LABOUR AND SOCIAL JUSTICE

JUST ENERGY TRANSITION FOR COMMUNITIES: FROM RISK TO OPPORTUNITY.

Case study: Galați County

Authors: Eliza Barnea, Corina Murafa



JTOP must fund through competitive calls employers, trainers and NGOs activating the formally unemployed population through direct employment and occupational mediation services.



In the context of the dual green and digital transition, public employment services must strengthen their capacity by professionalising their public communication, improving their reputation and opening local offices throughout the territory.



Structural reforms are needed in the education and training systems to raise quality, from payment for performance to liberalising access to training through vouchers.



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Executive summary

Galati County will benefit from almost €400 million within the Just Transition Operational Programme (JTOP), out of which approximately 10% will be dedicated to strengthening the capacity of the public employment service and supporting workers in the process of adapting to a low-emission economy. In the light of this opportunity, the authors of this research carried out their activity during March to May 2023, together with scientific collaborators and with the support of an institutional partnership with the Ministry of Labour and Social Solidarity, using a mix of methods, ranging from descriptive statistics, data processing, 1:1 structured interviews, individual and collective semi-structured interviews, field observations, including in the rural area of the county. The research groups the conclusions and recommendations into short-term priorities, fundable through the JTOP, and opportunities to improve the legislative framework in the areas of labour, social assistance, employment services, education, skills and retraining, and local economic development. Considering that public awareness of the need for green transition and the risks and opportunities it entails is still extremely fragile, there is a need for professional citizen information media campaigns and trainings explaining the idea of transition in a digestible manner, financed from the funds dedicated to technical assistance under the JTOP. At county level, great part of the workforce is inactive and works in the informal economy, a trend maintained also through patterns of underpayment or abuses often encountered in the formal private sector. We recommend funding from the JTOP of employers, trainers and organisations of all kinds that work with the unemployed population through direct employment, supported employment and occupational mediation services. It is very important that JTOP calls dedicated to supporting workers with different types of services are competitively open to the most suitable public and private institutions. In the long term, we recommend the elimination of part-time work taxation and a more advantageous taxation of vulnerable categories, as well as the transparency and digitisation of the services of REVISAL application and the Territorial Labour Inspectorate. Although unemployment in the county is double the national average, even with tens of thousands of unoccupied people not being recorded in any register, one of the main themes of our interviews with key stakeholders in the county was the difficulty of finding workforce. Considering the poor transport infrastructure and structural obstacles to labour mobility, the gap between Galați municipality (with unemployment below 1%) and the rural areas in the North part of the county (with unemployment above 20%) is likely to increase under the conditions of the double challenges of the green and digital transition. In the report, we offer a wide range of recommendations to increase the relevance and effectiveness of the public employment service, from antenna offices within the territory to measures for improving its reputation and public communication. In the long term, we recommend the creation of favourable (fiscal and regulatory) conditions for emerging high-skill/smart specialisation areas, but also for the activation of the population in peripheral regions of transition regions. The poor quality of training courses and their lack of relevance or practical dimension discourages participation, therefore we recommend reforms to increase quality such as pay-for-performance systems, inclusion of soft and green skills components in all training programmes, liberalisation of access to training through voucher systems, at employee and employer level. The poor quality of education at all levels, the structural discouragement of the vocational branch and the lack of adequate psycho-emotional and career counselling mechanisms call for changes such as adjusting financial incentives for transition-relevant specialisation bonuses, adjusting tuition figures, but also continuous training and performance-based incentives for human resources. We are confident that honest, evidence-based analysis and real dialogue with society, as well as reorienting public interventions and funding in a pragmatic and courageous way can make the Just Transition to a low emission economy a success story in Galati County and beyond.

CONTEXT AND METHODOLOGY

Active employment policies and training/retraining measures are a fundamental pillar in ensuring a just green transition by supporting the workforce in polluting regions with declining or transforming industries to access quality job opportunities.

In the context of the implementation of the Just Transition Mechanism in Romania, the Friedrich Ebert Foundation carried out, between March and May 2023, extensive research on the labour market in Galati County, one of the 6 affected territories in Romania. The analysis focused on the institutional mechanisms of active employment, in particular professional training courses, and their adequacy to the needs and requirements of the local labour market, in the context of a just green transition.

The research started with a quantitative analysis of the evolution of employment and unemployment, migration and education variables at county level. This generated a series of hypotheses related to employment, training and retraining in the context of a just energy transition, which were tested through a qualitative, detailed analysis. This consisted of twelve 1:1 interviews with jobseekers or those who have been in employment for less than 1 year and 6 months, randomly selected on the basis of specific criteria relating to labour market interaction and participation in training programmes. The authors also conducted semi-structured individual and group interviews with more than 60 other local stakeholders from both urban and rural areas. These included public institutions, academic environment, NGOs, trade unions, LAG structures, SMEs, large enterprises, students, training providers. Given the deeply localised nature of the just transition process, this project focused on providing a deep and nuanced understanding of the deep reality, experiences and specific contexts of each stakeholder. The authors of this report believe that these experiences and perceptions form the reference framework for action by local actors, and can collectively dictate the success of the implementation of local employment policies and programmes and the justness of the green transition.

The report resulting from this analysis is structured on five sections: public awareness level of the transition to a low-emission economy, the labour market, the education system, vocational training, and administrative capacity.

Each of the sections presents a diagnostic analysis of the respective field, as well as solutions. The solutions are grouped into two categories: urgent and immediate solutions, which can be implemented through funding provided within the Just Transition Operational Programme (JTOP), and structural solutions, which can be implemented through changes in the legislative framework and long-term programmes. Both the diagnostic analyses and the solutions presented in this report have been co-generated by identifying common elements and drawing a red thread between the experiences and perceptions of the various stakeholders. The solid academic and technical assistance experience of the authors in the field of just energy transition, as well as the projects carried out in the other regions affected by transition in the last three years, determined us to believe that many of the mechanisms analysed at the level of Galati County represent a solid basis for issuing solutions and recommendations applicable to all Romanian regions affected by transition.

SECTION A: RAISING PUBLIC AWARENESS OF THE TRANSITION TO A LOW-EMISSION ECONOMY

Public awareness of the need for the green transition and the risks and opportunities it offers is a sine qua non for building the public consensus needed to make the just transition, to guide the population towards green skills and to create quality clean jobs. This principle was also the basis for the participatory exercise coordinated by the Galati County Council through the Just Transition Working Group at the country level, one of the most active and inclusive of the regions undergoing the just transition. However, the interviews we had during the field research showed us that young people and entrepreneurs in the county (even big entrepreneurs), are hardly aware of the need to transition to a low emission economy (Why are we making this transition? What are the consequences? How can I get involved/prepare myself?). This lack of information severely limits the ability of interested stakeholders to take an active part in the process, to develop green skills, to take advantage of emerging opportunities or to contribute to the society transformation that the just green transition implies.

Moreover, the subject of so-called green skills is an evolving one at European level, with different Member States having different definitions and methodologies for analysing green skills. The European Centre for the Development of Vocational Training (CEDEFOP) defines green skills as "the knowledge, skills, values and attitudes needed to develop, sustain and live in sustainable and resource-efficient societies". As a recognition of green and other skills as a key pillar in achieving European climate goals, the European Commission has designated 2023 as the European Year of Skills. Developing a coherent European perspective on green skills will create new opportunities not only in terms of their analysis, but also in developing innovative policies and training programmes to support their equitable dissemination among populations. The finding following the qualitative research carried out at county level, otherwise confirmed by emerging European public policy documents, is that many of the technical skills already taught at all levels of education are not perceived as green by the stakeholders involved in the learning process, although they represent without doubt a very important pillar of the transition - for example, it is clear that vocational education focused on knowledge and skills such as electrician will establish a solid basis for the green jobs of the future. Given the novelty of this framework, private stakeholders seem to have the leadership on this emerging topic: Liberty Galati, the largest employer in the county and the main actor in the steel industry, has already developed a project to specialise its existing and potential workforce in green technological processes, called the Green Steel Academy, which is expected to lead to a safer and cleaner working environment, and therefore possibly more attractive to young people in the county. Liberty Steel Group is also the only Romanian member of the European Skills Pact, one of the flagship initiatives of the European Skills Agenda, which aims to support public and private organisations in the field of training and retraining.

One of the reasons why the just transition agenda is so little known at a deep level is the disconnection between stakeholders and the decision-making processes within public administration at all levels. Another is that the Just Transition Mechanism is a new EU instrument, adopted in 2021 as a recognition of the increased vulnerability of mono-industrial regions in the decarbonisation process. Translated into more concrete concepts, however, the subject resonates with ordinary citizens. Higher educated respondents, for example, see green jobs as an opportunity, but mention the need for greater State involvement to support people who lose their jobs during this transition, which seems not to be happening or is little known at the moment.

The citizens interviewed place more value on job stability than on reducing pollution, and the steel works and factories in general are seen as very necessary jobs that contribute to the well-being of the city. Particularly in the absence of "serious employers" and effective protection by public institutions, layoffs raise real social anxieties.

