

2018

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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of Labour Relations and Social Dialogue

Romania / By Victoria Stoiciu

- The economic expansion of previous years continued but growth slowed down in 2018 due to the weakening of private consumption and a decline in exports of goods and services. Several years of sustained economic growth resulted in a significant rise in employment and a drop in unemployment, with both indicators reaching their highest/lowest levels in the last twenty years.
- The government pursued a wage-led growth strategy started in 2016. Public sector wages increased following the application of the law on unique pay in the public system starting on 1 January 2018. The minimum wage increased by 10 per cent and a differentiated, higher minimum wage for employees who have graduated from university studies will be introduced from January 2019. In an attempt to finance the wage-led policies and to narrow the budget shortfall, the government adopted a highly controversial tax measures package - the “tax on greed” that introduced extra taxes on banks, telecom and energy companies.
- Labour relations’ tensions intensified in 2018. This is partly the outcome of the application of the law on unique pay in the public system but also of the unequal distribution of wealth between labour and capital. Several protests, including wildcat strikes, took place in 2018 in both the private and public sectors.
- Collective bargaining coverage declined compared to previous years, together with the role of the trade unions in the collective bargaining process. Only one sector collective agreement was concluded in 2019, in the banking sector. The poor quality of social dialogue and the collective bargaining situation were the main reasons for two new draft laws aiming to amend the social dialogue legislation.

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Socio-economic developments

In 2018, Romania continued on the path of economic growth, with a 4.2 per cent increase in real GDP in the first nine months of the year.¹ Nevertheless, the growth slowed from 4.3 per cent to 4.2 per cent between the first and third quarters of the year and is expected to slow further. The forecast for all of 2018 is for real GDP growth of 3.6%², about half compared to the previous year.³ The decline is due to the weakening of private consumption - the main contributor to the economic growth – from 7.3 per cent in 2017 to 3.6 per cent in 2018.⁴ The exports of goods and services, another big contributor to the GDP growth, also declined from 9.6 per cent in 2017 to 6.3 per cent in 2018.⁵

Although the economy is expanding, several economic indicators show negative trends. The current account balance is -3.7 per cent, compared to -3.1 per cent in 2017 and -1.6 per cent in 2016.⁶ Foreign direct investments (FDI) cover a significant part of the current account deficit (although net FDI remained virtually flat in October 2018 compared to October 2017). The trade deficit is widening, reaching -6.7 per cent in 2018, compared to -6.3 per cent in 2017 and -5.5 per cent in 2016. Inflation continued its ascendant trend in 2018, mainly due to energy prices – inflation is forecast at 4.3 per cent for 2018 as a whole.⁷

As a consequence of these developments, the general government deficit is projected to reach 3.3 per cent of GDP (from 2.9 per cent in 2017).⁸ In June 2018, the European Council issued a recommendation of an annual structural adjustment of 0.8 per cent of GDP in both 2018 and 2019 under the Significant Deviation Procedure (SDP). Following the lack of effective action by Romania to correct its significant deviation, the Commission proposed in November a revised recommendation of an annual structural adjustment of at least 1 per cent of GDP in 2019.

The shift of social security contributions from the employer to the employee resulted in an artificial increase in gross wages, which is not entirely reflected in the net income. The average gross monthly wage increased by 31.2 per

cent in the first nine months of the year, more than double compared to 2017 (14.7%). However, the increase in the net average wage was only 13 per cent, lower than in 2017 (14, 3%).⁹ Similarly, although the gross minimum wage increased by 31 per cent, the net increased by only 8 per cent.¹⁰ According to official statistics provided by the Ministry of Labor and Social Justice in April, 1.9 million labor contracts (30%) were not subject to any wage increase between 1 January and 31 March 2018, meaning that the net earnings of the contracts' beneficiaries decreased.¹¹

The overall number of active employees in Romania reached 6,505,000 in the third quarter of 2018.¹² This is the highest number of employees since 1998 and is due to new jobs in manufacturing, commerce, health and social assistance, hotels and restaurants and information technology and communications. Consecutively, the unemployment rate dropped to its lowest levels in the last twenty years (4.0% in October 2018, compared to 4.7% in October 2017).¹³ The youth unemployment rate remained stable through the first half of the year, reaching 15.5 per cent at the end of the second quarter of 2018 (compared to 15.4% in the second quarter of 2017).¹⁴

