



UPLIFT – Urban PoLicy Innovation to address  
inequality with and for Future generaTions

## Deliverable 2.2

# Urban report

*Sfântu Gheorghe, Romania*

January, 2022



This project has received funding from  
the European Union's Horizon 2020  
research and innovation programme  
under grant agreement No 870898.

<b>Project title</b>	<b>UPLIFT – Urban PoLicy Innovation to address inequality with and for Future generaTions</b>
<b>Grant Agreement No.</b>	870898
<b>Project duration</b>	January 2020-June 2023
<b>Project website</b>	<a href="http://uplift-youth.eu">http://uplift-youth.eu</a>
<b>Project coordinator</b>	Metropolitan Research Institute
<b>WP 2</b>	Main patterns of urban inequality in Europe
<b>WP duration</b>	January 2020-March 2022
<b>Deliverable title</b>	Urban Report -Sfântu Gheorghe, Romania
<b>Lead partner of the WP</b>	CESIS
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<b>Date of submission</b>	31/January/2022
<b>Dissemination level</b>	Public

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## Summary

- In accordance with the Methodological Guidance and Work Plan for WP2 of the UPLIFT project, this report examines the scales and dimensions of inequality affecting the young population in the functional urban area (FUA) of Sfântu Gheorghe, in Romania. National and local dynamics are analysed to find how the drivers of socio-economic inequality operate in this context mediated by policy interventions, including an overview of how policy-makers and stakeholders conceptualize and respond to the challenges.
- The analysis is based on desk research and interviews with 8 key stakeholders at the local level, as well as relevant findings presented in previous deliverables of the UPLIFT project.
- After describing the FUA, we present the main trends and policies in four thematic areas – education, employment, housing and social protection – distinguishing between national and local developments. The analysis covers the economic and financial crisis that erupted in 2008 that partially correspond in our particular case with the accession of Romania in EU (2007), and subsequent post-crisis years of recovery and the Covid-19 pandemic.
- Our findings show that most of the policies are taken at the national level and the local institutions have limited room of manoeuvre. Despite the fact that Romania has the highest risk of poverty in the EU, the percentage of GDP allocated for social protection is among the lowest.
- The financial crisis of 2008 was not felt as strongly as in other EU countries (according to the statistical data consulted and local to the stakeholders' statements) because Romania had just undergone another wave of changes caused by the country's accession to the EU. However, the work area was affected, and the effects were most strongly felt by people who were currently working abroad or those involved in temporary work.
- At the national and local level, there are strategies and projects aimed at young people, but most often, young people are not consulted before developing these programmes. The lack of consultation of young people was seen as a weak point in the development of future strategies.
- Unlike other similar localities in Romania, in FUA Sfântu Gheorghe the cultural sector is very strongly developed and constant efforts are made - by the municipality and other NGOs - to attract young people to stay and live here.
- The innovative policy we have decided to describe refers to a multidisciplinary project - Prospera Sepsi - which aims to bring together several organizations, from the public sector and NGOs, which started to work together to reduce poverty and discrimination. This initiative targets three areas of Sfântu Gheorghe, identified as marginal and / or socially segregated (but also spatially, one of them).

## Introduction

This report combines statistical data, desk research and interview information in order to examine the scales and dimensions of inequality affecting the young population in the functional urban area of Sfântu Gheorghe, Romania. We intended to understand how national and local policies and actors operate to increase or reduce socio-economic inequalities. We also intended to discover how the local stakeholders understand inequalities and how they respond to the local and regional problems in four important domains (education, housing, employment and social protection). This corresponds to the meso-level of analysis in the UPLIFT project, i.e. between the macro-level analysis of inequality drivers (the focus of WP1) and the micro-level analysis of individual behavior and strategy (the focus of WP3)<sup>1</sup>.

One of the major problems in Romania for all the researchers is to find out relevant statistical data at local level. The most used statistical data source that was used for this report represents the National Institute of Statistics – Tempo INS. In addition, we have used data provided by local institutions as well as other Eurostat data. We tried to collect data for 2007/2008, 2012 and 2018, but it was not possible for all targeted indicators. The work of collecting statistical data took place during 2020 and further additions were made in the spring of 2021. Building on previous deliverables of the UPLIFT project and statistical data, the report expands the analysis by bringing desk research and interviewees.

The desk research was carried out between June 2020 and July 2020 and included official bodies, reports, strategies and relevant publications in one of the fourth areas of analysis: education, employment, housing and social protection. For a better understanding, we tried to focus on the texts that discuss structural inequalities at national and local level. We have paid more attention to studies that address the issue of young people and segregated groups.

We have conducted eight in-depth interviews (face to face and online) between October 2020 and June 2021. All the respondents (3 women and 5 men) have experience in at least one of the fields covered by the project and work in FUA Sfântu Gheorghe (5 of them work in public institutions and other 3 respondents in NGOs). The scheduling of the interviews took longer than we initially expected, largely as a result of the COVID-19 pandemic. More precisely, some of the stakeholders had a much busier agenda than before this period and

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<sup>1</sup> The specific guidelines for the reports on the sixteen FUAs under study in the UPLIFT project can be found in the WP2 Methodological Guidance and Work Plan. As established in that document, this report draws on results from four tasks of the project: Task 1.3 - National policies and economic drivers for inequality, Task 2.1 - Statistical analysis of inequality at the local level, Task 2.2 - Analysis of the main socio-economic processes and local policies influencing inequality during and after the financial crisis and the subsequent recovery, and Task 2.3 - Innovative post-crisis policies.

could not respond quickly to our request; some of the respondents preferred that the interviews take place face-to-face, and our movement in the field could not be done only in certain periods (when it was possible to frequent the closed spaces); some interviews had to be rescheduled.

The report begins with a generic description of the FUA, highlighting key local characteristics and how they compare with the country as a whole. This is followed by a presentation of the main trends and policies at the national and local levels, based on the analysis of literature, statistics and interviews. Afterwards, the case of an innovative policy is examined in greater detail. Finally, we summarize and discuss the main findings, emphasizing their contribution to understand the FUA of Sfântu Gheorghe and to carry out the broader goals of the UPLIFT project.

# 1 General description of Sfântu Gheorghe Functional Urban Area

Sixteen Functional Urban Areas (FUA) across Europe are studied at the meso-level of analysis in the UPLIFT project. As explained by Dijkstra et al. (2019), the concept of FUA goes beyond aspects of population size and density to consider also the functional and economic extent of cities. Therefore, the FUA of Sfântu Gheorghe (Sepsiszentgyörgy / Saint George) includes the city of Sfântu Gheorghe in itself (the "city"), as well as two villages - Chilieni and Coseni. On the outskirts of the city is Băile Şugas, a spa known for its mineral waters, which contain carbon dioxide, having a healing effect. In 1968, within the administrative-territorial reorganization of Romania, Sfântu Gheorghe became a county seat, and the status of municipality was earned in 1982. The municipality of Sfântu Gheorghe is administered by a mayor and a local council composed of 21 councilors (most of them being representatives of The Democratic Alliance of Hungarians in Romania –UDMR/RMDSZ – political formation).

Sfântu Gheorghe (has an approximative size of 73 km<sup>2</sup>) is located in the central part of Romania, in the historical region called Transylvania and ethno-cultural region of Székelyföld/Szekely Land, is the capital city of Covasna' county. According to the National Institute of Statistics, the municipality's population is 64,428 inhabitants (at 1st of January, 2018), with a majority of Hungarian speakers (~77%) and ~22% of Romanian speakers. It is important to mention that according to unofficial census, the Roma population is estimated to be around 8%<sup>2</sup>. Sfântu Gheorghe is the municipality with the highest proportion of expenditure on cultural activities relative to total expenditure of all municipalities in Romania. Sfântu Gheorghe has two theaters, a county library, two museums, and two art galleries. The "Three Chairs" Dance Ensemble also operates in the locality. The city is also known for its craftsmen in various fields.

The greatest challenges Sfântu Gheorghe is facing are not much different from the usual challenges of an Eastern-European small or medium city: migration of the youngsters, lack of well-paid jobs, increasing social inequality. The most robustly shrinking age category is the 15-24, where between 2002 -2016 a 48% decrease was registered (while in the same period the number of population over 65 years increased with 66%), explained by the internal (to other regions of Romania) and external migration (to other countries). The average percentage of students passing baccalaureate exam is above country average, but there are schools where this percentage is extremely low (7.47% was the lowest in 2018). These less performing vocational and high schools concentrate pupils with low socio-economic background with low access to the existing educational, economic, cultural resources.

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<sup>2</sup> For more details about population see in the Annexes1: Table1

The main economic activities in the FUA of Sfântu Gheorghe are carried out in the textile and clothing industries, furniture, milk and meat processing, in the field of trade and services, as well as in tourism. In the city, industrialization began with the founding of the first textile factory in Szekely Land. In 1879, a tobacco factory was built too. With the construction of the railway on the line Braşov - Târgu Secuiesc - Miercurea Ciuc, the city entered the national railway network, and since 1908 electricity was already available to the inhabitants of the city. In the 1970s the socialist leadership implemented a new wave of industrialization, by building machinery factories. Also during this period, the furniture factory was built. In the early 1990s, the market economy became an important factor in the closure of large enterprises in the socialist period. Recently, however, foreign investors have appeared, especially in the field of light industry (clothing, cardboard and textiles). Also recently, the Business Center was built on the outskirts of the city.

The desire of the population to emigrate to Western Europe or Hungary has been met constantly since 1990 and has seen a leap with Romania's accession into the European Union. Therefore, after 2007 (but even before this period) the southern region of Transylvania, of which FUA Sfântu Gheorghe is part, experienced one of the most accentuated migrations in Romania (SEEMIG, 2014). Migration characterizes rather the young population and usually it happens in one of the two situations: some high school graduates go to study at a college in another locality in Romania or abroad (the first option for Hungarian speakers being Hungary) and does not intend to return to Sfântu Gheorghe; for a part of the population, working abroad is a much more advantageous alternative.

In FUA Sfântu Gheorghe 3 marginal communities were identified, in which the majority of the population faces a series of socio-economic problems to a greater extent than the rest of the population. In future sections, various aspects of the three communities have been detailed.

More detailed information at the local level, including quantitative and qualitative evidence on occupational structure, unemployment, educational attainment or quality of housing, among other dimensions, will be examined in the following chapters. They will help us understand how inequalities among people of FUA Sfântu Gheorghe, especially among youth, are manifested.

## 2 Findings

### 2.1 Education

#### 2.1.1 National trends and policies

"All Romanian citizens have an equal right to education, at all levels and all forms, regardless of gender, race, nationality, religion or political affiliation, and regardless of social or economic status", this right is provided in the Law of Education no. 84/1995. In public educational institutions, education is free and the state guarantees the right to it in the interest of the individual and society<sup>3</sup>. In accordance with the National Education Law no. 1/2011, the Romanian education system is regulated by the Ministry of Education and Research (MEC).

