



**ROMANIA  
NATIONAL AGENCY FOR  
EMPLOYMENT**



**2007**

**ACTIVITY  
REPORT**

## CHAPTER I. OBJECTIVES AND ACTIVITY DIRECTIONS OF THE NATIONAL AGENCY FOR EMPLOYMENT IN 2007

The strategic objective in the field of employment, included in the Governing Program for 2004 – 2008, is to achieve an *increase of the employment level and a real decrease of the unemployment rate*.

In 2007, the main objectives of the National Agency for Employment were as follows:

- To prevent and reduce the long term unemployment through granting allowances for the unemployed who take up employment before the end of the granting benefit period, to stimulate the mobility through measures of financing the labor force employed in temporary employment programs;
- To reduce the unemployment among young persons up to 25 years through applying measures of stimulating the employers to employ graduates, vocational assistance and vocational training courses, assistance for starting a small business;
- To improve the labor force quality and the continuous vocational training through courses organized for the persons who are no longer active, so as, when they start it over, they can accomplish their job responsibilities and, on the other side, to diversify the vocational competences with the view to facilitate their access on the labor market; through courses organized also for the persons who develop activities in the rural area, for the employees, at their request or at the employer's request, or for the persons imprisoned who have 9 months at the most until the last day of detention;
- To increase the employment opportunities for the persons with special needs through stimulation of measures of employers who employ unemployed aged over 45, persons with disabilities, parents single providers of family income;
- To insure an customized accompaniment for the young persons from the social care institutions through concluding contracts of solidarity and identifying the insertion employers;
- To prolong the active life through measures of stimulation for employers who hire unemployed three years away from meeting the requirements for partial early retirement, early retirement and age limitation retirement, according to the law;
- To develop the entrepreneurship spirit of the jobseekers through granting counseling and assistance services for starting an independent activity or for starting a business as through granting low interest credits in order to create new jobs;
- To reduce the regional differences in employment through increasing the potential of economic development and through creating new jobs at a local level, including as a result of granting the low interest credits, promoting the equal opportunities and eliminating any type of discrimination;
- To insure the equal opportunities between women and men on the labor market,
- To reinforce and develop the IT system,
- To insure the inclusion in the EURES network system;
- To develop and improve the capacity of the National Agency for Employment to implement the projects financed from European funds;
- To reinforce the cooperation relations with the Public Employment Services from other countries.

In order to meet the employment objectives, the management of the National Agency for Employment has defined its management policy for 2006, mainly through the following **action directions**:

- Implementing the employment and vocational training programs and also adapting these to the local labor market needs and evolutions with the view to achieve the

performance indicators established by the Commitment contract concluded by the Ministry of Work, Family and Equal Opportunities;

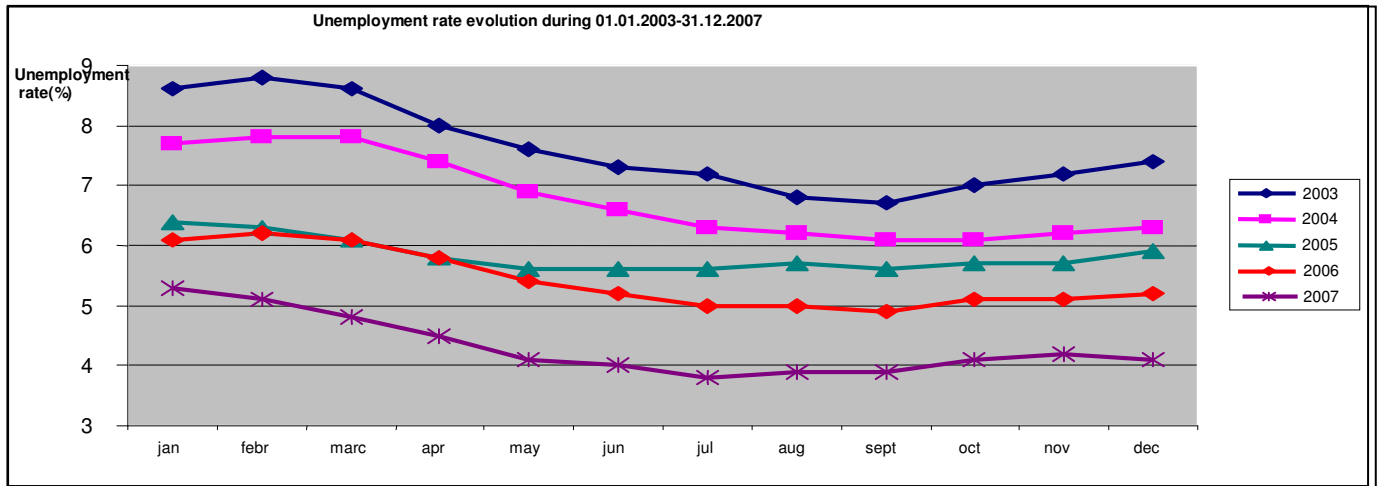
- Developing the relations with the employers and increasing the customizing level of the actions for the jobseekers;
- Developing the institutional capacity of including the National Agency for Employment in the EURES network, in order to insure the labor force mobility in the European Economic Area
- Training its own staff in different areas of the institution's activities, especially in order to insure the access to the European funds, especially to the European Social Fund;
- Concluding collaboration protocols or their reappraisal, updating, with relevant actors at national and local level, and also at international level;
- Including some of the activities of the former Department for work abroad (from the structure of the Ministry of Work, Family and Equal Opportunities), as the responsibilities of the former Office for Labor Force Migration into the group of activities of NAE, as a consequence of the provisions of GO no. 27/2007
- Participating in international projects;
- Increasing the information level of the beneficiaries concerning the services granted by the public service for employment from Romania.

## **CHAPTER II. THE STATUS OF THE REGISTERED UNEMPLOYMENT IN 2007**

At the beginning of 2007, the main indicators defining the civilian labor force based on their participation in the economic activity, according to the data provided by the National Institute of Statistics (Labour Force Balance at January 1<sup>st</sup> 2007), were the following:

- Total population – 21,565.1 thousand persons;
- Labour resources – 13,801.6 thousand persons, (representing 64.0% among the country's total population);
- Population outside labour resources – 7,763.5 thousand persons;
- Active civilian population – 8,929.8 thousand persons;
- Population in vocational training and other types of active age population – 4,871.8 thousand persons;
- Employed civilian population – 8,469.3 thousand persons;
- Employees – 4,910.1 thousand persons;
- Other categories included in employed civilian population – 3,559.2 thousand persons.

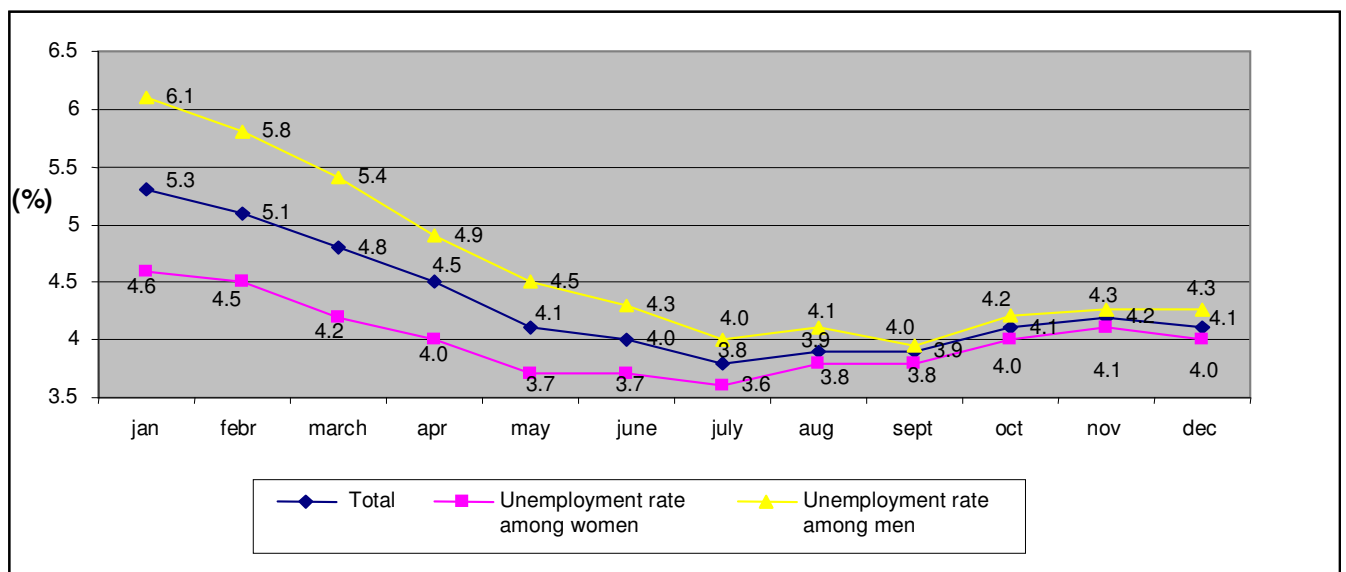
Thus, in 2007, the registered unemployment recorded an evolution similar with the one from the previous years as shown in the following chart:



Source: National Agency for Employment

The features of 2007 were: lower levels of the unemployment rate, as compared to the previous years and increase in the flattening tendency of the curve representing the evolution of the monthly unemployment rate.

The reason behind the lowest level of the unemployment rate from the previous years is the economic growth recorded in 2007; this phenomenon generated an increased capacity of the economy to strengthen the existing jobs and to create new jobs thus offering employment opportunities for the jobseekers.

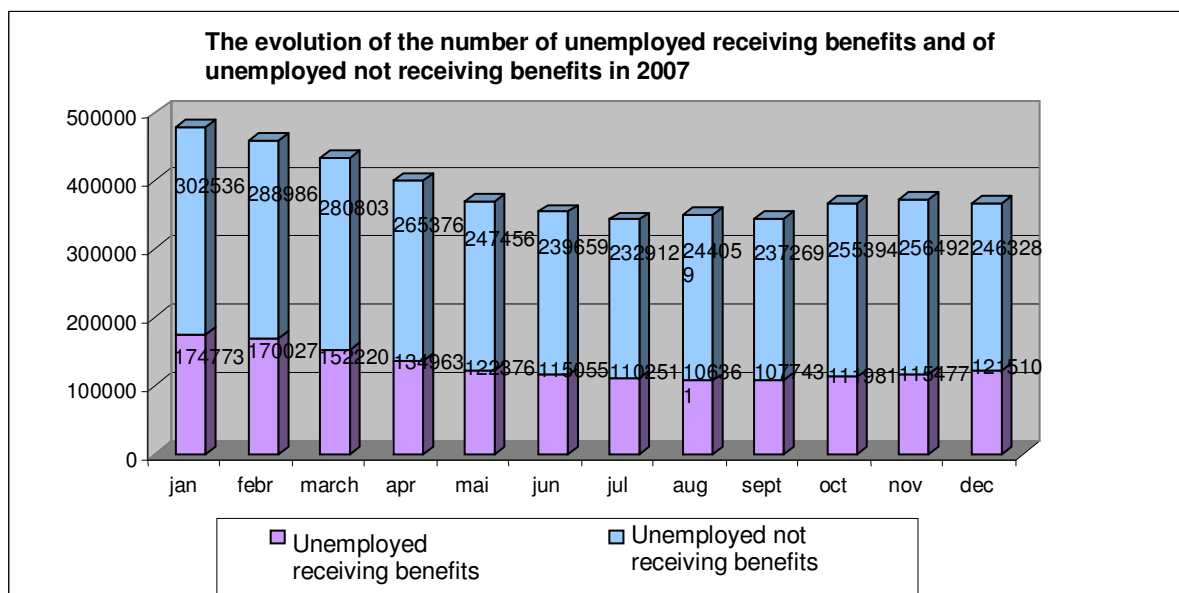


Source: National Agency for Employment

Besides the economic growth at national level, the maintenance of a low level of the unemployment rate and the mitigation of the seasonal effect on unemployment were caused by the continuous applying of the active measures during 2007, through the efforts of the county agencies for employment. Another feature of this year is also the fact that the employment mobility level of the Romanian citizens into other countries was lower, as compared to the previous years.

By analyzing the number of unemployed receiving benefits and the number of unemployed not receiving benefits, registered with the agencies for employment, it can be noticed that the number of unemployed not receiving benefits was higher, especially in the first half of 2007.

The curve representing the evolution of the unemployed receiving unemployment benefits follows the same direction as that showing the total number of the unemployed, thus showing how the mobility of this category has influenced the unemployment evolution at national level.



Source: National Agency for Employment

The data from the two charts show the reality of the labour market in 2007, characterized by a slowing-down of the pace of individual and collective lay-offs. Thus, the number of unemployed receiving benefits reached, in August, the lowest level from the past years, of 106,361 persons.

As it may be noticed from the above chart, the number of unemployed not receiving benefits during this year was between 302,000 and 232,000 persons. The unemployed not receiving benefits are usually individuals who either have exceeded their period of unemployment benefit without being able to take-up employment, or do not meet the legal requirements for receiving unemployment benefit, but resort to the agency's services in order to find a job. They are low-qualified persons, most of them coming from rural areas, being bound to resort to the minimum guaranteed income granted by local authorities in order to ensure their subsistence. Most long-term unemployed come also from this category, of unemployed not receiving benefits: young persons up to 25 years who had been unemployed for over 6 months and adults aged over 25, with over 12 months of unemployment.

At the end of 2007, the long-term unemployment, calculated as the weight of long-term unemployed in the number of unemployed from the respective age category, was of 19.6% for young persons and of 20.9% for adults.

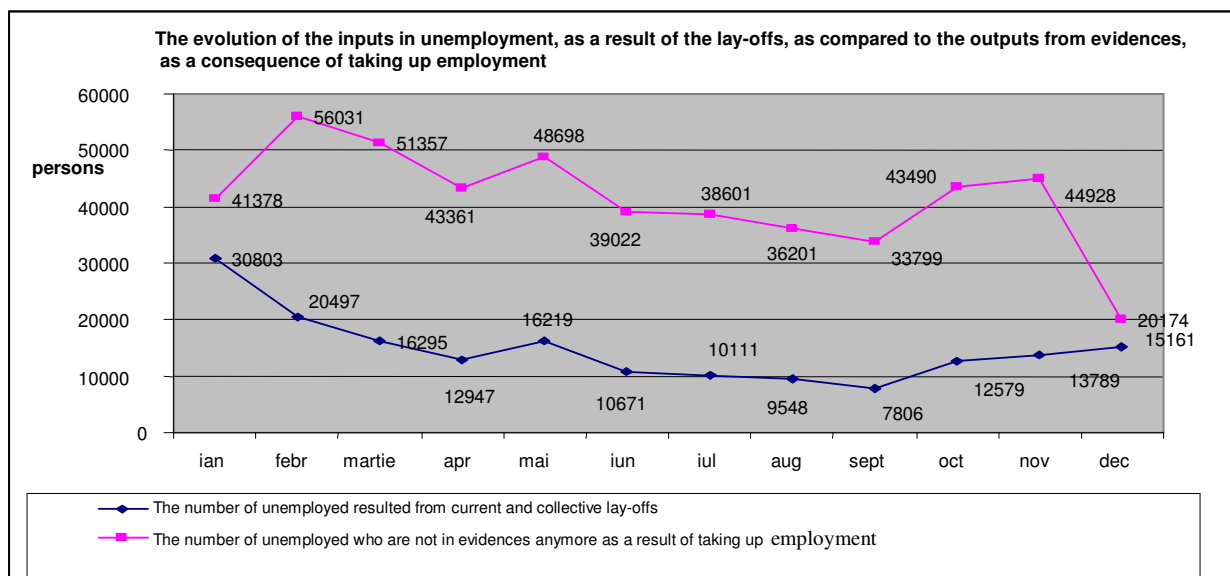
In terms of unemployed distribution by educational levels, at 31 December 2007 it could be noticed that, from the total number of registered unemployed, 78.9 % are persons having primary, lower secondary and vocational education, 16.8% are persons with secondary and post-secondary education and 4.3% are persons with university education. This shows the education level of the agency's clients, so as it can be noticed that most of them have a low level of training. The persons having a higher level of education and training rarely resort to the help of the agency, as there is a high level of employment among them.

