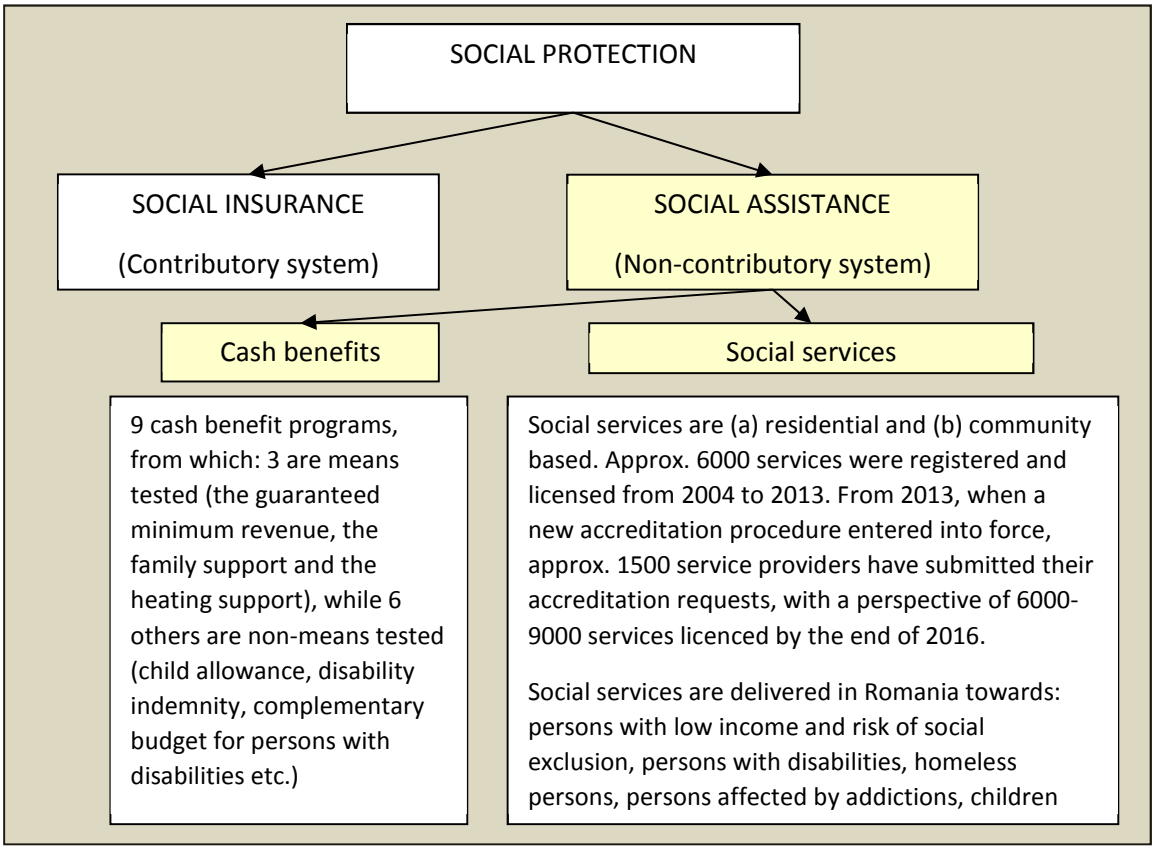
Decentralization of social care services in Romania

Author: Diana Chiriacescu

1. Social protection system

In Romania, social protection is provided through two components: the contributory social insurance system and the non-contributory social assistance system.

Graph 1 - The Romanian social protection system



The social assistance is composed by cash benefits (means tested and non-means tested), as well as social services and in kind support (food supply, tax deduction etc)

The total expenditure with social protection in Romania is 12,2 % of GDP[1], while the expenditure with social services is 0,6% GDP[2]. In EU Member States, the average spending on social protection was 21,1% of GDP in 2014, while the average spending on social

[1] Eurostat, 2014
[2] idem

The project is being co-funded by the the Austrian Development Agency, the European Union, Oak Foundation, and Tdh
WITH FUNDING FROM
AUSTRIAN DEVELOPMENT COOPERATION
OAK FOUNDATION
Terre des hommes
Helping children worldwide. tdh.ch

services was 2,7% GDP. The proportion of GDP spent on personal social services other than medical care declined in Romania from about 1% in 2005 to 0.6% in 2011, whereas the EU-27 average increased from 2.2% to 2.7% in that time. In Romania, personal social services (other than medical care) receive an allocation of around 84 PPS per inhabitant (compared with 664 PPS per inhabitant, on average, in EU-28 countries and over 764 PPS per inhabitant in EU-15, in 2011).

