



Dimensions

Status

Strategic Framework

Government and non-government leaders exercise sustained advocacy for WfD, but at times such advocacy is fragmented. Despite significant efforts to identify skills needs in priority economic sectors, employer engagement in setting WfD priorities and upskilling the existing workforce is rather weak. The mandates of WfD stakeholders are well defined, but coordination challenges persist.



System Oversight

TVET in general is under-funded, especially CVET. Romania has adopted an NQF, but the articulation of IVET and CVET is challenging as they are managed independently from one another. Streaming begins after 9 years of education and, while students have many options to choose from, educational progression is more difficult for IVET students in certain streams. The government has sought to provide diverse pathways for skills acquisition, but the scope of the measures is limited.



Service Delivery

Partnerships between schools and institutions have increased in recent years, but their sustainability and robustness could improve. Data collection and reporting efforts focus on administrative data only; the scope of such efforts could widen to cover labor market outcomes and impact assessments. More efforts are needed to ensure access to and use of data for better accountability and improved decision making.



Table of Contents

Executive Summary.....	3
1. Introduction	7
2. Country Context	10
3. Aligning Workforce Development to Key Economic and Social Priorities	18
Socioeconomic Aspirations, Priorities and Reforms	18
SABER-WfD Ratings on the Strategic Framework.....	19
Policy Goal 1: Setting a Strategic Direction for WfD	20
Policy Goal 2: Fostering a Demand-led Approach to WfD	24
Policy Goal 3: Strengthening Critical Coordination for Implementation	27
4. Governing the System for Workforce Development	31
Overall Institutional Landscape.....	31
SABER-WfD Ratings on System Oversight.....	32
Policy Goal 4: Ensuring Efficiency and Equity in Funding.....	33
Policy Goal 5: Assuring Relevant and Reliable Standards	36
Policy Goal 6: Diversifying Pathways for Skills Acquisition	38
5. Managing Service Delivery.....	43
Overview of the Delivery of Training Services	43
SABER-WfD Ratings on Service Delivery	44
Policy Goal 7: Enabling Diversity and Excellence in Training Provision	45
Policy Goal 8: Fostering Relevance in Public Training Programs	47
Policy Goal 9: Enhancing Evidence-Based Accountability for Results.....	49
6. Policy Implications of the Findings.....	50
Annex 1: Acronyms	54
Annex 2: The SABER-WfD Analytical Framework.....	56
Annex 3: Rubrics for Scoring the SABER-WfD Data.....	57
Annex 4: References and Informants.....	66
Annex 5: SABER-WfD Scores	70
Annex 6: VET in Romania's education and training system.....	71

Executive Summary

The global financial crisis from 2008 affected the Romanian economy and led to severe austerity measures being launched by the government in 2010. Romania then began a relatively slow but steady economic recovery. In 2015 Romania recorded the highest investment rate in the EU with 24.7 percent of GDP and real GDP growth in 2016 was 4.9 percent. Despite the economic growth and agreements with the EU to support this trend further, Romania continues to have at-risk-of-poverty and social exclusion rates that are among the highest in the EU, recording in 2015 a rate of 37 percent compared to an EU average of 23.5 percent. Of particular concern for a continued economic growth are the aging of the population, the low participation of the Roma population in the labor market and the high emigration rate, especially among youth. To combat poverty and support economic growth, the design and implementation of policies to improve the quality of the workforce is essential.

At the request of the Ministry of National Education to support a structured policy dialogue with decision makers and stakeholders based on a systematic assessment of Romania's policies and institutions for TVET, the World Bank applied¹ an evidence-based tool -the Systems Approach for Better Education Results-Workforce Development (SABER WfD). System-level data on existing policies and practices (as reflected in laws, policy and operational documents, and stakeholder interviews), were collected and analyzed across nine Policy Goals. Data were analyzed and scored on a four-point scale that situated the system's policies and practices in one of four different levels of development: Latent, Emerging, Established or Advanced.

The scores for the Policy Goals were averaged to convey the rating of Romania's workforce development system around three Functional Dimensions: Strategic Framework, System Oversight, and Service Delivery. While in the first two Dimensions Romania has reached an Established level of development, in the third Dimension the system is at an Emerging level.

Although the results of the assessment seem positive, two caveats should be taken into consideration. First, overall, the SABER-WfD assessment found that the Romanian system has designed policies with the potential to improve the quality and relevance of TVET but, if the system is to progress to an advanced level of development, much more needs to be done to ensure their implementation. Second, as these scores are simple averages, it is important to look at the results for the underlying Policy Goals which show that the Romanian WfD system has good practices in some areas but definitely needs improvement in others. More specifically, some important policy goals scored at an Emerging level: "Fostering a demand-led approach to WfD", "Ensuring Efficiency and Equity in Funding", "Enabling Diversity and Excellence in Training Provision", "Fostering Relevance in Public Training Programs" and "Enhancing Evidence-Based Accountability for Results". Figures 8, 11, and 12 present the scores for each Dimension and underlying Policy Goals. Below is a summary of the findings for each Dimension and suggested directions for policy development.

Strategic Framework

Romania scores an overall rating of 2.8 for the *Strategic Framework Dimension*, placing the system at an **Established** level of development (see Figure 8). This score is the average of the ratings for three underlying Policy Goals:

Setting a Strategic Direction (Established): Government and non-government leaders exercise sustained advocacy for WfD around a shared agenda, but at times such advocacy appears to be fragmented. On the government side, there are shifts with changes in leadership; on the non-government side, advocacy depends to an extent on the interests of firms and industry organizations that are active in policy dialogue.

¹ The SABER WfD was undertaken under the WB's broader Advisory Services for Assistance to the Ministry of National Education (MoNE) for Capacity Development for Monitoring and Evaluating the Implementation of Education Strategies and funded as part of MoNE's Project SIPOCA 17.

Fostering a Demand-led Approach (Emerging): Efforts to identify the skills that the Romanian workforce must master to contribute to growth and productivity in priority economic sectors abound. Employer engagement in setting WfD priorities is rather weak and the incentives for companies to train their current employees are limited. Mechanisms to monitor the implementation of initiatives in this regard are non-existent.

Strengthening Critical Coordination for Implementation (Established): The mandates of government stakeholders are well defined overall, albeit with some overlaps. Non-government stakeholders have clearly defined roles and responsibilities at the national, regional and local levels as established by the law, but in some cases their engagement is more of a formality. Mechanisms for inter-agency coordination appear to exist, but the extent to which they facilitate cooperation in the implementation of measures is not clear.

Policy implications of the findings

Foster a more active participation of employers and other non-government stakeholders. At the national level, the Government could foster the active participation of employers and other non-government stakeholders in setting strategic priorities by using the already existing social partnership structures to increase the role and responsibilities not only of employers, but also professional associations, trade unions, NGOs, and training institutions. At the same time, such stakeholders should be involved in the implementation and monitoring of key strategic initiatives. At the institutional level, sectoral committees could play a more active role not only in the development of standards to increase the relevance of training programs, but also by assuming the tasks of coordinating and facilitating dialogue with the authorities, as well as between schools and companies.

Conduct more comprehensive skills needs assessments and use such assessments more widely. The Government, along with non-government WfD stakeholders should produce more comprehensive assessments to inform TVET policies through: (i) collecting and analyzing data on long- and medium-term economic trends and skills demand and supply on a regular basis; (ii) increasing collaboration and coordination among all stakeholders avoiding duplication of work and other inefficiencies, and facilitating the use of information for policy making; and (iii) using the results of data collection and analysis to design, implement, monitor and adjust national TVET policies, with the aim of attaining the objectives set by the EU in terms of participation, relevance and quality.

Use incentives more intensively to encourage CVET. The Government could explore strategies to incentivize private investments in CVET. Possible solutions range from campaigns to raise awareness of the benefits of CVET, support for businesses to assess skills needs, or the establishment of a training fund. Regardless of the mechanism chosen, it is crucial to ensure that it is sufficiently flexible to accommodate the training needs of employers, and that it is accessible and regularly monitored and evaluated.

System Oversight

Romania scores an overall rating of 2.6 on the *System Oversight Dimension*, placing it at the **Established** level of development. This score is the average of the ratings for three underlying Policy Goals:

Ensuring Efficiency and Equity of Funding (Emerging): Education in general is chronically under-funded; according to Eurostat, in 2015 the total allocation from the state budget for education in Romania (for all levels) was 3.0 percent of GDP, significantly lower than the EU-28 average of 4.9 percent. Within the TVET subsector, recurrent funding for CVET is more limited than that for IVET. Reviews of the impact of funding on beneficiaries do not take place systematically, and partnerships to mobilize funds from employers are limited.

Assuring Relevant and Reliable Standards (Established): Although Romania adopted a National Qualifications Framework, there are challenges pertaining to the articulation of IVET and CVET. While curricula and assessments are defined in terms of learning outcomes as described by occupational standards, mechanisms to maintain the quality of

training and assure the credibility of skills testing are managed independently for IVET and CVET. Given the absence of a unified National Qualifications Register, mandated by the Education Law but not yet in place, occupational standards have not yet been articulated to allow smooth progression from IVET to CVET. In addition, recognition of non-formal and informal learning by means of credit accumulation and transfer is also incipient.

Diversifying Pathways for Skills Acquisition (Established): Streaming begins after 9 years of education (including preparatory grade 0 and grades 1-8) and, while students have many options to choose from, educational progression is more difficult for IVET students in certain streams. In practice, flexible exits and partial recognition of qualifications for these students are not possible, and students must follow a full program to obtain a certificate or diploma that enables them to find employment. The government has sought to diversify pathways for skills acquisition through career guidance and counseling services, recognition of prior learning and training targeted to the most vulnerable. However, all these measures appear to be limited in terms of the number of beneficiaries they have reached so far.

Policy implications of the findings

Harmonize the management of IVET and CVET. As Romania moves towards a lifelong learning approach to education, it is essential to harmonize and ensure articulation and coherence between IVET and CVET. This could require the development of training programs under a common curricular framework, the clarification of the link between occupational standards, qualifications and curricula, and the standardization of quality assurance mechanisms.

Improve career counseling and guidance services. For prospective students, a wider range of activities to spark more interest and trust in IVET should be offered, including media campaigns, education and job fairs, visits to companies that provide work-based training for students enrolled in the Dual education system, and information on the job prospects of graduates of IVET programs. Current IVET students would benefit from a developed and extended network of career information, guidance and counseling centers, both in urban and rural areas, and more school counselors.

Service Delivery

Romania scores an overall rating of 2.4 on the *Service Delivery Dimension*, placing the system at the **Emerging** level of development (see Figure 12). This score is the average of the ratings for three underlying Policy Goals:

Enabling Diversity and Excellence in Training Provision (Emerging): To encourage excellence in public IVET, the government requires institutions to set and achieve targets and has mechanisms in place to make well-informed decisions to introduce and close programs. In general, the quality of training is enforced by regulations, rather than encouraged through technical support. Currently managers of TVET institutions are hired on the basis of a minimum set of qualifications and experience but, once on the job, they do not have opportunities for professional development. In CVET, there are rather limited measures in place to ensure the quality of training provision, be it public or private. As measures are limited and reactive, it is important that CVET receives increased attention, still recognizing that it is more flexible than IVET (i.e. it is not bounded by either the timeframe of the school year or by the planning of budgetary and student enrollment figures).

Fostering Relevance in Public Training Programs (Emerging): The number of partnerships between school and industry has increased, especially since this is an explicit requirement in the legislation. Industry involvement in school management has also increased and sectoral committees are involved in the verification and validation of occupational standards and of training standards. However, the cooperation between public institutions and employers is still at its incipient stages and it should increase in scope and improve in terms of the sustainability and robustness of collaboration arrangements.

Enhancing Evidence-based Accountability for Results (Emerging): Public training providers collect and report administrative data and participation, completion, and graduation statistics. Some institutions also report estimates of

job placement, although such information is unlikely to be formally collected. Starting with the school year 2016-2017, all IVET training providers have been required to upload their data directly on to a platform provided by MoNE, called the Integrated Information System of Education in Romania (SIIR). However, most of the data reported in SIIR are of an administrative nature (e.g. infrastructure, enrollment, class size) and insufficient to enable prospective students to make informed decisions or to assess the performance of training institutions. Data collection efforts in CVET are more limited. The Government routinely conducts or sponsors skills-related surveys, but they tend to be focused on inputs and outputs, not on outcomes. Impact evaluations and student tracer studies are not yet undertaken on a regular basis.

Policy implications of the findings

Provide professional development opportunities for managers of TVET institutions. In order for training institutions to thrive, the potential of their managers should be supported by regular training in a wide range of issues, from management techniques to latest developments in the fields of focus of their institutions. This would ensure their capacity to implement policies effectively, identify opportunities for institutional improvement and growth, and maximize the use of human, financial and physical resources to provide high quality training.

Build on current efforts to better collect, manage and use data from training institutions to make policy decisions. The Government could explore establishing a national data collection and analysis system around the 10 EQAVET indicators, covering both IVET and CVET. It could also conduct impact evaluations of IVET and CVET programs or pilot tracer studies for select programs. With a broader set of data from training institutions and additional efforts to analyze information captured through inspections, SIIR, official employee register, impact and tracer studies, the Government will be able to better inform its policy decisions on IVET and CVET to ensure accountability of training institutions and increase the quality and relevance of training.

1. Introduction

Romania has made considerable progress in recent years towards reducing macroeconomic imbalances. Such reductions, together with monetary policies and structural reforms, either implemented or in progress, have contributed to maintaining macroeconomic and financial stability. After the budget deficit peaked in 2009-2011 in the context of the economic and financial crisis, Romania's economy then started to recover, at first with a modest annual GDP growth rate of less than 1 percent, but increasing over the period 2013-2015 to an average of 3.4 percent. The unemployment rate, however, remained constant at below 7 percent, while investments continued to rise, reaching 23.7 percent of GDP in 2015, which was the highest in the EU.²

Despite these advances, Romania remains among the countries with the highest poverty rates in the EU, recording in 2014 a rate of 40.2 percent compared to an EU-28 average of 24.4 percent. Although the rate of poverty and social exclusion is now on a downward trend, it is still high even among employed people (31.3 percent in 2014), and the rate in rural areas is double than in urban areas. These factors hamper the growth potential of the economy. Education policies and those aimed at increasing the quality of the workforce are paramount for combating poverty and supporting economic growth.

In order to substantiate the policy dialogue with the relevant stakeholders regarding these important issues, the Romanian Government was interested in obtaining a comprehensive diagnostic of the country's workforce development policies and institutions, and initiated the development of such a report. The results, as contained in this report, are based on a new World Bank tool designed for this purpose. Known as SABER-WfD, the tool is part of the World Bank's initiative on Systems Approach for Better Education Results (SABER)³ whose aim is to provide systematic documentation and assessment of the policy and institutional factors that influence the performance of education and training systems. The SABER-WfD tool encompasses initial, continuing and targeted vocational education and training that are offered through multiple channels, and focuses largely on programs at the secondary and post-secondary levels.

Analytical Framework

The tool is based on an analytical framework⁴ that identifies three functional dimensions of WfD policies and institutions:

- (1) *Strategic framework*, which refers to the praxis of high-level advocacy, partnership, and coordination, typically across traditional sectoral boundaries, in relation to the objective of aligning WfD in critical areas to priorities for national development;
- (2) *System Oversight*, which refers to the arrangements governing funding, quality assurance and learning pathways that shape the incentives and information signals affecting the choices of individuals, employers, training providers and other stakeholders; and
- (3) *Service Delivery*, which refers to the diversity, organization and management of training provision, both state and non-state, that deliver results on the ground by enabling individuals to acquire market- and job-relevant skills.

² Romania, Country Context, <https://www.worldbank.org/en/country/romania/overview>

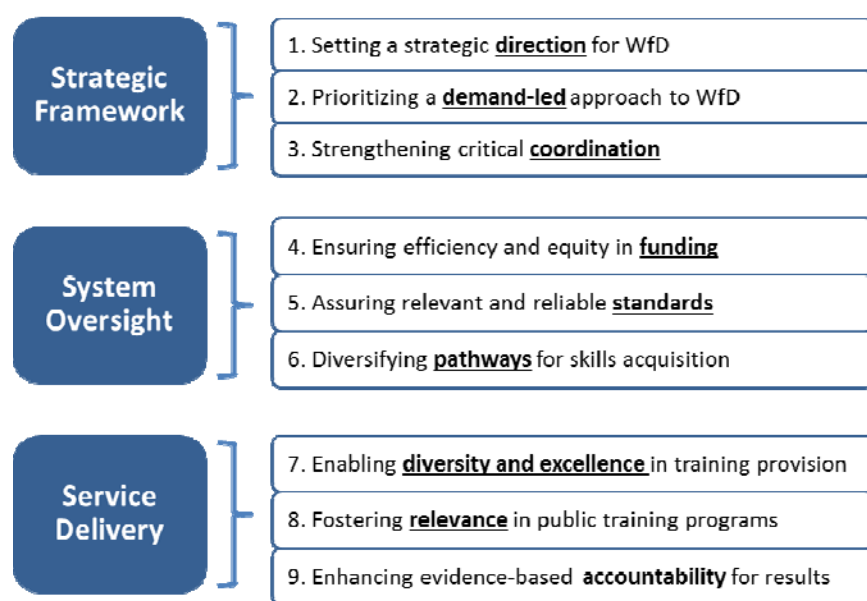
³ For details on SABER see <http://www.worldbank.org/education/saber>; for acronyms used in this report, see Annex 1.

⁴ For an explanation of the SABER-WfD framework see Tan et al 2013.

Taken together, these three dimensions allow for systematic analysis of the functioning of a WfD system as a whole. The focus in the SABER-WfD framework is on the institutional structures and practices of public policymaking and what they reveal about capacity in the system to conceptualize, design, coordinate and implement policies in order to achieve results on the ground.

Each dimension is composed of three Policy Goals that correspond to important functional aspects of WfD systems (see Figure 1). Policy Goals are further broken down into discrete Policy Actions and Topics that reveal more detail about the system.⁵

Figure 1: Functional Dimensions and Policy Goals in the SABER-WfD Framework



Source: Tan et al. 2013

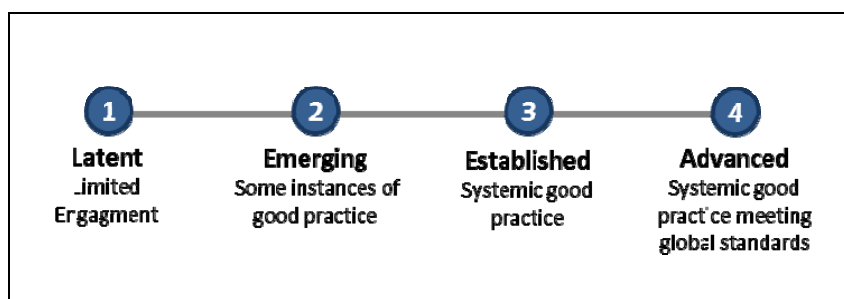
Information for the analysis is gathered using a structured SABER-WfD Data Collection Instrument (DCI). The instrument is designed to collect, to the extent possible, facts rather than opinions about WfD policies and institutions. For each Topic, the DCI poses a set of multiple choice questions, which are answered based on documentary evidence and interviews with knowledgeable informants. The answers allow each Topic to be scored on a four-point scale against standardized rubrics based on available knowledge on global good practice (See Figure 2).⁶ Topic scores are averaged to produce Policy Goal scores, which are then aggregated into Dimension scores.⁷ The results are finalized following validation by the relevant national counterparts, including the informants themselves.

⁵ See Annex 2 for an overview of the structure of the framework.

⁶ See Annex 3 for the rubrics used to score the data. As in other countries, the data are gathered by a national principal investigator and his or her team, based on the sources indicated in Annex 4; and they are scored by the World Bank's SABER-WfD team. See Annex 5 for the detailed scores.

⁷ Since the composite scores are averages of the underlying scores, they are rarely whole numbers. For a given composite score, X, the conversion to the categorical rating shown on the cover is based on the following rule: $1.00 \leq X \leq 1.75$ converts to "Latent"; $1.75 < X \leq 2.50$, to "Emerging;" $2.50 < X \leq 3.25$, to "Established;" and $3.25 < X \leq 4.00$, to "Advanced."

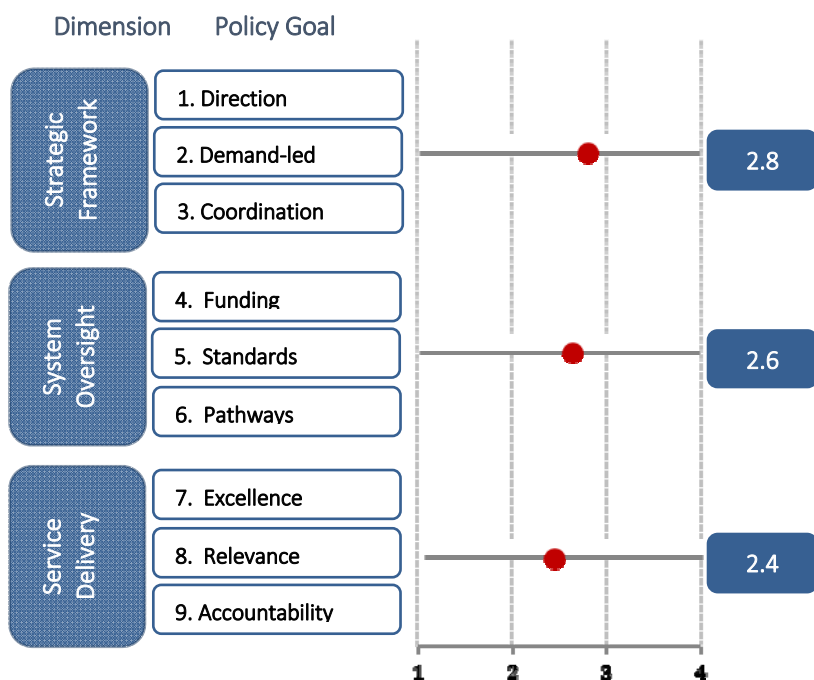
Figure 2: SABER-WfD Scoring Rubrics



Source: Tan et al. 2013.