As regards the structure by age groups of the registered unemployed, we notice that the age groups comprising most part of unemployed are still those aged from 30 to 39 and the group aged from 40 to 49. Both age groups registered a maximum number of unemployed during the all year 2007. Next would be the group of persons up to 25 years, group which registered insignificant deflations until July.

In this group age are included most of the graduates of the educational institutions and the fluctuation of the number of registered persons shows the pattern of this group, that is to some extent cyclic.

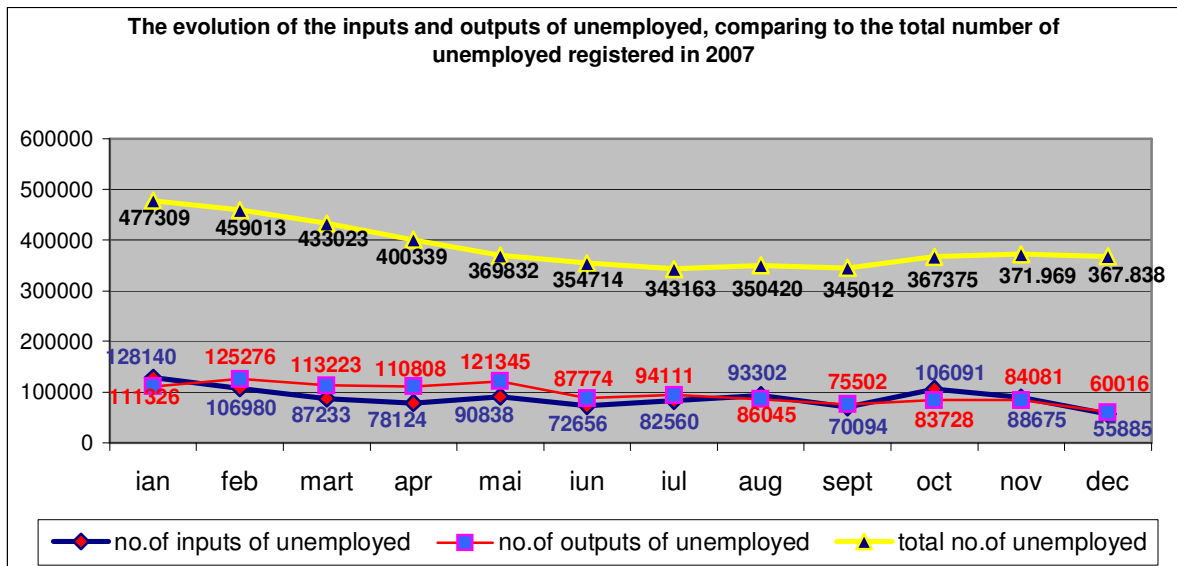
Starting with a number of 460,495 registered unemployed at national level at the end of 2006, the following flows of inputs and outputs were reported throughout 2007: the actual inputs in unemployment records were of 1,060,578 persons and the outputs from the unemployment records were of 1,153,235 persons. Out of the number of unemployment inputs, 622,996 are new entries, i.e. persons resorting for the first time to the Public Employment Agency in order to find a job. In most cases such persons come either from collective or current lay-offs or have just graduated from an educational institution.

From the following chart one can notice the evolutions of the unemployment inputs, as a consequence of the recent individual or collective lay-offs (176,426 persons) and of the unemployment outputs through employment (497,040 persons). Every month during this year, the number of unemployed taking-up employment was higher than the number of the laid-off persons. Thus, at the end of the year, the report between the employed persons and the laid-off persons was 2 to 1.



Source: National Agency for Employment

The maximum level of persons taking up employment was reached in March (51,357 persons) due to the increase of the unemployed included in the programs of temporary employment for local communities development. These programs represent, for unemployed, a special opportunity to take up employment during the winter time when the rate of unemployment reaches higher levels than it did during other periods of the year, thus reducing the amplitude of the phenomenon.



Source: National Agency for Employment

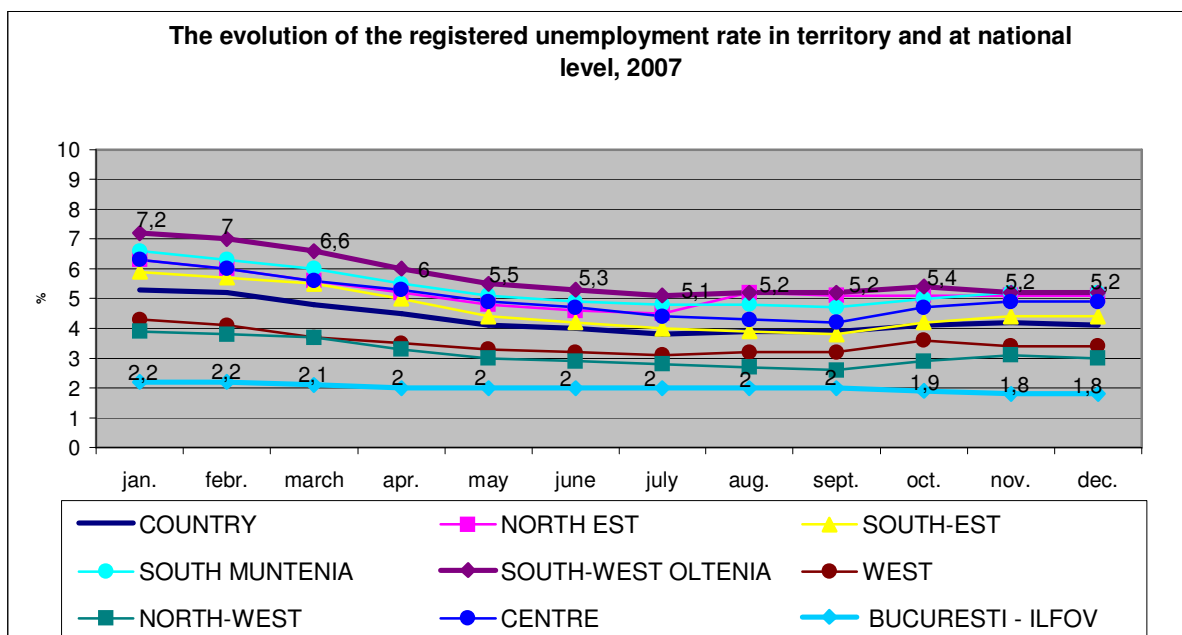
As compared to 2006, in 2007 the number of unemployed resulting from lay-offs dropped by 53,219 persons and, as compared to 2005, their number dropped by 53,723 persons. Out of the total number of 176,426 unemployed registered this year as, just 31,051 persons resulted from the unemployed following collective lay-offs due to the implementation of the restructuring and privatization programs in various activity sectors (compared to 42,192 persons coming from the collective lay-offs in 2006 and 41,093 persons in 2005), the rest of 145,375 persons coming from the current staff lay-offs. The fields of activity where most lay-offs have occurred were mainly: the mining sector (7,843 persons), constructions (2,866 persons), other activities and services provided especially for enterprises (2,478 persons) and the textile confections industry (2440 persons).

Such lay-offs have shown high variations in their values from one county to another, function of each county's specific context. Thus, the counties most affected by this phenomenon were: Cluj, Timiș, Brașov, Constanța and Argeș, having over 7,000 laid-off persons during 2007.

Taking into account the low levels of the unemployment rate at national level, it can be stated that the lay-offs that occurred in 2006 did not lead to imbalances in the unemployment evolution, and the counties confronted with this phenomenon have found solutions for economic recovery, reflected also in the improvement of the employment status.

At territorial level, two counties reached a rate over 8.0%: Vaslui County and Mehedinți County. The lowest rates have been registered by the counties of: Ilfov, Timiș and Bucharest.

The following chart shows the evolution of the unemployment rates at regional level, as compared to the average unemployment rate registered at national level in 2007:



Source: National Agency for Employment

The previous chart indicates that although the unemployment rate at national level has a flattening curve and a low level, the curves of the unemployment rate at regional level are similar to the one from the national level, being either over or under the national average. This reality shows that the management of the unemployment phenomenon entails a multitude of challenges that need to be addressed.

Thus, the statistical regions with the highest unemployment rates of the registered unemployment were South-West, South and North-East, regions where the rural activities are preponderant. Differences can also be noticed inside some regions, where the predominant agricultural counties co-exist with the more developed ones. For example, in the South-West region, there were differences among counties concerning the annual average rate of the registered unemployment: the maximum level was reached in Gorj county (9.5%) and the minimum in Valcea county (5.5%), the difference being of 4.0%. This phenomenon is due to the impact of the economic restructuring, especially in the mono-industrial areas where the population was affected by unemployment, as a result of the shutdown of the unproductive companies.

The regions of Bucharest and North-West, same as last year, have reached the lowest levels of the registered unemployment rate, these areas being advantaged by their lower dependency to the primary sector (Bucharest region), namely by the proximity of the western markets (North-West region), but also by their increased ability to attract direct foreign investments.

The unemployment rate registered in 2007 had the same tendencies known in the late period, i.e., 2004 - 2006, respectively by the dropping and maintenance of a level reduced and nearly the same.

The significant decrease of the unemployment rate during the reference period is obvious.

In order to obtain a more detailed image of the unregistered unemployment, the next chart will depict the status of the main statistic indicators in 2007 and in 2006:

<i>Indicator</i>	<i>2007</i>	<i>2006</i>	<i>The difference between 2007 and 2006</i>
<i>The unemployment rate % *</i>	4.3	5.4	-1.1
<i>The unemployment among women % *</i>	4.0	4.7	-0.7
<i>The unemployment among men % *</i>	4.6	6.1	-1.5
<i>The average number of unemployed, * from which:</i>	386,667	484,698	-98,031
<i>- Beneficiaries*</i>	128,561	178,530	-49,969
<i>- Persons not receiving benefits*</i>	258,106	306,169	-48,063
<i>Total of INPUTS,</i>	1,060,578	1,026,803	33,775
<i>Out of which, new registered</i>	622,996	685,368	-62,372
<i>Total of OUTPUTS,</i>	1,153,235	1,089,275	63,960
<i>Out of which through employment</i>	497,040	490,063	6977

*\*yearly average*

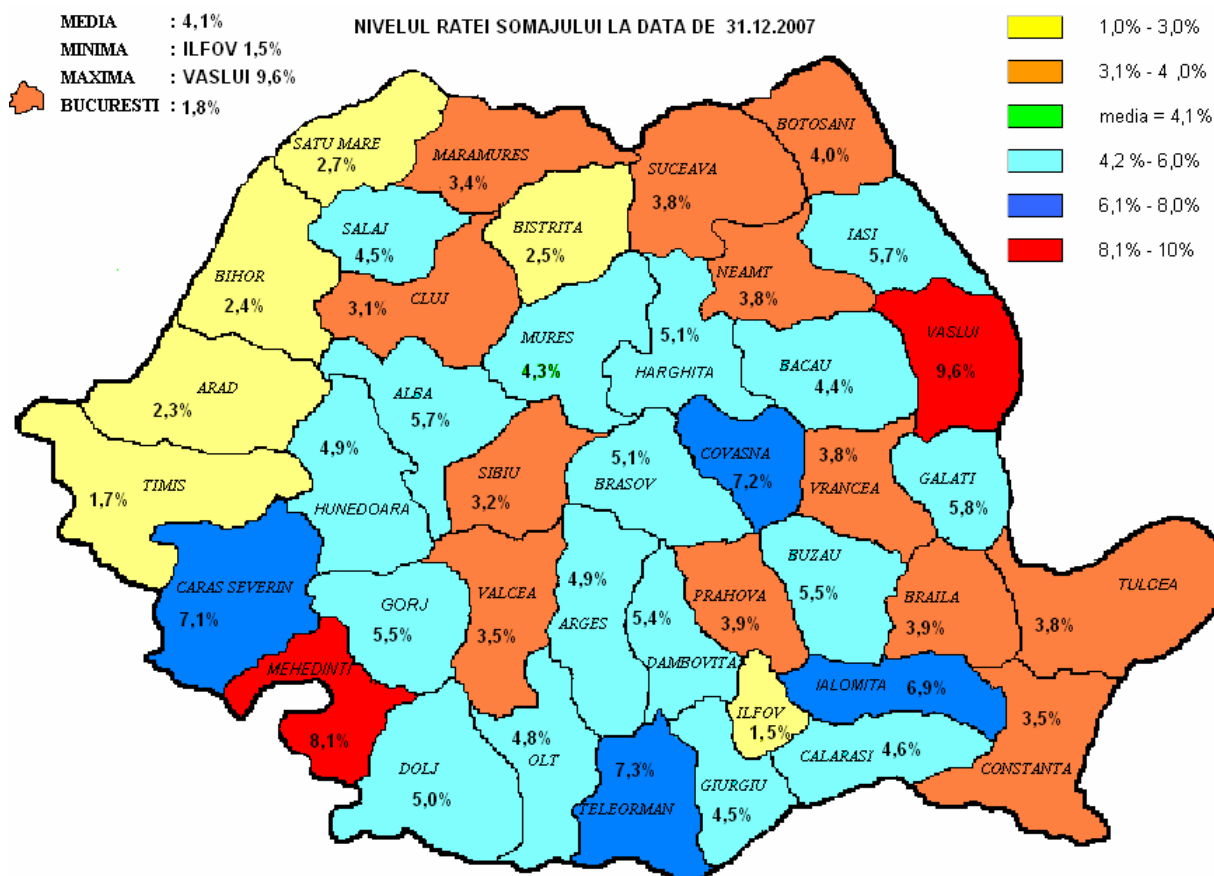
Source: National Agency for Employment

The analysis of the evolution of the unemployed number who took up employment and of the persons who became unemployed through the current and collective staff lay-offs shows that unemployment decreased, being caused especially by the rights activation.

The registered unemployment decrease is obvious also for women as for men, still being more accentuated for men.

The number of the registered unemployed dropped at national level and also at county level. The registered indicators increases regarding the inputs and the outputs in/and from the evidence territorial agencies for employment shows the efficiency of the continuous application of the active measures provided by the law no. 76/2002 on the unemployment insurance system and the employment stimulation, with the further changes and completions.

Following such developments, at the end of 2007, the unemployment rate by counties was as illustrated in the next map:



Due to the continued economic growth, the labor market has not gone through major imbalances. It is significant to this end that, throughout the year, the agencies for employment have identified a number of over 635 thousand of vacancies.

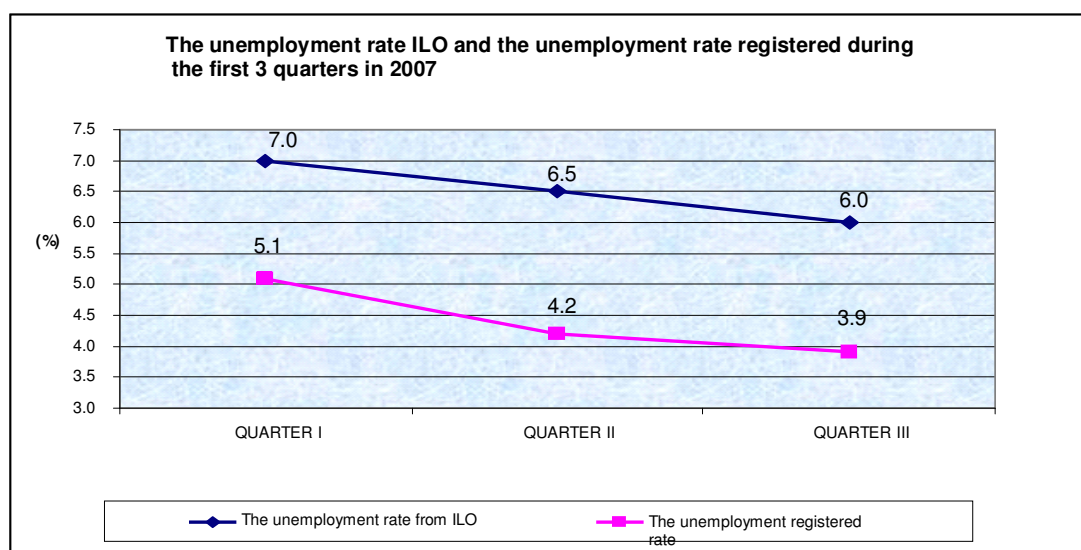
It is relevant that there are vacancies from certain activity areas communicated for many times because it can not be find labor force properly trained for that area or because the jobseekers refuse to take up employment in the respective area. There is a lack of labor force in the civil construction area, the ship building area and the travel and restaurant areas.

