

EARLY LEAVING FROM VOCATIONAL EDUCATION AND TRAINING THE CASE OF ROMANIA

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At the beginning of the second decade of the 21st century, early school leaving, including from VET remains a worrying phenomenon in Romania. Far too many youngsters, at a rate significantly above the EU-27 average choose to leave the education system earlier than they should. In the most favourable of cases they choose to leave it for employment as they have to improve the sometimes dire financial condition of their households, although by doing this they severely diminish their chances of promotion and better income in the future. In most of the cases nonetheless their premature departure from education and training leads them on avenue towards either migration for employment abroad- in most of the cases in more developed countries of the EU where they generally perform un-skilled jobs for which, nonetheless, they earn better than whatever they could have earned at home for a skilled one, or towards inactivity or the informal economy at home.

The apprenticeship and school-based VET

In accordance with the country's Labour Code (Law no.53/2003 with subsequent amendments, republished in 2011), adopted in 2003 (art. 208-201), apprenticeship is defined as a special type of labour contract, to be concluded, executed and terminated in the same conditions as any ordinary/common labour contract (also art. 4, paragraph2, Law 279/2005). Article 210 of the Labour Code subsequently dispatches detailed regulation of apprenticeship to the body of a special law.

Adopted by the Romanian Parliament in 2005, the Apprenticeship act (Law 279/2005) recognizes apprenticeship as a special form of combined employment and training. However, the same act specifies, in accordance with the Labour Code, that all apprenticeship contracts are to be treated as labour contracts (art.4, Law 279/2005), to be concluded only on determined duration (thus including them into the "exception" defined by the Labour Code at art. 12, whereby the "rule" is considered to be the un-determined duration contract), with the period for which such a contract may be concluded between and enterprise (employer) and an individual cannot be ,longer than 3 years and by no means shorter than 12 months (1 calendar year, see art.7 Law 279/2005).

Apprenticeship contracts may only be concluded with individuals between the ages of 15 and 25 (art.5, Law 279/2005) and in addition to a ordinary/common labour contracts contains elements that are specific to the process of vocational training

taking place in the frame of an apprenticeship engagement (art.4, paragraph 5 – type of qualification, place of qualification, duration, other clauses that might be specific to a certain activity but in accordance with the general legal provisions governing labour contracts).

As such apprentices are to be treated actually as regular employees which apart from regular employment, for which they receive salary (regulations regarding statutory minimum salary as well as eventually other sector-related regulations, if the case also apply; see art.7 paragraph 5, Law 279/2005) also receive vocational training, under the supervision of specialized staff (i.e.; the apprenticeship foreman of the employer engaging in such a contract). No special registration of apprenticeship contracts exists to date; therefore they are registered and recorded into the National Employee Registry (Registrul National de Evidenta al Salariatilor-REVISAL) administrated by the Labour Inspection (a national control body subordinated to the Ministry of Labour, Family, Social Protection and Elderly Persons/Ministerul Muncii, Familiei, Protectiei Sociale si Persoanelor Varstnice; to be referred commonly as the Ministry of Labour) as determined duration labour contracts, thus with apprentices treated not as trainees but as employees.

Accordingly and given to this legal provision which assimilates them to regular employees, no specific statistics exists to date or at least it has not been published or otherwise released into the public domain. According to the latest activity report of the Labour Inspection (2011, see website at: www.inspectmunc.ro;) 5263900 individual labour contracts were registered in Romania as of Dec.31st 2011. Out of these 4873401 (92.6%) were un-determined duration contracts and only 390499 (7.41%) were determined duration contracts. Apprenticeship contracts are to be included in this latter category making to our estimations anywhere between 1.5 and 2.5% of the total determined duration contracts or in absolute numbers anywhere between 5800 and 9700. In percentages out of the total number of registered individual contracts this would make between 0.11 and 0.19% of the total. Therefore, marginal for the labour market, almost seven years since the promulgation of the Law.

Article 15 of the same Law no.279/2005 creates the legal basis for the only “program of sorts” Romania has in terms of publicly funded support for apprenticeship which otherwise is completely to be financed by employers engaging in such contracts. This article of the Apprenticeship act, specifically provides for employers engaging in apprenticeship, but only upon request and within the limits of available funds, financial support for their enterprise run apprenticeship schemes, under the form of a grant, to be calculated per apprentice employed at a monthly rate of 60% of the social reference indicator (currently at RON 500, equivalent in EUR at

the 2011 average exchange rate of the National Bank of Romania 118; 60% = RON 300, EUR = 71) to be paid out of the availabilities of the Unemployment Insurance Fund, administrated by the National Agency for Employment/NAE (Agentia Nationala de Ocupare a Fortei de Munca-ANOFM, the Romanian PES) in accordance with the provisions of the Unemployment Insurance Act (Law no.76/2002 with subsequent amendments). The subsidy, if requested and awarded is to be paid for the full duration of the apprenticeship contract; however if a second apprenticeship contract is concluded between two parties, the subsidy cannot be claimed for a second time! Our scouring of the annual activity reports (see also at www.anofm.ro) as well as conversations (private, no name of interviewed person will be given for obvious reasons) with decision makers inside the NAE have revealed that ever since 2008 when only a number of 41 such grants were awarded upon request, in none of the years either preceding or succeeding 2008, were such grants disbursed by the Agency. Therefore, while existing on paper, the program is for all practical purposes inactive.

