy prices, and was redesigned in 2011. The benefits are intended to compensate low-income households, totally or partially, for heating costs during the cold season (1 November – 31 March). Benefit levels differ according to the

income per family member (9-11 income brackets) and the type of fuel used for heating (e.g. central heating systems, natural gas, electricity, wood/coal). The new Law on vulnerable energy consumers (Law No. 226/2021, GD 1073/2021) modified the formula used to calculate benefits, but maintained the basic logic of the former scheme. It also introduces a new benefit - the supplemental energy consumption benefit – which is intended to partially compensate the costs of electric energy all year.

**Expenditure on MI schemes.** The expenditure on GMI benefit, and its sub-components (healthcare insurance contribution until 2018, compulsory home insurance) decreased in recent years, from 0.11% of Gross Domestic Product (GDP) in 2016 to 0.05% in 2020. Similarly, expenditure on FSA decreased from 0.075% of GDP in 2015 (when the benefit level was last updated) to 0.031% in 2020, a decrease of almost 60%. Expenditure on seasonal HA also decreased, from 0.06% of GDP in 2010 to 0.005% in 2020. Overall, in 2020, expenditure on all three targeted benefits amounted to only 0.086% of GDP, accounting for 4.4% of all social security and family benefits.

The discussion here focuses on the means-tested benefits in place for the last three years. At the end of Section 1 there is a brief overview of the changes expected to take place once the new legislative arrangements take effect.

## **1.1 Eligibility**

**Target population of MI schemes.** Single people or families (adults cohabitating or married, with or without dependent children, sharing costs and income) are eligible for any of the means-tested benefits if they are legal residents of the country, irrespective of their nationality. Non-EU citizens must be granted a legal immigration status to qualify for benefits. Children are considered dependent if they are less than 18 years, or under 26 years if attending an educational programme. The legal age is 18 but married/unmarried teenagers aged 16 and over, with or without children, and living independently, are eligible for benefits. Those without legal residency or who are homeless are also eligible for the benefits under certain circumstances (e.g. an affidavit that they did not apply for the benefit elsewhere, and the benefit is granted only as long as the person is registered with the public social assistance services of that administrative-territorial unit).

Eligibility for GMI is based on income and assets of the recipient's entire family and is conditional on proof of willingness to work for all family members of working age who are fit to work and unemployed (e.g. registering with the employment office, engaging in training or educational programmes, accepting any job offered by the employment office). It is also conditional on the family/person providing a certain number of community work hours per month, proportionate to the benefit received (no minimum, the number of hours cannot exceed the normal number of work hours per day/month). The means-testing procedure for FSA applicants is the same as that for GMI applicants, but eligibility is instead conditional on children's school attendance. If the children do not attend school or leave school without a proven medical condition, they will not be considered family members when eligibility is assessed and benefit calculated. Similarly, eligibility testing for HA is based on declared income and assets, except for those who declare electricity as their sole energy source for heating purposes (electricity is considered a last resort for those without access to other heat sources, due to its high costs). In these cases, the lack of access to any other energy source must be verified.

**Thresholds for GMI and other means-tested schemes.** The GMI scheme provides a net income threshold based on the number of family members (see Table 2 in the Annex). The FSA scheme specifies two 'net income brackets per family member', for single parents and two-parent families (see Table 3 in the Annex). HA specifies 9 to 11 net income brackets for single people and per family member, differentiated by the fuel used for heating purposes. Since 1 November 2021, thresholds are changed for



the cold season, with 10 income brackets for all consumers, irrespective of the source of energy used for heating. No equivalence scale is used to calculate the income per family member for either FSA or HA. All income thresholds refer to a net monthly income and are expressed as a proportion of the SRI. The value of the SRI has not changed since 2008 and is RON 500 (approx. EUR 101) per month.

The GMI threshold varies between 0.283 SRI for a single person to RON 527 (EUR 107) per month for a family of five, with an addition of 0.073 SRI (see Table 2 in the Annex).

The eligibility threshold for the FSA is 1.06 SRI per person (RON 530/EUR 107) per month. A higher level of benefit (depending on the number of children in the family) is granted to families with an income per person lower than 0.4 SRI (RON 200/EUR 40) per month. A lower level of the benefit (similarly differentiated according to the number of children in the family) is granted to families with an income per person between 0.4 SRI and 1.06 SRI (EUR 40-107) per month (see Table 3 in the Annex).

From 2015-2021, the eligibility income for HA was up to 1.23 SRI per person per month for natural gas, electricity and wood used as heating fuel, and 2.164 SRI per person per month for those using a central heating system. The benefit level depended on the type of fuel used and the family income bracket (see Table 4 in the Annex). From November 2021, the eligibility income brackets became the same for all type of fuels used for heating - 10 income brackets are specified, up to RON 1 386 (EUR 280) per family member for families and RON 2 053 (EUR 415) for individuals (see Table 5 in the Annex).

**Eligibility testing procedures.** Eligibility is granted based on (a) an income test for all three benefits, and (b) a social inquiry<sup>1</sup> into the living conditions of the applicant for the GMI and the FSA. Assessing eligibility for HA requires a social inquiry for those applicants who have only electric energy to heat their dwelling (this is considered an extreme situation resulting from collective disconnection from other heating systems, or informal living). The aim of the social inquiry is to check whether the family/household has no access or no means of accessing any other energy source for heating.

The following incomes are not taken into account when assessing eligibility for the GMI, FSA and HA: (a) other means-tested benefits (GMI, FSA, HA, or occasional sums granted from the State budget or local budgets as compensation or financial support for exceptional situations such as flooding, death), (b) scholarships, vocational scholarships, educational vouchers, or any other educational benefit (e.g. support for children with special educational needs, national programme 'money for high school'), (c) universal State child allowance, (d) any benefit for persons with disabilities, and (e) income from occasional activities carried out by day labourers (as defined by Law No. 52/2011). While no aggregate data are publicly available on the incidence of occasional work among GMI beneficiaries, mayors are requested to list all local employers and update the demand for occasional work. Fit-to-work GMI beneficiaries who reject the opportunity to carry out occasional work may be considered unwilling to work and have their benefit suspended.

A list of assets is used to assess non-eligibility for all three means-tested benefits. If the applicant owns any of the assets or goods on the list, they are automatically ineligible for the benefit. The list of assets was last updated in 2017 (GD 559/2017) and includes: (a) real estate properties (buildings/dwellings besides the current residence or any residential land exceeding 1 000 sq metres in urban areas and 2 000 sq metres in rural areas), (b) any motor vehicles less than 10 years old, except for those adapted to certain disabilities and those used by persons living in difficult-to-access areas, (c) tractors, boats, and any motorised equipment not considered a

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<sup>1</sup> Professional assessment of the household living conditions, conducted by social workers.

transportation necessity, (d) savings accounts holding over RON 3 000 (EUR 606), and (e) agricultural land or livestock with a net production value per year that exceeds EUR 1 000 for a single person or EUR 2 500 for a family. This last category is implemented by local councils in accordance with the local type of agriculture and livestock production capacity.

Social inquiries are carried out as part of the initial eligibility assessment procedure, and are reviewed at least once every six months thereafter as part of the monitoring process. These inquiries are carried out by a social worker or a person responsible for social assistance and are based on a questionnaire to collect information on income, housing, children's school attendance, educational attainment level and employment status of adults in the household, goods and access to utilities, health status and healthcare, and disability or other temporary work incapacity (last amended in 2017 by GD 559/2017).

**Benefit level.** The benefit level for GMI is calculated as the difference between the family's net income and the threshold set for the family, based on number of family members.

The FSA is a fixed amount per month, according to the family income bracket, type of family, and number of children (see Table 3 in the Annex).

HA levels differ according to family income brackets and the type of fuel used (see Table 4 in the Annex). From November 2021, the new Law on vulnerable energy consumers has brought three important changes: (a) it simplifies the way benefits are calculated by using the same 10 income brackets for all types of fuel/energy sources and calculating the benefit levels as a proportion of the reference value<sup>2</sup>; (b) it does not express income brackets or benefits in terms of the SRI; and (c) it adds a benefit entitlement for all single persons/families with an income lower than the maximum income threshold - the energy supplement benefit (see Table 5). Despite redefining energy vulnerability in broader terms than low income, the new law links monetary benefits only to level of income, without considering health conditions or age.

## **1.2 Coverage**

When GMI was first introduced in Romania, the threshold was set so as to provide support for the poorest 10% of the population. Since then, the coverage of the benefit has decreased steadily, applying to less than 10% of at-risk-of-poverty (AROP) households in 2020.

In 2020, the average number of beneficiary families, including those aged 65+, was 169 600. Compared to the number of households (Eurostat data), the proportion of Romanian households covered by the GMI benefit decreased from 3.3% (14.2% of AROP households) in 2015 to 2.3% of all households (9.3% of AROP households) in 2020.

According to some studies, the coverage of the GMI scheme is low, with take-up issues relating to the stigmatisation of beneficiaries, who are seen as unworthy, unwilling to work, lazy, or involved in informal and/or illegal activities (Cernea & Vasile, 2018), (Arpinte, 2019). Low political interest in the benefit is suggested by the delays in implementing the 2016 Law on MII, the failure to update GMI thresholds for six years, and the legal amendments focusing solely on strengthening eligibility conditions. Data on take-up are not available. The last systematic analysis of the beneficiary population and vulnerable groups eligible for GMI was carried out in preparation for the National Strategy for Social Inclusion 2015-2020<sup>3</sup>.

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<sup>2</sup> Reference value is differentiated by type of heating source.

<sup>3</sup> [http://www.mmuncii.ro/j33/images/Documente/Familie/2016/SF\\_BancaMondiala\\_RO\\_web.pdf](http://www.mmuncii.ro/j33/images/Documente/Familie/2016/SF_BancaMondiala_RO_web.pdf)

A breakdown of data on the numbers of people in beneficiary families, age of adults benefitting from GMI, proportion of children among beneficiaries, and employment status of adult beneficiaries is not available. However, between 2018-2020, the average number of GMI beneficiaries checked by the regional employment offices every six months (as per the GMI legislation) varied between 11% and 14% of the total number of GMI recipients<sup>4</sup>.

Similarly, the levels of benefit and eligibility thresholds for the FSA and HA have not been updated since 2015. The proportion of households with children receiving the FSA decreased since 2011, from 11% of all households with dependent children (41% of AROP households with dependent children) to 6% in all households with children (25% of AROP households) in 2020. This is the consequence of not updating the benefit level since 2015.

### **1.3 Adequacy**

GMI benefits are calculated so as to bring the income of a family up to a minimum guaranteed level. The eligibility threshold thus provides information on the adequacy of the benefit.

The GMI eligibility threshold for a family is defined according to the number of family members, but the equivalence scale is not evidence-based<sup>5</sup>. The GMI threshold is expressed as a proportion of the SRI, which should guarantee its adequacy. However, the value of the SRI has not been updated since 2008, compromising the relationship of GMI thresholds to the minimum levels of work-related incomes. The GMI threshold has been updated only occasionally, and the updating has represented a change of the formula (i.e. a change in the proportion of the SRI) (see Table 2 in the Annex).