This report presents the findings from the assessment of Romania's WfD system based on the SABER-WfD analytical framework and tool, which are summarized in the cover page and in the figure below. The rest of this report provides details on the key findings of the SABER-WfD assessment for each of the three functional dimensions. To put the results into context, the report begins below with a brief profile of the country's socioeconomic makeup.

Figure 3: Overview of findings and implications



2. Country Context

Romania is the largest of the Southeastern European Countries, bordering the Black Sea and Moldova to the East, Bulgaria and Serbia to the South, Hungary to the West and Ukraine to the North. The Constitution, adopted in 1991, laid the foundation for Romania as a republic with a multiparty system, market economy and individual rights of free speech, religion and private ownership. Subsequently, Romania made a major leap forward in aligning its policies with those of advanced countries by joining NATO in 2004, and by signing the EU accession treaty in 2005, which came into force in January 2007.

Economic trends

The global financial crisis from 2008 deeply affected the Romanian economy and led to severe austerity measures being launched by the government in 2010. Romania then began a relatively slow but steady economic recovery with the support of EU-IMF financial assistance programs. A strong expansion started in 2013, with the drivers of growth shifting gradually from net exports to domestic demand.

The general picture of the most important economic sectors of the Romanian economy in 2015 shows a preponderance of industry (26.6 percent), followed by wholesale and retail trade, transport, accommodation and food services (17.9 percent) and public administration, defense, education, human health and social work activities (11.7 percent), according to Eurostat⁸. A breakdown of Romanian exports in recent years shows that the most relevant industries are⁹:

- cars, transport equipment, machinery and motor vehicle accessories,
- textiles and footwear,
- food and tobacco processing,
- chemicals, petrochemicals and related products

Real GDP growth was 3.9 percent in 2015, increasing to 4.9 percent in 2016, which represents a post-crisis peak. Growth was driven by private consumption supported by wage increases, indirect tax cuts and low interest rates, which returned to near pre-crisis levels. In 2015, Romania recorded the highest investment rate in the EU with 24.7 percent of GDP. However, Romania's competitive advantages are limited by governance and institutional challenges, despite recent improvements in its absorption of EU funds. While private investment increased on account of low interest rates and investor confidence, public investment declined, mainly due to low absorption of EU funds, according to official reports¹⁰.

In recent years (2014-2016), Romania has defined its economic priorities in accordance with the EU framework. The Europe 2020 objectives of achieving smart, sustainable, and inclusive growth are included in the 2016 National Reform Program and also in the Country Specific Recommendations issued by the European Commission (EC). The EU–Romania

⁸ <http://ec.europa.eu/eurostat/documents/2995521/7715718/2-27102016-AP-EN.pdf/b6dafc70-0390-42f7-8dd2-11ed12e430f8>

⁹ National Institute of Statistics, Press release no. 33/9.02.2016,

(http://www.insse.ro/cms/files/statistici/comunicate/comert_ext/a15/ce12r15.pdf) and The Atlas of Economic Complexity, World data - Romania, (http://atlas.cid.harvard.edu/explore/tree_map/net_export/rou/all/show/2014/)

¹⁰ European Commission, Commission staff working document, Country report Romania 2017, Brussels 22.02.2017 and <http://www.fonduri-ue.ro/posdru-2007>

Partnership Agreement 2014–2020 and its corresponding operational programs set the general conditions for accessing the European Structural and Investment Funds for 2014–2020, up to a total amount of €40 billion, which are expected to support further significant economic growth.

Despite recent increases in economic growth and agreements with the EU to support this trend further, Romania continues to have at-risk-of-poverty and social exclusion (AROPE) rates that are among the highest in the EU, recording in 2015 a rate of 37 percent compared to an EU average of 23.5 percent, according to Eurostat. Although the AROPE rate is now on a downward trend, it is still high even among employed people (31.3 percent in 2014); moreover, it is double in rural areas compared to urban areas. This affects adversely the growth potential of the economy¹¹. In order to combat poverty and support economic growth, it is essential that the appropriate education policies are put in place, as well as those targeted at improving the quality of the workforce.

Today's 20-44 year-olds have an average 12.2 years of schooling compared to 10.7 years for 45-50 year-olds. However, these additional years of schooling are not reflected in a significantly higher level of skills. If the slow rate of skills improvement observed in the past persists in the future, Romania will not be able to compensate for the aging population and migration, and the lack of personnel for high-skill intensity jobs will remain. Skills shortages are most acute in healthcare, the construction sector, hospitality and ICT, with mismatches in the type of studies offered. Learning mobility and career guidance measures as well as soft skills needed for the labor market, such as entrepreneurship and digital skills, are insufficiently developed. Participation in adult education is the lowest in the EU (1.2 percent in 2016¹² compared with an EU average of 10.8 percent). The modern economy needs an updated, competitive and relevant skill set for the Romanian workforce.

In the absence of competition, companies that dominate the industry (due to lower production costs) have few incentives to increase their productivity. Romania has the lowest density of businesses in EU28 (WEF Global Competitiveness Report 2015-16), with small and medium-sized enterprises constituting the large majority of firms (99 percent of all firms). The 2016 OECD Competition Assessment report for Romania makes specific recommendations with regard to regulatory and procedural barriers to competition identified in the national legislation in the key sectors: agro-food products processing, freight transport, constructions. The low level of competition leads to reduced innovation and productivity growth.

Investment is still recovering from the financial crisis. Nonetheless, the growth rate of investment increased to 6.5 percent in 2015 and investment is expected to continue to grow in 2016 and 2017, albeit at a slower pace. The main areas of investment include construction, machinery and transport equipment, while technology- and innovation-related investment remains limited. Out of €64.34 billion in foreign direct investments in 2016, less than half was made in industry, the rest being invested in non-tradable sectors (construction and real estate, retail, financial sector). While 65 percent of the domestic added value on gross exports is being provided by the manufacturing sector (OECD TIVA database 2015), only 3 percent is from Research and Development (R&D) and other related activities (Romania is ranked 18th out of 28 EU countries). Romania attracts foreign investments, competing through the low level of costs and prices rather than on the quality of the local skill supply.

¹¹ Ibid

¹² <http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=tsdsc440&plugin=1>

Demographics

Romania has 19.7 million inhabitants as of January 2016, placing it 7th in the EU in terms of population size. Nonetheless, due to the negative natural growth and an intensive international migration process, the population decreased by 11.8 percent between 1992 and 2011, according to the last Population Census.¹³ There are several ethnic groups in Romania: Romanians (83.46 percent), Hungarians (6.10 percent), Roma (3.09 percent), Ukrainians (0.25 percent), Germans (0.18 percent) and 15 other small ethnic groups (6.88 percent).

Regarding the link between workforce development and demography, special attention should be paid to the aging population, the migration phenomenon and the Roma ethnic minority.

- **The aging population:** The population of Romania is undergoing an ageing process and, by 2020, the working-age population (ages 20 to 64) is expected to decline further by around 4 percent. Moreover, the number of elderly people is likely to increase by 13 percent by 2060.¹⁴ According to Eurostat forecasts, the population aged between 15 and 64 years will decrease by 30 percent by 2060, making it one of the most dramatic workforce age population decreases in the EU.
- **Migration:** Migration is also an important subject when speaking about demographics, the labor force and economic growth. “In 2013, 2.5 million Romanians (about 12.5 percent of the population) were estimated to be living abroad.”¹⁵ Emigrants are frequently low-skilled and come from rural areas, but also many high-skilled workers have left the country. With the projected continued emigration of predominantly young people and limited return migration, the country risks losing further labor resources. This, in turn, may slow down productivity growth and income convergence and have a negative impact on growth.
- **The Roma ethnic minority:** The Romanian economy has a high demand for skilled workers, but the Roma population has, in general, a lower level of education, compared to the non-Roma population, limiting their access to the labor market. Consequently, the Roma minority’s participation in the formal labor market is weak, while it is high in the informal (even black) labor market. A survey in 2012 noted that the employment rate among the Roma population in 2011 was 36 percent, another 36 percent of them were job seekers, and 28 percent were inactive.¹⁶ Roma women’s participation in the labor market is particularly low, with only 27 percent being employed and 36 percent jobseekers. Those who are employed perform low-skilled occupations as many lack a formal education.

The aging of the population, together with the low participation of the Roma population in the labor market and a high emigration rate, especially among youth, causes significant socio-economic challenges for Romania and inhibits its economic growth and competitiveness.¹⁷

¹³ V.Vasile and A.M. Dobre , *Overview of Demographic Evolution In Romania*, Romanian Statistical Review nr. 4 / 2015

¹⁴ European Commission, Commission staff working document, Country report Romania 2017, Brussels 22.02.2017, page 6.

¹⁵ European Commission, Commission staff working document, Country report Romania 2017, Brussels 26.02.2016, page 55

¹⁶ “*Situation of Roma population in Romania, 2011. Between Social Inclusion and Migration*” Survey conducted as part of the Project “EU INCLUSIVE Data transfer and exchange of good practices regarding the inclusion of Roma population between Romania, Bulgaria, Italy and Spain”, Soros Foundation 2012

¹⁷ *Living long, staying active and strong: Promotion of Active Ageing in Romania*, Report of Human Development Network, Europe and Central Asia Region, June 2014

Employment and skills

According to official records, in 2016 Romania had almost 9 million active individuals, with 8.5 million employed, accounting for 46.3 percent of the country's population (54.1 percent male, 45.9 percent female). During the same year, the employment rate for the working age population was 61.6 percent, with most employees working in the services sector (47 percent), industry and construction (30 percent), and agriculture (23 percent).¹⁸

The main categories of employers are multinational companies, profit/non-profit state-owned companies, private companies and NGOs. According to the 2016 Coface CEE Top 500 Companies study, the largest companies in Romania in terms of financial turnover are: Automobile Dacia SA, OMV Petrom Marketing SRL, OMV Petrom SA, Rompetrol Rafinare SA, Kaufland România, Rompetrol Downstream SRL, British American Tobacco Trading SRL, Lukoil Romania SRL, Carrefour România SA and EON Energie România SA. These companies are not only the largest employers, but representative of the sectors with the biggest contributions to GDP.

Romania has enjoyed relative stability in the labor market during its recovery from the global financial crisis, but is now facing several important challenges. Romania has a fairly stable unemployment rate (below 7 percent), and the labor market has continued to improve in recent years thanks to strong GDP growth. Unemployment dropped from 6.8 percent in 2015 to 6 percent in 2016 and is approaching pre-crisis figures. Jobs have decreased in agriculture and industry, but have increased in the services sector, reflecting the changing structure of the economy, and in construction as a result of economic growth. Yet, Romania faces a decrease in the active population (due to aging and migration), a high inactivity rate and a relatively large informal sector. Official data estimate people in the informal economy at 1.2 million.¹⁹

Beyond age and ethnic-related disparities and accelerated migration, another criterion affecting employment and employability is geographic location. There are large differences between fast-growing urban areas and poorer, less developed, rural areas and areas in the urban fringe. Lack of access to quality education in these areas deepens disparities and limits the access to employment opportunities.

While Romania has a relatively low level of unemployment (especially in highly developed urban areas), there is a shortage of qualified labor, particularly in the ICT sector, but also among health and education professionals. The supply of qualified personnel in skilled trades, engineering, transportation and distribution is not sufficient to cover the labor market demand, as presented in Table 1 below.²⁰ Essential information related to mismatch priority occupations is provided and updated by CEDEFOP²¹, looking at past, current and future trends (3-4 years), and only occupations with high mismatch are analyzed. Very often employers report difficulties in filling their vacancies with qualified workers, which can be partly attributed to the poor quality of education, vocational education and training (VET) and lifelong learning (LLL) systems and the higher chances of finding a better paid job abroad.

¹⁸ Press releases issued periodically by the National Institute of Statistics (www.insee.ro)

¹⁹ European Commission, Commission staff working document, Country report Romania 2017, Brussels 22.02.2017, page 20

²⁰ Romania: Mismatch priority occupations, Skills Panorama, CEDEFOP 2015

(http://skillspanorama.cedefop.europa.eu/en/analytical_highlights/romania-mismatch-priority-occupations#_references) .

²¹ The European Commission ensures the strategic steering of the Skills Panorama, in line with EU policy objectives. CEDEFOP - the European Centre for the Development of Vocational Training is responsible for the technical development of the site and the provision of data.

Table 1. Mismatch priority occupations in Romania

Shortage occupations	Surplus occupations
<ul style="list-style-type: none"> • ICT professionals • Health professionals • Teachers • Sales marketing and public relations professionals • Financial professionals and legislators and senior officials • Professional services managers • Forestry and related workers • Administration services professionals 	<ul style="list-style-type: none"> • Market-oriented skilled agricultural workers, • Client information workers • Clerks • Retail and wholesale trade managers • Street vendors (excluding food) • Building and housekeeping supervisors

Source: skillspanorama.cedefop.europa.eu

A particular concern is the relatively high share of youth (between 15 and 24 years old) who are neither in education, nor in employment or training (NEETs), which is driven mainly by early school leaving rates. Out of a total of 398,900 early school leavers at the end of 2015, two-thirds of them (according to Eurostat) are inactive in the labor market and include mostly the Roma population and women living in rural areas.²² With NEETs accounting for 17 percent of youth, Romania is significantly above the EU average of 12 percent.

Education and training

The Ministry of National Education's (MoNE) broad vision, as embedded in its education law (National Education Law no 1/2011), includes modernization of Romania's education system to guarantee access to relevant, quality education for all.

The Romanian education system comprises the following levels²³:

- Early childhood education, comprising ante-preschool education (delivered in nurseries) and preschool education (delivered in kindergartens)
- Primary education, including a preparatory grade and Grades 1 to 4
- Secondary education, which comprises:
 - Lower secondary education (provided in gymnasiums) – Grades 5 to 8
 - Upper secondary education, which includes:
 - High school education delivered through three tracks: theoretical, technological, and vocational²⁴ - Grades 9-12
 - VET (known as professional and technical education in Romania), with a duration of two or three years and delivered through the VET track in professional schools /technological high schools
- Tertiary education, which comprises:
 - Non-university tertiary education – post-secondary vocational education over three years
 - University education (higher education) organized in three cycles: bachelor, masters, and doctorate.

²² Eurostat, Statistics on young people neither in employment nor in education or training available at: http://ec.europa.eu/eurostat/statistics-explained/index.php/Statistics_on_young_people_neither_in_employment_nor_in_education_or_training

²³ National Education Law no. 1/2011 with updates, Chapter II, The structure of the national pre-university education system and Title III University Education

²⁴ The "vocational" high school path in Romania includes schools such as arts, sports, military, pedagogical, and theological high schools. These are termed "vocational" high schools, which should not be confused with VET as in other countries.

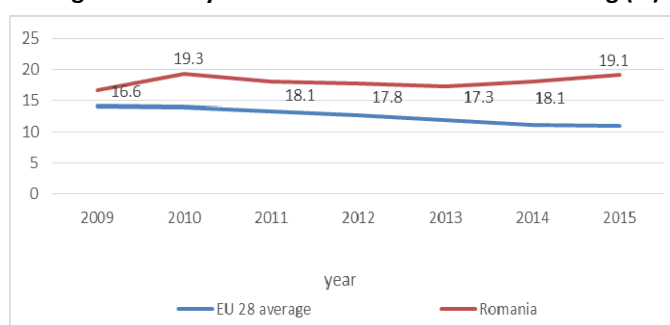
The school network in school year 2016/2017 consists of roughly 200,000 teachers in 18,300 schools serving 3 million students and providing educational services ranging from early childhood to non-university tertiary education²⁵.

As a member of the EU, Romania aligns its education and training system to European policies and follows the four strategic objectives set under the EU Council Conclusions of May 12th, 2009 on the “Strategic Framework for European Cooperation in Education and Training in the Period up to 2020”: making lifelong learning and mobility a reality; improving the quality and efficiency of education and training; promoting equity, social cohesion and active citizenship; enhancing creativity and innovation, including entrepreneurship, at all levels of education and training.

Despite this alignment, the education system in Romania performs under expectations, with a number of chronic deficiencies that undermine the human capital potential: the high rate of early school leavers; a large number of students with a low level of basic skills, as shown in international tests (e.g. PISA); the low relevance of education, especially of VET, to labor market needs; the limited access of the population at risk to quality education and training; the low participation in lifelong learning.

An important objective set out in the Europe 2020 Strategy, and agreed by Romania under the 2014 Partnership Agreement with the European Commission, was to reduce the rate of early school leavers (ESL) to 11 percent by 2020. Despite this commitment, official data show a 2.5 percentage-points increase in ESL between 2009 and 2015, when Romania recorded 19 percent compared to the EU average of 11 percent (Figure 4).²⁶ The situation is even worse in rural areas (28 percent), and towns and suburbs (19.5 percent).

Figure 4 - Early leavers from education and training (%)

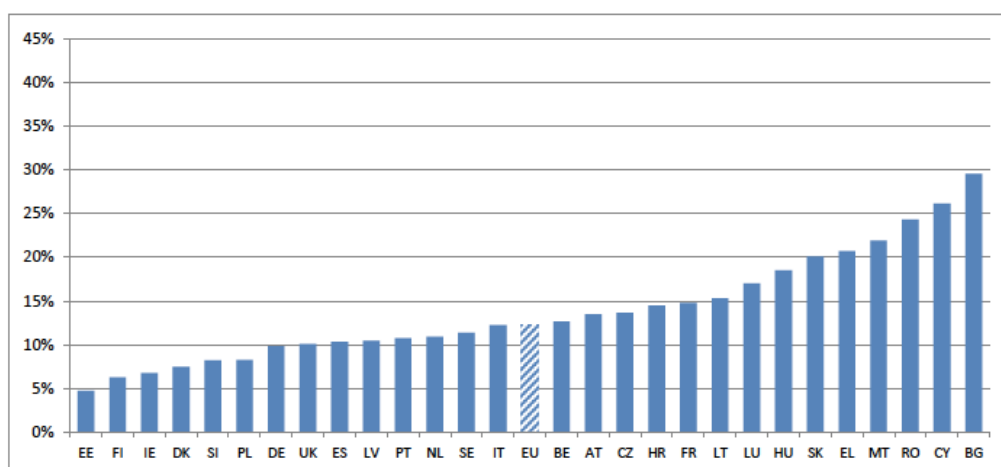


Source: Adapted based on Eurostat data

Regarding the achievement of basic cognitive skills (mathematics, science and reading) by 15 year-old students, the 2015 OECD PISA survey found that Romania has a very high share of low-achieving students (around 24.3 percent), almost double the EU average (Figure 5).

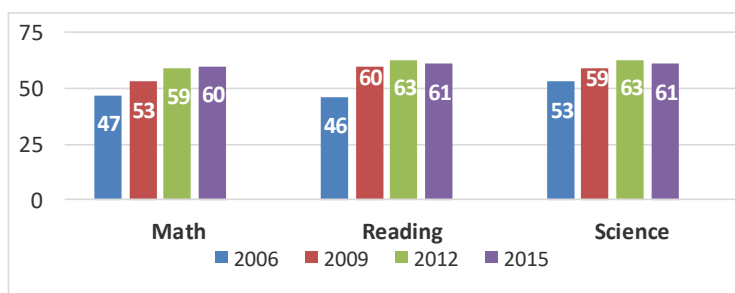
²⁵ Data extracted from SIIIR – Integrated IT System of Education in Romania

²⁶ European Commission, Education and Training Monitor 2015, Romania

Figure 5– Share of low-achieving students in all three domains science, reading and math, 2015

Source: OECD (PISA 2015). Note: Countries are ordered by low to high share of low achievers in science, reading and maths.

Although Romania has made some progress in improving PISA results between 2009 and 2015, more than one-third of students still fail to achieve minimum proficiency, lacking the foundational cognitive skills required for lifelong learning and productive employment (Figure 6). This fact has a negative impact on students' personal and professional long-term development and, consequently on the quality of the labor force in general.

Figure 6 – Percent of 15 year-old students achieving minimum proficiency in PISA by domain

Source: Adapted based on OECD PISA Reports

PISA assesses the extent to which 15-year-old students, near the end of their compulsory education, have acquired key knowledge and skills that are essential for full participation in modern societies. The assessment examines how well students can extrapolate from what they have learned and can apply that knowledge in unfamiliar settings, both in and outside of school, linking knowledge and skills with real-life situations.