Ever since its adoption the law and its provisions have been plagued by disputes with the employers' associations regarding the onerous conditions which have been included by legislators and which apparently have failed to meet expectations of the business community. First coming was the request that the condition placed by the legislator for the apprenticeship foremen to be also attested as adult trainers, be removed. As it is stated in the same annual report of the NAE we have quoted before, such a change was in the offing in 2008-09. Finally the legislator abided and the clause was removed in 2010. However as the crisis was already biting hard, business associations also demanded that clauses regarding their obligation of providing meal and eventually shelter to apprentices be also removed, something that happened in 2011, in accordance with a wider move towards increased flexibility on the labour market entailing both a change in the Labour Code as well as one in the Social Dialogue law which scrapped the mandatory character of the national labour agreement and even, to a certain extent, of sector labour agreements. As things did not seem to move much, recently, the Ministry of Labour is promoting a change that would, if applied, widen the range of sources of finance for the scheme we have mentioned above (the unemployment insurance fund does not have the means to sustain it; see statistical annex attached to this note) chiefly by the inclusion of the ESF (i.e.: up until now such expenditures were not eligible under ESF funded operational programs, as the apprenticeship act in itself was deficient to this avail).

Therefore and for what it is worth, the sole scheme/program the country has is actually not operational. Apprenticeships are only funded by enterprises as specific

determined-duration labour contracts and as such data are not in the public domain. By consequence and in attestation to the current state of facts, the country fiche is to remain EMPTY in respect to this particular matter.

A. Early leaving from education and training in your country: definitions and statistics:

Early leavers from education and training are Europe 2020_Indicators. Early school leavers are part of the Sustainable Development Indicators.

Early leavers from education and training (formerly 'early school leavers') denotes the percentage of the population aged 18-24 having attained at most lower secondary education and not being involved in further education or training. The numerator of the indicator refers to persons aged 18 to 24 who meet the following two conditions: (a) the highest level of education or training they have attained is ISCED 0, 1, 2 or 3c short and (b) they have not received any education or training in the four weeks preceding the survey. The denominator in the total population consists of the same age group, excluding the respondents who have not answered the questions 'highest level of education or training attained' and 'participation to education and training'.

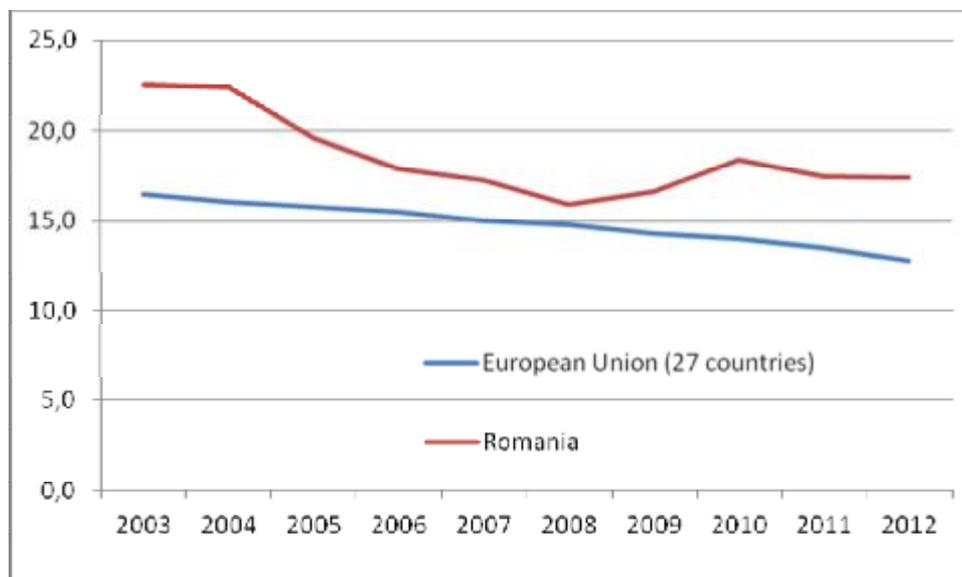


Fig.no.1. Early leavers from education and training during the period 2003-2012

Analyzing the statistical figures of early leavers from education and training in Romania comparative with EU-27 we can observe that fact that our rate is higher than the one of EU-27 with about 5-6% during the analyzed period. Also, early leavers' rate in Romania reaches the value of about 22.5% in 2003 and decreases to about 17.4% at the end of 2012.

According to fig.no.1 (appendix), during the analyzed period, the rate of early male leavers is higher than the one of females, with about 1.5-2 percentage points.

Regarding the rate of early leavers from education and training by regions in 2012(fig.no.2, appendix), the regions with higher rates for early leavers are Centre, Northeast, Southeast, South-Muntenia. At the opposite side, it is the Bucharest Ilfov.

