

2017

ROMANIA

By Victoria Stoiciu

Socio-economic developments

Industrial relations

Forecasts

Annual Review

of Labour Relations and Social Dialogue

State policies

Tripartite social dialogue



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Romania / By Victoria Stoiciu

- Several years of economic expansion led to a slight improvement in the social and labour market indicators in Romania. In 2017 the country registered the highest economic growth of the last five years; unemployment declined to a record low level, employment increased and the share of people at risk of poverty and social exclusion slightly diminished. However, many experts warn that the growth is not sustainable and the sharp decline in public investments in 2017 will produce its effects in the near future.
- Following the elections of December 2016, in January 2017 a new government, formed by a coalition between the Social Democratic Party and the Alliance of Liberals and Democrats, was appointed. The new government announced several social and tax reforms as well as wage and pension increases. Many of the reforms triggered public controversy, among which was an amendment in the fiscal legislation that shifts the social contributions from the employer to the employee starting on 1 January 2018. The trade union organisations protested against the amendment, claiming it has the potential to cut the net wages of employees by 16 percent and also undermines the principle of social solidarity.
- After several attempts to reduce the wage inequality in the public system, the government adopted in July 2017 the law on unique pay in the public system. The law will affect approximately 1.19 million employees currently working in the public sector whose wages will increase by around 25 percent starting with January 2018. Trade unions opposed the law's provisions, organising several protests and criticizing the unfair remuneration grid provided by the new law.
- One single collective agreement was concluded at the sectorial level in 2017 for the pre-university education sector. The number of collective agreements at the company level increased by approximately 7 per cent in 2016 compared to the previous year. An increase of the collective agreements at the company level is expected for 2017 due to a new legal provision that extends the obligation to initiate collective bargaining between 20 November and 20 December 2017 for all Romanian employers, although the Social Dialogue Act provides that it is mandatory only in those companies that have more than 20 employees. The justification of the amendment is the necessity to implement the new fiscal provisions that shift the social contributions from the employer to the employee.

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Socio-economic developments

In 2017, the Romanian economy registered the highest economic growth among EU countries. In the first nine months of 2017, GDP increased by 7 per cent, the fastest growth ever since 2008 when the country was hit by the global economic recession. The boom is due to an increase in the export of industrial products – industry grew by 7.8 per cent, exceeding the initial prognosis of 5.3 per cent. The services sector also increased above the expectations – 6.4 per cent compared to an estimated growth of 3.9 per cent. A very good agricultural year resulted in a 4.2 per cent increase in the agricultural sector, exceeding more than twice the anticipated growth of 1.9 per cent. However, many experts fear that the economic growth is not sustainable – much of the economic growth is the product of a consumer bonanza.

Private consumption that is import driven increased by 7.7 per cent in 2017. The consumption boom is the effect of the wages increase, tax cuts and low inflation (1 per cent). Wages in the public sector increased by 21 per cent in 2017. In order to avoid an explosion in the public deficit, public investment was severely cut by the government in the September budgetary rectification. As a consequence, the investment increased only by 2 per cent, despite a 6.9 per cent forecast. The budgetary adjustments made possible keeping the public deficit at 3 per cent of GDP in 2017, with a projected increase to 3.9 per cent of GDP in 2018.¹

In line with the strong private consumption growth of imports outpaced that of exports. As a consequence, the current account deficit widened, reaching 3.1 per cent in 2017. Despite the strong GDP growth, the debt-to-GDP ratio is thus projected to rise from 37.6 per cent in 2016 to 40.5 per cent in 2019.

The economic expansion led to constant improvement of the labour market. For the first time in the post-crisis years, the overall number of employees exceeded the threshold of 5 million and reached 5,588,059 in November 2017. The number of full-time labour contracts increased by 266,000 in the first ten months. Concurrently, the unemployment rate dropped to its lowest levels in the last twenty years (5.3 per cent). More importantly, the youth unemployment rate declined to 15.4 per cent in the second quarter of 2017 compared to 19.4 in the same quarter of 2016.²

The continued economic growth of the last years can be observed in a slight improvement of other social indicators. The share of people at risk of poverty and social exclusion dropped to 38.8 per cent in 2016 compared to 44 per cent in 2008.³ Nevertheless, Romania still ranks near the top of the poorest countries in the EU, after Bulgaria.

The minimum wage increased by 16 per cent in January 2017, reaching 1450 lei gross amount (€313), double the level from 2012 (700 lei gross, equivalent to €155). However, the increase in the minimum wage and the rise in employment have not prompted a more fair distribution between labour and capital – the compensation of employees was 34 per cent of GDP in 2016, less than before the economic crisis (39 per cent in 2008).⁴ The decline in the compensation of employees, despite the economic growth, contradicts the European trend where compensation of employees did not decline during and after the crisis. The working poor percentage also increased, reaching 18.9 per cent in 2016 as opposed to 17.7 per cent in 2008.⁵



¹ European Commission, Autumn 2017 Economic Forecast – Romania, available at https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-performance-country/romania/economic-forecast-romania_en

² Eurostat, [lfsa_urgan] and [lfsq_urgan]

³ Eurostat, [ilc_peps01]

⁴ Eurostat, [nama_10_gdp],

⁵ Eurostat, [ilc_iw01]

State policies

Following the elections of December 2016, a new government, formed by a coalition between the Social Democratic Party and the Alliance of Liberals and Democrats, was appointed in January 2017. Soon after the appointment, the government announced several social and tax reforms as well as wage and pension increases.

