

## Background note: investing in children in Romania

*This document highlights key data related to the conference "Investing in children in Romania: EU instruments and funding opportunities", to take place in Bucharest on the 20<sup>th</sup> of October.*

*Most data and graphs are referred to in the recently published report Social Europe – Many ways, one objective - Report of the Social Protection Committee (2013) (19/03/2014), available [here](#) (see p.409 for the Romanian country fiche).*

*They can also be found on Eurostat, in particular under "[income, social inclusion and living conditions](#)", "[labour market](#)" as well as "[social protection](#)".*

### 1. Child poverty and social exclusion: key figures

**Child poverty and social exclusion: trends and households at risk** - Children are more at risk of poverty and social exclusion than the overall population in Romania. They have also been particularly hit by the crisis: the share of children at risk of poverty or social exclusion<sup>1</sup> increased from 51.2 % to 52.2% between 2008 and 2012 (against an EU average of 28.1%). More specifically (2012 data):

- 34.6% of children are at risk of poverty<sup>2</sup> (EU average: 20.7%).
- 37.9% of children are severely materially deprived<sup>3</sup> (EU average 11.8%)
- 5.1% of children live in a household with very low work intensity (EU average: 9%)

Single parent household and large families face a high and increasing risk of poverty of respectively 39.8% and 59.8%

**In work poverty among families** - The in-work poverty risk is higher for households with dependent children (23.2%) and for single parent households (28%).

**Women's labour market participation** – The employment rate of women aged 20-64 (at 56.2%) is lower than the EU average (62.5%), along with a very high rate of inactivity due to personal or family responsibilities among women (1.7%). The employment impact of parenthood<sup>4</sup> is -2.2%

**The role of social protection and family benefits** – Overall social protection has a rather low (and declining) impact in reducing child poverty (the difference between the child poverty rate before and after social transfers -excluding pensions- is 18 %, against an EU average of 39.4%). Among the range of social protection instruments, expenditure on family policy is below the EU average (1.4% of GDP, EU average of 2.2% according to 2011 data) and has a relatively low impact on reducing child poverty.

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<sup>1</sup> This indicator corresponds to the sum of children who are: at risk of poverty, severely materially deprived or living in households with very low work intensity.

<sup>2</sup> I.e. live in a household with an income below 60% of the national median income.

<sup>3</sup> E.g. live in a household which cannot afford at least 4 items out of the following: 1) to face unexpected expenses, 2) one week's annual holiday away from home; 3) pay for arrears; 4) a meal with meat, chicken, or fish every second day; 5) keep the home adequately warm, 6) washing machine; 7) colour TV; 8) a telephone; 9) a personal car.

<sup>4</sup> difference in percentage points in employment rates (age group 20-49) without the presence of any children and with presence of a child aged 0-6

**Early childhood education and care services** – According to 2011 data, 2% of children under 3 are in formal childcare (EU average: 30%), and 41% of children between 3 and compulsory school age (EU average: 84%). The 2012 European Quality of Life Survey<sup>5</sup> identified access, cost and quality of services as particular challenges for Romania.

## **2. EU policies**

### **2.1. Europe 2020: a call to improve access to childcare and social transfers**

Among others, the Country Specific Recommendation adopted by the European Council in June 2014, called on Romania to:

- Increase the quality and access to vocational education and training, apprenticeships, tertiary education and of lifelong learning and adapt them to labour market needs. Ensure better access to early childhood education and care.
- In order to alleviate poverty, increase the efficiency and effectiveness of social transfers, particularly for children, and continue reform of social assistance, strengthening its links with activation measures. Step up efforts to implement the envisaged measures to favour the integration of Roma in the labour market, increase school attendance and reduce early school leaving, through a partnership approach and a robust monitoring mechanism.

### **2.2. Structural and Investment Funds**

European Investment and Structural Funds (ESI Funds) are the main financial pillar provided by the European Union for implementing the EU 2020 recommendations.

For the programming period 2014-2020 structural funds' resources allocated to Romania are EUR 15.5 billion<sup>6</sup>. More specifically, the European Social Fund (ESF) allocation to Romania at national level amounts to EUR 4.8 billion. At least 20% of this will be allocated for interventions under the thematic objective dedicated to social inclusion.

Regulations on ESI Funds<sup>7</sup> foresee several thematic objectives (TO) and intervention priorities (IP) related to children:

- TO 8 "promoting sustainable and quality employment and supporting labour mobility", in particular through the ESF IP supporting reconciliation of work and private life;
- TO 9 "promoting social inclusion, combating poverty and any discrimination, through the following IPs;
  - (i) Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability;
  - (ii) Socio-economic integration of marginalised communities such as the Roma;
  - (iii) Combating all forms of discrimination and promoting equal opportunities;

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<sup>5</sup> <http://www.eurofound.europa.eu/publications/htmlfiles/ef1264.htm>, see p. 124

<sup>6</sup> not including the Youth Employment Initiative allocation. (EUR 105 994 315)

<sup>7</sup> Regulation (EU) No 1303/2013 Regulation (EU) No 1301/2013 Regulation (EU) No 1304/2013 Regulation (EU) No 1305/2013 - Official Journal of the European Union L 347/2013 - OJ L 347, 20/12/2013 - <http://new.eu-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L:2013:347:TOC>

- (iv) Enhancing access to affordable, sustainable and high- quality services, including health care and social services of general interest;
  - (v) Promoting social entrepreneurship and vocational integration in social enterprises and the social and solidarity economy in order to facilitate access to employment.
- TO 10 "investing in education, training and vocational training for skills and lifelong learning".

### **2.3. Fund for European Aid to the Most Deprived (FEAD)**

The Fund for European Aid to the Most Deprived (FEAD) supports EU countries' actions to provide material assistance to the most deprived. This includes food, clothing and other essential items for personal use, e.g. shoes, soap.

Material assistance needs to go hand in hand with social inclusion measures, such as guidance and support to help people out of poverty.

National authorities may also support non-material assistance to the most deprived people, to help them integrate better into society.

FEAD allocation for Romania is established at EUR 441 million for the 2014-2020 programming period. Actions in Romania will include the provision of food for the most deprived and school supplies for children from disadvantaged families.