Between 2014 and 2021, the level of the GMI threshold was not updated, instead retaining a constant nominal value. Meanwhile, the minimum wage increased by more than 200% and the minimum pension benefit doubled between 2015 and 2020. The value of the GMI threshold for a single person depreciated, from 24% of the minimum net salary in 2012 to 10.2% in 2021. As a percentage of the AROP threshold, the GMI threshold decreased by 50% over the period 2014-2020, from 29% to 14%. The number of beneficiaries increased slightly since 2015, due to the increase in the eligibility threshold, yet the numbers of beneficiary families/individuals<sup>6</sup> decreased by 31%.

The situation of GMI recipients, particularly their financial means, is reviewed every six months, and changes in income must be reported within 30 days. The adequacy of the benefit is less threatened by faulty implementation of the law, and more by the way the eligibility threshold and SRI are set and updated. According to Law No. 225/2021, from March 2022, the SRI will be updated annually to reflect the inflation rate. While a transparent mechanism to update social benefits was much needed, updating social assistance benefits with the inflation rate will not provide an adequate link between these benefits and increases in the statutory minimum wage or minimum social pensions.

The GMI does not represent an effective means of combating poverty, due to its very low level. Nor has the GMI scheme provided an effective path to entering the labour market for those with limited employability or the long-term unemployed.

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<sup>4</sup> Proportion approximated based on the number of persons registered at the employment offices for GMI, provided quarterly by the MLSP (Statistical Bulletin on Unemployment) and the number of households receiving the benefit (in the absence of the information on the number of working-age adults).

<sup>5</sup> The MLSP did not provide any reasoning for the adoption of this particular equivalence scale as part of the substantiation of the Law on GMI or MII.

<sup>6</sup> Number of persons covered by the benefit is not publicly available.

One advantage to being a GMI beneficiary in the last six years was coverage by healthcare insurance. This is important, as not all those not in employment are covered by health insurance - coverage applies only to those who previously contributed to the social insurance system or to new graduates<sup>7</sup>. In addition, the State budget covers contributions to compulsory home insurance for GMI recipients who own their own home.

#### **1.4 Links with other benefits**

The GMI benefit is conditional on proven willingness to work (registering as unemployed for those out of work, accepting school/vocational programmes proposed by the employment office, and not rejecting any job offer) and community work. By design, the scheme is linked to employment strategies and activation policies. GMI beneficiaries who are of working age, not in employment, and fit to work<sup>8</sup> are required to register as unemployed<sup>9</sup>. Employment offices provide activation programmes targeting beneficiaries with low employability, as well as the long-term unemployed.

The effectiveness of these programmes is low, and data show a constant increase in the proportion of (very) long-term unemployed over the last 10 years. Cooperation between local authorities supervising current GMI beneficiaries and employment offices is mostly limited to exchange of administrative information. Mainstreaming integrated community-based social services<sup>10</sup> will strengthen the link between the GMI scheme and employment programmes. Finally, in September 2021, the government adopted an emergency ordinance (GEO 101/2021), which stipulates that GMI beneficiaries could continue to receive the GMI benefit for six months after becoming employed. The GEO also stipulates that Second Chance programmes will be offered to all GMI beneficiaries who are unemployed and have less than lower secondary education. The legislative measure is the result of a 2020 study by the National Social Inspection and Payment Agency, on the implementation of the GMI scheme and the identification of measures to increase employability among GMI beneficiaries<sup>11</sup>.

GMI beneficiaries are entitled to receive family support allowance (for beneficiary families with dependent children) and seasonal HA. The three schemes are interconnected, although the eligibility thresholds vary, with the lowest threshold for the GMI benefit and the highest for seasonal HA. As the three schemes use similar methodologies for means testing/income testing, they will be integrated into a single scheme – the minimum inclusion benefit - from September 2023<sup>12</sup>.

Finally, all social benefits for which eligibility thresholds or benefit levels are expressed in terms of the SRI are interconnected. Currently, most social assistance and family benefits are expressed in terms of SRI, except for the universal child allowance and,

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<sup>7</sup> Unregistered unemployed, occasional workers or self-employed are not automatically covered by health insurance, although they can choose to enrol.

<sup>8</sup> Unfit to work: those with a temporary invalidity, persons with certain disabilities, or those parenting children under the age of seven years.

<sup>9</sup> The proportion of those who register as unemployed and receive GMI is quite low (about 13% of the recipients during 2019 and 2020). In the absence of publicly available data on total number of working-age adults and registered unemployed in households of GMI recipients, the estimation is based on data provided by the unemployment offices on the number of unemployed GMI recipients who registered with the employment offices, and the number of recipients.

<sup>10</sup> Integrated community services are being piloted in 139 communities, but the mainstreaming of the programme has been delayed due to the COVID-19 pandemic (<http://serviciicomunitare.ro>).

<sup>11</sup> <https://www.mmanpis.ro/wp-content/uploads/2021/04/Raport-privind-Campania-nationala-de-verificare-a-stabilitatii-si-acordarii-ajutorului-social-si-pentru-identificarea-masurilor-de-crestere-a-ocuparii-persoanelor-aptede-munca.pdf>

<sup>12</sup> According to GEO 130/2021, implementation of the Law on MII has been postponed for the fourth time and is expected to take effect in September 2023.

more recently, energy benefits (including seasonal HA) for vulnerable energy consumers (Law No. 226/2021).

The GMI scheme has two major weaknesses. Firstly, it fails to link with labour market integration of the most vulnerable category of low-income working-age adults, and secondly, its adequacy is low, due to its low level and failure to update eligibility thresholds. In the absence of well-established community-level integrated social assistance services, the GMI scheme fails to provide sufficient incentives to promote and stimulate adequate social integration of low-income and marginalised households. Some conditionalities that are already embedded in GMI schemes and in other minimum income schemes (e.g. school attendance of children in FSA beneficiary families) would be more effective if augmented by appropriate social assistance services.

### **1.5 MII: a forthcoming integrated benefit**

In October 2016, Law No. 196/2016 was passed, replacing the three main means-tested benefits (GMI, FSA and HA) with a single, unifying benefit: minimum inclusion income (MII). Implementation of the Law has been postponed several times and is now expected to take effect in September 2023 (GEO 130/2021). To smooth the transition to the new legislative framework and to ease the implementation of the current schemes, in December 2016 GEO 93/2016 unified and standardised the eligibility testing procedures for all three benefits.

The MII is expected to better coordinate existing benefits and stimulate employment by intensifying institutional cooperation to increase effectiveness of activation measures and by reducing the marginal tax rate on low-income work. Three important changes are foreseen in the new scheme: (a) unification and simplification of means-testing procedures; (b) introduction of the provision of up to 50% deductible income from work, to stimulate formal employment; and (c) significant increase in benefit levels and eligibility thresholds (as a proportion of the SRI) to increase the adequacy of benefits and coverage among the poorest 20%. However, the design of MII embed activation policies to only a limited extent, as the law does not provide a framework for better cooperation between local authorities and county level/regional employment offices.

More emphasis on education, skill enhancement, and development of social economy structures could improve the soundness and impact of the forthcoming scheme. In 2021, the current GMI law was amended, with GEO 101/2021 requiring employment offices to cooperate with county-level school inspectorates and to prioritise the option of enrolment in a Second Chance programme for GMI beneficiaries without an education or who have not completed the lower secondary education cycle. Beneficiaries are required to enrol in education programmes offered, and local authorities must provide support if necessary.

However, since the Law on MII was passed, the design of the current GMI scheme has been changed. Unless the Law is amended to reflect the new arrangements set up for the GMI during 2019-2021, the employment offices will continue to play a rather marginal role when the Law comes into effect in September 2023.

## **2 Link with labour market activation**

The legislative framework on GMI uses work as a condition of receiving the benefit rather than as part of a strategy for social inclusion. Applicants who are out of work are required to be registered as unemployed and to check in with the regional employment office every six months (pre-2021, every three months) in order to provide proof that they did not turn down any job, training or education programme offered by the employment office. City halls are required to organise and manage community work activities and collect information from local employers on occasional work. However, the legislative design does not provide specific elements to: (a)

increase and facilitate interinstitutional cooperation between actors involved in GMI recipient support, (b) provide legal means to employment offices (e.g. amending the legislation on unemployment and employment policies) of addressing GMI recipients as a distinct vulnerable group and monitoring their outcomes, and (c) provide a legal framework for city halls to manage a workforce that is not bound by an employment contract and is required to carry out only few hours of work per month.

The legislation on employment and GMI is less empowering for the institutions tasked with jointly increasing employability and job opportunities for unemployed GMI beneficiaries. It is also punitive in respect of recipients who appear unwilling to work.

The forthcoming MII and the newly piloted community integrated social services are expected to shift the focus of activation policies towards social inclusion by providing more tools to institutions involved in activation and stimulating interinstitutional cooperation.

### **Registered unemployed and conditionalities for unemployed**

All GMI beneficiaries of working age who are deemed fit to work and are currently not in education or employment, or who do not have any dependent in care (i.e. children less than 7 years of age, or under 18 if the child has a disability or is a dependent relative) are required to register as unemployed with the county-level employment office.

If they fail to register as unemployed, the benefit is terminated or, depending on the situation, they are not considered family members for another adult in the family applying for benefit.

Those who are registered unemployed need to check-in with the employment office on request or every six months. These check-ins are intended to reaffirm their willingness to work and confirm that they did not refuse any job offer or training/educational programme. In 2021, the period for these regular check-ins was increased from three months to six months (GEO 101/2021). However, GMI beneficiaries must check-in whenever requested to do so by the employment office. The extension of the time span was justified by the increased difficulty of check-ins during the COVID-19 pandemic. The costs associated with this practice (transport, time, paperwork) are high for some beneficiaries and are unevenly distributed geographically, disadvantaging beneficiaries residing in remote or rural areas. This represents a significant cost for many GMI beneficiaries, an important proportion of whom live in rural areas (86.2% in 2016<sup>13</sup>).

Rejection of a job, training or education programme leads to termination of the benefit. Once the benefit has been terminated, the recipient can reapply only after 12 months have elapsed. During the COVID-19 pandemic, the social inquiry requirements were suspended, but the requirement to check-in with the unemployment office was maintained.

Data on the number of GMI beneficiaries required to register as unemployed are not publicly available. However, the National Employment Agency provides the number of persons who receive confirmation as part of the requirements for GMI beneficiaries<sup>14</sup>. As GMI beneficiaries are required to obtain a certificate (visa) attesting their status as unemployed and searching for work every six months, semi-annual data on the numbers requesting a certificate for GMI give a rough estimate of the number of people who are unemployed and fit to work among GMI beneficiaries. The net average beneficiaries who registered as unemployed in a six-month period in order to receive

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<sup>13</sup> According to a report of the National Payment and Social Inspection Agency, available at <https://www.mmnpis.ro/wp-content/uploads/2016/06/Raport-PR-Anexe.pdf>

<sup>14</sup> MLSP, Statistical Bulletin, Employment, Unemployment and Unemployed Social Protection, <http://mmuncii.ro/j33/index.php/ro/transparenta/statistici/buletin-statistic>

the GMI benefit during the first half of 2021 was about 49 500<sup>15</sup>. The number of adults of working age in the total GMI beneficiary population is unknown and is not disclosed in the recent thematic report of the National Agency for Social Inspection and Payment and the National Employment Agency (MLSP, 2021). The report just gives an overview of the structure of the beneficiary population based on 40 000 (of 1 766 600) beneficiary families. According to the report, 31% are single households over 65 years, 20% are single households less than 65 years, and 17.1% are single-parent households. Extrapolating to the overall beneficiary population, roughly 215 000 working-age adults benefitted from the GMI scheme in February 2021 when the study was conducted and some 23% of the adults in GMI recipient households were registered as unemployed.