The national education system includes the following levels:

- **Early education** (0-6 years) consisting of: the before preschool level (0-3 years) and the preschool education (3-6 years) which includes: the small group, the middle group and the big group.
- **Primary education (ISCED 1)** includes: the preparatory grade and 1-4 grades
- **Secondary education** with: **secondary lower education (ISCED 2)** or gymnasium includes grades 5—8 (the access to the higher level is achieved by a national evaluation examination and distribution in upper secondary education units) and **the secondary superior education (ISCED 3)**. The secondary superior education can be high school education, which includes the high school grades 9-12/13, with the following pathways: theoretical, aptitude-based (vocational) and technological or a minimum 3-year professional education. The graduates of the professional education promoting the certification examination of the professional qualification may attend the high school education courses.

In the context of the changes during the last 30 years, in Romania have been permanent discussions about the goals of education. After the December 1989 revolution, a series of reorganizations and changes were carried out in all the countries of Central and Eastern Europe, identified as liberal reforms, including the education system (Koucký and Černohorský 1996). The reform of the education system has always seemed like a national priority and has appeared constantly in both the political and the civil society discourses. Almost every minister of education aimed to reform the education system, meaning to improve it by achieving goals set by reference to Western standards. In the first period of the transition (1990s), education needed to align with new capitalist and Western values and

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<sup>3</sup> <https://www.oecd.org/countries/romania/38614298.pdf>

break away from the communist past (Pasti, 2006; Toc, 2018). Later, especially after 2007 (after Romania's accession to the EU), education was increasingly placed in relation to economic results, both individually – „learn and you will succeed in life” - and at the level of society – „economic development of the country needs educated labor force” (Toc, 2018: 23).

However, the problems faced by the education system must also be understood in the context of other changes in society. For example, the major problem of population impoverishment in the post-socialist period also generated major difficulties in organizing the education system. Among these we can list access and participation in different levels of education, illiteracy and functional illiteracy, school dropout (regardless of how it is measured), low participation rate in university education, etc. (Merce et al, 2015). Therefore, aligning with the logic of Western education systems meant assuming "solving problems" that the socialist system did not have on the "agenda", such as access to quality education, or the problem of transition to secondary and tertiary education of students, especially of those from disadvantaged backgrounds (Toc, 2018).

Despite a long series of reforms in education, student's performance was still low by EU and by the OECD standards. Outcome indicators of educational achievement were close to international averages, but lower than in the EU, OECD, and even neighboring countries from East and Central Europe (The World Bank, 2007).

In the context of pre-accession, but also after accession to the European Union, the main objective of the education system was to reduce inequalities in participation in education through programmes designed to ensure to all individuals the opportunity to acquire at least a minimum level of education (Toma, 2021), this one being free and compulsory until the 10th grade. Another important objective, in the context of the debates regarding the low quality of the Romanian education system, was to improve the school performance obtained by students, measured by the acquired competencies (consisting of knowledge, skills and attitudes). Currently, the education system is still trying to find the balance between providing a "quality education" for all students and their selection at different levels of the system according to criteria considered meritocratic. It can be said that an adequate description of the current state of the system is one that suggests that education is highly polarized, with large differences between residential and school environments in terms of performance (Toc, 2018; Rostas and Kostka, 2014); in some schools there is a high percentage of students who dropout of education or who are on the verge of functional illiteracy, meanwhile in others, the average performance is quite high, including when it measured by participating in national and/or international competitions and (Vasile, 2020).

According to the OECD Report, students' performances are not quite satisfactory. Romania is one of the countries with the highest share of low achievers among 15 year olds in all three areas tested under the OECD Programme for International Student Assessment (PISA), and results have worsened since 2015. The data from the PISA evaluations are important because in Romania no similar data are collected so that to allow the analysis of inequalities in the

education system. The mean score of pupils in all three domains is over 60 points below the EU average, the equivalent of one-and-a-half years of schooling (edu.ro; European Semester). The percentage of students who are below level 2<sup>4</sup> in each test area in 2018 was as follows: science - 44%, mathematics - 46.5%, reading/reading - 40.8%. Compared to 2015, this percentage increased by 0.4% in reading/reading and by 5.7% in mathematics, but decreased by 3% in science.

Although constant efforts have been made to create equal opportunities among pupils in Romania (Fartusnic et al. 2014), those from families with good socio-economic status obtained, in reading, 109 points more than those from families with low socio-economic status, the difference being much higher than that recorded in the 2009 test (86 points). Socio-economic status was also closely correlated with performance in mathematics and science.

Persistent lower attainment levels are reported in rural and economically deprived areas (European Semester, 2020), including those with a high Roma population. In general, poorer students are more likely to receive a lower quality education (Swinkels et al, 2018). According to the report developed by the Ministry of Education, Romanian students from disadvantaged backgrounds have lower school aspirations, even those with very good results (Vasile, 2020): 1 in 4 students with very good results, coming from disadvantaged backgrounds thinks that they will not graduate from tertiary education, compared to 1 in 30 students with very good results, from advantageous socio-economic environments. In 2016, the Ministry of Education issued a document banning school segregation, but adopted the methodology only in 2020, and the implementation of planned actions has been delayed (European Semester, 2020).

Romania had one of the highest rates of early leavers from education and training in the age bracket of 15-24 years among all EU member states (Kitchen et al., 2017). The official percentage of them was 17.3% in 2007, 17.8% in 2021 and 15.3% in 2018<sup>5</sup>. At the regional level - NUT 2, Centru, where is situated Sfântu Gheorghe - the percentage of early leavers are constantly bigger with 10% comparing with national level. In order to understand the problems related to school dropout, it is not enough to look at the statistical data, but we must understand the problem in more depth, taking into account the delicacy of the situation.

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<sup>4</sup> Student performance was measured at 6 levels (for some areas, sublevels of level 1 were defined). Level 2 is considered the basic level needed to be reached by young people towards the end of compulsory education in order to effectively integrate into the knowledge society. Source: Ministry of Education; <https://www.edu.ro/rezultatele-elevilor-din-rom%C3%A2nia-la-evaluarea-interna%C8%9Bional%C4%83-pisa-2018>)

<sup>5</sup> Please consult the Annexes – Table A (Education)

The analysis of the dropout rate in vocational education shows a significant increase in the period 2009-2011 (the years of liquidation of arts and crafts schools). With the reorganization of vocational education in 2014/2015, the value of dropout decreased significantly. At the end of 2018/2019, the indicator had a value of 3.8%. At this training route, there is a higher share of dropout in the case of the female population, compared to the male population (Ministry of Education Report, 2020).

According to data published by the Ministry of Education, over 109,000 high school students dropped out of school between 2013 and 2017. These are pupils between the ages of 15 and 18 who have not completed high school. A significant part of them are Roma and / or pupils who are living in rural areas. Enrolment gaps between Roma and non-Roma living nearby are present at all levels of education starting at preschool level. According to the European Union Agency for Fundamental Rights (2011), pre-school enrolment rates among Roma children are close to half of the rates among their non-Roma neighbors (37% in case of Roma children and 63% for non-Roma neighbors). The average number of years spent in school is twice lower for Roma compared to non-Roma. The share of children having dropped out of compulsory school is also higher for Roma students. A study conducted in 100 of the most destitute Roma communities reported that over three quarters of all dropout students reported by schools were Roma (Duminiță and Ivăsiuc 2010:77).

In Romania, there is a centralized educational system in terms of decisions (Toma, 2021), which in Sfântu Gheorghe is almost exclusively state-owned. The Law of National Education no. 1/2011 flagged the importance of ensuring equal opportunities in education for vulnerable groups. It also reinforced the principle of inclusive education, forbidding the structuring of the education system on discriminatory criteria, inter alia ethnicity (dating in the national legislation since 1995). The new law has provided for sanctions in cases when children are placed in special education based on criteria such as: race, ethnicity, nationality, language, religion or because of belonging to a vulnerable group. The secondary legislation for de-segregation has been further developed in the 2011-2016 period. Government Decision no. 417/2015 for approval of the Strategy for reducing early school leaving aims at reducing school abandonment from 17,3% in 2013 to 11,3% in 2020. But, in the European Semester Country Report (2019:63) is specified that the methodology to monitor and prevent school segregation has not been adopted yet and the measures financed by the European Social Fund are in early stages of implementation.

One of the measures to prevent segregation, adopted both at national and local level was that the allocation of pupils in schools and classes to be done automatically. Thus, pupils in primary and secondary schools do not have the opportunity (at the theoretical level) to choose the school and / or class in which they study. Even so, it is often the case that pupils, along with their parents, find ways to study at the schools they want (considered prestigious, 'center' schools). This phenomenon, of trying to eradicate segregation, cannot be observed at the high school level because the admission to high school is made based on previous school results. As a matter of fact, intergenerational mobility is very low; pupils with good grades are

distributed to prestigious high schools, while pupils with low grades study in poorly rated high schools, but such a situation is known, that school performance is strongly associated with sociocultural homogeneity.

The closure of large enterprises after 1989, along with the reforms in education that targeted technical and vocational education in Romania seem to have most strongly affected young people with disadvantaged backgrounds. If before 1990, the professional practice for those who attended a technical school (of arts and crafts) was done in large enterprises, after 1990 this was no longer possible. The enterprises closed one by one, the workers lost their jobs, and the pupils had nowhere to do their internships. Moreover, technical education has been strongly stigmatized and devalued. In 1999, the National Center for the Development of Vocational and Technical Education (CNDIPT) was established, subordinated to the Ministry of Education, in order to develop educational policies and to continue the reform started by the PHARE programmes of the European Union. In 2003, the Minister of Education of that time introduced the Schools of Arts and Crafts (SAM) - a two-year form of secondary education in which eighth-grade graduates could enroll. In 2009, the same minister (returned to office) abolished this type of education and integrated it in technological high schools (thus, from 2009 to 2014 the SAM training route went into liquidation). According to the National Strategy for the Protection and Promotion of the Rights of the Child 2014-2020 published by the Ministry of Labor, the abolition of these classes meant that 10% of pupils who finished the 8th grade that year did not continue their studies, mainly because their families could not afford the costs of tuition. In 2014, a legislative framework for dual vocational education is created, designed according to the German model, which materializes only at the end of 2016, after several discussion sessions between the Ministry of Education and various companies. In Sfântu Gheorghe, since 2014, three of the technological high schools have formed a school consortium in order to share the resources, and this consortium has been supported by the municipality from the beginning<sup>6</sup>.

In Romania, spending on education remains one of the lowest in EU (2.8% of GDP vs 4.6% EU average), particularly at pre-primary and primary level, which account for just 21.8% of the budget (EU average 32%). Ideas for important reforms of the educational system have been put forward by both the Ministry of Education and the Presidential Administration but have not yet been pursued (European Semester Report, 2018:35-36).

