

INEQUALITIES IN ROMANIA

DESPITE RECENT IMPROVEMENTS IN ROMANIA, POVERTY AND INCOME INEQUALITY REMAIN HIGH, AND REGIONAL DISPARITIES ARE DEEPENING

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Income and wealth

One in three Romanians is at risk of poverty and social exclusion. Despite falling slightly in the last two years, monetary poverty is one of the highest in the EU, affecting 23.6% of the total population in 2017. 35.7% of the population¹ and 41.7% of children² are at risk of poverty or social exclusion. Causes of poverty include inactivity, low educational attainment, intergenerational transmission of poverty and lack of inter-regional mobility. At 18.1% in 2017, the rate of early leavers from education and training (ages 18-24) remains one of the highest in the EU. In rural areas the rate is 27.1% and among the Roma 77%.³ 38.7% of children up to 15 years old are functionally illiterate.⁴ In 2014, 72% of families could not provide a minimum acceptable diet to their children under 5 years old.⁵ Poverty and social exclusion levels in rural areas are more than twice as high as those in cities.

The income of the top 20 % of the population is 6.5 times greater than the income of the bottom 20%.⁶ High income inequality levels are more the consequence of the poorer being relatively poorer rather than the richer getting relatively richer. Romania has the highest rate of in-work poverty in the EU (17.4 %).⁷ The rate of in-work poverty is five times higher for low-educated workers than for university graduates. While women are twice as likely as men to be inactive,⁸ Romania's gender pay gap, at 3.5%, is the lowest in the EU.⁹

While labour market performance has improved, overall inactivity and especially inactivity of women remain a concern. There are not enough people with the skills that the labour market needs and will need in the future. The design of social inclusion policies, the availability of social services and social transfers are still not fully effective at getting people out of

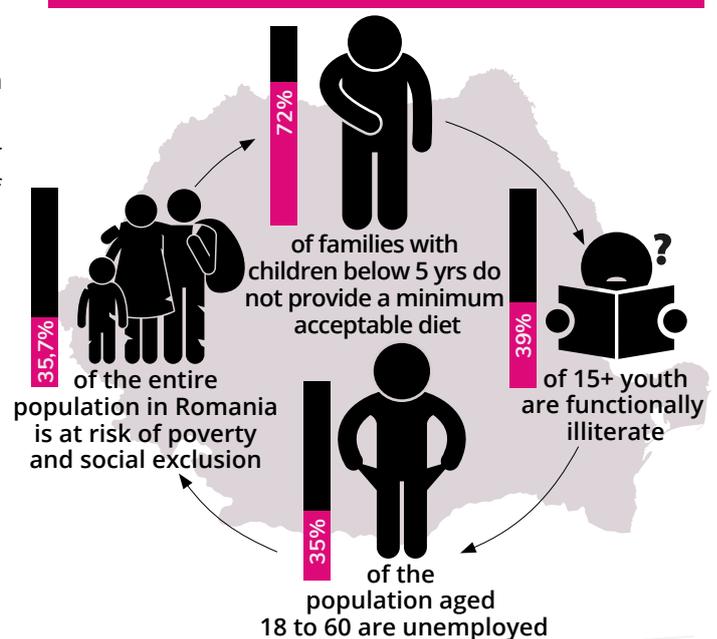
poverty and lack an integrated approach combining employment, health and education measures.¹⁰

Although Romania has a national plan on social inclusion and poverty reduction for 2015-2020, and has passed a comprehensive package of 47 measures to combat poverty, some key measures, including increasing the employment rate, reducing early school leaving rate, scaling-up of national health programs have been delayed.

Gender

The employment rate for women aged 20-64 is 60.6% compared to 78.9% for men.¹¹ The difference is greater for middle-aged women whose inactivity rate is 5% higher than the EU average,¹² mainly due to childcare responsibilities.

ROMANIA - THE CYCLE OF RURAL POVERTY



Source: WorldVision

Patriarchal attitudes, though changing, still persist. 12% of respondents to a World Vision survey¹³ said that women who work cannot care for their children as well as non-working women; 36% believe that women do not need to be fulfilled both personally and professionally; 16% think that men cannot take care of children as well as women; and 16% believe that men can manage businesses better than women.