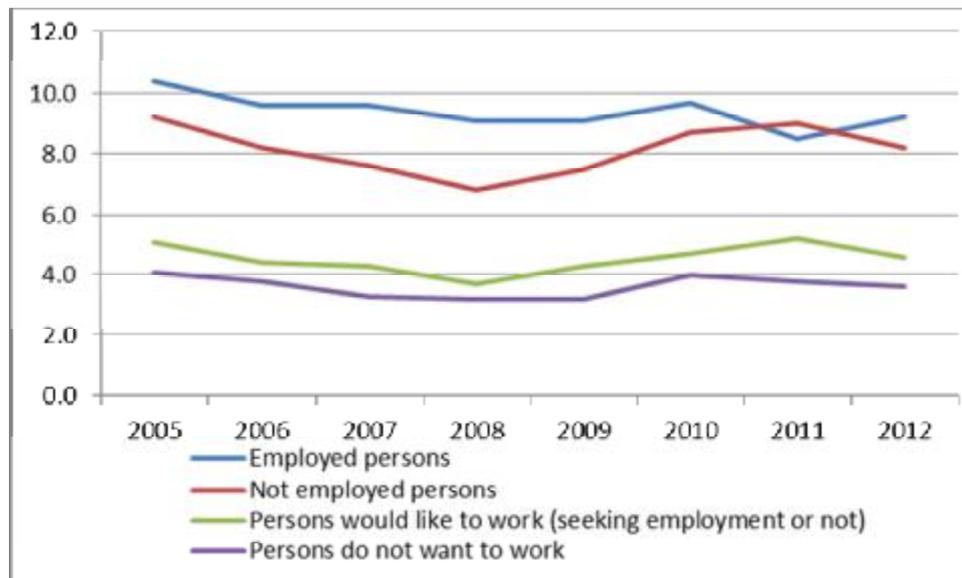


Fig.no.2. Early leavers from education and training by employment status in Romania during the period 2005-2012

Regarding the dropping out from VET data, no difference for Romania, at least for the moment no segregate statistical data are provided as such. Accordingly the only indicator that is documented is early school leavers.

B. Different aspects that may influence the decision to remain in or drop out from VET:

The decision is influenced by the possibility /opportunity to remain or to find a job marching the qualifications enquired for the VET process. As for some occupations and given the kind conditions of Romanian labour market, which is characterised by low job churning(see job vacancy rate as reported by the NIS) for many occupations opportunities to enter employment are not particularly high. Accordingly see figures and analyses on early school learning from VET.

1. Structural characteristics of the education and training/VET system

At the beginning of last decade, the duration of compulsory education has been increased from 8 to 9 grades, which thereby increased the age until which

youngsters stay in compulsory education from 15 to 16 years of age. Accordingly, data show a slight decrease in early school leaving which may be attributed to this development.

An opportunity to acquire a full or partial VET qualification for an occupation/an occupational field (whether at different or the same level) within and outside the VET system is mentioned by the assessment centres specified in the article 32(law 129/2000) in which “the evaluation and certification of professional competences acquired in other ways than the formal one are made in professional skill assessment centers. The National Adult Training Board authorizes and evaluates the professional competences centers and certified the professional competences assessors, internal verifiers and external verifiers.

The strong point of the current organization in the Romanian VET system is that it recognizes in an open manner qualifications acquired in various forms and procedures by an individual. All training providers may offer upon request and provided that the potential trainee supplies certifications of prior training partial qualifications in the sense of modules of training courses. Thus, individuals may complete their qualifications in a step by step manner provided that they document each stage/ step through a recognised certificate. This applies for formally acquired qualifications. However, the law goes even farther afield and allows for a recognition of qualifications acquired non-formally or even informally, which means that qualifications acquired in the production process in enterprises or those acquired by means of experience are also recognised if proper procedures are followed by interested individuals or enterprises as case may be. Assessment centres are provided by the law (129/2000) to engage in specific procedures of certifying and thus recognising qualifications acquired informally or non-formally. Individuals willing to have their qualifications recognised need to pass examination procedures administrated by such centres in order to have their qualifications recognised partially or fully.

Apprenticeship in Romania takes place only in enterprises; therefore the employer engaging in apprenticeship time arrangements (employment and vocational training) also provides the place for practical training. Practical training is only performed under the supervision of an apprenticeship foreman. Theoretical training of the apprentices has to be provided by an accredited vocational training provider.

Generally, placement within a company has to be done during the period of school based training. In most cases, companies/employers willing to provide jobs for graduates of vet provide early placements for suitable candidates. If such arrangements are not made placement is difficult. This is the reason for drop out from

vet. Recently, and in accordance with provision of the labour code on temporarily employment and temporality work agencies companies willing to employ may provide placement after school based training via temporarily employment.

A good cooperation between VET schools and the enterprises if and when existing places a major role in influencing the decision for staying or leaving /dropping out of vet. A company example can be Airpro Consult S.R.L¹, the first temporary labour agency approved in Romania, mainly focused on personnel leasing. It also offers personnel recruitment and selection, training, team building, HR consulting and audit. Regarding the availability of training places in VET-schools and/or enterprises, there is a project entitled "Linking the vocational and technical offer to labour market needs"² whose main objective is increasing the relevance of initial training offer through pre-vocational and technical education (IPT) in relation to labor market needs and the requirements of economic and social development in terms of knowledge-based society by improving strategic planning documents at county and local IPT. The target group is formed by the directors of vocational and technical schools.