### **2.1.2 Local trends and policies**

Covasna County has a promotion rate of the baccalaureate exam below the national average (65.1% in 2021, but slightly increasing in recent years). The statistics also show that in the

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<sup>6</sup> For statistical evidences on education: number of students in FUA Sfântu Gheorghe, % of students of each level; % enrolment in school, please consult the Annexes: Table A (Education); Annexes 1- Table 6.

Romanian section the pass rate was higher, 75.94%, while in the Hungarian section (profile with teaching in Hungarian) the success rate was 55.92%.

Half of the high school pupils from Covasna are studying at one of the high schools in Sfântu Gheorghe. Over 2000 students are enrolled in the high schools present in this city. The gaps between the various high schools in the national tests (baccalaureate exam) are very large, and this situation is not recent: in 3 high schools from Sfântu Gheorghe the passing rate was over 90%, but in another high school, only 17.6% of the pupils managed to pass the exam, according to County School Inspectorate. Interviews with experts in education at the local level show an even more serious problem, that a large part of pupils from segregated environments (especially Roma), but as well as from rural areas, do not complete high school or even start it. This situation reinforces the idea that local policies and initiatives to reduce inequalities still do not yield the desired results.

The situation created by the COVID-19 pandemic deepened the inequalities between pupils even more. Even if, for the most part, pupils from FUA Sfântu Gheorghe had the opportunity to connect to online classes (either using their own devices or provided by local authorities or NGOs), the fact that they do not have a space apart from other members of the household to attend classes and to learn, it further affected their school performance.

The highest dropout rate in Romania for 2018 was recorded in the Central Region (NUT2, includes Covasna County) and was 5.2% in rural areas and 3,7% in urban areas, according to the National Institute of Statistics. At the level of FUA Sfântu Gheorghe, the dropout rate in the period 2010-2016 was decreasing (from 3.47% in 2010, to 2.12% in 2014, and to 1.95% in 2016). After 2016, the only available data are those collected at the county level, but they are also incomplete. In order to increase school results and decrease the dropout rate, both at national level and at local level, it was tried to adopt certain programmes and strategies. Among these policies and programmes - to prevent early school leaving and reduce social inequalities - we mention the initiatives of the Covasna County School Inspectorate<sup>7</sup>, those carried out by the County Center for Resources and Educational Assistance (CJRAE) and those carried out within NGOs.

FUA Sfântu Gheorghe has benefited since 2005 from the so-called "Second Chance" programmes to increase the rate of (re)integration in the education and training system of children and young people who left school early and of adults who have not completed compulsory education. Within these programmes, with limited duration, there are usually several hundred beneficiaries from the whole county or even from the wider region. Since that time, there have been several such programmes that have won funding and been able to support hundreds of beneficiaries at different levels of education. Interviews showed that the success rate of these programmes is below expectations because, very often, teachers face reluctance of beneficiaries or high absenteeism.

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<sup>7</sup> Please consult Annexes 2 – Projects/ Initiatives on Education

## 2.2 Employment

### 2.2.1 National trends and policies

According to ILO, in the last twenty years, the Romanian labor market benefited from a strong economic growth, but labor shortages persist (E.C., 2020). The employment rate is approaching the EU average (67% in 2020). The unemployment rate in Romania is low and remained relatively constant between 2007 and 2012 and the lowest rate was registered in 2019 (4.5%). With the outbreak of COVID-19 pandemic, it increased with 0.5%, but surprising, remains one of the lowest in EU (Eurostat). Despite this fact, Romania had the highest share of the working population at risk of poverty across Europe, with an in-work poverty (IWP) rate of 17% (in 2017), almost double the EU average of 9.6% (Pop, 2019). With this coefficient, Romania is seen as an outlier and no less than 1.4 million workers are working poor. Also, the rate of inactivity remains one of the highest in Europe, especially for women (41% in Romania, vs 32% in EU in 2020) according to ILO.

Before 2007 - the year of Romania's accession to the EU and also the beginning of the world economic crisis - Romania suffered two strong waves of job crisis (1991-1992 and 1996-2000), caused by massive deindustrialization (Ban, 2014); the mass of the unemployed of the second wave led to the doubling of the poverty rate (Tesliuc et al 2000: 50 in Ban 2014: 162). Being unable to find a job, many Romanians found themselves in the situation of retreating to rural areas and began to practice subsistence farming. Another alternative, much more accessible after Romania's accession to the EU, was the search for a job abroad. The estimate of those who work abroad is inaccurate, but according to the Ministry of Labor, over 2,000,000 Romanians work under contract abroad. Eurostat data show that, in 2019 alone, over 230,000 Romanian citizens emigrated.

Although it decreased by 3.5 percentage points between 2007 and 2010, the at-risk-of-poverty rate in Romania followed an upward trend between 2010 and 2016, reaching the level of 25.4% in 2016, compared to the EU-28 average of 16.9%. Romania has both the highest relative poverty rate and the lowest poverty line of all EU member states. Between 2017 and 2019, AROP registers a constant value, of approximately 23.5% of the total resident population; this means that in Romania approximately 4.5 million people are at risk of monetary poverty (see Annexes, Table A- income/poverty). Also, the population of Romania has a high level in terms of income inequality, disparities highlighted especially between rural and urban areas. Even if there have been small improvements, in 2020, Romania has the second highest level of income inequality in the EU. The richest 20% of the population earns about 8 times more than the poorest quintile, with an S80 / S20 ratio of 5.1 for EU-28 countries<sup>8</sup>. According to the European Semester Report published by the European Commission and the Romania 2020 Country Report, poverty at the national level continued

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<sup>8</sup> See Annexes, Table A (income/poverty).

to decline, but inequality intensified. Although wages and pensions have increased, income inequality has also increased in 2018 (Pop, 2019).

Romania registers low unemployment differences between the 8 regions (NUT2), but significantly high between rural and urban areas. Since 2007, the share of unemployed people in urban and rural areas has reversed. In 2007, of the total unemployed, 64.9% lived in urban areas (and 35.1% in rural areas), in 2012 the percentage between those in rural and urban areas was relatively the same, and in the first half of 2021, the share was 34.1% urban versus 65.9% rural (National Institute of Statistics)<sup>9</sup>.

Youth unemployment is a constant problem all over the world that is generally perceived as an important indicator of economic climate (Pantea, 2019). In 2010 the unemployment rate was 22.1% among youth (15-24 years), with sharp differences on average: 30.5% in urban areas compared to 15.3% in rural areas (Stanef, 2014). In the 3rd semester of 2018, the estimated youth unemployment rate in Romania was at 15.4%, one of the lowest from the last 20 years (ILO, 2020). With the onset of the COVID-19 pandemic, as expected, the unemployment rate increased slightly each semester, reaching 21.3% in March 2021.

Statistical data show that at the end of July 2021, out of a total of 258,774 unemployed registered with ANOFM, 29,622 are young people under the age of 25 (11.44%). At the same time, out of the total of 136,653 people who found a job through ANOFM this year, 22,860 are under 25 years old, and of these 15,192 are young NEETs. Work quality and productivity became practically for the first time, an employment policy objective in the Government Programme for 2001-2004 (increasing the level of employment, increasing labour force mobility, flexibility and adaptability). The first National Plan for Employment (Plan Național pentru Ocuparea Forței de Muncă, PNAO) 2002-2003 focused on adjusting to the objectives included in the European Union employment strategy pillars. This particular document represented the first government-level joint analysis of the state of employment in Romania, together with all ministries and social partners<sup>10</sup>.

Most of the measures specific to the Romanian employment policy are not directly and exclusively targeting young people. However, starting in 2009, the National Employment Agency implemented in a large number of projects funded by the European Social Fund, streamlining youth in employment policies.

Despite the efforts made by the authorities over time, the percentage of young people not in education, employment or training (NEET) in Romania remains high among other European countries. As the following data show, the percentages of the NEETs (from 20 to 34 years old)

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<sup>9</sup> For more national statistical data on job distribution, employment and unemployment rates, please consult the Annex: Table A and Table 7.1-7.11.

<sup>10</sup> <https://www.eurofound.europa.eu/country/romania>

in Romania were: 16.8% in 2012, 14.5% in 2018 si 14.8% in 2020<sup>11</sup>. The risk of being included in the NEET category is significantly higher among young women in Romania, compared to men. Gender gaps are quite large, and the female NEET population remains constant at around 24% -25%, while the male NEET population has decreased from 15.5% in 2012 to 11.1% in 2020. An interesting aspect is that, the percentage of unemployed women is higher only when we refer to young NEETs (15-24 years), otherwise, for all other age categories, the percentage of men is slightly higher. Referring to territorial profile, the rate of NEET youth shows large variations between development regions, and the Center region (where FUA Sfântu Gheorghe is located) registers the highest value of the indicator.

Different researchers tried to figure out why the NEETs still represent a significant part of young population and how can be reduced the differences between genders and residential areas. Even if there is no unanimous perception, the structural causes seem to prevail (accessibility of the education system, development of lifelong learning, particularities of the Romanian labor market, socio-familial background). G. Neagu (2020) made a concise analysis of the data gathering the situation of NEETs in Romania; she pointed out that there is a significant difference between the percentage of NEETs in urban and rural areas (in 2019, 9.8% of those who leaved in urban areas were NEETs, compared with 21.7% of those from rural areas). Also, the majority of the NEET population has a low level of formal education. Due to the temporary migration phenomenon (with the highest rate among EU countries) national statistics fail to properly communicate the entire NEETs population.

As a measure to reduce NEET youth, since 2014 and then revised in 2017, in Romania there is a 'Youth Guarantee'<sup>12</sup>. This includes measures and programmes implemented by the Ministry of Labor and Social Justice, through the National Agency for Employment (ANOFM), as well as by other institutions with responsibilities in the field. ANOFM implements measures to stimulate youth employment, both through the unemployment insurance budget and through the European Social Fund (apprenticeships, internships, mobility premiums, activation premiums and job subsidies). The target group of 'Youth Guarantee' represents 200,000 of youth NEETs (between 16-24).

Although at the national, regional and local levels, efforts have been made to reduce the number of young NEETs, they have had a limited effect and poor results. The explanations why these programmes did not work as expected support the idea of a weak connection between what the programmes offer, the labor market and the real expectations of young people. Of the approximately 200,000 young NEETs, only 305<sup>13</sup> are currently enrolled in

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<sup>11</sup> For national statistical data on NEETs, please consult the Annexes, Table A.

<sup>12</sup> <https://garantiapentrutineret.ro/>

<sup>13</sup> <https://neets-romania.ro/>

training programmes. Three more programmes, which will include about 2,500 young people will begin very soon (ANOFM).

