



**PEER REVIEW REPORT
ROMANIA**



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FROM CONSULTATIONS TO INITIATIVES ACTIVATING THE ROLE OF SOCIAL PARTNERS IN CONTINUING TRAINING IN ROMANIA

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The contents, opinions and recommendations contained in this report are those of the peer review team alone and do not commit the European Union or its agencies in any way.

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Finally, the peer review team would like to thank the staff of the Observatory in Romania for providing background materials, the elaboration of a full and balanced programme and excellent logistics.

PREFACE

In 2002 the European Training Foundation (ETF) launched a new peer review programme¹ in the countries of South Eastern Europe that are preparing or already running EU funded CARDS² projects in the field of VET. The programme is a follow-up to the thematic reviews of education policy carried out by the OECD during 2000 and 2001 and is funded from the ETF's own budget. In 2002 peer reviews were carried out in Albania, Croatia, Serbia and Montenegro, and Kosovo³, while peer reviews in Bosnia and Herzegovina, Bulgaria, former Yugoslav Republic of Macedonia, Romania and Turkey followed in 2003 and thereafter.

The purpose of this peer review programme is to evaluate recent progress in VET policy development and to propose activities that could be undertaken to help to move the reform process forward. The ETF's peer reviews aim at both policy advice and capacity building in the region. They are organised in such a way that they:

- contribute to an exchange of policy experience and enhance learning processes among national stakeholders;
- contribute to the development of policy analysis capabilities in the countries of the region;
- promote, in an effective way, regional cooperation between actors involved in similar activities;
- contribute to the CARDS and Phare programming and implementation cycle.

The present (and possible future) peer review cycles of the ETF comprise five phases.

- A specific review topic is agreed with the country in question.
- National background material is prepared by both the host country and the country manager of the ETF; this includes the drafting of a briefing paper.
- A peer review team is set up and pays a visit to the country.
- A public review report is formulated and circulated.
- The ETF organises specific staff development activities as a follow-up to the national reviews, as well as regional dissemination events to share experience between experts.

The aim of the final reports is to give policy advice and to identify short- and mid-term actions rather than to provide a complete academic analysis of the VET system and reform proposals. The reports contain substantiated and operational conclusions and recommendations that should allow policy makers in the country in question to design follow-up activities.

The ETF does not see peer reviews as one-off events but rather as a permanent cycle during which the ETF provides inputs to the VET reform processes in the countries concerned. Subsequent review missions with external peers after two to three years are therefore planned. Following completion of the first peer reviews in 2002 and 2003 an evaluation will be undertaken to assess the results achieved.

¹ A peer review is a careful consideration and assessment of thematic areas, undertaken by people exercising similar responsibilities and thus as competent as those who are responsible for the policies or practices being reviewed. The peer review method is a qualitative alternative to focusing on measurable indicators. As an evaluation method it has been used systematically in quality assurance in higher professional education since 1990. For details on the ETF Peer Reviews see www.etf.eu.int.

² CARDS is the EU assistance programme to South Eastern European countries.

³ Under international administration in line with United Nations Security Council Resolution 1244 of 10 June 1999.

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EXECUTIVE SUMMARY

Results of the ETF peer review on the existing and potential role of social partners and employers in CVT development in Romania

This peer review report is addressed to representatives of social partners in Romania and those bodies that cooperate with them in addressing the issue of continuing training (CVT). It is based on the findings of a team of foreign experts from EU and neighbouring countries, who offer an outsiders' view of the role of social partners in CVT. Each member of the team has first-hand experience of the topic, as an expert, social partner representative or HRD manager. The peer review report is not an evaluation of the country's situation in terms of CVT or social partnership. Any criticism raised herein should be considered as the constructive attempt of peers to suggest possible ways of improving the situation. The peer review team hopes that the questions raised in its report will stimulate discussion and action in Romania.

The level of participation in CVT in Romania is the lowest in Europe. The most recent nationwide survey, which was carried out as a special lifelong learning module as part of the Labour Force Survey in 2003, showed that only one in nine employees and one in 40 unemployed people participated in lifelong learning (*Lifelong learning characteristics*, National Institute for Statistics (NIS), 2003).

As in other countries, the responsibility for CVT is shared between enterprises, individuals, providers and the government. The financing and organisation of CVT is mainly the responsibility of enterprises and individuals. The government is responsible for providing a policy framework that should stimulate participation and quality in CVT provision, while ensuring that CVT is accessible and the outcomes of CVT are recognised. Given this shared responsibility, the involvement of social partners in the development of CVT initiatives and policies is essential. Most individual employers and employees are unable to address their CVT needs in an efficient way on their own. The existence of active stakeholders who can represent collective labour market interests is crucial for balancing public interests. While private companies, training providers and non-governmental organisations (NGOs) are important stakeholders, social partners are in a unique position to promote development and cohesion.

Surprisingly, the main consumers of CVT in Romania seem to be individuals rather than companies. Although Romanian enterprises are experiencing new skill needs and pressure for productivity gains, they tend, in general, to resort to passive strategies (such as laying off surplus labour or filling skill gaps using existing internal resources) rather than promoting the active development of existing staff and the recruitment of new staff. The role of the government is mainly focused on CVT policies, quality assurance of CVT provision and the organisation and financing of CVT for disadvantaged adults. Government investment in CVT for disadvantaged groups is limited.

CVT is recognised as a potential tool for career and personal development that can contribute to the competitiveness of the workforce and integration into the labour market, raising the employability of adults. Although participation is low, there is a strong interest in developing CVT policies in Romania. During the past six years many instruments have been developed to understand, stimulate and regulate CVT, including measures to improve the provision of CVT.

The government has been the main initiator of these developments, involving representatives of social partners for consultation. For this purpose the National Adult Training Board (NATB) was established in 1999, as a tripartite advisory body for adult learning policies. Social partners are also represented on the boards of the Ministry of Labour, Social Solidarity and Family (MoLSSF), the Ministry of Education and Research (MoER), the National Committee for Employment Promotion (NCEP), the National Employment Agency, 42 county employment agencies, 42 county authorisation committees for adult training, regional consortia for education planning, and 42 local development committees for education planning. Social partners are therefore regularly consulted on matters relating to CVT.

In preparing the peer review exercise in Romania the ETF wanted to focus on a specific topic in the area of adult learning, given the importance of adult learning for Romania. After consultation with the MoLSSF and the National Employment Agency, it was decided that NATB needed to be consulted on the final topic for the peer review. The topic selected by NATB for the peer review was: 'the existing and potential role of social partners and employers in CVT development in Romania'.

The Romanian National Observatory of the Institute of Educational Sciences, together with a number of external national experts, drafted a thorough explanatory background study taking into account specific questions raised by the peer review team.

The visit took place between 8 and 14 December 2003. During the week of the visit the team of peer reviewers had an opportunity to consult and discuss the situation of social partnership in CVT with over 80 representatives of social partners, policy makers, civil servants, practitioners, trainers and experts.

Discussions took place in Bucharest, Constanța and Slobozia to allow for national, sectoral and local views.

PEER REVIEW TEAM'S MAIN FINDINGS AND RECOMMENDATIONS

CVT and human capital investment are not yet considered a national priority

- Local employers rely on an abundance of supply in the labour market and invest little in CVT, relying where possible on publicly supported training programmes; foreign investors, meanwhile, invest heavily in hardware and people.
- There is an imbalance between the legislation developed to regulate CVT and the available public incentives for CVT. CVT does not play a major role in the economic strategy of the government, nor do social partners hold strong collective views on the development of CVT.
- Individual initiatives and examples of good practice involving social partners do exist in Romania. There is a remarkable willingness and effort among individuals and through initiatives by individual employers and trade unions to move the country forward through CVT, but the initiatives are fragmented and lack a clear direction at national and sectoral level.

There is currently not enough balance between the interests of social partners to promote dialogue

- The dominant position of the government inhibits the development of social partnership. Social partners do not see themselves as the main actors of social partnership in CVT and adult learning in general.
- The peer review team has seen many positive examples at local and sectoral level of local problems and common interests that have brought trade unions and employers together without government involvement. These initiatives vary from region to region, and standardised approaches do not exist.
- Special relationships between unions and the government have not helped social partnership to develop at national level.

KEY RECOMMENDATIONS

More space for social partnership and a clearer definition of the role of social partners

- The government should review the impact of its approach to establish social dialogue in a top-down manner. In order to create a more responsive climate, the roles of different stakeholders should be redefined. Legislation should encourage social dialogue without government intervention, allowing social partners to determine labour market demands for training, skills and qualifications, and promoting platforms for deciding their own and co-determined government programmes.
- This would require a broader sectoral cooperation between social partners in CVT, without imposing in a top-down manner a model for sectoral cooperation that is mandatory for all sectors. Trade unions and employers must learn to use direct negotiations between themselves on these issues. Sectoral cooperation can only be built on recognised concerns and interests in each sector, and requires that employers and trade unions want to work together.
- The government must be prepared to entrust to social partners responsibilities and decision-making powers that up to now have been the responsibility of the government. Instead of leading the way, the government should learn to play a more reactive role in social partners' initiatives.
- Trade unions in Romania are generally better organised than employers to contribute to tripartite dialogue, and also have better connections with the government. This results in unbalanced dialogue. Without the direct involvement of employers it will be very difficult or even impossible to achieve developments in the provision of CVT in Romania. Employers have a primary role when it comes to the provision of CVT. Views about CVT must be sought from the widest possible spectrum of employers' organisations, including bodies such as the National Council for SMEs and the Foreign Investors Council. The government must realise that it is in the interest of the economy that employers have a voice in the field of CVT. Rotating leadership between employers and trade unions in tripartite and bipartite bodies could improve the balance.

More participation in CVT by deregulation and the creation of a responsive climate

- In order to compete in Europe, Romania needs to invest more in the development of its workforce. Currently either individuals or the government fund the bulk of training, and this is not sustainable. The government must reconsider its leading and controlling role in CVT in order to develop more a balancing and supporting role.
- In order to increase levels of CVT, enterprises must be motivated to do more. This can be achieved through fiscal incentives. A general levy is not recommended for funding these incentives, given the existing tax burden. Solutions must therefore be found either from private sources, for example through tax deductions, or by allowing individual sectors to set up their own training funds. Award schemes could provide companies with public recognition for success and excellence achieved through training. Widening the possibilities for deducting training costs from individual income tax could also stimulate individuals that invest in training. The development of the National Qualification Framework provides an excellent opportunity for a public discussion of qualifications at sectoral level led by social partners. The social partners will need efficient support, and in some sectors it would be premature to expect them to undertake such a role at the moment.
- The authorisation system will only support an improved CVT provision and increased participation if it is introduced gradually, taking into account the development of local training markets. The authorisation of training providers will strengthen confidence in the provision and ensure that participants can obtain a recognised certification. Thus it should have a positive impact on participation in the medium term. However, in the short term some of the providers will not survive in the face of increased formal requirements, costs and the time needed for authorisation, which interrupts normal business. This can be harmful in a market that is not very developed, reducing the already low number of providers, and discouraging new initiatives, including initiatives by social partners. An effective use of ESF funds depends on the availability of training providers in underdeveloped areas. The costs of training are raised by authorisation. Since new incentives are solely dependent on the use of authorised providers and certain categories of professionals are obliged to take up courses with authorised providers, authorisation is no longer voluntary. Companies should not be obliged to use the services of authorised providers, but should be able to decide for themselves how best to invest their training funds. Apart from reviewing the costs of authorisation, other interim measures may need to be developed.

