



# National Human Development Report ROMANIA 2007

## Making EU Accession Work for All

**Fostering Human Development  
by Strengthening the Inclusiveness of the Labour Market**

# National Human Development Report

## A Participative Process



- Elaboration process started late 2006
- It included three stages, each followed by sessions of the National Advisory Group
- Final version, approved by the NAG delivered in late March 2007
- Statistical data provided by the National Institute for Statistics (NIS)

# National Human Development Report

## Aim and Objectives (1)



### NHDR's Principal Aim:

to analytically display Romania's achievements in terms of Human Development as it passed joined to the High Human Development group of nations, while in the meantime made its entry into the EUROPEAN UNION by:

# National Human Development Report

## Aim and Objectives (2)



- Tracing the evolutions throughout the 17 years of *Plan to Market Transition* and *EU Accession* process
- Integrating socio-economic developments into *HUMAN DEVELOPMENT*
- Integrating national developments in the wider European context
- Providing an in-depth analysis of economic and social processes and their impact on Human Development

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## Aim and Objectives (3)



- CHARTING THE COUNTRY'S WAY FORWARD IN THE NEXT DECADE SO AS TO CAPITALIZE ON THE ACHIEVEMENTS TO DATE, MAXIMIZE THE BENEFITS OF EU MEMBERSHIP AND THUS EMBARK ON A CONTINUOUS AND SUSTAINABLE PATH OF HUMAN DEVELOPMENT TO ITS FULL EXTENT, by:

# National Human Development Report

## Aim and Objectives (4)



- Forecast the evolution of the main socio-economic variables impacting on Human Development in its broadest meaning
- Elaborate an *Agenda for the Decade to Come*, as a working-tool for decision makers and a reference for further reflection and substantiation for the academics with regard to Human Development

# FOCUS (1)



- The NHDR Romania 2007 focuses primarily on:

## LABOUR MARKET AND SOCIAL INCLUSION

as major underpinnings of Human Development

# FOCUS (2)



- Continuous reform process of Labor Market Institution and its impact on Employment Growth and Job Generation
- Development of Active Labor Market Policies as a primary channel of policy innovation and policy advancement
- Diversification of social security systems
- Social Inclusion Processes in their broadest sense



# The Themes (1)



- Overview of Human Development Issues on the eve of Romania's EU Accession
- Deepening Democracy and Consolidating macro-economic stability
- Challenge of Demography
- Advancing Labour Market Reforms
- Bridging the Development Gap

# The Themes (2)



- Tackling migration for employment abroad
- Broadening Social Security and Inclusion
- Preparing for the Next Step – Fostering Human Development through the use of EU Structural Funds
- Seizing the Moment – A Comprehensive Human Development Agenda for the Decade to Come

# FINDINGS – The Majors



- **PLAN TO MARKET TRANSITION** – A process plagued by negative side-effects but nevertheless conducive for Human Development
- **E.U. ACCESSION** – A major stimulus for reform and modernization, a driving force for the completion of Plan to Market Transition and a powerful engine for progress in Human Development

# FINDINGS – The Details (1)

## Strengths



- A strongly growing economy, impacting positively on the living standard and lately also on job generation
- A growing participation in education, especially higher education, impacting positively on the country's capacity to take advantage of the knowledge-based economy of today
- A reformed, modernized system of social protection, capable of withstanding shocks and able to provide adequate basic benefits to large swathes of population
- A strong comparative advantage of the natural factor

# FINDINGS – The Details (2)

## The Also Running...



- A rather large population;
- Growing productivity;
- Increasing life-expectancy at birth;
- Decreasing infant mortality;
- A reforming education system;
- Low unemployment

# FINDINGS – The Details (3)

## Weaknesses



- Declining, aging population
- Strong migration for employment abroad
- Dissolving rural environment
- High school drop-out rates
- Low participation rates on the labour market

# FINDINGS – The Details (4)

## Weaknesses



- Still pervasive perception of unpredictability
- Low participation in life-long learning
- Administration unable to grasp the realities of Romania as EU MS
- Social protection and the legacy of Plan to Market Transition
- Lack of understanding with regard to Romania's comparative advantages and the means and ways to turn them into comparative advantages

# Agenda for the Decade to Come (1)



- Entrenching political stability and macro-economic predictability
- Fostering and maintaining high growth rates for a long period
- Redressing the imbalances of the labour market and re-engineer the mix of Active Labour Market Policies (ALMPs)



# Agenda for the Decade to Come (2)



- Stimulating investment in life-long learning
- Diversifying social-security systems, maintaining the flat-rate income tax system but keeping contribution rates at a level compatible not only with short-term objectives but also with their long-term goals
- Turning the comparative advantage of the natural factor into a competitive dynamic advantage
- Tackling migration for employment abroad via a coherent mix of policies
- Prepare for an all-embracing, multi-cultural ROMANIA in the decades to come

# Our Vision for the... Not so Distant Future (1)



- THE EUROPEAN INTEGRATION PROCESS

The Cornerstone of Human Development for the whole continent

As a strongly Europe-committed nation  
Romania stands to benefit at its maximum, if it  
carefully plays its major strengths !!!

# Our Vision for the... Not so Distant Future (2)



As a nation that has seen the benefits of an integrated approach to development, with Human Development at its core, **ROMANIA** can now start making a contribution to the Human Development of its sub-region and thus turning itself into a **Sub-Regional HUB OF HUMAN DEVELOPMENT** thus sharing the benefits and laying the foundation for more benefits to come!!!

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## The Team that made it happen

### The National Labour Research Institute

- *Catalin Ghinararu, PhD - Coordinator*
- *Vasilica Ciuca, PhD*
- *Cristina Mocanu, PhD candidate*
- *Ana Maria Zamfir, PhD candidate*
- *Eva Militaru, PhD candidate*
- *Ioana Borza, PhD candidate*
- *Magdalena Velciu*
- *Razvan Ionut Cirica, PhD (UNDP Romania)*
- *Tesca Osman-Barnett (English version editor)*
- *Progress Garant – author of the chapter on the use of the E.U. Structural Funds*

**The National Institute of Statistics** – *author of the Statistical Annex, with an extremely important role played by: Filofteia Panduru PhD, Silvia Pisica PhD, and Prof. Vergil Voineagu, PhD – NIS President*

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- **The NHDR Advisory Group**
- **The team of Romanian version translators**

**and**

**MOST OF ALL**

**The PEOPLE OF ROMANIA,  
who turned EU ACCESSION from Dream into Reality  
and thus made it possible for us to write about it!**



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