Of all the vulnerable categories, those who encounter the greatest difficulties in finding a job are the young Roma. The problems faced by the Roma are complex: low level of education, barriers on the labor market, segregation and poor living conditions, discrimination. In the Member States of Central and Eastern Europe, the structural economic reforms specific to the transition to a market economy led, during the transition period following the fall of socialism (after 1989), to the collapse of a large number of large state-owned enterprises or communities rural areas where Roma worked (European Union Agency for Fundamental Rights, 2020). Therefore, a significant number of people, including many Roma, found themselves without a job. From a 2014 European Union Agency for Fundamental Rights (FRA) survey, we found out that 32% of Roma in Romania said they have a paid job; of these, 34% performed full-time paid work.

### **2.2.2 Local trends and policies**

One of the major problems facing FUA Sfântu Gheorghe is the outmigration of young people. A very common phenomenon is that youth are going to study in other cities, or even abroad and do not return in Sfântu Gheorghe anymore. Not so common among other cities the size of the one we are targeting (~ 50,000), the municipality and NGOs in Sfântu Gheorghe are constantly working to revitalize the city, to bring young people back home and to provide jobs.

Another important problem related to work is the tendency of seeking employment opportunities in one of the Western countries. With the 2007 EU accession of Romania, labor force migration became easier. However it was immediately followed by the global crises that penetrated the job market situation, as well as having impacted the local informal employment possibilities (Toma, 2021). The present COVID-19 crisis has the same effect on employments: a significant part of the people have lost their jobs. The most affected are those involved in temporary or unregistered jobs.

As it emerged from the interviews conducted with representatives of both public institutions and NGOs, the field of work is closely linked to that of education. On the one hand, those who have the opportunity to offer jobs complain that they do not find qualified (trained) staff and on the other hand, young people motivate their departure from the city on the grounds that they do not find suitable jobs for them.

In Romania, the qualification and professional requalification courses are organized in the territories by the county branches of the National Agency for Employment. The County Agency is responsible for organizing these courses in FUA Sfântu Gheorghe. These courses are free (Law no. 76/2002) and are addressed to all persons who do not have a job, whether or not they benefit from the allowance, and aims to follow the existing needs on the labor market. At the level of FUA Sfântu Gheorghe, every year there are at least 100 beneficiaries of

these courses; even so, the absorption rate remains low. In addition to this institution, there are NGOs that develop (re)qualification programmes that can benefit up to a few dozen people.

At the level of Covasna county the number of employees decreased from 2019 to 2020 by 5.34%; anyhow the gross profit of enterprises increased by 8.95%<sup>14</sup>. Apart from tourism, which registered a decrease in gross profit by 50%, all other areas of activity recorded significant increases (the areas with the strongest development were: research, hi-tech development, and construction).

At the end of July 2021, in the records of the Covasna County Agency for Employment, 3705 unemployed were registered (of which 1744 women), the unemployment rate being 4.32%. This indicator has a rather low relevance, because it does not actually express the rate of those who are inactive or in the NEET category. Out of the total of 3705 persons registered in the records of AJOFM Covasna, 598 (of which 444 women) were beneficiaries of unemployment benefits, 3107 (of which 1298 women) were unemployed workers, and 663 were less than 25 years old. Regarding the area of residence, 2702 unemployed people come from rural areas and 1003 are from urban areas. At the level of Sfântu Gheorghe, according to the same sources, there were 1397 registered inactive persons (595 women), of which 89 (56 women) were paid. This means that 1309 people were out of work and without material support from any source.

The main fields of activity in FUA Sfântu Gheorghe are in the food industry and wood processing, followed by the metal construction industry and the manufacture of clothing. From the perspective of the number of companies, the food industry and wood processing are the fields in which most companies operate, followed by the metal construction industry and the manufacture of clothing. In addition, a significant part of the population (which cannot be accurately monitored) accounted for seasonal labor in Western Europe; their percentage is estimated to have decreased significantly with the pandemic.

Even if the official statistics do not manage to capture very clearly the profile of those who fail to occupy a job, at local level these vulnerable groups have been identified. All, the County Agency for Employment, other state institutions, and local NGOs or entrepreneurs, are trying to establish partnerships and find solutions to increase the absorption of these people into the labor market.

At the level of Sfântu Gheorghe, 3 marginal urban areas (ZUM) were identified, two of them being inhabited mainly by Roma, and the third by non-Roma. The problems faced by the population of the three ZUMs exceed the general problems of the population of the municipality. Here, the rate of people living below the poverty line is significantly higher; sometimes, finding a registered job seems an unattainable reality. Referring also to the three

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<sup>14</sup> Chamber of Commerce and Industry – Covasna, <https://www.ccicv.ro>

ZUMs, we can say that the rate of daily, seasonal or precarious work is much higher than in the rest of the municipality. Many of the identified local initiatives aim to increase the degree of social integration and absorption of these people into work and, obviously to reduce the degree of poverty. In the Local Development Strategy that has just been developed (2020), one of the objectives is "Human resource development and employment growth" and will consist of identifying support measures for people in poverty. Prior to this strategy, the County Agency for Employment has constantly organized professional (re)training courses, depending on the requirements existing at that time on the labor market. A detailed list of these projects could not be consulted publicly until the report was drafted (December 2021), the authorities haven't provide it and the desk research work has not revealed enough data to have a comprehensive picture of these projects.

## 2.3 Housing

### 2.3.1 National trends and policies

Romania ranks first in the European Union in terms of poverty and social exclusion, and housing deprivation is considered to be the main cause of this situation, according to the European Commission. More than 5 million Romanians currently live in poverty, and 1.5 million of them are children. Statistics show that approximately 40% of Romania's population (approximately 8.5 million people) do not have a bath or shower in their home, nor access to running water (INS). National statistics also show that 35% of dwellings in Romania are degraded and need urgent repairs. Moreover, many of the dwellings are of low quality and deteriorate due to lack of maintenance; many of these buildings were constructed 40-50 years ago, so some investment is needed in infrastructure, heating systems and roofs (National Institute of Statistics). Romania differs negatively from other EU countries in terms of housing agglomeration, so that in 2011 more than half of Romanians lived in crowded houses, as opposed to only 17% of the European population (Eurostat). This means that, when people do not have the money to buy or rent a home on the market, they crowd into the homes of relatives or friends, or collectively rent a home (Vincze and Florea, 2020).

The fall of communist regimes in Eastern Europe was followed by a period of massive privatization; some of the properties were returned to the former owners (before confiscation by the communist state), but most of them could be bought from the state and thus passed into private ownership. Privatization has also brought with it a massive decline in the maintenance and construction of social housing, so that the financing of housing policy from the state budget has decreased, in a decade, from 8.7% to only 1%<sup>15</sup>.

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<sup>15</sup> <https://www.habitatforhumanity.org.uk/country/romania/>

The percentage of publicly owned housing has fallen sharply as the old state fund has been privatized almost entirely since the 1990s, and the number of homes completed annually from public funds has fallen dramatically. According to the Romanian National Statistical Institute (INS), the number of homes in private ownership has increased from 67% in 1990, to 98.77% in 2018; also, during this period, the percentage of housing in public ownership fell by 28%, this being only 2% at present<sup>16</sup>. According to Eurostat, of the less than 2% of public housing, only a tiny percentage represents public housing according to the definition of the Housing Law of 1996 (the others have other uses). Given that Romania has the highest rate of monetary poverty, the highest percentage of employees earning income below the poverty line, as well as the highest rate of poverty and social exclusion in the European Union, the lack of social housing is much worse than it seems at first glance.

Romania's accession to the EU, but also the ease of obtaining a loan created an unprecedented real estate context, in which many homes were bought, so that their price began to rise enormously, until the crisis of 2008. OECD data show that the price-to-income ratio index<sup>17</sup> was 176.7 in 2009 and 100 in 2015; this decrease continued in the following years, reaching 78.7, in 2018 - depreciations also took place in terms of rental or sale prices of land and buildings.

The explosion of real estate prices, the very low social housing stock, the evictions caused by the inability to pay debts, but also other factors led to the emergence of marginalized communities who live as they can on the outskirts of cities (ESPN – Pop, 2019).

The official data on housing (and living conditions) in Romania are both inaccurate and misleading, behind them lie a completely different reality. Recent studies on the housing situation in Romania, including those that formed the basis of the project for the National Housing Strategy, show that the need for housing is very high, especially in large cities. In reality, the very high monthly costs of a bank installment often make it impossible to purchase a home and in many cases lead to the purchase of homes that are unsuitable for the family's needs. High rents are especially constraining for young people, who are forced to continue living with their parents until old age. This intergenerational difference is not at all surprised by the statistics cited above, which are distorted by the policies of the early 1990s that encouraged mass home buying. Subsequent increases in the real estate market have gradually reduced the possibility of independent and decent housing, especially for people who have reached maturity after the first part of the 2000s. According to the study "Minimum monthly consumption basket for a decent living for Romania" (Friedrich Ebert Stiftung, 2018) they found out that over 40% of young people aged between 25 and 34 live with their

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<sup>16</sup> For more details, please consult the Annex1: Table 5.

<sup>17</sup> The `price-to-income-ratio index` refers to the nominal house price divided by the nominal disposable income per head and can be considered as a measure of affordability. <https://data.oecd.org/price/housing-prices.htm>; Please consult the Annex 1: Table 4 (House price index) and Table 3 (Housing Average Salary).

parents (42.2% in 2017, 43.4% in 2015), compared to the European average which is 28.7%. Data on a more general category of young people (from 18 to 34) provided by Eurostat says that 56.4% of people between the age of 18-34 live with their parents in Romania, while the EU average is 50.4 (2019)<sup>18</sup>.

The Romanian government has been involved in the development of social housing at the national level, aiming especially at young people, and starting from 2001, special rental dwelling construction programmes were implemented by the National Housing Agency.

In order to supplement the number of housing units built, the Government approved in 2015 the Rental Housing Construction for Young People Programme for 2016-2020. This programme aimed the construction of an additional 6990 housing units for 10500 people, especially for young workers, who cannot afford to buy or rent a dwelling at market prices. The program also aimed to encourage young generations to stay and work in Romania, thus stopping migration to other European countries. There were some conditions that the people who wanted to apply within this program had to meet, including being under the age of 35 and employed, but also to not own a property and to work in the same town as the apartment was to be rented. Most of the living units were composed of one or two rooms and complied with the minimum requirements imposed by Law.

The few measures on social housing that are part of the operational programme called "Inclusion and Social Dignity" (a new Operational Programme of European Funds is promised for the period 2021-2027) are insufficient in Romania, even from the point of view of combating poverty. However, the housing crisis affects many categories of people, not just people living in extreme poverty and in conditions of severe material deprivation.

Based on information collected by the Ministry of Regional Development and Public Administration in 2018 from prefectures, 120,115 families from all over the country were in the state's evidences in urgent need of housing; this estimation includes also the number of applications for social housing. We mention that this number is much smaller than the number of those who actually need social housing, and that is because some people just give up applying for such a house (so, they are out of evidences) when they notice that town halls do not build or distribute social housing.

According to the 2020 Country Report, in Romania, the determinants of homelessness have undergone changes, ranging from certain individual reasons to structural deficiencies, such as mass evictions, lack of housing support policies and insufficient funds of social housing. Nine out of ten affected people live in large urban settlements. A quarter of the estimated homeless people are children and young people.