The conditionality is important, as the number of actual unemployed, especially long-term unemployed (measured by survey data using the International Labour Organization (ILO) definition of unemployment<sup>16</sup>), is significantly higher than the number of registered unemployed. Unregistered unemployed are mostly occasional workers, those with no work history, or those self-employed in subsistence agriculture. These are the most vulnerable people on the labour market and increasing their employability is especially challenging. Registering with the employment office is a first step towards increasing their job opportunities.

### **Employment services and activation strategies.**

No special individualised activation plans or job integration agreements are in place for GMI beneficiaries, who receive the same treatment as any other unemployed person receiving employment services. GMI beneficiaries are not regarded as a distinct vulnerable category on the labour market. Individualised activation plans, along with an assessment of employability, are compulsory for all long-term unemployed<sup>17</sup>. Since 2017 (Law No. 250/2017 and Order of the MLSP 254/2018), employment offices are required to sign a labour market integration agreement with all long-term unemployed who do not fall under the incidence of the youth guarantee, within 18 months of their registration as unemployed. Activation measures covered by the agreement are: (a) information and professional counselling, (b) mediation services, (c) vocational training, (d) assessment and certification of professional competencies acquired by other than formal means, and (e) counselling and assistance for starting an independent activity or business. The Law states that agreements must define a specific time span, according to the identified needs of the recipient and the activation services proposed.

These services are provided by public employment offices and by private accredited providers. In 2020, according to the National Register for Employment Service Providers, 53 private providers were accredited for either information and counselling services or mediation services, with 21 providers accredited for both<sup>18</sup>. The accreditation methodology does not consider the caseload for activation, nor does it impose specific requirements to organise employment services.

The Law does not specify any social inclusion measures beyond those on labour market integration. From September 2021 (GEO 101/2021), however, it will regulate the common issue of incompleteness of lower secondary education. A 2018 study

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<sup>15</sup> Quarterly number of unemployed people requesting a GMI proof, minus those exiting the unemployment system due to not showing up for the visa, according to the statistical bulletins on Employment and Unemployment, MLSP, Table 10 (<http://mmuncii.ro/j33/index.php/ro/transparenta/statistici/buletin-statistic>).

<sup>16</sup> Data provided by the National Institute for Statistics, TEMPO-online database.

<sup>17</sup> A social integration contract is offered only to young people exiting childcare institutions, and these contracts also require in-work accompaniment services.

<sup>18</sup> <https://www.anofm.ro/upload/2997/2020.pdf>



(Cernea & Vasile, 2018) showed that 85% of adult GMI beneficiaries had not completed lower secondary education, while 48% have not completed primary education. From November 2021, employment offices must cooperate with county-level school inspectorates to provide opportunities to GMI beneficiaries who have not completed lower secondary education. In turn, the GMI beneficiaries are not allowed to reject the offers without losing their benefit. This is an important amendment, as those with less than lower secondary education level cannot certify their non-formally acquired skills and competencies or enter any form of professional/vocational training programme. GMI beneficiaries finding themselves in this situation will be helped (indeed required) to enter the Second Chance programme. GEO 101/2021 explicitly sets out the basis for cooperation between employment offices and county-level school inspectorates.

In order to encourage work, the scheme (a) rewards formal employment (based on individual employment contracts) of any beneficiary by adding 15% to the GMI benefit to which the recipient/family is entitled, and (b) does not consider, when assessing eligibility, income from occasional work activities (as defined by the Law on Day Labourers). From November 2021, beneficiaries taking up employment will continue to be granted the benefit for an additional six months.

A series of employer benefits also seeks to stimulate the employment of various vulnerable categories, along with benefits for those taking up employment. These do not directly target GMI beneficiaries, although they are similarly entitled to them (see Table 8 in the Annex).

### **Community work and take-up of occasional work**

GMI beneficiaries of working age, who are fit-to-work and unemployed are required to carry out a certain number of hours of community work, depending on the level of benefit received. The calculation considers the payment per hour, in accordance with the national statutory minimum wage. Community work hours are transferable between unemployed working-age adults within the same family who are fit to work. Mayors are responsible for developing an action plan for community work activities. However, this aims to discourage the informally employed from applying for GMI benefit, rather than targeting social inclusion of the unemployed. Its definition makes community work a punitive rather than empowering means of labour market integration.

Since 2018, mayors are required to develop an overview of all occasional work opportunities, in collaboration with local employers. GMI beneficiaries are not allowed to refuse offers of occasional work without losing their entitlement to the GMI.

### **Taking up work and benefit tapering**

Until recently, entering the labour market was usually accompanied by exiting the GMI scheme, as even a minimum salary would lead to an increase in net income that made most families ineligible for benefit. GEO 101/2021 stipulates that, from November 2021, an unemployed beneficiary who signs an individual work contract for at least 24 months can continue to claim 100% of the GMI benefit for the following six months. The amendment was the result of an analysis of the employment services offered to GMI beneficiaries, particularly their impact on the employability of GMI beneficiaries and incentivising employment<sup>19</sup>. Although the analysis brought new insight, it omitted several aspects that could provide a thorough understanding of the employment status of GMI beneficiaries.

### **Institutional cooperation**

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<sup>19</sup> <https://www.mmanpis.ro/wp-content/uploads/2021/04/Raport-privind-Campania-nationala-de-verificare-a-stabilitatii-si-acordarii-ajutorului-social-si-pentru-identificarea-masurilor-de-crestere-a-ocuparii-persoanelor-apte-de-munca.pdf>



Activation and employment stimulation strategies embedded in the GMI scheme require a certain level of interinstitutional cooperation between:

City hall (local, decentralised authorities), the county level/regional unemployment offices and county-level agencies for social inspection and payments. This cooperation refers to the exchange of information on beneficiaries and their employment/entitlement status;

City hall and local entrepreneurs/employers, to develop a meaningful community work plan and opportunities for occasional work for GMI beneficiaries;

County level/regional employment offices and county-level school inspectorates, on the organisation of Second Chance programmes and their demand;

County level/regional employment offices and employers/accredited training providers for exchange of information on training/job demands/ opportunities and apprenticeship opportunities.

However, activation plans and agreements do not involve any cooperation requirements between different institutions. As community integrated services are emerging (still at pilot stage), these could be mainstreamed if the legislation on activation and GMI was amended to facilitate interinstitutional cooperation.

### **Sanctions**

Failing to comply with employment-related measures leads to suspension and/or termination of the entitlement. If beneficiaries fail to obtain their visa within six months of approval or from their last check-in, they will be temporarily suspended for a 30-day period. Further failure to comply means they are cut from the benefit, or cut off as a family member. This also holds true for the requirements to carry out community work and to take-up any occasional work offered.

Any refusal to take up a training programme, educational programme (Second Chance programme) or any job offer made by employment services leads to benefit termination, and the person cannot reapply until 12 months have elapsed.

### **Impact of activation services on GMI beneficiaries**

Few studies have been carried out to explore and assess the relationship between the GMI and employment measures. A study published in 2018 (Cerneș & Vasile, 2018) emphasised the general myths shaping public opinion on GMI beneficiaries and the negative impact of the mass media discourse on the legislative process for the GMI (transforming activation policies into punitive instruments). The image of unworthy (mostly Roma) beneficiaries, who are not willing to work and are simply fooling the State to obtain benefits to which they are not really entitled, is widespread and populates public and political debate and discourse (Raț, 2011). This discourse is somewhat supported by the lack of data on the employment status of beneficiaries and their participation in employment programmes. The study found that, in 2016, less than 1% of GMI beneficiaries refused a job and more than 90% were never offered a job. This suggests a rather low institutional capacity among the PES to provide work opportunities or other skill-enhancing programmes, especially to the rural unemployed (Vasile and Dohotaru, 2018; Țoc and Buligescu, 2020). This is a structural challenge of active labour market policies (ALMPs) in Romania.

In February 2021, for the first time, the National Agency for Social Inspection and Payments (*Agencia Națională pentru Plăți și Inspectie Socială*, ANPIS) and National Agency for Employment of the Labour Force (*Agencia Națională pentru Ocuparea Forței de Muncă*, ANOFM) carried out a joint assessment of the way GMI entitlement is established in fact and of the employment measures available to non-working GMI beneficiaries. While the thematic report (*Ministerul Muncii și Protecției Sociale*, ANPIS/AJPIS, ANOFM/AJOFM, 2021) did not identify the exact number of GMI beneficiaries registered as unemployed, or the services provided through labour

market integration agreements, it tackles the issue of all working-age beneficiaries, not only those who are required to register with the employment offices (single parents of children under seven years, persons with disabilities, work capacity, employability, willingness to work, etc.). The study concluded that the ineffectiveness of employment programmes for GMI beneficiaries stems primarily from the high proportion of working-age beneficiaries (a) with at most primary or no education and (b) aged over 50 years, with a series of health problems. The assessment could prompt a useful rethink of the social and labour market integration of GMI beneficiaries, and the study itself highlights the need to develop integrated community services (see Table 9 in the Annex).

### **3 Link to social services and integrated provision of targeted social services**

Needs assessment and social services for the GMI

Currently, assessments of GMI applications are based on the social inquiry (GD 50/2011, with subsequent amendments), which collects information on: income by source, composition of the family, employment status, presence of certified disabilities, assets, housing characteristics and heating sources. GMI beneficiaries are assessed regularly, at least every six months or whenever needed (Law No. 416/2001). The purpose of the social inquiry is to assess eligibility for GMI benefits, thus it revolves around eligibility criteria, with health, housing, employment and work capacity-related aspects only secondary. The social inquiry is conducted by social workers within the social assistance departments (SPASs) of city halls, or by an employee of the city hall in charge of the social benefits, where SPASs do not exist<sup>20</sup>. The thematic report of ANPIS (*Ministerul Muncii și Protecției Sociale*, ANPIS/AJPIS, ANOFM/AJOFM, 2021) showed the shortage of social assistance and social work professionals at local level, with a significant proportion of city halls without any specialised personnel, especially in rural areas. Many of the needs of GMI are overlooked, such as the need for specialised services to accompany efforts to increase employability of working-age adults, and counselling on other rights and access to social benefits and services. The take-up of the benefit is affected by the lack of expertise to counsel vulnerable groups about their entitlements (see Table 9 in the Annex). During the COVID-19 state of emergency, no social inquiries were carried out, impacting the most vulnerable groups.