Roma

3.3% of the Romanian population are Roma (2011 Census).¹⁴ Their living conditions are markedly worse than average, characterised by informal, unhygienic and irregular settlements. 78% of Roma are at risk of poverty (35% for non-Roma); over 60% of Roma went to bed hungry at least once a month (less than 20% for non-Roma); 84% of Roma households have no water, sewage or electricity (52% for non-Roma).¹⁵ Lack of identification documents and/or property deeds precludes some Roma from accessing public services and claiming their rights. The sustainability of programmes to boost inclusion and raise living standards is challenging as existing projects are fragmented and rely heavily on external funding.¹⁶

Migration

In almost three decades Romania has lost 23.3 % of its working-age population due to emigration,¹⁷ causing a 0.6% to 0.9% drop in annual GDP growth. Over 3 million people are estimated to have left the country, with a large proportion of highly qualified among them. The Ministry of Health estimates that 43,000 doctors left the country in the decade after accession to the EU,¹⁸ while demographers estimate that Romania's population will fall by 22% by 2050, the steepest projected global decline, due to a combination of emigration, high mortality and low birth rates.¹⁹

Recommendations

- Strengthen targeted activation policies and integrated public services, focusing on those furthest from the labour market.
- Give special priority to education. Allocate 6% of GDP to education instead of the current 3.7%.
- Improve access to quality mainstream education, especially for Roma and children in rural areas.
- Increase the efficiency and effectiveness of social transfers, particularly for children, and continue social assistance reform.
- Integrated social services should be made available for rural communities.
- Ensure stronger commitment to cooperation and multi-stakeholder partnerships, especially at grassroots level.
- Improve the efficiency of the health system, with increased funding and better outpatient care, focusing on rural areas and the most vulnerable.
- Develop the action plan for Sustainable Development Strategy 2030 as soon as possible, involving CSOs at all stages.
- The "Leave no one behind" principle should identify and address the causes of vulnerabilities and inequalities and promote respect for human rights.

To read the full national report and the comprehensive Europe-wide report with all references, please visit: www.sdgwatcheurope.org/SDG10

- ¹ <https://ec.europa.eu/eurostat/web/europe-2020-indicators/europe-2020-strategy/headline-indicators-scoreboard>
- ² https://ec.europa.eu/info/publications/2019-european-semester-country-reports_en
- ³ https://ec.europa.eu/education/sites/education/files/document-library-docs/et-monitor-report-2018-romania_en_0.pdf
- ⁴ <https://cdn.edupedu.ro/wp-content/uploads/2018/12/Rapoarte-Romania-Educata.pdf>, pg 23
- ⁵ World Vision Romania. "'Bread for Tomorrow" Programme - a chance for education for children living in poor communities" 01 November 2016. <https://www.wvi.org/romania/article/bread-tomorrow-programme-chance-education-children-living-poor-communities>
- ⁶ <https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=tespm151&plugin=1>
- ⁷ https://ec.europa.eu/info/publications/2019-european-semester-country-reports_en
- ⁸ https://ec.europa.eu/info/publications/2019-european-semester-country-reports_en
- ⁹ Eurostat. The average gender pay gap for the EU is 16%. See https://ec.europa.eu/eurostat/statistics-explained/index.php/Gender_pay_gap_statistics
- ¹⁰ https://ec.europa.eu/info/publications/2019-european-semester-country-reports_en
- ¹¹ Eurostat 2018. <https://ec.europa.eu/eurostat/tgm/refreshTableAction.do?tab=table&plugin=1&pcode=tesem010&language=en>
- ¹² The inactivity rates of women aged 25-49 are 24.7 % for RO and 19.7% for the EU (Q3-2018, Eurostat data)
- ¹³ The research sample included 2.186 households, from 65 of the villages in which WVR carries or has carried out its activities. We collected information from 2186 adults and 2258 children aged between 7 and 18 years old. The data collected has been analyzed comparatively for the period 2012 – 2018.
- ¹⁴ PRESS RELEASE February 2, 2012 on the provisional results of the 2011 Population and Housing Census. Page 10. Available at: <http://www.insse.ro/cms/files/statistici/comunicate/alte/2012/Comunicat%20DATE%20PROVIZORII%20RPL%202011e.pdf>
- ¹⁵ European Agency for Fundamental Rights (2014). Poverty and employment: the situation of Roma in 11 EU Member States Roma survey – Data in focus. Available at: https://fra.europa.eu/sites/default/files/fra_uploads/fra-2014-roma-survey-dif-employment-1_en.pdf
- ¹⁶ https://ec.europa.eu/info/publications/2019-european-semester-country-reports_en
- ¹⁷ World Bank (2018). Human Capital Index
- ¹⁸ The Guardian, 21 04 2019. Romanian hospitals in crisis as emigration takes its toll. Available at: <https://www.theguardian.com/world/2019/apr/21/romanian-hospitals-in-crisis-as-emigration-take-its-toll>
- ¹⁹ Ibid. Estimates by US-based Population Reference Bureau.