

PROJECT
„Public And Private Services: Towards A Quality Assurance System”

COUNTRY REPORT

ROMANIA

1. Legal framework for quality assurance in the public services

The in-depth changes that marked Romania's social and economic life after 1989 have imposed the need to set-up a specialized institution that would deal with the social protection and the employment stimulation of the jobseekers. Up to 1998, such issues were in the responsibility of the Ministry of Labour, Social Solidarity and Family and its territorial structures, while as of January 1st, 1999, based on a special law, the National Agency for Employment (NAE) was established as a public institution that institutionalizes the social dialogue in the field of employment through the direct involvement of trade unions and employers' organizations, which have representatives in its Governing Body. The tripartite principle is applied, at the level of the county and Bucharest agencies for employment, through the consultative councils, consisting of representatives of local authorities, trade unions and employers' organizations.

The National Agency for Employment implements the Government's policy in the field of employment, providing a wide range of services addressed to jobseekers as well as to employers.

In the period 1991–2001, the legal framework established by Law No.1/1991 mainly targeted the social protection of persons who had lost their job, and paid less attention to the active measures for employment stimulation. By the entry into force of Law No.76/2002 on the Unemployment Insurance System and Employment Stimulation, the system of active measures was diversified and the weight of expenditures for financing the active measures in the total expenditures out of the Unemployment Insurance Fund has increased from around 2% in 2000 to about 20% in 2005.

The active measures for employment stimulation implemented after the entry into force of the above-mentioned legal document aim at increasing the jobseekers' employment opportunities, as well as at stimulating the employers to hire unemployed and create new jobs.

Such measures are carried-out through a complex system of services, provided by the National Agency for Employment and the county and Bucharest agencies for employment, financed out of the Unemployment Insurance Fund and consisting of:

- a) vocational information and counseling;
- b) job-matching;
- c) vocational training;
- d) consultancy and assistance for starting-up an independent activity or a business;
- e) pre-lay-off services;
- f) supplementing the employees' wage income;
- g) stimulating labour force mobility;
- h) job subsidies in view of providing employment for persons facing difficulties in accessing the labour market;
- i) co-financing temporary employment programs in areas and localities strongly affected by unemployment;
- j) providing low-interest credits for the SMEs in order to create new jobs;
- k) granting fiscal facilities for employers who hire unemployed.

The services specified under letters a) – e) can be provided either directly by NAE or by specialized service providers with whom the agencies for employment conclude contracts, under the law. The other services imply direct financing and, therefore, are exclusively delivered by NAE.

With a view to providing an uniform method of work and an appropriate quality level for the delivered services, the NAE has worked-out a number of 32 standard working procedures that cover the whole range of services. Standard procedures were also worked-out for other activities, such as the accreditation of specialized employment service providers, as well as the selection of the specialized service providers with whom the NAE concludes contracts.

Out of the services the NAE may entrust to specialized providers, two categories can be distinguished:

- services that can be contracted only to providers authorized and accredited according to the law: vocational information and counseling, job-matching, vocational training and pre-lay-off services;
- services contracted to providers who, according to the current legal provisions, are not required to be authorized or accredited: consultancy and assistance for starting an independent activity or a business.

The accreditation of the providers of vocational information and counseling as well as of job-matching services is provided by the National Agency for Employment, based on the accreditation criteria approved by a Government Decision, in 2002.

In view of implementing the accreditation criteria, a Decision of the NAE President was issued, approving the Procedure on keeping and inputting the records in the National Register of accredited employment service providers.

As for the adult vocational training, the legal framework for authorization was established by Government Ordinance No.129/2000 on adult vocational training.

According to this legal document, the vocational training providers may organize vocational training programs, finalized by granting a qualification or graduation certificate recognized at national level, only if the possibility to carry-out vocational training activities is stipulated in their statute or, as the case may be, in the authorization to carry-out independent activities, and if they are authorized under this Government Ordinance.