Law No. 196/2016 on MII (expected to take effect in September 2023) stipulates a more integrated assessment and intervention strategy, with community-level integration of personalised employment and activation intervention plans and social assistance services. However, this requires the piloted integrated community services to be mainstreamed.

Romania started putting in place a legislative framework for integrated community services in 2015, with the National Strategies on Poverty Reduction and Promotion of Social Inclusion 2015-2020. A first pilot project on a minimum basic social services package for children and families with children was carried out by the United Nations Children's Fund (UNICEF) during 2014-2018. Legislation was put in place to regulate the activity of community nurses (GEO 18/2007, GD 324/2019) and set up quality standards for integrated community services (Order of the MLSP 29/2019).

Integrated community services are intended to identify social cases, conduct extensive and multidisciplinary needs assessment, and help individuals/families to access the services to which they are entitled and/or which do meet their needs (e.g. through individualised action plans). The multidimensional assessment includes an evaluation

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<sup>20</sup> Not all city halls can afford to set up a public social assistance service.

of financial and material means, educational needs and gaps, health status (including chronic health issues and preventable health issues), employment status, employability and activation requirements, and housing. Needs assessment, along with all preventive services and intervention plans, are under the responsibility of a multidisciplinary team comprising at least one social worker, a school counsellor, a health mediator, a school mediator (if necessary) and a community nurse. Local multidisciplinary teams cooperate with the county-level/regional public employment offices, other private employment service providers, and specialised social assistance services at regional/county level. A county-level support and supervision unit (*Unitate Judeţeană de Suport şi Supervizare, UJSS*) is established at the social assistance directorates (decentralised county-level services). This unit signs a supervision contract with the community level multidisciplinary team members<sup>21</sup>.

A survey carried out by ANPIS on 2 095 community social workers found that information and counselling activities are perceived as a priority for vulnerable segments, followed by actual social services such as in-home care, social canteens, and day centres (*Ministerul Muncii şi Protecţiei Sociale, ANPIS/AJPIS, ANOFM/AJOFM, 2021*).

The provision of the first integrated community level services started as a European-funded pilot project in 2017 and was implemented only in 2018. Its first objective was to put in place (a) 40 county-level interdisciplinary teams to coordinate the teams providing the community integrated services, and (b) 139 local teams in rural and small urban communities with above-average and severe marginalisation. In April 2021, only 17 out of the 40 counties had a full coordination team in place, while 23 lacked an expert on social services. Of the 139 communities in the pilot, 3% had no team in place whatsoever. 126 communities hired a community nurse, and 87 communities benefitted from the services of a school counsellor. Only 48 communities (35% of the target) had a social worker. Overall, a school mediator for the Roma population was hired in 74 communities, but only 10 communities had a health mediator for the Roma population<sup>22</sup>.

#### Administrative procedures for service provision

There is no social integration agreement or action plan in place for GMI beneficiaries. A contract has been put in place between providers of integrated community services and vulnerable families<sup>23</sup>, yet the practice has not been mainstreamed, as integrated community services have been slow to emerge.

The services through these social integration agreements relate to (a) preventive social assistance, (b) preventive healthcare, (c) stimulating early childhood education and school attendance, (d) housing, (e) employment, and (f) legalising documents on housing, guardianship, etc. The assistance provided falls within one of the following categories: identification of needs, prevention, information, monitoring, referral to specialised services, assisting beneficiaries in applying for benefits, obtaining legal documents, or accessing specialised social services. The contract imposes certain responsibilities on the beneficiaries, such as sending children to school (if appropriate transportation means are provided by local authorities due to the intervention of the team) and attending all appointments mediated by the team with different service providers. These are explicitly stated in the contract and failure to comply leads to termination of the contract. Targeted services are generally provided in the larger cities that have higher administrative and financial capacity, but are rather ad hoc and based on availability.

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<sup>21</sup> <http://serviciicomunitare.ro/metodologii>

<sup>22</sup> <http://serviciicomunitare.ro/evenimente/eveniment-33>

<sup>23</sup> *Contract pentru acordarea serviciilor comunitare integrate pentru combaterea sărăciei şi excluziunii sociale prin intermediul Serviciului de Asistenţă Comunitară din cadrul Serviciului Public de Asistenţă Socială*, <http://serviciicomunitare.ro/metodologii>

Article 122 of the Social Assistance Law stipulates that the identification and assessment of individual, family or group needs, and the subsequent development of intervention plans must be carried out by social workers, and the caseload per social worker cannot exceed 300 beneficiaries. However, an ANPIS assessment of the services provided to the GMI beneficiaries at local level revealed a shortage of social workers and an excessive workload (*Ministerul Muncii și Protecției Sociale*, ANPIS/AJPIS, ANOFM/AJOFM, 2021) (see Table 9 in the Annex).

The shortage of professionals was one of the main issues faced by the UNICEF pilot project in Bacău county between 2014 and 2018 (UNICEF, 2019). Even though salaries for the members of the multidisciplinary team providing the integrated services were supported by the project, hiring, and retaining social workers has been a challenge.

#### Use of specialised social services by GMI beneficiaries

Local authorities are responsible for the provision of preventive social services, while specialised social services are usually provided regionally or at county level, and are available in the county residence city or in larger cities. Support services at local level are provided – if at all – only to older people in the form of in-home care. Small administrative-territorial units struggle to provide even basic preventive services. In theory, the social inquiry to assess the situation of GMI applicants/beneficiaries should assess both the financial and material situation of the household and identify the specific needs of the family members. The social worker carrying out the inquiry is also the person who should refer people to the specialised services they need. In practice, however, needs assessment is dissociated from financial/material assessment and no data are available on how many GMI beneficiaries access specialised social assistance services. Social inquiries assessing vulnerable GMI beneficiary households do not collect any specific information on the use of specialised services, and in many cases fail to identify individual needs requiring specialist intervention.

The demand for specialised or targeted social services outstrips supply. While no specific disincentives to take up these services are embedded in the GMI scheme, accessing these services is associated with high costs for the beneficiary (usually transport/accommodation costs) and often renders them unaffordable. Unevenly distributed costs of accessing specialised services, along with a scarcity of services, leads to low coverage with low take-up by GMI beneficiaries (see Table 9 in the Annex).

## **4 Governance mechanisms**

### Institutional arrangements and delegation/cooperation structures

The GMI scheme is a national benefit, managed and implemented by local authorities and financially supported from the State budget (see Figure 4).

At national level, the MLPS is responsible for the design of the GMI scheme, organisation of the social/employment services in the scheme, monitoring and assessing implementation, and handing out payments. It discharges this responsibility through (a) the Directorate for Policies and Social Benefits (*Direcția Politici și Beneficii Sociale*), (b) the Directorate for Social Services (*Direcția Servicii Sociale*), (c) the ANPIS, and (d) the ANOPFM.

The Directorates are responsible for the design of the scheme, particularly the services associated with the GMI benefit. The ANPIS administers the database of the beneficiaries, controls/monitors and assesses the implementation of the scheme and adjacent services (social inspection), and manages payments. The ANOFM is in charge of the employment/activation measures for GMI beneficiaries and also manages the database of GMI beneficiaries registered as unemployed.

#### County/regional level

Much of the GMI scheme is administered at county/regional level. Benefit payments are processed, social services are monitored/assessed/inspected, and employment services are provided by the county-level devolved organisations of the ANPIS and ANOFM (AJPISS and AJOFMs).

#### Local level

Eligibility testing, calculation of benefits and any additional needs assessment are done by local authorities and SPASs, and will soon be undertaken by community integrated services. Social services are organised and financed (with some exceptions, such as the salaries of the community integrated team) by local authorities and decentralised bodies (with local budgets). Local social services cooperate and receive support from county-level social assistance services ( *Direcțiile Generale de Asistență Socială și Protecție a Copilului*, DGASPC). The latter are in charge of specialised social assistance services. The soon-to-be-mainstreamed community integrated services are established by city halls and are under the supervision of a county-level unit, the UJSS. The latter is accountable to a series of county-level organisations, some decentralised (DGASPC) and others devolved (AJPIIS, CJRAE<sup>24</sup>, DJSP<sup>25</sup>). The social inquiry to assess eligibility for all three means-tested benefits (GMI, FSA, HA) is carried out by a social worker (or equivalent) within the SPAS, or, if there is no SPAS, then within the city hall department in charge of social benefits.

#### Cooperation between local and county level institutions

The mayor signs the GMI decision, and the benefit level is calculated accordingly. By the fifth of each month, the mayor must send several documents to the AJPIIS: (a) all documents for newly approved applications, (b) the situation of all beneficiaries and the benefits to be paid, (c) the monthly activity plan for community work, (d) the list of people who are fit to work in the beneficiary families.

Within five days of receiving that information, AJPIIS communicates the situation of those fit to work to the AJOFMs and the territorial work inspection offices. Within five days, they return the employment status of those fit to work, including whether the latter signed an individual work contract, left to work abroad, rejected participation in a training/vocational programme, or refused a job offer. A similar communication is stipulated between AJOFMs and school inspectorates for beneficiaries with an educational attainment level below lower secondary education. Collaboration formalities are based on a protocol signed between the ANPIS and ANOFM/work inspectorate/school inspectorates. This procedure ensures that the employment status of GMI beneficiaries fit to work is verified monthly.

Any changes in the situation of the beneficiary family – notified by the county-level employment offices or beneficiaries (within 15 days) – is reported by the mayor's office to the AJPIIS. The director of the AJPIIS signs a decision and communicates the decision to the beneficiary within 30 days.

The payment of benefits and monitoring of implementation by the ANPIS has improved communication between employment offices and local authorities, although this remains limited to the exchange of information.

#### Monitoring practices

Monitoring is embedded in the information exchange between city halls and AJPISSs, AJPISSs and AJOFMs, AJPISSs and work inspectorates, and AJOFMs and school

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<sup>24</sup> County Centre for Resources and Assistance in Education (*Centrul Județean de Resurse și Asistență în Educație*), under the authority of the Ministry of Education.

<sup>25</sup> County Directorates for Public Health ( *Direcțiile Județene de Sănătate Publică*), under the authority of the Ministry of Health.

inspectorates. The information exchanged relates to the conditions that would lead to the termination of the GMI benefit, but does not include any indicator of the effectiveness of employment programmes or activation measures. This means that it is only possible to monitor the type of employment services provided to GMI beneficiaries. The AJPIs also conduct regular spot checks of the implementation process and monitor accredited local social assistance services involved in providing the benefit. Local authorities (the mayor's office that signs the decisions, and the local public social assistance services handling the applications) are also inspected for irregularities, with the possibility of another social inquiry being carried out, under the supervision of a social inspector.

#### Evaluations

The only regular evaluation carried out is embedded in the AJPIs cross-checking the documentation sent by the mayor's office. If irregular situations or legal infringements are identified, the director of the AJPIs can ask the mayor to re-order a social inquiry or send social inspectors to assess the situation. Random inspections are usually carried out during the year, as a result of cross-checking files, complaints by different persons/institutions, or complaints by the territorial Court of Auditors. In 2020, 76% of all spot checks related to the three means-tested benefits. Of the 22% of cases of legal infringement identified (e.g., wrongful calculation of benefit level, discrepancies between social inquiry findings and the database on beneficiaries, missing information on files), almost 90% related to these three benefits (see Table 10 in the Annex).

