

Title	Decent Work Policy options for the Romanian economy
Author	Ciprian Domnisoru
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Abstract	<p>This paper analyses the determinants of the low employment rate in Romania and current policies and legislative changes aiming to increase employment, as they relate to the poverty reduction targets in the Europe 2020 agenda. I argue that the current policy option followed by Romanian authorities - increasing labour market flexibility - is based on a misdiagnosis of low employment, particularly of the effects of the tax wedge on labour, workforce migration, overtime use and employer preference for standard forms of employment on the overall employment rate. Considering that workforce migration will continue to put pressure on domestic employment, business-friendly policies and even high GDP growth may not be sufficient to achieve an increase in employment. An alternative path for Romanian authorities is to adopt a series of policies inspired from the ILO's Decent Work Agenda. These policies target an increase in quality employment that would combine job growth goals with poverty reduction targets. The analysis follows the four core objectives of the Decent Work Agenda: creating jobs, guaranteeing rights at work, extending social protection and promoting dialogue and conflict resolution. Recommendations include increasing compensation in case of lost income, increasing spending for active labour market policies, rural education, public childcare and healthcare, strengthening the capacity of labour inspectorates and reviewing the recent legislative changes that hinder union activity and social dialogue.</p>