



# The impact of Structural Funds on employment in Romania

-in the context of Europe 2020 Strategy -

-Ioana Morovan, EurActiv.ro  
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## Context data

The national target for employment within Europe 2020: 70%

“This will be done by addressing the employability issue in an integrated manner from the perspective of education, training and employment opportunities, as well as by focussing on the most affected target groups on the labour market (young people NEETs, elderly, women, rural population), according to the main development needs” (Partnership Agreement)

The national employment rate in 2013: 63,9%

- About 8,47 million jobs, only about half salaried, the rest – self-employed, including agriculture.

- 1.4 million (17%) are unremunerated family members - a category that is virtually non-existent in the more developed Member States;
- 2.1 million (25%) are self-employed - this is a very high level of self-employment relative to more developed Member States and is more associated with subsistence agriculture and lack of alternatives than innate enterprise culture.





## 2007-2013 impact

Reference period: 2007-2015.

- The EU Structural Funds - show effects -- 2009; -- full impact – final evaluation, after 2015.
- Potential - considerably altered by the crisis effects. 2008-2010: the most relevant decrease
- For this moment, no official direct impact of European Funds on employment;
- for statistics, the no. of jobs created not significant,
- but in the specific sectors and categories of groups targeted by the projects, some effects are significant.

### 7 Operational Programmes

**Direct impact: number of jobs created within the projects funded.**

**Indirect impact: no. of companies financed, companies contracted within the major projects, people trained and advised.**



## 2007-2013 impact Examples

### Regional Operational Programme 2007-2013

Strategic objective: The creation of 15.000 new jobs until the end of 2015.

Acc. To 2013 evaluation: over 22.000 new jobs if all the projects implemented

Important:

The economic crisis impact on the employment in SMES - over 463.000 jobs lost 2008-2010

In micro-enterprises, in particular, 15% employees fired.

Over 1700 micro-enterprises financed, over 8.700 jobs created;

Source: [http://www.inforegio.ro/images/Evaluare/Raport\\_evaluare\\_POR\\_versiune%20finala.pdf](http://www.inforegio.ro/images/Evaluare/Raport_evaluare_POR_versiune%20finala.pdf)

Tourism component: Over 2.400 jobs created; over the 800 jobs –target.

Component: creation and development of new structures for business support (construction of buildings for the business centers, hubs)

New jobs created in these new structures. Target of the program: 3.000

Target for the projects signed: **10.028 (over estimated???)**



## 2007-2013 impact Examples

Component: creation and development of new structures for business support  
(construction of buildings for the business centers, hubs)

New jobs created in these new structures. Target of the program: 3.000

Target for the projects signed: 10.028

Problems with the indicator “jobs creation” ; the efficiency index “minimum financed value

“the indicator “new jobs” created many problems in reporting accurate data. In the category of jobs created were included also those occupied by the indirect employees, for example employees who worked for rehabilitation of buildings/ temporary employees of the entrepreneurs (not a sustainable effect of the investment). Also temporary jobs were reported for example in the touristic activities (not permanent). Also the research field registered the overestimation of this indicator when submitting the projects. “

Only some components requested no. of jobs created for a minimum financed amount (33.000 euro, for example, for microenterprises).



## 2007-2013 impact Examples

**The Operational Sectorial Competitiveness Growth Programme 2007-2013 : over 23.000 jobs in SMEs until the end of 2015.**

Evaluation report 2013: at present, the level is 67%; little probability of reaching it 100%.

(“although, by the contribution of some big investment projects <<big investments in SMEs, competitiveness pols, clusters>>, the rate will grow significantly. )

Source: [http://www.fonduri-ue.ro/res/filepicker\\_users/cd25a597fd-62/Documente\\_Suport/Rapoarte/2\\_Rapoarte\\_POSCCE/03.07.2014/POSCCE\\_RAI2013a.pdf](http://www.fonduri-ue.ro/res/filepicker_users/cd25a597fd-62/Documente_Suport/Rapoarte/2_Rapoarte_POSCCE/03.07.2014/POSCCE_RAI2013a.pdf)

EurActiv estimation: a 80% rate at end of 2015 would mean ~ 18400 new jobs in SMEs.

### **The Human Resources Development Programme:**

General objective: contributing to employment. Target : 1.650.000 people benefitting

Implementation report in 2013: Until now, 1.151.000 participants --- almost 70% rate of reaching the indicator.



# Projects - examples

HRD program:

<http://www.motivation.ro/en/programs-projects/employment-of-people-with-disabilities> - over 500 people with disabilities helped to integrate on the job market

<http://www.fsc.ro/programe/proiectul-sansa> - 1140 persoane, din 3 regiuni.  
(vulnerable groups)

<http://www.ccia-vrancea.ro/documents/curs-salariatii-romani.pdf> - 1800  
persoane, cursuri de calificare/recalificare

Competitvity Program:

<http://www.ambro.ro/Ambro-Anunt%20finalizare%20proiect%20EU%20-%20contract%20229%20945%20din%2013%2007%202012.pdf> –  
investmens for over 55 mn RON (over 10 MN euro); 73 new jobs created

[http://www.rodotex.ro/proiect\\_eu/proiect.html](http://www.rodotex.ro/proiect_eu/proiect.html) - total value - about 11,4 mn lei;  
25 jobs kept for 3 years.



## 2014-2020 expectations

What will happen in the next Programming period, 2014-2020?

For Thematic Objective 8, “Promoting sustainable and quality employment and supporting labour mobility”

- **around 2,2 billion Euros**, within 3 Operational Programmes

The new Commissioner for Regional Development Corina Cretu:

“From my point of view, I must declare that the number one request will be that of creating jobs, to respond to the people's necessities. Thus, we will analyse each program and we will follow this criteria. There will be over 300 programmes in this period and I intend to finalise about 150 until the end of the year. This also depends on the members states, namely if they come with good quality programs.”