In November 2007, due to an analysis based on the administrative data regarding the vacancies communicated by the employers and based on the appraisals from the territorial agencies level, resulted a lack of labor force, at national level, of approx. 83 thousands, out of which 85% is registered in the following areas: constructions, textile confections, en-gross and en details trade, hotels and restaurants.

506,804 persons have filled the communicated vacancies, which represent twice the number of persons laid-off during the year; this is to explain why the unemployment rate was lower this year than in any of the previous years. Out of the number of employed persons, 70.66% were employed have concluded open-ended labour contracts.

In conclusion, in 2007, the registered unemployment has shown the same trends as noticed ever since 2004, i.e. a flattening curve and a constantly lower level of the unemployment rate, as compared to the previous years. The unemployment remained within normal limits, these tendencies being confirmed both by the AMIGO survey results (made by NIS) and by the ILO rate (calculated according to the methodology of the International Labour Office), which registered values close to those of the registered unemployment.

The ILO unemployment rate and the rate of the registered unemployment in the first three quarters of 2006 are shown in the following chart:



Source: National Institute for Statistics (unemployment ILO) and National Agency for Employment (registered unemployment)

The difference between the two series of statistical data is mainly given by the methodology of calculating the rate of registered unemployment and ILO unemployment rate. The fact that the ILO unemployment rate is higher than the registered one shows that some persons who register as unemployed to the AMIGO surveys do not register with the agencies for employment as jobseekers. Most of the registered unemployed are persons with a low level of education, with low qualifications, persons who need support. That support they need is about passive and active protection measures insured from the unemployment insurance measures or about benefiting of the provisions regarding the minimum granted income.

## CHAPTER III. ACHIEVEMENT OF THE OBJECTIVES OF THE NATIONAL PROGRAM FOR EMPLOYMENT AND THE NATIONAL VOCATIONAL TRAINING PLAN IN 2007

### III.1. Results of the implementation of the 2007 National Program for Employment

The overall objective of the 2006 National Program for Employment was to provide employment for at least **400,000 persons**.

Taking into account the regional employment gaps, as well as the social and economic conditions specific to certain areas, the program comprises a special program, **Program 150** – envisaged for localities from rural and urban areas, comprising **16,000 persons**, within which two sub-programs can be identified:

- *Program for urban localities - 25* – intended to increase employment and improve the living conditions in this area, through which the employment of at least **9,985 persons** was envisaged;
- *Program for rural localities - 125* – special program envisaging the employment of **6,015 persons**.

As a result of the implementation of the employment program in 2007, **506,804** persons were employed, out of which **477,572 persons** were employed through the effort of the county and Bucharest agencies for employment, standing for 94,23% of the total people employed in 2007 and 53.38% from the **894,547 people** who addressed to active measures for employment stimulation.

With a view to carrying-out the national program and ensuring as high an employment level as possible for the persons registered with the agencies for employment, a number of **635,613 vacancies** have been identified at national level, thanks to the trustworthy and close relations created between the employment agencies and employers, but also to the legal provisions related to the declaring of job vacancies.

Taking into account that the number of persons registered in the records as jobseekers was of **1,083,491**, out of which 1.060.578 unemployed, and the number of employed persons was **506,804**, the “Employability of the jobseekers” indicator registered at national level a value of 46.78%, as compared to the 40% programmed for the mentioned period.

### III.2. Employment stimulation measures financed out of the Unemployment Insurance Fund

#### III.2.1. Vocational information and counseling

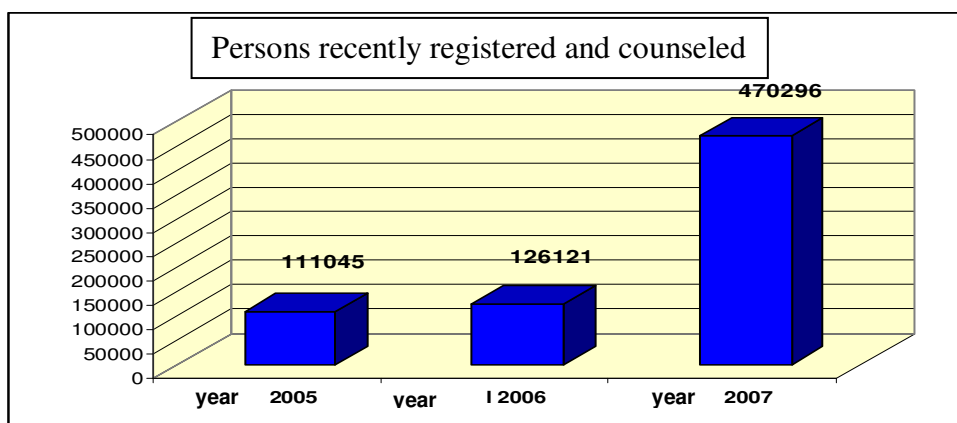
The vocational information and counseling services play a key role in the activity developed by the Public Employment Services, the results of the implementation of other types of employment stimulation measures being based, to a large extent, on the quality of these services, in particular the vocational training.

A number of 618,527 jobseekers, registered with the agencies for employment, have benefited in 2007 from vocational information and counseling services, out of which 470,296 newly registered people and 148,231 persons who were registered to the counseling services in the previous months.

Compared to year 2006, when 126,121 newly registered persons benefited from information and counseling services, their number increased with 322,065 people in 2007.

Out of the 470,296 newly registered persons, who have been counseled through CAEs and private providers at national level, 56.19% were men and 43.81% women.

By analyzing the vocational information and counseling activity at the national level, during the period 2005-2007, an ascending evolution concerning the number of the beneficiaries of the vocational information and counseling services is noticed.



Following the participation in vocational information and counseling services, a number of **41,410** persons were enrolled in vocational training courses, **3,703** persons have benefited from consultancy services to start their own business and **96,450** were employed.

**1,782** group information and counseling sessions have been carried-out for future graduates of secondary education (pupils from senior years) as a result of the implementation of the program „**From school to working life, towards career**” in view of increasing their employability.

During 2006, a number of **48,201** persons with special needs have benefited from counseling services, which stands for 56.6 % of the total number of persons with special needs registered in the local agencies' records.

Within the 9 pilot centers for counseling the persons with disabilities, 938 jobseekers were counseled. Among these and after participating to other active measures, 365 persons were employed in various areas: commerce, finance, banking, insurance, textile industry, confections, leather, footwear, legal counseling, agriculture, car construction, health, hygiene, social services, dentistry, secretariat, courier services, tagging, sign language, pc operation, social assistance, quality control, etc.

### ***III. 2.2. Vocational Training***

Considering that the Short and medium term Strategy for continuous vocational training 2005-2010 plans to gradually increase the number of participants to the educational and training process, for 2007, through National Vocational Training Plan 2,784 vocational training courses were planned and 55,000 persons should be the beneficiaries of free of charge vocational training services, out of which 40,800 unemployed registered with the local agencies for employment.

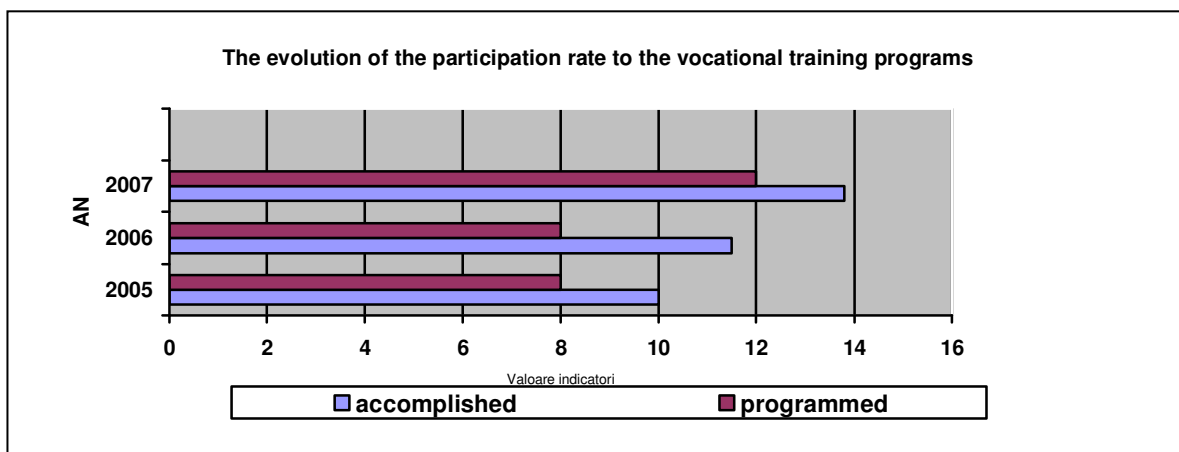
In 2007 it was envisaged to include 46,999 persons in free-of-charge vocational training courses according to the law, which represents 85.45% from the number planned to be included in 2007. Out of them, 42,234 persons were unemployed, exceeding the planned number with 3,5% and 4,765 persons were beneficiaries of free of charge vocational training courses, other than the unemployed, representing 33.6% from the planned number.

Among the participants in 2007, 67% graduated, many of the programs being in progress, the graduation being planned for 2008. From the 42,234 unemployed registered with the courses started in 2007, 28,033 persons graduated, out of which 6,631 persons were employed, representing 24%. Among the beneficiaries of the free of charge courses, other than the unemployed, 4,765 persons, 3,531 graduated, namely 74%.

For 2007, the efficiency criterion of the vocational training was “the employment of at least 50% from the persons who graduated within 12 months since the graduation exam”, this explaining the current percent of employment of graduates. The final evaluation of the efficiency criterion of the vocational training courses for 2007, can be done at the end of the 12 month period since the graduation of the last vocational training program from 2007.

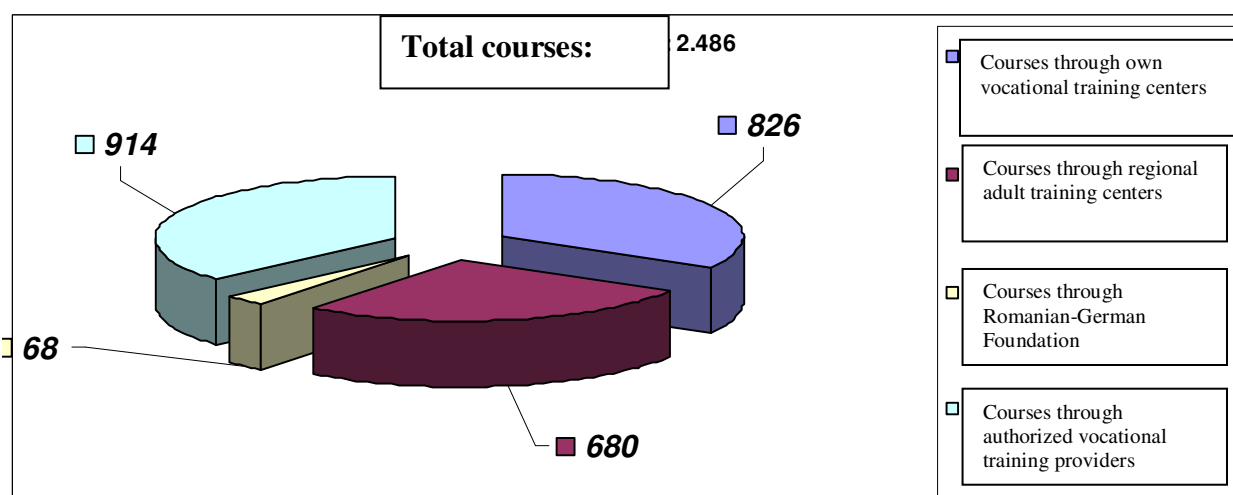
For 2006 the same efficiency criterion was set up, its evaluation being done for the 2006 programs, for which the 12 month period expired in 2007. Thus, the percent of employment of the graduates is of 58% compared to 50% set up.

For 2007, for the vocational training activity the performance indicator “participation rate to the vocational training courses” was set up, with a level of accomplishment of 12%. By the end of this year the indicator was achieved in percent of 13.79%. Compared to the previous years, the participation to the vocational training courses was higher.



The 46,999 persons benefiting from free of charge vocational training were included within the 2,486 vocational training programs for the unemployed, 104 courses for persons in prison and 137 courses were organized at the location of the companies.

The distribution of the vocational training courses by types of organizers is as follows:



In 2007, NAE through its own vocational centers organized 81 vocational training programs for persons who do not benefit from free-of-charge vocational training services. The total of the participants who do not benefit from free-of-charge services was of 3,645 (360 persons coming from employers' own staff, 3,285 other interested persons), out of which 2,225 graduated (209 persons coming from employers' own staff, 2,016 other interested persons).

Persons between 35-45 (31.44% from the total of the participant unemployed) were more interested in participating to a form of training. One can notice that young people and persons over 45 have troubles accepting a new qualification, showing a decreased flexibility.

National Agency for Employment is permanently concerned with the participation of the persons belonging disadvantaged groups, of young people with low qualification, of older persons, their perspectives being influenced by their access to training and to acquiring the necessary competencies.

Within vocational training courses started in 2007, persons belonging to disadvantaged groups were included, out of which we mention:

- Long term unemployed, 3,104 out of which
  - adults over 25: 2,246 persons
  - young up to 25: 858 persons
- 21,147 persons carrying-out activities in rural areas (out of which 20,992 unemployed)
- 106 persons with disabilities
- 1,613 Roma persons
- 1,744 persons in prison
- 2,800 employed persons included within training courses in order to fight unemployment (art. 48)

The activity sectors for which were organized most of the courses and where a great number of persons were included are the following: agriculture (cultivation worker and farmer), constructions (mason and worker in construction structures), electrotechnics, automatics, electronics, informatics/ information technology (data input, validation and processing operator, computer and network operator), commerce (commerce worker and food product seller), food , beverage and tobacco industry ( waiter and cook).

### ***III.2.3. Employment stimulation for graduates of educational institutions***

Starting with 2007, as a result of the changes in legislation, the stimulation of employment of the new graduates has had new aspects, thus addressing both segments of the labour market: employer and graduate.

**The subsidies** granted to **employers** for **hiring new graduates**, differentiated by the employee's graduated courses, were important in the employment of the young persons registered with the agency.

By using all media means of information on the active measures for young persons, and the career information and counseling for young persons in senior years, it was possible to provide employment for 36,645 graduates, as follows:

- 12,182 graduates (45.71%) by concluding open-ended individual labour contracts, *through job subsidies*;
- 14,463 graduates (54.28%), by concluding open-ended individual labour contracts, *but without job subsidies*;

From the **12,182 graduates** employed *through job subsidies*, **3,284** are lower secondary education graduates or graduates of art and crafts schools; **5,412** are secondary and post-secondary education graduates and **5,146** university graduates.

The highest number of employed young graduates was accomplished in the counties of Dolj (1,426), Iasi (1,163), Arad (1,055), Bucharest (1,021) and the lowest in the counties of Calarasi (219), Giurgiu (179) and Ilfov (23).

An important contribution to the graduates' employment was the organization, at national level, on September 22<sup>nd</sup>, 2007, of the Job Fair for graduates.

Out of the total number of 25,663 participants in the Job Fair, 11,367 graduates were selected for employment, out of which 3,712 were employed.

Starting with 2006, young graduates who are full-time employed over a period of over 12 months receive a non-taxable benefit equal to a gross minimum wage at national level at the date of employment.

In 2007, 6,044 graduates benefited from this employment bonus.