In terms of typology, geographic distribution and number, the offer of social services is not balanced with the demand. While the sector of services is constantly developing, they are far from covering the needs, at the local level.

Social services were initially regulated by a law on social assistance that was issued in 2006, after the first stage of decentralisation, and are currently regulated by the Law on Social assistance no.292/2011.

A national classification of Social Services was updated in 2015 and each category of service has a code, as well as its own quality standard and a reference cost, at national level. The reference costs for each category of service were introduced in 2010. While these reference costs are still not fully accurate for the real expenditure within each service, they are used as a tool for budgeting and financial planning, at the level of counties and municipalities. The quality standardization progressed quite rapidly since 2004 and currently each service that is included in the national classification has its own set of quality standards. The compliance with the quality standards is mandatory for the accreditation process.

The mapping of social needs became mandatory in 2011, but no methodological norms or procedures have been provided by the ministry of labour. As a consequence, very few local authorities are mapping the social needs and the existent services at county or local level. However, 8 out of 41 counties in Romania elaborated their own maps of needs and services, between 2008 and 2016.

Social services are provided by public providers (central, county and local authorities), and private providers: non-governmental organizations, faith-based organisations, commercial companies and informal providers (volunteers, family members). All social service providers have to be accredited and all social services delivered by these providers have to be licensed. These two authorisation procedures have been recently centralised at national level (at the Ministry of Labour, Family, Social protection and Elderly) after 10 years of decentralisation (at county level). The change in authorisation produced mixed results and the accreditation process is under scrutiny at the present time.

The most important strategic documents for the current evolution of social services in Romania are: the National Strategy for Social Inclusion and Poverty Reduction (2015-2020), as well as national strategies in the field of: disability, child protection, active ageing, Roma.

The project is being co-funded by the the Austrian Development Agency, the European Union, Oak Foundation, and Tdh
WITH FUNDING FROM
AUSTRIAN DEVELOPMENT COOPERATION
OAK FOUNDATION
Terre des hommes
Helping children worldwide. tdh.ch

A number of groups face various forms of social exclusion or are at high risk of exclusion (associated with poverty, but not always). The main vulnerable groups in Romania are:

(1) Poor people

(2) Children and youth deprived of parental care and support

(3) Lone or dependent elderly

(4) Roma

(5) Persons with disabilities

(6) People living in marginalized communities

Economic, demografic and social context

Romania is an upper middle-income country with per capita GDP of EUR 7521 (15,100 PPS)[3] in 20144. The average available monthly budget per household aproximtely amounted to 640 EUR in 2015 and the average net wage to 436,24 EUR in the first quarter of 20165.

In 2015 the country's population was 19,87 million inhabitants[6]. They live in 320 cities and 2861 communes. Romania is organised in 41 counties. Additionally, Bucharest (the capital) has 6 sectors - a sector is equivalent to a county. Each county has approx. 400.000 inhabitants.

The broadest indicator (AROPE), which is also used to measure whether the European Union's social inclusion target is being met, tracks people at risk of poverty or social exclusion who are in at least one of the following three situations:

- They are at risk of relative poverty after receiving social transfers (AROP indicator). These are people whose annual income (including social protection transfers) is lower than 60 percent of the median income as expressed per adult equivalent.
- They live in households with very low work intensity (LWI), meaning households where the members aged 18 to 59 years old have worked in a paid activity for less than 20 percent of their work potential in a given reference year.
- They are exposed to severe material deprivation, meaning people from households that are in at least four of nine standard deprivation situations.[7]

[3] Artificial common currency, called the Purchasing Power Standard (PPS) equalizes the purchasing power of different national currencies.