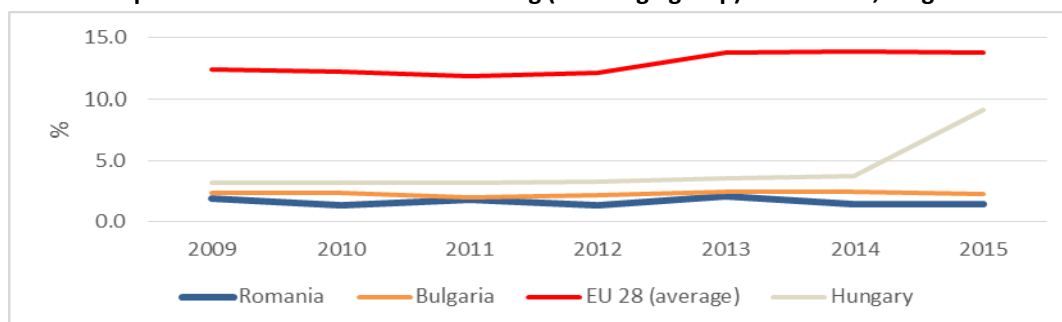
The situation of vulnerable groups, such as children from low income families, especially in rural areas, Roma, continues to be one of exclusion, as they have a low rate of participation in education. According to data provided in the 2011 census, one in seven Roma children aged over 10 is illiterate. Also, UNESCO estimates that, during the school year 2009-2010, almost 12 percent of Roma children aged 7 to 14 were not enrolled in the education system.²⁷

²⁷ Data processed by the Institute for Education Sciences for "National Review Romania. Analysis of the situation of children not in education system" UNESCO Romania, 2012

Initial Vocational Education and Training (IVET) has made significant progress since 2000 in terms of relevance. A series of reforms were implemented, including the involvement of social partners and the business community in setting up IVET policies via regional consortia and local committees for the development of VET²⁸, the establishment of strategic planning mechanisms for VET²⁹, and the introduction of modular and learning outcomes-based curricula developed with significant input from industry. Nevertheless, the lack of regular application of instruments for skills forecasting over the medium and long term makes it very difficult to ensure the provision of IVET in line with the needs of employers.

Although the Continuing Vocational Education and Training (CVET) system has evolved over the last decade on the modern concepts of competence and learning outcomes, the participation rate of Romanian adults (aged 25 – 64) is very low: less than 2 percent over the past 6 years. This is well below the EU average of 14 percent, and still very far from 15 percent, which is the target set by the “Strategic Framework for European Cooperation in Education and Training in the Period up to 2020”. For purposes of comparison, Hungary and Bulgaria reported 9.2 percent and 2.3 percent, respectively, for 2015 (Figure 7).

Figure 7. Participation rate in education and training (25-64 age group) in Romania, Bulgaria and Hungary



Source: Eurostat, indicator trng_ifs_05, 2016

Completion of tertiary education is the indicator where Romania performs best, relative to its own targets for 2020, as set out in the “Romanian Partnership Agreement for the 2014-2020 Programming Period” and reinforced in the “National Reform Programme 2014”. With a completion rate of 25.6 percent for 2016 (still one of the lowest among EU member states), Romania is close to achieving the target for 2020 of 26.7 percent for the 30 – 34 age group³⁰.

²⁸ Government Decision no. 26/2015 for organizing MoNE and Ministerial Order 4456/2015 for approving the general framework for the organization and functioning of consultative partnership for VET

²⁹ Regional Action Plans for Education (PRAI), Local Action Plans for Education (PLAI) and School Action Plan (PAS)

³⁰ European Commission, Progress to Europe 2020 targets – overview table (http://ec.europa.eu/europe2020/pdf/csr2015/2020-targets-overview-table_en.pdf)

3. Aligning Workforce Development to Key Economic and Social Priorities

WfD is not an end in itself but an input toward broader objectives – of boosting employability and productivity; of relieving skills constraints on business growth and development; and of advancing overall economic growth and social wellbeing. This chapter briefly introduces Romania’s socio-economic aspirations, priorities and reforms before presenting the detailed SABER-WfD findings on Strategic Framework and their policy implications.

Socioeconomic Aspirations, Priorities and Reforms

The Romanian economic growth rate increased steadily after the economic crisis from 1.1 percent in 2011 to 3.8 percent in 2015. In 2016, the GDP growth rate rose to an eight-year high of 4.8 percent, driven mainly by consumption due to a VAT reduction and an increase in wages. By contrast, public investments fell due to the very slow start of new projects financed by the EU for the 2014-2020 programming period.³¹

Romania’s economic performance is expected to improve gradually between 2017 and 2019, with GDP growth forecasted at an average of 4.4 percent. Total employment is set to grow at a moderate pace in 2017 and 2018, driven by strong growth, while the unemployment rate is projected to continue declining. According to Country Report Romania 2017 issued by the EC, this scenario is based on improved activities in all economic sectors, with the highest expansion being attributed to services in the business sector led by ICT. The ICT sector's share of GDP is one of the highest in the EU (5.6 percent compared to an EU average of 4.2 percent).

The National Reform Programme (NRP), which provides the framework for defining the structural reforms and development priorities that will guide the evolution of Romania until 2020, is in line with the objectives set by the Europe 2020 Strategy. The NRP is updated annually and serves as a foundation for the development and implementation of national sectoral strategies, for which access to European funds is of particular importance. To provide the framework for accessing EU funds, the Romanian Government approved the National Competitiveness Strategy 2015-2020, developed by the Ministry of Economy, Commerce and Tourism following consultations with the private sector and line ministries. This strategy, which aims to support excellence, foster entrepreneurial discovery and achieve a better quality of life, determines the priorities for improving Romanian industry through competitive advantage.

The development of the National Competitive Strategy is built around the identification of the following 10 priority economic sectors, given their potential for export and employment growth. These sectors are all linked to the “smart specialization” fields mentioned in the National Strategy for Research, Development and Innovation 2014-2020, as presented in the table below.

³¹ National Reform Programme Romania 2017

Table 2. Priority Economic Sectors based on National Strategies

Ten Priority Economic Sectors based on National Competitiveness Strategy 2014-2020	Fields of Intelligent Specialization <i>based on National Strategy for Research, Development, and Innovation 2014-2020</i>				
	Bio-Economy	Information and Communication Technology, Space and Security	Energy, Environment and Climate Change	Advanced Eco-Nanotechnologies and Materials	Health
Tourism and ecotourism	X		X		X
Textiles and skins				X	
Wood and furniture				X	
Creative industries		X		X	X
Auto industry and components		X		X	
Information and communication technology		X			
Food and beverage processing	X			X	X
Health and pharmaceutical products				X	X
Energy and environmental management		X	X		
Bio-economy (agriculture, forestry, fishing and aquaculture), bio-pharmacy and bio-technologies	X		X	X	X

In a nutshell, regarding the progress in reaching the objectives of the Europe 2020 Strategy, Romania is performing well in the areas of national greenhouse gas emissions, renewable energy, energy efficiency, tertiary education and reducing the number of people at risk of poverty or social exclusion. However, employment rates, research and development intensity, and early school leaving have deviated from the path that would enable their respective target to be met. For the next period, post 2020, Romania will intensify efforts to increase social equity and generate more inclusive growth by: stimulating investment, pursuing structural reforms, and adopting responsible fiscal policies that focus on better EU funds absorption, an efficient and accessible healthcare system, and better quality education, infrastructure and public administration³².

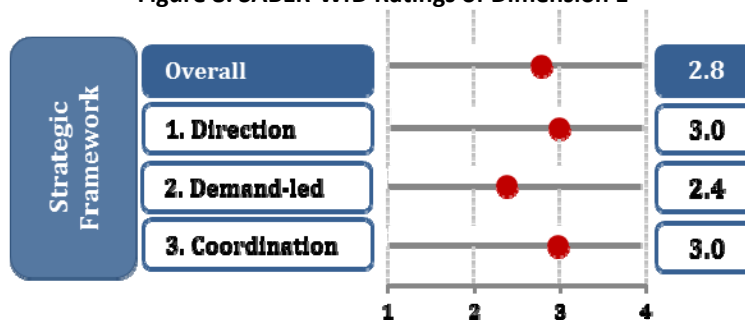
SABER-WfD Ratings on the Strategic Framework

In the SABER-WfD framework, the role of WfD in realizing Romania's socio-economic aspirations materializes through actions to advance the following three Policy Goals: (i) setting a strategic direction for WfD; (ii) fostering a demand-led approach in WfD; and (iii) ensuring coordination among key WfD leaders and stakeholders.

Based on the analysis of collected data, Romania scores an overall rating of 2.8 on *Dimension 1 (Strategic Framework)*, placing the system at the **Established** level of development (see Figure 8). This score is the average of the ratings for the underlying Policy Goals: *Setting a Strategic Direction* (3.0); *Fostering a Demand-led Approach* (2.4); and *Strengthening Critical Coordination for Implementation* (3.0). The ratings for these Policy Goals are discussed below.

³² National Reform Programme Romania 2017

Figure 8. SABER-WfD Ratings of Dimension 1



Policy Goal 1: Setting a Strategic Direction for WfD

Leaders play an important role in crystalizing a strategic vision for WfD appropriate to the country's unique circumstances and opportunities. Their advocacy and commitment attract partnership with stakeholders for the common good, builds public support for key priorities in WfD, and ensures that critical issues receive due attention in policy dialogue. Taking these ideas into account, Policy Goal 1 assesses the extent to which government leaders and the private sector have a strategic vision for WfD, design mechanisms for an efficient implementation of strategy, and coordinate effectively to steer Romania's WfD system.

Romania's score for Policy Goal 1 places it at the **Established** level (3.0). Both government and non-government leaders exercise sustained advocacy for WfD around a shared agenda, but at times such advocacy appears to be fragmented. On the government side, although there are shifts with changes in leadership, the existence of an overall strategic framework has allowed the system to move forward. On the non-government side, although advocacy depends to an extent on the interests of firms and industry organizations that are active in policy dialogue, there are institutionalized mechanisms for stakeholders to articulate their needs and engage in policy dialogue.

The main institutions responsible for education and human resource development and the strategic framework for WfD in Romania are the following:

- The Ministry of National Education (MoNE) has overall responsibility for the policies and implementation of VET within the formal education system; it regulates, together with the Ministry of Labour and Social Justice, the Europass and Youthpass, which facilitate access to education/training or employment, counselling and career guidance.
- The National Centre for TVET Development (CNDIPT) is responsible for the development of IVET policies; provision of quality assurance for VET; curriculum preparation, update and revision; and teacher training coordination for VET.
- The National Authority for Qualifications (ANC) is responsible for developing the National Qualifications Framework (NQF) based on the European Qualifications Framework (EQF). The ANC is coordinated by MoNE and has other responsibilities such as: managing the National Qualifications Register, accrediting and registering evaluation centers, regulating the training market, and coordinating the quality assurance of CVET and the activities of Sectoral Committees
- The Ministry of Labour and Social Justice (MoLSJ), together with its regional branches, is responsible for workforce training; developing policies in the areas of employment and training of the workforce, based on

national and European requirements; and managing the National Register of Adult Training Providers and other training-related registers.

- The National Agency for Workforce Employment (ANOFM), an independent agency led by a tripartite board and coordinated by MoLSJ, is responsible for maintaining a dialogue with representatives of the government, trade unions and employers on issues pertaining to employment. This agency coordinates 42 county branches and offers training courses for most of the unemployed, and also for the employed, through its centers and departments.

With the support of Parliament officials and collaboration from Sectoral Committees, these institutions have led the development of a strategic framework for WfD.

To strengthen and focus efforts on achieving competitiveness, but first and foremost to develop a social culture based on work, talent, honesty and integrity, the Romanian President launched in the fall of 2016 the national project *Educated Romania*, which is expected to provide a national vision and goals on education and research for the following 12 years (2018-2030).

The following regulations provide the general national legal framework for workforce development in Romania:

Table 3. Legal framework on WfD

Law	Role
National Education Law No. 1/2011	Sets the legal and institutional framework for initial education and training and for lifelong learning. The Law of Education has laid the foundation for lifelong learning in Romania, which includes the major aspects of education and training in an integrated and coherent manner and also identifies roles and responsibilities. This law includes requirements for the recognition and certification of skills acquired through formal, non-formal and informal education.
Labour Code – Law No. 53/2003	Regulates employment relationships and how controls on the enforcement of regulations on employment relationships are conducted. It includes provisions on training for employees and related obligations and duties for employers.
Unemployment Insurance System and Employment Stimulation Law No. 76/2002	Regulates the training of persons (i) seeking employment, (ii) working in rural areas with no income or income lower than the reference social indicator in force, and (iii) registered at the agencies for workforce employment as well as active labor market programs (ALMPs). Training programs are legally compliant, tailored according to current and future requirements of the labor market, and consistent with the options and abilities of the individuals concerned.
Adult Vocational Training-Government Ordinance No. 129/2000, amended by the Law 167/2013	The law on adult training provides the legal framework on adult training. Adult training that provides a qualification certificate, a completion certificate and/or a certificate of professional competence is an activity of general interest and is part of the national education and training system.
Fiscal Code- Law 227/2015	Regulates taxes and social contributions for individuals and companies in all domains. Regulates the tax deductions for expenses for the training of employees, among many other specific provisions.

Law	Role
Law on Apprenticeship (Law 279/2005, amended by the Law 179/2013)	Regulates work-based learning. The law created a framework to promote employment among young people and improve the quality of professional qualifications. The evaluation and certification of apprenticeship training is to be done in accordance with the legal provision on adult training and completed with issuance of a qualification certificate. The new law stipulates financing for apprenticeship activities: employers can receive subsidies from the unemployment insurance fund on a monthly basis if they hire apprentices. This law is complementary to the Traineeship Law and is part of Romania's Youth Guarantee Scheme.
Law on Traineeship for Higher Education Graduates (Law 335/2013)	Supports the transition of university graduates from the education system to the labor market. The graduates will have a training period of six months in their first job, ending with an evaluation. If the trainees' evaluation is positive, the trainees will be issued a certificate signed by the employer and the training period will be added to the length of service. Employers who conclude a traineeship contract can receive subsidies from the unemployment insurance fund or European funds.
Volunteering law - Law 78 / 2014	The law (i) regulates the relationship between the volunteer and the host organization through a framework agreement, (ii) recognizes volunteering as professional experience, and (iii) provides a certificate of the competencies acquired through volunteering (the certificate contains eight key competencies according to the National and European Qualifications Framework, similar to the Youthpass Certificate).
Methodology for organizing and functioning of dual system – Minister of Education Order 3554/2017	Regulates the organization and function of the dual VET system for qualification levels 3,4 and 5 according to the National Qualifications Framework, and gives details of partnership agreements with employers.

Besides these regulations, government and non-government leaders have collaborated in the production and adoption of several initiatives to enhance the regulatory environment for WfD:

- Vocational Education and Training Strategy 2016-2020
- National Employment Strategy 2014 – 2020
- National Strategy for Tertiary Education
- Strategy for Reducing Early School Leaving
- National Strategy for Lifelong Learning, 2015-2020
- National Strategy for Youth Policies, 2015-2020

These strategies were part of the *ex-ante conditionalities* for Romania's access to European Funds under the Programming Period 2014-2020. The education strategies (early school leaving, tertiary education and lifelong learning) were prepared by MoNE with technical assistance from the World Bank during 2013-2014 and were subject to a consultation and internal Government processing through 2015. They coordinate the government's efforts to achieve the Europe 2020 goals. These strategies were assessed and endorsed by the European Commission (EC) by the end of 2016. Funding amounting to EUR 7.3 billion is expected to be utilized under the European Structural and Investment (ESI) Funds, as well as from other EU (Erasmus+, EEA and Norway Grants), and national budget resources for the implementation of all of these strategies by a variety of public and private institutions.

Even though the strategic framework has been developed, including quality assurance mechanisms, the implementation of the above mentioned strategies has been significantly delayed. Resources for EU funded programs (e.g. Operational Program Human Capital) are expected to be actually accessed in 2017, but were adopted in 2014/16. Urgently accessing these funds is essential for the implementation of such strategies; otherwise, they will not be translated into reality. Table 4 below presents the relevant funding priorities to be addressed in the next years in order to increase access, quality and relevance of education and training, to promote social inclusion and quality employment.

Table 4 . EU Funding priorities for education, training, employment and social inclusion

Thematic Objective	ESI funds billion EUR	Funding priorities
TO 10. Investing in education, training and vocational training for skills and lifelong learning	1.65	<ul style="list-style-type: none"> • Increase of participation, affordability and quality of ECE; • Reduction of ESL • Improvement of teaching staff competences; • Enhancement of curricula and better integration of ICTs; • Development and implementation of a system to monitor and anticipate employer skill needs and monitoring professional insertion of graduates; • Better matching of IVET and CVET with labor market needs, ensuring quality and relevance, including through work based learning; • Improvement of governance and management of higher education institutions; increasing relevance of higher education programmes for the LM needs and monitoring employability of graduates; s • Support of higher level skills development in SMEs; • Stimulating of employers to develop skills of their employees in order to increase their productivity and adaptability (through apprenticeship schemes, recognition of their competences acquired in non-formal and informal contexts, guidance, support and mobility bonuses); • Increase of participation in lifelong learning activities; • Development of community learning centers, in order to provide training and education in basic and transversal competences including digital and entrepreneurial skills, counselling and validation of prior learning, focusing on low skills and rural areas; • Validation of non-formal and informal learning; • Support of vocational training and skills acquisitions for farmers; • Support of the educational infrastructure.
TO 9. Promoting social inclusion, combating poverty and any discrimination	3.41	<ul style="list-style-type: none"> • Addressing of the needs of vulnerable persons, groups and communities by improving educational participation, integration in the labour market, access to housing, social, health care and cultural services; • Exploration of innovative potential of social economy models to support labour market integration and social inclusion of vulnerable groups; • Development of a high quality social assistance system; • Strengthening of the capacity of public and private service providers to deliver quality community-based care services; • Improvement of the maternal and child care, • Improvement of skills of social assistance and health professionals; • Investment in small-scale infrastructure in rural areas.
TO 8. Promoting sustainable and quality employment and supporting labour mobility	2.23	<ul style="list-style-type: none"> • Valorization of the local specific tourism potential for local economic development; • Enhancement of local development, based upon local cultural products and services.

The general evolution of the strategic and legal framework shows that the Romanian WfD system has gone through continuous and consistent improvement. On one hand, lessons from the past have informed the development of recent strategies. On the other hand, the implementation of concrete measures has led to changes in regulation. This was the case with the dual system of vocational education and training approved in 2017. Initiated by a group of foreign investors with some training institutions, the government (MoNE and MoLSJ, with their specialised institutions) supported legislative changes in the last 4 years so that the dual system could be mainstreamed. It is worth noting that in 2016 the Ministry of Economy became involved in the discussion around the dual system, contributed to defining enrolment policies and figures, and identified and encouraged companies to become partners of IVET schools.

Non-government stakeholders have participated in the development of a strategic vision for WfD. In many cases initiatives have been steered by employers, but they are isolated and their participation is often related to specific or circumstantial motives. As a result, employers' engagement in policy dialogue ceases once their goals are met. However, Sectoral Committees have served as institutionalized mechanisms where both employers and unions can engage in policy dialogue and implementation.

Sectoral Committees play a distinct role as social dialogue platforms. They are formal associations between at least two organizations, namely an employers' association and a trade union, at the sector level. As such, they represent a specific sector of activity. Their main tasks include (i) participating in the development of national and sectoral strategies on training; (ii) participating in the development of the legal framework on skills training; (iii) providing input on assessment and certification matters; (iv) fostering the participation of organizations and individuals in CVET; (v) cooperating, in their field of activity, with government agencies, national and international non-governmental organizations, and training institutions; and (vi) providing advice related to workforce development and employability in their sectors.

Policy Goal 2: Fostering a Demand-led Approach to WfD

Effective advocacy for WfD requires credible assessments of the demand for skills, engagement of employers in shaping the country's WfD agenda and incentives for employers to support skills development. Policy Goal 2 incorporates these ideas and benchmarks the system according to the extent to which policies and institutional arrangements are in place to: (i) establish clarity on the demand for skills and areas of critical constraint; and (ii) engage employers in setting WfD priorities and enhancing skills-updating for workers.

Romania scores at the **Emerging** level (2.4) for Policy Goal 2. While efforts to identify the skills that the Romanian workforce must master to contribute to growth and productivity in priority economic sectors abound, employer engagement in setting WfD priorities is rather weak. Incentives for companies to train their current employees are limited, and mechanisms to monitor the implementation of initiatives in this regard are non-existent.

The government and its development partners conduct assessments of the country's economic prospects and skills implications. Perhaps the best example of the country's activity on this issue is Skills Panorama.³³ Inspired by the European Commission and CEDEFOP, the Romanian Government initiated skills assessments in different sectors of the economy as well as skills forecasts. These exercises are partially funded by the EU, but also by MoNE and MoLSJ. The

³³ For specific details on this program and the information collected please visit:
http://skillspanorama.cedefop.europa.eu/en/analytical_highlights/skills-anticipation-romania#_summary

exercise of collecting data to develop skills assessments and forecasts is done jointly by the National Institute of Statistics and the National Commission for Prognosis. In addition, exercises to determine skills needs or identify skills supply-demand relations are carried out by other government agencies such as the National Scientific Research Institute for Labour and Social Protection, which conducts skills anticipation exercises; the National Centre for TVET Development (CNDIPT), which focuses on the skills supply at the VET and higher education levels; and the National Agency for Employment, which conducts smaller-scale assessments within its operational programs. Figure 9 below shows a summary of the main skills assessments done in Romania.