### III.2.4. Granting low-interest credits

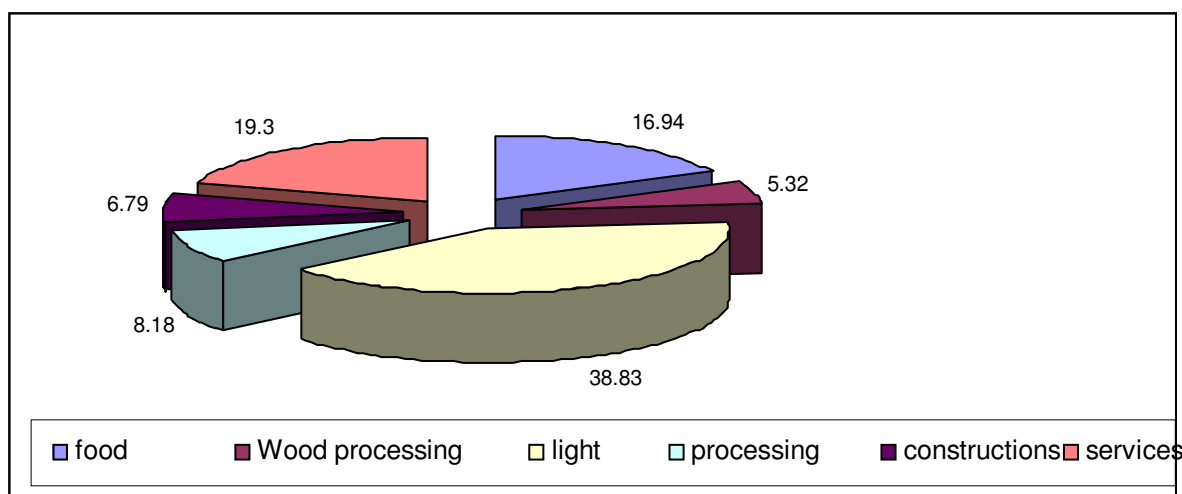
Although the measure for employment stimulation by granting credits from the Unemployment Insurance Fund is not as attractive as during the previous years, because of the evolution of the interests as well as the conditions imposed by the law referring to employment of the employees, the agency contributed to the initiation and development of businesses that led to job creation in the national economy. Due to the **credits granted for creating new jobs**, in 2007 a number of **879** persons were employed, out of which **587** had been unemployed.

By granting credits with an interest rate of 25% of the reference interest rate of the National Bank, in the counties with an average unemployment rate higher than the average unemployment rate at national level, **762** persons were employed, which stands for 86.68% of the total number of persons employed by this active measure.

The highest number of jobs filled-in by granting credits was recorded in the counties of Hunedoara (113), Harghita (100), Valcea (86), Bacau (82), Suceava and Bistrita (50).

It is relevant that, as far as the structure of the credits for job creation is concerned, the balance is inclined to production – 69.27% from the total value, while the services register a percentage of 19.30%, and the tourism 4.60%.

The 69.27 percent were distributed according to the following chart, the wood processing industry and constructions covering most of the amounts granted as low interest credits, which shows that the jobs were created mainly in sectors with relatively high added value.



Source: National Agency for Employment

### ***III.2.5. Taking-up employment before the end of the period of eligibility to unemployment benefit***

With a view to preventing long-term unemployment, financial resources were ensured for granting allowances for taking-up employment before the end of the period of entitlement to unemployment benefit, for 24,665 unemployed, out of which 11,251 women.

Structured by age groups, the number of persons employed by this measure is as follows:

- **1,305** persons aged under 25;
- **4,659** persons aged between 25-35;
- **9,002** persons aged between 35-45;
- **9,699** persons aged over 45.

This measure proved to be more efficient for the persons from the age group over 35 and shows that these persons are more interested to be employed as soon as possible after finding a job.

### ***III.2.6. Employment stimulation for persons aged over 45 and for single providers of family income***

The unemployment of persons aged over 45 and single providers of family income continues to be one of the critical problems of the labour market.

In 2007, **101,053 persons aged over 45 or single providers of family income were employed**, out of which 21,862 persons (21,046 aged over 45 and 816 single providers of family income) were employed by job subsidies.

By the duration of the individual labour contracts, the total number of persons employed from this category is structured as follows:

- **56.565** persons were employed by concluding open-ended individual labour contracts, without job subsidies;
- **22.626** persons were employed by concluding fixed-term labour contracts.

### ***III.2.7. Employment by stimulating the labour force mobility***

Geographic mobility is stimulated by granting employment bonuses or installation bonuses. This can be a solution for covering the lack of labour force from certain areas, regions or activity sectors but limited as a result. Yet the stimulation of geographical mobility from the employment point of view does not have spectacular effects, the reasons being very different: low income, limited possibilities in finding a job, the mentality of belonging to the village, etc.

Although financial resources were available for all persons the program envisaged to employ through this measure (3,595 persons), only 3,098 persons were employed by granting mobility benefits, as follows: 1,424 persons were employed in a locality located more than 50 km away from the locality they reside in, and 1,674 persons have changed their place of residence after taking-up employment.

Structured by age, the beneficiaries of this active measure are as follows:

- 659 persons aged under 25;
- 892 persons aged between 25-35;
- 781 persons between 35-45;
- 766 persons aged over 45.

### ***III.2.8. Employment stimulation of disabled persons***

By implementing the set of active measure that envisaged promoting the social inclusion of able-bodied disabled persons, with functional capacity, 1.072 persons were employed, out of which 286 persons by job subsidies.

A special contribution to achieving these results have had the eight job-matching and counseling centers for persons with disabilities set-up within the project “**Counseling services for persons with disabilities**” financed by IBRD (RO 4616 and one in partnership with Romanian/ German foundation) as well as the media campaign that took place in 2007 on the services offered by NAE for employment stimulation of disabled persons.

Thus, within the 9 specialized centers, 938 persons benefited from information and counseling services which stands for 50.21% from the total of the persons with disabilities counseled at national level.

The integration difficulties of the persons with disabilities are various, mainly liked to: the access given by the community and the employers, adapting the workplace by the employers; mentality for using these persons in some activities, employers are more inclined to pay the penalties envisaged by the law than employing persons with disabilities.

### ***III.2.9. Granting assistance and consultancy services for starting an independent activity***

Within the context of the policy for encouraging the access to entrepreneurial activities, the agency acted, by its own effort or with the help of specialized service providers, towards offering the unemployed free-of-charge assistance and consultancy services for starting an independent activity.

In 2007, 13,144 persons have accessed these services, at their request.

The number of those who succeeded in starting an independent activity or a business due to **assistance and consultancy services** was of **581 persons** (235 women), much lower than what was planned for 2007. This is caused mostly by the fact that the providers' offer of business consultancy and assistance services is modest and focuses especially on urban areas, where the unemployment rate is usually low, but also by the jobseekers' inability to start-up and develop independent activities (this being justified by the structure of unemployed by level of education and qualification, from the agency's records).

### ***III.2.10 Temporary employment in works and activities in community service***

The National Agency for Employment can intervene in the areas and localities most affected by unemployment by implementing programs having as objective *to provide temporary employment for unemployed in community services*.

In 2007, **53,007 unemployed** were employed with a fixed-term contract under these programs, out of which 17,080 (32.22%) were employed for a period of at least 6 months.

Through this number, the highest number of jobs filled by this measure was in the counties of: Buzau (6,922), Caras Severin (3,131), Vaslui (2,322) Iasi (2,099).

From the number of persons employed by temporary employment programs, 19.7 %, which stands for 10,440 persons, belong to the categories of persons with real difficulties of reinsertion into the labour market, as follows: 5,558 long-term unemployed, 4,846 Roma persons, 36 disabled persons.

7,040 unemployed were temporarily employed in disadvantaged areas, which stand for 13.28% of the total number of unemployed hired at national level.

Although an expensive measure, with repercussions on the rate of returning to unemployment of the participants, the temporary employment in community service was, besides decreasing the seasonality phenomenon, both an alternative for the unemployed who faced difficulties in their professional reintegration but also contributed, for a short period of time, to prevent long-term unemployment and to earn an income.

### III.2.11. Job-matching

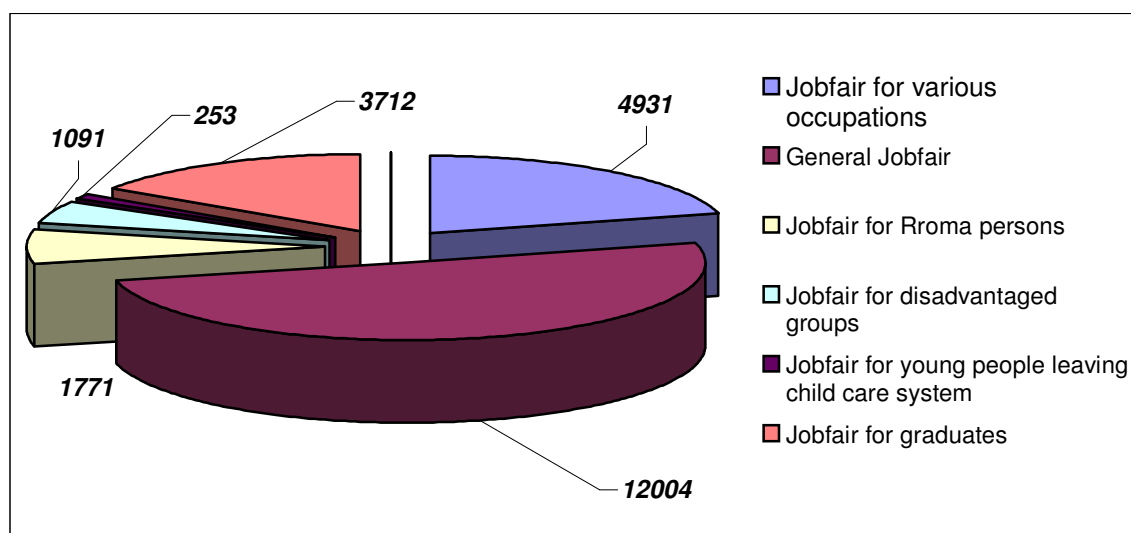
As a result of **the job-matching services**, 391,882 persons were employed, out of which 294,786 persons with open-end contract and 97,096 with fix term contract.

The job matching activity was given an impulse, obviously, by organizing the Job Fairs.

2007 was the second year when the flexibility of this measure was ensured, the Governing Program only envisaging the organization of two general job fairs at national level (for all categories of jobseekers and for graduates) and as many job fairs as needed at local level.

Besides the two general job fairs, job fairs for Roma persons and for graduates leaving child care institutions were organized. At local level, upon request were organized job fairs for women in various occupations (textile confectioner, glass worker, civil servants, constructors, leather workers, commerce workers, medical assistants, wood processors) and activity sectors, for collective laid-offs and for persons with disabilities.

Through the job fairs, a number of **23,762 persons** were employed in 2007, as shown in the following chart:



Source: National Agency for Employment

For getting close to the service beneficiaries coming from Roma persons category as well as to the persons from rural areas, the agency continued the information campaign and to offer specific services, directly inside communities, with the help of the employment caravans, action initiated in 2005. Starting with the second half of 2007, the employment caravan was carried-out in a different manner, namely, the vocational counseling by applying specific questionnaires was implemented.

The results registered in 2007 as a result of this action are the following:

#### **Employment caravan for Roma persons**

Within the actions carried-out by the local agencies inside Roma communities, 46,545 Roma persons participated, out of which 19,637 women. The number of counseled persons was of 9,995, out of which 4,279 women.

17,196 persons, out of which 6,583 women were registered in the database, and following this action 3,753 persons were employed, out of which 1,199 women, and other 13,847, out of which 5,363 women being scheduled to be included in the active measure programs.

*Employment caravan in rural areas*

In all 2,827 localities envisaged within official statistics, activities were carried-out, some localities being visited more than one time. The number of the persons participating to the caravan was 41,193 and the number of new registered persons was 32,733. The number of counseled persons was 19,188 and the number of the employed persons was 13,571. 25,690 persons were registered within various active measures which stands for 78% from the persons registered within the record as a result of the caravan.

### **III.3. Personalized social accompaniment provided to young people at risk of social marginalization**

In 2007, in order to ensure the personalized social accompaniment provided by Law No.116/2002 on preventing and fighting the social marginalization, 2,212 solidarity contracts were concluded and 1,076 insertion employers were identified.

During 2007, 2,476 persons belonging to the categories of young people at risk of social marginalization have benefited from job-matching and counseling services.

1,976 persons were employed (out of which 144 based on an open-ended labour contract), as follows: 240 young graduates of placement centers and child care centers from specialized public services and private bodies authorized in the field of child protection (12.1%); 93 single young parents (4.7%); 227 young married parents (21.6%); 348 young married couples without children (17.6%); 1 young married person who were recently in prison (0.1%); 867 persons belonging to other categories of young people in difficulty (43.9%).

A special contribution to the employment of persons at risk of social marginalization had the job fair for young people leaving the child protection system, planned to take place until October 31<sup>st</sup> 2007.

This fair was organized in 29 county agencies for employment and in the agency for employment of Bucharest municipality. At national level, 494 companies attended this fair offering 7,178 jobs. 2,967 persons participated, out of which 998 were selected in order to take-up employment and 253 young people having left the child protection system were employed.

### **III.4. Active measures financed from the IBRD loan RO 4616**

Through the *Labour Redeployment Program*, co-financed from the IBRD loan RO 4616, in 2007, 44 active measure contracts were concluded, out of which:

- 37 contracts for implementing active measures for fighting unemployment of civilian staff laid-off;
- 7 contracts for implementing active measures for fighting unemployment of staff laid-off from the Ministry of National Defense.

From the total number of 44 contracts concluded, 22 contracts were finalized, 22 contracts are ongoing and will be finalized in 2008.

Under the contracts concluded and finalized in 2007, 1,001 persons were included in active measures, out of which 200 persons were employed at the end of the programs.

This program decreased on one hand due to the decreasing financing, the program being in the final stage and most of the funds are spent (measures designed for civilians) and on the other hand the lack of eligible staff within Ministry of National Defense or of the demands for measures that cannot be applied because there are no specialized service providers, the entire program being based on contracting services.

### **III.5. Measures for preventing unemployment**

With a view to reducing the social pressures created by the incertitude and inquietude situation due to job loss, the county agencies offered pre-lay-off services for persons at

risk of unemployment due to restructuring of certain economic activities, or from personal reasons, even though the number of collective lay-offs is not as severe as that registered at the end on the nineties and the beginning of 2000. For providing pre-lay-off services were used tools specified in legislation.

In 2007, at national level, were set-up and functioned:

- **45** support committees for workers about to be laid-off, comprising employers and trade union organizations' representatives;
- **34** transition centers offering an organized framework for quick rendering of pre-lay-off services.

At national level, the number of participants in each type of pre-lay-off services is as follows:

- **24,618** persons participating in the information sessions on legal provisions regarding the protection of unemployed persons and the granting of employment and vocational training services;
- **23,852** persons participating in assistance services with a view to employing on vacancies;
- **19,796** persons participating in training on job seeking;
- **1062** persons were vocationally reoriented.

Following the implementation of unemployment prevention services: 1,924 persons were reemployed in 30 days after the lay-off, 1073 persons were included, after the lay-off, in training/retraining courses and 31 persons started up a business after 60 days from the completion of the counseling services in which they participated.

On the basis of a partnership agreement concluded with SC PETROM SA, 15 transition centers were set up, distributed in the territory according to the company's units that began a restructuring process and therefore, collective lay-offs took place.

#### **CHAPTER IV: ACCOMPLISHMENT OF THE PERFORMANCE INDICATORS FOR 2007**

The performances and the responsibility for accomplishment of the employment and vocational training programs of the agencies for employment were estimated in 2006 also, on the basis of performance indicators, which reflect the efficiency and the effort results regarding the employment and the training aspects of their activity. The performance indicators were set up by the Contract Commitment between Ministry of Labour, Social Solidarity and Family and National Agency for Employment. The set up indicators were the basis of contracts commitment signed between National Agency for Employment and the county agencies for employment and of Bucharest municipality.

In 2007, new performance indicators have been introduced which required a new approach of the specific action of the National Agency for Employment. The inclusion within customized packages of employment stimulation measures, number of hours-man/visits to employer, as new performance indicators, required and led to providing a higher degree for relating with both unemployed and employers, by developing direct contacts, with all subsequent measures.