The wages of some categories of public employees, such as those working in the cultural sector and local public administration have been augmented by 20 per cent. The social minimum guaranteed pension was raised from 400 lei (about €90) to 520 lei (€115) as of 1 March 2017, a measure which benefited about 500,000 persons. In order to finance all the wage and pension increases, the government extra-charged the higher wages by removing the ceiling of 5 average gross wages previously not levied by health contributions and social security contributions, which affected about 36,000 employees. The measure was labelled as “Robin Hood policies”⁶ by representatives of the business sector in criticizing it.

Reducing the wage inequality in the public system has been at the core of government’s efforts since 2015, when a first draft law aiming to correct the existing imbalances was elaborated under the Social-Democratic government. After numerous attempts, the law on unique pay in the public system was finally adopted in June 2017. The new law stipulates an average wage increase of 25 per cent starting from January 2018. According to the Minister of Labour, Lia Olguța Vasilescu, for reducing the payment gap, 60 per cent of the public sector’s employees will benefit by an increase of 100 per cent or more, while around 3 per cent will see a cut in their wages. The law will affect approximately 1.19 million employees currently working in the public sector. According to the Fiscal Council, Romania spends 8 per cent of its gross domestic product (GDP) on wages in the public sector and the share of public salary expenditure is expected to increase to 10 per cent in 2020 and 12 per cent in 2022. In 2009, public employees’ remuneration was 9.9 per cent of GDP, decreasing to 7.1 per cent in 2011 following the 25 per cent cut in public wages implemented in 2010. Trade unions opposed the law, organising several protests and criticizing the unfair remuneration grid.

In an attempt to finance the planned wage increases and to avoid a hike in the public deficit, in the autumn of 2017 the government adopted a series of amendments

to the fiscal code (Emergency Ordinance 79/2017). The new provisions apply starting from 1 January 2018 and provide for a decrease in the personal income flat tax rate from 16 percent to 10 percent. Another important change refers to the transfer of responsibility for social security contributions from the employer to the employee, a provision that will significantly increase the tax burden for employees who, therefore, may experience a decrease in their net income despite the planned reduction in the personal income tax. Thus, starting 1 January 2018, the number of social contributions will drop from six to three, their total value will be cut from 39.25 per cent to 37.5 per cent of the gross wage, and the largest part, namely 35 per cent, will be paid by the employees. If the gross wages of the employees are not increased accordingly, the transfer of social contributions will generate a drop in the employees’ earnings by 16.6 per cent. The trade union organisations opposed the amendment, organising street protests and stressing the importance of the principle of shared responsibility for social security contributions as a key element of the European social model. The unions denounced the violation of European and international standards on the transfer of social security contributions. In an attempt to minimize the negative effects of the social security contributions transfer on the net salary of the employees, the government issued another Emergency Ordinance (82/2017) establishing the obligation for all employers to initiate collective bargaining for the implementation of the changes occurring to the Fiscal Code between 20 November and 20 December 2017. The impact of the new provisions is not yet known and will become evident only by the beginning of 2018.

In 2017, the government continued its efforts against undeclared work. In August 2017 the government adopted an Emergency Ordinance (53/2017) amending the Labour Code, defining exactly those situations that can be considered as undeclared work and introducing new sanctions for the employers that resort to it. The ordinance not only increases the amount of the fines to be paid by the employers resorting to undeclared work to the maximum level (20,000 lei = €4500), but also introduces the possibility for the Labour Inspection to temporarily halt the company’s activity; the employer can resume activity only after the fine is paid and the anomalies that led to the suspension of the activity are rectified.

⁶ <http://www.zf.ro/zf-live/zf-live-dezbateri-tema-legii-salarizarii-unitare-adrian-marius-dobre-secretar-stat-ministerul-muncii-salariul-unui-profesor-gimnaziu-ajunga-minim-1-000-euro-net-2020-16229533>

Industrial Relations

- Collective bargaining

The 2011 decentralization of social dialogue led to a concentration of collective bargaining at the company level, a situation perpetuated in 2017.

In 2016 a total of 9,366 collective agreements were concluded at the company level, slightly more than in 2015 (8,702).⁷ Of those agreements 1,348 (14.4 per cent) were concluded in the public sector and 7,907 (84.6 per cent) in the private sector. Despite the constant increase in the collective agreements concluded at the company level in the last years, the overall number of contracts amounts to only 80 per cent of the total contracts concluded in 2008 before the changes in the social dialogue legislation.⁸ One single collective agreement was concluded at the sectorial level in 2017 for the pre-university education sector. The contract was concluded between the Ministry of National Education and two representative union federations from the education sector (FSLI/National Free Trade Union Federation from Education and FSE Spiru Haret/Free Trade Union Federation from Education Spiru Haret) and is valid for one year. This situation, with only one sectorial agreement concluded in a year, sharply contrasts with the one prior to the social dialogue legislative reform of

2011 when the average number of collective agreements concluded at sectorial level 7-8 per year. Eleven collective agreements were concluded in 2017 at the level of group of units, more than double the number in 2016, when only four group units' collective agreements were concluded, plus two addendums.⁹

In an attempt to minimize the negative impact of the social transfer contributions from the employers to the employees, on 8 November 2017 the government passed an Emergency Ordinance (82/2017) that introduced the obligation for all Romanian employers to initiate collective bargaining in order to "implement the measures taken in accordance with the government Emergency Ordinance No. 79/2017" that shifts the social contributions from the employer to the employee. The Emergency Ordinance extends to all employers the obligation to negotiate collective bargaining agreements, even if, in accordance with the general rule, only employers with more than 20 employees are obliged to bargain. The time frame in which the negotiations must take place was set as 20 November to 20 December 2017.