"I feel like the old is disappearing even though it was a prosperous thing for the city. Factories, plants are disappearing and the private sector is coming in, the steelworks have been reduced a lot, I don't know if it's too good right now there, I think that here is happening what it is happening all over the country, we are selling everything, the private sector is coming in." (Woman, 30 years old)

"Even if you give them [compensatory] wages, after two months, what will they do?". (Male, 38) "On the one hand it's good that green jobs are appearing, on the other it's bad that traditional jobs are disappearing, but overall, it's good that we are protecting the environment". (Male, 45 years old)

SOLUTIONS

IN THE SHORT TERM (THROUGH JTOP):

- Professional (new) media campaigns to inform citizens and explain the idea of transition in a simple way, adapted to the general public, carried out through the technical assistance axes of the programme
- Short-term training courses, including in educational institutions, in green skills (technical but also transversal skills) and community development activities focusing on the green transition, supported by NGOs and academic environment

PE TERMEN LUNG:

• Changes to education framework plans and curricula of professional training courses to include elements of awareness and green skills development to support the green transition

SECTION B: LABOUR MARKET

During the last 10 years, employment in Galati County has fallen faster than the national average (15% vs. 9%). By far the most drastic drop, of around 20,000 people, occurred in 2021, probably due to the economic effects of the Covid-19 pandemic. At the same time, over the last 10 years, the population employed in agriculture has fallen by 39,000 people, from 32% to 13%. The gender employment gap has persisted and widened over the last decade. From qualitative interviews with recent jobseekers, the perception is that, at county level, it is most difficult for people over 45, especially women, to find a job, people who have children and therefore need a stable schedule, and people who have worked informally and cannot easily get formal jobs because they have not gained the necessary experience and remain blocked in the vicious circle of undeclared work. For people who have to commute to Galati municipality, who have children or elderly people in their care, the only legal form of work available would have been part-time work, which disappeared from the county labour market at the same time with the change in the tax regime for part-time contracts, according to the interviewees, especially women.

B.1. THE PROBLEM OF UNDER-REPORTED WORK AND UNDECLARED WORK

One phenomenon that is primarily visible from the employment statistics - out of 310,000 people employed in the county, 150,000 are employed and only 10,000 registered unemployed - is informal work. Its prevalence and severity, however, was revealed to us through qualitative interviews we had in the field.

"Either the working conditions were not optimal for working, or the salary was not the right one, or not all taxes were paid to the State, or they put you on unpaid leave without telling you, or they didn't want to declare you as full time [...]. A lot of problems. Believe me, I have been working for almost 6 years in this city and I hardly gathered 4 months in the employment record book during those 6 years." (Male, 38 years old).

According to Law 76/2002, employers who hire, for an indefinite period of time, unemployed persons over 45 years of age, unemployed persons who are single parents of single-parent families, long-term unemployed persons,

graduates of educational institutions or NEETs, receive monthly, for a period of 12 months, within the allocated budget, for each person employed in these categories, an amount of lei 2,250, with the obligation to maintain the employment or service relationship for at least 18 months. The lack of a sound entrepreneurial culture and inefficient control instruments, as well as the inadequate design of the subsidy system, has created room for numerous abuses in the private system. According to the information collected in the field, some stakeholders in the private sector hire to benefit from subsidised labour and then dismiss the individuals concerned after the end of the obligation to maintain the employment relationship for 18 months. Similarly, cases were reported where the economic operator maintains "undeclared" employment relationship with future graduates, creating an employment contract only after graduation in order to collect the related subsidy.

The phenomenon of informal work was also extensively revealed by field research carried out in the rural areas of the counties (Cudalbi, Gohor and Ghidigeni communes), where the population beneficiary of the Guaranteed Minimum Income (GMI) and therefore theoretically looking for work, operate in extensive networks of informal day labour in agriculture or construction. This phenomenon is due to structural obstacles to integration into the formal labour market: much lower earnings in formal work than in informal work, the distances that have to be travelled to reach areas where there are employment opportunities, the abuses often encountered in the private sector. The average gross monthly wage in Galati County is RON 4744 (2021) - net approx. RON 2700 - but this figure, only 15% below the national average, is deeply influenced by the relatively high wages in the public sector (administration and public order, health, education). In hotels and restaurants, wholesale and retail trade (which employs the most people at county level, approx. 16%), and administrative services the average gross salary at county level does not exceed RON 3000, with employees in these private businesses receiving practically the minimum wage. In comparison, day labourers receive, on the undeclared market, up to RON 200 /day. Thus, the statistics on people theoretically able to work are deeply flawed, as GMI beneficiaries in reality work, occasionally or permanently, in the informal economy, opting for GMI only to be entitled to health insurance and being stuck in the informal economy by the structural obstacles described above. In some cases, the issue of exit from informality is directly linked to the issue of legal forms of ownership, which may prevent, for example, people returning home after a period of work abroad from exploiting a piece of land or setting up the registered office of a new enterprise.

The perception of recent jobseekers we interviewed is also one of a lack of efficiency and integrity of controls by the Territorial Labour Inspectorate. In fact, from the focus groups conducted with young students in the county, many reported the presence of under-reported salaries, especially in the hotel and catering industry.

SOLUTIONS

IN THE SHORT TERM (THROUGH JTOP):

- Supporting SMEs that bring workers out of the informal economy, activating the inactive population in the labour market by rewarding work beyond the minimum wage and creating well-organised commuting schemes.
- Eligibility of expenditure on land registration and property legalisation as a basis for activating legal forms of economy in disadvantaged areas (e.g., small business incubators in areas with a high degree of informal economy)

IN THE LONG TERM

2%

- Change the tax regime to eliminate over-taxation of part-time contracts
- Introduction of a more advantageous tax regime for disadvantaged groups (day labourers, rural dwellers, young people, etc.)

2012

2013

2014

- Creating a legal framework for employees to have unrestricted access to their own data in the employee register, including the creation of a digital REVISAL portal.
- Online complaints platform within the Territorial Labour Inspectorate

B.2. LIMITED EFFICACY OF THE PUBLIC EMPLOYMENT SERVICE

Unemployment in Galati County has been above the national and regional values in all the years of the last decade. After a maximum of almost 10% in 2016, in 2019 it reached a minimum of 5.6%, but the trend of the last 2 years is increasing. The unemployment rate is currently around 6.4%, far above the national figure of 3% and the regional figure of 4.2%. (Fig. 1).

Decreases in employment in areas such as manufacturing industry (-24%), energy production (-80%), water distribution, sanitation and waste (-20%), financial intermediation (-30%), real estate transactions (-34%), and gains in areas such as public administration and defence (+73), mining and quarrying (+18%), construction (11%), transport (10%), information and communication (6%) have been seen in recent years. Almost half of employment is given by the manufacturing industry and trade, both of which are declining in terms of number of employees.

One of the main themes of the interviews with stakeholders in the county, including those in the private sector, was the difficulty of finding labour - whether low to medium

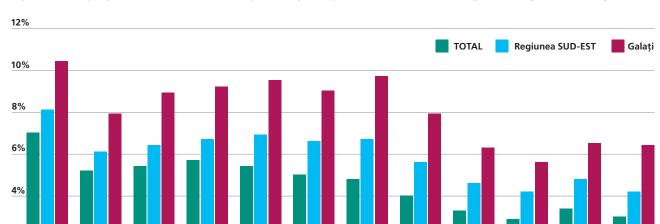


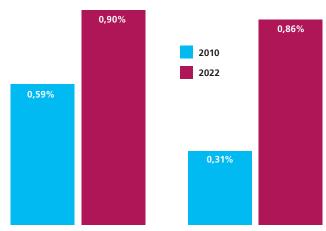
Fig. 1 - Unemployment evolution in Galați County compared to national average and regional average

2015

skilled workers (for the construction industry in particular), technicians (welders, locksmiths) or highly skilled workers (architects, designers).

In fact, this perception is fully supported by the data. The vacancy rate in the region to which Galati County belongs has tripled in the last 10 years - see Figure 2.

Fig. 2. Job vacancy rates at national and South-East regional level in 2022 compared to 2010



Source: National Institute of Statistics, Tempo Database

The regional discrepancies in employment between the North part of the county (ATU with 20% unemployment) and Galati municipality (which has 0.7% unemployment) are flagrant, as shown in the figure below. Moreover, these imbalances are also due to long distances, poor infrastructure, low worker mobility and difficult procedures for commuting settlement.

As it can be seen in the unemployment map at the county level, in almost all localities the number of unemployed registered with the County Employment Agency has decreased - from over 33,000 in 2010 to 12,000 in 2020 and slightly over 10,000 today. Of these, at county level, the

vast majority are hard-to-employ. Thus, the databases with which the County Employment Agency supports the private sector in identifying and recruiting workforce are poorly populated, making the institution unattractive to employers as a source of labour identification and activation. Moreover, the phenomenon is prevalent at national level, where, according to the assessments of the experts interviewed, there are about 1.5 million unemployed people who do not come to the County Employment Agency. A vicious circle is created, and companies, although they report job vacancies to the County Employment Agency, thus fulfilling their legal obligation, actually recruit for those positions through parallel channels (e.g., local press, OLX, Bestjobs, etc.), as the base of candidates to which the County Employment Agency has access is very limited. This way, unemployed people of good faith who apply for the respective positions advertised by the County Employment Agency end up believing that the jobs advertised by the County Employment Agency are "already given" or are given by "pulling strings". In fact, of the 12 jobseekers with whom we conducted in-depth interviews, 80% had not used the services of the County Employment Agency, even though they knew what it offered.