The accomplishment of the performance indicators for 2006 is presented synthetically on the following chart:

Name of the indicator:	Programmed 2007	Achieved 2007	Differences (+/-)	% R/P
1) The weight of the jobseekers benefiting from personalized services in the total number of the jobseekers registered with NAE.	65%	41,57%	-23,43%	63,95%
2) Number of man/hours visits to employers – average of man/hours.	417285 10.000	406640 9.682	-10645 - 318	97,44% 96,82%
3) Level of employment, by own effort, of the vacancies submitted by the employers and registered with NAE	75%	75.14%	0.14%	100,19%
4) Level of employment of all persons registered as jobseekers with NAE	40%	47%	6,78%	117%
5) Rate of participation to vocational training courses (with balanced representation depending on the area they come from urban/rural, level of studies and age).	12%	13,79%	1,79%	114,92%
6) Participation rate of the long term unemployed in active measures for:				
6a) young	20%	27,27%	7,27%	136,35%
6b) adults	15%	20,81%	5,18%	138,73%
7) The weight of the expenditures for the vocational training of the unemployed and of other categories that benefit from free of charge services according to Law no. 76/2002 on the Unemployment Insurance System and Employment Stimulation with its further amendments and complements in the total expenditures from the Unemployment Insurance Budget.	2.17%	0	-0,47%	78,34%
8) Participation rate of the unemployed to active measures	70%	82,56%	12,56%	117,94%
9) Participation rate of the unemployed over 50 in active measures for employment stimulation	70%	79,78%	9,78%	113,97%
10) The participation rate of unemployed persons with primary education level, gymnasium and vocational school level in the employment stimulation measures.	70%	73.45%	3.45%	104.93%

11) The share of unemployed persons benefiting of information, counseling and vocational guidance services from the groups with special needs from NAE evidences.	45%	57.09%	12.09%	126.87%
12) The share of persons from the groups with special needs benefiting of information, counseling and vocational guidance services from the groups with special needs from NAE evidence.	50%	56.59%	6.59%	113.18%
13) The employment rate of the participants at active measures :				

13a) in term of 3 months from the participation at an active measure.	20%	42.28%	22.38%	211.40%
13b) in term of 6 months from the participation at an active measure.	25%	45.18%	20.18%	180.72%

At national level, from the total number of indicators provided for 2007, only the following indicators were not realized according with the level established by the contract commitment: *Share of jobseekers benefiting from customized service packages, from the total number of jobseekers registered in NAE evidences (accomplished 63.95 %) , Number of hours for person/ visits to the employer (accomplished 97.44%) and The share of expenses for professional training of the unemployed persons and of other categories of persons benefiting of gratuity, according to the Law no. 76/2002 on the unemployment insurance system and employment stimulation with its further amendments and completions, into the total expenses from the unemployment insurance budget (78.34 %).*

## **CHAPTER V. WORKING ABROAD**

### **V.1. Placement of the Romanian citizens abroad**

#### **V.1.1. EURES Network**

The National Agency for Employment, as a Public Employment Service, is member in the EURES network. This status was established by „The position document of Romania Conf RO 50/01 – Chapter 2 – Free movement of persons”, that transpose the Commission Directive no. 93/569 from 22 October 1993 regarding the implementation of the Council Regulation 1612/68 concerning the free movement of workers in the Community area.

EURES, the cooperation network between Public Employment Services and other partners involved in the labor market (trade unions and employers organizations) is co-coordinated by the European Commission and its major objective is to facilitate the free movement of workers into the European Economic Area and Swiss.

EURES must insure the transparency of the information concerning the jobs at transnational level for all the citizens of the EEA.

On the grounds of the EURES Activity Plan for 2007-2010, transmitted to the European Commission, NAE received a subvention of 154,665 euro for implementing the provided actions for the period 1 of April 2007- 31 of March 2008. At this amount was added the national contribution, from NAE own budget, of 7,733 euro.

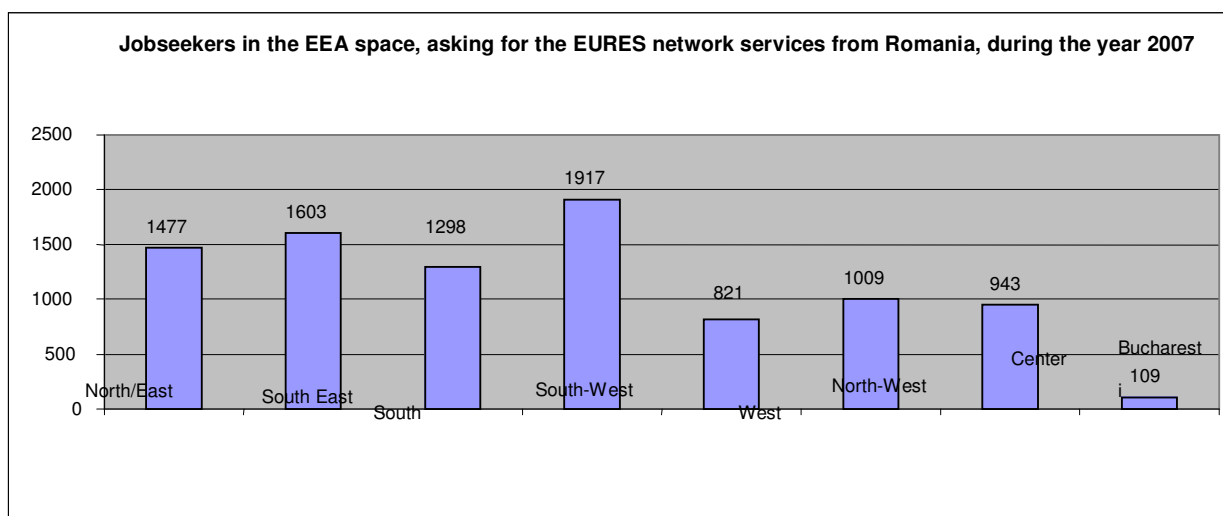
During the year 2007, NAE continued the actions in the purpose of improving the national network operation. The network has 43 advisers, one at central level and 42 on the level of every county agency and Bucharest, mainly through:

- training by the European Commission of a number of 8 counselors, such as the number of the trained persons at European level is 11 (another 3 benefited of professional training during the year 2006);
- The creation of the sub page (<http://www.anofm.ro/eures>) in February 2007. The sub page insures the vacancies transparency in the EU Member States and in the states that signed the cooperation agreement concerning the European Economic Area (EEA) for the Romania citizens. This link represents a necessary tool until the connection at the EURES webpage (<http://www.europa.eu>) and promote the rights and the obligations of the citizens and of the employers in the area of the working force mobility at the EEA level;
- The elaboration of the unitary working procedures for the EURES advisers, that are insuring the translation and the promotion of the jobs offers received from the European employers from other Public Employment Services.

During the year 2007, **9,177** jobseekers demanded EURES adviser's services in the purpose of finding a job abroad. For establishing this indicator were taken into consideration the demands received via e-mail, the visits to territorial agencies and to Bucharest municipality, the phone calls received by the EURES advisers, in compliance with the instructions of the Coordinating Committee of EURES from the European Commission. The countries most demanded by the jobseekers for finding working places were: Spain, Germany, Italy and Great Britain.

From the educational level perspective, most of the jobseekers in the European state (61% from the total number) have a primary education, gymnasium and vocational school level. The persons with high school and post secondary education level are representing a share of 32.5% and the persons with university education are representing a share of only 6.4% from the total number of solicitors. As a result, their demands were orientated mainly to the agricultural activities, construction area, manufacturing industry, hotels activities, food industry, etc. But were also demands for high qualified jobs (IT engineers, doctors).

The following graphic represents the distribution on regions of the jobseekers in the EEA:



Source: National Agency for Employment

It was noticed that most of the demands were registered in the regions with high unemployment rate: South West region (1,917 persons), South East region (1,603 persons) and the North-East region (1,477 persons).

The monthly situation of jobs for Romanian workers, communicated in 2007 to the National Agency for Employment through EURES network is:

Month	No of jobs	The state that offers most of the jobs and the name of jobs	The most demanded occupations
February	497	Czech Republic, 255	105 system software engineers
March	350	Poland, 243	150 tailors, custom made clothes processors
April	80	Poland, 40	20 turners
May	1048	Cyprus, 759	210 constructors specialized in steel concrete and assimilated workers
June	906	Ireland, 370	304 midwives and medical nurses for new born
July	469	Slovenia, 217	100 unskilled workers in the manufacturing industry
August	344	Slovakia, 130	100 constructors and mechanics of metallic structures
September	202	Czech Republic, 150	150 mechanics, assemblers and auto vehicles repairers
October	166	Italy 111	100 electro-mechanics assembler, repairers for electrical devices
November	468	Czech Republic	106 turners
December	69	Slovakia, 51	50 butchers and workers for the food and fish industry
<b>TOTAL</b>	<b>4599</b>		

*Source: National Agency for Employment*

In the NAE evidences were registered 45 demands from European states citizens during the year 2007, demanding counseling and information services from the Romanian EURES advisers in the purpose of finding a job in Romania. Those persons are coming from countries like Italy, Germany, France, Hungary and they demanded various jobs, such as: economist, project manager, waiter, sales agent.

During the year 2007, a number of 63 jobseekers found a job as a result of the EURES adviser's activity. The jobs were various: turner, welders, truck and taxi drivers, butchers, and unskilled workers in the construction field, nurses, and agriculture personnel. We mention that the persons communicated their hiring to the EURES advisers, because contacting the adviser after the employment don't represent an obligation<sup>1</sup>.

According with the EURES Activity Plan for 2007, in September were organized 3 job fairs in Baia Mare, Pitești and Piatra Neamț, as a result of the request from EURES partners

<sup>1</sup> One of the EURES activity characteristics is that is impossible to know exactly the number of hiring realized through the job matching activity made of the EURES advisers. There is a certitude that the number of persons hired as a result of the EURES advisers activity is higher than the one above mentioned, due to the modality of applying at the job (in many cases the CV and the letter of intention are sent directly to the employer, without involving an EURES adviser). Also, there is no legal compulsion in the view of determine the employer to declare how many persons he hired or the jobseeker to declare if was employed, as a result accurate evidence is impossible. This situation is the same in the others European states and does not represent a lack of the network, from the perspective of the free movement of working force and for the freedom of living in any state of the EU.

from Finland and Cyprus (in the name of the employers interested to hire Romanian workers). A number of 446 persons participated at those actions and 94 CVs were submitted. The CVs were transmitted to the employers either via email, either by the EURES advisers representing the participating countries to the events.

## **V. 1.2. Implementation of bilateral legal agreements**

During the year 2007, the National Agency for Employment took over the Office for Labor Migration and its activities. More precisely, the recruitment and the placement activities of labor force abroad, the implementation of bilateral agreements signed between Romania and other states (mostly member states from UE and the EEA) concerning the labor force exchange and the activities of the Monitoring and Evidence Directorate from the Department of Working Abroad, in the area of monitoring the labor migration and the bilateral agreements concerning the labor force exchange.

Since the National Agency for Employment took over the Directorate, completed also the activities concerning:

- the monitoring and coordination for the implementation of bilateral agreements and conventions signed between Romania and other states regarding the labor force exchange,
- support for the recruitment and placement selections for the Romanian working force abroad, organized in the purpose of answering to the job offers from foreigner employers;
- developing the agreement approved through the OG 167/1991, concerning the labor force distribution for the companies with the established headquarter in Romania, companies that are executing service contracts in Germany,
- proposals elaboration concerning the implementing procedures of the bilateral legal agreements,
- participation to the bilateral documents for cooperation in the area of labor force exchange.

The implementation of the bilateral Convention, from the companies having headquarter in Romania, for sending workers in Germany, in the purpose of performing service contracts.

The convention approved by the OG. 167/1991 focused on construction activities, interior decorations activities and cleaning of the buildings in Germany.

Since the NAE took over the directorate activity, beginning with 1st of May 2007 until December, a number of 204 contingent solicitations from 57 companies were registered, and 163 approvals were issued and 6 were returned (in the term provided by the point 7 from the quota repartition Procedure) because the activities proposed were ceased.

From the 204 contingent solicitations, 26 were rejected mainly because did not fulfilled the cumulated selection criteria, mainly because were not able to demonstrate that they were hired for at least 6 months on Romanian territory before the request submission. Another reason was the lack of human resources for developing the contract.

The average number for the labor force contingent for the period submitted to analyze was of 2.209 persons, comparing with the average number of the contingent feasible to use 3.860 persons.

For the new contingent year 01.10.2007-30.09.2008, according with the article 4 of the Convention between Romania and Germany, the total monthly contingent is 4260 workers, an increased number comparing it with the one from the previous year, when the total number of workers registered monthly was 3860.

### Implementation of bilateral agreements concerning the labor force exchange

Beginning with the took over of the implementation activities a decentralization was accomplished for the selection of persons willing to work in the states that signed bilateral agreements with Romania, at the level of territorial agencies for employment.

Romania signed 13 agreements for labor force exchange and 7 are actually running. The functioning agreements are with Spain (for permanent and seasonal workers), France (for interns exchange), 4 with Germany (for guest workers, seasonal workers, contingent and students) and with Swiss (for interns exchange).

#### a) Spain

In the view of implementing the agreement signed with Spain, the National Agency for Employment organized 28 selection actions in 15 counties and in Bucharest. As a result, the number of employed persons was 5487. The counties where several selections were organized are: Dâmbovita, Ialomița, Dolj, Brașov, Galați and also Bucharest. The working contracts for the selected persons are on determined period and vary according with the domain and the activity, between 1 and 12 months. Part of the contracts can be extended, especially for the trunk drivers, the electricians, drivers, welders and bricklayers.

#### b) Germany

Job matching offers were applied for the seasonal workers in agriculture, in the amusement parks, in the hotel industry, also for housekeepers and nursing of persons with disabilities.

It was also accomplished the verification and retransmission of the nominee contracts, followed by the other documents in compliance with the procedures for the guest workers that obtained working contracts in Germany by them selves, to the Principal Office for Foreign Persons and Specialists Job Matching in Bonn.

In the job matching area for seasonal workers, were registered working offers from 207 employers. The answers for the employers were transmitted to the Principal Office for Foreign Persons and specialist job matching from Bonn. A number of 23 seasonal workers beneficiated of job matching services for the amusement parks from Germany, until the end of the year.

In the gastronomical hotels area, were registered 16 offers and the answers were transmitted to ZAV-Bonn. A number of 8 job-offers were solved and accepted by 13 qualified persons in the area.

In the agricultural area, 49 job offers were registered and 37 were favorable solved. A number of 53 person beneficiated by favorable solving through job matching process. Another 6 person received negative answers, for reasons like the lack of knowledge of the German language and a non attractive wage.

As far as it concern the housekeeping aid and domicile nurse ring for persons with disabilities, 180 job offers were registered, 170 were rejected and only 10 contracts were signed. The main reasons for the rejections were represented by the demand concerning the knowledge of the German language and also a small wage.

Until the end of the year, in the area of guest workers, 29 contracts with the additional justification documents were verified and transmitted to the Central Office for Job Matching from Bonn, exposing the solicitants as qualified persons in the demanded domain and certifying the necessary experience for the demanded job.

Between July-December 2007, a number of 12,239 working contracts were issued.

#### c) Switzerland

In the view of accomplishing the agreement with Swiss, NAE send to the Federal Office from Berne 16 folders of the interns, received by the Agency from local agencies for employment (Bistrița Năsăud, Sibiu and Bucharest). The contracts have the duration of 18 months each, the maximum duration allowed for a Romanian intern to stay on the Swiss territory. The visa for temporary residence was demanded for the following crafts: human resources analyst, nurse, shop-management improver.

Seven demands asked information for obtaining the intern contract procedures in Swiss were solved.

#### d) France

According to the contract with France, NAE has sent just one file for an intern, received from the Employment Agency from Bucharest. The intern received the approval of ANAEM France and will develop its activity in BRD France. The maximum duration of the contract is 18 months, the maximum allowed for the Romanian interns to stay on French territory.