- Labour disputes and protest actions

The year of 2017 was marked by an unusually big number of protests at the company, sectorial and also national level.

The protests and labour disputes at the company level occurred mostly in relations to the collective bargaining procedures. The collective agreement for the National Railway Company (CFR), a Romanian state-owned company counting about 23.000 employees, expired at the end of March 2017. Following the failure to reach an agreement within 45 days of negotiations, about 2,000 workers triggered a spontaneous strike, ceasing work and affecting rail transportation. This protest came as the trade union requested a 25 per cent wage increase, while the management stated they could not afford more than a 22.5 per cent raise. Following the spontaneous strike, a new collective agreement valid for the period 2017-2018 was concluded at the end of April 2017 but several workers who protested have been sanctioned.

Low wages triggered spontaneous protests at Leoni-Bistrita on 10 May 2017, the day collective bargaining between the

representative company trade union and the management was finalized. Despite the wage increases provided by the newly-concluded collective agreement, about 200 workers who were unsatisfied with the results of the collective bargaining refused to go to work. The protests continued for two days, with about 1,000 workers attending it and ended up with the dismissal of some of the protesters and cuts in the wages for others. The company's decision was characterized as unfair and abusive by several politicians and trade union representatives.

A wildcat strike broke out in mid-December 2017 at the Ford auto plant in Craiova. Around 200 workers spontaneously stopped work and began to march out of the plant. When the next shift began to come in to work, hundreds from the new shift joined the protest, which grew to about 1,000 workers. The strike began because the union-corporate collective agreement did not provide for any measures to offset the negative effects on the net wages of the emergency ordinance that shifts the social contributions from the employer to the employee. The

⁷ Data from the Labor Inspection Office

⁸ Guga, S. Constantin. C., *Analiza impactului noii legislatii a dialogului social adoptate in 2011*, second edition 2017, edited by Asociatia Connect, 2017

⁹ Data from the Ministry for Public Consultation and Social Dialogue, available at <http://dialogsocial.gov.ro/grup-de-unitati/>

collective agreement concluded by the representative union includes a small wage increase that does not make up for the impact of the tax hike, which cuts pay by 22 percent.

Protests at the sectorial level occurred mostly around the negotiations between the government and the trade unions on the draft law of unique pay in the public sector. As the law was debated in the Chamber of Deputies (decisional chamber) protests were organized at the end of May in Bucharest and other cities by employees of the public administration, local police, and social assistance. The employees from the education sector planned to organize a national strike in mid-June but the trade unions managed to collect only 45.6 per cent of their members' signatures, while the law requires the approval of a minimum of 50 per cent of the members to initiate a strike.

Protests at national level were triggered by the government's Emergency Ordinance 79/2017 that shifts the social contributions from the employer to the employees starting on 1 January 2018. On 4 October the national trade union confederation Cartel Alfa organised a protest against the government's plans to amend the fiscal legislation. Workers from the health care industry, the national railways, banking, automotive and other sectors took part in the demonstration. On 12 December the National Trade Union Block, another national confederation, organised another big protest. The demonstrators expressed their anger over the government's measure of

transferring insurance contributions from the employers to the employees, which has the effect of significantly lowering net wages.

Data from the Ministry of Labour indicate that there were six labour disputes for the second quarter of 2017 (most recent available data) compared to eight in the same period of 2016.¹⁰ However, the number of employees involved in the labour disputes increased from 1,895 in the second quarter of 2016 to 2,016 in the second quarter of 2017. The official statistics only include those labour disputes that occur during the collective bargaining process and that follow the legal steps for opening a labour dispute (conciliation, mediation). They do not count protest actions as those described above, which occurred spontaneously and without following the legal steps. However, a simple empirical observation indicates an increase of the former type of conflicts in 2017 compared to previous years. Moreover, many of them stress a prominent tendency of spontaneous workers protests that are not organised by the trade unions and are often directly opposing the company's union. This possibly suggests a decline in trade unions legitimacy and an increasing gap between the union leadership and the workers who do not feel represented anymore. But it also might be a consequence of the tightened legal provisions with regard to labour disputes and collective action introduced in 2011 that have made the organisation of a legal protest very difficult and under certain circumstances even impossible.

• Internal developments of the social dialogue partners

Five years after the social dialogue legislative reform (Law 62/2011) that increased the representativeness threshold for both trade unions and employers' federations, Romanian trade unions strive to become representative at the sectorial and company level.

The representativeness of the national trade unions was not affected and the threshold remained unchanged but the union confederation complain about the negative effects of the abolishment of national collective agreements. All five trade union confederations obtained a renewal of their representativeness in 2016. According to the data submitted by the confederations for the representativeness renewal, CNS Cartel Alfa accounts for 259,433 members, BNS for 253,277, CNS Meridian for 264,811, CNSLR Fratia for 346,959 and CSDR for 255,757. Altogether, the five national confederations currently account for less than 1.4 million members out of the total number of approximately 5,500,000 employees (National Statistics Institute). This points to a trade union density of approximately 25 per cent.

The situation of employers' organisations remained unchanged from the previous year, although the overall number of confederations declined dramatically after the legislative reform of 2011. Currently, there are six representative employers' organisations at the national level. The National Employers Organisation Concordia has renewed its representativeness in October 2017, valid until 2021.

