

Analysis  
on the  
impact of  
structural  
funds  
on the  
Romanian  
labor  
market

The established objectives for the financial period 2007-2013 include the creation of more than 38,000 jobs and granting support for inclusion on the labor market of more than 1.65 million people.

The main operational programs enforced by the Romanian Government (Regional OP - POR, Enhancement of Economic Competitiveness SOP - POS CCE and Human Resources Development SOP - POS DRU) have generated a low number of jobs, the general employment rate between 2007 and 2014 growing by 1.1 percentage points (pp), being situated at a level of 63.9%. An element which contributed negatively to this evolution consists of the economic crisis' effects, when around 463,000 jobs were lost in the SME sector alone (2008-2010). At European level, the situation is worse than in 2007, recording a lower value with 0.8 pp in 2014.

**The Regional Operational Program (POR)** had a target to create around 15,000 jobs in its enforcement period, 2007-2013 (plus 2014 and 2015, according to the European principles on multi-annual financial executions). According to the final version of the Assessment Report of POR 2007-2013<sup>1</sup>, there was estimated the creation of around 22,800 jobs after enforcing all the signed funding contracts with beneficiaries until that moment. In other words, the undertaken objective within POR has been achieved at a rate of 152%.

Out of the 22,800 created jobs through POR, around 8,700 jobs were created within micro-enterprises<sup>2</sup>, which means an average of around 4.7 new jobs for an assisted micro-enterprise, leading to a growth of about 50% of the number of employees in the company.

**The Sectorial Operational Program Enhancement of Economic Competitiveness (POS CCE)** has created, according to the Annual Enforcement Report on 2013 of POS CCE 2007-2013<sup>3</sup>, a total amount of 15,454 jobs, as opposed to the established target of 23,000 jobs. Therefore, this objective has been reached at a rate of 67.19% of the undertaken target, with low perspectives of achieving it.

<sup>1</sup> Published in April 2014, available in Romanian at: [http://www.inforegio.ro/images/Evaluare/Raport\\_evaluare\\_POR\\_versiune%20finala.pdf](http://www.inforegio.ro/images/Evaluare/Raport_evaluare_POR_versiune%20finala.pdf).

<sup>2</sup> According to EurActiv, [http://www.euractiv.ro/uniunea-europeana/articles/displayArticle/articleID\\_26740/ANALIZA-EurActiv.ro-Creaza-fondurile-structurale-locuri-de-munca-Cifrele-vorbesc.html](http://www.euractiv.ro/uniunea-europeana/articles/displayArticle/articleID_26740/ANALIZA-EurActiv.ro-Creaza-fondurile-structurale-locuri-de-munca-Cifrele-vorbesc.html) (in Romanian).

<sup>3</sup> Published in May 2014, available in Romanian at: [http://www.fonduri-ue.ro/res/filepicker\\_users/cd25a597fd-62/Documente\\_Suport/Rapoarte/2\\_Rapoarte\\_POSCCE/03.07.2014/POSCCE\\_RAI2013a.pdf](http://www.fonduri-ue.ro/res/filepicker_users/cd25a597fd-62/Documente_Suport/Rapoarte/2_Rapoarte_POSCCE/03.07.2014/POSCCE_RAI2013a.pdf).



Among the newly created jobs, around 7,500 jobs are in the manufacturing SME sector and 1,000 jobs are in the R&D sector (figure exceeded with more than 100%). Therefore, POS CCE, while not achieving its target to create 23,000 new jobs, succeeds in contributing to the revival of the SME sector in Romania, severely damaged by the economic and financial crisis.

**The Sectorial Operational Program Human Resources Development (POS DRU)** does not have an objective, as opposed to the other programs, to create new jobs, but it undertakes its contribution to hiring more than 1.65 million people. The Annual Enforcement Report POS DRU 2013<sup>4</sup> shows the registration and the participation of a figure of 1,209,642 persons to the operations funded through the European Social Fund (ESF), out of which 1,151,739 unique participants. This means achieving the objective at a rate of 69.8%.

### **Perspectives of the financial period 2014-2020**

The new operational programs, approved through the Partnership Agreement between the European Commission and the Romanian Government - Operational Program Human Capital (POCU), Operational Program Competitiveness (POC) and Regional Operational Program (POR) are still being drafted, with no clear objectives yet.

One of the expected initiatives within POCU is *Jobs for young people*, which draws funding from the European Program *Youth Employment Initiative*, of more than 211 million Euros, estimating the assistance of around 59,000 young people by 2023.

The undertaken objective by the Romanian Government by 2020 consists of an employment rate of 70%, meaning a growth of 6.1% pp as opposed to the estimated level for 2014.

<sup>4</sup> Published in June 2014, available in Romanian at: <http://www.fonduri-ue.ro/posdru/images/doc2014/rai2013.pdf>.