Figure 9. Skills Assessments in Romania



Source: CEDEFOP – Skills Panorama (April 2017). See: http://skillspanorama.cedefop.europa.eu/en/analytical_highlights/skills-anticipation-romania#_summary

Line ministries also conduct sector-specific assessments. For example, in 2013 the Ministry of Agriculture and Rural Development conducted the “*Socio-economic analysis in the perspective of rural development 2014-2020*”³⁴, which contains relevant information about the actual situation and future needs for qualified workers in this sector. Also, the National Strategy for Competitiveness 2014-2020 and the National Strategy for Research Development Innovation 2014-2020 stressed the need for the development of new skills and competencies required in smart specialization sectors.³⁵

³⁴ Ministry of Agriculture and Rural Development, *Analiza socio-economica in perspectiva dezvoltarii rurale 2014-2020* may be seen on: <http://www.madr.ro/docs/dezvoltare-rurala/programare-2014-2020/analiza-dezvoltarii-rurale-agricultura-iulie-2013.pdf>

³⁵ National RDI Strategy 2014-2020, (<https://www.edu.ro/sncdi2014-2020>) and National strategy for competitiveness 2014-2020 (http://www.minind.ro/PROPUNERI_LEGISLATIVE/2014/SNC_2014_2020.pdf)

Development partners, besides the EU which collaborates with the government in the implementation of Skills Panorama, also undertake diagnostics of Romania's workforce needs and related policies. Although a bit dated, the OECD conducted in 2014 a comprehensive review of vocational education and training in Romania that provided detailed information on the relationship between VET and the labor market, with data covering the period between 1999 and 2011.³⁶

The World Bank has also contributed with information on skills in Romania. In its 2013 report "Europe 2020 Romania" it offers an analysis of the country's labor market and the skills supply and demand situation, and draws specific recommendations on how Romania can work toward attainment of the goals set out by Europe 2020.³⁷

A relevant example of good practice for skills anticipation mechanism which lasts since 90's is provided by Finland and is presented in the box below.

Box 1. Skills anticipation in Finland

The Finnish Government adopts every four years Development Plans for Education and Research that set the education and training objectives, as well as key structural policies for different educational sectors. The Ministry of Education and Culture defines targets for education and training based on qualitative and quantitative anticipation of the qualification needs. Responsibility for forecasting rests with the Finnish National Board of Education (FNBE), an agency subordinate to the Ministry of Education and Culture. On the quantitative dimension, FNBE sets up the training needs based on the data collected at regional level under the supervision of regional councils, and on the labor market forecast data produced by the Institute for Economic Research. FNBE maintains an online knowledge service (ENSTI) to support the activity of users and producers of forecast data. Qualitative forecasting refers to the impact of changes in work content on workforce skills and, thus, on qualifications and curricula. FNBE works in this respect with National Education and Training Committees, expert bodies in qualitative forecasting for education. These are tripartite advisory bodies appointed by the Ministry of Education and Culture to provide linkages between VET and economic sectors at a national level. Since 1990s the responsibility for forecasting and responding to the changes related to skills and competences has been delegated to universities, polytechnics and VET providers.

Source: CEDEFOP, VET in Europe, Finland Country Report, 2016

Non-state WfD stakeholders also conduct occasional studies and assessments. However, the content is rarely made public as the results are part of their internal human resource strategies. For example, in 2015 the Association of Local Investors (PIAROM) sponsored a country-wide review of employment, workers skills and skills needs in private companies. The Romanian Academy, in partnership with the Research Institute for Quality of Life and OMV Petrom, prepared a public policy report "*Vocational education and training – challenges and development opportunities*". This report presented and analyzed the current context, discussed good practices, and made recommendations for a more efficient implementation of the VET system in Romania, focusing on quality, attractiveness, relevance, as well as other systemic issues.

There are regulations and institutional mechanisms that allow employers to contribute on a routine basis in defining WfD priorities. Employers have, however, gone beyond formal participation in policy dialogue and successfully

³⁶ Pauline Musset, *OECD Review of Vocational Education and Training: A Skills beyond School Commentary on Romania*, 2014

³⁷ *Europe 2020 Romania: Evidence-based Policies for Productivity, Employment, and Skills Enhancement*, World Bank, July 2013

promoted certain measures like the introduction of the dual system as an alternative to the existing three-year vocational education. This initiative was accompanied by a strong commitment of sponsoring employers to cooperate with VET schools and provide on-the-job training for VET students enrolled in programmes based on the dual learning system. The initiative was first piloted on a limited scale during the school year 2012/2013, and, after the necessary changes were introduced in the Law of National Education,³⁸ it became fully integrated into IVET. According to the regulations, each school that delivers the IVET track has signed partnership agreements with a company or a group of companies.

Employers are encouraged to provide training to their employees, but incentives remain weak. For example, pursuant to Law 76/2002 the government provides a low-value training subsidy to companies that enrol their employees in training programs, but it is barely used as employers consider the legal provisions rather burdensome.

Formal and informal small and medium-sized enterprises have benefited from support to develop the skills of their employees, using EU funds under the programming period 2007-2013. The projects addressing the improvement of technical and entrepreneurial skills through training, subsidies, mobility, and exchanges were financed under the Sectoral Operational Programme Human Resources Development Priority Axis 2 and Priority Axis 6³⁹. Evidence or reviews on implementation of these two programmes are limited. There are some monitoring reviews that reflect the outputs of the different programmes and the results from a social perspective (better employment prospects after being trained), but information on the impact of training on skills and productivity is only very rarely available. For example, a report commissioned by MOLSI "Assessment of effect of ALMPs on reducing unemployment and increasing employment - 2015", identifies the following impacts:

- Increased employability chances for beneficiaries of mobility incentives three times more compared with unemployed people
- Increased employability chances by 50 percent for people close to retirement age, given the incentives provided to employers.
- Positive impact of training for young people under 24, as well as for training beneficiaries in the services, construction and industry sectors.
- Positive impact of training on the longer term for increased employment.

Policy Goal 3: Strengthening Critical Coordination for Implementation

An important goal of strategic coordination is to ensure that the efforts of multiple stakeholders involved in WfD are aligned with the country's key socioeconomic priorities. Such coordination typically requires leadership at a sufficiently high level to overcome barriers to cross-sector or cross-ministerial cooperation. Policy Goal 3 examines the extent to which policies and institutional arrangements are in place to formalize roles and responsibilities for coordinated action on strategic priorities.

³⁸ Emergency Ordinance no. 81/2016 introduced the modifications to the Law of National Education to fully regulate the dual system.

³⁹ Priority Axis 2: Linking LLL and Labour Market, Key Area of Intervention - Access and participation in CVET; and Priority Axis 6 – Promotion of Social Inclusion, Key Area of Intervention – Development of Social Economy.

With a score of 3.0, Romania's system is situated at the **Established** level for Policy Goal 3. The mandates of government stakeholders are well defined overall, albeit with some overlaps. Although non-government stakeholders have clearly defined roles and responsibilities at the national, regional and local levels as established by the law, in some cases their engagement is more of a formality. Mechanisms for inter-agency coordination appear to exist, but the extent to which they facilitate cooperation in the implementation of measures is not clear.

There are two main ministries with significant responsibilities for Romania's WfD system: The Ministry of National Education (MoNE), with clear responsibility for Initial Vocational Education and Training (IVET) and the Ministry of Labour and Social Justice (MoLSJ), responsible for Continuing Vocational Education and Training (CVET).

- MoNE organizes and manages the national education, training and university scientific research system. It designs and implements the national strategies for education and training in consultation with a wide range of stakeholders including academics, trade unions, associations of teachers, students and parents, public administration authorities, businesses and NGOs. It also coordinates the National Centre for TVET Development (CNDIPT), the National Authority for Qualifications (ANC) and the continuing professional development of teachers.
 - CNDIPT was established in 1998 to oversee the TVET reform and is currently responsible for fostering the quality and relevance of IVET by coordinating the design, implementation and review of curricula, assessments and certification, contributing to the professional development of instructors, and ensuring TVET programs fulfil international standards, among others.
 - ANC develops the National Qualifications Framework, manages the National Qualifications Registry, provides the general framework for quality assurance, and authorizes assessment centers to validate non-formal and informal prior learning.
- MoLSJ plays an equally important role in Romania's WfD system. It participates in the design and implementation of national policies and strategies for human resources development (including vocational education of adults) based on national development plans, national government plans and sectoral strategies. MoLSJ is responsible for CVET, maintains the Romanian Classification of Occupations, and oversees the development of ALMPs through the National Agency for Workforce Employment (ANOFM).

As the country moves towards a lifelong learning (LLL) approach, the distribution of responsibilities by training level among ministries brings some challenges. For example, as MoNE advances in the recognition of prior informal and non-formal learning, it inevitably steps into regulations and procedures that pertain to CVET, such as adult training and certification. Similarly, with the broadening of the national qualifications framework, ANC's mandate spans over both IVET and CVET. The existence of institutional mechanisms to ensure coordination, collaboration and a clear definition of responsibilities is essential for the system to continue moving forward. Unfortunately, such mechanisms do not appear to be operational at the moment, and instead the system suffers from a recurrent shifting of authority and roles.⁴⁰

⁴⁰ In early 2017, the Prime-Minister Chancellery and the General Secretariat of the Government were reorganised with a view to improving the efficiency of public administration. One of the tasks of the General Secretariat of the Government is to improve inter-institutional coordination of public policies. It is too early to determine the impact of this measure on the coordination of the ministries involved in workforce development, but it is a good indication of the recognition that coordination is essential for the effective implementation of public policies.

Coordination is crucial for the effective implementation of WfD measures. The National Strategy for Employment 2014-2020, which covers training-related active labor market policies, was developed thoroughly: it included a comprehensive analysis of major gaps and delays in the development of critical skills, specific objectives, an action plan and calculation of the necessary budget allocation. At the same time, the strategies developed by MoNE were endorsed by MoLSJ and vice versa, showing coordination and collaboration to avoid gaps or overlaps in strategic documents. However, the implementation of such strategies has registered delays; this can be attributed to the low capacity to absorb EU funding and/or to deficiencies in coordination between different sectors such as labor and education. While there is cooperation in the development of strategies, more cooperation and coordination between lead actors and their respective agencies is needed at the time of implementation.

In an attempt to address implementation challenges, there are already initiatives in place to amend the Apprenticeship Law no. 279/2005 (updated in 2013) and the Law on Internships no. 335/2013, so that employers have more incentives to hire new graduates. The success of these initiatives will be more likely if coordination with non-government stakeholders is also improved.

At the sector level, other line ministries and national agencies have a coordinating role in the development of human resources in their field of activity, especially with regard to regulated professions.⁴¹ For example, the Ministries of Internal Affairs and National Defence have their own networks of schools to provide initial and continuing vocational education and training for civil servants and military troops. The qualifications provided by the schools under these ministries are included in the national qualifications framework, which allows the migration of individuals from military to non-military professions. The Ministries of Transport, Agriculture, Health, Culture, and Justice, as well as the National Agency of Civil Servants and the State Inspectorate for Control of Pressure Vessels (ISCIR) are active in promoting and implementing qualifications and CVET policies in their respective fields.

Non-government stakeholders also have legally defined roles and responsibilities in Romania's WfD system. Although the government has created platforms for consultation with these stakeholders, their voice is sometimes not strong enough and their influence in policy-making is not yet proactive. In an attempt to revitalize their participation, the Law no. 62/2011 institutionalized social dialogue. All TVET-relevant laws – the National Education Law, the Adult Training Law, and the Employment Law – followed this approach by requiring the participation of social partners in decision making, operative and/or consultative processes. For example, the representatives of five employers' confederations and five trade unions' confederations sit alongside the representatives of five ministries in ANOFM's governing board⁴² and contribute to the achievement of its goals: institutionalization of the social dialogue on employment and training, implementation of strategies for employment and training, and implementation of social protection measures for the unemployed. Employers and trade unions also support ANC's work through 15 Sectoral Committees representing the employers and trade unions in different economic sectors. Their role consists of coordinating the development of occupational standards and approving the qualifications for their specific sector.

⁴¹ A regulated profession is one for which a person needs to hold a specific degree, sit special exams, or register with a professional body before practicing it, according to http://europa.eu/youreurope/citizens/work/professional-qualifications/regulated-professions/index_en.htm. Romania has a share of 21% labor force working in regulated professions, according to EC citing TNS survey 2015 (http://ec.europa.eu/europe2020/pdf/themes/2015/regulated_professions_20151126.pdf)

⁴² For more information, see: <http://www.anofm.ro/membrii-consiliului-de-administratie>

At the regional and local levels, MoNE encourages the establishment of Regional Consortia and Local Committees for Development of Social Partnerships (CLDPS), which are consultative bodies of employers for vocational education and training. They provide input and contribute to the development of regional and local education action plans and school action plans under the direction of MoNE and VET institutions. Employer participation in these bodies was seen by some as rather symbolic and likely unsustainable. However, the paradigm has shifted recently: by making partnership agreements mandatory for all VET schools⁴³, regulations have opened a space for more sustainable engagements where industry representatives are part of the governing boards of VET schools and can contribute to school decisions regarding curriculum, training, apprenticeships, etc.

A good practice example is Concordia confederation, presented in the box below, as evidenced by its proactive approach in representing employers' interests.

Box 2 – Employer engagement in policy dialogue – good practice

The confederation of employers “Concordia” is affiliated to the International Organization of Employers (IOE) and to the Alliance of Employers’ Confederations in Romania. Concordia is one of the representatives of the business community, bringing together the most powerful sectoral federations in the Romanian economy and comprising 7 of the top 10 companies by number of employees and turnover. Concordia cooperates with its European partners and actively promotes respect for economic freedom and social responsibility, good governance and predictability of the investment framework. Its members are:

- Oil and gas Employers’ Federation
- Federation of Associations of Energy Utility Companies
- Employer Union “GAZ ROMÂNIA”
- Private Investors Association in Romania
- Employers’ Federation of Trade Networks
- Automotive Industry Employers’ Federation
- Employer Federation of Romanian Carriers
- Employers’ Federation of Financial Services
- Employers’ Association of the Software and Services Industry

Concordia is very active and involved in policy design and implementation. It conducts its own surveys that can inform investment decisions on education and skills, as well as guide individual career choices in an unpredictable environment for future jobs. It is critical to invest in better coordination, involving more and active participation of employers’ federations to provide linkages between education and the economy for a competitive, employable workforce.

Source: Description extracted from company’s presentation and activity, <http://www.confederatia-concordia.ro/en/home-page/>

⁴³ Emergency Ordinance no. 28/2009 on social protection measures, approved through Law no. 268/2009; Education Law no. 1/ 2011 + Order of the Minister of Education regarding the framework regulation on regional and local partnerships on VET; CVET Law no. 129/2000 as further amended and supplemented, Law no. 62/2011 on Social Dialogue

4. Governing the System for Workforce Development

An important function of WfD authorities is to foster efficient and equitable funding of investments in workforce development to facilitate effective skills acquisition by individuals and to enable employers to meet their demand for skilled workers in a timely manner. The objective is to minimize systemic impediments to skills acquisition and mismatches in skills supply and demand. This chapter begins with a brief description of how the WfD system is organized and governed before presenting the detailed SABER-WfD findings on System Oversight and their policy implications.

Overall Institutional Landscape

In Romania, workforce development is achieved mainly by initial vocational education and training (IVET) regulated by the National Education Law no. 1/2011, and continuing vocational training (CVET) regulated by the Adult Training Law no. 129/2000, as updated and republished in 2014.

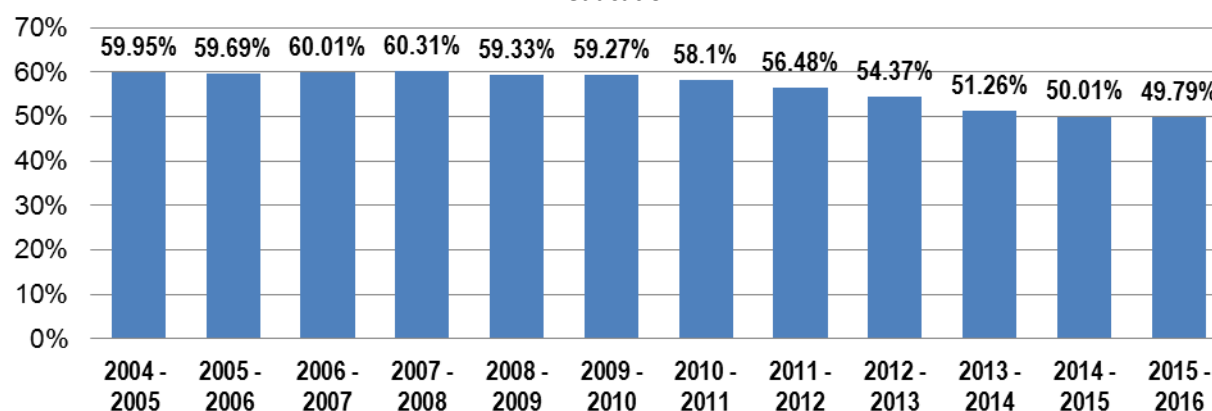
IVET is delivered by a network of education institutions accredited under the authority of MoNE through the National Centre for TVET Development (CNDIPT) and the Romanian Agency for Quality Assurance in pre-university Education (ARACIP). It is a network of upper secondary and post-secondary education schools delivering IVET programs at levels 2-5 according to the National Qualifications Framework in line with European Qualifications Framework⁴⁴. After a period of decline due to the closure of Art and Crafts Schools (3-year programs) in 2009 and the transfer of students to technological high schools, IVET was reintroduced in 2012, after the adoption of the new National Education Law 1/2011, as a school-based program of 2 years. This program placed more emphasis on the work-based component and employers' involvement in students' training. Starting with school year 2014/15, this program was gradually replaced with a 3-year program that required every student to have apprenticeship contractual arrangements with employers. The work-based experience could take place both in school workshops and in employers' premises. Starting with school year 2017/18, the dual education system will be in place according to the methodology issued in 2017, which specifies that schools and employers share equal responsibilities. Employers will be involved in the curriculum and will be represented in school boards; at the same time, the work-based training is expected to take place only in employers' premises and with formally appointed and trained tutors. Consequently, the IVET track will be delivered using two alternative ways: (i) in schools delivering 3-year VET track programs (in partnership with employers, but with limited responsibilities and without being directly involved into curriculum and school management), or (ii) in schools delivering dual education programs with fully engaged employers.

In 2016, a relatively high number of students were enrolled in upper secondary vocational education programs (3-year VET programs and 4-year technological high schools), accounting for 49.79 percent of the total students in upper secondary education, compared to the EU average of around 40 percent. Conversely, adult participation in lifelong learning and continuing training programs is low, only 1.2 percent, compared to the EU average of 10.8 percent, according to 2016 data. Very low participation rates are also reported among individuals with a low level of education, only 0.5 percent compared to the EU average of 4.4 percent.⁴⁵

⁴⁴ Equivalent of level 2-4 in ISCED 2011

⁴⁵ On the Way to 2020: data for vocational education and training policies. Country Statistical Overviews – 2016 update. CEDEFOP Publication (page 102-106), <http://www.cedefop.europa.eu/en/publications-and-resources/publications/5545>

Figure 10. Share of students in technological high schools and vocational education out of the enrollment in upper secondary education



Source: CNDIPT, 2017 - based on the data extracted from annual statistic surveys.

All vocational qualifications in Romania are based on vocational training standards (IVET) or occupational standards (CVET) developed according to the Romanian Classification of Occupations, by experienced professionals in their respective fields. This is the case regardless of how the qualifications are acquired, whether by initial or continuing training, or by validation of non-formal or informal learning. The standards are approved by the National Qualifications Authority, after consultation with sectoral committees.

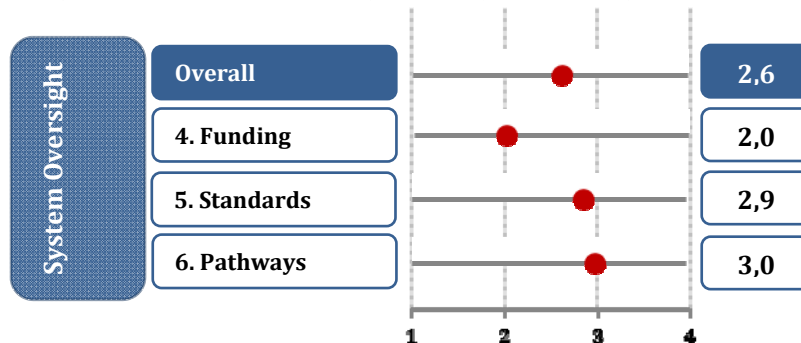
Initial training is mostly financed by the state budget and marginally by private funding. The funding of continuing training is much more fragmented. Employees' training relies mostly on private funding (either by the beneficiary of the training or by his/her employer) and, to some extent, on funding from the European Social Fund. Training for vulnerable groups (the unemployed, ethnic minorities, inmates) is part of active labor market programs (ALMPs) and benefits from public funding from the Unemployment Fund and from the European Social Fund.

