

Profile on economic inclusion for people with disabilities and older workers: Romania

Purpose and scope: This profile responds to the three pillars of the EBRD's *Economic Inclusion Strategy* (access to employment and skills, finance and entrepreneurship, and services) and aims to provide targeted support to the efforts of the EBRD and its partners to better understand the needs of people with disabilities (PWD) and older workers. It is not intended to be an exhaustive overview of all issues affecting people with disabilities and older workers in this country. It was prepared for the EBRD using publicly available sources.

Country context	<ul style="list-style-type: none"> • Population: Romania has a population of 19.3 million (World Bank, 2020b). The country has a notably high rate of people living in rural areas, at 46 per cent in 2019 (World Bank, 2020c). • Economy: Romania is classified as a high-income country, with a GDP of US\$ 249 billion in 2019 and GDP per capita of US\$ 12,902 (World Bank, 2020b). In 2018, services added 57 per cent of GDP, industry 28 per cent (manufacturing 19 per cent) and agriculture 4.4 per cent of GDP with 22 per cent of employment (World Bank, 2020c). Tourism, ICT, metals and vehicle manufacturing are key sectors (Santander, 2020). The economy grew by 4.1 per cent in 2019 but is expected to contract by 5.7 per cent in 2020 due to the Covid-19 crisis (World Bank, 2020b; World Bank, 2020c). • Prevalence / responses to Covid-19: Over 471,000 cases of Covid-19 have been reported as of December 2020 (WHO, 2020). The government has increased social spending to mitigate the economic impacts of the crisis.
People with disabilities (PWD)	<ul style="list-style-type: none"> • Estimates of disability prevalence in Romania vary. According to recent national data, there are an estimated 850,000 people with disabilities (National Authority for Persons with Disabilities, 2020). Data from the European Health and Social Integration Survey (EHSIS) provide a lower estimate of just over 326,000 people and a prevalence rate of 18 per cent of the working-age population (EHSIS, 2012). The labour force participation rate among PWD is 14.9 per cent, compared to 64.6 per cent overall (EHSIS, 2012). More recent national data indicate that over 34,000 registered PWD are employed (ANED, 2019b). • Employment and skills: The Labour Code prohibits discrimination in employment on the grounds of disability and the Law on the Protection and Promotion of the Rights of Disabled Persons (LPPDP) establishes the right of PWD to equal treatment at work and to workplace accommodation. There is a 4 per cent employment quota for employers with at least 50 employees (LPPDP, Art 78). Employers of PWD are entitled to subsidies and tax deductions for workplace adaptations, equipment purchase and transport of PWD to the workplace. Employers also receive subsidies to cover training expenses for PWD (LPPDP, Art 84). PWD have free and equal access to education and professional training, and benefit from support measures such as vocational training, guidance and vocational rehabilitation programmes under the National Employment Strategy 2014-2020. Vouchers for the purchase of assistive technology for employment purposes can be obtained from the NAPD (NAPD, 2020). In practice, employment services for PWD provided by the National Employment Agency (NEA) are said to be limited due to insufficient staff and facilities (ANED, 2019b). The effectiveness of employment quotas is reportedly undermined by many employers opting to pay fines rather than hire PWD (Baciu et al, 2017). There is reluctance among employers to adapt workplaces to PWD's needs, contributing to low rates of workforce participation (Birau et al, 2019). The requirement to declare disability during a pre-employment medical evaluation may contribute to discriminatory attitudes towards the PWD's work capacity (Baciu et al, 2017). • Finance and entrepreneurship: The Strategy for the Development of SMEs and Improving the Business Environment in Romania - Horizon 2020 from 2014-2020 aims to increase access to finance and entrepreneurship among socially disadvantaged groups, including PWD, through entrepreneurial support programmes, training and mentoring, and increased accessibility to microcredit. The National Disability Strategy sets the objective of ensuring access to entrepreneurship training among its employment promotion measures. However, there are no dedicated entrepreneurship training programmes for PWD (OECD, 2018). • Services: The LPPDP sets out the national provisions on physical, information and communication accessibility, mandating the authorities to promote and implement accessibility requirements. Standards established at the EU level also apply. Individuals with