Thematic evaluations are conducted every few years, most recently in February 2021. This evaluation of the GMI benefit was the first to explore the employment opportunities for out-of-work GMI beneficiaries (see Table 9 in the Annex). The evaluation resulted in the legislative proposal that became GEO 101/2021. One of the most important results of the evaluation was recognition that most of the fit-for-work GMI beneficiaries have a very low education level, disqualifying them from participating in any training or vocational programme, significantly reducing their chances of being offered a job, and making them ineligible for certification of any non-formally obtained vocational skills. In September 2021, GEO 101/2021 was adopted to stimulate the completion of formal education for this segment of unemployed GMI recipients.

#### Fraud monitoring and right to appeal

Fraud assessment is part of the random assessments and cross-checks conducted by AJPIs, with data published as part of the ANPIS' annual activity report. In 2020, for example, most of the cases of legal infringement identified related to beneficiaries' falsely declarations of their real income level or assets. Some of the irregularities were the result of city hall failures, such as failing to conduct a social inquiry when needed/required, or to organize/report community working hours. Proven cases of wrongdoing are sanctioned through warnings or fines, or where they are the result of the conscious behaviour of the beneficiary, excessive payments are recouped by legal means.

Law No. 554/2005, on administrative disputes, gives beneficiaries the right to appeal a decision of the AJPIs.

## **5 Impacts of MI schemes**

The three means-tested schemes were significantly redesigned in 2011 as part of social assistance reform. Amendments to the legislation aimed to (a) increase their targeting capacity and (b) reduce geographical variations arising from the discretionary power of local authorities with insufficient capacity to administer benefits properly. Since 2011, the GMI threshold level and FSA threshold/benefit level have been updated only once. The result of increasing the targeting without updating the thresholds was a sharp reduction in coverage and a serious deterioration in the

adequacy of benefits and their capacity to alleviate poverty. In 2016, new legislation was adopted that combined all three benefits into a single benefit, the MII. However, as integration of benefits requires a digitalised information system and effective community integrated social services, adoption of the law was postponed several times and is now expected to take effect in September 2023.

The design of the new MII benefit would successfully overcome some of the problems inherent in the current benefits (e.g., overlapping eligibility testing procedures, loose links between local authorities and regional/county employment offices). If the 2016 law is not amended, however, the design of the MII will continue to perpetuate three significant challenges faced by the current benefit systems: (a) weak integration of social inclusion and employment/activation services, (b) punitive rather than enabling nature of the benefit system, and (c) ineffectiveness of these benefits in addressing poverty.

Current benefits are designed to penalise low-income/poor people who are not working, as they presume a lack of willingness to work among this vulnerable segment (Cerneia & Vasile, 2018). Work and employment-stimulating measures embedded in the GMI scheme are designed to punish rather than to promote social and labour market inclusion. Firstly, in the absence of an appropriate legal framework, community work has proved overly complicated for local authorities, which have a low capacity to enforce community work activities. In addition, they face the problem of organising work activities without certainty about who will show up for work, as most beneficiaries have to carry out a very small number of hours of community work (the result of a large discrepancy between the steadily increasing national minimum salary and the frozen GMI eligibility threshold). The pitfalls of the current community work requirement result in an increased number of contraventions that are subject to administrative sanctions. Most of these contraventions target local authorities failing to provide an effective community work plan for beneficiaries. The social integration dimension of the community work system is missed entirely.

Secondly, as employment programmes revolve around mediation/information/counselling services and benefits for those taking up employment or for employers hiring unemployed people, they have been highly ineffective in targeting the most vulnerable groups. An evaluation from February 2021 found that most unemployed GMI beneficiaries have little if any education and a weak work history, putting them in the category of those with the highest degree of unemployability (*Ministerul Muncii și Protecției Sociale, ANPIS/AJPIS, ANOFM/AJOFM, 2021*). Unfortunately, no systematic (publicly available) data are available on the GMI unemployed under the guidance and responsibility of county-level employment offices. In 2021, a first thematic report on this section of the population was released by the ANPIS, but the type of data provided by the report shows a lack of experience in evaluating and monitoring employment/activation programmes. Nevertheless, the report's conclusions and recommendations were used to amend the legislation on employment stimulation measures for GMI beneficiaries. Since September 2021, GMI beneficiaries without a lower secondary education must be referred to a Second Chance programme, and employment offices must cooperate with school inspectorates to make these programmes available. For their part, GMI beneficiaries cannot refuse to take part in the Second Chance programme, if transportation is provided, without losing their benefits.

Thirdly, programmes aimed at stimulating employment (by rewarding employment or subsidising work) but without a strong emphasis on increasing employability, will remain ineffective. Many measures for stimulating employment have been adopted since 2016 but their effectiveness remains low, and very long-term unemployment becomes increasingly prevalent among the long-term unemployed.

Another important challenge faced by the GMI system is the lack of integration of employment with social assistance programmes. Social inclusion is the result of joint

programmes that tackle a multidimensional phenomenon. The lack of administrative and financial capacity within most local authorities (except in big cities) leads to under-developed community-level social assistance services and a lack of coordination between the services meant to increase access to all basic services, including education. While the Law on MII does not emphasise the need for an integrated approach, the piloted community integrated services could be a key solution, provided the current legislation is amended to reflect a shift towards an integrated approach.

Finally, adequacy is a crucial problem. Means-tested benefits are currently decoupled from any form of labour market-related income (minimum pension, minimum wage), compromising their effectiveness. During the last seven years, the minimum wage increased by 200%, and the minimum pension doubled, yet the eligibility thresholds for all means-tested benefits remained unchanged. In 2021, Law No. 225/2021 was adopted, stipulating annual adjustment of the SRI in line with inflation. The SRI is part of the legislative framework on unemployment and social protection of unemployed but has not been updated since 2008. As most social benefits - or eligibility thresholds for benefits - are expressed in terms of the SRI, updating of benefit levels has been sporadic and discretionary, and executed by a change in the formula linked to the SRI.

As yet, the Romanian Government does not have any indicators in place to measure the impact of the GMI or other means-tested benefits on poverty. Data show that poverty, especially among families with children, has increased since 2011 and peaked during 2014-2015. While there are no recent evaluations to measure the effectiveness of these benefits, the risk of poverty, especially among children, is extremely sensitive to increases in social benefits.



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## 7 Annexes

### 7.1 Tables

Table 1. Table 1

Current schemes	Future schemes (based on legislation already passed)
<i>Guaranteed Minimum Income (GMI)</i> : a social aid is granted to all single people and families with an income level below a GMI threshold	<i>Minimum Inclusion Income (MII)</i> : combining all three previously independent means-tested schemes – the GMI, FSA and HA – into a single benefit
Law 416/2001 with subsequent amendments; most recent amendments:	Law No. 196/2016 (with subsequent amendments), taking effect in September

Law No. 158/2021 and GEO 101/2021	2023 (according to GEO 130/2021)
Methodological norms: GD 50/2001 with subsequent amendments	
<i>Family Support Allowance (FSA)</i> : allowance offered to all families with an income below a certain threshold	<i>Social benefits for vulnerable energy consumers</i> : seasonal HA, supplemental benefit for energy consumption
Law No. 277/2010 with subsequent amendments	Law No. 226/2021, taking effect November 2021 (GD 1073/2021)
Methodological norms: GD 38/2011 with subsequent amendments	
<i>Seasonal Heating Aids (HA)</i> : a partial compensation of heating costs, for low-income single persons/families	
GEO 70/2011 (amended by GEO 27/2013 and GEO 208/2020)	
<i>Framework legislation:</i>	
<i>Social assistance provision framework</i> : Law No. 292/2010, amended by GEO 82/2016; Law No. 110/2017; Law No. 194/2018; Law No. 231/2020	
<i>Social protection of the unemployed and employment programmes</i> : Law No. 76/2002, with subsequent amendments	
<i>Social Reference Index (SRI)</i> : Law No. 76/2002, amended by GEO 108/2010; Law No. 225/2021	

*Table 2. Table 2 GMI threshold, last update 1 January 2014 (Law No. 416/2001)*

0.283 SRI/ single person (RON 142/month)
0.510 SRI, for a 2-person family (RON 255/month)
0.714 SRI, for a 3-person family (RON 357/month)
0.884 SRI, for a 4-person family (RON 442/month)
1.054 SRI, for a 5-person family (RON 527/month)
1.054 SRI + 0.073 SRI for any additional family member over 5 persons, for families with more than 5 family members (RON 527/month for 5 family members + RON 37/month for each additional person)

*Note: Updated October 2021.*

*Table 3. Table 3 FSA, last updated 1 January 2015 (Law No. 227/2010, last amended by GEO 65/2014)*

	Level of income	Number of children			
		1 child	2 children	3 children	4 or more children
2-parent families	Less than 0.4 SRI (RON 200)	0.164 SRI	0.328 SRI	0.492 SRI	0.656 SRI
	0.4 SRI – 1.06 SRI	0.15 SRI	0.3 SRI	0.45 SRI	0.6 SRI

(RON 201-530)					
Single-parent families	Less than 0.4 SRI (RON 200)	0.214 SRI	0.428 SRI	0.642 SRI	0.856 SRI
	0.4 SRI – 1.06 SRI (RON 201-530)	0.204 SRI	0.408 SRI	0.612 SRI	0.816 SRI

*Note: Updated October 2021.*

*Table 4. Table 4 Seasonal HA (1 November-31 March 2021), last updated 1 January 2015*

Type of fuel used for heating	Eligible income range (net/person/month)	Number of income brackets	Range of benefits
Central heating systems	0 SRI - 2.164 SRI	11	From 5% to 100% of the costs, within a consumption limit
Natural gas	0 SRI - 1.23 SRI	9	0.04 SRI – 0.524 SRI
Electricity	0 SRI - 1.23 SRI	9	0.096 SRI – 0.4808 SRI
Wood	0 SRI - 1.23 SRI	9	0.032 SRI – 0.108 SRI

*Table 5. Table 5 Seasonal HA, from 1 November 2021 (last updated September 2021, Law No. 226/2021, GD 1073/2021)*

Level of income of single person/family member (no equivalence scale used)	Benefit level, as a proportion of reference value
RON 0 -200	100%
RON 200.1 – 320	90%
RON 320.1 – 440	80%
RON 440.1 – 560	70%
RON 560.1 – 680	60%
RON 680.1 – 920	50%
RON 920.1 – 1 040	40%
RON 1 040.1 – 1 160	30%
RON 1 160.1 – 1 280	20%
RON 1 280.1 – 1 386 per family member	10%
RON 1 280.1 – 2 053 for single persons	
Reference values are updated by governmental decision and cannot be less than:	
RON 250/month for users of natural gas	
RON 500/month for users of electrical energy	
RON 320/month for users of solid fuel (wood, coal) and petroleum	
For central heating systems, a minimum number of giga calories/months is established,	

according to the type of dwelling and area

Table 6. Table 6 Supplemental energy benefit, from November 2021 (Law No. 226/2021)