Recent data regarding the overall number of trade union organisations and employers' organisations indicate an increasing trend in the years following the 2011 changes of the social dialogue legislation. The trend is counter intuitive and somehow surprising because the increase in the representativeness threshold for both unions and employers organisations in 2011 was expected to lead to merging and to more concentrated structures. Moreover, the increase in the number of trade unions organisations does not correlate at all with an increase in the trade union density. One possible explanation is that while new organisations are registered, the old ones, although de facto inactive, did not de jure dissolve themselves and therefore continue to be counted in the statistics.

¹⁰ Statistics Bulletin on labor and social protection for the second quarter of 2017, Ministry of Labor and Social Justice

	2008	2009	2010	2011	2012	2013	2014	2015
Trade union organisations	8483	8550	8598	8682	9329	9915	9372	9643
Employers organisations and professional associations	4138	4882	5218	5745	5721	6004	5679	6295

Source: Romanian Statistic Yearbook, 2011, 2016, in Guga and Constantin, 2017 ¹¹

Tripartite Social Dialogue

A new ministry with full portfolio was created in 2017 – Ministry for Public Consultation and Social Dialogue. The aim of the new structure is to set the framework for the coordination of social dialogue and consultation with civil society. One of the main tasks of the ministry was the elaboration of a new social dialogue law, a promise made to the trade union organisations back in 2011 by the Social-Democratic Party, in opposition at that time. Several consultations between the trade union confederations, employers' organisations and government representatives took place in 2017 but so far no consensus was yet achieved in regard to the final form of the draft law, which is expected to be finalised in 2018.

The social dialogue inside the Economic and Social Council (ESC) was finally relaunched in 2017. ESC is a national tripartite consultative body created in 1997 that approves all important legislation in the fields of taxation, social policy, education and labour relations. The ESC has 45 members (15 for each part – civil society, employers and trade unions)

with a 4-year mandate. The activity of ESC was blocked for several years due to unclear legislative provisions. After a number of emergency ordinances were issued in 2016, in April 2017 Iacob Baciuc, the president of CSDR, one of the five national representative trade union confederations, was elected as a new president of the institution and the activity of the ESC was relaunched.

Compared to the previous years, the activity of the National Tripartite Council for Social Dialogue (Consiliul Național Tripartit pentru Dialog Social, CNTDS) intensified in 2017. CNTDS is a national-level consultative body that includes trade unions and employers' organization representatives as well as representatives of the government, the National Bank and the Economic and Social Council. The CNTDS met several times in 2017 and discussed issues such as the unique law on public pay, public pension law and fiscal code amendments. However, the discussions inside CNTDS did not reach a consensus and several trade unions organized protests against the changes proposed by the government.

Forecasts

Romania seems to be on a track of fast economic growth, which is expected to continue in 2018. Several risks might affect this positive trend in the future, among which are further cuts in public investments and also uncertainty regarding the government's policies. Also, in December 2017 the European Council issued a new recommendation, at the request of the European Commission, based on the significant deviation in the structural deficit procedure, with Romania being warned to initiate a correction of 0.8 per cent of GDP, according to the European Council's decision. According to the autumn economic forecasts published by the Commission, in Romania the public deficit is to reach 3 per cent of GDP in 2017, to further worsen and reach 3.9 per cent of GDP in 2018 and 4.1 per cent in 2019, above the EU threshold, requiring Romania to be included in the excessive deficit procedure in line with the regulations of the Growth and Stability Pact. The Council set the deadline of 15 April 2018 for Romania to present a report on the actions taken in response to the revised recommendation. Following the recommendations might mean cuts in budgetary

spending with unknown consequences for social peace. The negotiations on a new draft law for social dialogue will continue in 2018 when a final version of the legislative proposal is scheduled to be finalised. The new law is expected to improve social dialogue, especially at the sectorial level and also to relax the requirements for setting up a trade union organisation. If a reasonable compromise between the government and the trade union confederations is not achieved, one might expect a new wave of street protests organised by the trade unions in the year to come.

The fiscal code amendments that provide for a shift of the social contributions from the employer to the employee will be enforced starting on 1 January 2018. It is expected that the net wages for some proportion of the employees will be diminished but the magnitude of the impact is yet unknown. However, one does not exclude the scenario of social unrest and tensed labour relations if large numbers of employees suffer severe drops in their net income.

¹¹ Guga, S., Constantin. C., «Analiza impactului noii legislații a dialogului social adoptate în 2011», second edition 2017, edited by Asociația Connect, 2017

Annex - Information about:

- Collective bargaining system

No significant change in the collective bargaining system occurred in 2017.

The Social Dialogue Law 62/2011 abolished collective bargaining at the national level. Simultaneously, the new legislation replaced branch collective bargaining with sectorial collective bargaining. The new legal framework decentralized collective bargaining by increasing the importance of collective agreements at the company level and at the sectorial level. Collective bargaining is legally binding only at the company level and only in companies with at least 21 employees.