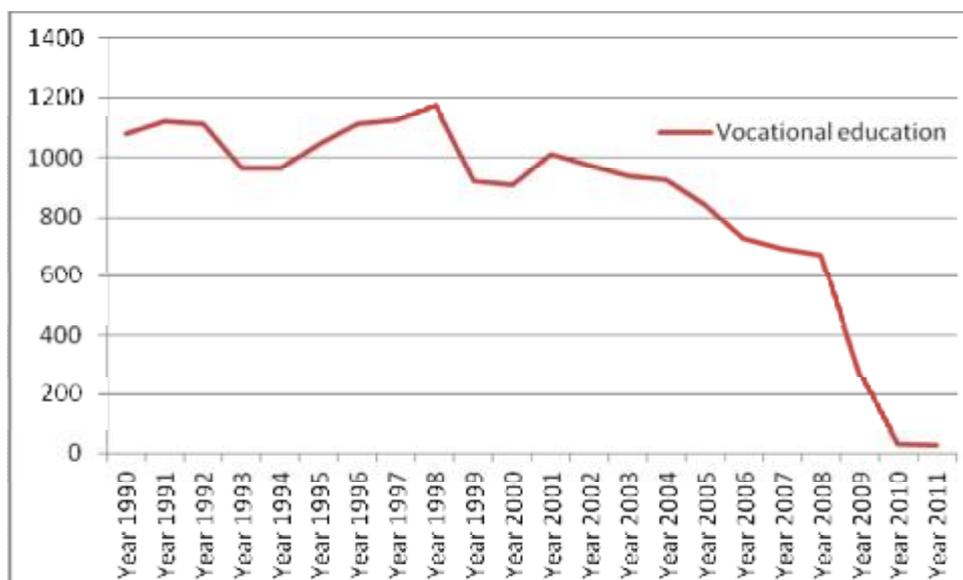


Fig.no.3. Workshops in vocational education during the period 1990-2011

School workshop represents the room endowed with devices, instruments, machinery and equipment for experiments and practical works in the school. From 1990 to 2011 we can observe a sharp decline of the number of school workshops from about 1080 in 1990 to only 26 at the end of 2011.

¹ <http://airproconsult.ro/>

² POSDRU/55/1.1/S/37932, whose beneficiary is NATIONAL CENTRE FOR TVET DEVELOPMENT

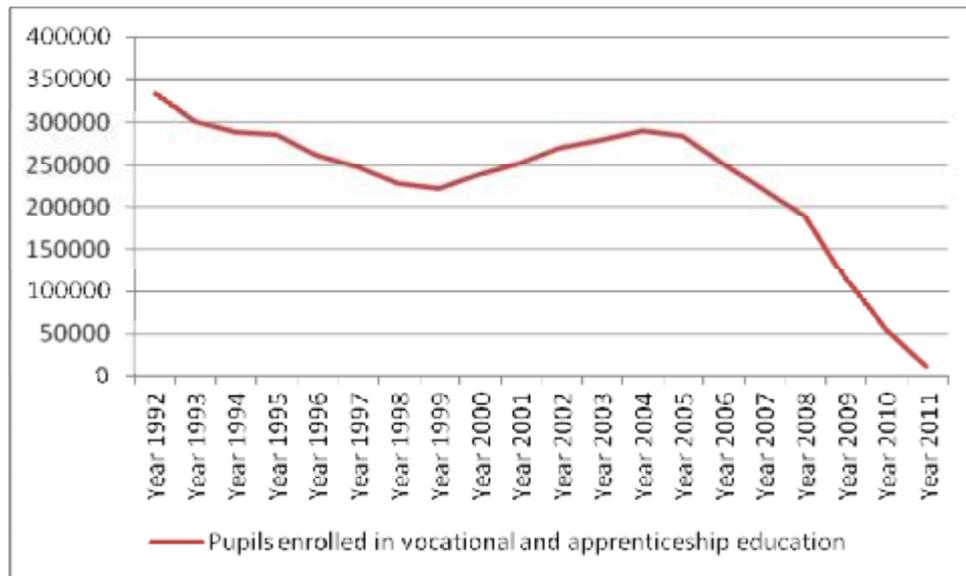


Fig.no.4. Pupils enrolled in vocational and apprenticeship education during the period 1992-2011

Analyzing the figures for pupils enrolled in vocational and apprenticeship education during the period 1992-2011, we have a sharp decline from about 334 thousand persons to about 12 thousands persons.

2. Labour market and social policy issues

According to the COR³, all occupations from the Romanian occupation classification included in the following groups: 2.techniciens, 5. Workers, trade and similar operators, 6.workers and agriculture and fishing, 7.workers and craftsmen, 8. operators on equipment, machinery and assembled machinery, equipment and other products require the completion of VET programmes. The only exception is group 5.3 which includes care and social workers/ individual social assistance and other related occupations.

There are no special rights for skilled worker with respect to access for the labour market, access to further training, job placement or other related. However, according to provisions of the Romanian employment insurance act [law 76/2002] job placements made by the public employment services or alternatively placements in to further training have to take account of the acquired qualifications of the applicants (i.e. first placements made to a beneficiary of unemployment insurance has to match his/her qualification; however, further placements might not match it. Refusal by the beneficiary may lead to a termination of the benefit.

³ Romanian Classification of Occupations

According to the article (5) from law 129/2000, professional competence is the ability to perform work required activities at the quality level specified in the occupational standard.

The professional competences that are acquired formally, non-formally or informally are defined as follows:

- a) the formal way- a program organized by a provider training;
- b) the non-formal way- directly engaging in specific activities at the workplace or self-training;
- c) the informal way- unstructured and unintended training arrangements.

Also, the professional competences acquired formally, non-formally and informally can be evaluated by assessment centres (article (32) law 129/2000).