Level of income of single person/family member (no equivalence scale used)	Benefit level according to the type of energy used by the household
RON 0 – 1 386 per family member	RON 30/month for electric energy
RON 0 – 2 053 for single persons	RON 10/month for natural gas
	RON 10/month for thermic energy
	RON 20/month for wood, coal or petroleum
	Or
	RON 70/month for households using exclusively electric energy, due to lack of access to other energy sources

Figure 1. Figure 1

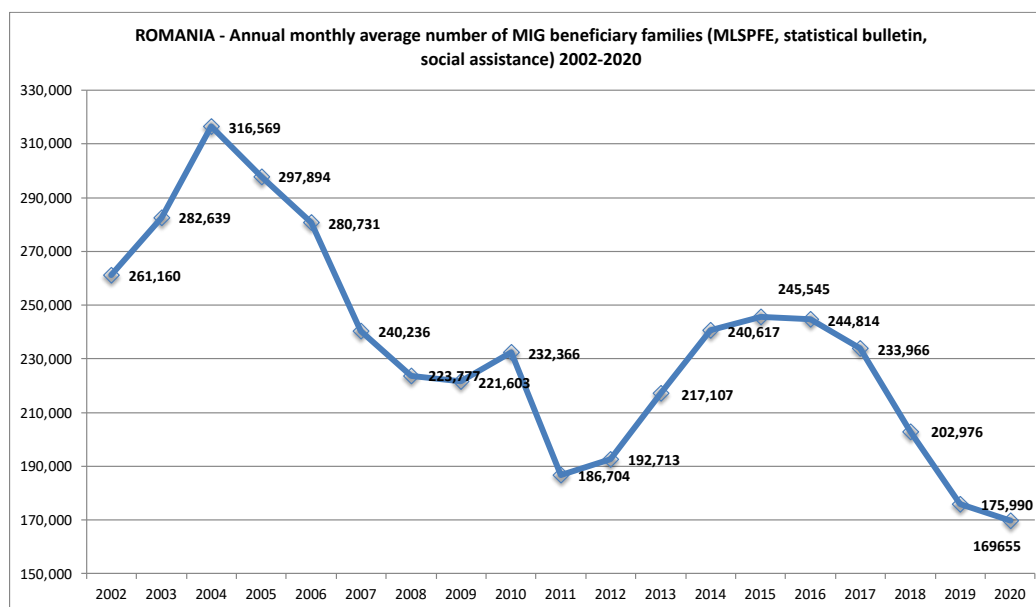


Figure 2. Figure 2

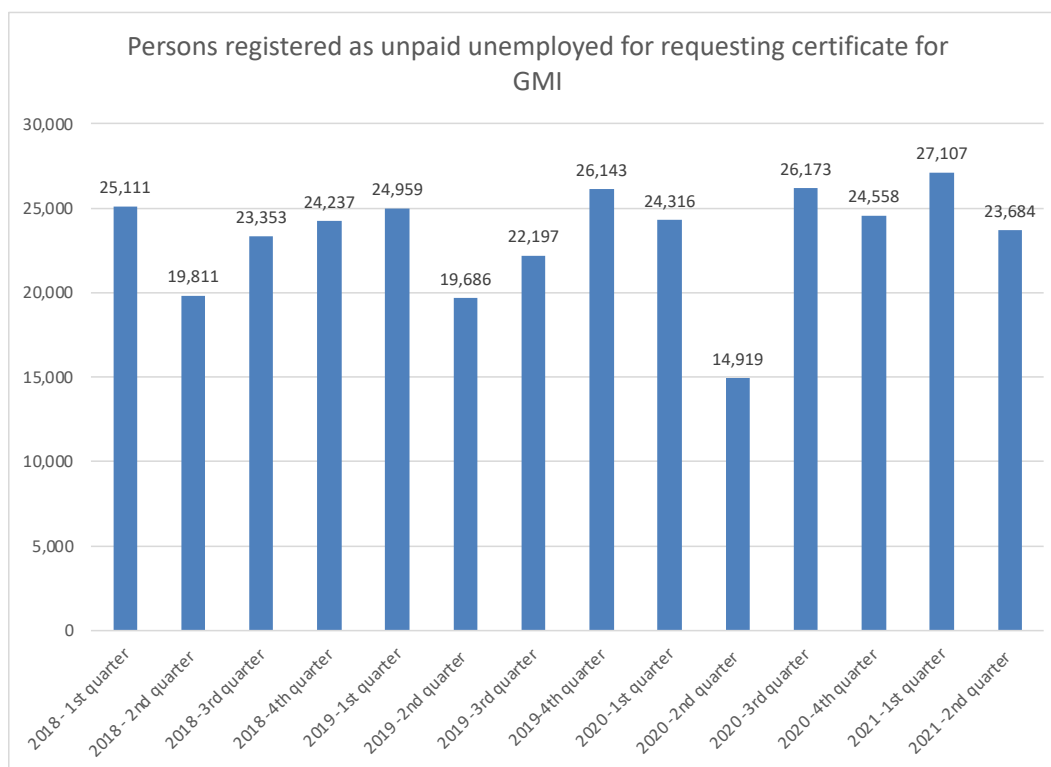


Figure 3. Figure 3

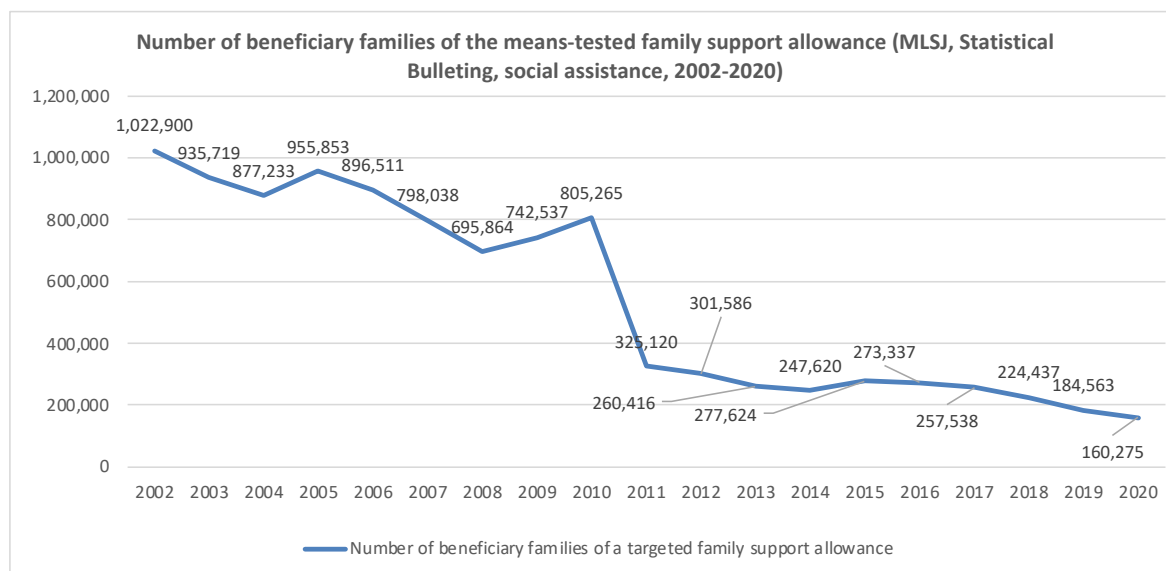


Table 7. Table 7

Entering registered unemployment	Exiting registered unemployment due to:
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	Persons registered as unpaid unemployed and requesting certificate for GMI	Absence of mandatory visa	Unjustified refusal of training programme	Refusal of a job
<b>2018 (quarterly average)</b>	<b>23 128</b>	<b>1 283</b>	<b>276</b>	<b>753</b>
Q1 2018	25 111	1 039	278	560
Q2 2018	19 811	1 333	206	668
Q3 2018	23 353	1 242	256	1 017
Q4 2018	24 237	1 517	365	765
<b>2019 (quarterly average)</b>	<b>23 469</b>	<b>777</b>	<b>95</b>	<b>384</b>
Q1 2019	24 959	934	156	684
Q2 2019	19 686	962	149	551
Q3 2019	22 197	759	148	488
Q4 2019	26 143	1 270	211	460
<b>2020 (quarterly average)</b>	<b>22 492</b>	<b>700</b>	<b>56</b>	<b>269</b>
Q1 2020	24 316	793	124	518
Q2 2020	14 919	53	6	123
Q3 2020	26 173	1 160	46	223
Q4 2020	24 558	795	49	210
<b>2021 (quarterly average)</b>	<b>25 396</b>	<b>633</b>	<b>65</b>	<b>362</b>
Q1 2021	27 107	253	39	381
Q2 2021	23 684	1 012	90	343

Table 8. Table 8

A series of benefits and subsidies are in place to stimulate geographical mobility in employment and to prompt employers to take on employees from various vulnerable groups. None of these specifically targets GMI beneficiaries.

**Subsidised work** is an important means of employing young people, single parents, older unemployed (over 45 years, or those within five years of pension age), Roma population and persons with disabilities. Two vulnerable categories have been added: young people not in employment, education, or training (NEET, recently redefined as young people between 15 and 30 years) and the long-term unemployed. Since 2018, employers are granted RON 2 250/month for 12 months for each person employed from these groups, with the condition that the employer will retain the employee for at least 18 months (reduced from two years since 2013). During the COVID-19 pandemic, work subsidies were extended to some additional groups (GEO 92/2020): (a) unemployed over 50 years old, who lost their job during the state of emergency, (b) registered unemployed between 16 and 29 years, (c) returning migrant workforce, who lost their job due to reasons outside their control. The measure primarily targets those who became unemployed during the COVID-19 state of emergency or alert.

The activation bonus (*primă de activare*) is a fixed-rate lump sum of RON 1 000 (EUR 203), granted to all registered unemployed, who do not receive any unemployment benefit and who are hired for a period of at least three months.

The mobility bonus for those taking up employment in a place more than 15 km from their home (*primă de încadrare*) is RON 0.5/km (EUR 0.1/km), but not more than RON 55/day, for 12 months after taking up employment. Those taking up employment and residence in towns/cities over 50 km from their previous residence receive a lump sum accommodation bonus (*primă de instalare*) of RON 12 500 (EUR 2 537) for single people and RON 15 500 (EUR 3 146) for families. If both spouses take up employment in a new city, they receive RON 16 000 (EUR 2 248), or RON 19 000 (EUR 3 856) if they have dependents.

A relocation bonus (*primă de relocare*) can be granted to those taking up employment in a different city to their residence and who are renting a dwelling. The relocation bonus represents 75% of the total housing costs, but not more than RON 900 (EUR 183) per month, for up to 36 months.