accentuated and severe disabilities and their companions, personal assistants and children are entitled to free use of public transport ([LPPDP](#), Arts 23-24). The [LPPDP](#) also provides for a right to a personal assistant for people with severe disabilities and PWD are entitled to the use of assistive technologies. Infrastructure, transport, ICT and information accessibility objectives are outlined in Romania's [A Society without Barriers for Persons with Disabilities 2016-2020](#) strategy, while the [National Strategy for Digital Romania 2020](#) seeks to increase internet usage among disadvantaged groups, including PWD. There is some concern over the accessibility of transport infrastructure in practice, the lack of training among staff of service providers and the limited accessibility of government websites (Government of Romania, [2016a](#); Pașcalău-Vrabete et al, [2020](#)). Accessibility barriers are reportedly more pronounced in rural areas (Tenea, [2019](#); Pavel et al, [2018](#)).

- **Covid-19:** There is limited available information on the impacts of the Covid-19 pandemic on the economic participation of PWD. Some reports indicate that government efforts to encourage employers to hire PWD have been put on hold due to the pandemic (Kanady et al, [2020](#)). In March 2020, the government issued a notice of extension of validity of disability certificates, which may have enabled some PWD to continue working (GoR, [2020b](#)).

Older workers

- Older workers (50-64) comprised 23 per cent (3.8 million) of the working-age population in 2019, with just over 60 per cent economically active (compared to 85 per cent of adults aged 25-49), including 72 per cent of men and 49 per cent of women (Eurostat, [2020](#)). More than half (56 per cent) of employed persons aged over 55 were in rural areas, compared to 41 per cent in the 25-54 cohort (NSI, [2020](#)). Older workers are reportedly concentrated in low remuneration self-employment in agriculture (Șoitu and Șoitu, [2020](#)).
- **Employment and skills:** Discrimination on the grounds of age, including dismissal, is expressly prohibited by the Labour Code. Retirement age (61 for women and 65 for men) is mandatory but retirees can continue to work under new fixed-term contracts, if employers agree (EC, [2020a](#); [Law on the Unitary System of Public Pensions](#), Art 53). However, there are concerns that mandatory retirement provisions may encourage employers to dismiss older workers, with the OECD noting a need for increased awareness-raising on age-based discrimination (OECD, [2018b](#)). Additionally, employers hiring workers aged over 45 are entitled to subsidies. Older workers aged 55-64 are also designated as a priority group for active employment support under the 2016 [Integrated Anti-Poverty Package](#). Despite the IAPP highlighting strategic principles on flexible forms of employment, implementation has so far been limited and no specific schemes for phased retirement have been introduced (OECD, [2018b](#)).
- **Finance and entrepreneurship:** Older workers are entitled to receive entrepreneurship skills training under the [National Lifelong Learning Strategy 2015-2020](#). However, there are no tailored entrepreneurship training programmes or dedicated financial aid for older entrepreneurs (OECD, [2018](#)). Entrepreneurship is reportedly not seen as an attractive employment option by Romanians over 60 (Păunescu and Blid, [2017](#)). Access to financial services is generally low, particularly in rural areas, with rural older people significantly less likely to have access to banking and financial services than younger age cohorts (Precupetu et al, [2019](#); World Bank, [2020a](#)).
- **Services:** Romania's [General Transport Master Plan](#) establishes broad objectives to improve transport accessibility for older people (Government of Romania, [2014c](#)) and some local authorities offer "mobility" grants to support older workers' access to transportation (Government of Romania, [2019](#)). Nevertheless, there is a lack of policy focus on access to services for older workers overall. Rates of both computer and internet usage among older people are low (Van den Nieuwenhof et al, [2019](#)).
- **Covid-19:** There is no information available on the impacts of the pandemic on the economic participation of older workers. Unemployed persons over 50 who lost their jobs during the pandemic are a priority beneficiary of the government's employment-protection scheme launched in May 2020. The state covers 50 per cent of an employee's wages, up to RON 2,500 (€513) for 12 months, with the obligation on the employer to employ the person for another 12 months (Government of Romania, [2020b](#)).

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