The national strategy on social inclusion and poverty reduction (2014-2020)

Romanian Government's objective is that all citizens have equal opportunities to participate in society, they have the right to be appreciated and valued, to live in dignity and that their basic needs are met.

Romania should be a country where:

- All citizens have equal opportunities

- Basic needs of all citizens are met

- Members of society are different but these differences should be respected

- All persons are appreciated and live worthy

Currently, one in five Romanians are facing poverty due to insufficient income, and much of persistent poverty is based on income, three quarters of the poor being in this situation for at least three years. A third of the population suffers from severe material deprivation in the sense that it cannot afford to purchase necessary items in order for them to lead a decent life. There are still situations when children never go to school, and the percentage of youth without a proper education is high. Many people remain inactive or unemployed on legal basis, with little chance to gain appropriate access to the labor market. There are inequalities in the coverage of basic health services. There are a significant number of disadvantaged communities where these problems accumulate, making it almost impossible to break the cycle of exclusion, without its members to be supported and integrated by outside intervention.

As poverty has a specific geographic distribution in Romania, one of the major objectives of the strategy is to ensure that resources are correlated with the distribution needs of the country (through policy development zone).

People affected by poverty:

* people living in households where the level of employment is very low
* people defined as affected by severe material deprivation
* population at risk of relative poverty after receiving welfare benefits

Any person meeting at least one of these three conditions is considered to be at risk of poverty and social exclusion.

Most poor people live in persistent poverty in Romania. Of the 22.6 percent of the population living in relative poverty in 2012, 18.2 percent (representing 81 percent of the poor) live in persistent poverty.

Almost a third of children living in persistent poverty and the risk to which they are exposed to live in this state is much higher than for any other age group. Moreover, the risk of exposed children living in persistent poverty rose nearly 3 percent between 2008 and 2012.

Areas of high poverty

Poverty is three times more prevalent in rural areas than in urban areas.

The regions with the highest percentages of people at risk of poverty are the regions of the Northeast (33 percent) and Southeast (30 percent ).

1. **Children and young people** - One in two children live in poverty in rural areas. In 2012, over 50 percent of children in rural areas lived in poverty, compared to only 17 percent of children in urban areas. Youth is recorded to have the second largest poverty rate thus being the main group affected by the economic crisis. In 2012, people between 18 and 24 years showed a high rate of poverty, similar to children’s rate living in rural areas. For youth, the poverty rate has increased significantly over time (by 7 percentage points in 2008-2012). This increase may have been caused by the vulnerability and increased risk of youth labor market in these years.
2. **Elderly:** The elderly showed a significant reduction in poverty in 2008-2012. The elderly as single people are at a larger risk of poverty than other people.
3. **Roma people**: Roma presents a much greater risk of poverty, regardless of age, education or the residence. Analysis of data from the Household Budget Survey indicated that Roma are at risk of poverty ten times higher than other ethnicities.
4. **Education level:** More than a third of people who failed to graduate at least 10 classes are at a higher risk of poverty. Taking into account the professional status (people between 15 and 64), the groups with the lowest poverty rates are employees and pensioners (5.6% and 8.4 % respectively). People with the highest rates of poverty are self-employed in agriculture (60.6 % of them being in poverty), followed by unemployed people (risk of poverty).

**The groups considered vulnerable in Romania:**

1. Poor people
2. Children and young people deprived of parental care and support
3. Alone or dependent elderly
4. Roma people
5. People with disabilities
6. Other vulnerable groups
7. People living in marginalized communities

**To reduce poverty and exclusion in the labor market, the Government aims to create new employment opportunities and promote equality through:**

1. raising skills, education and labor market experience of the poor and those belonging to vulnerable groups;
2. increasing employment rates Employment of these people / groups ;
3. Implementation of measures that could increase the wage rate of the target group ( such as measures towards reducing discrimination ).

However, these measures will be only partially effective if will not be accompanied by economic policies that influence demand by creating jobs. The main priority in this area will be increased employment among the poor and vulnerable by expanding active labor market measures.

**Social protection**

The objective of social protection is to support those in vulnerable situations and / or who cannot work (such as the elderly, disabled and children without parental care) to ensure a minimum level of income for the poor and provide social security benefits and social services to the poor, in exchange for them to fulfill their responsibilities.

The main responsibility for adults at working age is to look for a job using active employment measures labor.

**The main policy initiatives in social protection are:**

* introducing a unique program for the poor, minimum insertion income, which is predicted to reach all poor families by 2016
* an increase in social expenditure for poor people

To increase the impact on poverty reduction programs based on means-tested, the Romanian Government is preparing a legislative and regulatory framework to strengthen the three current programs based on means-tested -VMG (MIG), ASF (allowance family support) - and means for heating in a single program **– I. Minimum** **Insertion income (VMI**)**:**

1. VMI program will cover more poor people and provide more generous support to its beneficiaries.

2. VMI program will be able to cover a greater share of the poorest quintile

3. VMI will cover a larger number of poor people engaged and will provide adults of working age currently inactive and living on social assistance as an incentive towards the active search for a job (allowing them to combine social and work)

4. Adopt a benefit formula that does not include some of the labor income will open the program to a larger number of poor people engaged, as members of households with working adults will have eligibility thresholds higher than households whose adult members not working.

5. VMI program will likely increase the level of school attendance and improve school performance of children in beneficiary families, while increasing the employment rate of employment among adults of working age

**II. The development of social housing:**

The Government intends to evaluate the need for social housing for vulnerable groups ( including the **homeless** , post- institutionalized youth , ex-convicts , victims of domestic violence , people evacuated from their homes returned, drug addicts ) .

 Then, it aims to establish a national strategic framework for housing policy specifically involving interpectoral coordination and cooperation between central and local authorities. The range of instruments of social housing should be improved, and the Government intends to consider granting compensation persons.

Provide emergency support to the **homeless**, while strengthening their capacity for social reintegration and early prevention. The vast majority **of homeless people are in urban** areas (95 %), 88 % of which is concentrated in towns and cities (one-third of homeless people living in Bucharest). Over three quarters of the **homeless are men** of working age adults (three quarters are aged between 25 and 64 years). It is alarming that more than one of ten **homeless is children**. Failure to resolve homelessness in the future would result in further costs to society.

Measures will be taken more crucial in the near future:

* tackling homelessness for children;
* assessing the size of the homeless population in all major cities ;
* increasing the number and capacity of shelters ;
* improving emergency response capacity in the street by ensuring fulfillment of basic needs of food , water and medical assistance to the needy ;
* adoption of urban regeneration programs to address illegal settlements ;
* prevent and stop illegal evictions
* adopt prevention policies for people at risk of getting the homeless, including detainees , institutions childcare , nursing homes and hospitals, victims of domestic violence , drug addicts and older people themselves vulnerable