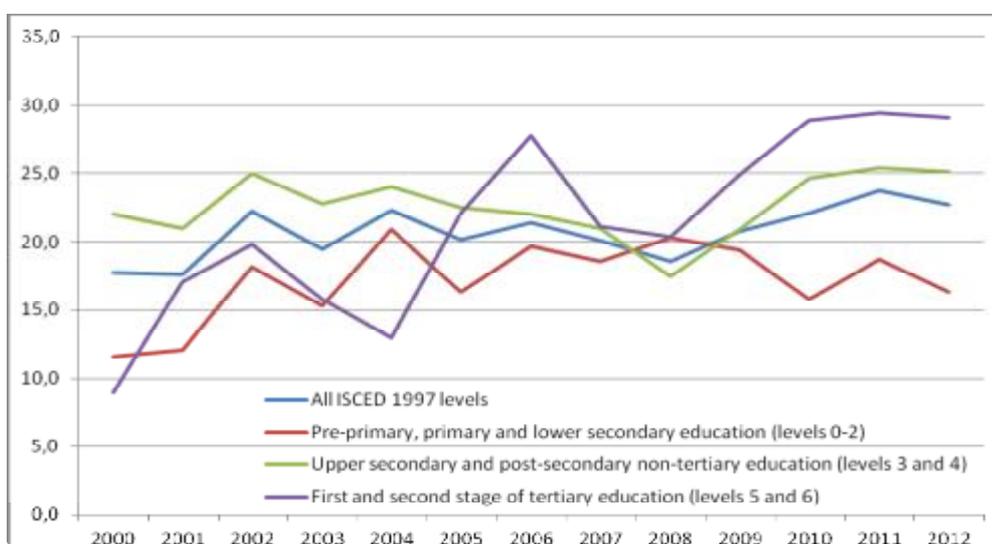


Fig. no.5. Unemployment rate for age 15-24 years by level of education attained

Regarding the availability of jobs for young unskilled or semi-skilled workers, we can analyze the figures of unemployment rate for 15-24 years age group by level of education attained. The statistical data from Eurostat Unemployment database revealed the fact that unemployment rate for young people reached its minimum value at the end of 2008 (18.6%) and for the last period it slightly increased reaching the value of 23.7% at the end of 2011. For 2012, we have an inverse trend; the unemployment rate is decreasing by about 1%, reaching the value of 22.7%.

Analyzing the data by the level of education attained, we can observe that unemployment rate for youngsters at ISCED 0-2 is decreasing from 2008 reaching the value of 16.3%, with about 4 percentage points. We have an increasing trend for ISCED 3-4 and 5-6 of unemployment during the period 2008-2012.

In order to prevent unemployment and strengthening employment through diversification of professional competences of employees and employers which organizes training programmes for their own employees on basis of annual training plan, conducted by professional authorized training providers, it agreed from unemployment insurance budget, an amount representing 50% of the cost of training services, organized by a maximum of 20% of the staff (article 48/law 76/2002).

According to the article 73(law 76/2002), graduated of educational institutions and special schools graduates, aged at least 16 years, registered at the employment agencies in the situation when undertake normal work program for more than 12 months, benefit, from unemployment insurance budget, for a premium equal to the minimum guaranteed gross basic wage. Graduates who have established the right to unemployment allowance and engage in grant allowance period shall receive an amount equal to the unemployment allowance, at which would be had the right, under the law, to the end of the period, unless would be employed.

Employers who employ graduates of educational institutions on indefinite period are exempt for a period of 12 months, for the payment of the contribution due to unemployment insurance budget, and receive monthly during this period for each graduate:

- a) 1 equivalent social reference indicator (500 RON) at national level for graduates of lower secondary schools or schools of arts and crafts;
- b) 1.2 minimum gross wage at national level, for graduates of upper secondary education or post-secondary education;
- c) 1.5 minimum gross wage at national level, for higher education graduates.

Unemployment benefit for young graduates who have the subscription stage of 6 months represents 50% of the social reference indicator (250 RON).

Families' allowances are not correlated to the form/type of education. The only correlation that exists is with the income of the household. Pupils residing in localities other than the one where school is located benefit from the reimbursement of transportation costs. Local authorities are responsible for this form of subsidy which also applies to vet students. However, this does not applied to apprentices. The first form of apprenticeship law provided for this special category of vet students for accommodation and even meals to be supplied by employers engaging in the supply of apprenticeship. However, most of the employers have considered this obligation excessively burdensome and thereby provision has been removed as of 2011. It has been inoperable as the number of apprenticeship contracts concluded between 2005-2011 was negligible.

At regional level, employer organizations, trade unions, schools and local authorities engaged on a formal basis in planning the supply and demand of vet

accordingly regional and local plans are drafted it and updated every year which include measures to prevent and reduce drop out from VET(e.g. Regional Action Plan for Employment and Social Inclusion 2012-2014 Bucharest-Ilfov Region).

3. Individual reasons that may influence the decision to discontinue VET

The main reasons that may influence the decision to discontinue VET are the economic crisis, availability of jobs, greatly influence, the wellness as well as the ability to continue/discontinue VET education. As number of jobs decreased and training opportunities are not so numerous youngsters may decide to discontinue education in general (see early school leavers figures), also in vet. Individual financial situation of household also plays a major role in supporting participation in education again including vet. In most of circumstances, low or lowering incomes adversely affect the decision to continue participation in vet. IN most cases, it is this factor sometimes independent of market situation that influences the decision to continue or discontinue participation in vet Most of the studies have revealed that certain logic of supply prevails over would be a demand driven logic.

C. Measures to reduce drop out from VET:

The National Authority for Qualifications works closely with the Ministry of Labour, Family and Social Protection and the Ministry of Education, Research, Youth and Sport in terms of strategies and policies for human resources training, also coordinating and controlling the activity of the training providers.

The research published in 2012 by the National Statistics Institute, entitled Characteristics of vocational training in Romanian enterprises in 2010, provides interesting data on vocational training in Romania. According to this research, in 2010, providing training programs by employers in order correlate the level of education and qualification to the labour market needs has been a priority for over 11,000 businesses. 24.1% of the 46,000 representing the reference population of the statistical research provided continuous training (CVT) to employees.

In order to **prevent the school drop out among children belonging to disadvantaged socioeconomic groups**, a project aiming at providing educational services for these children is currently under implementation. The project financed the setting up of 32 school training centres for inclusive education and 3,437 pupils from disadvantaged socio-economic communities benefited by “school after school” and “second chance” programmes. (Implemented by Organization Save the Children Romania).