4 Eurostat Main GDP aggregates per capita, http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do
5 National Statistic Institute, www, insee.ro
6 idem
[7] The indicator distinguishes between individuals who cannot afford a certain item or service and those who do not have this item or service for another reason, for example, because they do not want or need it.

The project is being co-funded by the the Austrian Development Agency, the European Union, Oak Foundation, and Tdh

The data for 2013 show that, of the total population, 40.4 percent of Romanians were at risk of poverty or social exclusion(AROPE)[8]. During the 2008 to 2013 period, the AROPE slightly decreased by 4 percentage points. Material deprivation is the main reason associated with being at risk of poverty and social exclusion, followed by AROP and finally, making only a minor contribution, LWI.

People at risk of poverty and social exclusion are mainly people who are severely materially deprived (32.9 percent of the whole population), people at risk of relative monetary poverty (22.4 percent of the total population) and, to a lesser extent, people living in households where working-age members have a low work intensity (6.4 percent).

Table 1: Percentage of Population at Risk of Poverty or Social Exclusion, 2008-2013

	2008	2009	2010	2011	2012	2013
People at risk of poverty or social exclusion (AROPE)	44.2	43.1	41.4	40.3	41.7	40.4
People at risk of relative poverty after social transfers (AROP)	23.4	22.4	21.1	22.2	22.6	22.4
People severely materially deprived	32.9	32.2	31	29.4	29.9	28.5
People living in households with very low work intensity (population aged 0 to 59 years)	8.3	7.7	6.9	6.7	7.4	6.4

Source: Eurostat

Table 2: Basic labour market indicators (15–64), III quarter 20159

	Total	Females
Activity rate	67,8%	58,2%
Employment rate	63,2%	54,6%
Unemployment rate	4,89%	4,55%

Source: National Statistic Institute, www.insee.ro

The poverty of children and youth is higher. 39,4% of children 0-17 years old were in risk of poverty in 2014.

8 The AROPE indicator is composed by the following three indicators: AROP, severe material deprivation and people living in households with low work intensity

9 National Statistic Institute, www.insee.ro, TEMPO Database

The project is being co-funded by the the Austrian Development Agency, the European Union, Oak Foundation, and Tdh
WITH FUNDING FROM
AUSTRIAN DEVELOPMENT COOPERATION
OAK FOUNDATION
Terre des hommes
Helping children worldwide. tdh.ch

3. Mandates for social care services

Social care services in Romania are in the mandate of both national and local governments.

The responsibility of social service provision is shared between the national level, the county councils and the local councils (in cities and communes). The first stage of decentralization was marked by the Law on Local Autonomy (in 1997) when a small number of social services were transferred from ministries towards county councils. The pre-accession to EU boosted the decentralization process and the majority of services (in the field of child protection and disability) were transferred towards the County Directorates for Social Assistance and Child Protection (CDSACP), including most of the large residential settings in the field of child protection. The old style institutions for disabled remained in the jurisdiction of the national level (ministry of social welfare) for a longer time.

The decentralization of social services has been carried almost simultaneously with the de-institutionalization of children (including children with disabilities), from large residential settings to small scale facilities or family-like settings, which was a very significant and costly process in Romania. More than 10.000 children have been transferred from institutions to foster families and family-like settings, between 2000 and 2007. The two processes have put a high pressure and complex responsibilities on the county authorities, and therefore the further decentralization towards the local level (cities and communes) was rather slowed down…During this interval, county councils took over the responsibility of providing rather specialized services (residential, rehabilitation services, multidisciplinary or integrated ones etc). They received in the same time, through the deconcentrated agencies of the ministry, the roles of monitoring and evaluating the service providers at local level. This superposition of roles creates often confusion and conflicting interests, especially when it comes to funding and contracting social services with private providers.

In 2011, the local level received also clearer mandates with regards to their own responsibilities in developing and providing social services. At local level (cities, communes) operates a structure called the Public Services for Social Assistance (PSSA). While the county level deals more with complex and specialized services, that cover the need of beneficiaries from many municipalities, at local level they exist rather primary social services, like for example day centres, social canteens, social houses and shelters, counseling and mediation services etc. PSSA deals also with the entire management and monitoring of cash benefits. On the other hand, the separation of roles between the county and the local level is not sharp. Each of these authorities can develop primary or specialized services, depending on the needs of beneficiaries at that respective level.