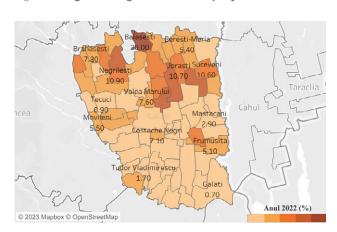
"The offer is very low, mostly for unskilled workers". (Female, 46 years old)

"They don't contact you, they don't answer." (Male, 37 years old).

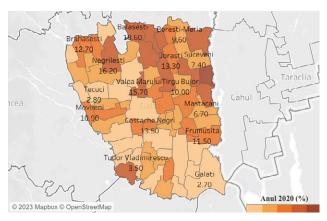
However, a respondent who follows the work of the County Employment Agency says that they have recently become more visible and that they also have a platform where employers are obliged to post job advertisements:

"Every employer must make an account on the County Employment Agency platform and let them know that they have vacant positions otherwise they get fined. However, many already know who they are going to hire for that job, but they still post them because they have to." (Female, 29 years old).

Fig. 3. Weight of registered unemployed in total labour resources at locality level



Weight of registered unemployed in total labour resources at locality level 2022



Weight of registered unemployed in total labour resources at locality level 2020

SOLUTIONS

IN THE SHORT TERM (THROUGH JTOP):

- Digitise the County Employment Agency services, improve the reputation and public communication capacity of the County Employment Agency, create partnerships for activation and active recruitment services with companies in the county, run proactive campaigns to identify and mobilize the employable population and diversify its services offered to employers
- Implementation of a Train the Trainers system within the County Employment Agency, whereby the institution trains its own and private trainers in green skills/knowledge related to the green transition, so that they in turn disseminate this know-how further in trainings
- Creation of working offices within the territory, at the rural level, and a County Employment Agency training and activation centre in the North part of the county, in Tecuci, to decentralise services and mobilise hard-to-reach groups
- Optimal financial incentives for employers, County Employment Agency and private training providers to provide training (going beyond standard training costs) and employment in the occupations identified in Galati Just Transition Territorial Plan as growing, such as technician / production dispatcher, mechanical / electrical supervisor, compressor operator, hydro machinist, loader-unloader, treasurer/ receiver-distributor, production / maintenance / IT engineer, conveyor belt machinist or lathe operator, welder, stoker, mechanical locksmith

IN THE LONG TERM:

- Simplification of the bureaucratic processes that both employees and employers have to go through in order to benefit from the services of the County Employment Agency
- Increasing the capacity of the County Employment Agency to offer individualised and customized services to jobseekers (counselling, mediation, training vouchers, etc.)
- Legislative change to determine the education system (inspectorates, universities) to propose fields and schooling figures based on labour market prospects, including those of the County Employment Agency (at present, these prospects are often ignored)
- National Employment Agency/regional groupings of County Employment Agency to be tasked with screening what are the areas of interest

and future (hydrogen, wind, IT, green skills), through Regional Job and Skills Observatories

- Continuing education programmes for trainers, in collaboration with the private sector and academic environment
- Special measures to stimulate and train trainers in qualifications/specialisations where training providers and the private sector claim shortages and difficulties in organising courses (e.g. welders)

B.3. EMERGING FIELDS AND TENDENCIES, WITH GROWTH POTENTIAL

Despite this gloomy landscape, field research has revealed encouraging new developments in the labour market, which should be further stimulated through JTOP and wider legislative initiatives. For example, with the pandemic, the phenomenon of reverse migration (from big cities, including Bucharest, back to the villages of Galati, or even from outside Romania to Galati County) and digital nomadism could be observed. In fact, historically speaking, this "retreat to the countryside" was a phenomenon specific to Galati County, where relatively young people, laid off and/or early retired, with relatively high salaries/pensions, preferred to retire to the villages around the city and withdraw from formal activity. This early withdrawal from the formal economy to the countryside needs to be turned into an opportunity in the coming years, and rural withdrawals turned into rural development opportunities. In addition, a number of high-skill growth areas (e.g., naval architecture, logistics) are becoming more widespread in the county. Last but not least, the Galati municipality is starting to become a pole of attraction. A comparative analysis of the flow of emigrants and immigrants, despite reservations about the accuracy of the data reported, shows that the flow of those who settle in Galati County is three times higher than that of those who leave the county to emigrate abroad.

SOLUTIONS

IN THE SHORT TERM (THROUGH JTOP):

• Reverse migration enhancement (e.g., setting up small job-generating businesses especially in the Northern part of the county for entrepreneurs from outside the county)

- Establish a national programme for relocation and job creation through small entrepreneurial structures in peripheral regions of counties and regions affected by the energy transition
- Creation of favourable conditions (fiscal and regulatory) for emerging high-skill/smart specialisation areas

SECȚIUNEA C: PROFESSIONAL TRAINING COURSES

One of the key factors in ensuring a successful transition to a clean economy is the support system established for vocational retraining of workers in declining industries and the upgrade of skills, knowledge and attitudes of the workforce according to the evolving needs of employers. In the paradigm of a just transition, the focus is on creating quality jobs and supporting the low and medium skilled workforce in accessing new opportunities. The Just Transition Guidelines of the International Labour Organization reiterate as a basic principle the need to "create training opportunities for specialization and retraining (including for workers directly affected by transition), as well as initiation courses in green business, environmentally friendly technologies and innovations" (International Labour Organization, 2015). Moreover, labour market transformations brought about by global trends such as automation, increasing life expectancy, the green transition and the flexibilization of work, impose the need for a paradigm change in terms of training and education, focusing on the continuous updating of skills and knowledge, throughout a person's life.

the legal framework force According to (L167/28.05.2013), at the county level, the County Employment Agencies (County Employment Agency) are responsible for coordinating the vocational training activity of job seekers, as well as organising vocational training programmes for these categories of adults through their own centres, private centres or through authorised vocational training providers. The analysis carried out in Galati County revealed deficiencies in the design, implementation, monitoring and evaluation of these programmes, with a direct impact on the labour market integration of a significant proportion of the population. In the context of a generalised labour shortage and a marked ageing trend in the population, active measures to integrate the unemployed population into the labour market must be a priority.

At present, poor implementation of employment legislation and ineffective mechanisms for monitoring and evaluating the performance of vocational training programmes have created systemic obstacles to identifying and attracting target groups, organising training courses effectively and matching them to labour market realities. Thus, the main obstacles identified at local level were:

C.1. POOR QUALITY OF TRAINING COURSES PLAYS A SIGNIFICANT ROLE IN DISCOURAGING PARTICIPATION

The overwhelming majority of interviewees agree on the poor quality of training courses due to: poor training of trainers, emphasis on quantitative and theoretical training, ineffective mechanisms for monitoring results. Inadequacy of mediation tools is a factor identified by all categories of respondents as a major obstacle in activating unemployed people and matching training courses with a job. Thus, courses organised by private providers, especially through European funds, are seen as "a business", useful "only for the diploma", while courses offered by the County Employment Agency are perceived as insufficiently varied, lacking purpose, "mostly for unskilled workers" (Female, 46 years old).

Moreover, respondents deplore the lack of a personal development and interpersonal skills (soft skills) component in all categories of courses, considering it a priority in order to improve the perception of beneficiaries on work, to teach them to interact in professional environments, to work in a team, to adapt to unforeseen situations and to complete a task. Developing these components can positively affect both the performance and social mobility of employees and the productivity of enterprises.

"All [the qualification programmes] have been a failure, wasted money. People didn't get into the labour market because we didn't offer something adequate. We overqualified them without giving them a future. We should have started from the bottom of the pyramid: workers, welders, pipe fitters, electricians, dental technician, nurse. The options are not correlated with reality, employers are not asked what they are looking for." (public institution representative)

"The Operational Programme Human Capital is a waste of money. The problem lies with the providers. Are they coming to the exam? Do they have the attendance sheets? Do they take the exam? That is what is being checked. The providers just spend the money and the County Employment Agency only checks on paper. Furthermore, they're not attractive. [...] We had the

training programmes for NEETs. They were more on paper. The first thing a NEET needs is guidance." (public institution representative)

"Training courses are money poorly spent, people take European funds and then sell their company. Besides we've taught people to attend courses just for the subsidy, we've conditioned them without helping them understand the value of work" (union representative)

SOLUTIONS

IN THE LONG TERM

Rewarding the success rate of training providers through a pay-for-performance system:

- Linking the conditions for the authorisation/contracting of providers (through the County Employment Agency or by projects financed by European funds) with employability targets for graduates (e.g., percentage of graduates employed in the training field 6 months after graduation, percentage of employed graduates who have kept their job for at least 6 months after employment, commitment that at least 30% of graduates find a job in the training field 6 months after graduation, etc.);
- Evaluation of training providers for contracting their services (through the County Employment Agency or EU funded projects) based on feedback collected, on a mandatory basis, from all trainees, in an anonymous and ideally electronic format or administered by a separate person/entity (e.g., County Employment Agency to administer the feedback process). The trainee reviews should be public, available on the County Employment Agency platform as a vector to stimulate quality;
- Evaluate training providers for contracting their services (through the County Employment Agency or EU-funded projects) based on feedback collected from employers who employ people trained through these programmes;