During the year 2007, through the former OLFM and beginning with May, through NAE, 37,639 persons were hired abroad, 29% less than in 2006 (53,029 persons). Divided by countries, the situation of the persons obtaining working contracts abroad is: Germany – 27,817, Spain – 9,733, France – 55, Swiss – 34.

A small increase for the number of persons obtaining working contracts abroad through the private recruitment agents was noticed. This increase represents 19.5% for 2007, comparing with 2006 (17,617 persons in 2007, 14,742 persons in 2006). The placement activity and recruitment activity of the private agents is directed to the extra community space as well. Most of the working contracts obtained by the Romanian citizens during the year 2007 through the private agents were in Cyprus– 2,645, Italy – 2,243, USA- 7,121, the smallest number was obtained in Finland– 2, Canada – 6, Swiss – 9, Algeria – 11, Congo – 12 etc.

### ***V.2. Protection of the rights of Romanian citizens working abroad***

Beginning with 2007, NAE developed counseling and information activity for the citizens willing to work abroad. The counseling services regarded the applicable legislation, the rights and obligations they have as employees on the territory of other state, etc. This activity was materialized by solving and solution a number of 529 petitions/information requests and another 200 direct and phone audiences.

The petitions/ complaints/ solicitations are received via mail, fax, e-mail and through the sub-page: [www.muncainstrinatate.anofm.ro](http://www.muncainstrinatate.anofm.ro) (available since July 2007), that can be found on the NAE web page (138 solicitations being transmitted through the webpage between July- 31 December 2007).

Also, a number of 30 petitions complaining about the job-matching activity developed by various private employment agents and another 270 petitions/solicitations regarding various information and subjects were registered.

The typology of the Romanian citizen's problems that are working/ willing to work abroad, as a result of the received petitions and complaints analysis, divided by countries is:

- Spain

- Inappropriate accommodation and working conditions, considerable distance between the accommodation place and the working place or considerable distance until the nearest commercial center;
- Non compliance with the conditions stipulated in the contract (lack of payment for the hours effectively worked, lack of payment for the extra hours, non compliance with the working time specified in the contract or with the type of activity);
- Demands concerning the completion of bilingual Romanian-Spanish labor contracts, with equal probation and juridical value;
- Problems concerning the nominal contracts. The complaints are pointing how the workers were informed by the employer that the working contracts were send in the country, but they do not know any details concerning the itinerary, the person in charge with processing the documents, etc, even if NAE is not responsible for monitoring the contracts exceeding the Agreement for regulating and organizing the working force between Romania and Spain;
- Non compliance for the Spanish employers representatives in Romania, case when many contracts were not respected;
- Non compliance of the working period specified in the contract (in reality the working period is smaller);
- Interrupting the job matching after obtaining the „admitted” statute.

- Italy

- Lack of payment for the activity developed;
- Problems regarding:
  - Recognition of the diploma and professional qualifications;
  - Capitalization for retirement for the period when the person worked in Italy
- Recovering the amount paid by the worker for job matching activity, to the private companies not respecting the conditions provided in the job matching contract;
- Non compliance for the legal provisions during the deployment procedure.

- Germany

- Non-concordance for paying the wages, especially the extra hours, delays in the payments of wages, delays for months in the case of the workers developing the activity according with the no. 167 from 7th of March 1991 concerning the approval of the Convention between Romanian and German Government, regarding the staff from Romanian companies, sent in Germany to develop the activity, on the ground of service contracts;
- Returning the income taxes for the workers activating in Germany, recognition of the period worked and its capitalization on retirement
- Complaints regarding the activity of thirds, interposing in the job matching process.

- Hungary

- The majority of the Romanian citizens working in Hungary are demanding a proof in the view of confirming the length in service for the activity accomplished in Romania, for establishing the rights for the retirement and information concerning the legal ground for recalculating the retirement.

- Great Britain
  - The practice of transmitting employment offers via e-mail, used by some companies or persons, that are demanding amounts through bank transfers, without any kind of guarantee, for the signing of a working contract;
  - Agents taking advantage by the jobseekers lack of knowledge concerning the legislation, especially for the persons willing to develop an independent activity. As a result, the agents are promising to take out the working contract and the work authorization, elements not required in this situation.

In the purpose of avoiding the problems or the possible problems that the Romanian citizens are confronting abroad, were elaborated:

- Personalized models for complaints in the countries where considerable Romanian communities are activating. Those models were transmitted to the county agencies for employment in the purpose of monitoring the complaints and elaborating their typology. The personalized models were transmitted to the working and social problems attaches from Spain, Italy, Great Britain, Northern Ireland, Germany and Austria. The models were also transmitted to the Ministry of External Affairs with the request of distributing to all Romanian legations abroad;
- The Guide of the Romanian worker in Italy will be printed and distributed, and the guides for Hungary, Germany, Austria, Spain and Great Britain will be updated.

## **CHAPTER VI. THE COORDINATION OF THE SOCIAL SECURITY SYSTEMS**

Starting with 2007, the NAE, in its quality as a Public Employment Service and Member state from EU, has attributions concerning the application of European regulations regarding the coordination of the social security systems, respectively the application of provisions stipulated by the (CEE) 1408/71 and 574/72.

During the year 2007, NAE received from the competent institutions of other EU Member States and from physical persons over 100 demands for releasing the European forms E301, in the view of certifying the insurance periods accomplished in the unemployment insurance system from Romania.

Just 6 cases were registered for demands concerning the unemployment benefit right in Romania, considering the periods for the unemployment insurance accomplished by other Member States, certified on the ground of E 301 forms issued by the competent institutions.

Regarding the maintenance of the right for unemployment benefit corresponding to the period when the unemployed persons from other member state were looking for a job in Romania, ca. 30 cases were registered in 2007. The unemployment benefit was granted on the base of European form E 303 issued by the competent institutions of the involved member states and was registered to the county agencies for employment.

## **CHAPTER VII. NAE PROJECTS FINANCED FROM EXTERNAL FUNDS**

The projects financed from external funds envisaged the strengthening of the institutional capacity of the National Agency for Employment in the following important area:

- Counseling for persons with disabilities;

- Stimulation of the private initiative and the developing of business through granting micro-credits;
- Collaboration with the European Public Employment Services;
- Training for the own staff.

➤ The **Social Sector Development** project (whose management unit is in the Ministry of Labour, Family and Equal Opportunities) is developed with grants from the BIRD - RO 4616 loan.

❖ Objective “**Counseling services for the persons with disabilities**”

This objective started in 2004 and will end on the middle of 2008. The objective target is on one hand to develop the capacity of the employment agents to provide counseling and job matching services for the persons with disabilities by setting up 8 counseling pilot centers in 8 regions of development and also to increase the chances of employment for the disabled persons by offering personalized assistance both to the persons with disabilities and to employers as well.

During the year 2007 the following activities were implemented:

- Improving the collaboration at local level between different public or private institutions developing activities for the protection of persons with disabilities. (NAE concluded a partnership agreement S.C. GENPACT ROMANIA SRL (company activating in Bucharest, in the Business Process Outsourcing area – supplying technological solutions and business services for the multi-national companies in areas like: IT, Finance and Accounting, Acquisitions, Commercial Services, etc.);
- Realization of an information campaign concerning the counseling and job matching services for persons with disabilities, in the view of increasing the visibility of the services offered by the National Agency for Employment for this category of beneficiaries. The launching conference of the campaign at national level was on 28th of September 2007, being followed by meetings with the social partners from every county (all 42 counties). Representatives of NAPD, local authorities, employer’s organizations, trade unions, NGO representatives, etc participated at the meetings.
- The training of the staff supplying counseling and job matching services for persons with disabilities in the 8 pilots centers;
- Creation of a volunteers network inside of profile NGO-s collaborating with the NAE staff (advisers and job-matching officers) in the purpose of offering specialized services for the persons with disabilities and for the employers interested to hire persons from this category;
- Approval for **setting up 12 counseling centers for the persons with disabilities**, in the purpose of expanding the experience in other counties, with the final purpose of implementing this project at national level.

❖ Objective “**Micro crediting funds**”

This objective began in 2005, and will be finalized in 2008. The amount provided for granting micro credits in the view of sustaining the employment is 12 millions USD.

The micro credit program is addressed to the physical persons willing to develop a small business, to the family associations and micro companies. This program is complementary with the program of granting credits with low interest from the unemployment budget according with the no. 76 /2002 with its further adjustments and completions.

For every Euro region was established a micro-crediting fund with a value of 1 million Euros.

In 2007, a number of 1457 micro-credits were granted with a total value of 9,818,984 USD. Divided by regions, the amounts are:

- Region 7- Center- 322 micro-credits, with a value of 1,531,650 USD;
- Region 2 South-East -130 micro-credits, with a value of 1,651,900 USD;
- Region 5 West - 330 micro-credits, with a value of 1,362,450 USD;
- Region 3 South – 283 micro-credits, with a value of 1,679,650 USD;
- Region 6 North-West - 239 micro-credits, with a value of 1,470,034 USD;
- Region 1 North-East - 105 micro-credits, with a value of 1,394,500 USD;
- Region 8 Bucharest-Ilfov - 48 micro-credits, with a value of 728,800 USD.

As a result of granting micro credits, a number of 3019 already existing jobs were sustained and consolidated and 94 new jobs were created.

#### ❖ Objective “**Vocational Training Centers**”

This objective is a continuation of the component with the same name from the project Employment and Social Protection and will be finalized in 2008. The purpose of this project is to develop the capacity of offering vocational training services through the modernization of own centers from the NAE structure and the creation of new centers. The project continued during 2007 with the acquisition process of equipments necessary for those centers. Until 31 of December 2007, from the total amount allotted, of 8.61 millions USD, approximate 4. 2 millions were spent and during the year 2007 ca. 1. 4 millions USD were spent.

- The project „**Public and private services: toward a system for the quality insurance**”, initiated by the Ministry of Labor and Social Policies from Italy and financed by the European Commission has the purpose of elaborating a set of guidelines regarding the total quality concerning the selection, evaluation and monitoring of the private employment services. National Agency for Employment participated in an active manner in the view of creating a set of activities developed in 2007, like: a workshop and the final Conference of the project organized in Rome.
- The SISPI project „**Support for PES internalization**”, developed by the Ministry of Labor and Social Policies from Italy was developed in the frame of the National Operational Program „Information exchange and counseling services for the support of PES at international level”. The National Agency for Employment is represented by the County Agencies from Timiș and Mehedinți as partners. In this context, the NAE representatives participated at a series of workshops organized in Italy. The NAE President presented the involvement of Romania at this project during the final conference held in Rome.
- In 2007 the implementation of the ***Working Life Mobility Program (WLMP)*** began. ***WLMP is a project of cooperation developed on 3 years financed and implemented by the National Council for Labor Market (AMS) – The Public Employment Service from Sweden. The 12 new Member States, Croatia, Macedonia and Turkey were invited to participate at this program.***

The main goal of the Working Life Mobility Program is to contribute on the long term employment and on the efficiency of the labor markets through the developing of the knowledge and the practical tools in the view of managing efficiently the geographical and occupational mobility.

The NAE representatives participated in 2007 to workshops organized in different countries within the following projects from the Working Life Mobility Projects:

Vacancies identification: cooperation with the employers (Romania is the host country);

- Mobility and industrial restructuring;
- Facilitating geographical mobility ;
- Vocational guidance;
- Different models for the employment services;
- The employment services and the EU wide mobility.

- The Dutch Romanian project „**Monitoring and evaluating the active policies**”, financed by the Ministry of Work and Social Affairs from Holland and implemented by SEOR Institute began in 2007 and will continue during the year 2008. The main purpose of the project is to develop the agency capacities of monitoring and evaluating the employment policies through the net impact methods. 11 county agencies are involved in the project. The project contains 5 workshops and a study visit in Holland. In 2007 a workshop was held in Romania and a study visit in Holland took place.
- The Technical Assistance Phare Project 2004/016 – 772.03.05 „**Improving the social security for the migrant workers**”, (initiated by the Ministry of Labor was launched in June 2006) and benefited by assistance from the Ministry of Social Affairs and Employment from Holland and continue during 2007. The purpose of the project was to develop the administrative capacity of the institutions involved in the coordination of the social security systems under de Ministry of Labor, Family and Equal Opportunities authority, mainly NAE and National House of Pensions. During 2007, was finalized and tested the IT application for registering the unemployed persons benefiting from the provisions of the regulations (CEE) 1408/71 and 574/72 regarding the coordination of the social security systems. Also, the necessaries equipments for training the users were insured.
- The project “**Center for social support and professional training for Rroma ethnic persons**” Blaj, in collaboration with UNDP and co-financed by UNDP and Swedish Government intended to increase the capacity of offering information, counseling, job-matching and training services for the Rroma Ethnic persons. The project is feasible together with the local authorities, in the purpose of assuring the integration of social type services at the community level.
- The project „**The integration of the National Agency for Employment in the EURES Network**”, financed from Phare 2006, with 8 months duration. The technical assistance contract for this project was signed in November 2007. The purpose is the strengthening of the National Agency for Employment institutional capacity, taking also into account to transpose the *acquis communautaire* for the labor force mobility, especially for the EURES Network, in the purpose of assuring the compatibility between the NAE IT system (hardware and software) and the EURES system demands. The project becomes effective in 2008.

## CHAPTER VIII. THE UNEMPLOYMENT INSURANCE BUDGET

The volume of venues and expenses of the unemployment budget and its structure, on chapters and subchapters at venues and expenses destinations was approved by the Law no. 487/2006 of the social insurance state budget for 2007 and was modified twice afterwards, through Decision Ordinance no. 91/2007 and Government Emergency Ordinance no. 40/2007 regarding the rectification of the state social insurance budget for 2007.

The final form of the budget provided a venue volume in value of 2,554,761,000 lei, 23.31 percentage points over the one achieved in 2006. Regarding the expenses, the amount of 1,697,840,000 lei was with 9.98 percentage points over the level of the points accomplished in the previous year. It was established that after the completion of the financial exercise 2007, an exceeding value of 856,921,000 lei should result. From this amount, 676,163,000 lei should represent the unemployment insurance budget surplus and 180,758,000 lei the guarantee found surplus.

### VIII.1. The budget execution for the unemployment budget

The budgetary execution, without the definitive provisions established by the rectified budget at 31 of December 2007 was:

<Ron>

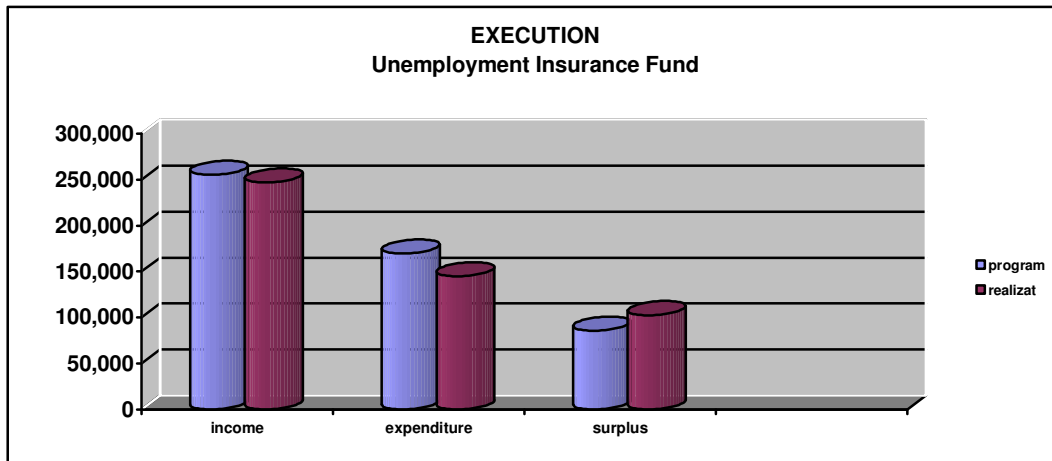
Indicator	Program	Accomplished	%
Venues	255,476.1000	247,212.5894	96.76
Expenditures	169,784.0000	144,744.0612	86.10
Exceeding	85,692.1000	102,468.5282	119.58

The last form of the budget, approved through the Government Ordinance no. 40/2006 presented a volume of venues that could not be accomplished. Even so, the surplus programmed for the end of the budgetary year was exceeded with 19.58 percentage points.