The National Adult Training Board (NATB), an autonomous administrative authority with legal personality, which functions under a tripartite system, co-ordinates the authorization of the vocational training providers. According to the law, NATB has the obligation to draw-up the National register of adult vocational training providers, which covers all authorized vocational training providers.

The authorization methodology was approved in 2003 by Common Order of the Minister of Labour, Social Solidarity and Family and the Minister of Education and Research. By Common Order of the two ministers were also approved the methodology for certifying the adult vocational training, as well as the Register of qualifications for which programs finalized by granting qualification certificates can be organised.

2. Authorization systems for private service providers

A) Employment services

The specialized services for employment stimulation, referred to as employment services, for which the public or private providers have the obligation, under the law, to obtain an accreditation, are the vocational information and counseling and the job-matching services for the domestic market.

The vocational information and counseling services mainly involve:

- providing information on the labour market and the evolution of occupations;
- evaluation and self-evaluation of the personality in view of providing vocational guidance;
- developing the jobseekers abilities and self-confidence so as to support their decision with respect to their own career.
- instruction in job searching methods and techniques.

The personality assessment and self-assessment services have as objective to establish the compatibility between the vocational training level, the person's endeavours and the employment opportunities on the labour market.

The services of training in job searching methods and techniques consist mainly of exercises such as writing a curriculum vitae, a letter of intent, a letter of thanks, interview simulation etc.

The job-matching services consist mainly of:

- publishing and displaying information on the job vacancies and their requirements, and organizing job fairs;

- electronic job-matching, envisaging to automatically match the job demand with the job offers by using the information technologies;
- pre-selection of candidates, function of the job requirements and their training level, skills, experience and interests.

The pre-lay-off services, which can be contracted out, according to the law, only to accredited employment service providers are as follows:

- information on the legal provisions concerning the protection of the unemployed, and the provision of employment and vocational training services;
- placement on the existing vacancies at local level and training in job searching methods;
- vocational reorientation within the company or through short-term vocational training courses;
- consulting the employees' opinions and counseling them on the measures for fighting unemployment.

In order to obtain the accreditation, the employment service providers, legal persons from the public or private sector or natural persons authorized to carry-out an independent activity, under the law, have to meet the following **criteria**:

- a) to have the service for which they apply for accreditation mentioned in their statute;
- b) to maintain databases, as the case may be, on:
 - the job seekers and, respectively, the employers' demand for labour force, in order to be able to assess the trends on the local labour market;
 - the existing potential in the field of vocational training, in order to correlate the demand with the job offers existing on the labour market;
- c) to have the necessary material endowment, as the case may be, for:
 - assessment and self-assessment of the personality in view of providing vocational guidance;
 - skill tests, developing the jobseekers' skills and self-confidence;
 - training in methods and techniques for job searching and interview presentation in view of employment;
 - electronic job-matching;
- d) at least 25% of the staff with attributions in employment services provision need to have university education in one of the following specializations: psychology, pedagogy, law, counseling, as well as at least 3 years of experience in the field of the service for which the accreditation is requested.

Based on the above-mentioned accreditation criteria, the accreditation is granted, to the providers of information and counseling and/or job-matching services on the internal market, for a period of one year, which can be extended by 1-year periods, at the

provider's request, addressed to the county or Bucharest agency for employment, 3 months before the end of the period for which the accreditation has been granted.

The providers who carried-out their activity for at least 3 consecutive years can address the county or Bucharest agency for employment in order to obtain a permanent accreditation.

The providers' accreditation, granted based on the accreditation requirements, can be suspended by the agencies for employment, if it is noticed that:

- the accreditation criteria for which the provider was granted the accreditation are no longer met;
- the provider did not fulfill its obligations for carrying-out the service he was accredited for;
- the registered complaints and petitions from beneficiaries of the employment services are considered justified.