Increase awareness and professionalism in order to promote CVT

- Social dialogue does not have a long tradition in Romania. Successful partnerships are developing where managers recognise the value of good industrial relations and human resource management (HRM). Professional development in these key areas needs to be enhanced further in order to strengthen the development of CVT.
- In order to strengthen industrial relations, training can be organised for negotiators from social partners on training-related issues (such as how to develop company training plans and how to negotiate training in collective labour agreements). A collective open thematic database of collective labour agreements could be useful for spreading information on what has already been agreed elsewhere.
- HRM in Romania has not yet received the recognition it has in other countries. Few HRM managers are qualified in HRM, with only two universities offering HRM programmes. A national professional association of HR managers could promote best practice and stimulate the provision of HRM courses.
- Public awareness on the role of human capital in promoting competitiveness and labour productivity could be raised through a media campaign.

Improved vision and strategy concerning the importance of CVT

- Mr Hohan (UGIR-1903) stated during the peer review visit that he was 'not afraid that Romania would not be able to join the EU, but afraid of what would happen afterwards'. A long-term vision and strategy for HRD has not yet been developed in Romania, which as a country has been too preoccupied with urgent issues and the need to meet EU entrance requirements.
- Romania needs a nationwide debate on these issues between experts, led by social partners (in the framework of the Economic and Social Committee (ESC) or NATB), in order to reach a consensus between social partners and the government. The National Development Plan (NDP) 2004–06 failed to do this and is consequently too focused on current problems. A joint HRD strategy should build on

realistic short-term steps. Positive changes in CVT must be tested before they are regulated. Regulatory frameworks need to be dynamic and flexible.

- There is a place in this process for a leading institution that could be the platform for social partners at national level. Given its present constitution and responsibilities, the board of the NATB is best placed to fulfil this role. It should also, however, take on board issues from industrial sectors and foreign investors that are not represented directly on the board.

FROM RECOMMENDATIONS TO ACTIONS

National, local, sectoral and regional levels: opportunities for enhanced involvement of social partners

The situation since the peer review visit in December 2003 is developing. Romania is likely to accede to the EU less than 2.5 years after the last regular report. This means that the future is already here. The Romanian workforce in more skilled jobs must develop urgently in order to attract foreign investment in value-added industries and services. Low labour costs will not continue indefinitely, and have not succeeded in raising the employment level. Social partners are actively trying to strengthen their influence. Mergers between employers' organisations and trade unions are demonstrating this. New opportunities require a stronger, more united voice for social partners. With the planning for ESF, CVT is gaining importance. Amendments in legislation are lowering the threshold for authorisation. NATB is gaining importance and sectoral committees are being established. Regional planning in HRD is developing, with the involvement of social partners. A number of concrete issues have emerged, for which the above recommendations should be considered.

- **What is the future of NATB?** From the beginning, NATB has had a mixture of advisory and operational functions, but recently the latter have become more important. As a result the board is very dependent on the secretariat, and operational issues dominate board meetings. The National Authority for Qualifications (NAQ) widens the NATB's remit beyond the training of adults. Will the board be able to balance its responsibilities for the development needs of NAQ and CVT policy development?
- **Can the local level become the main focus of social partners in CVT?** Local initiatives that answer to local situations demonstrate best the proactive role that social partners can play in CVT. The ESF brings new opportunities, but organisations at the local level will only succeed in using these opportunities if the capabilities of local representatives in HRD issues are addressed structurally. Employers and trade unions could do this jointly.
- **Are social partners able to gain a dominant position at the sectoral level?** Training is dependent on the needs of sectors. Sectoral initiatives have started, and have a chance to grow. The sectoral committees that are being established in 23 sectors offer an important opportunity, requiring that related industrial branches work together in larger sectors. It also changes the role of stakeholders in the discussion of CVT. Federations will become more important.
- **Is the regional level still a step too far?** Structural funds require that Romania develops policies for regional development. In TVET regional planning has commenced with the development of Regional Education Action Plans (REAPs) by regional consortia. Social partners are still underrepresented in regional consortia. In the near future regional HRD plans may be institutionalised in line with the REAP experience. How do social partners see the benefits of such plans? Can they afford to remain outside the planning process that will be linked to EU structural funds?

INTRODUCTION

This paper is aimed in the first place at social partners in order to encourage them to take a more active role in CVT. At national level we addressed this report to the members of the NATB but it is equally important for the social partner representatives in other national bodies and especially at sector and local level, where they can make a difference.

We hope that the discussions that took place during the peer review visit not only helped us to answer our questions and subsequently to draft this report, but also stimulated discussion and action inside the country. The peer review team brought to these meetings questions and knowledge determined by the scope of their own experience. Yet we did not consider it appropriate to export various national solutions to Romania, but rather tried to understand the situation inside the country from the perspective of our own knowledge and experience.

The results of interviews and meetings were regularly discussed inside the team, and group members reflected on various issues from the perspectives of their own national and professional backgrounds. This is why the peer review team consisted of experts from different European countries – current and future EU member states but also other partner countries – and from different professional backgrounds, providing useful insights from policy makers, social partners, researchers and practitioners. The solutions identified also come from different backgrounds, but certainly need to be verified inside Romania. Thus the recommendations should be further discussed within the country.

It is important to note that the report and the overall peer review exercise is not an evaluation of Romania's situation in terms of CVT and social partnership. Any criticism raised herein should be considered a constructive attempt of peers to suggest possible ways of improving the situation. Last but not least, it is in no way an exaggeration to state that the peer reviewers themselves learned a great deal in Romania and were very impressed by the commitment and willingness of individuals at all levels.

THE PROBLEM

After a decade of economic turmoil and the uneven reforms of the early 1990s, the Romanian economy has in recent years demonstrated relative stabilisation and impressive growth. The growth in Romania's GDP reached a peak in 2001; this was followed by a slower though still stable economic growth that has continued up to the present. In 2003 GDP growth in real terms was estimated at 4.9% as compared with the previous year⁴. This is one of the best growth rates in Europe. Such impressive economic performance would not have been possible without the rigorous reforms that were introduced by the government. Once basic stability has been accomplished, however, it is crucial that all efforts are made to achieve sustainable growth.

The competitiveness of the Romanian economy in the longer run will depend on further economic restructuring, and on the ability to attract investors and to raise productivity of the Romanian labour force. It will not be possible to achieve these without serious investment in human capital. The pace of change of the transition economy assumes not only constant adjustments at the level of initial education but also, and even more so, investments and significant participation of the whole population in CVT. Adaptability to the new and changing needs of the economy, with demands for entrepreneurship, flexibility, knowledge of foreign languages and IT, as well as the need to upgrade the professional skills of the population, requires access to training for all age cohorts and social groups across the board.

HOW WAS THIS SPECIFIC TOPIC IDENTIFIED?

The organisation of the peer review was undertaken in several stages in close collaboration with interested parties in Romania. Initially the ETF held a meeting of potential peer reviewers in Belgrade in April 2003, with the aim of planning the review process and discussing the topic of the review, within the broad area of adult education and training in Romania. It was, however, unanimously decided that in order that the usefulness and impact of the peer review be maximised, the team of international reviewers needed a clear mandate and description of the situation in terms of CVT from parties in Romania. Hence, it was decided that the subject should be specifically identified by the Romanian side.

⁴ NIS, Romania – Press release No 11 of 26 February 2004 on the gross domestic product in 2003.

Following discussions in May 2003 between representatives of ETF and the MoLSSF, which is responsible for CVT, the National Employment Agency and the NATB, it was agreed that the tripartite council of the NATB should be consulted about the topic. Taking into account the problem of a lack of participation in CVT, the NATB and its council selected 'the existing and potential role of social partners in the development of CVT' as the topic⁵.

THE PEER REVIEW METHOD

The Romanian National Observatory of the Institute of Educational Sciences, together with a number of external national experts, drafted a thorough exploratory study taking into account specific questions raised by the peer review team. The study covered the areas of policy and legislative frameworks, a preliminary analysis of the role of social partners in CVT development and summarised results of relevant studies and surveys. It also listed the relevant organisations and individuals who would be involved in future meetings and interviews. The Romanian team and the ETF country manager, Arjen Deij, also provided a number of useful studies and documents in order to familiarise the foreign experts with the situation in Romania.

The Romanian team subsequently organised the peer reviewers' visit to the country. This took place from 8 to 14 December 2003. During the week of the visit the team of peer reviewers had an opportunity to consult and discuss the situation of social partnership in the area of CVT with over 80 policy makers, civil servants, social partners, practitioners, trainers and experts (see the full list of interviewees and meeting participants in Annex 2).

⁵ Agreed during the NATB Board session on 24 July 2003.

1. THE CONTEXT AND THE CURRENT ROLE OF THE SOCIAL PARTNERS

1.1 LOW PARTICIPATION IN CVT

Participation in continuing training in enterprises is low in Romania. The situation is worrying, since it indicates that the skills gap between the workforce of Romania and that of the rest of Europe is widening. In 2003 the structural indicator, for which data is collected through the Labour Force Survey every three months, showed that only 1.3% of the population aged 25–64 participated in training during the preceding four weeks. The EU target is 12.5% for 2010.

Participation rate in education or training (population aged 25-64)							
	1997	1998	1999	2000	2001	2002	2003
UK	m	m	19.2	21.1	21.7	22.3	21.3
EU-15	5.8	m	8.2	8.5	8.4	8.5	9.6[b]
Spain	4.5	4.3	5.1	5.1	4.9	5	5.8
Poland	m	m	m	m	4.8	4.3	5.0[p]
Hungary	2.9	3.3	2.9	3.1	3.0	3.3	6.0[b]
Romania	0.9	1.0	0.8	0.9	1.1	1.1	1.3

Source: Europa Website (Structural Indicators)

[m] Missing data

[b] Break in series

[p] Provisional data

The latest nationwide survey, which was carried out as a special module of the Labour Force Survey in 2003⁶, showed that only one in nine employees and one in 40 unemployed people participated in lifelong learning.