To prevent and combat ESL and to support re-enrolment in school, Ministry Of Education carries on its **yearly social support programmes** which, despite

budgetary austerity, are conceived to assist students from disadvantaged areas - i.e. *School supplies*, *Money for High-school*, *Euro 200*, the *Croissant and milk* programme and programmes designed to ensure the transportation of students and pupils i.e. *Reimbursement of travel expenses* and *School shuttles*.

School supplies = Granting school supplies for pupils enrolled in state primary and low-secondary education - daily-classes, who are supported by families whose average net income per family member is of maximum 50% of national minimum gross salary per family member.

Money for High-school = Monthly scholarship (allowances) for students from social and economic disadvantaged families in order to continue their studies after completing low-secondary education.

Euro 200 = *Financial aid granted in order to stimulate purchase of personal computer by pupils and students from social and economic disadvantaged areas.*

Croissant and milk = *Free meal granted for all pupils in early, primary and lower secondary education.*

Through the *Law on National Education (The education law of 2011, a major reform that set a long-term agenda for upgrading the quality of education at all levels)*, **programmes with direct implications on preventing and combating ESL**, namely *School after School*, *Second Chance* and *Functional Literacy* are foreseen. Ministry of Education developed and adopted the implementation methodologies for the *Second Chance* programme (for the primary and lower secondary education levels) and *School after school* programme (implemented based on the decision of each school board). Moreover the Ministry of Education elaborated the implementation methodology for the *Functional Literacy* programme (the latter by means of a project funded by ESF – SOP *Human Resources Development*).⁴

School after School= Providing educational and leisure activities for consolidating the knowledge gathered in school or speeding-up learning as well as remedial education activities outside classes

Second chance= This programme targets the persons who overcome by 4 years the age corresponding to the grade they should be enrolled in and who, irrespective of reasons, have not graduated the primary or lower - secondary education.

Functional Literacy = The programme addresses those holders of legal documents formally proving their education level but who are not actually endowed with genuine education skills.

In the school year 2012-2013 the ministry **re-launched the 2 years Vocational Education and Training (VET)** system based on contracts concluded with business

⁴ SHORT PROGRESS REPORT ON THE IMPLEMENTATION OF THE NATIONAL REFORM PROGRAMME 2011-2013, 15 March 2013, Ministry of Affairs

enterprises/public bodies, the latter providing internships for VET students. By GD No 106/2012 the students are granted monthly scholarships (approx. 45 Euro/student). Roughly 12,500 students enrolled in the current VET school year). The development of the ***National Strategy on Reducing Early School Leaving*** has been re-launched. Ministry of Education is currently elaborating the terms of reference for the development of the strategy through a Technical Assistance project (SOP *Human Resources Development*, Priority axe 7). This strategy is an *ex-ante* conditionality for the conclusion of *Partnerships Agreement* for the next generation of operational programmes related to the 2014-2020 Multi-annual Strategic Framework.

D. Conclusions

At the beginning of the second decade of the 21st century, early school leaving, including from VET remains a worrying phenomenon in Romania. Far too many youngsters, at a rate significantly above the EU-27 average choose to leave the education system earlier than they should. In the most favourable of cases they choose to leave it for employment as they have to improve the sometimes dire financial condition of their households, although by doing this they severely diminish their chances of promotion and better income in the future. In most of the cases nonetheless their premature departure from education and training leads them on avenue towards either migration for employment abroad- in most of the cases in more developed countries of the EU where they generally perform un-skilled jobs for which, nonetheless, they earn better than whatever they could have earned at home for a skilled one, or towards inactivity or the informal economy at home.

In spite of many reforms and modernizations the Romanian economy has not been adapt at generating many jobs. What is more, whatever job generation has occurred it has been in the service sector where occupations most in demand throughout the last years did not necessary require vocational training, It was rather that newly generated jobs addressed the increasing supply of higher education graduates the Romanian tertiary system has been producing, albeit at the cost sometimes of a doubtful quality, during the last decade and a half. The evolution of employment through the last decade and a half reveals practically a stagnating figure of total employment inside which nevertheless an important shift in the structure on major sector of activity has been taking place. Agriculture, the employer of last resort at the beginning of this 21st century making back then for a staggering 41% of total employment, fell dramatically down to around 28% of total employment, its place as the main employer being taken by services.

This move while favoring the expansion of the tertiary education has not been beneficial for VET. Apprenticeship, so widely used to give youngsters an early chance in life by combining education with work experience has seen a rather tortuous development. While the apprenticeship act has been passed by the Romanian Parliament as early as 2005, it has actually never seen wide application. Its first version was dubbed by Romanian employers burdensome as it required them to certify their apprenticeship foremen on the one hand while, on the other hand, it imposed upon enterprises to supply apprentices with meal and accommodation in addition to their salaries. In 2001 and 2012 the law has seen several changes, with the removal of most of the provisions above and, most recently with the introduction of several provisions that aim at first supplying apprentices, with nationally recognized diplomas while giving employers the possibility to apply for co-funding from the structural and cohesion instruments of the EU (chiefly the ESF) when engaging in apprenticeship scheme. It is hoped that this will boost the number of apprenticeship contracts concluded nationwide which sadly enough, did not top 100 in 2012.