Following abolishment of national collective bargaining in 2011, coverage of collective bargaining declined from almost 100 per cent in 2010 to approximately 35 per cent in 2013.¹² Data of the Labour Inspection indicate collective bargaining coverage of 25 per cent in 2015. The abolishment of national level collective bargaining left uncovered approximately 1.2 million employees working in 450,000 companies with less than 21 employees because for these companies collective bargaining is not compulsory by law.¹³

- System of tripartite social dialogue

Tripartite social dialogue is organised at the national, territorial and sectorial levels. In an attempt to reform social dialogue at all levels the composition of the Economic and Social Council (ESC), a tripartite body for social dialogue at the national level, was modified in 2011 and the government withdrew from ESC, being replaced by representatives of civil society. ESC is a consultative forum and it must be consulted on all draft laws in its area of competence (economy, taxes, labour, social protection, health, education, research, culture, wages). Since many blockages occurred in the functioning of ESC, mostly due to legislative gaps that allowed controversial interpretations, a series of amendments to the ESC law were made during 2015. The changes are aimed at improving the functional capacity of the institution and to avoid the creation of future obstacles in the body's activity.

Another body for tripartite dialogue - the National Tripartite Council for Social Dialogue (Consiliul National Tripartit pentru Dialog Social, CNTDS) plays an important role in the national tripartite social dialogue. CNTDS is a

tripartite consultative body formed by representatives of the employers' organisations, trade union organisations, the government, the National Bank and the president of the ESC. The CNTDS is the consultative forum for recommending the minimum wage at the national level, for analysing government strategies and programs and for resolving, via tripartite dialogue, economic and social disputes.

At a local level, social dialogue commissions are established at the prefecture level. The participants are the representatives of local administration, representatives from each nationally-representative trade union confederations as well as other relevant stakeholders that may take part if their presence is agreed upon.

At the sectorial level, Social Dialogue Tripartite Committees are formed within 17 public authorities and institutions, such as the Ministry of Labour, the Ministry of Finance, the Ministry of Health, and so forth.

- Education and vocational training

At the national level, the public authority responsible for the organization and implementation of professional training and skills formation is the National Agency for Labour Force Employment (ANOFM, Agenția Națională pentru Ocuparea

Forței de Muncă). The social partners are represented in ANOFM, which coordinates the activity of eight regional training centres. It reported the training of 36,923 persons in the first ten months of 2015.¹⁴

¹² National Strategy for Social Dialogue, available at http://www.mmuncii.ro/j33/images/Documente/Proiecte_in_dezbatere/2015/2015-nov_Strategie_dialog_social.pdf

¹³ Chivu, L., Ciutacu, C., Dimitriu, R., Ticlea, T. (2013) The impact of legislative reforms on industrial relations in Romania, International Labour Office, Industrial and Employment Relations Department (DIALOGUE), issued by Decent Work Technical Support Team and Country Office for Central and Eastern Europe. Budapest: ILO

¹⁴ Buletin Informativ Octombrie 2015, issued by ANOFM, available at <http://www.anofm.ro/files/Buletin%20informativ%20OCTOMBRIE%202015.pdf>

The Romanian legislation provides that employers have the obligation to ensure all employees' professional training at least every two years for companies with a minimum of 21 employees and every three years for companies with less than 21 employees. For the professional trainings initiated by the employer, the related expenses are covered by the employer and the employee benefits with paid time off for the training. However, data from the European Company Survey (ECS) in 2013 show that the share of

employees receiving paid time off for training is minimal.¹⁵ The highest proportion of employees receiving paid time off for professional training was found in small and medium-sized companies. Also, Romania had one of the lowest shares of training costs (0.4 per cent of all labour costs of an employee) and the lowest participation rate in an adult education survey of employed people participating in non-formal education and training (20 per cent in 2010).¹⁶

- Employment rate (%)

Period	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017Q2
Employment rate	59.0	58.6	60.2	59.3	60.2	60.1	61.0	61.4	61.6	65

Source: Eurostat. [lfsa_ergan] and [lfsq_egan]; last update: 06.12.2017

- Unemployment rate (%)

Period	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017Q2
15-64 years	6.1	7.2	7.3	7.5	7.1	7.4	7.1	7.0	6.1	5.0
15-24 years	18.6	20.8	22.1	23.9	22.6	23.7	24.0	21.7	20.6	15.4

Source: Eurostat, [lfsa_urgan] and [lfsq_urgan], Last update: 06.12.2017

- Average net monthly salaries (in €)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual average
2005	-	-	-	-	-	-	-	-	-	-	-	-	206
2006	-	-	-	-	-	-	-	-	-	-	-	-	246
2007	-	-	-	-	-	-	-	-	-	-	-	-	312
2008	-	-	-	-	-	-	-	-	-	-	-	-	355
2009	-	-	-	-	-	-	-	-	-	-	-	-	321
2010	319	315	337	321	319	318	303	299	299	299	308	334	331
2011	318	316	334	335	326	329	329	325	327	325	333	358	341
2012	328	329	345	347	342	347	348	343	344	347	352	379	338
2013	346	347	361	371	360	359	365	358	359	361	369	393	358
2014	363	363	381	388	376	377	384	376	381	383	391	419	381
2015	388	390	412	421	406	407	417	410	414	421	431	469	457
2016	431	435	459	466	459	461	463	466	470	468	481	518	465
2017	511	495	515	522	517	523	524	515	517	-	-	-	-

Source: National Institute of Statistics INSSE for wage values, National Bank of Romania for exchange rates.

¹⁵ European Company Survey 2013, <https://www.eurofound.europa.eu/ro/surveys/ecs/2013/>

¹⁶ Statistical Office of the European Communities, 2013. EUROSTAT: Continuing vocational training statistics. Luxembourg: Eurostat, available at http://ec.europa.eu/eurostat/statistics-explained/index.php/Continuing_vocational_training_statistics

Nominal earnings comprise salaries, respective money rights and the in-kind rights of employees for effective work done (including overtime), according to the salary type applied, benefits and indemnities granted as salary percentage or in fixed amounts, other legal rises of salary, amounts paid for non-working time (indemnities for rest

and study-leave, holidays, other days off, amounts paid from salary fund for medical leave), prizes, holiday bonuses and other amounts paid from the salary fund according to normative documents or collective labour contracts, amounts paid from the net profit and other funds (including the equivalent value of lunch tickets).