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<sup>18</sup> [https://ec.europa.eu/eurostat/databrowser/view/ilc\\_lvps08/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/ilc_lvps08/default/table?lang=en)

People living in marginalized communities, as well as in informal temporary housing or barracks represents forms of housing exclusion. The people who live in these settlements are more numerous than those who live on the streets; about 200,000 people live in informal settlements. A new definition of homelessness and an intervention-based approach would facilitate the development of services for the benefit of these marginalized communities.

Romania still faces the problem of living below standards, although in the last 10 years this aspect has improved considerably – in 2018, one in two households and four in five poor children were living in overcrowded housing. In addition, more than one in three poor households has experiencing severe housing deprivation. The Roma population is the most vulnerable to homelessness, inadequate housing or evictions (FEANTSA Country Profile, 2020).

Although the problem of evictions is quite sensitive in Romania and, an accurate knowledge of the situation is almost impossible to establish. First of all, Romania does not have a methodology for recording discharges; the eviction regime procedures have repeatedly changed, so the way the information was stored is partially lost. On the other hand, the activists saw this bureaucratic ambiguity (`unclear` registrations of evictions, in a centralized public bureaucracy) as an advantage for the authorities to eliminate subsequent claims from evacuees. The issue of evictions exists, some efforts have been made by some activists, academics and evacuees, but as the Report on forced evictions in Romania between 2008 - 2017 (made by Housing Block<sup>19</sup>) mentions “we state that this phenomenon remains invisible within order to be able to practice without hindrance, without accountability of the public administration and reproducing the dispossession of people's homes” (Housing Block Report, 6:2020). From the data collected through the aforementioned research, in the period 2001-2017 there were 133 forced evictions in Covasna County, out of a total of 36.300. The publication affirmed that the data are lower than the real ones. During the interviews with local authorities from Sfântu Gheorghe, it was quite impossible to collect information about the number of evictions made in the locality.

### **2.3.2 Local trends and policies**

The housing situation in FUA Sfântu Gheorghe is not different from other localities with similar profile. The population lives almost exclusively in private homes (personal, of other family members or rented from individuals), and the largest share of housing was built before 1990. In the city there are a total of 19,600 apartments (most with 2 or 3 bedrooms and an area between 50 and 70 sqm) of which 137 are managed by the City Hall, the rest being privately owned. During 2010-2011, half of the publicly owned buildings became privately owned. The municipality also has other 126 residential properties (houses) in the Câmpul Frumos area, which became the property of the local administration following the purchase

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<sup>19</sup> The Housing Block is a decentralized network of organizations fighting for the empowerment and political organization of communities against housing injustice. <https://bloculpentrulocuire.ro/>

of the former IAS, which went bankrupt. The tenants would have the possibility to purchase the house in which they live, but there is no possibility to pay in installments and only in a single installment. Sfântu Gheorghe City Hall also maintains 33 service apartments for the employees of its institutions.

FUA Sfântu Gheorghe is facing a process of population aging - like many other FUAs with a similar profile. This fact is largely due to the real lack of opportunities for young people, but also to the proximity to Braşov (approximately 30km). Braşov is the largest and most developed city in central Romania, and it is being considered a metropolitan area with regional potential. In order to attract young people to stay or return to Sfântu Gheorghe, the municipality has started the 'Hai acasa!/Come home!' programme since 2009. Through this programme, those up to the age of 35 can apply for a plot of land on which to build their own house. Applicants submit a file and obtain a score according to certain pre-established criteria (those with higher education being those who usually obtain the highest score). Although the programme has been operating for more than 10 years so far, the number of homes built through this programme is 20.

The National Housing Agency (ANL) runs a national programme, existing in Sfântu Gheorghe too (since 2010, when the first 96 apartments were completed), through which young people - without another property not necessary vulnerable; In reality, only those youth with financial possibilities can afford one of these apartments - can buy or rent apartments at lower prices than those existing on free market. The construction of ANL housing is carried out by the National Housing Agency; this actually means that they conclude the contract with the builder, and the land is provided by the Local Administration. After the construction is completed, the Agency hands over the work to the Local Council, which, among other things, is responsible for the allocation of housing from that moment (the apartments are owned by the state agency and rented out by the municipality). Since 2016, the rent for the 159 ANL apartments depends on the tenant's income, so the amount to be paid is being recalculated annually by the municipality, and it is adjusted to the tenants' earnings for the previous year. Youth housing can be purchased after a rental period of at least one year, by paying monthly installments to local public authorities, by contracting mortgages, by the First Home Programme or by paying in full the final price from own sources.

According to the Atlas of Marginalized Urban Areas in Romania (World Bank, 2018), in the Center region, 4.3% of the resident population lives in marginalized areas. According to the 2011 census, 6.29% of the population from Sfântu Gheorghe was identified as living in one of the two existing marginal areas: Ciucului neighborhood - ZUM3 (ghetto-type area of blocks of flats with about 4400 residents, but only under 1000 live in the area considered marginal) and the Örkő neighborhood - ZUM1 (slum type area, with a population of 1826 individuals). Besides the two areas identified by the World Bank, in the Local Development Strategy of Sfântu Gheorghe Municipality there is a third area - Câmpul Frumos - ZUM2, with 432 individuals.

The Örkő neighborhood, as specified above, is considered a slum-type area, with small or makeshift houses and a population mainly of Roma people. This area is marginalized and segregated, with a fairly homogeneous population and suffering from severe material deprivation. Unlike Örkő, Câmpul Frumos appeared as a block of flats with small and crowded apartments in the 1970s, and the population at that time was mostly IAS workers; after 1990, these people lost their jobs. Most of the inhabitants here declare themselves Hungarians. This community is considered to be segregated due to the distance between this block of flats and the other buildings in the city. The third area is spatially non-segregated, the Ciucului District, and is the largest of the three areas, in which approximately 10-11% are of Roma ethnicity, and the others of Hungarian or Romanian ethnicity.

Both the living conditions, as well as the social and material ones in the three areas are much worse than the population in the other areas. All existing social housing in FUA is located in one of these areas. Overcrowding and lack of utilities (which are often interrupted due to non-payment on time) are common problems. A last aspect is related to the age structure of the population, which is usually younger than in other areas of the city and registers a natural increase above average (many homes with over 3 children). The birth rate is high especially in the Örkő neighborhood, where the population is mostly young, over 30% being between 0 and 17 years (SDL).

In all three ZUMs are well known the efforts of the municipality and other non-governmental organizations, which try to contribute to improving living conditions and providing support in various forms: material, school counseling, vocational training, hygiene courses and health.

The problem of homeless people is significantly lower in FUA Sfântu Gheorghe, compared to the big cities in Romania. In a study conducted by ESPN-Romania, in 2009 there were approximately 15,000 homeless people in Romania - homeless - and according to local experts, in Sfântu Gheorghe their number would be around 50. Within the project 'Night Asylum' (since 2012), supported by the Local Council Sfântu Gheorghe and administrated by The Romanian Maltese Relief Service - approximately 50 adults receive a night shelter during the winter, and fewer in the warm period of the year; most of these people are middle-aged, or elderly, especially men unable to work. The accommodation capacity is higher, but the average number of beneficiaries is the one mentioned above. This means that the impact of the programme is very high and at least during the winter all those who want shelter for the night receive a warm and clean place/bed. Depending on needs, these people are offered specific services of social, medical, psychological and sanitation support, provided by specialized staff and Maltese volunteers.

## 2.4 Social protection

### 2.4.1 National trends and policies

In Romania, by the 'social protection system' we mean a wide range of measures and services that support citizens to provide them with well-being. In the Romanian Constitution (Art. 47)<sup>20</sup> it is stipulated that the duty of the state is to ensure the quality of life for all citizens. Although the development of social services has been a strategic objective of the Romanian Government since 2006, Romania is still severely deficient in this regard. Social conditions are improving, but vulnerable groups continue to face significant challenges<sup>21</sup>. Even if the percentage of people exposed to the risk of poverty or social exclusion decreased in 2018 to 32.5%, one in three Romanians is still exposed to this risk<sup>22</sup>. As we have shown in previous chapters, the poorest quality of life is found mainly in those with a low level of education, who face the problem of lack of jobs and constant income and who live in rural areas or in marginalized and / or segregated areas. All these characteristics are found to a greater extent in the Roma population in Romania.

From the 2020 Country Report on Romania, we find out that most of the indicators for poverty have improved in the sense that the share of people at risk of poverty, in general, decreased from 2013 to 2018. However, the percentage of people at risk of poverty has increased slightly (from 23% in 2013 to 23.5% in 2018).

Even if the number of social assistance programmes in Romania is large<sup>23</sup>, they fail to target the most vulnerable groups and therefore remain ineffective in reducing poverty (Adăscăliței et al, 2020). In the last 10 years, since the poverty risk rate was measured, Romania has always been among the countries with the highest percentage of this indicator. In 2018, Romania had the highest rate of this indicator in Europe (including non-EU countries). Since 2011, more than 20% of the population was at risk of poverty, peaking in 2014, when a quarter of the population (25.1%)<sup>24</sup> was facing this situation. Although the statistics at national level are gloomy and, in general, the Romanian public opinion considers that 'too much money goes to social benefits', only about 15% of Romania's GDP is spent on social protection (reference year 2018); in the same year, the EU average was 27% (Eurostat). Also, social protection

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<sup>20</sup> [http://www.cdep.ro/pls/dic/site.page?den=act2\\_2&par1=2](http://www.cdep.ro/pls/dic/site.page?den=act2_2&par1=2)

<sup>21</sup> [https://ec.europa.eu/info/sites/default/files/2020-european\\_semester\\_country-report-romania\\_ro.pdf](https://ec.europa.eu/info/sites/default/files/2020-european_semester_country-report-romania_ro.pdf)

<sup>22</sup> See also the Annexes Table A (poverty/inequality)

<sup>23</sup> The nomenclature of social services (approved by GD no. 867/2015) currently lists 73 categories of social services, grouped into 25 major types of social services, defined according to the assistance regime (residential / non-residential), place (in centers / in the community / at the beneficiary's home, etc.) and the categories of beneficiaries to which it is addressed.

<sup>24</sup> [https://ec.europa.eu/eurostat/databrowser/view/ilc\\_li02/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/ilc_li02/default/table?lang=en)

expenditures in the European Union decreased slightly from 28.7% of GDP in 2012 to 27.9% of GDP in 2017. During the same period, social protection expenditures in Romania decreased from 15.4% of GDP to 14.4% of GDP<sup>25 26</sup>.