SABER-WfD Ratings on System Oversight

The SABER-WfD framework identifies three pertinent Policy Goals corresponding to oversight mechanisms for influencing the choices of individuals, training providers and employers: (i) ensuring efficiency and equity in funding; (ii) assuring relevant and reliable standards; and (iii) diversifying pathways for skills acquisition.

Based on the analysis of collected data, Romania scores an overall rating of 2.6 on *Dimension 2 (System Oversight)*, placing it at the **Established** level of development. Two components are at the Established level: *Assuring Relevant and Reliable Standards* (2.9) and *Diversifying Pathways for Skills Acquisition* (3.0). The component that looks at *Ensuring Efficiency and Equity of Funding* is, on the other hand, at the Emerging level (2.0). This is not surprising since all sources consulted for this assessment stressed the chronic under-funding of education as a whole and the lack of robust policies and actions for financing CVET. The ratings for these Policy Goals are discussed below.

Figure 11. SABER – WfD Ratings of the System Oversight Dimension

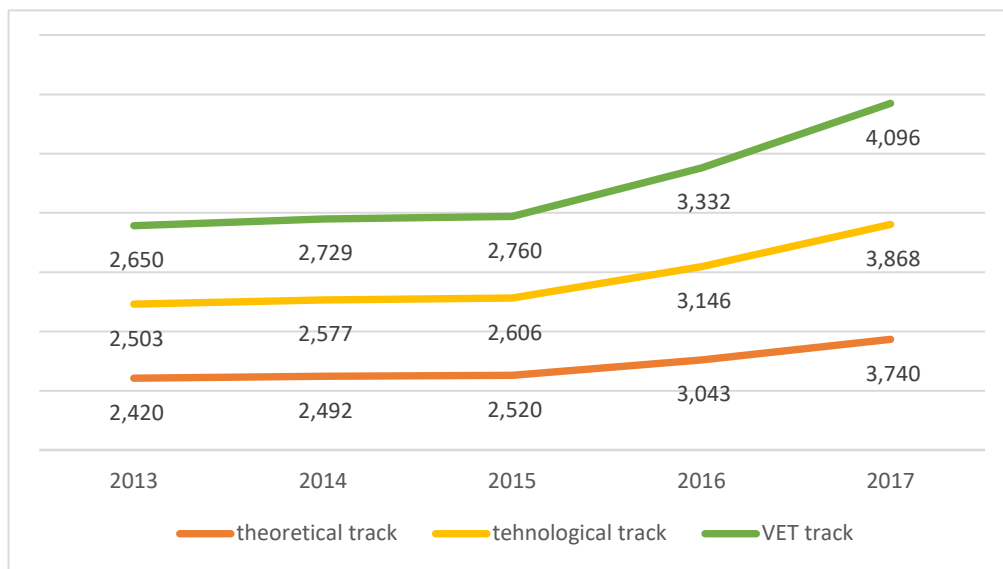


Policy Goal 4: Ensuring Efficiency and Equity in Funding

WfD requires a significant investment of resources by the government, households and employers. To ensure that these resources are effectively used, it is important to examine the extent to which policies and institutional arrangements are in place to: (i) ensure stable funding for effective programs in initial, continuing and targeted TVET; (ii) monitor and assess equity in funding; and (iii) foster partnerships with employers for funding TVET.

On Policy Goal 4, the score for Romania is 2.0, which corresponds to an **Emerging** level of development. Education in general is chronically under-funded, which is also reflected in the financial allocations for TVET. Within the subsector, however, recurrent funding for CVET is more limited than that for IVET and training-related ALMPs. Reviews of the impact of funding on beneficiaries do not take place systematically, and partnerships to mobilize funds from employers are limited.

Since 2013, IVET funds have been allocated using routine mechanisms, pursuant to the provisions of the National Education Law, and directed to both public and private accredited schools (see Box 3). The provisions were introduced in the law with the purpose of enhancing efficiency in the use of funds, and equity in their allocation. Funding needs are determined for each school based on standard costs per student (their level is approved every year by Government Decision) and enrolment approved for each school year. The figure below shows the evolution of standard costs in upper secondary education. Since 2013, the standard cost per student enrolled in IVET has constantly been maintained at a 10 percent higher level as compared with the theoretical track and 6 percent higher as compared with the technological track. However, there are important equity issues: based on data from Ministry of Public Finance and calculations made by the World Bank team, in 2016 the total expenses for VET represented 5.4 percent of the total expenses for upper secondary education, while the total number of VET students represents 9.3 percent out of the total number of upper secondary students.

Figure 12- Evolution of standard costs in upper secondary education

Source: authors

Currently, annual enrolment figures for IVET are determined based on workforce demand analyses at regional and local levels and on the replacement rate of the existing workforce. These enrolment figures are endorsed by the Regional Consortia and Local Committees for Development of Social Partnerships (CLDPS), where key WfD stakeholders are represented.

Funding based on costs per enrolled student has various advantages, as it allows for better predictability and flexibility in budget projection and execution. However, it does not secure efficiency and equity when education is under-funded⁴⁶ as it is in Romania, which has the lowest GDP allocation for education in the EU. According to Eurostat, in 2015 the total allocation from the state budget for education in Romania (for all levels) was 3.0 percent of GDP, significantly lower than the EU-28 average of 4.9 percent.⁴⁷

In addition to the recurring funding provided to IVET institutions, since 2012 the government has provided “vocational scholarships” of approximately \$50 per month to students who choose to enroll in IVET programs. Lasting throughout the period of study and until graduation, these scholarships aim to foster youth’s access to initial training programs, especially for those from vulnerable backgrounds. With regard to capital investments in IVET, these are covered by local authorities and potential employers, who are responsible for providing an adequate learning environment for acquiring the needed skills.

⁴⁶ Ciprian Fartusnic (coord.), *Secondary education funding system based on cost standards: a current review in terms of equity*, UNICEF Romania, Bucharest 2014, <https://www.unicef.org/romania/Studiu.ISE.eng.pdf>

⁴⁷ European Commission, *Education and Training Monitor 2016 Romania*, https://ec.europa.eu/education/sites/education/files/monitor2016-ro_en.pdf

Box 3. Provisions of the National Education Law with regard to funding

Article 9 of the National Education Law of 2011 states the following:

(1) Pre-university education funding is underpinned by the following principles:

- a) Transparency of funding substantiation and allocation;
- b) Equity in the allocation of funds for quality education;
- c) Adequate resources according to objectives;
- d) Predictability, by use of coherent and stable financial mechanisms;
- e) Efficient use of resources.

(2) The state provides the basic funding for all pre-school students and students enrolled in accredited public, private and denominational compulsory education. Also, the state provides basic funding for accredited public, private and denominational vocational and high school education, as well as for public post-high school education. Funding is provided based on and within the limits of standard costs per student, according to the methodology developed by MoNE.

CVET, on the other hand, does not have a uniform funding mechanism. Sources – namely the state budget, employers, employees and EU funds – are diverse, but still limited. CVET does not receive much recurrent public funding. The government offers certain incentives to CVET providers, such as the VAT exemption, and incentives for employers to train their workforce, through deductions from contributions to the Unemployment Fund. However, the benefits are limited compared to the bureaucratic procedures and the level of incentives. Therefore, employers prefer not to use these incentives as they represent more of an extra cost for the company, in terms of time and money, and not an incentive on the ground.

The Labor Code⁴⁸ includes clear provisions on the employer's obligation to ensure employees' continuing professional development: they are "(i) obliged to support training for their employees, at least once every 3 years if the company has less than 20 employees, and at least once in 2 years if the company has more than 20 employees; and (ii) incentivized to cover training expenses, since these are exempted from taxes on company income (training expenses being considered production expenditure.)". However, the Labor Code does not indicate any direct financial support nor does it provide sanctions for failure to comply with these provisions. As a result, many small and medium-sized enterprises (SMEs) do not offer training to their employees, and consequently the provisions are not observed or implemented. It is mostly large companies, with high human and financial capital, that are active in improving the skills of their workforce, using most of the time their own training centers or facilities. As SMEs face more constraints, government support for skills upgrading of employees in these firms (either off site or on-the-job) is essential, but rare in Romania. The EU has provided funds to support SMEs' employees in acquiring skills related to business development and entrepreneurship but the funds have been insufficient to achieve significant results.

Things are quite different in the public system where the employer, the government, has a strict framework for the implementation of the Labor Code, although budget allocations are not always generous enough. Training for civil servants benefits from dedicated funding in the annual budgets of line ministries and other public institutions. In the educational system, for example, teacher training is stipulated by the Education Law and is mandatory every five years. Other ministries, like the Ministry of Defense, have their own institutional structures for employee training, and their annual budgets include employee training allocations.

⁴⁸ Labor Code Law no. 53/2003 updated in 2016, Art. 194 and 195

In recent years (2009-2015), CVET has benefited from significant European Social Fund (ESF) financial allocations under the Sectoral Operational Program for Human Resources Development (OPHRD). Funding is expected to continue from ESF and other EU financial instruments under the new operational programs (Human Capital, Administrative Capacity, Competitiveness and others). Reviews and reports on the implementation of OPHRD cover allocated amounts (input data) and the number of people who participated in various forms of training (output data). Although government funded, the annual reports on CVET programs are focused on input and output information rather than on outcomes or impact. The efficiency and impact of funding on the employment status of beneficiaries is not assessed very often, resulting in a missed opportunity to make informed decisions with regard to the implementation or future funding of these programs.

Training-related ALMPs are also funded by public funds mobilized from the social contributions paid by employees and employers to the Unemployment Fund, and from ESF funds (especially in recent years). ANOFM develops annual plans which include budgetary allocations for ALMPs. The level of funding is determined by the ANOFM Board, where employers and trade unions have an important role, and is then approved by MoLSJ and the Ministry of Finance. ANOFM publishes annual reports on the ALMPs implemented, including the CVET component, which provide information on the number and categories of beneficiaries and fund allocations.

Special attention has been given to funding social assistance programs that support students from vulnerable groups (i.e. coming from poor families living especially in rural areas) by providing them with scholarships (“Money for High School” Program), with financial incentives for purchasing regular school supplies and computers, or reimbursement of transportation costs.

Policy Goal 5: Assuring Relevant and Reliable Standards

The WfD system comprises a wide range of training providers offering courses at various levels in diverse fields. An effective system of standards and accreditation enables students to document what they have learned and employers to identify workers with the relevant skills. For Policy Goal 5, it is therefore important to assess the status of policies and institutions to: (i) set reliable competency standards; (ii) assure the credibility of skills testing and certification; and (iii) develop and enforce accreditation standards for maintaining the quality of training provision.

Romania’s WfD system scores 2.9 for this Policy Goal, which places it at an **Established** level of development. Although Romania has adopted a National Qualifications Framework that is aligned with the European Qualifications Framework, challenges pertaining to the articulation of IVET and CVET remain unresolved. Curricula and assessments are defined in terms of learning outcomes, expressed as knowledge, skills and competencies, described in direct reference to the occupational standards underpinning each training program. Mechanisms to assure the credibility of skills testing and to maintain the quality of training are different for IVET and CVET and managed independently for each.

There are various key stakeholders involved in the policy dialogue around occupational standards and qualifications, either as decision-makers or as advisory bodies: MoNE and its specialized agencies, CNDIPT and ANC, employers and industry representatives, trade unions, and relevant professional associations (see Box 3). Policy dialogue, in this and

other matters, is governed by the law on social dialogue⁴⁹ and takes place routinely through institutionalized arrangements, as stipulated in the Education Law, the Adult Training Law, the Law on the organization of ANOFM and related secondary legislation.

Box 4. Sectoral Committees

Sectoral Committees, along with Regional Consortia and Local Committees for the Development of Social Partnerships, have an important role in ensuring the relevance of qualifications awarded by training institutions with regard to the requirements at the workplace. The activity of Sectoral Committees is coordinated by the National Qualifications Authority and their specific role with respect to qualifications is expressed by the Law no. 268 of 2009 as follows:

- Participate in the development of legal provisions on training, assessment and certification of competencies;
- Support the promotion of competency training and the assessment system;
- Participate in the development and updating of qualifications related to their specific field, under the coordination of the National Adult Training Board;
- Validate qualifications and their related standards, except for those acquired in higher education;
- Recommend specialists by occupational field to perform the occupational analysis, define competencies and qualifications, develop and validate occupational standards, check and validate training standards, and perform standard-based assessment and certification;
- Grant advisory endorsement for updating of the Classification of Occupations in Romania;
- Formulate proposals to training providers on qualifications and their related competencies, as well as on the correlation between qualifications and the related occupations which may be practiced.

The National Qualifications Framework was adopted in 2013. Structured in eight levels of qualifications, where IVET and CVET cover levels 1-5 and higher education covers levels 6-8, the Romanian NQF is aligned with the European Qualifications Framework. The Education Law no. 1/2011 stipulates that all programs, either IVET or CVET, should be aligned with the qualifications included in the National Qualifications Register managed by the National Qualifications Authority. However, Romania still does not have a unified National Qualifications Register as mandated by the law. As a result, occupational standards have not yet been articulated so as to allow smooth progression from initial to continuing training, and recognition of non-formal and informal learning by means of credit accumulation and transfer is also incipient at best.

Certification of competencies is also based on occupational standards, but it is different for IVET and CVET. For assessment of learning achievements in IVET, a uniform national system, with standardized tests based on the learning outcomes as defined in the training standards, was developed. The National TVET Development Centre is responsible for the development of the standardized tests and manages them through a national data bank for IVET.

In CVET, learning achievements are recognized in two ways: (i) certification obtained upon graduation of an accredited course, delivered by an authorized training provider, and (ii) certification of competencies acquired in non-formal or informal contexts provided by an authorized assessment center. For both types of certification, the Adult Training Law stipulates that the assessment should be performed based on the competencies as defined in the relevant occupational standard. The tests are developed by the training provider for training programs or by assessment centers for each

⁴⁹ Law on Social Dialogue no. 62/2011 updated in 2012 and republished

occupation, and approved by the National Authority for Qualifications. The lack of one national data bank for all these tests (which correspond to CVET), the use of tests developed by training centers or by assessment centers (approved by ANC though) affects the quality and consistency of the assessment and certification process at the national level.

Accreditation/authorization of training providers is also different for IVET and CVET.

- In IVET, the programs must be based on national curricula developed and validated under CNDIPT's coordination. Schools delivering IVET programs are accredited by the Romanian Agency for Quality Assurance in Pre-university Education (ARACIP) pursuant to the provisions of the Education Law no. 1/2011 and of the Law on Quality Assurance in Education no. 87/2006. Accreditation is mandatory for all public and private providers that intend to issue national certificates and benefit from public funds, and must be renewed every five years. MoNE provides technical assistance to training institutions to obtain, maintain and renew accreditation. The accreditation standards are public, defined by consultations involving all relevant IVET stakeholders and regulated by the Government Decision no. 1534 of 2008. Accreditation standards were recently revised and updated, and the new accreditation standards will enter into force in 2018.
- In CVET, the authorization process for the provider includes the accreditation of the training programs they intend to deliver. Pursuant to the Adult Training Law, accreditation standards are defined jointly by MoNE and MoLSJ, and they are updated on an *ad-hoc* basis when they are considered obsolete. MoLSJ took over responsibility, as of December 2016 (as stipulated in Emergency Ordinance 96/2016), for quality assurance in CVET, training providers' authorization, and the national register of training providers. ANC continues to be responsible for the qualifications framework and register, standards management, and assessment centers' authorization. CVET providers are authorized as training providers for each training program and the program accreditation is renewed every four years.

Policy Goal 6: Diversifying Pathways for Skills Acquisition

In dynamic economic environments, workers need to acquire new skills and competencies as well as keep their skills up-to-date throughout their working lives. They are best served by a system of initial and continuing education and training that promotes lifelong learning by offering clear and flexible pathways for transfers across courses, progression to higher levels of training and access to programs in other fields. For those already in the workforce, schemes for recognition of prior learning (RPL) are essential to allow individuals to efficiently upgrade their skills and learn new ones. Policy Goal 6 therefore evaluates the extent to which policies and institutions are in place to: (i) enable progression through multiple learning pathways, including for students in TVET streams; (ii) facilitate the recognition of prior learning; and (iii) provide targeted support services, particularly among the disadvantaged.

Romania scores 3.0 for this policy goal, which corresponds to an **Established** level of development. Streaming begins after 9 years of education and, while students have many options to choose from, educational progression is more difficult for students in certain streams. The government has sought to diversify pathways for skills acquisition through career guidance and counseling services, recognition of prior learning and training targeted to the most vulnerable. However, all these measures appear to be limited in terms of the number of beneficiaries they have reached so far.

The education system in Romania offers both academic and vocational/technical streams at the secondary level. This level comprises (i) lower secondary education or gymnasium (grades 5 to 8), (ii) upper secondary education (grades 9-12/13), and (iii) tertiary, non-university, education (which includes post-high school education). Streaming starts at the upper secondary level, after 9 years of schooling, when students can choose between the *high school*, at least four years of study, and the *vocational education* path, at least three years of study. The *high school* path is further divided into three types of programs:

- General education programs (called theoretical programs) with two profiles: humanistic studies and science studies;
- Technological programs with three profiles: technical, services, and natural resources and environmental protection;
- Vocational programs with five profiles: military, theological, sports, arts and pedagogical.

Graduates of technological and vocational programs at secondary level receive a qualifications certificate and, after passing a qualifications exam, a supplement to the certificate, in accordance with Europass regulations⁵⁰. Training programs in the *vocational education* path focus mainly on the development of occupational skills and less on academic skills. Consequently, graduates of the third year, registered in grade 11 on the vocational path, must repeat the 11th grade in the high-school path in order to graduate from high school and obtain a baccalaureate diploma if they wish to pursue university education. Graduates of lower secondary education (compulsory education) who discontinue their studies may enroll in a training program free of charge under the apprenticeship law and achieve a vocational qualification upon completion.

Post-secondary education is provided by public or private post-high school educational institutions, usually in the form of independent departments under technical colleges or universities. According to the Education Law, post-secondary education is an integral part of VET and is partly subsidized by government funds. Access to post-high school educational institutions is open to all high-school graduates, regardless of whether they hold a baccalaureate diploma or not. However, graduates of post-high school programs must hold a baccalaureate diploma to pursue university studies. Post-high school educational institutions also offer programs for students with special educational needs, which are fully subsidized by the government.

While formally individuals in Romania benefit from flexible pathways to acquire skills, in practice they face constraints in moving between streams or pursuing studies through alternative arrangements. According to legislation, all IVET pathways allow for flexible exits, and enable graduates to acquire the necessary skills to find employment or to continue their studies until they graduate from that cycle of education and training. In practice, flexible exits and partial recognition of qualifications are not possible, and students must follow a full program to obtain a certificate or diploma that enables them to find employment. The concept of flexibility is regulated by legislation, but its concrete enforcement is not defined. Another constraint individuals face is related to the reputation of certain programs. While

⁵⁰ Europass is an initiative of the European Commission which aims to help people make their skills and qualifications clearly and easily understood in Europe, thus facilitating the mobility of both learners and workers. While certificates and diplomas testify that a person graduated successfully from a VET program, the certificate or diploma supplement provides additional information about the skills and competencies acquired by the holder, which are not included in the official document. More info at <http://europass.cedefop.europa.eu/documents/european-skills-passport/certificate-supplement>

all five profiles of the *vocational high school* programs are popular among students and are considered to yield employment opportunities after graduation, it is not the same for *technological high school* programs, where the percentage of students who pass the Baccalaureate is very low and *vocational education* programs (three years) do not lead to a baccalaureate diploma. They are perceived as unattractive, and with poor quality learning outcomes, and the public is not interested in these programs. MoNE is making efforts to reverse public perception and is trying to:

- provide a program that is relevant for the labor market, engaging employers and considering their skills needs as well as the development of local industry
- making the program more attractive for students and their parents through improved curricula, equipped and modern infrastructure and workshops, and teacher training
- widening access by increasing the number of places in the VET track, doubling the numbers from one year to the next on the basis of higher demand, and providing multiple choices and scholarships for every student.

An example of diversifying learning pathways is presented in the box below:

Box 5 . Ireland - Main VET Programs providing a broad pathway for skills acquisition

Program	Duration	Qualification awarded	Target group	Prior education attainment	Minimum age of entry
Apprenticeship	4 years	NFQ 6 (EQF 5)	School completers; older learners may apply	Junior certificate or equivalent (NFQ 3; EQF 2); most learners hold a Leaving Certificate (NQF 4/5; EQF3/4)	15+
Traineeship	6 months – 2 years	NFQ 4-6 (EQF 3-5)	Unemployed	NFQ 3 (EQF 2) or higher, depending on the course	18+
Specific Skills Training	6 – 24 weeks	NFQ 4-5 (EQF 3-5)	Unemployed	NFQ 3 (EQF 2)	18+
Post Leaving Certificate (PLC)	1 – 2 years	NFQ 5-6 (EQF 4-5)	School completers; adult learners	Leaving Certificate (NFQ 4/5; EQF 3/4) for school completers	18+
VTOS*	1 – 2 years	NFQ 4-6 (EQF 3-5)	Unemployed	Depends on programme; for ISCED level 4, a Leaving Cert (or equivalent) or work experience may be expected	21+
Momentum**	<1 year	NFQ 4-6 (EQF 3-5)	Long-term unemployed	No official minimum entry requirement, but an ability to follow the course is required.	18+

* VTOS – Vocational Training Opportunities Scheme. VTOS consists of a range of full-time courses designed to meet the education and training needs of unemployed people aged 21 or over. It is offered by the 16 Education & Training Boards (ETBs) throughout Ireland.