The Partnership Agreement, approved by the EC in august 2014:

- “The clearest potential for growth resides in Romania's internationally competitive sectors: in particular **automotives; ICT products and services; food and drink processing**. However, these sectors account for a limited proportion of total employment and their growth potential is insufficient to overcome Romania's vast employment gap in the medium term.”
- “Reflecting their overall influence on employment, stimulating growth and sustaining existing activity in sectors that have notable potential for growth and increased added- value - **health/pharmaceuticals; tourism; textiles/leather; wood/furniture; creative industries; energy/environmental management and agriculture, forestry and fishing** - will also be important to Romania's medium term development”



## 2014-2020 expectations

The Operational Programmes -sent to the European Commission – at present, negotiated

**The new Regional Operational Programme** – no clear indicator for jobs creation

“We only used the indicators requested in the European regulations for 2014-2020 period. But we learnt about the Commissioner’s request and will make additional specifications, if necessary”

Gabriel Friptu, Director in the Ministry of Regional Development declared for EurActiv.ro

**The new Competitiveness Programme:**

- experts working on details for the programme: “most probably for “R&D entities assisted” - value not final yet

**The new HRD Programme -- ex-ante evaluators** : “achieves an overall good consistency with the Europe 2020 strategy, with the National Reform Programme as well as with the Partnership Agreement”

**EurActiv comment:** probably the indicators “jobs creation” will appear during the negotiations with the EC.



## 2014-2020 expectations

### Amounts allocated for the Thematic Objective no.8

ERDF: 101.063.830,00

ESF: 1.563.930.485,00

CF 0,00

EAFRD 529.921.367,00

EMFF 33.684.278,00

Total: 2.228.599.960,00

### Youth Employment Initiative- programmed under thematic objective 8:

YEI specific allocation 105.994.315,00

ESF matching funding 105.994.315,00

Total YEI resources 211.988.630,00



## 2014-2020 expectations

### Proposed Priorities for Funding:

1. Actions to boost the participation of young NEETs at economic activity through a multi-dimensional approach
2. Targeted and mainstreaming actions aiming to improve access to the labour market of job-seekers and inactive persons; particular focus on long term unemployed, low skilled, older workers, Roma people, people with disabilities and those from rural areas through a multi-dimensional approach
3. Support updating the skills of unemployed jobseekers and of the workforce affected by industrial restructuring and, in particular, those from agricultural and fishing communities affected by the reduction in employment that is likely to accompany increased competitiveness;
4. actions aiming to reinforce job creation, support recruitment efforts of enterprises, particularly SMEs, increase the enterprise adaptability to changes by promoting innovative forms of work organization, coaching for companies management, outplacement and exchanges good practices
5. Supporting self-employment actions, entrepreneurship and business creation, including through financial instruments;
6. Supporting of new food processing units in order to stimulate job creation;



## 2014-2020 expectations

7. Creation of new small enterprises through business start-up aid for non-agricultural micro and small enterprises and development of non-agricultural activities in rural areas;
  8. Diversification of fisheries and aquaculture sector by creation of new jobs and enterprises
  9. Strengthening the capacity of PES to provide individual counselling, guidance, career management systems, placement and recruitment services, skills based matching services to employers
- + in performing labour market analysis and forecasting, in developing partnerships with other stakeholders
  - ensure better activation outcomes and more outreach to employers

### Expected results:

EMFF (Fishery): Increased employment opportunities; increased diversification of economic activity in fisheries and aquaculture sectors and local development of Romania's fisheries areas.



## 2014-2020 expectations

**ESF:** Increased labour market participation for NEETs, job seekers (unemployed persons both receiving and not receiving unemployment benefits) and inactive people;

Increased job opportunities through supporting entrepreneurship in poor areas;

Increased capacity of enterprises to formulate and implement human resources policies in order to adapt to labour market changes in priority sectors;

Increased capacity of PES for labour market analysis and forecasting, for better skills matching with labour market demands and for delivering personalized services and active and preventive labour market measures.

**EAFRD:** Increased employment opportunities outside agriculture in rural areas;

Increased share of secondary and tertiary sectors in the economy of rural areas.

The above results will contribute to fulfilment of Romania's 2020 target of 70% of the

20-64 year-olds to be employed.

(Source: The Partnership Agreement)



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<http://uelive.euractiv.ro>

The screenshot shows the website uelive.euractiv.ro. At the top, there is a navigation menu with the following items: Fonduri UE 2014-2020, Actualitate, Intalniri online, Articole/Scrisori, Opinii, Documente, and Despre proiecte. The main content area features a large image of a man in a suit speaking at a podium, with a woman standing next to him. The text above the image reads "Funcționarii, plăți după performanță". To the right of the main image is a sidebar with a "CITIT DE" section containing three news items:

- INTALNIRE ONLINE** Eugen Todorovici, Ministrul Agriculturii, Pescarilor și Dezvolții Rurale, a avut o întâlnire de lucru cu doi experți care vor evalua proiectele. 22 IUL 2014
- Intalniri online cu Bogdan** Todorovici, ministrul Agriculturii, Pescarilor și Dezvolții Rurale. 22 IUL 2014
- INTALNIRE ONLINE** Cursurile de formare în domeniul energiei electrice, gaze și apă caldă caldă, în cadrul proiectului "Reabilitarea și modernizarea sistemelor de distribuție a energiei electrice". 22 IUL 2014

At the bottom of the page, there is a section titled "UPDATE" with the text: "Stereoguli la finanțarea FEM prin fonduri UE, venimulate de rumunilor. Veri experienta".