• Inclusion of soft skills components in the design and implementation of training programmes

- Introducing the interpersonal skills component and activities that stimulate these skills in a transversal way throughout the course (e.g., team activities to stimulate collaboration and communication)
- Assessment of this component at the end of the course

Making counselling and mediation mechanisms more effective:

– Activation of employment mediators, for the beginning through competitive calls financed by the JTOP and other operational programmes, so that, from ATU to

ATU, the organisations with the greatest capacity and desire to implement such a reform can implement pilot projects (town halls, County Employment Agency, county councils, NGOs)

- Develop integrated packages of active employment measures to identify and attract beneficiaries to training courses. As the needs and skills of a worker over 50 are different from those of a young vocational education graduate, these packages need to be tailored to target groups, structured, with the help of social workers and employment mediators, into an intervention plan. It is recommended to evaluate the skill level of each beneficiary in order to profile existing skills, identify skills and knowledge gaps, training needs, potential obstacles to (re)integration into the labour market and possible career/job trajectories, in a case management type of system;
- Social assistance in the form of psychological and vocational counselling, including at family level, to assess and counter the potential negative psychological impact resulting from the experience of unemployment or layoff, to provide an internal support system and to stimulate the beneficiary's interest in personal and professional development.
- Accompanying the beneficiary throughout the whole process, from identification to employment, through counselling and mediation measures tailored to his/her needs and capabilities, also addressing the beneficiary's attitude towards work, can maximise his/her chances of getting and keeping a quality job.
- Increasing the number of social workers and mediators, especially in areas of high unemployment

Making the systems for monitoring the quality of training courses and the quality of training providers more efficient

– Intensification of on-the-spot checks carried out by the County Employment Agency, especially during the training period, and finding pragmatic, remedial or punitive solutions, as appropriate, if the circumstances at the place of practice do not allow the practice to be carried out as promised in the contract between providers and the one offering the practice

C.2. ALTHOUGH REGULATED AS AN OBLIGATION OF TRAINING PROGRAMME PROVIDERS, ORGANISING PRACTICAL TRAINING PROVES DIFFICULT AT THE LOCAL LEVEL, LIMITING TRAINEES' ABILITY TO LEARN TECHNICAL SKILLS

The methodology for the authorisation of vocational training providers (OM No 353/5.202/2003) requires the provider to provide proof of adequately equipped training

premises as well as the quantity of consumables required to carry out the practical activity for at least one training cycle in advance of the time when authorisation is requested. Although practical training is indispensable in the achievement of technical qualifications, some of which are essential for the green transition (construction technician, hydro-electrician, electrical installation technician, welder, fitter, etc.), the actual implementation of practice proves difficult. According to the information collected in the field, there is the obstacle of the design of eligible expenditure, which limits the ability of providers to provide the technological basis for practical training. At the same time, economic operators are reluctant to allow trainees access to the equipment, machinery and tools needed to carry out the activity, as well as to assign employees as mentors. This situation is generated by the lack of confidence of economic operators for fear of equipment breakdown by trainees, but also by mentors who have to be interrupted from their daily work to train trainees whom they fear may later replace them. Occupational Safety and Health risks are also an obstacle that discourages economic operators from allowing practical training in enterprises. Moreover, for reasons of financial profitability, providers aim to create as large groups as possible, which makes it difficult to place them in practice. Therefore, due to the lack of options for practical training, high costs and, in some cases, a shortage of trainers, certain qualifications, such as welders, electricians and lathe operators, are difficult to organise locally, despite considerable demand.

"In order to create a group of 14, you need to talk to 100 people. And where can I get 14 to 20 unemployed people to do their practical training? I make them trade workers, what chain will accept 20 unemployed workers? [...] None of the supermarkets in Galati offer internships, although they want to hire. They avoid young people because they are perceived as unreliable." (public institution representative)

"When we want to organise any courses, we can find lecturers and room on any job, but where do you do practical training with a crane operator?" (public institution representative)

"The people who are supposed to teach them don't have time to teach them, because it takes them away from work. Besides, it is about the mentality "if I teach you, you'll take my job" (SME representative)

SOLUTIONS

IN THE SHORT TERM (THROUGH JTOP)

• Financing a training consortium pilot

Creation of training associations between the private sector - training providers - County Employment
 Agency so that trainees have more places available for practical training and more employment opportunities; associations can be organised thematically - basically,

associations could operate in multifunctional, sectoral training centres with a complete technological base, including human resources for counselling and mediation (e.g., training centre for the agri-food sector)

IN THE LONG TERM

• Making the vocational training market more flexible

- Flexibility in the eligibility of expenditure proposed for funding by the provider and simplification of the procurement process for basic course materials (simplified cost estimate and justification of expenditure instead of an open procurement process) and sufficient supplies for all trainees;
- Offer some form of support (grants, vouchers, etc.) for companies to train their people in skills on high demand, thus creating a virtuous circle - higher skills would generate local economic growth and attract new investors to the county
- Make the process of accessing training more flexible, based on a nominal voucher;
 - ♦ The model recently implemented in the Republic of Moldova¹, by which the unemployed choose for themselves the provider or institution where they want to attend the course, which they pay with a nominal voucher issued by the National Employment Agency and valid for a limited period of time. In addition, the beneficiary may receive a scholarship for the period of participation in the course, conditional on participation and possibly increased according to performance. The functionality of this system would depend on the capacity of the National Employment Agency to manage the register of training providers and their compliance with the quality assurance conditions.

Incentives for employers

 Compensation for the costs of employers who second/ offer their employees to act as mentors/tutors for trainees (those who offer traineeships to be paid, covering contributions during the training period of employees taken out of work to act as mentors)

¹ HG80/22.02.2023 reglementează sistemul de cursuri de formare pe baza de vouchere in Republica Moldova. Furnizorii de servicii de formare profesionala pe o platforma online gestionata de ANOFM, prin care beneficiarii isi pot alege singuri cursul si furnizorul de care sunt interesanti, pentru care este emis un voucher nominal in format electronic. Pe parcursului efectuării cursurilor, cursanții primesc o bursă lunară în valoare de 35% din salariul mediu lunar pe economie din anul precedent.

C.3. THE LOCAL ECONOMIC STRUCTURE FORCES PRAGMATIC CHOICES THAT EXCLUDE PARTICIPATION IN TRAINING COURSES

In the local context of the proliferation of undeclared work, the poor quality of training courses combined with structural deficiencies of the local economy, such as lack of transport infrastructure, under-payment or abusive attitudes of some employers, have a discouraging effect on labour market insertion and participation in training courses. This situation can be particularly observed in the rural environment, where in 20022 lived 83.3% of the registered unemployed, most of whom received no indemnity. According to the interviewees, in the absence of viable employment alternatives, most of them make a living by working as informal day labourers and subsistence farming, benefiting from health insurance through GMI. As participants in training courses, however, they would have to give up these activities. Moreover, participation may involve paying for transport out of their own pocket, with the possibility of settlement by the County Employment Agency, a procedure that can take more than a month. As training programmes are perceived as lacking a concrete purpose, and a possible job obtained as a result of it is lower paid and more open to abuse than day-labour work, there are currently major difficulties in attracting unoccupied people, especially from areas of high unemployment in rural areas, to training courses and the labour market. For vulnerable groups, another factor hindering participation is the lack of measures tailored to the specific needs of each group: in the case of one SME employing disabled people, employees refused to take part in training courses, considering them unsuitable for them, because the course was attended by "people with higher education".

SOLUTIONS

IN THE SHORT TERM (THROUGH JTOP)

- Integrated productive investment and training projects
 - Financing integrated training and job creation projects in productive enterprises (productive investment + worker training joint grant), with a bonus for placing the investment in rural areas or employing people from rural areas people working informally cannot be brought into the formal labour market just with a qualification course, but with a qualification course and the guarantee of a job after graduation;
- Additional points for enterprises employing hard-to-employ unemployed people who have been receiving GMI for more than 1 year
- Flexibility in the eligibility of beneficiaries to access funds dedicated to qualification/ reskilling

 Inclusion of enterprises, educational institutions and NGOs, especially those working with vulnerable groups, through competitive calls, as direct beneficiaries of funds dedicated to qualification/ retraining in order to decentralise supply and increase the effectiveness of courses

IN THE LONG TERM:

- Decentralisation of training courses offer through local branches to minimise the need for commuting
- Improving the connection between Galati Municipality and the rest of the county, especially the Northern area
- Increasing the resources dedicated to social assistance of ATUs in order to mobilise potential beneficiaries
- Flexibility of training course formats

C.4. PART OF THE INDICATORS RELATED TO EU-FUNDED TRAINING PROGRAMMES MAKE IT DIFFICULT FOR PRIVATE PROVIDERS TO IMPLEMENT COURSES EFFECTIVELY.

A bureaucratic obstacle identified by local stakeholders in terms of performance indicators of qualification programmes carried out through European funds is the requirement by Regional Intermediary Bodies that the training programme provider must provide a minimum of two documents proving employment following the recruitment, counselling, mediation and hiring process facilitated by this one, in some cases even several months after the moment of employment. As regards specific requests for the presentation of the employment contract, these represent an unnecessary obstacle for private providers, taking into account the private nature of the employment contract, the possibility of its loss or termination by the employer following employment and receipt of the related subsidy.