As a result, we can say that the budgetary process for unemployment insurance found benefited of a realistically approach, in conformity with the microeconomic context and with the Government priorities concerning: the maintenance of the deficit for the current account in sustainable limits; the budgetary venues consolidation for insuring the financial resources needed for sustaining the expenditure commitments that Romania will face in the following years; the stimulation of the durable increase and the assuring of the absorption capacity for the structural and cohesion funds.

Must be mentioned that in 2007, according with the annual budgetary law, the level of social contributions for the unemployment budget was established at 2.5% for the contribution due by the employers and juridical and physical persons assimilated, 1% for the employees and 3.5% for the contribution due by the persons assured on the ground of the unemployment insurance contract.

In the graphic below it is presented the budgetary execution at 31 of December 2007:



*Sources: National Agency for Employment – for expenditures;  
National Agency for Tax Administration – for income*

Taking this into consideration, it can be noticed that the Unemployment Insurance Fund did not face difficulties regarding its capacity to ensure the necessary resources for financing, in good conditions, all activities envisaged in the employment and vocational training programs, as well as for the proper functioning of the system and for the Fund's management, also being possible the financing of the supplementary tasks given to it.

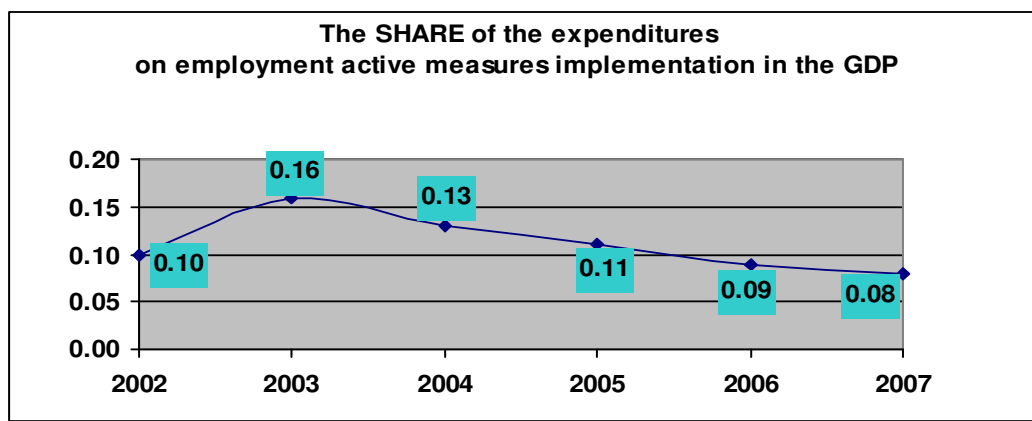
### **VIII.2. The unemployment Insurance Fund expenditures**

As mentioned above, the expenditures for 2007, from the unemployment expenditures fund, were lower than the level of expenditures indicated following the budget rectification. Thus, out of the amount allotted, respectively 1.697.840.000 lei, the effective expenditure represented 86.10%, namely 1.447.440.612 lei.

The failure to achieve the provisioned volume of Unemployment Insurance Fund expenditures did not represent a diminution of the resources allotted, but it was a consequence of the major diminution of the number of social protection measures beneficiaries, especially as a consequence of the reduction of the number of unemployed receiving the unemployment benefit as compared to the previous year, as well as the temporization of collective lay-offs, in 2007 the lowest unemployment rate being registered.

In 2006, a series of active employment measures, already described in the previous chapters of this activity report, were financed from the Unemployment Insurance Fund.

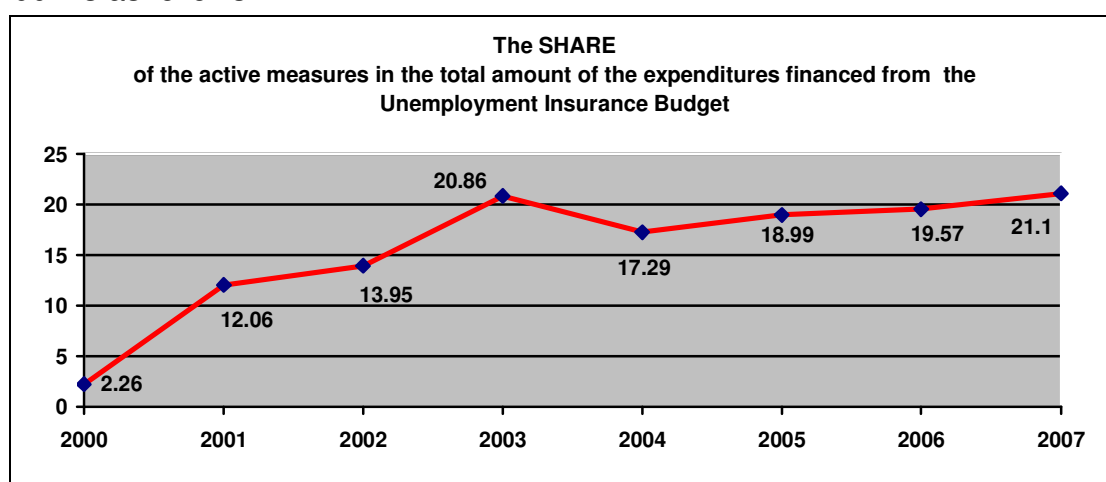
The compliance of the budgetary policy in the employment field with the above-mentioned coordinates is concretely reflected by the share weight in the GDP by the expenditures with the active measures, for 2002-2007, its graphical representation, being the following:



Source: National Agency for Employment

It can be inferred that, although 2003-2006, the expenditures on active measures implementation stagnated, in absolute value, at a level ten times higher than the one corresponding to the main year of the reference period, their share in the GDP registered a slow decrease due to the accelerated rate of increasing of the GDP. (0,16% in 2003, 0,13% in 2004, 0,11% in 2005, 0,09% in 2006 and 0.08% in 2007).

Regarding the rate of expenditures with active measures in the total amount of expenditures financed from the unemployment insurance budget, its evolution during 2000-2007 is as follows:



Source: National Agency for Employment

Overall, the situation of the Unemployment Insurance Fund expenditures on the implementation of the active employment measures is as follows:

Active measure	Final Budget Provision	Budget Execution as of 31.12.2007	%
Vocational training	37.879.000	24.723.209	65,26
Stimulating graduates' employment	172.764.000	59.724.685	99,99
Stimulating the unemployed to take-up employment before the end of the period for which he/she is entitled to receive the unemployment benefit		13.241.495	
Stimulating labour force mobility		5.724.989	

Stimulating the employers to hire unemployed belonging to the vulnerable categories Incentives for stimulating graduates		90.180.714 2.974.098	
Temporary employment programs	93.665.000	85.435.413	91,21
Active measures for fighting unemployment (career counseling and guidance)	3.250.000	2.759.956	84,92
Collective pre-lay-off services	1.177.000	1.089.611	92,57
Granting loans in favourable conditions for setting-up SMEs	46.300.000	7.264.794	15,69
<b>Total</b>	<b>355.035.000</b>	<b>294.034.294</b>	<b>82,82</b>

In the same time, it is ascertained that, according to the new indicators classification on the unemployment insurance budget, according to the annex No.4 from the Ordinance No.1954/2005 of the minister of public finances, starting with 2006 a part of the active measures financed from the set up budget, are no longer envisaged separately.

Nevertheless, when elaborating the annual execution account, with a view to assuring a comparison with the previous years, it was, informally, maintained the old budgetary classification.

As compared to those already described, the synthetic situation of the financed expenditures for 2007, as concerns the unemployment insurance budget as a whole, structured on expenditures chapters, is as follows:

Cap.	Indicators	O.G. no. 40/2007	Execution year	%
5004	Expenditures amount	1.697.840.000	1.447.440.612	85,25
6504	Education	41.548.000	26.871.873	64,67
6804	Social insurances and assistance	1.334.999.000	1.151.191.850	86,23
8004	Economic, commercial and labour activity	321.293.000	269.376.889	83,84

### VIII.3. The surplus of the Unemployment Insurance Fund

The 2007 financial exercise ended with a surplus of 856.921.000 lei, to which, previous year available finances being added, leads to a balance account of the financial resource of the unemployment insurance budget of 3.913.198.520 lei, at the end of the year.

## CHAPTER IX. THE ACTIVITY OF NAE'S MANAGEMENT AND ITS FUNCTIONAL DEPARTMENTS

As derived from the nature of its attributions, NAE is a tripartite-management institution, assured by a **Governing Body** which coordinated its entire activity, being involved, through the decisions made, in all the action undertaken throughout 2006.

In 2007, the Governing Body submitted to debate and adopted, the national employment and vocational training programs for 2008, NAE's and its subordinated entities organizational chart, the annually report on NAE's activity for 2006, employment balance sheet for 2006, the explicative report on the executive account of unemployment insurance fund for 2006, the EURES Activity Plan 2007-2010, positions chart, the organizational chart framework and the NAE's and its subordinated structures organization and functioning regulation, the set up and the disbandment of some regional structures, working procedures for implementing different actions at regional level, the development of the network of the centers for vocational training and counseling and labour exchange for disabled persons, the outsourcing of the IT services

The **Governing Body** decisions the exact and periodic information on the current activities of the Agency.

The **Advisory Councils** within the county agencies for employment and the Bucharest Municipality agency carried-out their activity in a more stable formula, thanks to the concern of the social partners who were a real support for the executive management of the agencies.

The **President** of the National Agency for Employment carried-out the decisions of the Governing Body, adapted the Agency's activity aiming at the achievement of the objectives included in the national and international programming documents, as well as those included in the Contract of manager performance concluded with the Ministry of Labour, Family and Equal Opportunities

He also represented the National Agency for Employment, as president of the Public Service for Employment from Romania, at the formal and informal work meetings organized at European level and he established important contacts and collaborations and he developed relationships with different public services for employment and other international bodies.

He took part in the biannual meetings of the European Union SPO, organized by the European Union Presidency (June 2007, at Nuremberg and December 2007, at Lisbon).

He represented the agency in its relationship with the written, audio and visual press.

The **Secretary General** of National Agency for Employment coordinated the activity of the institution departments and implemented the decisions adopted by the governing body. He ensured the full transparency of its activity and the access to the data and information of the activities undertaken by the National Agency for Employment and its subordinated structures.

The **Directorate for Labour Force Management and Active Measures Programs** ensured the follow-up of the evolutions and tendencies of the unemployment registered at national level, for each county and the various deriving structures, this information representing the basis for setting-up the objectives and for drafting the programs on employment stimulation measures.

On the basis of the territorial agencies' propositions, it worked-out the annual employment program according to its different structures for 2008.

It ensured the monitoring and coordination for:

- implementing the employment and vocational training programs for 2005;
- reaching the performance indicators established in the framework of the commitment contracts concluded with the county agencies for employment and the Bucharest Municipality agency for employment, as well as those established in the framework of the commitment contract concluded with the Ministry of Labour, Social Solidarity and Family;

- The general and specialized job fairs organized in the territorial agencies;
- The programs and projects with external financing, implemented with a view to increasing the employment chances for the persons registered with the employment agencies, especially those who have a more difficult access to the labour market;
- The activity of implementation of the actions of integration of the young who risk the social exclusion;
- Other activities meant to provide a better communication of the agencies' staff with the community (the employment caravans in the rural areas and in the Roma communities, elaborating and concluding partnerships with different bodies and institutions).
- The activities included in the collaboration protocols/agreements/partnerships concluded with other relevant actors from employment field;
- The pre-lay-off services organized by regional structures.

Before reorganization NAE participated in the elaboration of EURES Activity Plan for 2007-2010.

It elaborated the activity report for 2006, the employment balance for 2006, the quarterly reports on achieving the provisions of the manager performance contract concluded with the Ministry of Labour, Family and Equal Opportunities and other materials required by the Government institutions (notes, point of views on legal papers, plans of actions etc).

By its representatives he participated actively in different projects and national and international workshops which had as object the employment activity, as well as in the framework of some commissions, national councils, coordination groups set up at the level of other governmental institutions. It represented the institution repeatedly, by the director of the directorate, in its relationship with its written, audio and visual press.

**The Vocational Training Directorate**, set up in 2007, by separation from the Directorate for Labour Force Management and Active Measures Programs, elaborated according to a standard procedure for setting the basis of the need for vocational training at the level of each county, the National Plan for Vocational Training for 2008.

It ensured the monitoring and coordination for:

- The implementation of the vocational training plan for 2007,
- Reaching the performance indicators for vocational training activity and for information and vocational counseling activity, indicators established in the framework of the commitment contracts concluded with the county agencies for employment and the Bucharest Municipality agency for employment, as well as those established in the framework of the commitment contract concluded with the Ministry of Labour, Social Solidarity and Family;
- The activity of information and vocational counseling carried out by the regional structures;
- Reaching the performance indicators established in the framework of the commitment contracts of manager performance, concluded with the Regional Adult Training Centers,
- The activity of the Regional Adult Training Centers and the centers for vocational training from the framework of regional agencies,
- The activities included in the collaboration protocols/agreements/partnerships concluded with the other actors from vocational training market and from information and vocational counseling field,
- Programs and projects financed from internal and external sources implemented in the field of information and vocational counseling and vocational training (vocational mobility, Roma persons inclusion etc.);

- Other actions meant to provide a better communication with the other actors involved in adults vocational training;

By its representatives it participated actively in different projects and national and international workshops which had as objective the vocational training and information and vocational counseling activity, as well as in the framework of some commission and coordination groups set up at the level of other governmental institution.

The main objective of the **Economic Directorate** was to ensure the financial support of the employment stimulation measures and the payment of the unemployed financial rights, as well as the special social protection, for the persons dismissed following collective lay-offs and to manage warranty fund for wage debts.

In the same time, the material and financial resources were assured for the good functioning of the activity at all organizational levels: central, county and local, as well as for the regional adults' vocational training centers (according to the income budget and approved expenditures).

Despite the difficult 2007 budgetary year, with many budgetary restrictions, especially when taking into account the rectifications due by the evolutions of the consolidated budget, which included the Unemployment Insurance Fund, it could finally ensure the resources for carrying-out the jobseekers' employment and vocational training objectives.

The **Directorate for Human Resources and Remuneration** ensured the management of the human resources at national and county levels, through organizing the job vacancies selections, the drafting of the job descriptions and of the own staff organizational chart, respectively the frame organizational chart for the units within NAE, the assessment of the individual vocational performances for the civil servants among NAE's own staff and for the management of the units within NAE.

It elaborated and justified own staff expenditures, enforced the legal provisions on civil servants remuneration.

By implementing the plan for own staff vocational training, during 2007 courses for different activity fields were organized (the projects management; the public acquisitions management; the risk situations management, the management applied for employment services, tutors and trainers training; training for making National Observatory for Employment and Vocational Training functioning; English language; human resources training; obtaining ECDL) in which participated 1946 persons, from which 105 were from NAE.

The **Directorate for Databases Management** implemented the Mercur IT System for enforcing the provisions of the Regulations (EEC) 1408/71 and 574/72 on social security system coordination. (The forms E301, E302, E303 and E001 will be managed), financed by Phare funds. By this project was ensured the required soft (on NAE's web page), the equipments and the required training for a number of 33 persons from the regional units.

In 2007, the directorate ensured the functioning of NAE's IT system and developed new functionalities related to cash entitlements rights stipulated by Law 72/2007 on stimulating pupils and students employment and also other legal documents that provide social protection rights (for the persons dismissed following collective lay-offs and for warranty fund for wage debts; the partial improvement of the hardware infrastructure, email systems were maintained and upgraded, security, intranet and internet, storage and databases and created the informatics section of managing the job offers from EEA and Swiss for Romanian applicants (for EURES network), respectively a linked webpage and started the development process for applicants registering and offers automatic research sections.