In the medium term, sustained wage increases should rebalance the capital-labor distribution. The compensation of employees was 36 per cent in 2017, much below the EU-28 average of 47 per cent, but following an ascending trend compared to previous years (31.8% in 2013).¹⁵ In the third quarter of 2018, the compensation of employees was EUR 20,153.00, compared to EUR 17,353.50 in the same period of 2017.¹⁶

¹ National Institute of Statistics

² European Commission, Autumn 2018 Economic Forecast – Romania

³ National Institute of Statistics

⁴ European Commission, Autumn 2018 Economic Forecast – Romania, available at

⁵ Idem

⁶ Idem

⁷ Idem

⁸ Idem

⁹ National Institute of Statistics

¹⁰ Ministry of Labor and Social Justice ,

¹¹ National Trade Union Block press conference, BNS (2018), 9 July.

¹² Eurostat, [lfsq_egaps]

¹³ National Institute of Statistics

¹⁴ Eurostat, [lfsq_urgan]

¹⁵ Eurostat, [nama_10_gdp]

¹⁶ Eurostat, teina075_r2

State policies

The government pursued the wage-led growth strategy that started two years ago. Following the 2017 adoption of the law on unique pay in the public system, gross public sector wages increased by 25 per cent in January 2018. According to the law, the gross wages in the medical sector increased between 70 per cent and 170 per cent starting with March 2018. The average net wages in the education sector increased by 15 per cent. The minimum pension was raised to 640 RON (EUR 138) starting with July 2018 (from 520 RON/115 EUR).

Starting 1 January 2019, the minimum gross wage will increase to RON 2,080 (approx. EUR 430), while the minimum gross wage for employees who have graduated from university studies will be set at RON 2,350 (approx. EUR 490). According to statements, the government's plan is to increase the minimum salary by RON 150 (approx. EUR 30) every year until 2021. Business and employers organisations have criticized the proposed measures, warning that a minimum wage increase without solid impact analysis leads to job losses, informal labour and inflation. Trade union organisations welcomed the government's initiative, although some confederations (BNS, Cartel Alfa) claimed that decisions such as differentiated minimum wage should be taken through the mechanism of collective bargaining and not through administrative decisions. Also, starting with 1 January 2019, the gross minimum wage for the construction sector is set at 3000 RON (EUR 652) following a government ordinance. The net minimum wage has doubled compared to 2012, but it is still barely exceeding 40 per cent of the average salary and is far from reaching the living wage level (2552 RON for a single person or 535 EUR).¹⁷ Data from the Labour Inspection shows that 85 per cent (5,250,000) of labour contracts registered in September 2018 were below the level of the living wage.¹⁸

In an attempt to finance the wage-led policies and to narrow a budget shortfall that is in danger of breaching European Union limits, the government passed in December 2018 an emergency ordinance to levy extra taxes on banks, telecom and energy companies. The "tax on greed" introduces progressive tax on banks' assets tied to the money-market rate. Following the announcement of the new fiscal measures, Romanian stocks plunged and bond yields spiked the most in over three years (12%). The country's president, Klaus Iohannis, together with large

businesses representatives, urged the government to slow down before acting and called the new slate of proposed changes "hasty and illogical".

In response to the increasing workforce crisis,¹⁹ the government adopted several measures aiming to address the labour shortages. In June 2018, the Parliament voted for a law which abolished the right to a guaranteed minimum income when just one offer of work is rejected (as opposed to three in the past). Several employers' organizations had requested the elimination of social welfare programs as a solution to the workforce crisis. The law also obliges social welfare beneficiaries to undertake casual work for private enterprises, a provision considered by many as forced labor. Previously, the social welfare beneficiaries were only obliged to participate in community service work. The impact of the law on the labor market is unknown, but it is expected to be insignificant since in 2018 Romania had only 218,000 beneficiaries of the guaranteed minimum income. The government approved a decision to double the number of permanent non-EU workers that can be hired in Romania this year from 4,000 to 8,000; it plans to increase quotas in 2019 up to 13,500 work permits, an all-time high number.²⁰ In addition, the employers will no longer have to pay foreign workers a minimum equal to the country's average gross salary, according to a new law passed by the Romanian Parliament.²¹ The mandatory minimum pay for non-EU employees is the minimum wage.