Table 9. Table 9

Problems identified by the February 2021 assessment and the measures taken to correct these in 1 966 of 3 181 city halls (*Ministerul Muncii și Protecției Sociale, ANPIS/AJPIS, ANOFM/AJOFM, 2021*):

	Warnings	Fines
Not carrying out social inquiries within 15 days of application	1	2
Delays in transmitting results of social inquiry by social worker/persons delegated to conduct assessment to the mayor	14	12
Not carrying out social inquiries once every six months or when needed	12	2
Not issuing mayoral decision on the application within 10 days of social inquiry	0	2
Delayed transmission of information on decisions and benefit calculation to county-level agency for social inspection and payments	4	1
Not providing adequate organisation of the community work activities	99	37

The assessment shows low capacity at the level of local administrations in the field of social assistance:

In more than half of the cases assessed, the social inquiry did not provide any information on the personal needs of the beneficiaries;

In a significant number of cases, the social inquiry was conducted without fieldwork;

A survey of 2 095 social workers in charge of GMI beneficiaries revealed that:

81% had completed tertiary education;

29% had completed tertiary education in social work;

6% had attended specialisation programmes/professional training programmes in the last

two years;

45% had additional workload, besides social assistance activities;

The legally recommended number of beneficiaries for a social worker (300, according to the Law on Social Assistance) was not respected by any of the social assistance departments examined.

**The assessment revealed the following in respect of GMI beneficiaries:**

Based on a survey of 2 095 social workers, the most pressing needs of the GMI beneficiaries that need to be addressed are: (a) the provision of counselling and information services, (b) social canteens, (c) in-home care services, (d) day centres and (e) childcare facilities;

Of 40 000 households and 100 000 beneficiaries checked, 4 145 were found to be highly vulnerable: 267 had serious medical conditions and no social protection, 15 children with health issues were not attending school, 2 901 children were not attending school or at high risk of dropout, 3 525 lived in inadequate dwellings;

The lack of social services at local level, particularly social work/social assistance professionals, especially in small or rural communities, is endemic, puts GMI beneficiaries at an even higher risk and decreases the effectiveness of the GMI scheme;

A campaign organised by the employment offices in 193 localities with 52 000 GMI beneficiary participants revealed that:

Most have an insufficient education level: the proportion without education or only with primary education among the adult beneficiaries under 50 years varied between 38% (<25 years) and 46% (40-49 years);

Low educational attainment level made it impossible to refer these GMI beneficiaries for any training programme or job;

In many rural communities, no jobs were available and the distance to a big city was a significant impediment;

Many GMI beneficiaries referred to Second Chance educational programs were not able to pursue classes, as they were usually organised in a large city some distance away;

Many of the GMI beneficiaries were over 50 years old (44% of all working-age adults) and had a series of health problems. Many applied for the GMI to avail of the healthcare insurance element.



Figure 4. Figure 4

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**National level:**

Ministry of  
Education

Ministry of  
Health

**County Level:**

COUNTY  
UNITS FOR  
SUPERVISION  
AND SUPPORT

**Regional level:**

**Local level:**

INTEGRATED COMMUNITY  
SERVICES (SCI) : COMMUNITY  
INTEGRATED TEAM (ECI)

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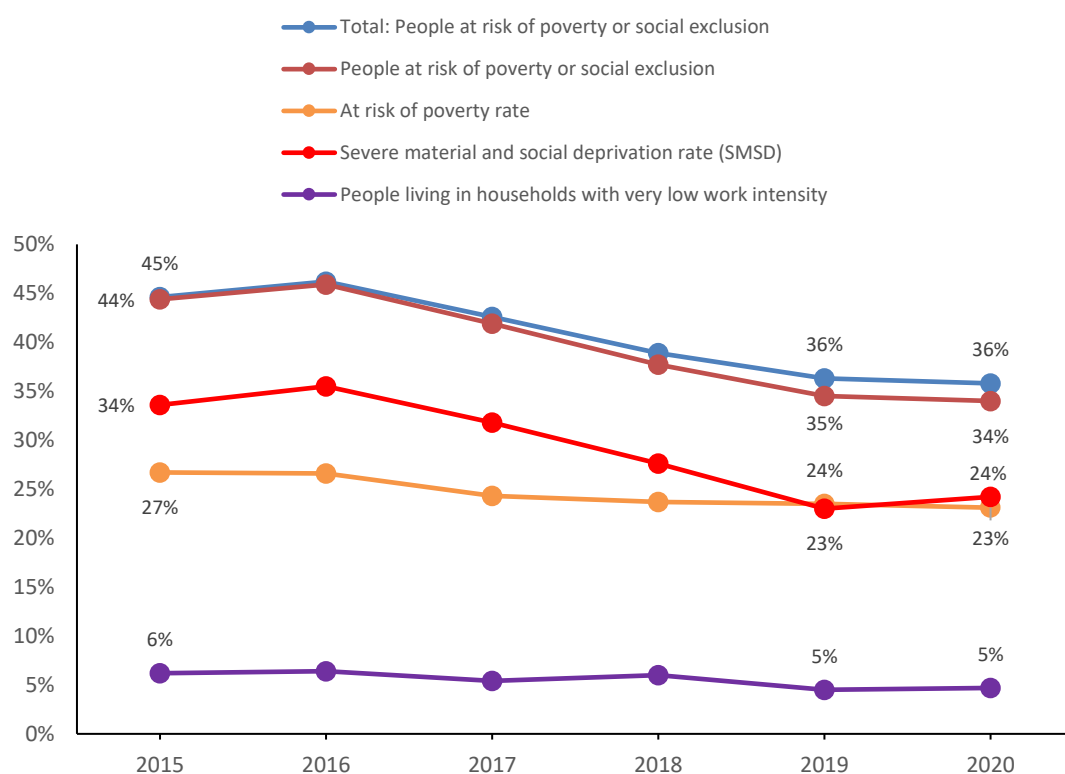
Table 10. Table 10 Results of the 2020 random inspections by AJPIS social inspectors

	GMI	FSA	HA	Total	% of files of means-tested beneficiaries of all checked files
Number of beneficiaries checked	3,792	7,240	136	14,709	76%
Number of legal trespassings identified	889	1,831	92	3,177	89%
% of the legal trespassings of the total checked files	23%	25%	68%	22%	

Source: ANPIS, annual activity report for 2020 ([https://www.mmanpis.ro/wp-content/uploads/2021/09/Raport-activitate\\_DIS\\_2020.pdf](https://www.mmanpis.ro/wp-content/uploads/2021/09/Raport-activitate_DIS_2020.pdf)).

## 7.2 AROPE indicators

Figure 5. AROPE indicator and components, Romania, 2015-2020 (%)



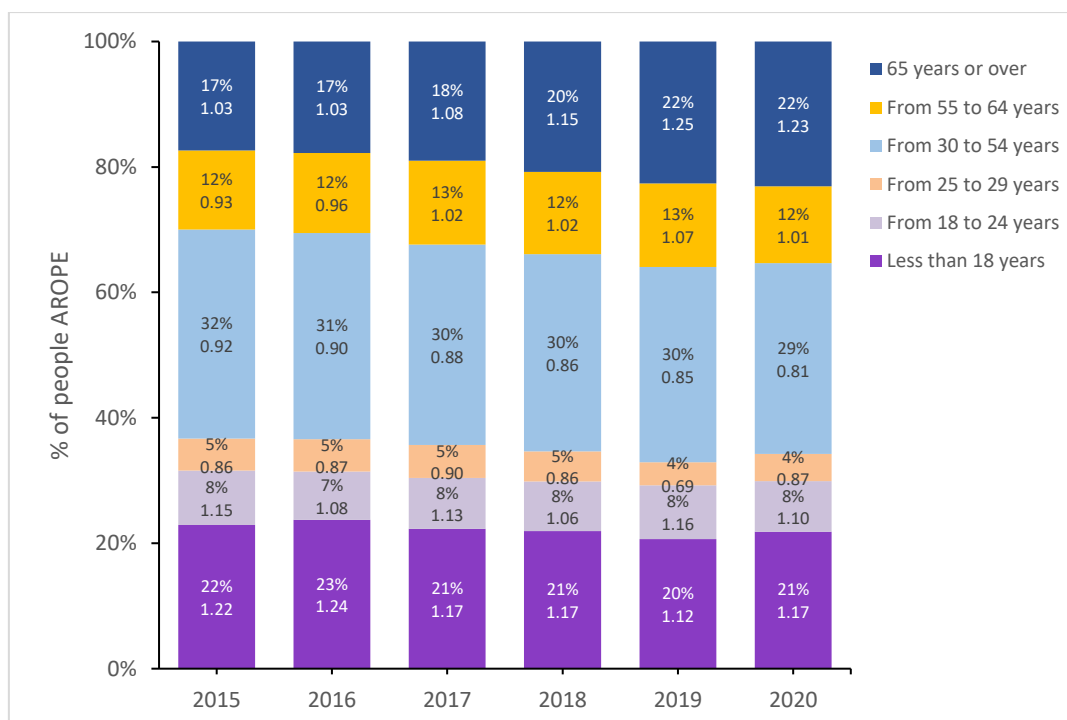
Note: The line for "Total: People at risk of poverty or social exclusion" indicates the trend for overall population, while the other lines show the figures for individuals aged 0-64.

Source: Eurostat EU-SILC indicators [ilc\_peps01n], [ilc\_li02], [ilc\_mdsc11] and [ilc\_lvhl11n]. Data downloaded on 14/02/2022.

- In 2020, the share of total population at risk of poverty or social exclusion (AROPE) in Romania stood at 35.8%, while that of those aged 0-64 was lower at 34.0%, reflecting the higher risk among older people of 65 and over. Over the period 2015-2020, the share of both those of 65 and over and those under 65 declined markedly, the latter by 10 percentage points.
- Most of the people at risk of poverty or social exclusion, 23.1 % of those aged 0-64 in 2020, had household disposable income of below 60% of the median (I.e. they were at risk of poverty), the proportion declining over the 2015-2020 period, but by less than the AROPE rate.

- Even more (over 70%) of those at risk of poverty and social exclusion were affected by severe material and social deprivation, 24.2% of those aged 0-64 in 2020, the latter proportion declining over the 2015-2020 period in line with the AROPE rate.
- Just 14% of those at risk of poverty or social exclusion lived in households with very low work intensity in 2020, 4.7% of those aged 0-64, the latter proportion declining only slightly between 2015 and 2020.