• Gender pay gap

According to European statistics, it appears that Romania experienced a positive evolution in the last ten years. The unadjusted gender gap pay dropped from 16 per cent in

2002 to 4.5 per cent in 2014. This is a smaller gap than the overall EU-28 average of 16.7 per cent (2014).

Year	2002	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Unadjusted gender pay gap	16	7.8	12.5	8.5	7.4	8.8	9.6	6.9	4.9	4.5	5.8 ^(e)

Source: Eurostat, Code: tsdsc340, last up-date: 29.11.2017

• Minimum wage (in €)

Period	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
	Jan-Dec	Jan-Sept, Oct-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Feb-June, Jul-Dec	Jan-June, Jul-Dec	Jan-June, July-Dec	May	Feb	Jan
National (gross)	117	150, 162	141	141	158	156	170, 181	191, 202	219, 238	277	313	410

Source: Ministry of Labour, Family, Social Protection and Elderly for wage values, National Bank of Romania for exchange rates

• Actual weekly working hours

Full-time working hours are defined as eight hours per day and 40 hours per week and it may not exceed 48 hours per week including overtime. Overtime can be compensated either by paid time off within the following 30 days or by granting additional pay. The value of the additional pay is set under the terms of the collective employment contract and may not be lower than 75 per cent of the base salary. The premium for night work (per cent of hourly pay) is set at 25 per cent. The legal annual paid leave for 2015 consisted in the generally provided 20 working days plus 9 of the 12 holidays (given that three of the declared holidays fell during

weekends). It should be mentioned that the number of days of annual leave does not increase with the employee's years of tenure unless it is specifically agreed upon in a collective employment contract.

According to 2015 data from Eurostat, Romanians work on average 40.4 hours a week, compared to 41.4 on average in the EU-28. Also, Romania ranks third in the EU-28 with regard to the number of working hours performed weekly by part-time workers – 23.6 hours.

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Full time	41.5	41.4	41.1	41	41.1	40.9	40.8	40.8	40.7	40.5	40.4	40.4	40.4
Part time	26.5	26.6	26.6	25.7	24.4	23.9	23.7	23.4	23.3	23.2	23.6	22.9	23.5

Source: Eurostat, Code: tps00070, last up-date 28.11.2017

- Normal work / atypical work (in thousands)

	2009	2010	2011	2012	2013	2014	2015	2016	2017 Q2
total employment	8,804.7	8,306.7	8,139.4	8,221.6	8,178.9	8,254.4	8,234.8	8,166.1	8,615.5
part time employment	750.0	823.4	770.2	763.7	739.8	722.2	725.0	607.7	673.7
full time employment	8,054.6	7,483.3	7,369.3	7,457.9	7,439.1	7,532.1	7,509.8	7,558.3	7,941.8
total number of employees	6,206.2	5,643.8	5,690.6	5,726.3	5,737.2	5,841.3	6,050.2	6,181.5	6,362.1
part time employees	38.3	34.6	45.2	45.0	42.3	40.5	45.9	37	-
full time employees	6,167.9	5,609.1	5,645.3	5,681.4	5,694.9	5,800.8	6,004.3	6144.5	-
total self-employment	1,623.2	1,688.3	1,512.2	1,554.6	1,537.4	1,522.0	1,452.3	1,343.7	1,508.9
part-time self-employment	437.4	473.2	416.3	415.0	408.6	401.3	404.8	346.2	-
full-time self-employment	1,185.8	1,215.1	1,095.9	1,139.5	1,128.8	1,120.8	1,047.5	997.5	-
total contributing family workers	975.3	974.6	936.7	940.7	904.3	891.0	732.4	640.9	-
part time contributing family workers	274.4	315.5	308.6	303.7	288.8	280.4	274.4	224.5	-
full time contributing family workers	700.9	659.1	628.1	637.0	615.5	610.6	458.0	416.4	-
temporary employment	62.5	58.3	81.4	88.1	82.0	87.1	84.3	85.4	73.4

Source: Eurostat, LFS series, Detailed Annual Survey results, (lfsa) [lfsa_empt], last update: 06.12.2017 and [lfsa_etgaed], last update: 06.12.2017

- Migration (in thousands)

Migration	2010	2011	2012	2013	2014	2015	2016
Romania	-2.4	-2.4	-1.1	-0.4	-0.8	-2.3 ^e	-2.7 ^{ep}
EU-28 average	1.5	1.4	1.5	3.4	2.1	3.6 ^{bep}	3.0 ^{bep}

Source: Eurostat, Crude rate of net migration plus adjustment /1 000 inhabitants, Code: tsdde230

- Human Development Index

HDI rank	Country	2010	2011	2012	2013	2014	2015
50	Romania	0.785	0.786	0.788	0.791	0.798	0.802

Source: United Nations Development Programme, Human Development Index Trends, 1980-2015. ¹⁷

¹⁷ United Nations Development Programme, Human Development Reports, Table 2: Human Development Index Trends, 1980-2013, <http://hdr.undp.org/en/content/table-2-human-development-index-trends-1980-2013>

- Gini-coefficient (index; international ranking)

Year	2010	2011	2012	2013	2014	2015	2016
Romania Index	33.3	33.2	33.2	34	34.7	37.4	34.7
EU-28 Average	30.5	30.8	30.4	30.5	30.9	31.0	30.7

Source: Eurostat, Gini-coefficient of equivalent disposable income (Source: SILC)

- Collective agreement coverage

Most recent data point to a sharp decline in collective agreements coverage. ILOSTAT data from 2013 indicate 35 per cent coverage in 2013, as compared to 98 per

cent coverage in 2010, prior to the legislative changes, while the data of the labour Inspection indicate 23% coverage in 2015.