Since the entry into force, in March 2002, of the Government Decision on approving the accreditation criteria for the specialized providers of employment stimulation services, and by April 2005, a number of 219 employment service providers were accredited, while for 11 of them the one-year accreditation period has expired and for 15 employment service providers the accreditation was cancelled due to failure to resolve the problems for which the accreditation had been suspended.

During the same period, the accreditation was suspended for a number of 20 accredited employment service providers, while only for 5 of them the suspension has ceased, due to the fact that the problems for which the accreditation was suspended have been resolved.

B) Vocational training services

In view of authorizing the vocational training providers, the National Adult Training Board (NATB) sets-up county and Bucharest authorizing commissions, comprising experts representing employers' associations and trade unions, as well as experts from county school inspectorates and agencies for employment. The authorizing commissions are organized within the county directorates for labour, social solidarity and family, the Executive Directors of which being also the commissions' chairpersons.

The authorization is granted to the vocational training providers for each of the programs they organize.

The criteria for assessing the vocational training providers in view of granting the authorization take into account the following elements:

- a) the vocational training program;

The vocational training program subject to authorization should include:

- identification data of the vocational training program
- conditions for access

- the objectives expressed in the professional competencies to be acquired by the persons following the program, according to the occupational standards acknowledged at national level
- duration of training
- venue of training
- forms of organization of the vocational training program
- training plan
- number of participants
- procedure for assessing the vocational training program
- training curriculum
- methods for evaluating the participants in the vocational training program

b) resources needed for carrying-out the vocational training program;

The necessary resources include the human, material and financial resources.

The human resources refer to persons having attributions of theoretical and practical training. For obtaining the authorization, the vocational training providers must prove they carry-out the vocational training programs with trainers having the necessary educational background or are specialized according to the training curriculum, as well as the pedagogical training specific to the adult vocational training.

As concerns the material resources, the vocational training provider that applies for authorization should have the appropriate facilities to provide theoretical and practical training, endowed with appropriate equipment. Also, they have to make available to the trainees the necessary course materials, notebooks for practical applications, teaching materials, documentation materials, and bibliography.

The material base can be either owned by the providers of vocational training, or it can be rented, chartered, acquired through partnership, which also implies the availability of adequate financial resources.

c) expertise of the vocational training provider and results of its activity prior to obtaining the authorization or, as the case may be, of other vocational training programs implemented.

The vocational training provider's expertise is proved by the results of its previous activity, as well as by the quality and expertise of the human resources involved in implementing the vocational training program.

The authorization of the vocational training providers is done based on the evaluation criteria for a period of 4 years. During the 4 years for which the authorization is obtained the vocational training provider is monitored through:

- at least 3 monitoring visits (at least one every 18 months), as well as additional visits, in case complaints have been received;
- systematic follow-up on the results obtained by the participants in the vocational training program.

The criteria for authorizing the vocational training providers are also used for their monitoring. The monitoring of the authorized vocational training providers is done by monitoring teams, at county level by decision of the county authorizing commission, and at national level by decision of NATB. Based on the reports presented by the monitoring teams, the county authorizing commission can withdraw the authorization.

In 2004, when the authorizing activity of the vocational training providers has started, according to the data from the National Register, a number of 709 providers of vocational training services had been authorized for 223 vocational training programs (data available as of 31.12.2004).

The National Agency for Employment organises the vocational training activity for the unemployed through the Regional Adult Training Centers, through its own Vocational Training Centers subordinated to the county agencies, through the Romanian-German Foundations, as well as, based on contracts concluded under the law, through vocational training providers, from the public or private sector.

In the vocational training system of the National Agency for Employment operate a number of 6 Regional Adult Training Centers, authorized for a number of 60 vocational training programs, as well as 21 of its own Vocational Training Centers, subordinated to the county agencies, authorized for 75 vocational training programs.