A similar trend is reflected in data from the MoLSSF on the numbers of individuals involved in training, conversion and refresher courses, and in National Agency for Employment (NAE) data on training for unemployed people. In 2003 around 24,000 unemployed people participated in training programmes; more than 30% of these were aged 25 or less.

According to Eurostat's second Continuing Vocational Training Survey (CVTS 2)⁷, in which Romania participated in 1999, 11% of all companies in Romania provided CVT for their employees, which is much lower than the rates of all other participating countries⁸. The 15 member states reported an average of more than 70% of enterprises offering CVT. The Romanian participation rate is substantially less than the rates for the Czech Republic (69%), Slovenia (48%) and Hungary (37%). In Romania the participation rate in enterprises providing courses⁹ was only 20%.

A number of recent studies have attempted to explain the low level of participation in CVT. According to several surveys analysing the CVT system, supported by GTZ in 1998 and by NATB and GOPA consultants in 2001¹⁰, the training market is not very well developed. Individuals are the main consumers and most CVT providers do not specialise in specific areas. Furthermore, only the immediate needs of the labour market appear to be served by the subjects on offer. Concerns about the quality of the service providers was one of the main reasons for a new law on adult training, but there has been insufficient

⁶ Lifelong learning characteristics, NIS, 2003.

⁷ Statistics in Focus, Theme 3 – 2/2002, Eurostat.

⁸ CVTS 2 results: CZ 69%, EE 63%, LV 53%, SI 48%, LT 43%, PL 39%, HU 37%, BG 28%, RO 11% and: DK 96%, SE 91%, NL 88%, FI 82%, IE 79%, DE 75%, AT 72%, LU 71%, BE 70%, ES 36%, PT 22%.

⁹ Training courses are defined as events designed solely for providing (vocational) training, which take place away from the place of work (i.e. a training centre or classroom) during which the trainees receive instruction from trainers/tutors/lecturers. The main providers of CVT in Romania are enterprises (classified by size). Note that the average number of hours per participant (42 hours) was the highest of all surveyed countries.

¹⁰ Adult Vocational Training in Romania - Exploratory Study, National Adult Training Board, 2001.

analysis of why (private) providers are acting in this way. The answer is probably linked to the demand structure for CVT. The NATB studies show that the main consumers are individuals and the demand from companies is still very modest, with the exception of foreign-owned companies and joint ventures.

In 2001 the Romanian National Observatory carried out a study¹¹ on the impact of CVT on various beneficiaries (employers, employees, training providers, social partners). The study concluded that although there is a growing interest in developing other types of skills (such as social, entrepreneurial and communication skills), most employers believe it is more important to have training programmes focused on strictly professional job-related competencies. Large, private-capital companies in particular develop active CVT policies, in contrast to state-owned companies. The difference is primarily a result of the economic situation as well as the mentality: more often than not public employers consider money spent on human resources to be an expense rather than an investment. Generally speaking, SMEs are less in favour of a HRD policy, either because they are not yet aware of the importance of CVT and its positive effects on company development, or because they cannot afford to invest in HRD during a difficult economic period when they are struggling to maintain and develop the business.

The Skills Audit Survey that was organised in 2003 by the National Observatory took the form of in-depth interviews with 100 companies. It revealed that almost half of the companies surveyed prefer to fill skill gaps using their own staff resources¹². New blood is coming into companies at a slow rate. On average three graduates were hired per company during the two years prior to the survey, which is 85% less than the total number of graduates entering the labour market. Although Romanian enterprises are experiencing new skill needs and pressure for productivity gains, they tend to resort to passive strategies (such as laying off surplus labour and filling skill gaps using existing internal resources) rather than promoting active development of existing staff and recruitment of new staff. This suggests that enterprises may have limited confidence in the education and training system to supply the skills they require in their workforce. More than half of the companies surveyed have no links at all with education institutions¹³. In addition, skill development decisions seem to be playing only a minor role in the business decisions of Romanian enterprises, which may lead to the persistence of low skill levels in the labour force, with serious long-term consequences for the competitiveness of the Romanian economy and structural adjustments.

In 2004 a study on the demand for CVT was produced within the framework of the CVT twinning project and focused on the perceptions of employers and employees. It investigated three aspects of CVT: (a) obstacles to investment, (b) quality and relevance of training, and (c) impact. While training and investment in education and training are high on the agenda, financing is a difficult issue. Since individuals are expected to profit most, they are held responsible for financing their own CVT. This means that most people only receive initial training. Of the employees interviewed, 75% had never participated in any form of organised training within their company. Most training is carried out 'on the job'. The focus of employers is very much on abundant, cheap (low) skills in the labour market. Performance is not specified in quality terms. The main obstacle to training is income. If people are able to purchase smaller pieces of training (such as modules and partial qualifications), levels of participation increase. The differences between regions and sectors were small, although more emphasis is placed on training in the tourism sector than in the construction industry.

1.2 PARTIES RESPONSIBLE FOR CVT

As in other countries, the responsibility for CVT in Romania is shared by enterprises, individuals, providers and the government. The financing and organisation of CVT is mainly a responsibility of enterprises and individuals. The government is responsible for providing a policy framework to stimulate participation and quality in CVT provision, while ensuring that CVT is accessible and that the outcomes of CVT are recognised. Given this shared responsibility, the involvement of social partners is essential in the development of CVT initiatives and policies. Most individual employers and employees are unable to address their CVT needs efficiently on their own. The existence of active stakeholders that can represent collective labour market interests is crucial for balancing public interests. Private companies, training providers and NGOs are important stakeholders, but in terms of promoting development and cohesion, social partners are in a unique position.

Surprisingly, the main consumers of CVT in Romania seem to be individuals rather than companies. The role of the government focuses mainly on CVT policies, quality assurance of CVT provision and the

¹¹ *Social impact of continuing vocational training*, Romanian National Observatory, 2001.

¹² *Skills Audit Survey Romania*, Romanian National Observatory, 2003. The survey took place in the form of in-depth interviews with 100 companies (75 in the North-East Region and 25 in Bucharest).

¹³ *Skills Audit Survey Romania*, Romanian National Observatory, 2003.

organisation and financing of CVT for disadvantaged adults. Government investment in CVT for disadvantaged groups is limited. CVT is recognised as a potential tool for career and personal development that can contribute to the competitiveness of the workforce and their integration into the labour market by raising the employability of adults.

Although participation is low, there is a strong interest in developing CVT policies in Romania. During the past six years many instruments have been developed for understanding, stimulating and regulating CVT, including measures to improve the provision of CVT. The government has been the main initiator of these developments, involving representatives of social partners for consultation.

1.3 SOCIAL PARTNERSHIP IN CVT

The role of the NATB

The NATB was established in 1999 as a tripartite advisory body for adult learning policies. The tripartite structure of the NATB ensures that social partners have a voice in the development of adult learning policies. However, the NATB is not always consulted at an early stage of the development of new policies, thus making a true tripartite dialogue difficult. Apart from the NATB, the NAE and the Social and Economic Council (SEC) are the most important tripartite bodies. In addition, there is a National Committee for Employment Promotion (NCEP), and both the Ministries of Education and Labour have tripartite advisory boards.

The NATB is an active body that also recently absorbed the functions of the board of the Council for Occupational Standards and Assessment (COSA). The NATB is currently preparing for its new responsibilities. Procedures and standards for accreditation and certification of training suppliers still await testing and further development. The accreditation process is starting to be organised and implemented through national and county-based mechanisms. The resources allocated to this institution remain insufficient, at least as far as the situation towards the end of 2003 is concerned. In the meantime the secretariat has 25 permanent staff members and is expected to increase this to 75 by 2006.

A first stage in the development of a new system of occupational standards in Romania was the establishment in 1994 of the COSA as a tripartite body responsible for the implementation of the system of evaluation and certification of professional abilities based on occupational standards. As a result of COSA activities a data bank containing 300 occupational standards and information on evaluation processes was created. Through Law No 235/2003 COSA was included in the NATB and thus, the tasks of standards development and the evaluation procedures have been merged within one and the same structure.

A decision to extend the responsibilities of the NATB and turn it into a National Authority for Qualifications was recently adopted. The new institution will be instrumental in the development of the qualifications system, including the maintenance of a national register of qualifications. In this regard Romania is to develop a National Qualifications Framework that should make reference to both IVET and CVET. The debates have also highlighted the necessity of extending the qualifications system towards recognition of knowledge acquired in non-formal and informal contexts. The concept of a framework of vocational qualifications has been devised by the Phare TVET RO 0108-01 Programme. The new system of qualifications is expected to lead to in-depth changes at the level of quality assurance and evaluation processes.

Another important role that the social partners have in the authorisation process, aside from participating in decisions on whether or not training providers are authorised, is to propose specialists to evaluate CVT programmes or to be part of examination commissions, constituted for the graduation exams that take place at the end of the training programmes. The County Committees for Authorisation (CCAs) of the adult training providers in the counties and in Bucharest are established by an NATB decision. The authorisation commissions are made up of the director of the County General Directorate for Dialogue, Family and Social Solidarity (who is the chair of the commission), an expert/specialist from the county school inspectorate, an expert/specialist from the County Agency for Employment, an expert/specialist who is proposed by consensus to represent the employers' organisations at national level, and an expert/specialist who is proposed by consensus to represent the trade unions at national level. The authorisation commissions can only work in the presence of the representatives of the trade unions and employers' organisations.

Other national bodies

Established in 1997 (by Law 109/1997) as a tripartite body, the ESC has an advisory role in the process of elaborating economic and social policy and in mediating labour conflicts. Based on its analysis of social and economic development in Romania, the ESC can make proposals on the restructuring and development of the economy, privatisation, labour relations, income (salary) policy, social protection and health, and education and research. All changes to the legal framework proposed by various bodies and impacting on the above-mentioned areas must be analysed by the ESC prior to their enactment/approval. The ESC's opinion is, however, not binding. The council has 27 members, equally distributed among the government, trade union confederations and employers' organisations. Members of the ESC are appointed for a period of four years. The president of the ESC is also appointed for the same period by parliament. The ESC has several temporary or permanent specialist working committees (for example, for restructuring and developing the economy, for privatisation, for labour relations and mediation, and for education and research). The council also includes a secretariat as part of its technical and administrative structure; this secretariat is the responsibility of the general secretary of the ESC. The general secretary cannot be a member of the ESC.