SOLUTIONS

- De-bureaucratisation and digitalization
 - Increase inter-institutional trust through inter-institutional working formats and communication. Debureaucratisation and digitalization, taking the form of data exchange between public institutions, can thus relieve training providers of bureaucratic burdens that hinder the process

C.5. LACK OF ENTREPRENEURIAL CULTURE LIMITS EMPLOYEE PARTICIPATION IN TRAINING OR SPECIALISATION COURSES, LEAVING ROOM FOR ABUSE

According to Eurostat data, Romania is the last country in the EU in terms of the number of companies that provide employees with access to training programmes, with only 17.5% of companies providing such programmes in 2020, as opposed to the European average of 67.4%. Despite the training obligations established in the Labour Code (Art. 194), local stakeholders drew attention to employers who do not allow employees to participate in training or specialisation courses, in order not to be forced to raise their salaries later or for fear that once qualified/specialised, employees may relocate to better jobs. This restriction may limit employees' access to higher quality jobs, with an impact on their social mobility in the long term.

"There are employers who don't allow employees to go to classes, one shop didn't want to respond to any messages, they don't want to because they are forced to raise their wages and then the course allows them to look for something else." (LAG representative)

SOLUTIONS:

IN THE SHORT TERM (THROUGH JTOP

• The financing through JTOP of upskilling courses for employees of companies that are unable to fulfil their training obligation under the Labour Code

IN THE LONG TERM

- Incentives for employers to train employees
 - Creation of a system of employer co-interest to stimulate employee participation in training, through measures such as the payment of taxes and social contributions for the duration of the training, training co-financing vouchers accessible to various public and private entities (private sector, NGOs, foundations, LAGs, etc.), both as a provider of training programmes and as an employer co-financing can be an important quality incentive.
 - Implementation of the obligation laid down in the Labour Code (Art. 198) according to which the employee benefiting from a training programme cannot take the initiative to terminate the individual employment contract for a period set by an addendum.

C.6. THE OFFER OF QUALIFICATIONS FOR WHICH TRAINING PROGRAMMES CAN BE ORGANISED DOES NOT REFLECT THE LABOUR MARKET TRANSFORMATIONS BROUGHT ABOUT BY THE GREEN TRANSITION OR THE NEEDS OF EMPLOYERS

Whether it is about increasing demand for existing jobs (energy renovation construction workers) or creating new occupational standards, the transition to a clean economy involves transforming the structure of the labour market, the skills, knowledge and attitudes of the workforce and society as a whole. However, this dynamic is not reflected in the nomenclature of qualifications for which qualification programmes can be organised or in the list of specialisations and further training for which training providers are entitled to organise training programmes.

Moreover, according to the information collected at Galati County level, the offer of training courses is not in line with the current needs of employers either, despite the annual surveys carried out by the County Employment Agency. Respondents within the 1:1 interviews who have participated in various training courses underline this misalignment within their own experiences; they did not end up practicing the respective jobs, for various reasons: either because they submitted their CVs and were not called, or they did not get the position or there were no openings for that specialisation and they had to take up employment elsewhere.

This inadequacy between the training courses offered and the job vacancies could be observed in the field, during the Job Exchange organised by the County Employment Agency Galați on 12 May 2023, in which one of the authors of this research participated:

List of free courses proposed in 2023 for unemployed people registered with County Employment Agency Galați

Available jobs in Galaţi County (of employers participating in the event)

security guard • cook's
assistant • key communication
skills in Romanian • key
communication skills in
English • key skills in the use
of information technology
• barber • housemaid

- human resources referent
- data operator baker
- oxy-gas welder masseurcommercial worker
- garment worker textile assembler

in the event)

locksmith • pipe fitter • welder
• fitter • maintenance
electrician • electrical
welder • marine pipe fitter
• warehouse manager
• cook • hotel receptionist

- electromechanical operator
 - mechanical locksmith
- quality analyst CNC
- operator nurse delivery operator kinetotherapist
- secretary sailor helmsman
 cleaning worker energy foreman • forklift operator
 carpenter

Thus, the ineffectiveness of measures to link training programmes to the labour market and the lack of sustainable public-private partnerships reduce from the outset the

chances of the beneficiaries of getting a job following training courses, as well as public confidence in these services. Making the legislative framework for regular updating of occupations more flexible is an important step towards better matching the supply of skills programmes with labour market changes.

"It is important to know what the changes will be, to be more flexible to learn. If I make everything electric, I get electric CNC, electric panels, etc. - I can't find people with those skills. Green skills also mean digital skills and I have nowhere to find them, I put the tablet in front of them and they don't know what to do with it." (SME representative)

SOLUTIONS:

- Promote a demand-driven approach in the design and implementation of training programmes and base them on regular research of labour market needs, including a medium and long-term forecast
 - Promoting a demand-driven approach to the design and implementation of training programmes
 - Base supply on applied research on local labour market needs, including a medium and long-term forecast to prepare the workforce in advance for the dynamic evolution of the market
 - A notable example of an institutional body with tasks to this purpose is the French National Observatory for Jobs and Occupations of the Green Economy (ONEMEV). Created in 2010 by the Ministry of the Environment, the Observatory brings together a wide range of institutions, from relevant ministries and agencies, public employment agencies, vocational education associations and training providers, to the National Institute of Statistics and researchers. The Observatory's mission is to analyse labour market transformations in the context of the transition to the green economy and to develop relevant methodologies and statistics. It currently operates on two dimensions: observation, methods and quantification, which focuses on quantitative and statistical analysis, and valorisation and dissemination of analysis, which aims to apply the results of quantitative analysis to employment, training and skills issues.

SECTION D: EDUCATION

The green transition is a structural transformation of the whole economic system, and to ensure the sustainability and equity of this transformation, education is the key factor through which young people and adults develop the knowledge, skills and attitudes that support a more equitable human-nature relationship and a sustainable economy. Given the complex nature of the transition, international organisations recommend a holistic, interdisciplinary approach to education, ensuring equity of access to quality education, with a focus on rooting through education care and attachment to the environment as a cultural value and social norm shared by all generations. This approach must include the development of cognitive, theoretical and practical, and socio-emotional skills, so that each individual can play an active role in this new paradigm, beyond simply being aware of climate change. The individual ability to adapt their own behaviour to the requirements of this new economic paradigm is an essential precondition in the fight against climate change and ensuring a just transition.

Although a major component not only in the green transition, but also in fighting against demographic decline, attracting young people and encouraging civic and labour market participation, education in Galati County faces many challenges. Quantitative analysis reveals systemic challenges related to unequal access to quality education, overburdened school infrastructure, inadequate funding, and declining teaching staff. A challenge for Galati County is unequal access to education and high dropout rates, especially in rural areas. The dropout rate in pre-university education stood at 8.9% in 2020, above the national average of 7.1%. In addressing this problem, 47 schools at the county level receive grants within the National Programme for Reducing School Dropout, funded by the NRRP.

The qualitative analysis carried out at the deep level presents a more nuanced picture of the local education system, highlighting both positive aspects related to the large-scale implementation of school infrastructure rehabilitation projects through European funds or the increased competitiveness of certain specialisations (e.g., naval architecture), but also obstacles related to the quality of education, beliefs or social attitudes.

D.1. POOR QUALITY OF EDUCATION IS DRIVING YOUNG PEOPLE AWAY FROM FORMAL EDUCATION

As regards the quality of education in Galati County, respondents emphasize the lack of attractiveness and applicability of the subjects, the inadequacy of the funding system per student, poor preparation and disinterest on the part of both teaching staff and students. Inadequate funding of the sector leads to cross-cutting problems, ranging from the obsolescence of equipment and technologies available in educational institutions to human resource capacity. This situation is felt even more acutely in the case of the vocational and technical education (VTE) system, which accounted for only 0.9 percent of total budget execution in 2016, compared to 18.28 percent for higher education and 16.82 percent for lower secondary education (grades V-VIII). Consequently, another shortcoming identified by the interlocutors is the attraction of manpower in the sector, but also the training of teachers, both from a theoretical point of view, in terms of alignment with the latest information and technologies, and from a pedagogical point of view, in terms of exercising the role of teacher and attitude towards the pupil/student. Cumulated with obsolete and excessively theoretical subjects, these shortcomings contribute to alienating pupils and students, reinforcing the perception of uselessness of formal education.

"The problem with teachers is that they are not practitioners, they are poorly trained, they are not connected to today's technologies, you have theorists in IT from 30 years ago [...] the system is strict in terms of associate teachers, and as a result the student when he comes to the firm doesn't know anything." (public institution representative)

"I was not attracted by the teachers. It doesn't matter how old they are, their attitude is bad - you ask them something, they ask "why don't you know?". You get the impression that they teach with disgust and arrogance." (Naval Architecture student)

"Education didn't help me at all. I'm an engineer in the food industry, I've also done computer science, but when I was employed, I don't feel it made a difference. I met colleagues with the same position as mine who didn't have higher education." (Female, 46 years old)

Some of the public respondents consider the funding of educational institutions per student to be inadequate, which they see as contributing to prioritising the number of students rather than the quality of education and performance.