In 2005 were organised 2,194 vocational training courses, in which have participated a number of 42,996 persons. Out of these courses, 50.4% were organised through the centers in the Agency's vocational training system, and 49.6% through external providers.

3. Outsourcing of services which are not subject to authorization

Counseling and assistance to start an independent activity or a business

The National Agency for Employment does not have the specific competencies to provide services of counseling and assistance for starting an independent activity or a business. Due to this, basically all such services are carried-out through external providers, on a contractual basis.

There are two methods for providing such services:

- by request, to jobseekers, in the form of legal, marketing and financial services, effective management methods and techniques and other consultancy services;
- to persons who start their own business, in business incubators.

The services of counseling and assistance for starting an independent activity or a business are of two types: basic and specialized services.

The basic services include:

- information;
- counseling;
- training.

The specialized services can be provided either individually or for groups, function of the applicants' choices and needs, as follows:

- the individual counseling consists mainly of: technical assistance in the process of starting a company, such as: working-out the act of establishment, setting the eligible activities, registration of the legal or natural person, concluding contracts, legalization of documents, working-out business plans;
- the group entrepreneurial training consists of modular training in issues relating to: management, marketing and sales techniques, legislation, accounting and initial registry, working-out business plans.

The working methods mainly used for providing the services may be:

- theoretical presentation: teaching general notions related to management, marketing, sales techniques, accounting and initial registry, legislation and working-out business plans;
- individual or group discussions, where practical issues are studied, and the individual or the group, under the guidance of the consultant, try to find solutions, brainstorming;
- case studies: examples of companies from various fields of activity, how were such businesses started and developed;
- regular individual papers: synthesized homework;
- draft business plans worked-out by the participant in the counseling services, which will serve as an instrument needed for managing his/her own business and in the relations with various providers of funds;
- presenting draft business plans to be used as a model for working-out the beneficiaries' own plans.

In the contracts the agencies for employment conclude with the external providers for offering counseling and assistance for starting an independent activity or a business, great emphasis is put on the capacity of the provider to offer quality services, which is assessed based on the technical offer, but also on the service provider's commitment to reaching a success rate for the offered services, materialized in the number of persons who succeeded in starting their own business or in carrying-out independent activities.

In 2005, following the provision of counseling and assistance services for starting an independent activity or a business, out of the 7,214 persons who were included in this measure, a number of 922 persons started their own business or carry-out independent activities.

In the frame of a project financed out of a loan granted by the World Bank, the National Agency for Employment has set-up a number of 6 **business incubators**.

The business incubator has the goal of granting initial support to the newly-created companies, in order to strengthen their business, such support consisting of: leasing the necessary facilities, providing access to training, management assistance, counseling in

various fields, legal assistance, accounting, common access to facilities and services, etc. More details about business incubators are given in Chapter 4.

4. Presentation of case studies and / or good practices

A) The Social Accompaniment Program in areas confronted with collective lay-offs

The process of restructuring, reorganization and privatization of certain national companies, as well as of state-owned companies, followed by massive lay-offs, has generated major social problems in certain areas and localities, which have required the implementation of special solutions.

In partnership with the counterpart French institution, the National Agency for Employment has developed an Action Program for the localities most affected by unemployment and has set-up an Intervention Group for cases of collective lay-offs, comprising persons able to co-ordinate, at local level, the actions for mitigating the social impact of such lay-offs.

The persons who are part of this group conduct, at local level, a collective action based on very active connections and agreements with the factors directly involved, respectively trade unions, employers' organizations and local authorities, in order to identify the best solutions for economic development.

The group members operate in the territory, as representatives of the National Agency for Employment:

- in order to treat, together with all responsible factors, the problems generated by a restructuring or a major industrial mutation;
- in order to help a company
 - fulfill its social commitments to the employees involved in such a process;
 - fulfill its commitments to the community as concerns the economic environment.