Year	2010	2013	2015
As a percentage of employees	98%	37%	23%

Source: ILOSTAT for 2010 and 2013, Labour Inspection for 2015

- On-going important collective bargaining agreements

Nothing to report

- Trade union density

There are no national statistics on trade union density in Romania. The European Trade Union Institute (ETUI) relies on the “Database on Institutional Characteristics of Trade Unions, Wage Setting, State Intervention and Social Pacts, in 34 countries between 1960 and 2012, compiled by Jelle Visser¹⁸, putting union density in Romania at 32.8 per cent in 2008. This percentage had decreased from the 33.7 per cent density in 2007.

source, the five national representative confederations (BNS, Cartel Alfa, CNSLR Fratia, CSDR and Meridian) account for about 1.4 million members out of approximately 5,500,000 employees, which corresponds to trade union density of approximately 25 per cent.

A reliable but incomplete source is the documents provided by the Ministry of Labour’s website that include the official documents that each confederation submitted for obtaining representativeness status. According to this



¹⁸ Database on Institutional Characteristics of Trade Unions, Wage Setting, State Intervention and Social Pacts, in 34 countries between 1960 and 2012, compiled by Jelle Visser, at the Amsterdam Institute for Advanced Labor Studies AIAS, University of Amsterdam, Version 4, April 2013

- **Employers' organizations density**

The effect of the 2011 legislative change was a drop in the number of nationally representative confederations. Until 2007, 12 employers' organizations were recognized as representative and were entitled to national

collective bargaining. In 2017, the number of nationally representative employers' confederations dropped to six from eight in 2014.

- **Workplace representation**

Representation of employees at a workplace is accomplished by trade union organizations organized at the company level. There are no Works Councils or other bodies at the company level in Romania that would ensure representation of employees. However, a trade union cannot be founded in a company with less than 15 employees, leaving workers employed by small companies without any legal representation. In companies with more

than 20 employees where no representative trade union organization is established the workers are represented by so-called employees' representatives, elected by the vote of the company's employees, who can also negotiate and sign collective agreements. A trade union is representative at the establishment level if it has members at the level of at least 50 per cent + 1 of the overall number of employees at the establishment.

	ECS 2013	ECS 2013
	% of employees covered	% of establishments covered
Trade unions	37%	8%
Employees' representatives	67%	52%

Source: ECS 2013. Private sector establishments with more than 10 employees

As mentioned before, there has been a strong tendency after the 2011 labour legislation to replace collective agreements signed at company level by representative trade unions with those signed by representatives' of

employees. This indicates a shift from trade union power to representatives of employees, without ensuring that the latter representatives enjoy the legal protection afforded to trade union leaders.

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total number of agreements	12,206	11,729	10,569	7,718	7,473	8,783	8,726	9,477	8,702	9,366	
Signed by unions	12,206	11,729	10,569	10,569	1,050	1,235	1,226	1,332	-	-	-
Signed by representatives of employees	-	-	-	-	6,423	7,548	7,500	8,145			

- Trade union

National Trade Union Confederations

National Trade Union Confederation	Number of individual members – provided on the Ministry of Labour website official documents	International affiliation
Confederatia Nationala a Sindicatelor Libere din Romania-Frația (CNSLR – Fratia, National Confederation of Free Trade Unions of Romania – Brotherhood)	306,486	ETUC, ITUC
Blocul National Sindical (BNS, National Trade Union Bloc)	253,227	ETUC, ITUC
Confederatia Sindicatelor Democratice din Romania (CSDR, Democratic Trade Union Confederation of Romania)	249,264	ETUC, ITUC
Cartel Alfa (National Trade Union Confederation “Cartel Alfa”)	259,443	ETUC, ITUC
Confederatia Sindicala Nationala Meridian (National Trade Union Confederation “Meridian”)	264,811	-

Source: Website of the Ministry of Public Consultation and Social Dialogue

Trade Union Federations (selection of the main)

Trade Union Federation by branch	Number of individual members	Affiliation to national confederations	International affiliation
Metal/electrical industries			
Federatia Nationala a Sindicatelor Solidaritatea Metal (SMETAL) – National Unions Federation “Metal Solidarity”	4,055	CNS Cartel Alfa	IndustriAll-Europe
Federatia Sindicala a Siderurgistilor METAROM (FSS METAROM “METAROM”) - Trade Union Federation of Steel Workers	5,722	CNS Cartel Alfa	IndustriAll-Europe and Global
Federatia Sindicala a Lucratorilor din Industrie - METAL (FSLI-Metal) – Union Federation for Industrial Workers	6,340	BNS	IndustriAll-Europe
Federatia Sindicatelor Automobilului Romanesc (FSAR) – Union Federation for Romanian Automobiles	23,471	BNS	
Federatia Sindicatelor din Constructii de Masini Infratirea – Federation of Unions of Automotive Manufacturing “Infratirea”	21,123		