The **Legal and Methodological Directorate** elaborated and proposed in view to initiate legal documents projects corresponding to the NAE's activity area. It also participated to the drafting of the legal acts initiated by the Ministry of Labour, Social Solidarity and Family or other ministries and institutions in the central public administration, which included incidental provisions or provisions related to the fields of employment and vocational training, as well as provisions on the protection of the unemployed, of the persons dismissed following collective lay-offs and of the jobseekers. (Government Emergency Ordinance no. 2/2007, Ordinance of the minister of labour, social solidarity and family no. 103/2007, Government Decision no.492/2007, Emergency Ordinance of the Government no. 55/2007, Government Decision no.726/2007, Ordinance of the minister of labour, family and equal opportunities no. 662/2007, Government Emergency Ordinance no. 91/2007 )

Moreover, it ensured the methodological guidance with regard to the means of unitary enforcement of the incidental legal provisions in the field of jobseekers' employment and vocational training, at national level.

It developed punctual and appropriate solutions to the complaints made by natural or legal persons, of public or private law, against the National Agency for Employment. From 662 addresses and requests made by natural or legal persons (from which 605 were received in 2007), were solved 629 requests, the rest of 33 requests being in solving at the end of 2007.

The Legal and Methodological Directorate represented the National Agency for Employment in court, taking part in the law suits at all levels of jurisdiction, coordinating and monitoring the law suits in which the territorial agencies for employment were involved. From the total amount of 102 litigations allotted for solving to the Legal and Methodological Directorate, 22 were solved by keeping the court decision final and irrevocable, 70 litigations were pending at court, the institution cancelled the legal dispute in the case of 9 litigations and one dispute was adjourned.

It also endorsed for making administrative documents, contracts, protocols as well as other legal documents legal by which the Agency commits with its patrimony and offered legal assistance in solving problems proper to some segments from the institution framework for implementing special actions (e.g.: the way of implementing the provisions on low-interest credits; the regulations on assigning public acquisition contracts; the legal provisions related to civil service and servants).

The **Directorate for Internal Audit and Control** carried-out its activity on three main directions: public internal audit, financial self-control and active measures control.

The main objective of the audit planned missions was the diagnosis of the whole system in technical, managerial and financial-accounting terms, with a view to increasing the efficiency of all activity sectors and the quality of the services granted to clients.

Throughout 2007, 15 planned audit missions were carried-out, 2 ad – hoc audit missions, 3 spot-checks carried-out following intimations, an audit mission started in 2006 was carried out in 2007 and 3 counseling missions were started up, and will be continued in 2008. As a consequence of the undertaken analyses, was drafted a systematic assessment of the risk factors, which might interfere with the achieving of NAE's major objectives. The recommendations in the audit reports and the discussions with the stakeholders led to the diminution of the impact of the risk factors in carrying-out the activities of NAE and of its subordinated units.

The managing financial control was carried-out in 24 units, according to the approved schedule and 10 spot-checks. Some irregularities were therefore identified and operative measures were set forth to remedy the deficiencies.

At county level, some specialized divisions carried-out the active measures control. At national level, the methodological guidance of the staff in charge with the control was

ensured and 25 planned checks were carried-out with a view to acquiring a better knowledge of the activity of these structures and 13 spot-checks. These actions led to the identification of certain irregularities in active measures implementation, of the failure to comply with the legal obligations on behalf of some economic agents, reason for which adequate measures, terms and responsibilities were established.

***The Intermediary Body for the Sectoral Operational Program for Human Resources Development (IBSOPHRD) focused on developing the portfolio of projects which are to be financed, starting with 2007, in the “Modernization of the Public Service for Employment” 4 priority axis framework from the Sectoral Operational Program for Human Resources Development 2007-2013.***

For a higher absorption of the allotted amount, conjunctly with NAE’s management, 2 ways of identification of the portfolio of projects were adopted:

- a) The identification of the strategic projects – projects that aim to the development, strengthening and modernization of the Public Service for Employment at national level
- b) The identification of the projects that aim to the development/strengthening of the county and local agencies

Also, IBSOPHRD Directorate participated, together with Ministry of Education and Research and under the coordination of the Management Authority, to the development of the Sectoral Operational Program for Human Resources Development, a project approved by the European Commission in November 22, 2007 and launched officially in February 15, 2008 by the Ministry of Labour, Family and Equal Opportunities.

With a view to increasing the absorption capacity of European funds of pre-accession, IBSOPHRD directorate collaborated with all the County Agencies for Employment. The active collaboration and the given support with a view to elaborating projects materialized as follows:

- 11 county agencies concluded 18 contracts of implementing the projects from Interregional Cooperation Program INTERREFG 4 and Phare Program /2005.017-553.04.02, reference 03 “Social Inclusion Measures” framework;
- for 10 county agencies the contracting for the submitted projects is on the way in the framework of the Phare Program /2006.018-147.04.01, reference 02 “Social Services” respectively of the Phare Program/2006.018-147.04.01, reference 01 “Social Inclusion Measures”.

***The Directorate for Information, Counseling and Job Matching on Working Abroad,*** set up in 2007 as a result of the measures of NAE’s institutional reorganization, ensured:

EURES national network activity coordination and monitoring,

- Collaboration with the public services for employment from the European Services for Employment (EURES) framework, the implementation of the appropriate activities of the EURES network (information and counseling for the persons who want to work in the EU member states and in the signatory states of the Agreement on the Economic European Area),
- Implementing the actions corresponding to 2007, included in the EURES activity Plan for 2007-2010,
- Carrying out, coordinating, monitoring the selection activities in Romania as a result to the labour force request from the states from EEA,
- Editing the reference book on the work and life conditions in Romania and other advertising materials,

- Training EURES counselors for uniformly implementing the internal and European procedures from mobile workers field in EEA,
- The EURES counselors' participation in appropriate information actions organized by other states represented in EURES network.

Also, the EURES manager participated in work meetings organized at the level of the states represented in the network framework.

The ***Directorate for Implementing Bilateral Legal Agreements***, set up in 2007 as a result of NAE's taking over the activities of the Office for Labour Force Migration in the field of labour force recruiting and placement abroad and the activities of the Directorate for Evidence and Monitoring from the Department for Working Abroad framework in the field of migration and Bilateral Agreements on Labour Force Exchange monitoring, assured:

- The monitoring and the coordination of the activity of implementing the agreements and the bilateral conventions on labour force exchange concluded by Romania with other states,
- Statistical evidence of the Romanian citizens that go abroad by bilateral instruments implementation through NAE, as well as through private companies of labour force recruitment and placement abroad;
- selections organization support for Romanian labour force recruitment and placement abroad, organized in order to fill the job offers submitted by foreigner companies,
- the implementation of the Convention on the distribution of the labour force quota to the companies with the headquarters in Romania which perform service contracts in Germany

and elaborated projects on implementation procedures of the bilateral legal instruments from the competence field and participated in negotiation of the bilateral documents of cooperation from labour force exchange field.

It was involved in the coordination group activity of implementing the Strategy on Migration and offered answers to the applicants for jobs abroad regarding the legal views on labour force migration.

The ***Directorate for Protection of the Romanian citizens' rights that work abroad*** carried out the counseling and information activity for the Romanian citizens that work or want to work abroad on relevant legislation, on the rights and obligations they have as employee on the territory of another state etc.

For this it ensured:

- the monitoring of the petitions and the complaints concerning the problems with the violation of the Romanian citizens rights that work abroad;
- solving the addressed petitions;
- the mechanism for forwarding the complaints by elaborating individual complaints models, the possibility of forwarding these on NAE's web page,
- the elaboration or the upgrading of the reference manual by countries for the persons who work abroad, as well as of other advertising materials,
- introducing on NAE's web page some information about the work conditions, social insurances, and other rights of the workers that carry out activity with legal documents on the territory of other states;
- participating in information campaigns on Romanians rights on the territory of other states with which Romania has bilateral agreements in the labour force exchange field;

- active participation in workshops organized in Romania and abroad on problems from the competence field.

It also represented NAE, by the director of the directorate, in its relationship with the written, audio and visual press in the competence field.

It participated actively in the framework of some work groups, coordination or negotiation at the level of some other governmental institutions level, in bilateral agreements (the Agreement between USA and Romania regarding the USA forces activity on local civil labour force employment; the Agreement between the Government of China and the Government of Romania in the bilateral cooperation field in the framework of the Work Services) and labour force field.

The **Directorate for International Relations** followed up the development of the bilateral co-operation of NAE with Public Services for Employment within EU Member States and, also, with neighbor countries. In this way, throughout 2007, bilateral co-operation Protocols were signed with Serbia (February), Moldova Republic (June) and Netherlands (October).

Also:

- it ensured the participation of NAE's management in international important events;
- it supported the participation and the initiation of some international projects and involved actively in carrying those project out ensuring, also, the needed translation service. In November 2007 NAE concluded with Veneto Lavoro (technical agency with responsibilities in the field of employment from Veneto region, from Italy) a Protocol for collaboration in the field of employment and of labour market integration concerning the problems of transnational dimension strengthening;
- it took part and ensured the participation of NAE's representatives, nominated as observer members, to the works of some committees and work parties functioning at the EU level: the Committee for Employment, Ad Hoc Group, NAE's Indicators Group, and EURES group. NAE was also represented at the meetings of the group of experts participating in the Mutual Information System on Employment Policies in Europe (MISEP);
- it ensured the participation of NAE's representatives in a series of meetings and events on different themes, organized in the framework of some projects or financed by international institutions ( the Third European Recruitment Job Fair, that took place in Larnaca, at the end of February; study visits in the framework of "Leonardo da Vinci" project on self-employment in Poland – February, Finland – June; the forth Annual Conference of the European Network of Micro-financing, carried out at Berlin in April; the International Workshop on the employment chances of vulnerable groups from South-East Europe, organized by the European Council at Strasbourg in May; the Workshop on vocational training , organized by TAIEX Office in Macedonia, in June).
- It ensured the coordination of the social security system for migrant workers, as connecting body.

In the framework of the bilateral cooperation program with PES from UE member states and from Romania neighbor countries, organized a series of mutual study visits, from which we mention the following: Bulgaria, Moldova Republic, Austria, Germany, Netherlands, Serbia, Hungary s.a.

The NAE's representatives have had an important contribution to the cooperation in the field of employment under the Stability Pact for South-East Europe, coordinated by the Council of Europe and the Budapest Regional Office of the International Labour Organisation. The report worked-out by Bosnia & Herzegovina was analyzed in detail and recommendations were issued for improving the employment situation in the country.

***The National Center For Own Staff Vocational Training (NCOSVT) from Rasnov***, subordinated to NAE and set up as a result to the implementation of the Project of institutional twinning "PHARE 2003 – Support for NAE's institutional capacity strengthening", carried out a series of preliminary activities for its good functioning. So, it aimed to: the finalization of the work for adjusting the facilities, ensuring the furniture and the required equipment, the preparation of the educational materials and of preparation programs, of the trainers and of the tutors.

By a financial effort of 7,358,000 RON (2 million EURO), from which 483,000 RON PHARE funds and 6,875,000 RON Romanian contribution the following have become operational: the housing center with 92 rooms; a restaurant with a capacity of 200 persons, a training annual capacity 835 pers/year.

For the training process the following were ensured: 3 courses rooms, an andragogy laboratory, a library with 1,000 specialty manuals; 52 trainers; 125 tutors; 11 persons with training and administrative tasks employed at NCOSVT Rasnov.

Throughout 2007, have been completed 32 training program included in the training offer of NCOSVT Rasnov for 2008, oriented on labour market problems, on the employment management, on the implementation of the specialty legislation, on the employment techniques and methods knowledge, on the employment program financing and specialized activities automation.

The provisions of NAE's improvement program for 2008 and for 2009-2010 ensure a rate of inclusion of the own staff in courses organized by NCOSVT Rasnov of 25%.

The ***Directorate for Communication and Governing Body's Secretariat*** had an important contribution, throughout 2006, in promoting and making NAE's services more visible, through:

- organizing press conferences at national level on the occasion of the various events carried-out by NAE or by its subordinated institutions;
- the coordination of press conference organization at local level;
- issuing press releases, as well as of other information materials at national and local level;
- ensuring the dialogue with television, radio networks and written press for the organization of interviews given by the President of NAE and other representatives of the institution;

The relevance of the intensity and quality of NAE's advertising actions was also reflected through the existence of some permanent columns or broadcasts in newspapers and on the national and local televisions respectively, a fact proving the existence of a good cooperation relation with the media, reflecting at the same time the importance NAE has gained in the public opinion.

In 2007, the NAE activity was reflected in 2007 in central written media in an overall number of 639 articles, as it follows: 108 positive articles (16,9%), 505 neutral articles (79%) and 26 negative articles (4,1%). Among these articles, 437 were referred to NAE, 104 to the Bucharest Municipality Agency and 98 to various county agencies for employment.

After analyzing the articles related to NAE's activity, it can be noticed that the newspapers with greater circulation had constantly taken-up the handouts given by the Agency. The

weekly or monthly magazines had also comprised materials on the national agency's activity.

The most advertised materials were relative to job fairs, vacancies, unemployment rate, on how to work in EU through NAE, and to EURES activity.

Following the 639 articles issued in written media, related to NAE's activity, the image coefficients can be classified on a scale from (-) 2 to (+) 2, such as:

- 108 positive articles, out of which 93 with a (+) 1 coefficient and 15 with a (+)2 coefficient;

- 505 neutral articles (0 coefficient);

- 26 negative articles, out of which 17 articles with (-) 1 coefficient and 9 articles with a (-) 2 coefficient.

The NAE's activity has been made public also through the audio and video media, with 186 interviews and 217 coverage.

In the local media there were registered 11.681 issuing (12711 articles, 18077 audio interviews and 12902 video coverage).

Taking into consideration these figures, the NAE's image in the national and local media can be envisaged as positive.

The Communication directorate also ensured the appropriate organization of NAE's Governing Body meetings, through prompt collecting and delivery of the materials submitted to the members' debate and approval, drafting the minutes, and providing the material conditions for the organization of the meetings.

### **Other activities of the functional departments**

After the adoption of the Government Decision No. 1347/2007 for approving the Measures Plan for supporting the Romanian citizens located in Italy, following the circumstances created when the Italian state adopted new regulations, amended and completed, aiming at urgent measures in the field of expulsions and alienations for terrorism and for imperious reasons of public safety, NAE contributed, together with the Ministry of Labour, Family and Equal Opportunities, to specific actions in line with the Romanian Government strategic guidelines for bringing the citizens working abroad back in Romania.

Thus, NAE participated in the information campaign for the Romanian workers, held in Rome in December 2007, as a preparatory action of the construction job fair in Rome, through the representatives of the following directorates: Labour market analysis and employment programs; Protection of the right of the Romanian citizens working abroad and Information, counseling and job-matching on working abroad. Its aim was to raise the awareness of the undeclared work, of the rights if working with legal forms, on how to get a job abroad, but also on how to occupy a vacancy in Romania and/or in European Economic Area.

\*

\*        \*

### **CONCLUSIONS**

It is known that the employment evolutions and of the phenomena taking place on the labour market in general, cannot be divided from the demographic context, but also from the phenomena emerged as a consequence of the Romania's accession to a competitive market, along with the EU entering from January 1<sup>st</sup> 2007. It is worth mentioning at the same time, that labour market derives from all other markets and naturally depends on the

economic growth, on the European framework, and on the dialog and direct relation between labour supply and demand, between employers and employees respectively.

The analysis of the National Agency for Employment's activity must be carried-out not only with regard to the implementation of labour market policies by the Public Employment Service, but rather with regard to the economic analyses related to economic growth, education and labour force cost in Romania, and also to the average life expectancy of population, etc.

Within this framework, from the presentation of the outputs achieved by implementing employment programs, of the vocational training plan, international projects, and of the other actions, and taking into account the economic evolution displayed in 2007, it can be generally concluded that NAE carried out its activity in optimum conditions and accomplished the objectives set for 2007.

Against the institutional reorganization at national and local level, NAE developed an effective activity, even though the labour force pool, being primarily represented by the jobseekers registered with the agencies, mainly with reduced qualifications and education, was at a low and constant level during the entire period of 2007.