A first such activity was carried-out within the unit for treating the social consequences of the restructuring of the car building factory DACIA/RENAULT in **Pitesti**, Arges county. The need for a strategic demarche for individualized actions, addressed to each individual worker, as well as for personalized accompaniment in view of employment, was agreed upon between National Agency for Employment and the Company Renault. The partnership thus developed has allowed for creating a public-private unit: a resource and assistance center for reintegration into work, envisaged for the employees of Dacia. Two specialized units were subsequently created, responsible for receiving and reintegrating the unemployed (Technical Unit for Reintegration) and for providing assistance for setting-up new companies (Support Mission for Setting-Up Companies).

Based on the experience from Pitesti, where NAE was only a partner, similar programs were initiated in two other localities: Resita and Deva.

The need to implement such a project in **Resita** was mainly triggered by the collective lay-offs from the Ironwork Plant and the Car Building Factory.

The project's implementation started in the end of 2003, and in 2004, following an initiative of the NAE, a protocol of co-operation was signed between the County Agency for Employment (CAE), local authorities, employers' organizations and trade unions, and the two units affected by restructuring.

The project's objective was to create and support a Technical Unit for Reintegration (TUR) in order to provide personalized accompaniment for collectively laid-off persons and to form a group that would identify solutions for the economic development of the area. For supporting the activity of the TUR, aside from the financial and non-financial contributions, the partners also made available 9 persons who were trained as specialized employment consultants and provided assistance to the laid-off workers. The results of the TUR consisted of providing counseling a number of 1,237 persons, out of which 334 have taken-up employment, 62 were included in vocational training courses and 7 persons were assisted in view of setting-up a company or developing an authorized independent activity.

The project's implementation in **Deva** was triggered by the fact that the company Minvest Deva is under liquidation. As compared to the situation in Resita, the project implemented in Deva was confronted with an additional difficulty due to the fact that the mines which are about to be shut down are distributed over quite a vast geographical area, both in the county of Hunedoara and the counties of Alba and Cluj. The project started to be implemented in the end of 2005, a partnership being developed between the Prefecture of DEVA COUNTY, the COUNTY COUNCIL DEVA, the company MINVEST Deva, the National Agency for Reorganization of Mining Areas, the TOWN HALLS from DEVA, BRAD, CRISCIOR, CERTEJU DE SUS VORTA, GHELARI, TELIUC, BALAN, IARA, ABRUD AND ROSIA MONTANA, the NATIONAL AGENCY FOR EMPLOYMENT and the COUNTY AGENCY FOR EMPLOYMENT HUNEDOARA.

As of March 31st, 2006, a number of 28 specialized employment counselors had been trained, operating in localities where the mines are currently being closed, a number of 578 registration forms for laid-off persons had been filled, out of whom 46 were reintegrated into work and 83 persons had been directed towards vocational training courses.

In carrying-out such projects, there are numerous obstacles to overcome, while certain actors who could have a major contribution to the success of the project are unresponsive. The positive experiences were also accompanied by some failures, but the success of such projects proves that a co-operation developed in such partnerships contributes to overcoming certain difficulties, obstacles and problems that the Public Employment Service would otherwise not be able to solve on its own.

B) Business Incubators

In the framework of the Social Sector Development Program, financed out of a World Bank loan, the National Agency for Employment has set-up a number of 3 business incubators for persons laid-off in the process of restructuring the Army (in Bucharest, Timis, and Sibiu), and 3 for unemployed persons (in Resita, Iasi and Ploeni).

The purpose behind the business incubator is to support the development of the companies in their initial stage, when they are most vulnerable. The companies admitted in the incubator are active in various fields and are new companies, or companies that started their activity following assistance granted inside the incubator. Inside the 6 business incubators function a number of 128 incubated companies.

The business incubator contracts are entrusted to service providers implementing this active measure, following a bid organised at the level of the National Agency for Employment.