¹⁷ Guga S, Mihailescu A, Spataru M, Coșul minim de consum lunar pentru un trai decent pentru populația României, 2018

¹⁸ Monitorul Social, Salarii si viata decenta in Romania, available at <https://monitorsocial.ro/indicator/salarii-si-viata-decenta-in-romania/>

¹⁹ National Bank of Romania, Raport asupra inflatiei – august 2018, year XIV, no. 53

²⁰ Business Review, Romanian government to issue all-time high 13,500 work permits for foreign workers in 2019, 5 December 2018

²¹ Business Review, Parliament passes law to lower mandatory minimum pay for non-EU employees to national minimum wage level, 8 November 2018

Industrial Relations

- Collective bargaining

Since 2011 when the social dialogue legislation was amended, Romania's industrial relations' landscape has been characterized by a high concentration of collective bargaining at company level.

A total of 7,226 agreements were concluded at the company level in 2017, covering 952,911 employees, which equals collective bargaining coverage of 15 percent.²² This indicates a declining trend in the collective bargaining coverage, from about 25 per cent in 2015 and 35 per cent in 2013.²³

The vast majority of the collective agreements (85%) are still concluded by representative of the employees and not by representative trade unions. The situation is relatively constant in comparison to previous years²⁴ and testifies to the declining power of the trade unions following the 2011 legislative changes.

The sector collective bargaining situation remained quasi-unchanged in 2018, with an extremely low incidence of collective bargaining at this level. Only one sector collective agreement was valid in 2018 – the collective agreement for the pre-university education sector, concluded in 2017 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). An addendum to the respective collective agreement, regulating the working time,

mandatory qualifications, overwork, etc. was concluded among the signatory parties in June 2018.

Also, for the first time since 2011 a sector collective agreement was concluded in the private sector. The collective agreement covers the entire banking sector and was concluded in December 2018 between the Financial Services Employers' Organisation – Federation FINBan (Federația Patronală a Serviciilor Financiare din România – Federația FinBan) and the Banking and Insurance Trade Union Federation (Federația Sindicatelor din Asigurări și Bănci – FSAB). The agreement provides a minimum gross wage of 2500 RON (EUR 543) in the sector and is valid for two years. Since the legislative change of 2011, sector collective agreements were concluded extremely rarely and only in the public sector (education or health). However, this situation, with only one sector agreement concluded by year, sharply contrasts the one prior to the social dialogue legislative reform of 2011, when the average number of collective agreements concluded at the sector level per year was seven to eight.²⁵

Poor social dialogue and collective bargaining triggered two bills aiming to amend the Social Dialogue Act. Both draft laws are currently in parliamentary debate and provide for laxer legal conditions in establishing a trade union, to make collective bargaining compulsory in companies with a minimum of 10 employees and prescribes new mechanisms for starting and resolving collective labour disputes.

- Labour disputes and protest actions

Increased tension characterized the industrial relations landscape in Romania in 2018. Data from the Ministry of Labor indicate 11 labor disputes for the second quarter of 2017 (most recent available data) as compared to 6 in the same period the previous year.²⁶ The number of employees involved in the labor disputes doubled compared to the same period of the previous year - from 2,016 to 4,816. Official statistics only include those labor disputes that occur during the collective bargaining process and follow

the legal steps for opening a labor dispute (conciliation, mediation). They do not count spontaneous protests actions, wildcat strikes or illegal strikes, also frequent in the last years.

Tense labour relations were the outcome of several policy measures undertaken in 2017 that produced effects and triggered discontent in 2018 and also increased inequality in the distribution of wealth between labour and capital.²⁷

²² Data from the Labor Inspection Office

²³ Stoiciu, V., Annual Review of Labour Relations and Social Dialogue – Romania 2017, Friedrich-Ebert-Stiftung, Regional Project on Labour Relations and Social Dialogue, 2018

²⁴ Idem

²⁵ Guga, S., Constantin, C., Analiza impactului noii legislații a dialogului social adoptate în 2011, second edition 2017, edited by Asociația Connect, 2017

²⁶ Ministry of Labor and Social Justice, Statistics Bulletin on labor and social protection for the second quarter of 2018

²⁷ Monitorul Social, Numarul de angajati creste, dar ponderea remuneratiei salariatilor scade, available at <https://monitorsocial.ro/indicator/numarul-de-angajati-creste-dar-ponderea-remuneratiei-salariatilor-scade-2016-2/>