** Momentum - The Momentum programme was introduced by Irish Authority for Further Education and Training (SOLAS) in 2013 to address the skill needs of the unemployed for 12 months or more. Training courses are free and offered in variety of sectors where there were identified job opportunities (e.g. tourism, logistics, high-tech manufacturing). Courses vary in duration, ranging from 23-45 weeks. All courses lead to certification (typically NFQ 6 (EQF 5)). Momentum courses are funded by SOLAS (Ireland's Further Education and Training Authority)

Source: Author's compilation based on information from SOLAS's official website (<http://www.solas.ie/>)

In recent years, Romania has sought to increase the attractiveness for individuals to enroll in and pursue TVET programs. Specifically, the government has taken actions in three areas: career guidance and counseling, validation of non-formal and informal learning, and targeted training programs for the most vulnerable.

In the area of career guidance and counseling, the government has introduced the “Choose Your Path” initiative to inform students at the lower secondary level and spark their interest in IVET programs, particularly in the technical and services fields. MoNE also introduced career guidance and counseling classes for students in grades 5th to 8th to raise their awareness about TVET. Although MoNE has also set up services for career guidance through a network of county resource and assistance centers, this intervention needs improvement. The network has low coverage, especially in rural areas, it does not have a uniform and consistent approach to prevent drop-outs, and it lacks quality assurance mechanisms applicable to information, counseling and guidance services.⁵¹ Other career guidance activities are organized with the support of local businesses, especially where the dual system is in place. Companies that have partnerships with schools under this system are active in promoting relevant programs across the local communities.⁵² Local administrations also organize education fairs, where IVET programs and institutions are promoted.

In order to provide more flexibility to workforce development, in 2004 Romania introduced validation of non-formal and informal learning (VNFIL), which enables candidates to acquire a certificate of professional competence. This system, which is managed by the National Qualifications Authority, is believed to be popular judging by the number of beneficiaries, but there is no objective analysis of its quality or impact. For example, VNFIL criteria have not been revised since the system was adopted, despite the need to harmonize it with the legal framework introduced by the Education Law approved in 2011.⁵³ In fact, although the recognition of prior learning was regulated by the Education Law, its effective application has been hindered by the lack of a methodology that articulates IVET and CVET and of a viable system of credit transfer that covers both (these elements exist already at the IVET level).

The Romanian government also introduced a special program called “Second Chance” that aims to provide assistance to those who dropped out of compulsory education and are at least 4 years older than the standard age for the abandoned cycle. Implemented for more than 10 years and validated by the Education Law, the Second Chance program is dedicated to adolescents, youth and adults coming from various backgrounds and of different ages who have not followed primary or lower secondary education and have not obtained the basic level of qualifications. The methodology approved through Ministerial Order 5248/2011 indicates several important strengths: (i) flexibility in schedule, (ii) recognition of prior learning acquired through formal, non-formal or informal settings, and (iii) innovation through provision of modular learning, use of a credit system and a personalized learning process. The Second Chance delivers a program over 4 years including both gymnasium level as well as grades 9 and 10 (based on the curriculum for the technological route), and allows graduates to continue their studies with the second part of high school (grades 11 and 12) or VET schools (grade 11).

Although there are no EU funds to sustain the program, the number of students increased 50 percent from 8,000 students in 2013, financed partially under EU funds, to 12,000 students in 2016, financed by local budgets, as evidenced by NIS statistics and SIIR data.

As schools do not usually provide Second Chance programs, very few people are able to benefit from it. The Second Chance program is financed under the Operational Program Human Capital (OPHC), which estimates that 41,000 individuals will benefit from the program. With this goal in mind, OPHC plans to improve and expand the program so

⁵¹ VET Strategy for 2016-2020, Romania, 2016

⁵² For example, the Vocational Information Week “Fit for the Future 2017” organized by the German Business Club Brasov. This initiative aims at recruiting the best candidates for the Technical College Kronstadt in Brasov, the first educational institution to introduce the dual education and training system.

⁵³ Magda Balica, Country Report Romania, 2016 update to the European Inventory on validation of non-formal and informal learning (www.cedefop.europa.eu/files/2016_validate_ro.pdf)

that it reaches more rural areas and disadvantaged communities. It is also seeking to develop the curriculum, learning materials and VET programs to increase the chances of graduates being able to enter the labor market. In order to use these funds, MONE needs to expand increase the supply of the program to six times more than it is currently delivered. Its focus should be shifted to rural areas and deprived communities including Roma, where there is currently an insufficient number of places and limited availability. At the same time, it is important to progressively scale-up the program as a viable option for adults who have already left the system, and to develop new programs based on the opportunities offered by the Education Law 1/2011 that have not yet been fully explored (including building bridges or pathways back into mainstream education, and recognizing and validating prior learning, among others).

5. Managing Service Delivery

Training providers, both non-state and government, are the main channels through which the country's policies in WfD are translated into results on the ground. This chapter therefore provides a brief overview of the composition of providers and the types of services available in the system before presenting the detailed SABER-WfD findings on Service Delivery and their policy implications.

Overview of the Delivery of Training Services

Romania has made significant efforts to make its training services more attractive, innovative and accessible. After a period of decline in IVET that followed the closure in 2010 of the art and crafts schools (now 3-year vocational schools) and a reduction in the number of students in IVET, the government's decision to relaunch the VET programs led to an increased interest in it.

In general, IVET has registered noticeable progress by means of diversification of training programs, involvement of social partners in participative management structures organized at regional and local levels (Regional Consortia and Local Committees for the Development of Social Partnerships), development of strategic planning documents such as Regional Education Action Plans (PRAIs) and Local Education Action Plans (PLAIs), development of school partnership networks, and provision of career guidance and counseling services.

In the school year 2015/2016, the school population in the national education system was 3.64 million students, accounting for 72.2 percent of the school-age population and 18.42 percent of Romania's total population.⁵⁴ Out of the school-age population, 18.5 percent were enrolled in high-school education⁵⁵, 1.9 percent in vocational education and 2.73 percent in post-high school education⁵⁶. The most significant evolution was recorded in vocational education (non-high school), which increased from 0.5 percent in the school year 2012/2013, to 0.7 percent in 2013/2014, 1.4 percent in 2014/2015, 1.9 percent in 2016, and 2.8 percent in 2017, based on SIIR data. Although enrollment levels are still low, such marked growth is a confirmation that reopening the vocational schools was a good decision of the Government and that vocational education has started to regain the trust of the population. Compared to the EU, where on average 48 percent of upper secondary students enrolled in IVET in 2014, this figure in Romania is relatively high (57.2 percent).⁵⁷

An analysis of CVET presented by Romania's Education and Training Strategy for 2016-2020 reveals that lifelong learning participation rates⁵⁸ drop with age and are higher among those with higher educational attainment. The strategy describes that the share of employees participating in continuing education courses in 2010 was 18 percent, much lower than the European average of 38 percent. The lowest participation rate was reported in construction, where employee

⁵⁴ According to the National Institute of Statistics, as of January 1st 2016, the population of Romania was over 19 million.

⁵⁵ High-school enrollment is not disaggregated by stream in currently available statistical data

⁵⁶ National Institute of Statistics - data as of June 2016, Press release no. 294 / November 2016

⁵⁷ On the way to 2020: data for vocational education and training policies. Country statistical overviews – 2016 update CEDEFOP, 2017

⁵⁸ Lifelong learning encompasses all purposeful learning activities, whether formal, non-formal or informal, undertaken on an ongoing basis with the aim of improving knowledge, skills and competence. The rate of participation in lifelong learning is the share of population aged between 25 and 64 years old that participate in learning activities as defined above, in the four weeks preceding the interview (as in the case of the Labour Force Survey).

training barely reached 7 percent. An analysis conducted in 2010 indicated that companies across all economic sectors invest little in professional development for their employees, with a lack of company-sponsored training activities for 41 percent of 40-years-old and older low-skilled employees; and 50 percent for those aged between 18 to 24 years old with low levels of education and skills.⁵⁹ A more recent study conducted in 2013⁶⁰ consulted company owners and managers; it found that most companies declared having a training plan and 60 percent also had a designated person to oversee its implementation. However, only two-thirds of these companies believed that they had achieved their training objectives in 2013. Company owners/managers mentioned several obstacles to employee training, starting with the lack of own funds to organize training courses, and including lack of information on or difficulties in accessing funds allocated for such activities, as well as costs resulting from full or partial employee absence.

Training-related ALMPs, managed by the National Employment Agency, are delivered through its network of eight Regional Centers for Adult Training (CRFPA) or outsourced to training providers (public or private) selected through bidding processes. All training organizations that provide training for ALMPs must be authorized in accordance with relevant laws and legislation. Established in 2000, CRFPAs are autonomous and authorized in accordance with the provisions of the Adult Training Law to provide training in a wide range of sectors, from construction to agriculture, tourism and textile industries. Two of them are also authorized as assessment centers to validate non-formal and informal learning. CRFPAs provide the following services:

- Training for all categories targeted by ALMPs
- Training for adults and employees, on request from and paid by employers
- Career guidance and counselling
- Assessment and monitoring of training provision and other training market research
- Assessment and certification of competencies

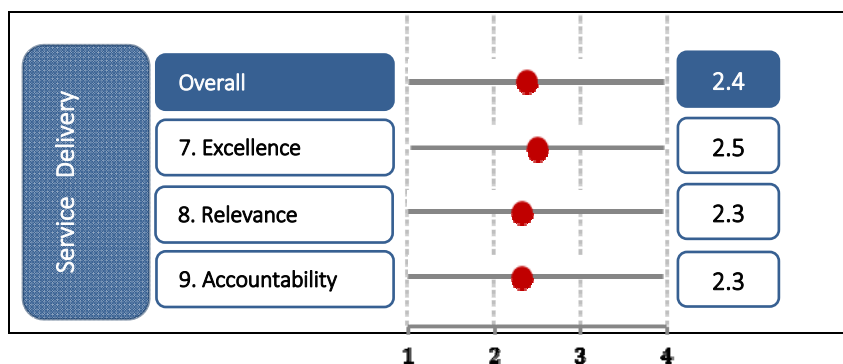
SABER-WfD Ratings on Service Delivery

Based on the analysis of collected data, Romania scores an overall rating of 2.7 on *Dimension 3 (Service Delivery)*, placing the system at the **Emerging** level of development (see Figure 12). This score is the average of the ratings for the underlying Policy Goals: *Enabling Diversity and Excellence in Training Provision* (2.5); *Fostering Relevance in Public Training Programs* (2.7); and *Enhancing Evidence-based Accountability for Results* (3.0). The ratings for these Policy Goals are discussed below.

⁵⁹ Achimescu, Balica et al., *Participation in continuing training of employees at risk in the labor market* 2010

⁶⁰ NOVEL RESEARCH and INCSMPS – Study developed under the research-development project no. 3/21.11.2013 “*Models to foster investment in continuing training at company level*” concluded with the Ministry of Labor, Family, Social Protection and Elderly (MLFSPE)

Figure 13: SABER-WfD Ratings of Dimension 3



Note: see figure 2 for an explanation of the scale on the horizontal axis.

Source: based on analysis of the data collected using the SABER-WfD questionnaire.

Policy Goal 7: Enabling Diversity and Excellence in Training Provision

Because the demand for skills is impossible to predict with precision, having a diversity of providers is a feature of strong WfD systems. Among non-state providers the challenge is to temper the profit motive or other program agendas with appropriate regulation to assure quality and relevance. Among state providers, a key concern is their responsiveness to the demand for skills from employers and students. Striking the right balance between institutional autonomy and accountability is one approach to address this concern. Policy Goal 7 takes these ideas into account and benchmarks the system according to the extent to which policies and institutional arrangements are in place to: (i) encourage and regulate non-state provision of training and (ii) foster excellence in public training provision by combining incentives and autonomy in the management of public institutions.

With a score of 2.5, Romania is halfway between the **Emerging** and **Established** levels of development. Non-state providers are allowed to operate in the country and the government controls the quality of their services by demanding registration and either accreditation (for IVET providers) or authorization (for CVET providers). To encourage excellence in public training provision, the government requires institutions to set and achieve targets and has mechanisms in place to make well-informed decisions to introduce and close programs. When reviewing the performance of training institutions, the government addresses poor performers, but does not reward institutions that stand out.

According to the 2011 Education Law, both state and non-state institutions are allowed to provide training at the IVET and CVET levels. Education and training is considered a non-profit activity. The government provides non-financial incentives to encourage non-state IVET provision. They consist of a license to operate, access to support and information services, authorization to issue government recognized certificates and diplomas, and participation as members in national/regional decision-making and consultative bodies. Since 2016, MoNE has been using financial incentives for IVET schools at the upper secondary and post-high school levels by providing them with core financing per student from the state budget.⁶¹

⁶¹ Gov. Decision no. 136/2016

In many respects, private providers receive the same treatment from the government as public ones. For example, all training providers are required to be registered as legal entities before they can provide services to the public. This is a mandatory one-time step done in the Trade Register, if the training institution is to be registered as a company, or in the Register of Foundations and Associations if it is to be registered as an NGO. Neither state nor private providers can issue nationally recognized diplomas or receive financial support, unless they comply with the quality standards stipulated by MoNE for IVET and by MoLSJ for CVET.

IVET institutions must be accredited and renew their accreditation every 5 years. These institutions must also perform an annual self-assessment, and be audited by ARACIP every 5 years while renewing their accreditation. In addition, IVET schools that are implementing the dual system in partnership with German companies operating in Romania are subject to further monitoring and support from the Romanian-German Chamber of Commerce and Industry. They benefit from two types of accreditation, from Romania and Germany, and receive instructor training in pedagogical skills.⁶²

An additional mechanism to ensure quality among public training institutions pertains to the setting of targets on various input, output and outcome measurements. Through the Regional and Local Action Plan for Education (PRAI/PLAI), enrollment targets are set based on labor market prognosis. IVET institutions are expected to attain these figures. They are also expected to report enrollment figures regularly, accompanied by figures on graduation, repetition and pass rates on final examinations.

In CVET, there are rather limited measures in place to ensure the quality of training provision, be it public or private. CVET institutions must go through an authorization process every 4 years and are subject to verification procedures when complaints are lodged. MoLSJ, through authorization commissions, provides training institutions with methodological assistance for implementing the quality assurance provisions required for authorization or reauthorization. In addition, the Employer Association of Training Providers provides assistance to its members, which include private training institutions (see Box 6). However, given that mechanisms to ensure quality in CVET are limited and reactive, it is important that CVET receives increased attention, while recognizing that it is more flexible than IVET, as it is not bounded by either the timeframe of the school year, or by the planning of budgetary and student enrollment figures.

Box 6. Employer Association of Training Providers

Some private training institutions are members of the Employer Association of Training Providers from Romania (APFFPR), which has three main objectives:

- To develop the concept of CVET in Romania
- To develop a modern, European legal framework in Romania for HR development
- To increase the quality of training services provided by private training institutions.

The Association was established as an employer organization with aim of promoting the concept of lifelong learning, increasing the participation of adults in CVET and being a true counterpart of social dialogue in negotiating with the Government on LLL issues.

⁶² Information provided by the representative of the Romanian-German Chamber of Commerce (<http://rumaenien.ahk.de/ro/>)

In general, the quality of the WfD system is enforced by regulations, rather than encouraged through more support and competition. It is clear that failure to comply with minimum quality standards embedded in accreditation or authorization processes leads to sanctions, including the revocation of the accreditation/authorization or program closure⁶³. However, there are no mechanisms to recognize or reward institutions that excel.

Although very few programs have been introduced or closed in the past three years in IVET and CVET, the government appears to have institutional mechanisms to make decisions in this regard. Approval of new programs is informed by analyses of labor market needs included in PRAIs, PLAIs and School Action Plans. Programs can be eliminated if, after the periodic review of the register of IVET qualifications, some are found to be no longer relevant for the labor market. Alternatively, programs with qualifications identified as irrelevant are likely to be revised and either adjusted or closed.

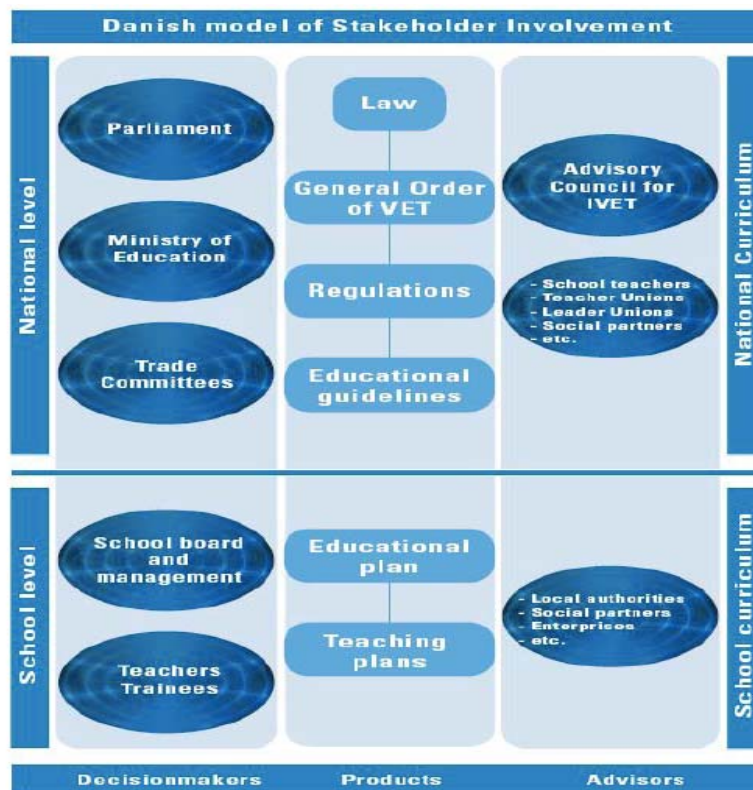
Policy Goal 8: Fostering Relevance in Public Training Programs

Public training institutions need reliable information on current and emerging skills demands in order to keep their program offerings relevant to market conditions. It is therefore desirable for public training institutions to establish and maintain relationships with employers, industry associations, and research institutions. Such partners are a source of both information about skills competencies and expertise and advice on curriculum design and technical specifications for training facilities and equipment. They can also help create opportunities for workplace training for students and continuing professional development for instructors and administrators. Policy Goal 8 considers the extent to which arrangements are in place for public training providers to: (i) benefit from industry and expert input in the design of programs and (ii) recruit administrators and instructors with relevant qualifications and support their professional development.

Romania scores 2.3 for fostering relevance in public training programs, situating the system at an **Emerging** level of development for Policy Goal 8. Recently, the number of partnerships between school and industry has slowly increased, especially since this is an explicit requirement in the legislation. Industry involvement in school management exists through informal links and it is expected to become formal especially in the context of the recently promoted dual system. Sectoral committees are involved in the verification and validation of occupational standards and of training standards, but a few sectoral committees are not yet in place (e.g. for education). Still, the cooperation between public institutions and employers could increase in scope and improve in terms of the sustainability and robustness of collaboration arrangements.

As showed in previous chapters, by law, all IVET curricula originate in training standards and occupational standards, which are developed with significant input from the industry. Experts from companies work together with VET specialists and establish the knowledge, skills and competencies required in each occupation (occupational standards), as well as the specifications about the facilities, materials, equipment, technologies and other details necessary for organizing and implementing the training program (training standards). This process applies to the development of all standards and curricula. An example of good practice is shown in the box below representing stakeholder involvement in Danish VET system.

⁶³ Adult Training Law 129/2000 and related application rules; Law on Quality Assurance in Education 87/2006 and related methodology; Order of the Minister of Education no. 5547/2011 on School Inspection Methodology

Box 7. Danish Model of Stakeholder Involvement

Source: CEDEFOP, VET in Europe, Denmark Country Report, 2014

Moreover, all IVET institutions must have formal links through contracts with companies in order to ensure that suitable facilities are available for practical training. This is a requirement included in the basic standards for accreditation and is very rigorously enforced by ARACIP. IVET schools cannot request enrollment figures from the Government unless they have a partnership agreement with companies. In addition, by law, institutions operating under the dual system must have at least one representative of the partner company as a member of the school board.

In recent years, in current IVET programs, the companies in partnership with IVET schools are committed to provide facilities for work-based learning in enterprises' premises or school workshops, including supplying adequate and modern equipment. By establishing a partnership, companies also agree to train their own employees as tutors to conduct on-the-job training with students. Many companies that participate in the dual system also provide scholarships to the students with whom they have training contracts, in addition to state-funded scholarships.

There are explicit standards for the recruitment of the heads of public IVET institutions, but no specific requirements for further professional development once they are recruited. These criteria and specific requirements are stipulated in the Methodology for Organizing Competition for Managers in Pre-university Education Institutions, issued by MoNE. School principals are required to undergo basic managerial training when they apply for this position, but once they have been assigned, their participation in further managerial training is not a requirement and have limited opportunities for professional development.