The National Agency for Employment (NAE) is also a tripartite body. Its central tripartite administration board consists of 15 members, two-thirds of whom are from employers and trade unions. The administration board is responsible for the overall management of the agency. Tripartite consultative councils at county agency level became operational in mid 2002 following a three-year delay resulting from a dispute between trade unions on representation on the county councils. Despite ample opportunities to influence labour market policies and service delivery of the NAE, the real impact of social partners' participation at national and county levels remains largely unknown. Reported proposals from the social partner side have so far concentrated mainly on the 'structural' aspects of the agency such as investments and personnel, rather than on issues that might have been expected, such as proposals to improve the impact of the active measures or the quality of employment services. This applies in particular to the county councils established in 2002.

Regional and local level institutions for social partnership

At the regional level regional consortia have been established, with representatives from county school inspectorates, county employment agencies, regional development agencies and social partners. The regional consortia are responsible for developing Regional Education Action Plans (REAPs) and have a role in all HRD activities financed through the Phare programmes. In the framework of the Phare project supporting the MoLSSF in designing and implementing employment policy, it is proposed that the regional consortia be used to develop REAPs in 2005. Regional consortia and local development committees actively participate in the planning of TVET, but the role of social partners in these bodies should be further enhanced.

The local development committees are tripartite structures established at county level that include representatives of county school inspectorates, local authorities (prefects' offices, county councils, local councils, town halls) and county employment agencies, employers' associations, chambers of trade and industry, economic agents, trade unions and civil society associations. The local development committees have the following objectives:

- to institutionalise, diversify and develop social partnership in vocational training;
- to identify local labour market demand;
- to correlate educational provision in the VET system with labour market demand and with individual and professional development needs;
- to optimise county policies and strategies on financial, material and human resources in IVET.

1.4 LEGISLATIVE AND REGULATORY FRAMEWORK

The legislative process that began after 1998 moved beyond the initial education system to involve the development of vocational training for adults, including a new qualification system and quality assurance system linked to the classification and recognition of occupations, trades and specialisations and the accreditation of learning providers. Some of the most important laws are given below.

The concern to regulate and institutionalise bi- and tripartite dialogue is obvious in Romania. The initiative belongs both to the social partners and to the government, which has made an effort to meet EU requirements. In recent years (2000–04), most of the normative acts relating to the social partnership have been modified and new ones adopted. A classification of these acts produces the following categories or groups of laws.

- a) Laws on the establishment, organisation and functioning of the social partners' organisations, and on the creation of the framework for bipartite dialogue and regulations on working relationships
- Law on employers' organisations (Law No 356/2001, abrogating Gov. Decision No 503/1991);
 - Law on trade unions (Law No 54/2003, abrogating Law No 54/1991);
 - Law on the collective agreement (Law No 130/1996, abrogating Law No 13/1991);
 - Law on labour disputes (Law No 168/1999, abrogating Law No 15/1991);
 - Labour Code (Law No 53/2003, abrogating Law No 10/1972).
- b) Laws for institutionalising the tri- or multipartite dialogue, which resulted in the establishment of the following bodies
- at national level, on general issues:
- The Economic and Social Council (ESC) (Law No 492/2001, modified by the Law No 58/2003, abrogating the Law No 109/1997);
- at the level of domains of activity, on specific problems:
- The Social Dialogue Commission within the framework of some ministries, on the Authority for Privatisation and the Administration of State Participations (APAPS) and of prefectures (Gov. Decision No 89/1997, modified by Gov. Decision No 314/2001);
 - The National Agency for Employment (NAE) (Law No 145/1998, modified by Law No 340/2001);
 - National Commission for Employment Promotion (National Employment Commission) (Law No 76/2002);
 - National Adult Training Board (NATB) (Law No 132/1999, modified by Law No 253/2003) (Gov. Ordinance No 129/2000, regarding adult vocational training, modified and approved by Law No 375/2002);
 - Authorisation Commissions on vocational training providers, at county and Bucharest level (Gov. Ordinance No 129/2000, modified by Law No 375/2002);
 - Partnership structures in education and initial training (Gov. Ordinance No 115/2000).
- in the context of specific programmes or projects.

The law on the vocational training of adults was finally enacted in 2004 (Law No 375/2002, approving and modifying GD 129/2000). The law supports lifelong learning measures specific to CVT such as: guaranteeing access to CVT for all employees by including this right in the collective labour agreement, encouraging employers to invest in HRD, and evaluating and recognising the competencies acquired by non-formal and informal learning. Whereas these issues are addressed in general terms, the law is very specific in defining the responsibilities and conditions for accrediting training providers. The NATB is given a central role in the accreditation.

Law No 253/2003 consequently reviews the functioning of the NATB. It amends and completes a previous law (Law 132/1999), focusing more on the NATB's new role in authorising training providers. Under the new law the COSA is integrated into the NATB, bringing occupational standards development and assessment tasks under one umbrella. The new law on the NATB establishes its role as NQA and makes a number of other amendments.

In August 2004 an adaptation of the Adult Training Law was submitted for approval. This law is a revision of GO 129/2000 and Law 375/2002. Two of its main features are that a person is considered to be qualified even if he or she accomplishes only a partial qualification (with an outcome as defined in the relevant Occupational Standard), and that the tax for authorisation of adult training providers is decreased.

In October 2003 the methodology for authorising adult training providers was adopted through EO 522/2003, completing the legal framework for adult training. The directive regulates the work of CCAs under the coordination of the NATB.

The Labour Code (Law 53/2003) also pays special attention to training in enterprises. The new labour code includes an article stating that employers are obliged to provide employees with regular access to vocational training¹⁴. Employers are obliged to provide regular training and develop annual training plans in consultation with staff representatives or trade unions. The law also establishes the general principles for apprenticeship contracts, under which the employer assumes responsibility for providing vocational training in a particular trade, as well as paying a salary to the individual concerned. The sanctions for employers who fail to implement these obligations are unclear.

The collective labour agreements that have been signed in recent years usually include basic conditions relating to training. In 2001, for example, the agreement stipulated that: 'Trade unions and employers' associations should cooperate to identify positions requiring training as well as the training methods, and should establish an annual training programme and monitor its implementation; training costs will be borne by employers. Any company that plans to change completely or partly to a different line of business should inform and consult with the trade unions at least two months prior to implementing such measures, and should give its employees the opportunity to retrain or upgrade their qualifications before considering the recruitment of external candidates. Employees willing to take up training courses offered by a third party should make an application to that effect, which is submitted to the employer and the trade union, who should decide if and when the employer should cover the cost of the training. An employee who signs an addendum to his individual labour agreement regarding training, or whose contract is terminated for reasons attributable to the employee himself within three years of completion of a training course, may be obliged to pay the cost of his training himself.

1.5 FINANCING OF CVT

CVT is financed from various sources: the Unemployment Fund, employers' funds, the contributions of programme participants, sponsorship, donations, other funds allocated through special programmes, or external sources of financing. The NAE budget for active measures in 2002 included funds for vocational training of unemployed people, though the actual expenditure represented only 2.6% of the total cost of active labour market measures (of the 4% budgeted).

The survey on vocational training in Romania¹⁵ carried out in 2000 highlighted a number of issues relating to the involvement of employers in the development of their human resources (data refer to 1999). Very few companies (approximately 7% of the total of more than 30 000 covered by the survey) included in their development plans a special budget for CVT; most of these were large companies. The average cost for continuing training per trainee was ROL 3 102 000 (the highest cost was in finance and banking and the lowest in the processing industry), with an average of ROL 43 000 per hour. The total cost of CVT covered by companies in 1999 was ROL 308 900 million. The funds allocated to CVT by companies were 0.9% of personnel-related indirect costs and 0.3% of total workforce costs.

There are currently a number of financial incentives for CVT providers. One of the most recent initiatives is Law 107/2004 amending Law 76/2002 on unemployment compensation and stimulation of the labour force. With regard to employers who provide CVT for their employees (through accredited programmes delivered by authorised service providers), the law stipulates that up to 50% of an employer's costs for one annual training programme can be covered by the Unemployment Fund, if at least 20% of personnel participate in such training. The amendment also mentions the free-of-charge services for vocational training of the following groups: unemployed people; those working in rural areas who do not have a monthly income (or whose income is lower than the unemployment compensation rate); individuals returning to work after maternity leave; those who have completed military service; and people due to be released from prison in less than nine months. The Adult Training Law states that authorised providers of vocational training are exempt from paying VAT, but in practice this exemption cannot be implemented and only maintains the status quo. The government is, however, ready to explore other methods of stimulating activity, such as fiscal facilities. The NAE provides job subsidies for school graduates and training opportunities for new job entrants, as well as training for unemployed people. EU funds are probably the most important incentive. The Phare programme's HRD scheme is preparing Romania for ESF-type projects to support the training of employed and unemployed people at a regional level. Given that these individuals are currently the main consumers of training, the deduction of training costs from individual income tax can be seen as a possible motivating measure for the future¹⁶. For people on low incomes, consideration should be given to the deduction of personal CVT cost from their income tax rather than simply from their taxable income. In any case Romania should review the systems and

¹⁴ New Labour Code Article 190. Note that this obligation was mentioned in Law no 2/1971, over 30 years ago.

¹⁵ *Characteristics of CVT in Romania*, NIS, 2001.

¹⁶ Training costs are currently deductible only in case of individuals from the regulated professions.

practices of fiscal and other financial incentives that are used in other countries and develop the system that would best suit Romania's increased investment in human capital.

The EU is a major donor in the area of CVT in Romania. The 1997 HRD 'Progress' programme was a pre-phase to the ESF-type projects of 1998, 2000, 2002, 2003, 2004, 2005 and 2006. In 2007 the ESF is expected to start. A number of major Phare programmes have been launched and financed in recent years: the RICOP and Human Resource Grant Schemes of the Phare 1998, 2000 and 2002 sub-programmes for Social and Economic Cohesion. The RICOP programme was launched in 1999 with the aim of supporting the restructuring of state-owned loss-making companies. It has a budget of €9 million for employment promotion measures, as part of a larger budget of €100 million, which includes support for outplacement, severance payments, public works, small business finance and social response measures. The Phare HRD 1998 programme (€19 million), which started in 2000, the Phare HRD 2000 programme (€18 million), which started in 2002, and the Phare HRD 2002 programme (€12 million), which started in 2004, provide grants to stimulate the training of unemployed people and employees in the regions¹⁷. From the Phare allocations from 2003 onwards there will be annual grant schemes for training in HRD measures in companies, to a total of €35 million (2003–06).