Social benefits have a very limited impact on poverty reduction. Family benefits have the strongest effect on the poverty rate, followed by sickness and disability benefits. Unemployment benefits have a very limited effect on the incidence and depth of poverty, possibly due to short coverage and short duration. Consequently, the power of the tax and social security system (excluding pensions) to reduce income inequality is also limited.<sup>27</sup> In fact, while about 11% of people in the first decile of income do not reach any type of social assistance programme, the richest 20% of Romanians receive some form of social benefit paid from taxes and fees (Adăscăliței et al, 2020). In 2018, social transfers reduced the at-risk-of-poverty rate by 16% and the depth of poverty by 33% (compared to the EU average of 33%, respectively 5%)<sup>28</sup>.

Weak targeting of vulnerable groups and low spending in this area make the effectiveness of poverty reduction very low. It is estimated that at the moment only 15% of the households below the poverty line have managed to improve their material situation due to the social benefits. In addition, only one-fifth of children living in low-income households can avoid poverty as a result of social transfers in Romania, compared to an average of 40% in the EU. However, the effectiveness of poverty reduction differs significantly by region - even if at the national level the poverty rate increased only slightly between 2017 and 2019, the differences between regions have deepened. The North-East region stands out with the highest poverty rate, 41.1%, and the lowest reduction in relative poverty, with only 5.3% of recipients of social protection benefits being able to avoid poverty.

The adequacy of social benefits is strongly affected by the lack of indexation. Introduced in 2008, the Social Reference Indicator (SRI) used as a basis for calculating most social benefits has not been updated since its introduction; the value of SRI remained the same, at 500 lei. Thus, the level of many social benefits, although it remains unchanged in nominal terms, has decreased in real terms. The consumer price index increased by 33% between 2008 and 2019, while average net wages increased (in nominal terms) by 139%. The simulations show that if the social benchmark had been regularly updated in line with inflation, in 2019, the at-risk-of-poverty rate could have been reduced by 12% (or 2.6 percentage points). An increase of the reference social indicator to 1,200 lei as proposed by a law voted in October 2020 by the

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<sup>25</sup>Bălăban (Ro)/ Klodnisch (En), 2021 for Agerpres. <https://www.agerpres.ro/english/2021/11/04/berd-improves-its-2021-growth-forecast-for-romania-s-economy-to-7-2-pct--808529>

<sup>26</sup> Country Report 2020

<sup>27</sup> Country Report 2020.

<sup>28</sup> Country Report 2020.

Romanian Parliament would result in an increase of 0.99 percentage points of GDP in budget expenditures, but would result in an estimated economic gain of 0.9% of GDP<sup>29</sup>.

## 2.4.2 Local trends and policies

Compared to the percentage of people at-risk-of-poverty and social exclusion at the national level, the Center region has always been a bit better. According to Eurostat data from 2020, 27.2% of the inhabitants in the Center region (NUT2) had this risk. We do not have official statistics at the FUA Sfântu Gheorghe level, but the sociological study conducted within the Local Development Strategy of Sfântu Gheorghe Municipality (which we will call hereafter SDL) provides very useful information for having a clear image on the local framework. According to SDL, a large part of the population lives in households that face difficulties in paying local expenses, this problem is more serious in the three identified ZUMs; in here, in 2015, no less than 38.5% of those who participated in the sociological survey stated that they have incomes of less than 500 lei (approximately 110 euros) per month/per adult. Two of the three ZUMs were mapped both in the Atlas of Marginalized Areas in Romania and in SDL as segregated areas, where out of the total population of 2312 individuals (1880 in Őrkő and 432 in Cămpul Frumos), 255 families were beneficiaries of guaranteed minimum income (GMI/VMG) - all in the Őrkő neighborhood. From interviews with local experts we found that, in general, most beneficiaries of GMI are young families with small children, who live in one of the marginal areas and who are often identified as Roma (heteroidentification of the social worker).

At the local level there are vulnerable groups for whom adequate social services are not provided despite their need for them. The need for social services was estimated by the Ministry of Work and Social Protection by identifying the types of services that are not provided at the local/county level, by referring to the normative provisions in force and to the categories and size of vulnerable groups existing in the community. According to the Ministry, in FUA Sfântu Gheorghe 15 social services<sup>30</sup> are not covered so far. The most important areas of social protection not covered are the residential centers for old people, for mothers and children, persons with disabilities and youth in difficulty.

The main social assistance institution from FUA Sfântu Gheorghe is the Social Assistance Department (DAS), subordinated to the Local Council and which establishes partnerships / supervises the activity of social NGOs. According to a representative of this institution, the pandemic produced a reassessment of services and prioritized non-existent needs so far. For example, during the lockdown period, the Asylum Night, which accommodates homeless people strictly during the night, adapted its programme to allow beneficiaries to stay here

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<sup>29</sup> European Union Agency for Fundamental Rights (FRA) and Country Report; <https://www.amosnews.ro/arhiva-2012-2020/comparatie-cu-media-ue-de-27-din-pib-romania-cheltuie-doar-15-din-pib-pentru-protectie-sociala-2020>.

<sup>30</sup> <https://portalgis.servicii-sociale.gov.ro/arcgis/apps/MapJournal/index.html?appid=452fcc543d224674addca36d6f2ff703>

during the day too (the legislation did not allow the presence of people outside their homes without a good reason; homelessness was not presented as a possible motivation, although it was the strongest of all). Also, the day centers partially took over the school's functions and tried to develop a system to make it easier to connect pupils from disadvantaged backgrounds and schools (those pupils who did not have access to a computer connected to the Internet).

Unlike many other localities with a similar profile in Romania, in FUA Sfântu Gheorghe, both the municipality and the civil society have started a series of (visible) projects at local or county level to reduce the poverty rate or to improve the living conditions of inhabitants. Currently, the largest project for social protection and poverty reduction is 'Prospera Sepsi'. The municipality of Sfântu Gheorghe, together with important NGOs from Romania and from the local level<sup>31</sup>, but also with the Covasna County School Inspectorate have developed this project that offers integrated services to people in Sfântu Gheorghe who are in deep poverty. More precisely, in the next 2 years, approximately 600 people from the three marginalized urban areas will benefit from this. The main objectives of the project are the creation of long-term social and socio-medical services in community centers and the increase of the insertion capacity on the labor market.

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<sup>31</sup> Caritas Alba Iulia, Eurocenter Amoba Educational Center, Covasna Community Foundation, Maltese Aid Service - Sfântu Gheorghe branch.

### 3 Innovative post-crisis policies

Poverty, social inequality and segregation are three issues that are often related. The problem of segregation in Sfântu Gheorghe has existed since 1990, as evidenced by the so-called 'Berlin Wall' (built between 1985 and 1987), which separates part of a segregated neighborhood from the rest of the town (Mionel, 2013). As we mentioned in the previous chapters, the Atlas of Marginalized Urban Areas identifies 2 segregated areas at the level of FUA Sfântu Gheorghe, to which the Local Development Strategy (SDL) adds another one. If at the level of FUA, there is a process of population aging - due to declining birth rates and leaving the town by young people - at the level of the three areas the population consists mostly of young people and families with over 3 children.

Local authorities have failed to establish a coherent local youth policy or to form a youth council, although they have been trying for more than 10 years to (re) attract young people to the city. Through cultural programmes and the programme 'Come home' (described in the Housing chapter) are attracted rather young people with a high level of education, but one of the major problems is managing the difficulties of young people in precarious socio-economic situations, those who have the lowest mobility.

Although at the declarative level, public institutions have taken action against segregation and the reduction of social inequalities, until recently, the results did not have a really significant impact. Unlike other localities in Romania, in recent years, the municipality has tried to take concrete measures; in this regard, in 2017, the Sepsi Local Action Group Association (GAL Sepsi) was established<sup>32</sup> in order to submit an application for funding to the Ministry of Regional Development, Public Administration and European Funds on the rehabilitation of marginalized urban areas in Sfântu Gheorghe. The funding application contained the Local Development Strategy (SDL) which includes the infrastructure and human capital development plans in the three marginalized urban areas (ZUM) on the administrative territory of Sfântu Gheorghe municipality - for a period of 6 years (2018-2023).

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<sup>32</sup> It is important to mention that in Romania are dozens of Local Action Groups Associations. A GAL and is a form of partnership established in a rural area (or small urban area) that brings together representatives of the public, private and civil society sectors from that territory; GAL represents a local response to a government initiative. The association GAL Sepsi was established with six founding members, as follows: Sfântu Gheorghe Municipality, Maltese Help Service Association in Romania - Sfântu Gheorghe Branch, "ESÉLY" Mental Health Promotion Association Lelki Egészségvédő Egyesület, "AMENKHA" Roma Association, Social Assistance Branch of Caritas Alba Iulia and Femild Bauinvest SRL. Then the number of members increased to 9, with the affiliation in the Association of the action company TEGA SA, respectively with the registration of two representatives of the disadvantaged areas (Albert Andrea - Ciucului District and Fejér Imre - Câmpul Frumos). The local action group got its current and final composition with the affiliation in December 2019 of the Social Assistance Directorate (DAS).

The PROSPERA SEPSI project<sup>33</sup> was the first project approved for financing within the first call for projects launched by the Sepsî LAG and also the most ambitious social project that existed in Sfântu Gheorghe. The project was born from the collaboration of 6 organizations<sup>34</sup> with the aim of reducing poverty and combating discrimination in the municipality of Sfântu Gheorghe, respectively combating the social exclusion of disadvantaged communities identified by the Local Development Strategy. The coverage area of the project is represented by the three marginalized urban areas of Sfântu Gheorghe. A team of 36 professionals will work with the target population, supporting participants in their daily lives and activities, helping them to get out of their disadvantaged situation in the long run. The most important indicators of the project are: facilitating access to services<sup>35</sup>, facilitating access to educational services<sup>36</sup>, facilitating the assessment and improvement of general health<sup>37</sup>, increasing the level of acceptance<sup>38</sup>, promoting integrated interventions to reduce the risk of poverty and combat discrimination and segregation<sup>39</sup>. The project addresses several aspects of the lives of people facing extreme poverty, not only finding a job, but also other actions to help them find their way to a decent life. The project is designed at the family level, but primarily targets children and young adults. The innovative element of the project consists in its multi-disciplinarily and the mobilization of such a complex team consisting of state institutions and important NGOs, operating in different fields. All the institutions have previously started projects or had been in contact with the three communities, but they have never managed to simultaneously offer integrated services in several fields. At the same time, establishing

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<sup>33</sup> PROSPERA SEPSI - Integrated services for reducing the number of people at risk of poverty in the territorial area of Sfântu Gheorghe Municipality"POCU / 717/5/1/137460, co-financed from the HUMAN CAPITAL OPERATIONAL PROGRAM 2014-2020.

<sup>34</sup> The main applicant is Caritas Alb Iulia, in partnership with the City Hall of Sfântu Gheorghe, the Eurocenter Amóba Educational Center, the Covasna Community Foundation, the Maltese Aid Service - Sfântu Gheorghe Branch and the Covasna County School Inspectorate.