Major unrest occurred in the public sector over the application of the Unique Pay Law, adopted in 2017. The law provided for a 25 per cent pay rise in the public sector starting with January 1 (with some exceptions, with higher increases planned for 1 March). In line with the Unique Pay Law in the public sector, from 1 March 2018 the wages of medical doctors and medical assistants increased between 70 per cent and 170 per cent. The increase was accompanied by a bonuses cap, which could not exceed the limit of 30 per cent of the overall income. The unions' leaders acknowledged that the increase would prevent brain drain and the migration of medical doctors from Romania; however, they opposed the 30 per cent limit for bonuses as specified in the law. The unions also claimed that some professional categories suffered a diminishing of their net income following the application of the law. The two biggest union federations in the healthcare sector, Solidaritatea Sanitară and Sanitas Federation, organized protests in March and threatened to hold a general strike if the government failed to fulfil their demands. The dispute ended in May when the unions concluded an agreement with the government providing for compensatory payments for those categories that had diminished revenues and opened the possibility to exceed the 30 per cent limit for bonuses in some cases.

The application of the Unique Pay Law triggered similar unrest among employees in the education sector, who protested against the inequalities created by the new law among public sector employees. The Federation of Education Trade Unions (FSLI) claimed that, due to the transfer of social contributions from employers to employees, the net income of some employees in the education sector decreased rather than increased as intended. FSLI organized several protests and threatened

with a general strike. In response, an addendum to the sectorial collective agreement for the pre-university sector was concluded in June between the unions and the government, meeting several of the trade unionists' demands.

The usual tensions that accompany collective bargaining at the company level have been amplified by the impact of the transfer of social contributions from employers to employees,²⁸ a decision from 2017 but taking effect on January 1, 2018. Failure to come to an agreement on wage increases led to labor disputes in the Ford Craiova and Dacia Pitesti factories, two of the most important production plants in the automotive sector. In both establishments the parties managed to reach a collective agreement. The automotive industry is one of the most important pillars of the Romanian economy, accounting for 47 per cent of Romanian exports in 2016 and employing about 150,000 people.

The metal and steel industries also experienced difficulties in labor relations. In January 2018, workers at ArcelorMittal Galați organized a wildcat strike during collective agreement bargaining. The company's management declared the strike illegal and sued 55 workers who allegedly protested illegally. The collective agreement was concluded at the end of January and provided for a 15 per cent wage increase (equivalent to around €50). Workers at Cromsteel Targoviste called a general strike at the end of March 2018 after management refused to increase gross wages in line with the Valahia trade union's requests. The strike, organized by the representative trade union, lasted over three weeks and was ended only when a new collective agreement, meeting most of the unions' demands (a 31% wage increase) had been met.

• Internal developments of the social dialogue partners

Seven 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 have been striving to become representative at the sector and company level.

The national trade unions representativeness was not affected and the threshold remained unchanged, but the union confederation have complained about the negative effects of the abolishment of national collective agreements. According to the data submitted by the confederations for their representativeness renewal, CNS Cartel Alfa accounts for 259,443 members, BNS for 253,227, CNS Meridian for 264,811, CNSLR Fratia for 306,486 and CSDR

for 249,264. Altogether, the five national confederations currently account for less than 1.3 million members, out of total number of approximately 6,000,000 employees (National Statistics Institute). This points to a trade union density of approximately 22 per cent.

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

²⁸ Stoiciu, V., Annual Review of Labour Relations and Social Dialogue – Romania 2017, Friedrich-Ebert-Stiftung, Regional Project on Labour Relations and Social Dialogue, 2018

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 contra-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 union 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.

	2011	2012	2013	2014	2015
Trade union organisations	8682	9329	9915	9372	9643
Employers organisations and professional associations	5745	5721	6004	5679	6295

Source: Romanian Statistic Yearbook, 2011, 2016, in Guga and Constantin, 2017 ²⁹

Tripartite Social Dialogue

After several obstructions of its activity due to practical or legal issues, the Economic and Social Council (ESC) relaunched its activity in 2017 and continued on the same path in 2018. ECS is a national tripartite consultative body created in 1997 that approves all important legislation in the field of taxation, social policy, education and labor relations. The council has 45 members (15 for each partner – civil society, employers and trade unions) with a four-year mandate. In October 2018, Prime Minister Viorica Dancila replaced 13 out of 15 representatives of civil society. The mandate of the 13 members was due to end in December 2019. Many have criticized the prime minister's decision, qualifying it as abusive.