Furthermore many of the Leonardo da Vinci projects, run in partnership with countries in the EU, focus on the development of entrepreneurship. With regard to CVT, immediately following 1989 private training providers began to show great interest in business education, as well in a series of programmes with external financing sources (such as the Fiman Project, the World Bank, Phare). Chambers of Trade and Industry became active providers of business education. These institutions provided entrepreneurial consultancy for setting up and developing businesses through their consultancy or business development centres. The main areas requiring consultancy services were: establishing a business plan, marketing, business contacts, investment, cutting business risks, promotion of the company image and advertising. The Branches of the Romanian Business School of Chambers of Trade and Industry currently run entrepreneurial vocational training courses to train company administrators to develop their businesses, to train future entrepreneurs and to develop entrepreneurship.

The SAPARD programme for rural development and agriculture also offers re-training opportunities for the rural adult population through grant schemes.

¹⁷ The contribution of the Romanian government to the Phare HRD programmes is €10.7 million.

2. MAIN FINDINGS AND RECOMMENDATIONS

During the peer review team visit in December 2003 many discussions and interviews on the role of social partners in CVT took place with social partner representatives, employers, experts and public officials, in order to see the issue from a variety of different angles. These discussions and interviews produced a wide range of views, which the peer review team has tried to reflect in this chapter. As a team of outsiders that has had an intensive but relatively short exposure to the situation in Romania, the team decided to highlight the main points rather than making specific recommendations. These points are based on the situation with which the team was confronted at the end of 2003, and do not incorporate more recent developments. The findings and recommendations in this chapter are intended to stimulate further discussion and activity in Romania, in order to encourage social partners to take more responsibility for CVT.

FINDINGS

CVT and human capital investment are not yet considered national priorities

In general, CVT and human capital investment are not considered national priorities. This is apparently the result of the lack of overall strategy and short-sightedness in policy making.

Many employers obviously do not see a great need for high-quality CVT because the kind of production or service they perform can be carried out by a workforce with traditional qualifications. They rely on an abundance of supply in the labour market. The major foreign investors follow a different strategy. They bring their high-tech production to Romania to take advantage of a literate but low-paid workforce. Moreover, this workforce can also benefit from high-quality CVT. Thus, foreign investors invest heavily not only in infrastructure but also in people. The CVT participation rate in these foreign companies is higher than the European average. In contrast, Romanian companies do not invest in training or engage in public-supported training programmes, choosing to meet short-term challenges without increasing long-term investment in their human capital. This is mainly because many Romanian enterprises are still totally or partially owned by the government. Under Romania's current economic conditions, returns on investments in training and HRD are not part of the economic strategy of most enterprises.

There is an imbalance between the legislation developed to regulate CVT and the public incentives for CVT that are available. CVT does not play a major role in the economic strategy of the government, nor do social partners hold strong collective views on the development of CVT. The government tends to overregulate and thus prevents CVT provision from becoming a market. As long as CVT does not play a major part in the economic strategy of the government and of social partners, there is no clear view on the roles of different parties in CVT. As a result there seems to be general confusion between advisory functions, strategic roles and implementation functions in CVT. Although CVT is not a major issue, and participation in CVT is the lowest in Europe, the government tries to control issues relating to CVT by overregulating the market. It is the view of the peer review team that this strategy may in fact damage the emerging private and public training market. There is too much legislation and regulation on CVT, and too few incentives to stimulate participation.

There are a number of individual initiatives and examples of good practice in Romania in which social partners are involved. These initiatives deserve additional support. There is also a remarkable willingness and effort among individuals, and in the initiatives of individual employers and trade unions, to move the country forward through CVT, though these initiatives are fragmented and lack clear direction at national and sectoral level.

There is currently not enough balance between the interests of social partners to promote dialogue

Social partnership is still in an early phase; although numerous tripartite structures already exist in Romania. The dominant position of the government inhibits the development of social partnership. Social partners have too little space to be able to act autonomously. They are not and do not feel themselves the main actors of social dialogue in CVT and adult education in general. Social partner institutions are in the government's pocket, serving as 'a department for approval and legitimisation' of the documents prepared by the government to satisfy EU requirements on social and economic consensus, as one employer representative puts it. This results in a formalistic approach to social dialogue in which the government

does not appear to accept social partners in their own right and on an equal footing. The real stake of social partners in CVT has yet to be clarified. At the moment most social partners cannot see a single reason why it is worthwhile to put more effort into developing CVT. For instance, the ESC of Romania 'has nothing to do with CVT'¹⁸. Thus, social dialogue is not given a strategic role in the development of human capital at national or enterprise level.

The peer review team has seen many positive examples at local and sectoral levels of situations in which local issues and common interests have brought trade unions and employers together without government interference. When there was a local problem to solve and a common interest among trade unions and employers in doing something about it, there were examples of successful partnerships without any government involvement. The preconditions for social dialogue are present, though these vary from region to region and from sector to sector. A standardised approach is bound to fail. Individual initiatives that are accepted by the parties concerned should be supported rather than regulated. It is expected that social partnership in CVT will develop as Romania makes further towards becoming a functioning market economy.

Special relationships between unions and the government have not helped social partnership to develop at national level. Social dialogue suffers from unbalanced development. Trade unions have a longer, but inconsistent, tradition. They are still much stronger in Romania than private employers, and often have strong personal links to former colleagues in government, which their partners do not have. Although this makes it easier for the moment for unions to attract government support for projects and programmes, they realise that this advantage may not last forever, and that it does not help them to build up an autonomous social partnership. Other social dialogue actors overshadow small and medium-sized enterprise employers, who are poorly organised and too segmented. The lack of identified common interests affects the development of CVT in companies in Romania.

KEY RECOMMENDATIONS

There are four main recommendations for improving CVT in Romania with regard to the current and potential role of social partners in this area:

- more space for social partnership and a clearer definition of the role of social partners;
- more participation in CVT by deregulation and the creation of a responsive climate;
- increased awareness and professionalism to promote CVT;
- more vision and strategy concerning the importance of CVT.

More space for social partnership and a clearer definition of the role of social partners

The government should review the impact of its top-down approach to establishing social dialogue. In order to create a more responsive climate, the roles of the various stakeholders should be redefined.

The Romanian government certainly cannot be accused of lack of action in trying to establish social dialogue in the country. But there is a misunderstanding as to what is the appropriate strategy: Social partnership cannot be installed top-down. It must grow bottom-up, and it therefore needs freedom and support. The prevailing mentality among the Romanian general public appears to be that for things to be taken seriously there must be government involvement. The push from the EU for Romania to comply with the *acquis communautaire* and various policy agendas has not helped the situation. In its attempt to respond to the EU requirements the government is trying to establish a social dialogue in Romania from above. Employers and trade unions see no reason to invest time and money in building a framework for social partnership that serves not their own needs but those of the government. Thus the initiative to create various tripartite bodies comes mainly from the government. At the same time the very idea of social partnership implies a dialogue that places enterprises and the workforce on an equal footing with the government, and that involves mutual respect. The institution of social partnership cannot be imposed. Social partners in Romania are not yet strong enough to respond to or to resist the push coming from the government side. In this situation social partners do not feel themselves owners of the social dialogue. The result is a formalistic social dialogue and a lack of initiative from the side of social partners.

Legislative measures could help to create conditions in which social partners are not hindered from exploring the needs of the Romanian labour market in terms of training, skills and qualifications, and in

¹⁸ Results of the interview with ESC.

which they can take decisions on their own and codetermined government programmes. Trade unions and employers must learn to negotiate directly between themselves rather than through government channels. Such practices should successfully lead to collective agreements being made at a company or sector level. A broader sectoral cooperation of social partners in CVT could be introduced and given more space for common initiatives at a bipartite level.

A stronger sectoral approach will promote good practice in CVT provision at a sectoral level in terms of HRD in companies, concerning the relevance of occupational standards and other positive outcomes. This should encourage trade unions and employers to work together towards common aims. Particular examples of good practice in Romania demonstrate that where a common problem was identified, trade unions and employers proved capable of working together in trying to resolve it without government intervention. Such partnerships recognise that investment in human capital eventually improves the competitiveness of a company or sector, leading to business success, the creation and stabilisation of workplaces and subsequent improvement of conditions for employees.

It is, however, important not to impose mandatory cooperation in a top-down manner for all sectors. A sectoral approach to social partnership should be established and supported only where there is a request for social dialogue and where a need for such cooperation is recognised within the sector itself. Some such sectors have been identified during the peer review visit (including construction, tourism (hotel and catering), metal industries and finance), and others may be identified at a later stage. Such examples are still rather fragmented. But pilot projects and support for the initiative will help to upgrade efforts in order to make them more systematic, and to disseminate the good practice.

The government should be active in developing a responsive climate by redefining the roles of different stakeholders in social dialogue and promoting favourable legislation that will encourage social dialogue without government intervention. This means, in effect, that the government must be prepared to delegate power to social partners in order to allow them to undertake tasks that were formerly the responsibility of the government. Instead of being the proactive initiator and supplier of social dialogue, the government must take a more reactive role, responding effectively to the initiatives that come from social partners themselves. The government should support successful developments in CVT that have already been initiated by social partners, by providing direct and indirect incentives to such initiatives (for example, by linking them to existing public funding opportunities, such as training funded from the Unemployment Insurance Fund, or award schemes). Information on these initiatives should also be disseminated by the government to other localities, regions and sectors.

Social partner organisations at all levels currently work on behalf of the government to scrutinise documents and laws prepared by the government. Social partners lack their own agenda. Trade unions and employers' organisations must be given a more strategic role with regard to VET and CVT. Their decisions must be given weight, and they must be entrusted with greater responsibility. Social dialogue at a national level (ESC, NATB) must include subjects relating to strategic development, system building and national planning of VET/CVT measures and programmes, and must build mutual interest and respect within this field.

Trade unions in Romania have a longer, but inconsistent, history and are generally more mature and united than employers. Trade unions are more organised in terms of providing input into a tripartite dialogue. Many former trade union members, being quite experienced civil servants, move on to work in state and public administration up to the highest ranks. This reinforces informal links between trade unions and the government. Employers' organisations, on the other hand, are still fragmented and are still not used to the fact that they 'have to learn to speak one language and have the same goals'. This leaves the employers with less power and results in an unbalanced social dialogue in which employers are overshadowed by the trade unions and the government.

Employers must be given a position of primary importance when it comes to CVT provision. They take decisions to hire employees and to invest in in-company training. Without the direct interest and engagement of employers it will be very difficult, if not impossible, to achieve a breakthrough in the provision of CVT in Romania. Thus the widest possible spectrum of employers' organisations must be actively consulted on all major legislation during its elaboration. Such bodies as the National Council for SMEs and the Foreign Investors' Council should also be involved in the process. The government must learn that it is in the interests of the Romanian economy as a whole that employers have a voice in the field of CVT.

A better balance within tripartite and bipartite bodies could be achieved by rotation of the leadership between employers and trade unions at reasonably frequent intervals (for example, annually).