The service providers to whom business incubator contracts have been entrusted are private companies, with at least 2 years of activity, which are evaluated function of the qualification of the staff involved in the management of the incubator, function of the experience in working with SME's, and function of the financial and administrative capacity.

The financing of the business incubator contracts is granted, over a period of 2 years, out of the World Bank loan and the Unemployment Insurance Fund / the State budget. The financing is conditioned by the accomplishment of the indicators agreed through contracts.

5. Possible development of present situation in each country

Under the current social and economic conditions in Romania, the market of private employment services is relatively limited and unbalanced in the territory, i.e. the providers of such services concentrate in the big cities and in the more developed areas of the country, while in the areas having a high unemployment rate, with a less developed economy, the offer for such services is poor.

The repositioning of the economic structure, following the finalization of the processes of restructuring, reorganization and privatization of the large companies, as well as the re-launching of the economic activity and the creation of new jobs creates a more favourable setting for initiating and developing private employment services. Under such conditions, while the capacity to provide employment and vocational training services increases, assuring the quality of such services needs to be a major concern for the governmental structures.

The current legal framework offers the grounds for assuring a satisfactory level of quality for the employment and vocational training services since the providers' authorization is conditioned by the availability of the necessary human, material and financial resources.

Nevertheless, there are still **challenges** both for meeting the demand for such services and as concerns the quality of the services offered, such as:

- the lack of a stimulative competitive environment, due to an insufficient number of providers;
- the absence, from the private market, of the employment and vocational training providers for categories of persons with special needs (disabled persons, young graduates of social care institutions, persons released from prison, asylum applicants and refugees, etc.);
- insufficient concern of some service providers for maintaining the quality standards proven at the time of obtaining the authorization, also due to an insufficiently rigorous subsequent monitoring;
- insufficient methodologies, procedures, occupational standards and other instruments needed in order to ensure an adequate quality standard;
- insufficiently developed co-operation between the public service and the private employment services.

Some of the above-mentioned challenges are also tackled in the short and medium-term Continuous Vocational Training Strategy for the period 2005-2010. A strategic objective of this document is the need to increase the quality and effectiveness of the continuous vocational training system and among the action directions is also the implementation of quality assurance mechanisms. The strategy mentions the following conditions for implementing and expanding the quality system for providing the continuous vocational training:

- transparent and effective authorization procedures;
- self-evaluation instruments implemented by the training providers;
- external instruments for assessing the training providers;
- result-oriented management and monitoring of the provision of continuous vocational training, based on performance indicators;
- closer co-operation between the training providers and the employers;
- training programs for developing the professional expertise for providing continuous vocational training services;
- training programs for persons with attributions in the quality management system.

In order to ensure such conditions, the following main actions have been identified as necessary:

- to adopt, based on a tripartite agreement, the National Quality Assurance Framework for the initial and continuous vocational training, based on the European Quality Assurance Framework for the vocational education and training;
- to work-out uniform methodologies, procedures and instruments needed in order to implement the National Quality Assurance Framework for continuous vocational training;
- to work-out reference standards, norms and indicators for the continuous vocational training system and for the service providers in this field;
- to increase the effectiveness and transparency of the authorization procedures;

- to create a national training, evaluation and certification system that would motivate the trainers to upgrade their skills and thus ensure an increase in the quality of services;
- to train the staff involved in the quality management for the continuous vocational training.

The continuous vocational training strategy includes also references to the vocational information, counseling and orientation services, which stand at the basis of both job-matching and vocational training. For such services, the strategy provides for the working-out, by 2007, of a set of quality standards, through the co-operation between the Ministry of Labour, Social Solidarity and Family, the Ministry of Education and Research, the NAE and the National Authority for Youth, while using also external financial resources.

As part of its effort to ensure a high quality of its services, the NAE has obtained the ISO 9001 certification for quality management. This experience will need to be extended also to the private employment and vocational training service providers, thus ensuring a common reference framework for the public and private service systems.