Both CDSACP (at county level) and PSSA (at local level) depend directly on the elected authorities at the respective levels. They are not deconcentrated bodies of the ministry. However, CDSACP is coordinated by the ministry from a methodological point of view. Sometimes, this double subordination of CDSACP creates gaps or confusions.

The national level keeps the responsibility for several large residential institutions in the disability sector, but the number of these services is very small.

The project is being co-funded by the the Austrian Development Agency, the European Union, Oak Foundation, and Tdh
WITH FUNDING FROM
AUSTRIAN DEVELOPMENT COOPERATION
OAK FOUNDATION
Terre des hommes
Helping children worldwide. tdh.ch

Social services are funded from various sources and by a set of various mechanisms:

- From the central budget: the specialized services at county level, in the field of child protection, disability (including the personal assistant of persons with disabilities), elderly, rare illnesses
- From the county budget – the same as above (co-funding)
- From the local budgets – all primary services like day centres, social canteens, crèches, support services for independent living etc.
- From private funds (donors, companies etc)
- From \EU structural funds
- From bilateral agreement funds (Norway, Switzerland)

In terms of funding mechanisms, the public funding uses the following procedures or instruments:

- Public procurement procedures (acquisition of social services)
- Subsidies
- Specific (dedicated) funds, for certain thematics – like Programmes of National Interest
- Grants awarded by local authorities.
- Co-payment by beneficiaries of social services.

4. Issues of service development, gaps and obstacles for further decentralization

The key issues that are currently prioritized in the social services-relates strategies and reform processes, are the following:

1. The enforcement of the social assistance services at local level (PSSA). The local level (city hall, local council) is still very weak – in small cities and in the rural communes, and is almost unable to secure funds and staff for delivering qualitative social care. One of the key priorities of the current strategy for social inclusion is therefore to enforce the capacities of PSSA to deliver primary social assistance services, at grassroots level, as close as possible to the beneficiary.
2. Another problem in the current social care system in Romania is the uneven capacity of various counties to plan, deliver and monitor social services. The counties in the South And |North East regions are weaker in terms of services development, while the Center, West, North West and Bucharest area are more developed.
3. The public procurement of social services, as well as the contracting methodologies in general is under revision as well. They are very important in order to allow the public authorities to buy social services from private providers, by respective the new EU Directive on Public Procurement (2014), and therefore to work in partnership with private providers.
4. Last but not least, an important target of the current reform of social service system is the decentralization of financial resources from the state budget towards the local authorities from cities and communes. While the county authorities receive currently important amounts from the state budget, for social services, the municipalities do not. In order to enforce the capacities of municipalities to provide (or contract) social services, this component of the decentralization process is a key priority.

The project is being co-funded by the the Austrian Development Agency, the European Union, Oak Foundation, and Tdh
WITH FUNDING FROM
AUSTRIAN DEVELOPMENT COOPERATION
OAK FOUNDATION
Terre des hommes
Helping children worldwide. tdh.ch

5. Lessons learnt (good practices)

1. The EU programme that targeted the rural development (LEADER) was very helpful in the last years, because it enforced the capacity of communes to work together, under the form of Local Action Groups (LAG). LAGs are non-governmental organizations that are composed from municipalities (city halls), private companies, entrepreneurs, social NGOs, cooperatives etc. They function only in rural areas and they constitute a network of partners in a cluster of rural localities, which act together for the socio-economic development of the respective microregion. LAGs are eligible to structural funds. Social services are eligible costs under the EU funds for rural development, and therefore the LAGs are currently using this financial instrument to stimulate the emergence of new social services in rural zones.

2. Nongovernmental organizations have progressively developed social services that cannot be ensured easily by public authorities. They are the depository of a set of good practices in the field of home care services, mobile teams, social economy, mediation and support of vulnerable persons/groups in communities etc.

The project is being co-funded by the the Austrian Development Agency, the European Union, Oak Foundation, and Tdh
WITH FUNDING FROM
AUSTRIAN DEVELOPMENT COOPERATION
OAK FOUNDATION
Terre des hommes
Helping children worldwide. tdh.ch