<sup>35</sup> For a number of 600 beneficiaries from the three identified marginalized urban areas (ZUM), of which 300 Roma, through basic activities and services such as social assistance, information, mentoring, regulations, acts for obtaining social assistance rights, development of social skills , the establishment of 3 licensed social services for children and families, respectively 3 socio-medical services - until the end of the implementation until the 24th of the project (source: <https://caritas-ab.ro/ro/project/prospira-sepsi/> ).

<sup>36</sup> Reducing absenteeism and reducing the dropout rate in the three identified ZUMs, through educational, recreational and social services for a number of 140 children, parental counseling services and parents' school for 80 parents, literacy services for 20 illiterate adults, respectively through the professional training of a number of 25 pedagogues (source: <https://caritas-ab.ro/ro/project/prospira-sepsi/>).

<sup>37</sup> Of the target group through mobile medical services, for a number of 600 beneficiaries during the project period (source: <https://caritas-ab.ro/ro/project/prospira-sepsi/>).

<sup>38</sup> Of vulnerable communities served by the project, combating discrimination and segregation through community actions, promoting volunteering and anti-discrimination campaigns for 600 beneficiaries throughout the project (source: <https://caritas-ab.ro/ro/project/prospira-sepsi/> ).

<sup>39</sup> Through a number of 4 activities for disseminating the project results at the level of county, national and international networks, every six months during the 24 months of the project (source: <https://caritas-ab.ro/ro/project/prospira-sepsi/> ).

partnerships between private companies (possible employers) and trainers in the field of work, of such magnitude has not taken place in Sfântu Gheorghe; in fact, few similar initiatives are known to have taken place in the country.

## 4 Discussion and conclusions

The scales and dimensions of inequality in the FUA of Sfântu Gheorghe are more complex and interconnected than it was presented in the previous pages. In this report, we tried to present the main data at national and local level across the four areas of study - education, employment, housing and social protection; the links between them are strongly anchored in macro, mezo and micro-levels of society.

According to earlier Uplift studies (Delivery 1.3), Romania has a very high rate of material deprivation, and the youth are not an exception. Although Romania is seen as a poor country, overall, inequalities between the richest and poorest are greater than in most EU countries. As we have shown in previous chapters, the country faces several paradoxes: we have the highest risk of poverty and at the same time we allocate a little of GDP for social protection; the majority of the population lives in personal property (or that of another family member) and we have a problem of overcrowding of dwellings, accompanied by the lack of basic utilities. Another paradox appears on the labor market, which is not supported by statistical data, but which appears frequently in speeches: employers complain that they cannot find the available workforce, while many individuals cannot find a job or decide to look for a job abroad. The list of examples could continue and further strengthen the idea of inefficient enforcement of existing legislation. As we discovered from interviews with local stakeholders, the fact that we generally have policies planned at the national level means that most programmes do not reach the expected efficiency at the local level.

The economic crisis of 2008 was felt differently in Romania, compared to other states and often confused by ordinary people with accession to the EU. Following the EU accession in 2007, internal spatial inequalities have increased in Romania (Benedek and Torok, 2014), the most affected being those who were previously in a precarious socio-economic situation. From interviews with local representatives, we failed to find out exactly how the crisis of 2008 affected the population of FUA Sfântu Gheorghe, but we identified two possible explanations: 1. Most of the respondents did not work in the system (or in the same institution) before 2007; 2. EU accession has allowed access to new funds and the development of programmes to reduce poverty and inequality. In addition to the two explanations, those interviewed are representative people for a so-called middle class, and living conditions for this category have generally improved in the last 10 years in Romania. Also from interviews and desk research we found out that the COVID-19 pandemic has strengthened inequalities and affected precarious groups to a greater extent (e.g. pupils from overcrowded homes), but it is too early to have a clear picture on its effects.

The conclusions of this urban report can be summed up under four headings, corresponding to our thematic empirical focus on education, labor market, housing and social protection.

Before drawing these specific conclusions, we need to mention some key aspects regarding the local specificity of Sfântu Gheorghe: the existence of a limited room of maneuver because

most of the policies are decided at national level; the involvement of young people in the process of policy making is seen like an important factor for the locality (as evidence, the vice-mayor has 25 years old); the relationship between public authorities, private authorities and NGOs does not seem tense, but the details are very difficult to establish outside of a participative (ethnographic) research into the community, which has not been included. Regarding the issue of gender inequalities, no contrasting situations have been recorded in Sfântu Gheorghe compared to the rest of the country. As presented in the report, except for the fact that young women are more likely to belong to the NEET category (15-24 years old), national statistical data do not show major gender inequalities between genders in Romania. Referring strictly to the situation in Sfântu Gheorghe, the percentage of women in our targeted institutions was higher than that of men, but we cannot ignore the specificity of these institutions. As we already know, the social and educational fields are often more populated by women than by men. A positive aspect of the gender issue is the fact that one of the deputy mayors of Sfântu Gheorghe is a young woman.

**Education:** The education system in Romania is highly centralized, and this makes it difficult (or even impossible) to make decisions at the local level. Even if at the legislative level measures have been taken to eliminate the segregation of pupils in schools, there is still the label of 'good school' and 'poor / bad school'. The 'good' schools are the ones in the city center, considered to be attended by elite students, with very good school performances. The 'weak' schools are those in the neighborhoods on the outskirts of cities and mainly those attended by Roma pupils. This differentiation is most clearly observed in the results obtained at the baccalaureate exam.

The problem of dropping out of school has not yet been resolved and rather affects pupils in vulnerable groups. From an interview we found out that only one pupil from a segregated community managed to complete high school in 2020. Two other problems encountered in the community are: the rather high rate of functional illiteracy and the modest results of Hungarian pupils in the exam at Romanian language. Locally, there is the County Center for Resources and Educational Assistance (CJRAE), which due to the legislative framework and the dependence on the County Council does not have the capacity to start the projects it would like. In order to reduce inequalities, we must mention the activity of NGOs that offer support (after school) to disadvantaged pupils.

**Labor market:** The problem of young NEETs is as big in FUA Sfântu Gheorghe as in Romania, in general. In order to understand more clearly their situation, a micro-social understanding is needed (which was lacking in WP2). The economic crisis of 2008 affected the labor market to a lesser extent than the closure of factories until the 2000s. As a general conclusion, there are vacancies jobs in the locality, but these are not generally tempting for young people. It should also be pointed out that Roma youth face discrimination (mainly) and this leads them to refuse to look for a job in the locality, preferring to try that in Western Europe. The COVID-19 pandemic made it difficult to work abroad, the most affected being those who worked

seasonally or in the hospitality industry. At the local level there are various retraining programmes, but the absorption of pupils on the labor market is poor.

**Housing:** The economic crisis of 2008 has hit the price of housing the hardest. Before the crisis, banks easily gave credit to those who wanted to buy a home, this led to increased demand and prices. After the crisis, many of the individuals found them unable to bear the cost of loans and were put in the situation of selling their homes. The situation described above affected to a greater extent the big cities in Romania and to a lesser extent FUA Sfântu Gheorghe. The living conditions of those from FUA Sfântu Gheorghe have been almost unchanged for 30 years, most of them living in personal apartments (or houses) or of other family members. For the purchase of housing by young people there are two programmes, one at the national level - through which over 100 apartments were built - and one at the local level "Come home!". The 'Come Home' programme has existed since 2009 and can be considered an example of innovative local policy.

**Social protection:** The Social Assistance Department (DAS) is subordinated to the town hall of Sfântu Gheorghe, and in addition to its own programmes, the institution monitors the activity of other social NGOs. Unlike other state institutions, DAS has the opportunity to propose programmes / projects developed locally, inspired by people's needs (bottom-up approach). The main problem of the social protection system is the exaggerated bureaucracy and the shortage of staff. The research shows that the population that needs the most social assistance services does not know their rights and does not know where and how to ask for help.

Innovative post-crisis policies: We decided to consider the most innovative policy Prospera project. This programme is not limited to the youth but the focus is on education, work and health, with high impact to improve living conditions of at-risk-of-poverty young residents of marginal / segregated communities of Sfântu Gheorghe.

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## Annexes

The table below contains data/indicators that are able to display social inequalities in a way that is the most comparable with other urban areas. Each urban report includes this data table, which is also intending to show not only the scale and dimensions of inequalities in the functional urban area of Sfântu Gheorghe, but indicate also the scale of missing data that makes any comparative research difficult to implement.

Table A

	National data (Romania)	Regional data (NUT 2- CENTRU)	County data (Covasna)	FUA data (Sfantu Gheorghe)
<b>Population</b>				
Population in 2007	22582773			67571
Population in 2012	22433741			66338
Population in 2019	22204507			64101
Population aged 15-29 in 2007	5215658			16891
Population aged 15-29 in 2012	4510903			12933
Population aged 15-29 in 2019	3741997			9253
<b>Income/poverty</b>				
Gini index 2008	36.4			
Gini index 2012	36.5			
Gini index 2018	35.8			
Equalized personal income quintiles (mean for the 1 <sup>st</sup> quintile) 2018/2019	5.7	-	-	-
Equalized personal income quintiles (mean for the 2 <sup>st</sup> quintile) 2018/2019	12.1	-	-	-
Equalized personal income quintiles (mean for the 3 <sup>st</sup> quintile) 2019	17.4	-	-	-
Equalized personal income quintiles (mean for the 4 <sup>st</sup> quintile) 2019	24.1	-	-	-
Equalized personal income quintiles (mean for the 5 <sup>st</sup> quintile) 2019	40.7	-	-	-

	National data (Romania)	Regional data (NUT 2- CENTRU)	County data (Covasna)	FUA data (Sfantu Gheorghe)
At risk of poverty rate 2010	41.5	-	-	-
At risk of poverty rate 2012	43.2	-	-	-
At risk of poverty rate 2019	31.2	-	-	-
At risk of poverty aged 16-24 2010	43.5	-	-	-
At risk of poverty aged 16-24 2012	48.8	-	-	-
At risk of poverty aged 16-24 2019	40	-	-	-
<b>Education</b>				
Early leavers from education and training 2007/2	17.3	37.9	32.9	-
Early leavers from education and training 2012	17.8	18.3	22.1	-
Early leavers from education and training 2019	15.3	24.5	27.8	-
Share of inhabitants aged 15-64 with a maximum ISCED 1 (2) education 2007	-	-	-	-
Share of inhabitants aged 15-64 with a maximum ISCED 1 (2) education 2012	29.2	-	-	-
Share of inhabitants aged 15-64 with a maximum ISCED 1 (2) education 2019	25.1	-	-	-
Enrolment in upper secondary school 2007	61.2	-	56.84	The data at the local level are not relevant <sup>40</sup>
Enrolment in upper secondary school 2012	71.09	-	65.98	The data at the local level are not relevant

<sup>40</sup> The number of people enrolled in upper secondary education is higher than the number of population between 15 and 19 years. There are students from all over the Covasna county (outside of FUA Sfântu Gheorghe) that are studying here.