**Figure 6.** *Division of people aged 0-64 at risk of poverty or social exclusion by age group, Romania, 2015-2020 (%)*

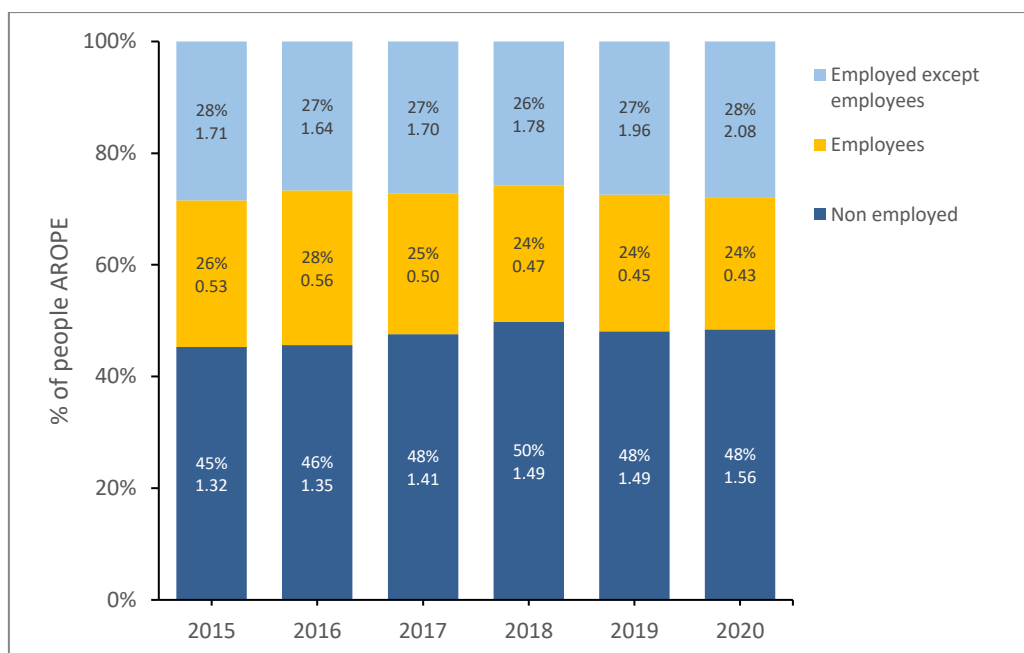


*Note: Figures below the percentage figures in the bars show the ratios of the share at risk to the share of the age group in total population, which indicate the relative likelihood of the age group being at risk*

*Source: Eurostat EU-SILC indicators [ilc\_peps01n], own calculation. Data downloaded on 14/02/2022.*

- Slightly less women than men aged 0-64 were at risk of poverty or social exclusion in 2020. Since, however, the number of women was also slightly less than men, but marginally more so, it means that women were likely to be a little more at risk than men.
- Older people aged 65 and over are more likely to be at risk of poverty or social exclusion than those younger, the likelihood tending to increase over the period 2015-2020. In the latter year, older people made up 22% of the total at risk.
- Children under 18 are also more likely to be at risk of poverty or social exclusion than average, the likelihood changing relatively little over the 2015-2020 period. In 2020, they made up 21% of the total at risk, slightly less than those aged 65 and over.
- Young people aged 18-24 are more likely to be at risk than average too, making up 8% of the total at risk in 2020.

**Figure 7.** *Division of people aged 18-64 at risk of poverty or social exclusion by most frequent economic activity status, Romania, 2015-2020 (%)*

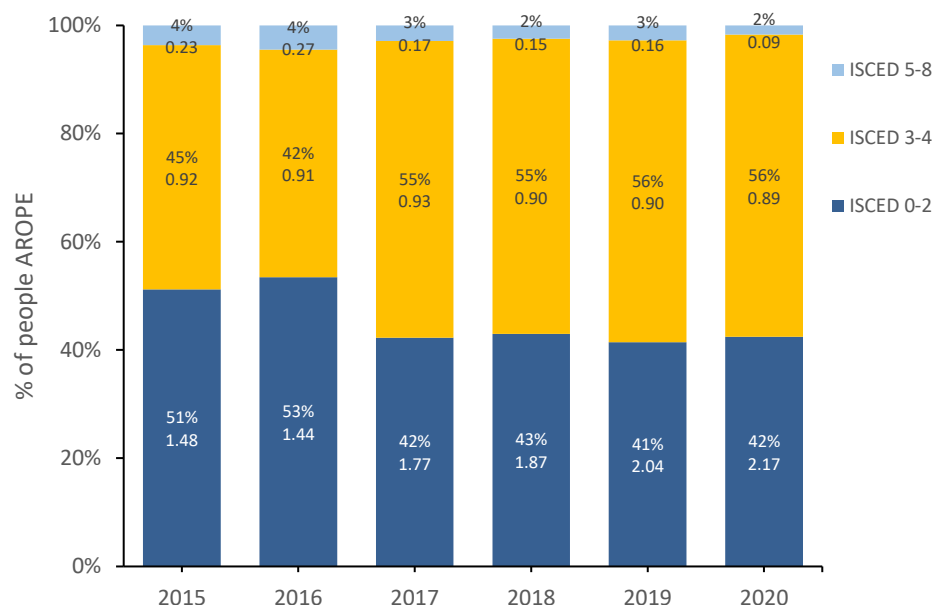


*Note: Figures below the percentage figures in the bars show the ratios of the share at risk to the share of the age group in total population, which indicate the relative likelihood of the age group being at risk*

*Source: Eurostat EU-SILC indicators [ilc\_peps02n] and [ilc\_lvhl02], own calculation. Data downloaded on 14/02/2022.*

- People of working age (18-64) not in work are much more likely to be at risk of poverty or social exclusion than those in employment, the likelihood increasing over the period 2015-2020. In the latter year, they made up just under half the total at risk.
- Among those in employment, the self-employed and family workers are even more likely to be at risk of poverty or social exclusion than the non-employed, the risk also tending to increase over the 2015-2020 period. IN 2020, they made up 28% of the total at risk, more than employees.

**Figure 8.** *Division of people aged 18-64 at risk of poverty or social exclusion by education level, Romania, 2015-2020 (%)*

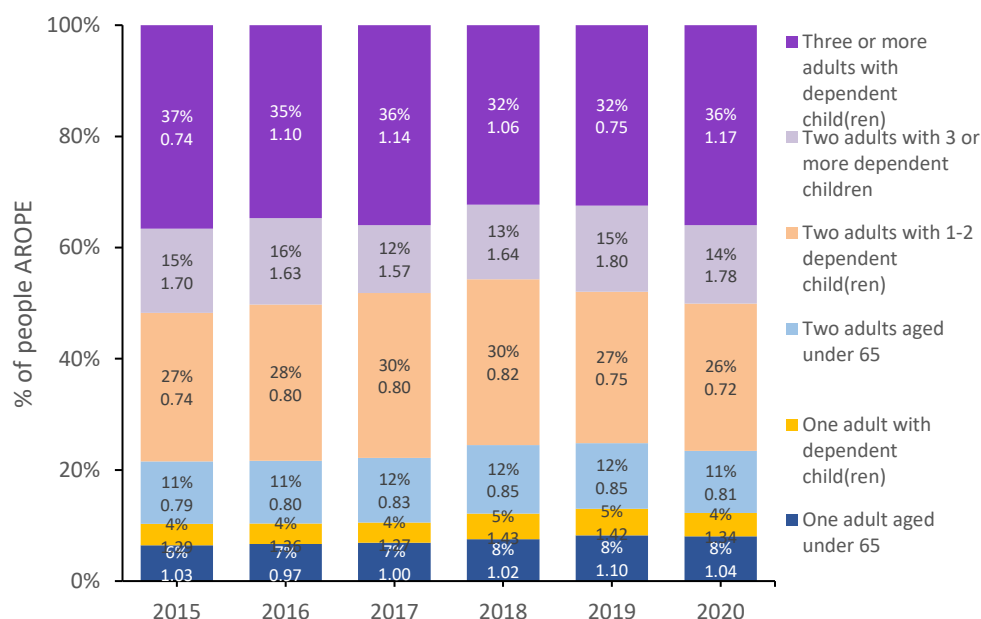


*Note: Figures below the percentage figures in the bars show the ratios of the share at risk to the share of the age group in total population, which indicate the relative likelihood of the age group being at risk*

*Source: Eurostat EU-SILC indicators [ilc\_peps04n] and [ilc\_lvps04], own calculation. Data downloaded on 14/02/2022.*

- People aged 18-64 with only basic schooling (ISCED 0-2) are considerably more likely to be at risk of poverty or social exclusion than those with higher education levels, the likelihood increasing markedly over the period 2015-2020, though their declining numbers mean that their share of the total fell over this period, to 42% in 2020.
- Those with tertiary education (ISCED 5-8) have very little likelihood of being at risk of poverty or social exclusion, these making up only 2% of the total at risk in 2020.
- Well over half (56%) of the total at risk in 2020 was, therefore made up of those with upper secondary education level (ISCED 3 and 4).

**Figure 9. Division of people at risk of poverty or social exclusion by household type, Romania, 2015-2020 (%)**



*Note: Figures below the percentage figures in the bars show the ratios of the share at risk to the share of the age group in total population, which indicate the relative likelihood of the age group being at risk.*

*Note that the chart does not include all household types. In particular, it excludes those aged under 65 living in a household with three or more adults without children, who are difficult to distinguish in the published data.*

*Source: Eurostat EU-SILC indicators [ilc\_peps03n] and [ilc\_lvps02], own calculation. Data downloaded on 14/02/2022.*

- People aged under 65 living alone with children are more likely than other household types to be at risk of poverty or social exclusion, but their relatively small numbers mean that they made up only 4% of the total at risk in 2020.
- Couples with 1-2 children are less likely to be at risk than those aged under 65 without children, the likelihood for both being well below average.
- By contrast, couples with 3 or more children are the most likely of all household types to be at risk of poverty or social exclusion, these making up 14% of the total at risk.
- Households with 3 or more adults and children were also more likely than average in 2020 to be at risk, these making up 36% of the total at risk.

*Table 11. At risk of poverty rate before and after social transfers, excluding old age benefits, for those aged 0-64, Romania, 2015-2020*

	<b>Before social transfers, excl. old-age benefits (%)</b>	<b>After social transfers (%)</b>	<b>Effect of social transfers on arpop rate (%-point change)</b>
2015	31.0	26.7	-4.3
2016	31.4	26.6	-4.8
2017	29.8	24.3	-5.5
2018	28.8	23.7	-5.1
2019	28.4	23.5	-4.9
2020	28.1	23.1	-5.0

Source: Eurostat EU-SILC indicators [ilc\_li02] and [ilc\_li10]. Data downloaded on 14/02/2022.

- Social transfers had the effect of reducing the at-risk-of-poverty (arpop) rate by only 5 percentage points in 2020, cutting the number at risk by only 18%, which is line with the relatively small effect of social benefits in the preceding 5 years.

*Table 12. At risk of poverty rate and persistent at risk of poverty rate for those aged 18-64, Romania, 2015-2020*

	<b>At risk of poverty rate (%)</b>	<b>Persistent at risk of poverty rate (%)</b>	<b>Persistent rate as % of annual rate</b>
2015	23.3	17.9	76.8
2016	23.3	18.2	78.1
2017	21.9	17.4	79.5
2018	21.2	17.5	82.5
2019	21.3	15.7	73.7
2020	21.0	15.9	75.7

Source: Eurostat EU-SILC indicators [ilc\_li02] and [ilc\_li21]. Data downloaded on 14/02/2022.

- Just over three-quarter (76%) of the people of working age (18-64) at risk of poverty in 2020 were at persistent risk, i.e. they were consistently at risk for a number of years rather than being at risk for only one year, or temporarily. This is similar to the proportion in the preceding 5 years, when in each of them the large majority of those at risk were in persistent risk.



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