More participation in CVT by deregulation and the creation of a responsive climate

There is as yet no genuine training market (neither public nor private) in Romania. The state plays an important role in CVT, but as in the case of social dialogue, it must reconsider its position and move from playing a dominating and controlling role to playing a balancing and promoting one. The bulk of training is currently paid for by individuals themselves or by the government. This situation is not sustainable in the longer term, especially if Romania wants to increase its competitiveness in global markets. Thus, Romania needs to increase investment in human capital and participation in CVT. In most European countries in-company training is by far the largest provider of CVT. The state should provide incentives for employers and trade unions to take charge of CVT in Romania. The government should create a responsive climate, supporting and motivating demand rather than trying to regulate supply.

In order to increase CVT provision, enterprises must be motivated to do more. Motivation of enterprises to provide training for employees could be achieved by fiscal incentives. As these enterprises begin to invest in more value-added production and services, their economic logic will motivate them to invest more in CVT. Romanian companies (including self-employed people) can currently deduct training from taxation as part of their production costs. The introduction of a levy fund based on the French approach has been mentioned several times by representatives of various Romanian institutions as a possible measure to motivate companies to provide and fund more training for employees. It is, however, important to realise that the Romanian fiscal system has been under pressure from permanent reforms. Enterprises in Romania suffer from a heavy tax burden, and imposing another tax under such circumstances would not be a motivation. Hence, it would be advisable not to introduce additional taxes and common levies on all companies, but rather to consider restructuring the existing tax system. Instead of increasing taxes and bureaucracy, it is suggested that solutions be found on the private side, for instance the introduction of levy funds or other financial mechanisms in selected sectors.

Given that individuals are currently the main customers of training, the deduction of training costs from individual income tax should be considered as a possible future motivating measure¹⁹. For people on low incomes the deduction of personal CVT costs from income tax should be considered, and not simply the deduction of costs from taxable income. In any case Romania should review the various systems and practices of fiscal and other financial incentives that are used in other countries, and develop the system that would best suit increased investment in human capital in Romania.

The motivation of individuals to participate in training, and of companies to provide more training, could also be achieved through incentives other than financial ones. For instance, a system of awards could give public recognition to those achieving success and excellence through training. Such a scheme could be organised at national, sectoral, regional, local or company level and would be a source of good publicity for the company concerned.

An efficient and dynamic system to recognise informal and non-formal learning and skills acquired during an individual's working life can also become an important motivator to participate in training and to increase human capital investment. This is an important area in which social partners must play a primary role. The work on the elaboration of the National Registry of Vocational Qualifications, together with other activities in the field of occupational standards and certification (now the agenda of the NATB), provides a unique opportunity to create a platform for public discussion, organised sector by sector and led by social partner representatives, as soon as social partners are ready to fulfil this role. Where such platforms could currently be established, they need efficient support for their functioning, linking the system of assessment and certification of learning and skills to the vocational and occupational counselling and guidance and training provision.

The Romanian government has initiated a number of actions to secure the quality of CVT. These measures are very important for Romania, as they enhance the prestige of certified training providers and courses on the market and thus instigate greater participation in training. It is, however, important to take into account the embryonic state of the training market in the different regions of Romania. Authorisation may reduce the number of providers where few exist, and may also discourage new initiatives, including initiatives by social partners. This could be harmful in a market that is not very well developed. An effective use of ESF funds depends after all on the availability of training providers in underdeveloped areas. The costs of training are raised by authorisation. By making new incentives solely dependent on the use of authorised providers and obliging certain categories of professionals to follow courses with authorised providers, authorisation is no longer voluntary. CVT places great importance on work-based learning, since enterprises are major customers of training provision and training outcomes (skills of the workforce). Companies should not be obliged to use the services of authorised providers, but should be

¹⁹ Training costs are currently deductible only in case of specific individuals: representatives of the regulated professions.

allowed to decide for themselves how best to invest their training funds. Hence, fiscal motivating measures for enterprise training (such as the deduction of training costs from tax) should not be linked exclusively to the use of authorised training providers, nor even to the achievement of recognised qualifications that are part of the qualification framework. As well as reviewing the costs of authorisation, other interim measures may need to be developed.

Furthermore, public funds, ESF and other external funding should not be always linked to the use of authorised training providers or to the achievement of recognised qualifications. External funding now plays an important role in demand creation and market revitalisation in the field of training, and this role is expected to grow in the future. Hence it is very important that training providers can compete in the market for the supply of their services to enterprises and organisations. External and public funds must be targeted to support the role of social partners in CVT across the board. The opportunities to promote CVT that are created through external and public funding should be used to develop social partnership by allowing sectors, or social partners to set agendas. Enterprises and trade unions should play a leading role in such projects and measures. Moreover, realistic (but in no way merely symbolic) co-financing from the private sector, combined with funds from the state and/or external sources, can foster more commitment to investment in CVT from employers and employees.

Increased awareness and professionalism to promote CVT

Social dialogue does not have a long tradition in Romania. It has become very clear during the peer review visit that successful social partnership and greater commitment to investment in human capital existed where top (and middle) management were well acquainted with modern methods of HRM and HRD and with modern principles and practices of industrial relations. Professional development in these key areas needs to be further enhanced in order to strengthen the development of CVT. Greater awareness of and commitment to investment in CVT by employers can be fostered by promoting the professional development of management at all levels. Management training would also benefit from inclusion of the subject of 'working together' – cooperation between employers and trade unions, negotiations and collective agreements. In order to strengthen industrial relations, training could be organised on training-related issues (such as how to develop company training plans, how to negotiate training in collective labour agreements) for negotiators from social partners. A collective, open, thematic database of collective labour agreements could be useful for spreading information on what has already been agreed elsewhere.

HRM in Romania has not yet received the recognition it has in other countries. Few HR managers are qualified in HRM, with only two universities offering full HRM programmes. A national professional association of HR managers could promote best practice and stimulate the provision of HRM courses.

A media campaign could promote the role of human capital in economic competitiveness. It could underline the role of CVT as a long-term instrument for increasing labour productivity, mainly in value-added production, and for improving the quality of products and services. It could also demonstrate the financial and social returns on human capital investment at a regional, company and individual level, and in terms of macroeconomic growth.

More vision and strategy concerning the importance of CVT

Romania appears to suffer from two major tendencies: first, short-sightedness in trying to solve the most urgent and not necessarily the most important issues; and second, a lack of a medium-term strategy in trying to satisfy EU entrance requirements. Although the country is not unique in displaying these tendencies (indeed, these deficiencies apply and applied to all acceding countries, to varying degrees), it mainly lacks a long-term vision and strategy for HRD in Romania: a future image of the workforce. Mr Ion Hohan, Vice President of the General Union of Romanian Industrialists (UGIR 1903), illustrated this need for more vision when he stated during the peer review visit, 'I am not afraid of joining the EU. I am afraid of what will happen when we join the EU'.

Romania needs a nationwide discussion at an expert level, led by social partners (ESC, NATB), and actively involving in the discussion enterprises and foreign investors who are active in training. Setting up an association of training providers will also generate further discussion and support developments in CVT. The discussion could support the formulation of a long-term HRD strategy in Romania linked to the vision of economic development. The discussion should help to achieve a consensus between social partners and the government. In this case the process of strategy elaboration and nationwide discussion might be even more important than the outcome.

The strategy should be developed alongside realistic short-term implementation steps and clear responsibilities. Every positive change in CVT should have space for a transition period to allow it to be tested, and should only then be institutionalised and regulated, in order that it gradually becomes part of the future culture. All the frameworks established should be dynamic, thus avoiding rigidity and allowing for transitional adjustment.

There is a need for an organisation that will take a proactive role in HRD and setting the agenda. From the peers point of view the NATB is ideally placed to take up this role. The status and role of the board of the NATB must be reviewed, and there must be a distinction between the policy and strategy role and the responsibility for actual implementation. The NATB could act as a public platform for social partners in CVT at national level. The NATB should generate a nationwide discussion on the long-term national strategy of HRD across the board, including lifelong learning. The status of NATB may have to be upgraded so that it becomes an independent tripartite board at national level charged with tackling the issues of adult training and HRD. The NATB's technical secretariat must have sufficient resources to fulfil its various roles, including the ones proposed above, in which the expert function of the secretariat becomes very important.

The membership, status and responsibilities of the NATB are an important issue, because the board must function autonomously (the government remains part of it, but is in a minority). Thus it is essential that the social partners make up a majority of the board. The social partners could also take responsibility for the presidency on a rotational basis between employers and trade unions. The composition of the NATB must take account of all the existing employers' organisations that currently form a significant part of the membership base. It must also bring on board individual sectors and foreign investors.

3. NATIONAL, LOCAL, SECTORAL AND REGIONAL LEVELS: OPPORTUNITIES FOR ENHANCED INVOLVEMENT OF SOCIAL PARTNERS

The key recommendations in Chapter 2 are the observations of a team of outsiders, but they have not been translated in detailed actions through which they should be implemented. That is left to the discretion of the Romanian stakeholders. These stakeholders are firstly the representatives of social partners, and secondly their partners in cooperation. One of the main messages that has been put forward is that social partnership is a dynamic and changing process, driven by many factors. Hence, different forms of social partnership develop, and at different levels. These need to be driven by the social partners and not by the outside world. Putting these key recommendations in the context of the rapid development that took place during 2004, this chapter aims to define a number of concrete measures to which these recommendations could be applied.

Recent developments in 2004

The Regular Report 2004 makes clear that Romania is likely to accede to the EU in less than 2.5 years. This makes the statement concerning what will happen after accession, made during the peer review visit even more urgent and relevant. Can Romanians compete with the workforce in the existing member states? In spite of the fact that many Romanians have successfully integrated into the EU labour market, Romania has not been able to profit much from its low-cost advantage. Although economic growth is continuing for the fifth consecutive year, employment growth is stagnant. This 'jobless growth' appears to be linked, among other things, to the general wage policy, which aims to raise the real value of the salaries of low earners. The low level of new employment generation appears to be driven primarily by foreign investment in mobile, low-skilled, low-wage jobs. It is clear that the Romanian workforce in more skilled jobs will need to concentrate their efforts if they are to attract other kinds of foreign investment.

With accession approaching, social partner organisations at a national level are actively trying to strengthen their influence. The Social and Economic Council has received Phare support to enhance its capabilities. Of the 12 nationally representative employers' organisations in Romania, eight have merged into two new separate top-level structures. The Alliance of Employers' Confederations of Romania (ACPR) brings together two of these organisations, while the remaining six have created the Union of Romanian Employers (UPR). Trade union confederations are also attempting to enhance their influence through mergers. The European social dialogue model and political developments in Romania appear to have influenced these processes. New opportunities requiring strong social partner organisations are opening up.