There are clear and explicit standards for the recruitment of VET teachers and instructors for practical training in public training institutions, as established by the Methodology on the Mobility of Teaching Staff. In-service teacher training is also regulated by law, but it refers to teaching skills and not to the skills and knowledge relevant for the current industry corresponding to their teaching subjects.

Policy Goal 9: Enhancing Evidence-Based Accountability for Results

Systematic monitoring and evaluation of service delivery are important for both quality assurance and system improvement. Accomplishing this function requires gathering and analyzing data from a variety of sources. The reporting of institution level data enables the relevant authorities to ensure that providers are delivering on expected outcomes. Such data also enable these authorities to identify gaps or challenges in training provision or areas of good practice. Additionally, periodic surveys and evaluations of major programs generate complementary information that can help enhance the relevance and efficiency of the system as a whole. Policy Goal 9 considers these ideas when assessing the system's arrangements for collecting and using data to focus attention on training outcomes, efficiency and innovation in service delivery.

Romania scores 2.3 on Policy Goal 9, placing the system at an **Emerging** level of development. This rating is based on the fact that public training providers collect and report administrative data and participation, completion, and graduation statistics. Some institutions also report estimates of job placement, although such information is unlikely to be formally collected as yet. Data are compiled in reports that are published on the institutions' web page, thus becoming public. Non-state training providers for IVET, as well as others that receive public funds and are accredited by ARACIP, provide the same range of information in a similar manner.

Starting with the school year 2016-2017, all IVET training providers have been required to upload their data directly on to the platform provided by MoNE, called the Integrated Information System of Education in Romania (SIIIR).⁶⁴ SIIIR provides full management services of the activities of the pre-university education system from an operational, technical, administrative and strategic point of view, creating a quality system for data collection. However, a recent SABER Report for Education Monitoring Information System (EMIS) highlights that despite the coverage (for all pre-university levels) and the data quality, the SIIIR remains closed and underutilized. The system does not foster data access, sharing and utilization. . Policy makers do not yet utilize data to increase the accountability of education and training institutions or to inform their decisions with regards to funding, management, or development of TVET policies. Schools, teachers and parents are granted access to education data in the form of national reports, but they are often unable to use the information effectively. As the SIIIR platform has only recently been launched and its regular use is just beginning, the maintenance and regular updating of the data at school level is still crucial.

The Government routinely conducts or sponsors skills-related surveys, but they tend to be focused on inputs and outputs, not on outcomes. Impact evaluations and student tracer studies are not undertaken on a regular basis. Because information on the labor market outcomes of graduates is not available, the Government uses mostly administrative data to monitor and improve the system's performance.

⁶⁴ For more information, visit: <https://siiir.edu.ro/>

6. Policy Implications of the Findings

Overall, the policies and practices around WfD in Romania are at an Established level of development, which reflects the existence of systemic good practices in the strategic, oversight and service delivery dimensions. However, there is room for improvement in several areas. The analysis of the data gathered through the SABER-WfD exercise in Romania suggests the seven policy implications outlined below.

1. The Government could foster the more active participation of employers and other non-government stakeholders:

Although some non-government stakeholders have initiated WfD projects such as the piloting of the Dual System, most of them do not participate in policy dialogue in a consistent manner. As social partners have a more reactive rather than proactive approach, government institutions continue to be the driving force in the process of developing and implementing national human resource development strategies. The Government has taken steps to ensure the participation of employers in decision-making and consultative bodies at different levels, including the Economic and Social Council (CES), sectoral committees, and the boards of the National Employment Agency and the National Qualifications Authority. However, the participation of employers and other social partners needs to be expanded in order to strengthen their voice.

At the national level, the Government could foster the active participation of employers and other non-government stakeholders in setting strategic priorities by using the already existing social partnership structures to increase the role and responsibilities not only of employers, but also professional associations, trade unions, NGOs, and training institutions. With the more active participation of such stakeholders, these structures could also be assigned a coordinating role for increased collaboration with government stakeholders around the implementation and monitoring of key strategic initiatives.

At the institutional level, sectoral committees could play a more active role not only in the development of standards to increase the relevance of training programs, but also by assuming the tasks of coordinating and facilitating dialogue with the authorities, as well as between schools and companies in the sectors they represent. The recently approved dual system provides an opportunity to increase the engagement of industry partners in school decision-making processes through their participation in school boards and their involvement in curriculum design.

2. Current efforts to assess skills needs could be more comprehensive and more widely used:

Currently, numerous assessments of skills needs are conducted by government agencies, private stakeholders and development partners. Given that assessments vary in terms of scope (e.g. national vs. regional, sector-wide vs. sector-specific), timeframes and methodologies, the use of such exercises in the design of TVET policies or procedures becomes a challenge. In addition, most analyses of skills needs are limited to skills demand forecasting, but do not identify skills gaps or redundancies.

The Government, along with non-government WfD stakeholders, has the potential to produce more comprehensive assessments to inform TVET policies. The following efforts could contribute to fulfilling such potential:

- Collecting and analyzing data on long- and medium-term economic trends and skills demand and supply on a regular basis.

- Increasing collaboration and coordination among all stakeholders that conduct such assessments to consolidate efforts to the extent possible, avoid duplication of work and other inefficiencies, and explore avenues to facilitate the use of information for policy making.
- Using the results of data collection and analysis to design, implement, monitor and adjust national TVET policies, with the aim of attaining the objectives set by the EU in terms of participation, relevance and quality.

Box 8. Consolidating efforts to assess skills mismatches and inform policy dialogue: Korea's KRIVET

Korea's Research Institute for Vocational Education and Training (KRIVET) was founded in 1997 with the mandate of promoting vocational education and training and contributing to the enhancement of vocational skills. It is a national policy research institute under the Prime Minister's office that leads policy research on national human resource development – among many other initiatives – to enhance the alignment between education, training and the labor market. Among its main functions (outlined below), KRIVET consolidates and analyzes data on skills mismatches and provides policy recommendations accordingly:

- Establish and manage a system for collecting information and analyze the labor market trends on a regular basis
- Support the network of stakeholders in technical and vocational education and training (TVET) and human resource development (HRD)
- Conduct research on national policies for HRD and support policy implementation
- Collect, organize, and disseminate information on TVET

Other functions include:

- Conduct research on TVET as part of lifelong learning for all and carry out related projects
- Develop and propagate programs for TVET as part of lifelong learning
- Conduct research on national and private qualification systems and support related projects
- Evaluate TVET institutes and their programs upon request from the government
- Provide information and career counseling for employment and career development
- Promote international exchange of information on TVET

Source: Author's compilation based on information from KRIVET's official website.

3. The Government could use incentives more intensively to encourage CVET:

As mentioned earlier, the share of GDP allocated to education in Romania falls below the European average. It is, therefore, safe to assume that investment in TVET is also lower compared to other European systems. This is especially the case for CVET, for which there is no overall public funding scheme and the incentives for private firms to provide training to their employees are somewhat limited.

The training of employees in the private sector is rather *ad-hoc*, as only a few large companies have a training strategy or special fund/budget allocated for training. Small companies are even less likely to train their employees because they usually lack the institutional infrastructure to organize and implement human resource development programs. For this reason, the Government should explore strategies to incentivize private investments in CVET. Possible solutions range from campaigns to raise awareness of the benefits of CVET, support for businesses to assess skills needs, or the establishment of a training fund (see Box 9). Regardless of the mechanism chosen, it is crucial to ensure that it is sufficiently flexible to accommodate the training needs of employers, and that it is accessible and regularly monitored and evaluated.

Box 9. Funding mechanism for CVET: Malaysia's Human Resource Development Fund

The Human Resources Development Fund (HRDF) was established in 1993 to promote training, retraining and development of Malaysia's workforce to meet the demands of a knowledge-based high-income economy in line with its Vision 2020. Since 2001, the HRDF has been administered by Pembangunan Sumber Manusia Berhad (PSMB), an agency under the Ministry of Human Resources. Its source of funds is a mandatory levy of 1 percent of the monthly wage of workers for several categories of enterprises above a certain size, defined in terms of the number of employees, depending on the economic sector, with enterprises below that minimum size having the option to contribute. For instance, for manufacturing, enterprises with 50 workers and above are obliged to contribute. Employers can seek reimbursement for a part of the costs they incur in providing training for their workers. Eligibility for reimbursement depends on the type of skills imparted (e.g. upskilling, reskilling, cross-skilling) and on whether the training programs are recognized by PSMB.

Source: World Bank (2013), SABER-WfD Malaysia Country Report.

4. The management of IVET and CVET needs to be harmonized:

As mentioned earlier, IVET and CVET are managed independently. This is particularly true with regard to quality assurance. Occupational standards are used as a benchmark for CVET, and training standards for IVET. The quality assurance system is well defined and rigorously implemented in IVET, but in CVET the system is less robust. Quality assurance criteria and procedures for CVET need to be revised, improved and harmonized with the European quality assurance in vocational education and training framework (EQAVET).

Differences in the management of IVET and CVET have a tangible effect on the flexibility offered to individuals to acquire skills throughout their lives. As Romania moves towards a lifelong learning approach to education, it is essential to harmonize and ensure articulation and coherence between IVET and CVET. This could require the development of training programs under a common curricular framework, the clarification of the link between occupational standards, qualifications and curricula, and the standardization of quality assurance mechanisms and procedures.

5. Career counseling and guidance services could be improved:

Although the government has led efforts to provide career counseling and guidance services to prospective and current IVET students, there is room for improvement in terms of access and diversification. For prospective students, a wider range of activities to spark more interest and trust in IVET should be offered, including media campaigns, education and job fairs, visits to companies that provide work-based training for students enrolled in the dual education system, and information on the job prospects of graduates of IVET programs. For current IVET students, MoNE, together with MoLSJ, could explore ways to develop and extend the network of career information, guidance and counseling centers, both in urban and rural areas, and hire more school counselors.

6. The managers of TVET institutions could benefit from professional development opportunities:

Effective TVET systems require institutions with the capacity to implement policies effectively, constantly identify opportunities for institutional improvement and growth, and maximize the use of human, financial and physical resources to provide high quality training. Current practices in Romania ensure that the managers of TVET institutions

have a minimum set of qualifications and experience but, once hired, they do not have opportunities for professional development. In order for training institutions to thrive, the potential of these managers should be supported by regular training in a wide range of issues, from management techniques to latest developments in the fields of focus of their institutions.

7. The Government could build on current efforts to better collect, manage and use data from training institutions to make policy decisions:

Although the Government has made efforts to collect data from TVET institutions, the data appear to be mostly administrative. IVET institutions are monitored through school inspections, which analyze technical and administrative information but not school performance. In other words, inputs are measured, but not outputs or outcomes. School inspections should change this approach to provide more appropriate support and encourage institutional performance, as evidenced by the number of graduates who find employment or by improvement in the learning outcomes of students and evaluation results of teachers.

MoNE has been using the new SIIR platform for the past three school years, and schools have already uploaded the required information in this system for the Ministry to use and inform its decisions. These data are shared with the National Institute for Statistics through a legal agreement on the use of a single set of data. As mentioned above, most of the data reported in SIIR are of an administrative nature (e.g. infrastructure, enrollment, class size). The data are public and provide indications of each school's capacity, and so can be useful for policy makers and employers; however, they are insufficient to enable prospective students to make informed decisions or to assess the performance of training institutions.

As data collection efforts in CVET are more limited, except for training-related ALMPs, the Government could explore establishing a national data collection and analysis system around the 10 EQAVET indicators, covering both IVET and CVET. It could also conduct impact evaluations of IVET and CVET programs or pilot tracer studies for select programs. As regards CVET programs, it is worth noting that the Chambers of Commerce have proposed the introduction of a field in the employee register (REVISAL) that requires every employee to indicate the latest course he or she completed, so as to highlight the link between the qualification requested upon employment and the latest training course taken by the employee. Impact and tracer studies, together with data provided by REVISAL, could offer valuable information on the benefits generated by a specific training program, both for the employee and the employer.

With a broader set of data from training institutions and additional efforts to analyze information captured through inspections, SIIR, REVISAL, impact and tracer studies, the Government will be able to better inform its policy decisions on IVET and CVET to ensure quality, relevance and articulation between the two.

Annex 1: Acronyms

ALMP	Active labor market programs
ANC	National Authority for Qualifications
ANOFM	National Agency for Workforce Employment
APFFPR	Employer Association of Training Providers from Romania
ARACIP	Romanian Agency for Quality Assurance in Pre-University Education
CEDEFOP	European Centre for the Development of Vocational Training
CLDPS	Local Committees for Development of Social Partnerships
CNDIPT	National Centre for TVET Development
CRFPA	Regional center for adult training
CVET	Continuing Vocational Education and Training
DCI	Data Collection Instrument
EC	European Commission
EQF	European qualifications framework
ESF	European Social Fund
EU	European Union
GDP	Gross domestic product
ICT	Information and communication technology
INCSMPS	National Scientific Research Institute for Labour and Social Protection
ISCIR	State Inspectorate for Control of Pressure Vessels
IVET	Initial Vocational Education and Training
LLL	Lifelong learning
MoLSJ	Ministry of Labour and Social Justice
MoNE	Ministry of National Education
M&E	Monitoring and evaluation
NEET	Not in education, employment or training
NGO	Non-governmental organization
NQF	National Qualifications Framework
OECD	Organization for Economic Co-operation and Development
OPHC	Operational Program Human Capital

OPHRD	Operational Program for Human Resources Development
PAS	School action plan
PIAROM	Association of Local Investors of Romania
PISA	Programme for International Student Assessment
PLAI	Local action plan for education
PRAI	Regional action plan for education
R&D	Research and Development
SABER	Systems Approach for Better Education Results
SIIR	Integrated information system of education in Romania
SMEs	Small and medium-sized enterprises
TIVA	Trade in Added Value
TVET	Technical and Vocational Education and Training
VET	Vocational Education and Training (includes both TVET and IVET)
VNFIL	Validation of non-formal and informal learning
WEF	World Economic Forum
WfD	Workforce Development

Annex 2: The SABER-WfD Analytical Framework

		Policy Goal	Policy Action	Topic	
Dimension 1	Strategic Framework	G1	Setting a Strategic Direction	Provide sustained advocacy for WfD at the top leadership level	G1_T1 Advocacy for WfD to Support Economic Development
					G1_T2 Strategic Focus and Decisions by the WfD Champions
		G2	Fostering a Demand-Led Approach	Establish clarity on the demand for skills and areas of critical constraint	G2_T1 Overall Assessment of Economic Prospects and Skills Implications
					G2_T2 Critical Skills Constraints in Priority Economic Sectors
			Engage employers in setting WfD priorities and in enhancing skills-upgrading for workers		G2_T3 Role of Employers and Industry
					G2_T4 Skills-Upgrading Incentives for Employers
					G2_T5 Monitoring of the Incentive Programs
		G3	Strengthening Critical Coordination	Formalize key WfD roles for coordinated action on strategic priorities	G3_T1 Roles of Government Ministries and Agencies
					G3_T2 Roles of Non-Government WfD Stakeholders
					G3_T3 Coordination for the Implementation of Strategic WfD Measures
Dimension 2	System Oversight	G4	Ensuring Efficiency and Equity in Funding	Provide stable funding for effective programs in initial, continuing and targeted vocational education and training	G4_T1 Overview of Funding for WfD
					G4_T2 Recurrent Funding for Initial Vocational Education and Training (IVET)
					G4_T3 Recurrent Funding for Continuing Vocational Education and Training Programs (CVET)
					G4_T4 Recurrent Funding for Training-related Active Labor Market Programs (ALMPs)
					G4_T5 Equity in Funding for Training Programs
					G4_T6 Partnerships between Training Providers and Employers
		G5	Assuring Relevant and Reliable Standards	Broaden the scope of competency standards as a basis for developing qualifications frameworks	G5_T1 Competency Standards and National Qualifications Frameworks
					G5_T2 Competency Standards for Major Occupations
					G5_T3 Occupational Skills Testing
				Establish protocols for assuring the credibility of skills testing and certification	G5_T4 Skills Testing and Certification
					G5_T5 Skills Testing for Major Occupations
					G5_T6 Government Oversight of Accreditation
				Develop and enforce accreditation standards for maintaining the quality of training provision	G5_T7 Establishment of Accreditation Standards
					G5_T8 Accreditation Requirements and Enforcement of Accreditation Standards
					G5_T9 Incentives and Support for Accreditation
		G6	Diversifying Pathways for Skills Acquisition	Promote educational progression and permeability through multiple pathways, including for TVET students	G6_T1 Learning Pathways
				Facilitate life-long learning through articulation of skills certification and recognition of prior learning	G6_T2 Public Perception of Pathways for TVET
					G6_T3 Articulation of Skills Certification
					G6_T4 Recognition of Prior Learning
				Provide support services for skills acquisition by workers, job-seekers and the disadvantaged	G6_T5 Support for Further Occupational and Career Development
					G6_T6 Training-related Provision of Services for the Disadvantaged
Dimension 3	Service Delivery	G7	Enabling Diversity and Excellence in Training Provision	Encourage and regulate non-state provision of training	G7_T1 Scope and Formality of Non-State Training Provision
					G7_T2 Incentives for Non-State Providers
					G7_T3 Quality Assurance of Non-State Training Provision
				Combine incentives and autonomy in the management of public training institutions	G7_T4 Review of Policies towards Non-State Training Provision
					G7_T5 Targets and Incentives for Public Training Institutions
					G7_T6 Autonomy and Accountability of Public Training Institutions
					G7_T7 Introduction and Closure of Public Training Programs
		G8	Fostering Relevance in Public Training Programs	Integrate industry and expert input into the design and delivery of public training programs	G8_T1 Links between Training Institutions and Industry
					G8_T2 Industry Role in the Design of Program Curricula
					G8_T3 Industry Role in the Specification of Facility Standards
				Recruit and support administrators and instructors for enhancing the market-relevance of public training programs	G8_T4 Links between Training and Research Institutions
					G8_T5 Recruitment and In-Service Training of Heads of Public Training Institutions
		G9	Enhancing Evidence-based Accountability for Results	Expand the availability and use of policy-relevant data for focusing providers' attention on training outcomes, efficiency and innovation	G8_T6 Recruitment and In-Service Training of Instructors of Public Training Institutions
					G9_T1 Administrative Data from Training Providers
					G9_T2 Survey and Other Data
					G9_T3 Use of Data to Monitor and Improve Program and System Performance

Annex 3: Rubrics for Scoring the SABER-WfD Data

Functional Dimension 1: Strategic Framework				
Policy Goal	Level of Development			
	Latent	Emerging	Established	Advanced
G1: Setting a Strategic Direction for WfD	Visible champions for WfD are either absent or take no specific action to advance strategic WfD priorities.	Some visible champions provide ad-hoc advocacy for WfD and have acted on few interventions to advance strategic WfD priorities; no arrangements exist to monitor and review implementation progress.	Government leaders exercise sustained advocacy for WfD with occasional, ad-hoc participation from non-government leaders ; their advocacy focuses on selected industries or economic sectors and manifests itself through a range of specific interventions; implementation progress is monitored, albeit through ad-hoc reviews.	Both government and non-government leaders exercise sustained advocacy for WfD, and rely on routine, institutionalized processes to collaborate on well-integrated interventions to advance a strategic, economy-wide WfD policy agenda; implementation progress is monitored and reviewed through routine, institutionalized processes.

Functional Dimension 1: Strategic Framework				
Policy Goal	Level of Development			
	Latent	Emerging	Established	Advanced
G2: Fostering a Demand-Led Approach to WfD	There is no assessment of the country's economic prospects and their implications for skills; industry and employers have a limited or no role in defining strategic WfD priorities and receive limited support from the government for skills upgrading.	Some ad-hoc assessments exist on the country's economic prospects and their implications for skills; some measures are taken to address critical skills constraints (e.g., incentives for skills upgrading by employers); the government makes limited efforts to engage employers as strategic partners in WfD.	Routine assessments based on multiple data sources exist on the country's economic prospects and their implications for skills; a wide range of measures with broad coverage are taken to address critical skills constraints; the government recognizes employers as strategic partners in WfD, formalizes their role, and provides support for skills upgrading through incentive schemes that are reviewed and adjusted .	A rich array of routine and robust assessments by multiple stakeholders exists on the country's economic prospects and their implications for skills; the information provides a basis for a wide range of measures with broad coverage that address critical skills constraints; the government recognizes employers as strategic partners in WfD, formalizes their role, and provides support for skills upgrading through incentives, including some form of a levy-grant scheme , that are systematically reviewed for impact and adjusted accordingly.

Functional Dimension 1: Strategic Framework				
Policy Goal	Level of Development			
	Latent	Emerging	Established	Advanced
G3: Strengthening Critical Coordination for Implementation	Industry/employers have a limited or no role in defining strategic WfD priorities; the government either provides no incentives to encourage skills upgrading by employers or conducts no reviews of such incentive programs.	Industry/employers help define WfD priorities on an ad-hoc basis and make limited contributions to address skills implications of major policy/investment decisions; the government provides some incentives for skills upgrading for formal and informal sector employers; if a levy-grant scheme exists, its coverage is limited ; incentive programs are not systematically reviewed for impact.	Industry/employers help define WfD priorities on a routine basis and make some contributions in selected areas to address the skills implications of major policy/investment decisions; the government provides a range of incentives for skills upgrading for all employers; a levy-grant scheme with broad coverage of formal sector employers exists; incentive programs are systematically reviewed and adjusted ; an annual report on the levy-grant scheme is published with a time lag .	Industry/employers help define WfD priorities on a routine basis and make significant contributions in multiple areas to address the skills implications of major policy/investment decisions; the government provides a range of incentives for skills upgrading for all employers; a levy-grant scheme with comprehensive coverage of formal sector employers exists; incentive programs to encourage skills upgrading are systematically reviewed for impact on skills and productivity and are adjusted accordingly; an annual report on the levy-grant scheme is published in a timely fashion .