Romanian industrial enterprises have been heavily investing new machinery and equipment throughout the last years in an effort to boost productivity, increase quality and reduce consumptions of raw materials and energy thus increasing their competitiveness on the market. This of course meant a shedding of jobs scantily matched by new job generation. In the meantime however it meant an intensive effort of investment in human resources taking place as part of the production process. In a way still low participation in formal learning has been to a certain extent compensated by high rates of non-formal and informal learning. The fact that the Romanian legislation has opened itself towards the recognition of a type of learning, intrinsically outcome-oriented means that more and more, via the procedure of certification of partial qualifications as well as of non-formal and informal learning (i.e.: via what the legislation labels as assessment centers/Centre de Evaluare) not only means that workforce will be able to make an important leap formed in terms of recognized qualifications but also means that the principles of flexicurity, a concept that is central to a more effectively functioning labor market will start getting embedded into the functioning of the Romanian labor market as well. This will mean that partly early school leaving will get compensated as qualifications that have not been acquired in school but which will be or are actually acquired in the process of work will get recognition and will enable bettered labor market participation for their holders with youngsters being prime beneficiaries of such a system.

Early school leaving has many motivations but most of them are related to the lack of market opportunities at a certain moment and to the fact that in some moments of

the economic development, the pace of job destruction might well outpace the one of job generation. While like in any economy the supply of jobs is not and cannot be considered as finite it is nevertheless at some moments that more jobs are shed than created. If this occurs in occupations that require vocational education and training such as occupations that are generally related to industry and to its manufacturing mainstay (a sort of German "mittelstand") then the attraction exercised by this particular type of training decreases for the likely supply of candidates for this type of education. This is also the main motivation for abandoning VET in Romania. Moreover, when the salary difference with respect to labor markets that are practically adjacent is more than significant and when unskilled jobs on a labor market other than the national one far exceed the best expectations that one might have even in a skilled job on the national one then, the motivation for drop-out or for an early exit from a form of education that will for surely not yield much in the immediate term appears strong enough. A background of impoverished household with not much of an income to support the youngster in its early years and thus compensate for a certain lack of immediate material gain, only re-enforces the motivation for an early-exit or for a drop-out.

Many measures have been taken however recently to stem the process. The duration of compulsory education has been increased so as to ensure that youngsters remain in education until at least the age 16. Schemes have been activated, including as part of the country's Unemployment insurance act so as to ensure that employers willing to hire youngsters and especially graduates of initial education including of VET receive a certain amount of subsidy while in the meantime offering a bonus also for the young graduates entering employment immediately after graduation have been put into place. Nonetheless the results have been so far mixed at most. The harsh internal devaluation process the Romanian economy had to go through during the last years since 2009, as part of the Memorandum of Understanding with the IMF, the World Bank and the EU Commission so as to sanitize its finances and bring excessive budget deficit under control meant also that some of these subsidies had to be severely trimmed. It was not only that, budgetary allocations for which willing employers could apply have been reduced, thus making for a lesser mass of enterprises and individuals that could actually benefit, but the very amounts that were handed as such have seen a drastic cut. As such, as of Jan 1st 2011, all employment-type/related subsidies have been decoupled from the nationally guaranteed minimum salary against which they were previously calculated and brought in line with the meager social reference indicator, which for years is stuck at the amount of RON 500 (currently EUR 113 at market exchange rates). With such a reference for calculation the unemployment

benefit to which a young graduate, including of VET is entitled is of only RON 250 (EUR 56) and this only for a period of maximum 6 months after graduation. The same trimming has been applied to subsidies for apprenticeship which also explains, among other reasons, why both the labor supply as well as the labor demand has been showing such a lack of interest for the scheme. The structural and cohesion funding of the EU would have been a chance but while administrative difficulties experienced by Romania's Sector Operational Programs (including the one on Human Resources – SPO HRD/POS DRU) tell part of the story, the other part is told again by the restrictive behavior the Government had to pursue for all the last years since 2009 in its attempt to retain open the channels of institutional international financing and thus continue a process that finally led to the termination of the EDP procedure as of this year. Apart from an internal devaluation that in 2010 this process which continued unabated for 2011, 12 and 13 meant that only scant resources have been available so as to properly advance the absorption of available EU funds. This of course had adverse repercussions upon both enterprises that had the guts to access such funds, as well as upon the willingness of the ones that would have been potentially interested. Such a self-restraint while commendable in its pursuit when taking into account the macro-economic ground has had nevertheless adverse effects on the willingness of enterprises to invest in VET, to engage in traineeship and apprenticeship with obvious negative consequences on the behavior of the supply side of the labor market. However, it seems clear that while this has been the case for the formal side, there has been less effect on the non-formal and informal type of learning where things have progressed and the new opening of legislation will trigger further progress.

The Romanian is keen on implementing a wide ranging scheme of Youth guarantee. With the macro-economic house in relative order and improved prospects, the Government is keen in giving more space to growth. As such several acts that encourage participation in combined forms of employment and training thus implicitly contributing to a reduction of early leaving from school including from VET have been passed or are in the pipeline. These include a changes into the apprenticeship act, changes into the unemployment insurance act as well as the introduction of a new piece of legislation, a traineeship act that will provide for a form of employment and training for the first six months of employment after graduation, this time for graduates of higher education graduates. All of these intend to make a bettered use of the structural and cohesion funds of the EU, where rules and regulations have also been altered so as to encourage an orientation towards higher targets with respect to individuals participating in training as well as with the introduction of a specific conditionality which requires beneficiaries of such programs to supply at least 70% of

their target groups, which now have to be of at least 500 per project accepted for financing, with a specific, nationally recognized qualification. Two such large schemes, each targeting 2500 youngsters have been recently launched by the Ministry of Labour, with partners from the social partners' milieu.

All of the above show that in spite of many shortcomings and of several setbacks, things are on the move. Improvement will not come soon as rather low prospects of job generation will probably continue to deter enrolment in VET and still make for an incentive, coupled with other factors obvious enough, for an early exit from education and training.