The issue of CVT has gained particular importance in the context of planning for ESF. New policies and legislation give additional responsibilities to social partner representatives. The Adult Training Law has been revised, reducing somewhat the threshold for providers seeking authorisation and opening up the CVT market. In order to stimulate participation, new incentives allowing the use of the Unemployment Insurance Fund to subsidise training in companies have been developed. The discussion on quality is gradually shifting its focus from quality control to quality assurance and quality improvement. At national level the importance of the NATB is growing. At sectoral level sectoral committees are being established that should give social partners a decisive voice in the establishment of qualifications. At regional level policies for HRD and the identification of regional skill needs are emerging through the planning of regional education and employment action plans.

ISSUES AT NATIONAL, LOCAL, SECTORAL AND REGIONAL LEVELS

The national level: What is the future of the NATB?

Dialogue is taking place at national level across a wide range of national bodies, but none of them is so crucial to the development of CVT as the NATB. Since the NATB was established in 1999 it has undergone significant changes. Set up as to support the development of adult training in Romania and to contribute to strategies and policies, the NATB's list of duties was linked with the assessment of medium- and long-term training needs: providing advice on the development of legislation relating to CVT, cooperating with and providing a platform for dialogue for institutions and organisations active in the development of CVT, and contributing to the development of a system for the certification of CVT and the

accreditation of CVT providers. From the beginning this list was a mixture of operational and advisory functions that made the board of the NATB heavily dependent on its secretariat. Through supporting the work of the board the secretariat's function has developed its own identity, while the NATB has been given additional responsibilities.

During the first three years the secretariat consisted of a Studies and Prognoses department, which coordinated studies on CVT, and a Financial and Economic Department. Since the integration of the COSA and the start of the authorisation process, the secretariat has four departments, covering methodology (linked with the provision of CVT and certification), occupational standards and assessment, economic and financial issues, and internal auditing. Its new role as NQA will transform the NATB into an organisation dealing with issues of CVT and initial education, although the NATB may keep its name. The importance of the secretariat is growing, and the number of staff is expected to reach 75 over the next three years. These developments are positive, and demonstrate the dynamic development of education and training reforms in Romania.

Unfortunately the tripartite dialogue on CVT is not taking place in the secretariat but in the board. While the board may initially have been the platform through which the government met the majority of social partners to discuss the development of the training needs of Romania's workforce, the operational functions of the secretariat have now become the main focus of the board. This raises the question of what has happened to the original idea of the NATB as the promoter of CVT. Can the board still be proactive in the field of CVT policy? With the establishment of the sectoral committees, the board may be able to draw upon the contributions of representatives at sectoral level, and this could strengthen the voice of partners. But will the board be able to strike a balance between contributing to the development needs of the NQA and supporting CVT policy development? It will be important to seek the views of the board on this issue and ensure that the board is clear about its identity.

Making the local level the main focus of social partners in CVT

There are important examples at local level of best practice in social partnership. Local partnerships involve cooperation between staff and management from different companies, local public and private training providers, universities, municipalities and NGOs. The harbour school in Constanța is a very good example. These initiatives are local responses to local situations. In Romania social partner organisations are focusing their activities very much at the enterprise and local level, where the results of their work are immediately visible to their members. Therefore such local initiatives differ significantly from one another. Regulating such initiatives may have a counterproductive effect. The success of local initiatives will often depend on the motivation and competence of the people that are involved. The Labour Code has introduced an element of staff and trade union consultation on training plans in enterprises, creating a basis for dialogue, which may or may not work, depending on the local situation.

The HRD grant schemes and ESF offer important opportunities that did not exist previously. It is therefore important that local social partner organisations are aware of HRD issues. The involvement of social partners in HRD discussions at sectoral and national level should also build on expertise at local level. Are trade unions and employers' organisations doing enough to support the development of their staff at local level in this particularly critical area? The ETF IB 2003 project has attempted to begin institution-building activities at local level, using local good practice, and has assisted social partners to formulate their needs in terms of strengthening the role of social partner representatives at local level. But it is important to consider more structural ways to enhance partnerships at local level. The fact that training is a shared concern could motivate employers' organisations and trade unions to join forces in order to strengthen local capabilities.

Important opportunities at the sectoral level

The common interests of employers and employees working in the same field are obvious, and it is therefore easier to address training and retraining, HRD and lifelong learning at the sectoral level. Training is closely related to the needs of a sector. People from the same sector speak a common jargon. There is often already a basis for dialogue through the experience gained with Collective Labour Agreements. Examples from the construction and metal industry sectors demonstrate that training is on the agenda of social dialogue. Such sectoral initiatives must have a chance to grow and to succeed. It is important to receive feedback beyond the general recommendations of the peer review team on the conditions that will promote the development of such sectoral initiatives.

The sectoral element is currently the weakest, though potentially the strongest, driver of social partnership in the field of CVT. So far there are few platforms for discussing sectoral interests in the training field. The development of a National Qualification Framework and a tripartite NQA, and the

formation of sectoral committees, offers important opportunities to strengthen the voice of sectors. The formation of sectoral bodies is an initiative of the NATB, but whether these bodies will be able to establish clear sectoral education and training interests depends on the sectors themselves. One difficulty is that sectors in Romania are often a rather narrow group of related industries. The sectoral committees that are being established are based on 23 sectors chosen and grouped on the basis of the need to identify common interests in education and training. In order to provide learners with a basis for further development during their careers, education and training systems must understand the wider context of a sector in relation to the specific competences of an occupation or group of occupations. This will be a challenge for the sectoral committees, and will require related industrial sectors to work together. It is also a challenge for the way social partnership has been dealt with in the area of education and employment. Up to now the employers' and trade union confederations have been the main players in the bodies that discussed education and training issues. With the emergence of sectoral bodies, federations may be gaining importance.

Is the regional level still a step too far?

The eight development (NUTS II) regions that have been established to prepare Romania for regional development and support from structural funds have played an increasingly important role in the Phare programme during the past four years. The first sets of NDPs and Regional Development Plans to be developed anticipated wide consultation with social partners at regional level, but since the country is still mainly organised on the basis of municipalities and counties, this consultation process has perhaps been too difficult to accomplish.

As part of the TVET reform process, and with the support of Phare, regional consortia that include social partners and many other stakeholders have been established. These regional consortia have developed the first regional education action plans, which attempt to identify the education needs of each region, with 2010 as a target date. In forthcoming years these regional education action plans will be refined, and the role of social partners in the regional consortia should be reinforced. In order to plan regional needs for employment promotion, the National Employment Agency will receive Phare support to develop regional employment action plans along the same lines. It is expected that these plans will eventually merge into regional HRD plans that are regularly updated. These plans will represent an important contribution to the planning of education, training and employment-support measures, including the distribution of funds (including ESF funds).

Do social partners recognise the benefit of such plans, and are they interested in investing in their development? How can they organise themselves to contribute to such plans effectively, and how could they profit in their own activities from the information derived from these plans? These questions may be difficult to answer, since the situation can only be judged based on evidence from the first round of plans and it is not yet clear how these plans are being used. However, with accession only two years away, it may be time for social partners to consider the consequences of remaining outside these planning processes.

ANNEXES

ANNEX 1: SOCIAL PARTNERSHIP IN CVT AND HRD: EXAMPLES OF GOOD PRACTICE FROM ROMANIA AND ELSEWHERE

Example of good practice in Romania: Social House of Constructors (SHC)

The SHC is a not-for-profit organisation founded in 1998 by three employers' organisations (ARACO, PATROMAT and Road Builders Managerial Romania) and three trade unions (Familia, Anghel Saligny and FSCFCC) that offers social and financial services to its members. The members are the trade unions and the professional associations through which employees and employers can access services on collective social security and other financial services. The financial resources come from the companies and employees themselves; investors (foreign) are required to make a contribution to the SHC when a construction deal is made.

The main service provided by the SHC is to employees who do not work during the winter period: they receive an allowance of 75% of their gross salary without loss of rights such as their labour card, seniority, leave and insurance. In this way the SHC breeds loyalty, and employees tend to stay longer with their employer or within the sector.

The SHC was not initially set up as a bipartite service to train employees, but in the time it has been in existence it has begun to offer many other services to its members. Since there is always a need for qualified workers in the construction sector, there is also a demand for training of these workers. The SHC now offers training facilities (mostly within government-run schools and the sector's vocational schools) for employees during the winter.

The results of the SHC are so far very promising. The construction and building materials sectors are traditionally developing sectors in Romania, and within them there is a great deal of entrepreneurial behaviour. The SHC certainly contributes to that. The success of the SHC can be attributed to its bipartite structures. Employers and trade unions can act relatively quickly and without making concessions to other actors (such as government authorities) on the issue of the employability of workers.

Example of good practice in Romania: Harbour School in Constanța

The Harbour School is a private teaching institute in Constanța that was established in 1998 as a result of cooperation between the FNSP (trade union) and the Port Employers' Organisation from Romania, and the SiD (trade union) and SIC (employers' organisation) from Denmark. The school offers professional training for adults in the following areas:

- training, re-training and multi-skilling training of workers in specialised harbour activities;
- training of unemployed people (social reintegration) and/or individuals from other sectors in harbour activities;
- training of trade union members.

The certificates issued by the school are recognised by the MoLSSF.

The school was set up as a result of the mutual interest of employers and trade unions to tackle the labour force problems resulting from the privatisation of the harbour. It was the FNSP that initially called for social partnership, and although the harbour employers were not well organised, they were willing to join. Now both parties sit on the executive council of the school, drawing up the rules and the budget, and approving the yearly accounts of this training service.

It is the policy of the school to reduce the duration of courses and to create a strong combination of theoretical and practical courses. This approach makes the CHS very attractive to both employers and employees.

Example of good practice in Romania: Striking Deals

Striking Deals is an initiative of trade unions from Romania, Hungary and the Netherlands. In Romania the Striking Deals is a partnership between the Romanian trade unions CNSRL- Frăția and BNS, and FNV from the Netherlands. The initiative is financed by the Dutch Ministry of Foreign Affairs. The project's main aims are to promote vocational training as a trade union issue, to increase the quality of the workforce and to contribute to the social cohesion of trade unions and employers.

Two sectors and two companies from Romania have been chosen for the pilot phase: the shipyards sector with the company Aker of Tulcea, and the aviation sector with the company Aerostar of Bacău. Both companies are facing harsh competition and have a demand for well-qualified workers to cope with the latest technology.