Functional Dimension 2: System Oversight				
Policy Goal	Level of Development			
	Latent	Emerging	Established	Advanced
G4: Ensuring Efficiency and Equity in Funding	<p>The government funds IVET, CVET and ALMPs (but not OJT in SMEs) based on ad-hoc budgeting processes, but takes no action to facilitate formal partnerships between training providers and employers; the impact of funding on the beneficiaries of training programs has not been recently reviewed.</p>	<p>The government funds IVET, CVET (including OJT in SMEs) and ALMPs; funding for IVET and CVET follows routine budgeting processes involving only government officials with allocations determined largely by the previous year's budget; funding for ALMPs is decided by government officials on an ad-hoc basis and targets select population groups through various channels; the government takes some action to facilitate formal partnerships between individual training providers and employers; recent reviews considered the impact of funding on only training-related indicators (e.g. enrolment, completion), which stimulated dialogue among some WfD stakeholders.</p>	<p>The government funds IVET, CVET (including OJT in SMEs) and ALMPs; funding for IVET is routine and based on multiple criteria, including evidence of program effectiveness; recurrent funding for CVET relies on formal processes with input from key stakeholders and annual reporting with a lag; funding for ALMPs is determined through a systematic process with input from key stakeholders; ALMPs target diverse population groups through various channels and are reviewed for impact but follow-up is limited; the government takes action to facilitate formal partnerships between training providers and employers at multiple levels (institutional and systemic); recent reviews considered the impact of funding on both training-related indicators and labor market outcomes; the reviews stimulated dialogue among WfD stakeholders and some recommendations were implemented.</p>	<p>The government funds IVET, CVET (including OJT in SMEs) and ALMPs; funding for IVET is routine and based on comprehensive criteria, including evidence of program effectiveness, that are routinely reviewed and adjusted; recurrent funding for CVET relies on formal processes with input from key stakeholders and timely annual reporting; funding for ALMPs is determined through a systematic process with input from key stakeholders; ALMPs target diverse population groups through various channels and are reviewed for impact and adjusted accordingly; the government takes action to facilitate formal partnerships between training providers and employers at all levels (institutional and systemic); recent reviews considered the impact of funding on a full range of training-related indicators and labor market outcomes; the reviews stimulated broad-based dialogue among WfD stakeholders and key recommendations were implemented.</p>

Functional Dimension 2: System Oversight				
Policy Goal	Level of Development			
	Latent	Emerging	Established	Advanced
G5: Assuring Relevant and Reliable Standards	<p>Policy dialogue on competency standards and/or the NQF occurs on an <i>ad-hoc</i> basis with limited engagement of key stakeholders; competency standards have not been defined; skills testing for major occupations is mainly theory-based and certificates awarded are recognized by public sector employers only and have little impact on employment and earnings; no system is in place to establish accreditation standards.</p>	<p>A few stakeholders engage in <i>ad-hoc</i> policy dialogue on competency standards and/or the NQF; competency standards exist for a few occupations and are used by some training providers in their programs; skills testing is competency-based for a few occupations but for the most part is mainly theory-based; certificates are recognized by public and some private sector employers but have little impact on employment and earnings; the accreditation of training providers is supervised by a dedicated office in the relevant ministry; private providers are required to be accredited, however accreditation standards are not consistently publicized or enforced; providers are offered some incentives to seek and retain accreditation.</p>	<p>Numerous stakeholders engage in policy dialogue on competency standards and/or the NQF through institutionalized processes; competency standards exist for most occupations and are used by some training providers in their programs; the NQF, if in place, covers some occupations and a range of skill levels; skills testing for most occupations follows standard procedures, is competency-based and assesses both theoretical knowledge and practical skills; certificates are recognized by both public and private sector employers and may impact employment and earnings; the accreditation of training providers is supervised by a dedicated agency in the relevant ministry; the agency is responsible for defining accreditation standards with stakeholder input; standards are reviewed on an <i>ad-hoc</i> basis and are publicized or enforced to some extent; all providers receiving public funding must be accredited; providers are offered incentives and limited support to seek and retain accreditation.</p>	<p>All key stakeholders engage in policy dialogue on competency standards and/or the NQF through institutionalized processes; competency standards exist for most occupations and are used by training providers in their programs; the NQF, if in place, covers most occupations and a wide range of skill levels; skills testing for most occupations follows standard procedures, is competency-based and assesses both theoretical knowledge and practical skills; robust protocols, including random audits, ensure the credibility of certification; certificates are valued by most employers and consistently improve employment prospects and earnings; the accreditation of training providers is supervised by a dedicated agency in the relevant ministry; the agency is responsible for defining accreditation standards in consultation with stakeholders; standards are reviewed following established protocols and are publicized and routinely enforced; all training providers are required as well as offered incentives and support to seek and retain accreditation.</p>

Functional Dimension 2: System Oversight				
Policy Goal	Level of Development			
	Latent	Emerging	Established	Advanced
G6: Diversifying Pathways for Skills Acquisition	Students in technical and vocational education have few or no options for further formal skills acquisition beyond the secondary level and the government takes no action to improve public perception of TVET; certificates for technical and vocational programs are not recognized in the NQF; qualifications certified by non-Education ministries are not recognized by formal programs under the Ministry of Education; recognition of prior learning receives limited attention; the government provides practically no support for further occupational and career development, or training programs for disadvantaged populations.	Students in technical and vocational education can only progress to vocationally-oriented, non-university programs ; the government takes limited action to improve public perception of TVET (e.g. diversifying learning pathways); some certificates for technical and vocational programs are recognized in the NQF; few qualifications certified by non-Education ministries are recognized by formal programs under the Ministry of Education; policymakers pay some attention to the recognition of prior learning and provide the public with some information on the subject; the government offers limited services for further occupational and career development through stand-alone local service centers that are not integrated into a system; training programs for disadvantaged populations receive ad-hoc support.	Students in technical and vocational education can progress to vocationally-oriented programs, including at the university level ; the government takes some action to improve public perception of TVET (e.g. diversifying learning pathways and improving program quality) and reviews the impact of such efforts on an ad-hoc basis; most certificates for technical and vocational programs are recognized in the NQF; a large number of qualifications certified by non-Education ministries are recognized by formal programs under the Ministry of Education, albeit without the granting of credits ; policymakers give some attention to the recognition of prior learning and provide the public with some information on the subject; a formal association of stakeholders provides dedicated attention to adult learning issues; the government offers limited services for further occupational and career development, which are available through an integrated network of centers ; training programs for disadvantaged populations receive systematic support and are reviewed for impact on an ad-hoc basis.	Students in technical and vocational education can progress to academically or vocationally-oriented programs, including at the university level ; the government takes coherent action on multiple fronts to improve public perception of TVET (e.g. diversifying learning pathways and improving program quality and relevance, with the support of a media campaign) and routinely reviews and adjusts such efforts to maximize their impact; most certificates for technical and vocational programs are recognized in the NQF; a large number of qualifications certified by non-Education ministries are recognized and granted credits by formal programs under the Ministry of Education; policymakers give sustained attention to the recognition of prior learning and provide the public with comprehensive information on the subject; a national organization of stakeholders provides dedicated attention to adult learning issues; the government offers a comprehensive menu of services for further occupational and career development, including online resources , which are available through an integrated network of centers ; training programs for disadvantaged populations receive systematic support with multi-year budgets and are routinely reviewed for impact and adjusted accordingly.

Functional Dimension 3: Service Delivery

Policy Goal	Level of Development			
	Latent	Emerging	Established	Advanced
G7: Enabling Diversity and Excellence in Training Provision	There is no diversity of training provision as the system is largely comprised of public providers with limited or no autonomy ; training provision is not informed by formal assessment, stakeholder input or performance targets.	There is some diversity in training provision; non-state providers operate with limited government incentives and governance over registration, licensing and quality assurance; public training is provided by institutions with some autonomy and informed by some assessment of implementation constraints, stakeholder input and basic targets.	There is diversity in training provision; non-state training providers, some registered and licensed, operate within a range of government incentives, systematic quality assurance measures and routine reviews of government policies toward non-state training providers; public providers, mostly governed by management boards, have some autonomy; training provision is informed by formal analysis of implementation constraints, stakeholder input and basic targets; lagging providers receive support and exemplary institutions are rewarded .	There is broad diversity in training provision; non-state training providers, most registered and licensed, operate with comprehensive government incentives, systematic quality assurance measures and routine review and adjustment of government policies toward non-state training providers; public providers, mostly governed by management boards, have significant autonomy; decisions about training provision are time-bound and informed by formal assessment of implementation constraints; stakeholder input and use of a variety of measures to incentivize performance include support, rewards and performance-based funding.

Functional Dimension 3: Service Delivery				
Policy Goal	Level of Development			
	Latent	Emerging	Established	Advanced
G8: Fostering Relevance in Public Training Programs	There are few or no attempts to foster relevance in public training programs through encouraging links between training institutions, industry and research institutions or through setting standards for the recruitment and training of heads and instructors in training institutions.	Relevance of public training is enhanced through informal links between some training institutions, industry and research institutions, including input into the design of curricula and facility standards; heads and instructors are recruited on the basis of minimum academic standards and have limited opportunities for professional development.	Relevance of public training is enhanced through formal links between some training institutions, industry and research institutions, leading to collaboration in several areas including but not limited to the design of curricula and facility standards; heads and instructors are recruited on the basis of minimum academic and professional standards and have regular access to opportunities for professional development.	Relevance of public training is enhanced through formal links between most training institutions, industry and research institutions, leading to significant collaboration in a wide range of areas; heads and instructors are recruited on the basis of minimum academic and professional standards and have regular access to diverse opportunities for professional development, including industry attachments for instructors.

Functional Dimension 3: Service Delivery				
Policy Goal	Level of Development			
	Latent	Emerging	Established	Advanced
G9: Enhancing Evidence-based Accountability for Results	There are no specific data collection and reporting requirements, but training providers maintain their own databases ; the government does not conduct or sponsor skills-related surveys or impact evaluations and rarely uses data to monitor and improve system performance.	Training providers collect and report administrative data and there are significant gaps in reporting by non-state providers; some public providers issue annual reports and the government occasionally sponsors or conducts skills-related surveys; the government does not consolidate data in a system-wide database and uses mostly administrative data to monitor and improve system performance; the government publishes information on graduate labor market outcomes for some training programs.	Training providers collect and report administrative and other data (e.g., job placement statistics, earnings of graduates) and there are some gaps in reporting by non-state providers; most public providers issue internal annual reports and the government routinely sponsors skills-related surveys; the government consolidates data in a system-wide database and uses administrative data and information from surveys to monitor and improve system performance; the government publishes information on graduate labor market outcomes for numerous training programs.	Training providers collect and report administrative and other data (e.g., job placement statistics, earnings of graduates) and there are few gaps in reporting by non-state providers; most public providers issue publicly available annual reports and the government routinely sponsors or conducts skills-related surveys and impact evaluations; the government consolidates data in a system-wide, up to date database and uses administrative data , information from surveys and impact evaluations to monitor and improve system performance; the government publishes information on graduate labor market outcomes for most training programs online .

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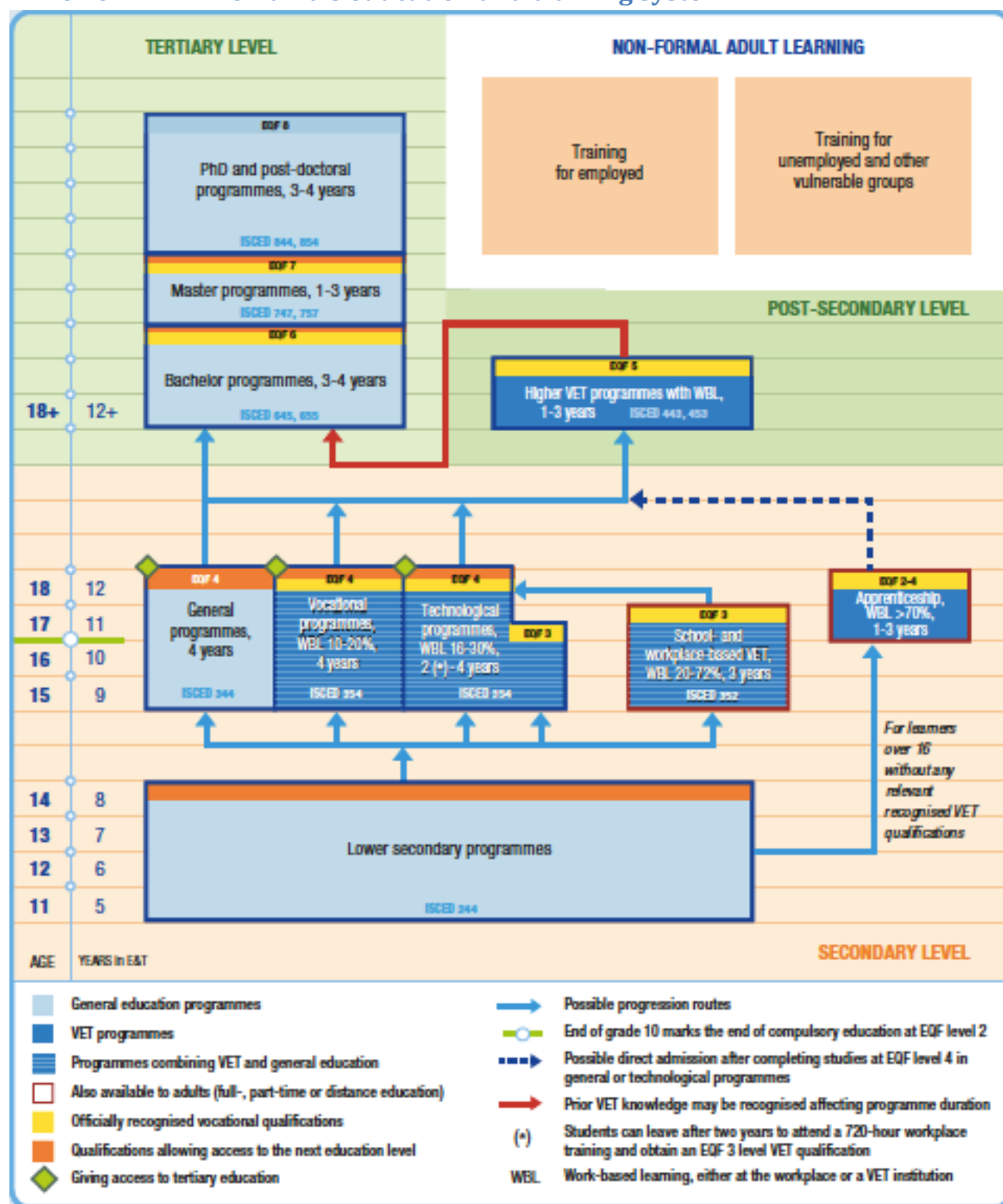
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Ministries	1. The National Education Ministry	Valentin Popescu, Director, Department of Strategic Management and Public Policy
	2. The National Education Ministry	Gabriela Dragan, Inspector General, The General Direction Evaluation and Monitoring of Pre-university Education
	3. Ministry of Labor and Social Justice	Tania Grigore, Director, Department of Employment, Competencies and Vocational Mobility
National Agencies	4. National Agency for Workforce Employment	Iulia Carcei, General Secretary
	5. National Agency for Workforce Employment	Nela Plugarescu, Superior Inspector, Labor Market Analysis, Employment and Vocational Training Programs
	6. National Authority for Qualifications	Tiberiu Dobrescu, President
	7. National Authority for Qualifications	Nicolae Postavaru, Vice-president
	8. ARACIP – The Romanian Agency for Quality in pre-University Education	Serban Iosifescu, President
	9. The National Center for the Recognition and Equivalence of Diplomas	Mirela Androne, Counselor
	10. National Agency for Payments and Social Inspection	Ileta Tarliman, The Technical Secretariat of the training providers' commission
	11. National Agency of Civil Servants	Cristian Vasile Bitea, Vice-president,
	12. National Center for Development of Vocational Education	Zoica Vladut, Deputy Director
Training providers	13. KCMC – (Romano ButiQ & Mesteshukar ButiQ	Khalid Inayeh, Director
	14. Resource Center and Social Professionals Training PROVocatie	Georgeta Jurcan, President

Industry organizations	15. Romanian-German Chamber of Commerce and Industry	Anca Hociota, Manager
Employers' representatives	16. National Trade Union Confederation Cartel ALFA	Petru Dandea, Vice- President
Academics	17. University Babes-Bolyai, Cluj Napoca	Mircea Miclea, Professor and Psychologist
Institutes	18. Institute of Education Sciences	Ciprian Fartusnic, Director General
	19. National Institute for Scientific Research in the Field of Labor and Social Protection	Dr. Catalin Ghinararu, Scientific Secretary
Public Utility Bodies	20. Sectoral Committee Financial, Banking and Insurance Activities	Vasile Secares, President
	21. Sectoral Committee Financial, Banking and Insurance Activities	Octavia Moise, Counselor
NGOs	21. Employers Association of Training Providers	Steluta Racolta, President

Annex 5: SABER-WfD Scores

Policy Goal				Policy Action			Topic	
Dimension 1	2.8	G1	3.0	Provide sustained advocacy for WfD at the top leadership level	3.0	G1_T1	3.0	
						G1_T2	3.0	
		G2	2.4	Establish clarity on the demand for skills and areas of critical constraint	3.0	G2_T1	3.0	
						G2_T2	3.0	
				Engage employers in setting WfD priorities and in enhancing skills-upgrading for workers	2.0	G2_T3	3.0	
						G2_T4	2.0	
						G2_T5	1.0	
		G3	3.0	Formalize key WfD roles for coordinated action on strategic priorities	3.0	G3_T1	3.0	
						G3_T2	3.0	
G3_T3	3.0							
Dimension 2	2.6	G4	2.0	Provide stable funding for effective programs in initial, continuing and targeted vocational education and training	2.3	G4_T1	info	
						G4_T2	2.0	
						G4_T3	2.0	
						G4_T4	3.0	
				Monitor and enhance equity in funding for training	1.3	G4_T5_IVET	1.0	
						G4_T5_CVET	1.0.	
						G4_T5_ALMP	2.0	
				Facilitate sustained partnerships between training institutions and firms		3.0	G4_T6	3.0
				G5	2.9	Broaden the scope of competency standards as a basis for developing qualifications frameworks	3.0	G5_T1
		G5_T2	3.0					
		Establish protocols for assuring the credibility of skills testing and certification	3.0			G5_T3	3.0	
						G5_T4	3.0	
						G5_T5	3.0	
		Develop and enforce accreditation standards for maintaining the quality of training provision	2.6			G5_T6	Info	
						G5_T7	2.5	
				G5_T8	3.5			
		G6	3.0	Promote educational progression and permeability through multiple pathways, including for TVET students	3.0	G5_T9	2.0	
						G6_T1	3.0	
				Strengthen the system for skills certification and recognition	3.0	G6_T2	3.0	
						G6_T3	4.0	
				Enhance support for skills acquisition by workers, job-seekers and the disadvantaged	3.0	G6_T4	2.0	
						G6_T5	3.0	
		Dimension 3	2.4	G7	2.5	Encourage and regulate non-state provision of training	2.4	G6_T6
G7_T1	3.0							
G7_T2	2.0							
G7_T3	3.0							
Combine incentives and autonomy in the management of public training institutions	2.7					G7_T4	1.5	
						G7_T5	2.0	
						G7_T6	3.0	
G8	2.3			Integrate industry and expert input into the design and delivery of public training programs	3.0	G7_T7	3.0	
						G8_T1	3.0	
						G8_T2	3.0	
						G8_T3	3.0	
				Recruit and support administrators and instructors for enhancing the market-relevance of public training programs	2.0	G8_T4	1.0	
						G8_T5	2.0	
G9	2.3			Expand the availability and use of policy-relevant data for focusing providers' attention on training outcomes, efficiency and innovation	3.0	G8_T6	2.0	
						G9_T1	2.0	
						G9_T2	3.0	
				G9_T3	2.0			

Annex 6: VET in Romania's education and training system



Source: CEDEFOP and ReferNet Romania (CEDEFOP, Spotlight on VET Romania, 2016)

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The **Systems Approach for Better Education Results (SABER)** initiative produces comparative data and knowledge on education policies and institutions, with the aim of helping countries systematically strengthen their education systems. SABER evaluates the quality of education policies against evidence-based global standards, using new diagnostic tools and detailed policy data. The SABER country reports give all parties with a stake in educational results—from administrators, teachers, and parents to policymakers and business people—an accessible, objective snapshot showing how well the policies of their country's education system are oriented toward ensuring that all children and youth learn.

This report focuses specifically on policies in the area of Workforce Development.

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