"Educational institutions have not made progress because they pay per student, and then I am interested in quantity, not quality. We have abolished metallurgy, a mistake. We have not correlated the number of IT/cybersecurity positions with market requirements. We have 30 very strong IT companies, [...] we have set up an environmental protection department, but we have not solved the problem of the big polluters. (public institution representative)

As regards the climate change and the green transition in particular, both the educational curriculum and public communication are acutely deficient, with only 1 out of 11 students interviewed having heard of these topics, correlating with the extreme weather events observed at the county level in recent years.

SOLUTIONS

IN THE LONG TERM

Continuous training and boosting teacher performance

- Implementation of continuous professional development programmes through workshops and conferences focused on innovative teaching methods and methodologies
- Learning communities formed of teachers from different educational institutions (e.g., secondary education, natural sciences) through which teachers share best practices, new teaching methods, collaborate in collaborative planning of the subject and co-create professional development activities
- Digital literacy courses, including online safety, through which teachers are trained in the integration of technology in education, the use of online resources and educational software programmes
- Mentoring system in educational institutions
- Mandatory assessment based on anonymous feedback from pupils/students and adaptation accordingly
- Performance recognition measures (diplomas, awards, financial incentives)

– Incentives for teachers of specialisations where there is a shortage which influences the removal of a limited number of places in such specialisation

• The alternative to funding per student may be funding based on academic results and performance

- Present in countries such as Austria, Finland or the Netherlands, this funding system provides fixed funding, which covers the administrative costs of educational institutions, and funding based on performance indicators such as number of graduates, number of exams passed, number of students from under-represented groups, research productivity, income from knowledge transfer, internationalisation, student feedback or employability indicators. The benefits of this system are under continuous debate, as it may contribute to widening gaps as regards educational quality or lead educational institutions to select only those pupils/students who are most likely to contribute to achieving performance targets.
- Even with per capita funding, funding coefficients should reward smart specialisation subjects, those in high demand on the labour market, and those dedicated to Just Transition (the latter even through JTOP).

D.2. THE LACK OF PSYCHOLOGICAL COUNSELLING AND/OR CAREER COUNSELLING WAS IDENTIFIED AS A SIGNIFICANT OBSTACLE IN ACHIEVING THE TRANSITION FROM THE ACADEMIC ENVIRONMENT TO THE LABOUR MARKET BY BOTH ACADEMIC AND STUDENT REPRESENTATIVES, AS WELL AS THE PUBLIC AND PRIVATE SECTORS.

In a changing labour market, a lack of career counselling and a curriculum not tailored to the interests and abilities of students can lead to random choices during their educational path and contribute to school dropout, especially for young people in disadvantaged environments. In turn, these random choices can contribute to imbalances in the supply of specialisations related to the absorption capacity of the labour market. Supporting young people in shaping their educational and professional career is a key factor in facilitating the transition from education to the labour market and increasing the sustainability of employment and social mobility of young people. This dimension can create many benefits both for young people as individuals and for the labour market. It can help identify the most suitable career options for each young person, tailored to their skills, desires and character traits, thus facilitating the development of agency and informed decision making on further education or career options. Academic research correlates effective implementation of career counselling measures with increased labour market efficiency due to a more effective match between the skills of young people and the needs of employers, reduced job search time or incidence of voluntary termination of employment. The OECD associates the completion and implementation of a personalised career development roadmap with a 25% greater likelihood of improved employment prospects 6 months after completion.

Part of a cultural environment that encourages participation in tertiary education, often regardless of their desires or abilities, the young people interviewed are perceived as lacking agency, "pushed from behind" by parents or teachers to careers that do not represent them, in order to "have a degree". Although in some cases psychological offices operate in high schools, they are perceived as unattractive, run by poorly trained staff and, in some cases, with unfounded practices: "they gave us tests, but they were based on astrology."

"I dropped out of Economics Faculty in my third year. I first wanted to be admitted to Sports, but my parents didn't agree, they only let me when they divorced. At the moment I can't figure out what I'm good at, I know I like working with teenagers." (Student, Faculty of Physical Education and Sport)

"My parents cut me off directly when I said I didn't want to go to college. I thought I'd bow out for a year, try to see what it's like to work everywhere, a month there, a month there, but they told me to "at least get a degree". (Student, Faculty of Naval Architecture)

Asked what they would have needed as teenagers to make a conscious choice about their career path, young people stressed the importance of emotional support and mentors, considering that "when a person makes a mistake, they should be supported".

These gaps directly affect young people's ability to integrate into the labour market and sustain a job, a fact also emphasized by the private sector, which deplores the poor preparation of graduates and the efforts needed to make up for the shortcomings with which they leave the academic environment.

"Young generations are more sensitive, they no longer want to work under any conditions. But once you pay attention to them and don't position yourself above them, they respond, and this is where dual education plays an important role." (large company representative)

SOLUTIONS

IN THE LONG TERM

- Promoting, training and integrating school counsellors in education institutions starting with the primary school, especially in areas at high risk of dropping out
 - Adequate funding and promotion of the role of the school counsellor, and implementation in educational units, starting with primary school; popularisation among pupils through presentation sessions and

interactive classroom activities. School counsellors can play a key role in the academic and personal development of students, helping shape academic pathways, navigate career options, mediate conflicts, improve parent/child relationships, accompany students in the process of applying to education or employment programmes

- Continuous training of school counsellors to update their knowledge in correlation with scientifically based methods in the field of education, psycho-pedagogy and psychology, as well as their knowledge of general labour market developments
- Attracting school counsellors to areas at high risk of school dropout

• Partnerships with private environment and local organizations

- Creating partnerships with the private sector and local organisations to disseminate different career options in educational institutions and to link theoretical information with the realities of the labour market, organising visits to organisations' premises, inviting professionals to the classroom, promoting internships, volunteering or mentoring programmes;
- Integrating career guidance and personal development into the curriculum

D.3. IN PARALLEL WITH THE PROPENSITY FOR TERTIARY EDUCATION, A STRONG BIAS TOWARDS VOCATIONAL AND TECHNICAL EDUCATION (VTE) CAN BE OBSERVED IN THE LOCAL CULTURE

Similar to the situation at national level, in Galati County there is a negative attitude towards vocational education, especially on the part of parents, as it is considered a last resort option for students who do not have good enough results to access theoretical education. Despite the fact that, at the national level, young people perform better on the labour market as VTE graduates than as theoretical high school graduates - the employment rate for VTE graduates being 67.2% in 2017, compared to 60.8% for theoretical high school, the reality in the field reveals a disconnection from VTE opportunities in terms of existing jobs, their evolution and quality. Although the students interviewed did not express a negative view of VTE, it was also not an option for them at the time of choice, with parental preconceptions acting as an influencing factor in shaping their pathway. This negative perception, cumulated to the underfunding of the VTE field and its effects on the inadequacy of the technological infrastructure and the shortage of human resources, may thus constitute a vicious circle that drives students away from the VTE option. Alternatively, young people are directed towards generalist faculties (law, economics, etc.) that they don't get to practice and are forced to reorient themselves towards jobs for which they are overqualified.

"We ignore the fact that 5000 children start law and economics, pushing them in the wrong direction, they do not understand what they learn and what they read. The employer weighs him up, he attends two interviews around here and then he goes abroad ashamed, where he does the jobs he is not willing to do here: he is a cargo handler, he is a driver, it doesn't matter that he has higher studies." (VTE representative)

"In our county even the doorman at the college has higher education. Drivers, salesmen, all have higher education." (public institution representative)

In the context of the green transition, interlocutors believe that the attitude towards the VTE could be improved through public communication on the subject of the green transition, its timeliness, but also the dependence of the transition on these professions.

SOLUTIONS

IN THE SHORT TERM (THROUGH JTOP)

• Issue of substantiation studies related to the market opportunity of VTE

– conducting prospective related to the VTE opportunity, including in the context of the green transition, career options, salary prospects and social mobility, and disseminating the information to the counties benefiting from the Just Transition Fund

• Establishment of some interinstitutional networks and update of technological base

– Funding of small-scale associations (based on the model of regional dual education associations funded by the NRRP) by co-opting VTE - university education - employer, for the creation of laboratories and stations for different specialisations (e.g., welding laboratories, pilot meat processing plant at the food industry high school) and the implementation of learning sessions with experts; in the case of green specialisations, these could be funded through JTOP

IN THE LONG TERM

• Continuous training and performance-based incentives of human resource

Stimulating and continuous training of human resources by funding workshops and courses to update knowledge and professional development, in line with industry developments and in partnership with the private sector

• Promotion of partnerships with the private sector

 Creating partnerships with the private sector to adapt the curriculum to the needs of the labour market, updating the technology base, organising study visits, promoting internships and mentoring programmes, inviting associate teachers and experts into the classroom and creating a direct link between education and the labour market;

♦ In a successful example, Liberty Galati and Paul Dimo Technological High School have set up a dual education collaboration that combines theoretical training, taught by teachers, with practical activities led by Liberty Galati employees as mentors. Students benefit from monthly scholarships, food and clothing support, personal development events and extracurricular activities focusing on interpersonal skills development.

