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GUVERNUL ROMÂNIEI  
MINISTERUL MUNCII, FAMILIEI  
ȘI PROTECȚIEI SOCIALE  
AMPOSDRU



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## 1. INTRODUCTION

### 1.1 General Introduction

An ad-hoc evaluation of the Public Employment Service (PES) is a core component of the First Interim Evaluation of the Sectoral Operational Programme Human Resources Development (SOP HRD). The rationale for the ad hoc evaluation relates to a request made by the Monitoring Committee of SOP HRD at its meeting of May 28<sup>th</sup> 2008 for an ad-hoc evaluation of the programme PA 4 - “Modernizing the Public Employment Service”.

### 1.2 Priority Axis 4 SOPHRD

Priority Axis 4 aims to increase the quality and efficiency of the services provided by the PES in order to:

- better reconcile labour market supply and demand;
- ensure a more personalised approach to job-seekers and those who belong to vulnerable social groups;
- to raise the level of client satisfaction and to better identify clients’ potential;
- to increase the vocational competencies of personnel involved in the provision of these services;
- to improve co-operation of PES with other organizations operating on the labour market and with local public authorities, training/education providers as well as to provide high quality career guidance.

The PA4 Key Areas of Intervention are as follows:

- KAI 4.1 Strengthening the PES capacity to provide employment services;
- KAI 4.2 Training of PES staff.

The first, “Strengthening the PES capacity to provide employment services” (KAI 4.1), has the following *main operational objectives*:

- Improving and increasing the range of employment services provided for PES clients;
- Improving the monitoring and evaluation process of the net impact of the active employment measures;
- Improving the PES forecasting capacity on labour market trends.



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The second, “Training of the PES staff” (KAI 4.2), has the following *main operational objective*:

- Increasing the level of vocational competences of the PES staff.

### 1.3 Evaluation aim and objectives

The overall aim of this component of the first Interim Evaluation of the Sectoral Operational Programme Human Resources Development (SOP HRD), i.e. ‘The ad-hoc evaluation of the modernization of the PES’ is to analyze the quality, transparency, relevance and efficiency of services provided by the PES in the current socio-economic context, and the manner in which the projects financed through PA4 contribute to reaching the objectives/ indicators established for PA4. Specific evaluation objectives, activities and desired results are specified in the Terms of Reference (TOR) for the Interim Evaluation as outlined below.

The general objectives of the Ad-hoc Evaluation of the Modernisation of the PES outlined in the TOR are as follows:

‘Delivery of an independent and well justified opinion on the relevance of the implementation of PA 4 “Modernisation of Public Employment Service” to market demands in the present socio-economic context, through an ad-hoc evaluation.

The expected result of this ad-hoc evaluation is an evaluation report.

### 1.4 Evaluation activities

The TOR indicates that the ad-hoc evaluation of the modernisation of the PES is to focus on six key activities, as follows:

IIIa.1. Analysis on how the projects financed by PA4 contribute to the achievement of established PA4 objectives/indicators.

IIIa.2. Analysis of the activities established by FDI SOP HRD against the needs of the target group in the present socio-economic context.

IIIa.3. Analysis of the types of services, quality, relevance and efficiency of the services provided by the PES in the present socio-economic context.



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111a.4. Comparative analysis of the services provided by the PES against similar services provided by private organizations.

111a.5 Analysis the matching of the services provided by the PES against the existing employment demands in the present socio-economic context.

111a.6. Analysis of the professional training and existence of transferable competences of PES employees.

## **1.5 Labour market context**

As the evaluation activities required a focus on the PES within the current socio-economic context; an outline profile of the labour market, employment sectors and related socio-economic factors was prepared, and set a context for the evaluation activities. This profile is presented in Annex 1; and is in summary as follows:

Key features of the Romanian labour market 2008-2010 are low activity and employment rates, and increasing unemployment with relatively higher rates for younger and older people. The labour market is also characterised by the disproportionate size of the agriculture sector and the relatively small size of the services sector. Reflecting the high unemployment the rate of job vacancies has been in decline; also there is limited internal rural-urban migration while emigration is high. A reluctance to use temporary contracts and the prevalence of undeclared work contributes to inflexibility in the Romanian labour market. The prevalence of undeclared work is influenced by high taxes on labour, time consuming tax payment procedures and insufficient encouragement for beneficiaries of social assistance to seek employment. There is also an increasing poverty rate; the most vulnerable groups are poor people, children, youth, Roma population, self-employed in urban areas, rural poor and the unemployed. The longer term demographic pattern, an ageing population, suggests increasing pressure on the Social Insurance Budget. The labour market context, in which the PES was operating at the time of this evaluation, was dominated by change from labour supply shortages to oversupply and increasing unemployment.