The National Tripartite Council for Social Dialogue (Consiliul Național Tripartit pentru Dialog Social, 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, the 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. Despite these attributions, the CNTDS was not summoned earlier than the third quarter of the year, which raised criticism of the trade unions.³⁰ On different occasions trade union organizations have asked for an increased role of the CNTDS in the policy-making process and stressed the role the council should play in tripartite social dialogue.³¹

Forecasts

Romania's government has built its 2019 budget on a 5.5 per cent GDP growth scenario, although the International Monetary Fund, the World Bank and the European Commission have revised downwards their forecasts for Romania's economy to figures between 3.4 and 3.8 per cent. In November 2018, the European Commission urged Romania to reduce its structural deficit by at least 1 per cent of its gross domestic product (GDP) in 2019. Financing the wage-led growth policies might be problematic under the circumstances of a slowing economy and low fiscal revenues or without surpassing the budgetary deficit limit of 3 per cent. After successive tax cuts, identifying new sources of fiscal revenues might turn difficult and has the potential to

trigger significant public controversy or even social unrest. The bills aiming to amend the current Social Dialogue Act will be debated in the Chamber of Deputies, which also has the final vote. The debates in the Senate around one of the draft laws raised public criticism on the side of the employers' organisations who accused the trade unions of trying to "impose" sector collective bargaining and a return to the legislative framework of the 1990s. Since the draft law is still subject to amendments in the Chamber of Deputies, it is expected that the process of achieving a final form of the bill will be accompanied by increasing tensions amongst the social partners.

²⁹ Guga, S, Constantin. C., Analiza impactului noii legislații a dialogului social adoptate in 2011, second edition 2017, edited by Asociația Connect, 2017

³⁰ CNS Cartel Alfa, Dialogul Social - retrogradat la cel mai de jos nivel al structurii organizatorice din Ministerul Muncii și Justiției Sociale, press release from 26 July 2018

³¹ CNS Cartel Alfa, 2019 – un an în care se prefigurează conflicte sociale deschise, press release from 20 December 2018

Annex - Information about:

- Collective bargaining system

No significant change in the collective bargaining system occurred in 2018.

The Social Dialogue Law 62/2011 abolished collective bargaining at the national level. Simultaneously, the new legislation replaced branch collective bargaining with sector collective bargaining. The new legal framework decentralized collective bargaining by increasing the importance of collective agreements at the company level and at the sector 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 2013.³² Data of the Labour Inspection indicate collective bargaining coverage of 25 per cent in 2015 that decreased to 15 per cent in 2017. 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.³³ A new draft law submitted in 2018 intends to make collective bargaining compulsory in companies with a minimum of 10 employees.

- 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 Social and Economic Council (CES), a tripartite body for the social dialogue at national level, was modified in 2011 and the government withdrew from CES, being replaced by representatives of civil society. CES is a consultative forum and it must be consulted on all draft laws in its areas of competence (economy, taxes, labour, social protection, health, education, research, culture, wages). Since many blockages occurred in the functioning of CES, mostly due to legislative gaps that allowed controversial interpretations, a series of amendments to the CES law were made during 2015. The changes were 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 CES. 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 confederation as well as other relevant stakeholders that may take part should their presence be agreed upon.

At the sector 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 has reported the training of 41,942 persons in 2017.³⁴

³² Ministry of Labour and Social Justice web site, National Strategy for Social Dialogue

³³ 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

³⁴ National Agency for Employment (ANOFM), Raport activitate 2017

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. 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).