Measures to attract pupils and parents

- Online and offline promotion campaigns of VTE options and opportunities in urban and rural areas
- Itinerant caravans in rural areas
- Implementation of food support and commuting programmes where appropriate, provision of additional and improved accommodation
- Assessment of VTE institutions mainly depending on the employment rate of pupils on the labour market, and not depending on the GPA at the baccalaureate exam

D.4. THE LACK OF SOFT SKILLS COMPONENTS AND ENTREPRENEURSHIP SKILLS WITHIN THE EDUCATIONAL SYSTEM TRIGGER NEGATIVE DYNAMICS ON THE LABOUR MARKET

Respondents from various backgrounds also identify a lack of soft skills and the promotion of an entrepreneurial culture as an obstacle to achieving a just green transition. The International Labour Organisation considers soft skills of particular importance in supporting the green transition, given their transversal nature, transferable regardless of occupation. Among the most important, the organisation identifies adaptability, flexibility and resilience, teamwork, communication, entrepreneurial skills and care for the environment. Respondents also recognise the importance of these skills, with a direct impact on sustainable labour market integration, career development and community anchoring. The lack of this component in the education system is correlated by respondents with a superficial attitude of young people as regards work, their inability to identify and value their skills or engage in a process of learning in the long term. As with entrepreneurial skills, which support the ability to take advantage of the opportunities offered by the green transition and fight the proliferation of labour market abuses, developing these skills is essential for a resilient and adaptable workforce in a changing labour market.

"The labour market is being rewritten, there are companies from the West coming to schools to recruit people and first they address parents. Things in the labour market are moving much faster than in the academic environment, there are young people learning on their own, from online courses, but there are very few of them because young people are not used to investing in their own learning." (SME representative)

SOLUTIONS

• Financing of integrated projects of soft skills development – counselling (including through JTOP)

 Funding of integrated soft skills development and counselling projects that can be implemented by educational institutions/NGOs/private providers/experts as part of dedicated interactive activities, starting at secondary level

• Dissemination of incentive elements of soft skills development during the entire educational act

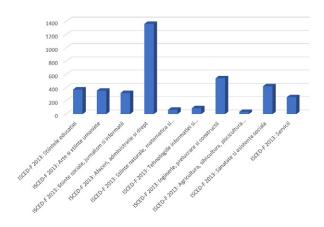
- Continuous training of human resources in the implementation of teaching methods that focus on the development of soft skills such as communication, adaptability, critical thinking, teamwork, creativity, empathy and resilience
- Visits of professionals from various fields to the classroom for presentations on the applicability of interpersonal skills in the labour market.

D.5. THE GAP BETWEEN EDUCATION OFFERS AND CURRENT LABOUR MARKET NEEDS OR THOSE FORECASTED IN THE CONTEXT OF THE GREEN TRANSITION LIMITS YOUNG PEOPLE'S ABILITY TO DEVELOP RELEVANT KNOWLEDGE AND SKILLS

The outdated schooling offer and the lack of correlation with the dynamic evolution of the labour market continue to create imbalances in the labour market in Galati County, generating what respondents call "unemployed with a diploma". For example, despite the fact that the IT sector is one of the few sectors to have seen employment growth between 2010 and 2021, employers in the county deplore the low number of faculty spots in this specialisation and outdated curriculum. In contrast, specialisations such as lawyer or economist are specialisations for which the number of graduates exceeds the absorption capacity of the labour market, with graduates often ending up working

in fields other than those in which they specialised. At the level of 2020, out of the 3812 university graduates in Galati County, most (1363 people) specialised in business, administration and law. This mismatch, also caused by imbalances of shortage/surplus of teaching staff in certain specialisations, combined with the lack of updated curriculum and teaching methods, may contribute to the perception of uselessness of the education system and to the increasing share of those leaving the education system. Moreover, in the context of the green transition, the lack of ability to predict skills for which there will be an increase in demand already limits the ability of the companies to innovate and develop a dynamic private system with increased gross value added.

Fig.4. Graduates in higher education, on specialization groups, at the level of Galați County in 2020



Source: National Statistics Institute, Tempo Database

"It took me three years to explain to my father that with economy, with law, you don't do anything anymore, you get a job at McDonald's and Kaufland. We have more business managers than businesses." (Student, Faculty of Naval Architecture)

"I know a saleswoman in a mall who has a law degree. The problem starts in high school, they promote certain professions and put out a lot of competitive exams for specialisations that are not in demand. The IT company donated computers to the University, a 1 billion investment, but then only 70 spots are available [at the Faculty of Computers], it is very little. " (public institution representative)

"School doesn't train you, it is a problem in our whole education system. When we look to hire in sales, we see students who don't know Excel, don't know how to communicate, how to use an email, don't have communication skills. College graduates who don't know how to calculate a percentage." (large company representative)

SOLUTIONS

IN THE SHORT TERM (THROUGH JTOP)

- Bonus for important areas to support just transition
 - Provide additional funding per capita for the specializations needed to make the Just Transition, based on an analysis of the universities in each beneficiary county in correlation with the priority areas identified in the territorial just transition plans
- Establish a funding system through JTOP of associate teachers for specializations relevant to just transition to fill teacher shortages on important specializations and create a direct link between classroom preparation and the labour market

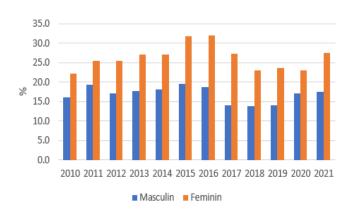
IN THE LONG TERM

• Correlation of the number of vacancies in different specialisations with analyses and forecasts such as CNSPIS type (National Council for Higher Education Statistics and Forecasting)

D.6. PREVALENCE OF NEET PHENOMENON

Historically, Galati County has had a relatively high rate of NEET youngsters compared to other regions in Romania, and despite measures to stimulate employment among this category of young people, the percentage of NEETs in the South-East region has been increasing since 2018, reaching a rate of 22.3% in 2021. However, the situation at national level is exacerbated by the much higher rate of women among NEETs in the South-East region.

Fig.5. Evolution of NEET young people – at the level of South - East region on gender during 2010-2021



Source: Eurostat, Regional education statistics database

This may be due to factors such as gender stereotypes (traditional gender roles that place more emphasis on women's responsibilities at home and on caring for children and the elderly), unequal access to education and training, lack of

flexible work opportunities and inadequate social infrastructure, discrimination in the labour market.

SOLUTIONS

- Creating integrated support frameworks for placing NEET young people in jobs or educational programmes
 - In a successful example, the Youth Guarantee Finnish programme, an initiative dedicated to young people aged 16-29, aims to prevent prolonged periods of unemployment or social exclusion. The programme includes personalised support, through a counsellor, with a focus on early intervention and integrated services, from career counselling to skills profiling and mapping of training or work options according to the circumstances of each NEET young person. The programme includes collaborations with employment agencies, NGOs, the private sector and educational institutions to offer a wide range of options to young people.
- Expansion of the social infrastructure (according to data of the National Statistics Institute, in 2021, there was only one nursery at the level of Galati County) and dedicated human resource
- Change of the tax regime to eliminate over-taxation of part-time contracts
- Dedicated outreach measures (workshops, interactive activities, caravans etc)

SECTION E: ADMINISTRATIVE CAPACITY

The economic shocks of recent decades have shown that market-based instruments are not sufficient to sustain a stable, inclusive and equitable economy, and to ensure a just green transition, local governments play a key role. Through their financing and public policy instruments, but also through their ability to build bridges between different actors and sectors at base level, local and regional governments are strategically positioned to support programmes and investments shaped by local realities and foster the public consensus and inclusive participation needed for just transition.

In recognition of the key role that local authorities play in the transition process, the European Commission has developed various initiatives to support them in the decarbonisation process, including the 100 Smart and Climate Neutral Cities Mission by 2030 or the Covenant of Mayors on Climate and Energy. The high capacity of certain public administration institutions in Galati County is illustrated by the significant amount of European funds attracted in the 2014-2020 financial framework. The €271 million absorbed at county level in the previous financial framework represents 33% of the county's own revenue, well above the national average of 13%. Despite a strong consolidation of the administration in recent years, with rising public salaries and the image of a serious and stable employer formed in the collective consciousness, there is still a lack of capacity at county level in terms of public communication, mobilising citizens, attracting investors and developing local public policies. At the same time, significant capacity discrepancies can be observed between the local authorities.

E.1. THE WEAK ADMINISTRATIVE CAPACITY IN SOME ATUS CONTRIBUTES TO THE SIGNIFICANT DISPARITIES IDENTIFIED AT THE COUNTY LEVEL:

There are positive examples at county level in terms of administrative capacity at both urban and rural level. In 2022, the City Hall of Galati Municipality has financed over 100 projects through European funds, worth over 1 billion lei, investments in education, health and infrastructure. At the time of the field visit, all schools in the Municipality were in the process of rehabilitation. Similarly, in rural areas there is an increasing administrative capacity, but this capacity often

remains not explored due to the lack of attractiveness of the area, depopulation and low levels of human capital. However, this performance coexists with an acute lack of capacity at the level of some ATUs, which contributes to the significant development gaps in the county. As regards the green transition, capacity is lower, mainly concentrated in the Municipality, despite the increased vulnerability of the Northern part of the county to climate change. The lack of public communication on the topic weakens the capacity of the population to take part in the process throughout the county. In some cases, civil society or LAG-type associations are interfering in to fill these gaps, but they are far undersized.