## **1.6 Methodology**



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Data was collected for the evaluation through a range of methods including documentary review, review of project data, key stakeholder interviews, group meetings and surveys. Details of the data collection methods for each evaluation question are provided in Annex 2 - Methodology in tabular form<sup>1</sup>.

### 1.6.1 Desktop research

‘Desk top’ research was initially undertaken to provide a basis for analysis and further evaluation. This included review of documentation, statistics and other relevant research literature. Key secondary data sources examined were:

- Relevant SOPHRD documents including the OP, the Framework document for Implementation and the Beneficiaries Operational Manual;
- Relevant PES documents including NAE Annual Activity Reports for 2008 and 2009; Law 76/2002, Training Plan for 2009 and 2010, and other data from the NAE web-site; and NAE IB data on PA4 SOPHRD projects;
- Relevant national policy documents including National and Regional Employment Strategies;
- Review of published data on the SOPHRD PA4 contracted projects contained on the MA and IB NAE websites;
- Review of research on PES in the EU; this included studies that addressed aspects of PES effectiveness, efficiency and relevance in a range of countries (e.g. Ireland, UK, Netherlands, France, Denmark). Summary findings from this review are included in the Annex 3 - Research on PES in EU

### 1.6.2 Fieldwork

Extensive fieldwork and primary research (interviews, group meetings and surveys) was carried out with a wide range of internal PES stakeholders, and representatives of external stakeholder agencies and organisations across a range of regions in Romania. This included face-to-face interviews (42) and group meetings (3) with internal and external PES

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<sup>1</sup> Annex 2. Table A2.1.



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stakeholders; a survey of one-hundred and fifty-nine trainees, and a survey of nineteen PA4 SOPHRD contracted projects <sup>2</sup>. Details of the main fieldwork methods and participants are provided in Annex 2 - Methodology<sup>3</sup>; a list of all participant organisations is provided in Annex 4 – List of stakeholders consulted.

## 1.7 Evaluation approach

The evaluation approach aimed to be transparent and participative. The views of a wide range of internal and external stakeholders were sought; the aims of the evaluation were clearly indicated to all participants highlighting that the evaluation was a key opportunity to improve the functioning and modernisation of the PES, and the contribution of PA4 SOPHRD to that process. This approach was reflected in the organization and management of the working meetings, and interviews; topics lists were distributed in advance; open discussion was encouraged, with confidentiality assured. All participants were provided with the opportunity to make recommendations to assist the PES modernisation process and the PA4 SOPHRD contribution.

## 1.8 Definition

Throughout this report the PES is understood to refer to the National Agency for Employment (NAE) and its territorial units (at regional, county and local levels), unless where otherwise stated.

## 1.9 Report Structure

This report contains five sections, as follows:

- Section 1: Introduction has presented an outline of the evaluation objectives and methodology.

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<sup>2</sup> The evaluators particularly wish to acknowledge the information and assistance provided by staff of the MA, NAE, and NAE IB throughout the evaluation process.

<sup>3</sup> Annex 2. Table A2.2



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- Section 2: Relevance is analysed in relation to four evaluation activities IIIa2, IIIa3, IIIa5, and IIIa6. Findings for each evaluation activity are presented, followed by a Table with conclusions and recommendations.
- Section 3: Efficiency is analysed in relation to activities IIIa3/5 and IIIa4. Findings for each evaluation activity are presented, along with a Table of conclusions and recommendations.
- Section 4: Effectiveness is analysed in relation to a single evaluation activity, IIIa1. Findings on the contribution of PA4 projects to established objectives and indicators are presented and factors associated with the achievement of project objectives are examined. Conclusions and recommendations are then presented in a tabular format.
- Overarching conclusions and recommendations on the PES and the SOP HRD projects are presented in Section 5.

A time-frame (short/medium/long) within which recommended changes should be made is indicated for all recommendations made in the report. Generally speaking recommendations to be implemented in the short-term should be implemented within three months of finalisation of the report. Recommendations for the medium-term should be implemented within six-nine months of the finalisation of the report. Recommendations for the long-terms should be implemented within a year, although in certain instances the 'long-term' may reach into a two-three year time-frame (e.g. where recommendations are made that build towards the next SOPHRD programming period).

Additional data analysis, tables and survey questionnaires are included in Annexes 1-12.