	National data (Romania)	Regional data (NUT CENTRU)	County data 2- (Covasna)	FUA data (Sfantu Gheorghe)
Enrolment in upper secondary school 2018	63.2	-	52.21	The data at the local level are not relevant
<b>Employment</b>				
NEET youth aged 15-(24)29 22012	20.1	-	-	-
NEET youth aged 15-(24)29 2019	17.3	-	-	-
Employment rate 2007	53.5	49.3	-	-
Employment rate 2012	50.9	44.3	-	-
Employment rate 2019	53	47.5	-	-
Employment rate aged 15-24 2007	27.6	25.4	-	-
Employment rate aged 15-24 2011	23.7	19	-	-
Employment rate aged 15-24 2019	24.7	16.3	-	-
Unemployment rate 2007/2008	6.41%	8.6%	-	-
Unemployment rate 2011/2012	6.79%	9.5%	-	-
Unemployment rate 2018/2019	3.98%	5.3%	-	-
Unemployment rate aged 15-29 2007/2008	20.23%	-	-	-
Unemployment rate aged 15-29 2011/2012	22.37%	-	-	-
Unemployment rate aged 15-29 2018/2019	15.43%	30%	-	-
Share of precarious employment 2007/2008	-	-	-	-
Share of precarious employment 2011/2012	-	-	-	-
Share of precarious employment 2018/2019	-	-	-	-
Share of precarious employment aged	-	-	-	-

	National data (Romania)	Regional data (NUT CENTRU)	County data (Covasna)	FUA data (Sfantu Gheorghe)
15-29 2007/2008				
Share of precarious employment aged 15-29 2011/2012	-	-	-	-
Share of precarious employment aged 15-29 2018/2019	-	-	-	-
<b>Health</b>				
Life expectancy 2007/2008	72.5	-	72.8	-
Life expectancy 2011/2012	74.4	-	74.8	-
Life expectancy 2018/2019	75.3	-	75.2	-
Teenage birth rate 2007/2008		-	-	-
Teenage birth rate 2012		-	12.80%	-
Teenage birth rate 2019		-	14.57%	-

Table 1 – Population by sex and age group	Year	Total	Sex		Age				
			Men	Women	Young age group (15-29)	Young age group a) (15-29)	Young age group b) (15-29)	30-64	65+
National	2007	22582773	11037822	11544951	5215658	1651290	3564368	10600414	3267439
	2012	22433741	10950262	11483479	4510903	1197738	3313165	11223550	3285582
	2019	22204507	10844880	11359627	3741997	1136184	2605813	11513940	3672704
FUA Sfantu Gheorghe	2007	67571	32514	35057	16891	4987	11904	35052	6326
	2012	66338	31792	34546	12933	2867	10066	36475	7551
	2019	64101	30554	33547	9253	2783	6470	35583	10151

Table 2 – Severe material deprivation	Year	Total	Sex	
			Men	Women
National	2007	38	37.6	38.4
	2012	31.1	31.3	30.9
	2019	16.8	16.3	17.2
Bigger region_CENTRU_NUT 2	2007	29.7		
	2012	23.5		
	2019	10.4		

<b>Table 3 – Tenure structure</b>	<b>Year</b>	<b>HOME OWNERSHIP %</b>	<b>RENTING %</b>
National	2007	95.5	4.5
	2012	96.3	3.7
	2019	95.8	4.2
FUA Sfantu Gheorghe	2007	96.96	3.04
	2012	97.99	2.01
	2019	97.99	2.01

**Table 4 – House price index. Annual average index (2015=100)**

2010	119.54
2012	99.51
2019	122.69

Table 5 – Housing average salary		Price of housing/ average salary ratio	Average rent/ average salary ratio	Average salary RON	Average euro/RON	Average salary in Euro	Total average monthly wages by household RON	Total average monthly wages by household EURO	Total average consumption expenditure by household RON	Total average consumption expenditure by household EUR
National	2008			960	3.33	288.2883	1686.74	506.5	1104.7	331.7
	2012			1550	4.45	348.3146	2475.04	556.2	1614.06	362.7
	2018/19			3100	4.82	643.1535	4251.26	882.0	2272.19	471.4
Nut 2: CENTRU_Bigger region (only if not available for FUA)	2007			937			1700.67	510.7	1110.4	333.5
	2012						2504.25	562.8	1624.59	365.1
	2017/18/19						4426	918.3	2330.64	483.5
FUA	2007			792	3.33	237.8378				
	2012	438 euro/mp		1119						
	2018		176/238							

Table 6 – No of students in FUA Sfantu Gheorghe

Year	Preschool	Primary (1-4 grade)	Gimnasyum(5-8 grade)	High school (9-12 grade)	Profesional grade) (9-10/11)
2011-2012	4217	4241	4546	8479	5
2012-2013	3456	5077	4492	7656	306
2013-2014	3401	5199	4479	7036	529
2014-2015	3216	5244	4400	6057	997
2015-2016	3084	5194	4363	5632	1228
2016-2017	3041	5043	4357	5263	1491
2017-2018	3278	5248	4453	5131	1517
2018-2019	3294	5275	4391	5013	1527

Table 7 – Sectorial distribution	Year	Total
<b>1. Agriculture</b>		
National	2008	2407400
	2012	2510000
	2018	1759500
NUT 2 - CENTRU	2008	241600
	2012	251500
	2018	177600
Covasna county	2008	23500
	2012	24400
	2018	18100
<b>2. Industry (except construction)</b>		
National	2008	10647100
	2012	1765300
	2018	1946700
NUT 2 - CENTRU	2008	299000
	2012	279200
	2018	321400
Covasna county	2008	27000
	2012	23600
	2018	25800
<b>3. Manufacturing</b>		
National	2008	1691000
	2012	1508800
	2018	1709100
NUT 2 - CENTRU	2008	267600
	2012	250100
	2018	292800
Covasna county	2008	24500

Table 7 – Sectorial distribution	Year	Total
	2012	21500
	2018	23800
<b>4. Constructuion</b>		
National	2008	691500
	2012	606300
	2018	683200
NUT 2 - CENTRU	2008	75500
	2012	66300
	2018	77000
Covasna county	2008	4100
	2012	3600
	2018	4300

**5. Wholesale and retail trade, transport, accommodation and food service activities**

National	2008	2920600
	2012	2957600
	2018	3120500
NUT 2 - CENTRU	2008	375100
	2012	383000
	2018	395600
Covasna county	2008	28800
	2012	30800
	2018	29900

**6. Information and communication**

National	2008	131700
	2012	153200
	2018	209900
NUT 2 - CENTRU	2008	8900
	2012	13100

Table 7 – Sectorial distribution	Year	Total
	2018	16900
Covasna county	2008	700
	2012	600
	2018	700
	<b>7. Finance and insurance activities</b>	
National	2008	116900
	2012	114000
	2018	100700
NUT 2 - CENTRU	2008	11500
	2012	9500
	2018	7200
Covasna county	2008	800
	2012	600
	2018	500
<b>8. Real estate activities</b>		
National	2008	46900
	2012	31400
	2018	33600
NUT 2 - CENTRU	2008	4000
	2012	3200
	2018	3700
Covasna county	2008	300
	2012	100
	2018	200
<b>9. Professional, scientific and technical activities; administrative and support service activities</b>		
National	2008	424100
	2012	498500
	2018	225300
NUT 2 - CENTRU	2008	40700

Table 7 – Sectorial distribution	Year	Total
	2012	48300
	2018	19700
Covasna county	2008	2700
	2012	2900
	2018	1200
<b>10. Public administration, defence, education, human health and social work activities</b>		
	2008	1053300
National	2012	956500
	2018	1008000
NUT 2 - CENTRU	2008	126200
	2012	116700
	2018	124200
Covasna county	2008	10600
	2012	9300
	2018	9800
<b>11. Arts, entertainment and recreation; other service activities; activities of household and extra-territorial organizations and bodies</b>		
	2008	182700
National	2012	229500
	2018	223000
NUT 2 - CENTRU	2008	18900
	2012	27100
	2018	25300
Covasna county	2008	1100
	2012	1500
	2018	1600

Table 8 – General mortality rate	Year	General mortality rate at 1000 people	Infant death rate per 1000 new-born
National	2007	11.2	12
	2012	12.6	10
	2019	13.4	6.2
Bigger region (only if not available for FUA)	2007	10.4	12.5
	2012	11.6	8.9
	2019	12.5	7.1
County level - COVASNA	2007	10.6	13.6
	2012	11.7	11.8
	2019	12.6	4.4

## Projects/initiatives on education

Name of the project/initiative	National/local	Implemented by	Timeframe	Funding	Objectives	Impact
The Romanian Government's strategy for the inclusion of Romanian citizens belonging to the Roma minority	National Initiative implemented also in Sfântu Gheorghe	Prefecture	2015-2020			<p>The problems facing the Roma community have become better known at the level of the responsible institutions.</p> <p>Raising the awareness of the majority of people to the problems of disadvantaged communities /Roma community</p>
Strategia (județeană) ACCES la educație pentru copiii tinerii proveniți din grupe dezavantajate (County) strategy ACCESS to education for young children from disadvantaged groups	National Initiative implemented also in Sfântu Gheorghe	County School Inspectorate - Covasna	2005-2010	Phare Project and after 2007 local resources	Running the SECOND CHANCE programme at the Neri Szent Fulop High School in Sfântu Gheorghe. Summer kindergarten programmes were held during the summer holidays.	The number of primary school graduates has increased. Children who attended summer kindergartens integrated more easily into the classroom and adapted more easily to the demands / requirements of primary school.
SCOR Project	National Initiative implemented also	County School Inspectorate -	2014-2015	European Funds - POS	Development and implementation, at multi-	

Name of the project/initiative	National/local	Implemented by	Timeframe	Funding	Objectives	Impact
	in Sfantu Gheorghe	Covasna		DRU	<p>regional level, of complex reintegration services in education of persons who have not completed compulsory education based on a partnership between civil society, schools and local authorities (partner schools in St. George: Neri Szent High School Fulop Sf. Gheorghe (Orko area),</p> <p>Godri Ferenc Gymnasium School Sfantu Gheorghe (Ciucului Area), Ady Endre Gymnasium School Sfantu Gheorghe (Garii area and Campul Frumos).</p>	
Come to school! Change your destiny!	Regional level	FRDS	2014-2021	1.462.032 Euro – (Norway Grant 2014-2021 – FRDS)	<p>Development and implementation, at multi-regional level, of services aimed at increasing the degree of social inclusion of students at risk in Covasna, Harghita and Vrancea counties, by promoting inclusive education, in accordance with national</p>	

Name of the project/ initiative	National/local	Implemented by	Timeframe	Funding	Objectives	Impact
					<p>and European documents in the field. The aim of this project is to implement innovative measures to support the education of students from disadvantaged groups and to develop an inclusive community, in order to reduce the phenomenon of early school leaving in the three counties.</p>	