Trade Union Federation by branch	Number of individual members	Affiliation to national confederations	International affiliation
Communications			
Federatia Sindicatelor din Posta si Comunicatii – Union Federation of Post Office and Communications	19,903	BNS	
Energy sector			
Federatia Gaz Romania – Romania Gas Federation	19,296	CNSLR Fratia	IndustriAll-Europe, EPSU
Federatia Nationala Mine si Energie – National Federation of Mines and Energy	1,535	Cartel Alfa	
Federatia Sindicatelor Libere din Chimie si Petrochimie – Free Union Federation in Chemicals and Petrochemicals	8,580	Cartel Alfa	IndustriAll-Europe
Federatia Nationala a Sindicatelor din Electricitate UNVIERS – National Union Federation for Electricity UNVIERS	24,824	BNS	
Federatia Sindicatelor Libere Energetica – National Free Trade Union Federations Energetica	7,227		
Constructions			
FGS Familia – General Trade Union Federation Familia	3,174	Cartel Alfa	
Federatia “Navalistul” a Sindicatelor Libere din Constructia de Nave – Federation “Navalistul” of the Trade Unions from Navy Constructions	1,753	BNS	
Public Sector			
Federatia Sanitas – Sanitas Federation	91,766	Fratia	EPSU
Federatia Solidaritatea Sanitara – Federation Sanitary Solidarity	11.046	Cartel Alfa	
Federatia de Transporturi si Servicii Publice ATU – Public Service and Transportation Federation ATU	12,000	Fratia	EPSU
Federatia Nationala a sindicatelor din Administratie - National Federation of Administration Unions	19,465*	Cartel Alfa	EPSU
Federatia Nationala Feroviara Miscare-Comercial – National Freight Federation Movement-Commercial	17,247	Meridian	
Federatia Sindicatelor din Invatamanat Spiru Haret – “Spiru Haret” Education Unions Federation	61,884	CNSLR Fratia	
FSN ale Politistilor si Personalului Contractual din Romania – Federation of Police Officers and Contractual Staff	41,136	Cartel Alfa	
Federatia Sindictelor Libere din Invatamant - National Federation of Free Unions of Education	162,697	CSDR	
Federatia Nationala Sindicala Alma Mater – National Federation Alma Mater	20,632	Cartel Alfa	
Federatia Sindicatelor Democratice a Politistilor din Romania “Alexandru Ioan Cuza” – Federation of Police’s Democratic Trade Unions “Alexandru Ioan Cuza”	12,000	BNS	
Uniunea Sindicatelor Functionarilor Publici si Personalului Contractual “Forta Legii” – Federation of Trade Unions of Public Employees and Public Employees “Forta Legii”	22,812	CNS Meridian	
Federatia Sindicatelor din Administratie Publica si Asistenta Sociala Publisind – Federation of Trade Unions from Public Administration and Social Assistance Publisind	5,799	BNS	PSI/EPSU
Federatia Nationala “Ambulanta” din Romania – National Federation “Ambulanta” of Romania	8,594	BNS	
Federatia Sindicatelor din ADMINISTRATIA Publica Centrala si Locala din Romania “Columna” – federation of Unions from Central and Local Administration “Columna”	1,295	CNSLR Fratia	

Trade Union Federation by branch	Number of individual members	Affiliation to national confederations	International affiliation
Media & Culture			
Federatia Cultura si Mass media FAIR-Media Sind – Federation of Culture and Mass Media “FAIR-MediaSind”	6,960	Meridian	
Timber industry/ silviculture, plastic industry			
Federatia Sindicatelor Libere din Industria Lemnului - Unions Federation of Wood Industry	46,500		BWI, EFBWW
Federatia Generala a Sindicatelor FAMILIA “Anghel Saligny – General Union Federation Family “Anghel Saligny”	4,000	Cartel Alfa	EFBWW
Commerce			
Federatia Sindicatelor din Comert – Federation of Commerce Unions	11,599	Cartel Alfa	UNI
Banking sector			
Federatia Asigurari si Banci – Federation of Insurance and Banks	13,306	Cartel Alfa	UNI
Federatia Sindicatelor Libere a Salariatilor CEC Bank Romania – Federation of Free Trade Union of the Employees of CEC Bank	4,050	BNS	
Agriculture and Food Products			
FNSATDSC Agrostar – Agrostar	63,251	BNS	
Forestry			
Oganizatia “Consilva” – Organisation “Consilva”	28,000		

Source: Website of the Ministry of Public Consultation and Social Dialogue

- Employers’ Organizations

National Confederation	Size (employees)	International affiliation
1.UGIR - General Union of Romanian Industrialists (Uniunea Generală a Industriaşilor din România)	-	Business Europe,
2.CNPR - National Confederation of Romanian Employers (Confederația Națională a Patronatului Român)	89,389	Business Europe
3. CNIPMMR - National Council of Private Small and Medium Enterprises (Consiliul Național al Întreprinderilor Private Mici și Mijlocii din România)-	327,433	ECSB, WASME, UEAPME
5.PNR - Romanian National Employers Organization (Patronatul National Român)	246.566	
5.CP CONCORDIA - CONCORDIA Employers Confederation (Confederația Patronală CONCORDIA)	230.343	
6.CONPIROM - Employers Confederation from Industry, Agriculture, Constructions and Services (Confederația Nationala din Industrie, Agricultură, Construcții și Servicii din România – CONPIROM)	260. 412	

Source: Website of the Ministry of Public Consultation and Social Dialogue



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