• Employment rate (%)

Period	2013	2014	2015	2016	2017Q2
Employment rate	60.1	61.0	61.4	61.6	63.9

Source: Eurostat, [lfsa_ergan] and [lfsq_egan]; last update: 06.12.2018

• Unemployment rate (%)

Period	2013	2014	2015	2016	2017Q2
15-64 years	7.4	7.1	7.0	6.1	5.1
15-24 years	23.7	24.0	21.7	20.6	18.34

Source: Eurostat, [lfsa_urgan] and [lfsq_urgan], Last update: 06.12.2018

• Average net monthly salaries (in €)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual average
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	520	530	564	521
2018	533	533	580	582	582	584	585	575	576	583	-	-	-

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

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	2012	2013	2014	2015	2016
Unadjusted gender pay gap	6.9	4.9	4.5	5.8 ^(e)	5.2 ^(e)

Source: Eurostat, Code: tsdsc340, last up-date: 17.08.2018

• Minimum wage (in €)

Period	2013	2014	2015	2016	2017	2018	2019
	Feb- -June, Jul-Dec	Jan- -June, Jul-Dec	Jan- -June, July-Dec	May	Feb	Jan	Jan Sec ed, Higher ed
National (gross)	170, 181	191, 202	219, 238	277	313	410*	446, 504

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

*Break of data series, due to fiscal changes

• 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.

	2013	2014	2015	2016	2017
Full time	40.5	40.4	40.4	40.4	40.3
Part time	23.2	23.6	22.9	23.5	23

Source: Eurostat, Code: tps00070, last up-date 06.12.2018

- Normal work / atypical work

	2013	2014	2015	2016	2017
total employment	8,178.9	8,254.4	8,234.8	8,166.1	8,363.2
part time employment	739.8	722.2	725.0	607.7	567.5
full time employment	7,439.1	7,532.1	7,509.8	7,558.3	7,795.7
total number of employees	5,737.2	5,841.3	6,050.2	6,181.5	6,368.9
part time employees	42.3	40.5	45.9	37	33.4
full time employees	5,694.9	5,800.8	6,004.3	6,144.5	6,335.5
total self-employment	1,537.4	1,522.0	1,452.3	1,343.7	1,367.8
part-time self-employment	408.6	401.3	404.8	346.2	324
full-time self-employment	1,128.8	1,120.8	1,047.5	997.5	1,043.8
total contributing family workers	904.3	891.0	732.4	640.9	626.6
part time contributing family workers	288.8	280.4	274.4	224.5	210.1
full time contributing family workers	615.5	610.6	458.0	416.4	416.5
temporary employment	82.0	87.1	84.3	85.4	76

Source: Eurostat, LFS series, Detailed Annual Survey results, (lfsa) [lfsa_empt], last update: 1306.12.20187 and [lfsa_etgaed], last update: 06.12.2018

- Migration (in thousands)

Migration	2013	2014	2015	2016	2017
Romania	-0.7 ^e 4	-1.0 ^e 0.8	-2.53 ^e	-3-2.7 ^{ep}	-2.5 ^p
EU-28 average	3.5 ^e 4	2.2 ^e 1	3.6 ^{bep}	2.4 ^p 3.0 ^{bep}	2.7 ^{bep}

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

- Human Development Index

HDI rank	Country	2015	2016	2017
50	Romania	0.802	0.807	0.811

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

- Gini-coefficient (index; international ranking)

Year	2015	2016	2017
Romania Index	37.4	34.7	33.1
EU-28 Average	31.0	30.87	30.3

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 a 98 per

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

Year	2010	2013	2015	2017
As a percentage of employees	98%	37%	23%	17%

Source: ILOSTAT for 2010 and 2013, Labour Inspection for 2015 and 2017

- 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 Visser, 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.

A reliable but incomplete source are 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

source, the five national representative confederations (BNS, Cartel Alfa, CNSLR Fratia and Meridian) account for about 1,333,000 members out of approximately 4,700,000 employees, which corresponds to trade union density of approximately 22.5 per cent.

- Employers' organizations density

The effect of the 2011 legislative change was a drop in the number of nationally representative employer 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.

	2013	2014	2015	2016	2017
Total number of agreements	8,726	9,477	8,702	9,366	7,226
Signed by unions	1,226	1,332	-	-	1.057
Signed by representatives of employees	7,500	8,145	-	-	5.990

- 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 Labour

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 Automobile	21,539*	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	
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 Sindicatelor Libere din Invatamant - National Federation of Free Unions of Education	172,336	CSDR	
Federatia Nationala Sindicala Alma Mater – National Federation Alma Mater	12,923	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	19,023	BNS	
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”	8,420	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			
Organizatia “Consilva” – Organisation “Consilva”	28,000		

Source: Website of the Ministry of Labour

• 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
4.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 (Confederatia Nationala din Industrie, Agricultura, Constructii si Servicii din Romania – CONPIROM)	260,412	

Source: Website of the Ministry of Labour



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