The aim of Striking Deals is to introduce collective agreements, bipartite training funds and training services in order to fill in the demand for CVT. It began in 2003, and to date all stakeholders have embraced the idea of a bipartite training fund and the use of a collective agreement to implement this. Through this bipartite arrangement, employers and trade unions are able to take the lead in CVT and can decide for themselves what needs to be done in terms of training within their sector or company. Social partners are convinced that they know best what professional skills should be there, how production should be organised and what the working philosophy should be. A very convincing argument for bipartism in this matter is that resources (financial and human) that both parties put aside to facilitate the demand for CVT stays under their own command.

Although Striking Deals only started a year ago, it certainly has the potential to become an example of good practice in social partnership in CVT in Romania.

Example of good practice in Romania: Partnership in CVT

SC Damen SA and SC Sidex, both from Galați, promote social partnership in the field of CVT. Both companies have developed partnership relationships with a vocational school, a technological lyceum and a university in Galați. Practice is organised for students at the school, while many of the students in the university have part-time jobs while studying. Graduates of these institutions are encouraged to apply for jobs in the companies and many of them are succesful in obtaining one. Similar initiatives have been developed at SC ALRO in Slatina, which offers scholarships for students in vocational schools and universities in order to encourage them to pursue a professional career with the company.

Example of good practice in the UK: The National Training Awards

The National Training Awards offer high-level recognition for businesses, organisations and individuals who have achieved lasting excellence and success through training and learning. Winners demonstrate achievements across a vast spectrum of activity, both in the workplace and in the community.

There are three types of National Training Award in the UK: local, national and special. Local Training Awards are made to those who demonstrate outstanding achievement in their region (England, Wales, Scotland and Northern Ireland). National Training Awards are presented to those who have demonstrated exceptional achievement through training and development, selected from across the UK. Finally Special National Training Awards are presented for truly exceptional achievement from amongst the elite group of national winners.

Entering the National Training Awards offers public recognition. The use of the National Training Awards logo on stationery and literature is a mark of excellence. Entering the National Training Awards is a means of rewarding staff for hard work. Winning a National Training Award builds professional reputation and creates competitive advantage. The National Training Awards help to evaluate the benefits of training and development, enabling companies and individuals to benchmark their achievements. National Training Awards finalists are celebrated in the national and regional press and at prestigious awards ceremonies across the UK, and national winners are celebrated at a gala ceremony in London.

More details at: <http://www.nationaltrainingawards.com>

There are many different awards schemes in other countries. For instance, in the Czech Republic the annual Investor of the Year award includes the category 'Investment Most Enhancing Qualified Labour', in which the number of staff trained by the company is decisive. The prestigious ceremony is held at Prague Castle, and honours the greatest contributions made by investment projects to the development of the Czech economy. The awards are presented by the Czech prime minister and other government representatives.

Example of good practice in the Czech Republic: National Council for HRD

The government of the Czech Republic adopted a National Strategy for HRD and established the coordinating National Council for HRD in spring 2003. The adoption of the strategy was preceded by a long process of nationwide discussion among experts and social partners, led by the National Training Fund, a non-governmental public benefit organisation set up to promote HRD and employment. The discussion instigated the creation of the National Council for HRD as well as several regional HRD councils, and helped cooperation in the field of HRD across sectors and ministries.

The National Council for HRD is responsible for the formulation of national priorities and policies, coordination among sectors and with the regions, and the promotion of lifelong learning. The composition of the Council includes six representatives each from state administration, regional self-government, employers' organisations and trade unions. Councils for HRD are also gradually being established at regional level. Their key responsibilities are to survey and forecast the demand for skilled labour, and to initiate corresponding changes in IVET and CVT in the regions.

ANNEX 2: LIST OF ORGANISATIONS AND REPRESENTATIVES INTERVIEWED

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38	Dumitru RĂDUȚOIU	Harbour School Foundation	0740/997856
39	Nicolae LUPU	Trainee Harbour School Foundation	0721/026015
40	Marioara Mihaela ILIE	Trainee Harbour School Foundation	0744/134551
41	Costel HORODINCĂ	Trainee Harbour School Foundation	
42	Lică IONEL	Trainee Harbour School Foundation	S.O.C.E.P. S.A.
43	Ion TĂNASE	Employer Director: S.O.C.E.P. S.A.	0745/148971
44	Mihai CARAIANI	Harbour School Foundation	0742/031318
45	Gheorghe CARAIANI	Harbour School Foundation	0742/031301
46	Felicia ANDREI	Harbour School Foundation	fsp@delfin.td.ro
47	Hrisa NASTASE	Harbour School Foundation	0742/031319

Joint meeting Employment Agency Constanța			
48	Mihaela SARIGHIOLEANU	Employer THR-CG Constanța	0241/546665
49	Cristina MERS	School Inspectorate Constanța	0241/514822
50	Florin ȘERBU	School Inspectorate Constanța	0241/611913
51	Gabriela NEAGU	School Inspectorate Constanța	0241/550111
52	Carmen RĂDUCU	Employment Agency Constanța	0241/619663
53	Carmen GRIGOR	Employment Agency Constanța	0241/619626
54	Ana Maria BUCUR	Romanian National Union of Employers	0241/751557 – office 0744/497031
55	Arghirica SPĂNU	DDFSS Constanța	0241/612597
56	Valentina MUNTEANU	DDFSS Constanța	0241/555815
57	Rodica MARINICA	Romanian Business School Chamber of Commerce Constanța	0241/619854 – int. 225
58	Florina ARTIN	Employment Agency Constanța	0241/619626
59	Daniela STAN	Romanian Youth Association of Private Entrepreneurs Constanța	0241/614090
60	Adrian VASILE	Romanian Youth Association of Private Entrepreneurs Constanța	0241/558115
Joint meeting Slobozia			
61	Veronica NEACȘU	Employer S.C. Korin Romania S.A. Slobozia	0243/230516
62	Ștefan DOBRIȘ	Department of Social Dialogue and Family Ialomița	0722/409225
63	Lambru NACU	S.C. COMCEREAL S.A. Ialomița	0722/141793
64	Elena PACOLA	Training Provider	0722/459164
65	Violeta ION	<i>Impact</i> Newspaper - Slobozia	
66	Octavian CIOBANU	President Trade Union CNS Cartel Alfa Ialomița	
67	Momela SULU	Employer Top Food SRL	0723/229312
68	Nicolae VASILE	Employer Top Catering	
National Adult Training Board			
69	Petru DANDEA	Trade Union NTUC Cartel Alfa	0744/188047
70	Victoria CAPRINI	NATB - COSA	315.52.33
71	Victor ILIESCU	President NATB	0744/813168
National Trade Union Block			
72	Valerica DUMITRESCU	BNS	0788/391545 educatie@bns.ro
Ministry of Finance			
73	Mirela ȘIȚOIU	Ministry of Public Finance	410.07.94
74	Tudorică MILICA	Ministry of Public Finance	336.85.11
75	Elena IONESCU	Ministry of Public Finance	410.34.00
76	Daniela TĂNASE	Ministry of Public Finance	312.01.60
77	Maria MANOLESCU	Ministry of Public Finance	
78	Cornelia PETREANU	Ministry of Public Finance	
National Agency for Employment			
79	Ioan CINDREA	President	
80	Elena BABOI	Director	
81	Eugen PREDA	Vice President	
82	Petru BLANARIU	Director	

ANNEX 3: PEER REVIEW VISIT TO ROMANIA

Programme 8–14 December 2003

Monday 8 December 2003	
9.00	Short meeting – Romanian National Observatory staff (0.5 hour)
10.00	National Adult Training Board (1.5 hour) – Meeting with NATB staff and social partner representatives Victor Iliescu – President NATB Liliana Voicu – Expert NATB Pentru Dandea – Trade Union Cartel Alfa Valerica Dumitrescu – National Trade Union Block
12.00	Lunch
13.45	<i>Group 1</i> Ministry of Education (1.5 hour) Liliana Preoteasa – Director, Pre-university Education Madlen Șerban – Director, VET Centre
16.00	<i>Group 2</i> SAPARD Agency in Romania (1.5 hour) Andrei Dîrlău – Director, Technical Assistance and Vocational Training and other staff representatives
Tuesday 9 December 2003	
9.00	<i>Group 1</i> National Commission for Employment Promotion (1 hour) Doina Bucinschi – Director Employment and Continuing Training Department Simona Bordeianu – Vice-director Employment and Continuing Training Department <i>Group 2</i> Social and Economic Council Ion Giurescu – President and social partners
11.00	<i>Group 1</i> Ministry of Education (1 hour) Mircea Radu Damian – Ministry State Secretary – University Education <i>Group 2</i> Institute of National Economy Valentina Vasile, Steliana Perț, Diana Preda Discussion on Collective Bargaining
12.30	Lunch
13.50	<i>Group 1</i> General Union of Romanian Employers (1.5 hour) Ion Hohan – first Vice President, UGIR 1903 <i>Group 2</i> Dimitrie Daschievici – ARACO Ion Voinea – ARACO Cristian Steriade Social House of Constructors
16.00	National Agency for Employment (1.5 hour) Ioan Cindrea – President Eugen Preda – Executive Director Elena Baboi – Director Labour Market Management and LMAM Petru Blanariu – Director International Relations Department

Wednesday 10 December 2003	
	Travel to Constanța (3 hours)
	Lunch
	Joint meeting – Harbour and Tourism Sector (social partners, training providers, staff)
	Accommodation – Royal Hotel, Constanța
Thursday 11 December 2003	
	Joint meeting Employment Agency and social partners – Constanța
	Lunch
	Travel to Slobozia
	Joint meeting – Social partners, employers from food, agriculture and chemistry sectors, training providers
	Travel to Bucharest
Friday 12 December 2003	
9.00	Debriefing meeting National Training Board
11.00	<i>Group 1</i> National Union of Road Hauliers from Romania <i>Group 2</i> National Trade Union Block (1.5 hour)
12.30	Ministry of Finance (1 hour)
	Lunch
Saturday 13 December 2003	
	Debriefing

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ACRONYMS

CCA	County Committee for Authorisation
COSA	Council for Occupational Standards and Assessment
CVT	Continuing vocational training
ESC	Economic and Social Council
ETF	European Training Foundation
EU	European Union
HRD	Human Resource Development
HRM	Human resource management
IVET	Initial vocational education and training
MoER	Ministry of Education and Research
MoLSSF	Ministry of Labour, Social Solidarity and Family
NAE	National Agency for Employment
NATB	National Adult Training Board
NCEP	National Committee for Employment Promotion
NDP	National Development Plan
NGO	Non-governmental organisation
NIS	National Institute of Statistics
NQA	National Qualification Authority
REAP	Regional Education Action Plan
TVET	Technical and vocational education and training
VET	Vocational education and training