"We have equipped the technological high school, we have equipped the driving school with a tractor and a car, we have renovated the high school, but the teachers are not interested. The quality of the teachers is poor, they only look out the window to see when the shuttle comes. They live in Tecuci, not in the buildings we renovated. I got 100% involved in the education process, I invested millions from the City Hall budget to move the students to another building so I could renovate them. It's no use... they keep going to Galati or abroad. I have no connection with the cities, investors do not come, minibuses are rare." (public institution representative, rural area)

"Many mayors boast when their number of social aid files increases, we have one who went from 16 to 200. [...] And on the green transition, at the town halls there is no awareness on the subject, we went to report illegally dumped garbage and the deputy mayors suggested to take the land to bury it." (LAG representative)

Moreover, in the absence of vision, public institutions remain engaged in outdated practices, which poses obstacles to the Just Transition process, a long term, cross-sectoral process that requires addressing the economy as a whole in an innovative and participatory way.

"Someone needs to do a screening on what the areas of interest and future mean (hydrogen, wind, IT, green skills). The City Hall won't be eligible and the County Employment Agency won't have the capacity to break with the past and look to the future." (public institution representative)

SOLUTIONS

IN THE LONG TERM

• Continuous training of public administration staff

- Among the interviewees at the level of Galati County, there is a preference for the public sector as an employer, which is perceived as "serious" and "stable"; this perception can be exploited through continuous training opportunities for public administration staff, with a direct impact on administrative capacity (including sustainability and green transition issues)
 - ♦ As an example of success, the City Hall of Galati Municipality has internally trained its more than 20 employees responsible for European funded projects, providing them with a competitive salary to stimulate retention and performance.
- Evaluare pe bază de performanță

• Regular assessment of administrative capacity

- Creation of assessment frameworks of locale governance (Local Governance Assessment)
- Gathering feedback from citizens based on questionnaires to evaluate public services, regular public meetings or focus groups, online platforms for reporting irregularities, etc.
- Participatory budgeting exercises based on citizens' priorities and needs

E.2. LACK OF COMMUNICATION AND RESPONSIVENESS WITHIN PUBLIC INSTITUTIONS AND BUREAUCRATIC OBSTACLES SEVERELY LIMIT PUBLIC AWARENESS RELATED TO THRE GREEN TRANSITION, ITS IMPLICATIONS AND OPPORTUNITIES, PUBLIC PARTICIPATION AND TRUST IN INSTITUTIONS

ComunConstant, clear and easily digestible communication is an essential element in understanding climate change and building public consensus on the need for a green transition by illustrating the opportunities it offers. Public communication of this kind can help fight resistance to change, resistance sustained by the decline of an industry perceived as a factor of stability in the local labour market and fear generated by a perceived lack of alternatives. At county level, the lack of communication could be seen both in the poor knowledge of the interlocutors of the Just Transition Mechanism and through their individual experiences with public institutions.

In some cases, lack of communication, poor responsiveness and cumbersome bureaucratic procedures of the institutions push private actors to open companies in other counties (e.g., Brăila) to streamline the process. In more serious cases, this

distance from the citizen exacerbates the feeling of lack of individual power or trust in state institutions, with a direct impact on the decision to emigrate. In a concrete example, one of the interviewees in the 1:1 interviews took the decision to leave the country after learning from the labour inspectorate that he had been put on unpaid leave by his employer without his knowledge.

"I went to the Territorial Labour Inspectorate to find out if I was still employed. [...] And to my surprise, it appeared that I had only worked for one week, the rest of the three weeks I was on unpaid leave. And, madam, how is it possible to go on unpaid leave without signing any papers, nothing? The next day they called me to come to work, I said I would first go to the Territorial Labour Inspectorate first, to see if I was unpaid or paid, and then I'd think about whether I would come in or not. And since then, I said I'm not working in this country anymore. And I went to France for six years. Because if even the Territorial Labour Inspectorate accepts this thing, then we really don't have a chance."

The lack of communication capacity, however, is a factor to which all interviewees, including those from the public administration, drew attention as an obstacle to public participation and increasing trust in state institutions.

"Institutional communication in hierarchical chain is deficient.[...] Institutions work very hard aa regards the petitioning side, they respond equivocally, you don't see actual results when the law is breached, and all this decreases [citizen] trust in institutions, which also encourages emigration." (public institution representative)

"The message on the bus, it's the only way the authorities have been in contact with us. We would like our voice to be heard, without political support we can't do much." (student, Faculty of Physical Education and Sport)

SOLUTIONS

IN THE SHORT TERM (THROUGH JTOP)

• Large-scale communication campaigns on the green transition, its need and opportunities, including steps taken by public administration, with a consistent narrative and accessible message, tailored to target groups

- Increasing the communication capacity of the public administration by hiring specialists and/or outsourcing the process
- Strengthening responsiveness and petition mechanisms so that irregularities reported by citizens are addressed

E.3. THE DESIGN OF EU-FUNDED PROGRAMMES DOES NOT TAKE INTO ACCOUNT THE SUSTAINABILITY OF THE INTERVENTION, AND THE INACCESSIBLE TECHNICAL LANGUAGE OF THE FUNDING DISCOURAGES PARTICIPATION

According to the actors interviewed, design errors in EU-funded programmes, such as inadequate performance indicators or lack of proper monitoring and evaluation, lead to the implementation of unsustainable projects, with unbalanced and short-term results, and thus to inefficient, and in some cases abusive, use of existing resources.

"You have the guide on SME for the Just Transition Fund. You cannot give someone 2 million to create 4 jobs. 500k euro per job is aberrant, how do we do economic diversification then? We spent money on training, maybe 10% max achieved their goal. Because we don't monitor what we do, at least 3-4 years. We had Start-up Nation, did anyone monitor what happened afterwards? Did they still hire from their own funds? No, they took the start-up money, and then sold the company." (union representative)

"There are projects that require you to hire at least 40% of the people you have trained. They form x hundreds and they have the obligation to hire them based on social categories, they establish the self-employment form, and they hire, today they do the contract with the construction company, tomorrow they cancel them." (NGO representative)

Similarly, certain eligibility conditions raise market entry barriers for new firms, thus limiting the sector's capacity for innovation (e.g., minimum x years' experience in waste recycling). Another factor identified by respondents as an obstacle to the effective implementation of EU-funded projects on a larger scale is the inaccessibility of technical language, supported by the proliferation of poor-quality EU-funded consultancy services at local level.

"When you say to a self-employed person who makes sugar packaging — "you need a DNSH analysis" - what is that? what does that mean? how much does this stuff cost? who does it? Consultants write bad projects and want salaries from €2000 upwards for badly written projects." (NGO representative)

SOLUTIONS

IN THE SHORT TERM (THROUGH JTOP)

- Eligibility of technical assistance funding at local level, not only at MA level
- Capacity building programmes through the Regional Development Agency and MA for beneficiaries of EU funds to inform about the functioning of advisory services and structure the relationship with consultants

- Simplifying the technical language of EUfunded programmes and orientation of eligibility conditions towards encouraging innovation
- More efficient mechanisms for monitoring and evaluating results, with a focus on the sustainability of investment
- Creation of a review platform for consultants on European funds as a vector to boost the quality of consultancy services

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AUTHORS

Eliza Barnea works on the just transition since 2021, when she conducted a qualitative research on participatory governance in drafting the Territorial Plan on Just Transition in Hunedoara County, as a paper of

dissertation for the Master's degree in Cultural Anthropology and Development Studies at KU Leuven University, Belgium. Currently she is advisor for the World Bank on social inclusion and green transition. At the same time, she is involved in activities to promote and advance the transition agenda in Romania.

Corina Murafa has over 10 years of experience in climate change policies, energy and sustainability, having worked for the World Bank, the European Commission, Frankfurt School of Management, OMV Petrom, Deloitte, national governments and think tanks. She is an Affiliate Expert of the Center for the Study of Democracy, where she focuses on topics related to energy poverty and just energy transition. She is also an associate professor at the Faculty of Business Administration in Foreign Languages at the Bucharest Academy of Economic Studies, where she teaches on topics of social entrepreneurship and energy sector sustainability. She holds a PhD in Financial Instruments for Sustainable Investment in the Energy Sector from ASE Bucharest and a Master in Public Policy from Hertie School of Governance, Berlin. She inaugurated and led Ashoka's Global Planet and Climate Programme, after four years as co-founder and Executive Director in Romania.

IMPRESSUM

Friedrich-Ebert-Stiftung România Str. Emanoil Porumbaru | nr. 21 | apartament 3 | Sector 1 | Bucharest | România

In charge: Alexander Kallweit | Friedrich-Ebert-Stiftung România

Tel.: +40 21 211 09 82 | Fax: +40 21 210 71 91

https://romania.fes.de

For orders / Contact: office.romania@fes.de

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INSTEAD OF CONCLUSION/ ACKNOWLEDGMENTS

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JUST ENERGY TRANSITION FOR COMMUNITIES: FROM RISK TO OPPORTUNITY.



JTOP must fund through competitive calls employers, trainers and NGOs working with the formally unemployed population through direct employment and occupational mediation services..



More information on this topic can be found here: https://romania.fes.de In the context of the dual green and digital transition, public employment services need to strengthen their capacity by professionalising their public communication, improving their reputation and opening up working antennas within the territory.



Structural reforms are needed in the education and training system to raise quality, from pay for performance to liberalising access to training through vouchers.

Mai multe informații despre acest subiect pot fi găsite aici: https://romania.fes.de