However, many more opportunities are now available to prevent at an earlier stage and, if not reverse, remedy at a subsequent stage in life, a decision for early leaving of education. In itself, this makes for a promising step further.

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APPENDIX

Fig.no.1. Early leavers from education and training by sex in Romania and EU-27 during the period 2003-2012

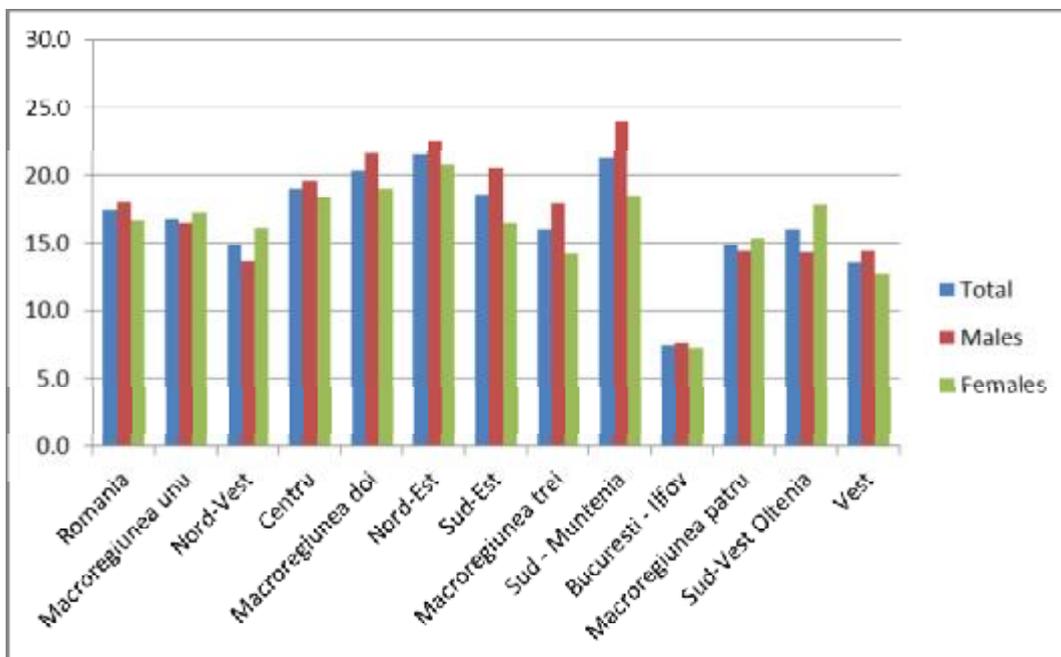
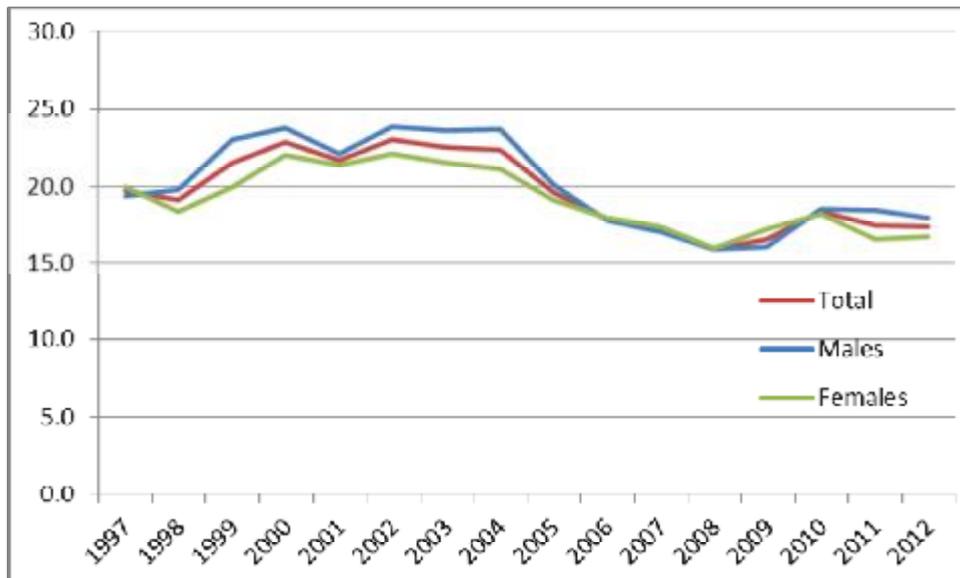


Fig.no.2. Early leavers from education and training by sex and NUTS 2 regions in Romania in 2012

Table 1. Expenditures for Active Labour Market Policies/ALMPs financed by the Unemployment Insurance Fund (2002-2011, ROMANIA)

Year	Allocation for ALPMPs (% of total budget of the National Agency for Employment)	Allocation for ALMPs (% of RO GDP)	Unemployment rate (national definition)	RO GDP growth rate (% on the year early)
2002	13.95	0.10	8.4	5.1
2003	20.86	0.16	7.4	5.2
2004	17.29	0.13	6.3	8.5
2005	18.99	0.11	5.9	4.2
2006	19.57	0.09	5.2	7.9
2007	21.01	0.08	4.0	6.3
2008	20.03	0.05	4.4	7.3
2009	7.49	0.04	7.8	-6.6
2010	4.77	0.03	7.0	-1.6
2011	8.85	0.03	5.1	2.5

Source: National Agency for Employment-annual reports 2007-11, National Institute of Statistics of Romania (NIS) (Romanian Statistical Yearbook 2006-11;)