

SPECIFIC ASPECTS OF UNREGISTERED UNEMPLOYMENT IN THE WESTERN PART OF ROMANIA

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Abstract: The paper aims at highlighting a current phenomenon on the labour market in Romania, related to the existence of important categories of unemployed persons and looking for a job, but not registered in the statistics of state institutions dealing with unemployment.

The analysis is conducted in the area of western Romania (for the Arad, Bihor and Timis counties) and aims categories of unemployed people with different skill levels, which for different reasons, are not accounted for statistically.

Key words: *unregistered unemployment, regional labour market, occupational types*

JEL Classification: E24, J64

1. Introduction

Studying unemployment at the global, regional and local level was and will remain a major task for governmental and non-governmental institutions, and also for various researchers with different backgrounds and standing for different societal interests, all of them being steady observers of macroeconomic processes, and implicitly, of labour markets.

The present study is part of complex multi-partner research project which aims at analysing the unemployment starting out from the global situation, following the phenomena down to the regional and local levels and finally recommending labour market services to be implemented by local labour offices.

The main goal of the EU-financed research project with the support of the Romanian Ministry of Labour with reference code POSDRU/111/4.1/S/91816 running under the title of "*Research and forecasting of the labour market in western Romania. Evidencing unregistered unemployment in the Arad County*" – in which our university was the research coordinator of eight different institutional

and private project partners – was to uncover the present effective situation of unemployment types in the Arad County. This meant quantitative empirical research about the various official and especially the more or less hidden types of unemployment and job seeking behaviours. The latter are generically grouped under the label of *unregistered unemployed*.

In order to understand and explain the phenomenon, we first performed comparative documentation, research and analyses concerning the evolution of both traditional or registered unemployment and also the unregistered types as far as they could be accessed in the official records of the labour offices from Arad, Bihor and Timis counties, respectively.

Analysing simultaneously the evolution of unemployment in the European Union and at the national level in Romania, especially during the last 5 years characterized by a deep economic recession, provided us with an effective frame and various benchmarks for regional unemployment.

In most official statistics (provided by EU and Romanian institutions) we find that within the analysed period unemployment in Romania is rather low, at a rate of 6-8%, well below the average in the European Union, assuming about 10-11%. However, we propose that this is not due to a favourable economic situation in Romania (i.e. the standard explanation), but rather, in the period under our review, to some dominant social, by and large extra-economic factors. Many economists tend to believe that the true rate of unemployment in Romania is much higher than the percentage published in official reports. The relatively low figures are rather due to the doubtful methodology used for calculating and reporting the unemployment in Romania. However, compared to other countries within the European Union, such as Greece, Spain, Portugal or Italy, that all suffer from serious lasting structural unemployment, the situation in Romania is much better in this regard, with expectations tending to be both quite optimistic and more stable.

In the European context a dramatic situation is being recorded in recent years among the unemployed youth aged up to 25 years. Here Romania is clearly within the European trend, recording unemployment rates between 21-23%, i.e. near the mean of the European Union (<http://ec.europa.eu/eurostat/data/database>, accessed 2016), which shows a real problem, namely the age structure of unemployment faced by the Romanian economy.

Availability and non-integration into the labour market of a large category of young people is indeed a chronic problem across Europe that also clearly affects the Romanian economy. Besides the similarities in the registered unemployment rate in the European Union and Romania, there are also clear differences. These are especially related to different levels of economic development among EU member

countries, but also the varying capacity and willingness of governments to create jobs for young people and to eventually integrate them into the labour markets. Besides comparatively studying international evolutions in unemployment, the more detailed and final concern of the project members was to study the peculiarities of unemployment types in Romania, especially those to be found within the western counties. Hence, studying the unemployment situation in the county of Arad and the other two neighbouring counties, Bihor and Timis, aimed at building a clear image concerning their position within the national context. By now it is clear that in addition to official reports on registered unemployment, all counties in Romania including Arad, face a major problem created by the numerous categories of people available and able to work, but nevertheless refuse any appropriate job, or those actively looking for a job but who, for various reasons, do not appear in official statistics provided by the Labour Office or the National Statistics Institute. Failure to include such persons in official statistics can be used to account for the real situation existing in the Romania which concerns a major category of persons who should and possibly can be integrated into the labour market.

2. Literature review

Using the concept of *unregistered unemployment* research conducted within the mentioned project is somewhat controversial, since it is not a concept clearly defined in the literature, but rather a concept adopted artificially, in order to define and encompass an important category of people effectively under- or unemployed and not registered by county labour offices (Brandolini et al, 2004). The adoption of this concept was meant to highlight this important category of people, unrecorded in official statistics, and which, along with officially registered unemployed can provide a clearer picture of the effective employment of people able (and to various degrees qualified) to work and possibly also about the ways of marginalizing them within the western region of Romania.

The widely accepted standard point of view is that only the officially recognized concept on unemployment namely that of *registered unemployment* is sufficiently undisputed and therefore stable and therefore lends to politically or otherwise motivated interventions. This is evidenced both in official documents drawn up by international bodies dealing with labour issues (such as ILO, OECD etc.), as well as in the literature of authors highlighting labour market related macroeconomic phenomena (e.g. Dornbusch et al, 2011; Hussmanns, 2007; Blanchard, 2006; among many others).

Thus, officially, unemployment is defined in the *Resolution concerning statistics of the economically active population, employment, unemployment and underemployment* adopted by the Thirteenth International Conference of Labour Statisti-

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cians (Geneva, October 1982, available at: http://www.ilo.org/global/statistics-and-databases/standards-and-guidelines/resolutions-adopted-by-international-conferences-of-labour-statisticians/WCMS_087481/lang--en/index.htm, accessed December 2015) as follows:

(1) Those persons of working age are considered to be unemployed who during the reference period are:

- not paid as employees or for activity resulting from self-employment;
- available for work, i.e. for a job as a paid employee or self-employment;
- seeking work, i.e. make the necessary steps to seek paid employment or self-employment.

Specific steps pertaining to the last item may include: registration at a public or private employment agency labour; submitting a job application; checking the doors of businesses, farms, construction sites, and other jobs available; requesting or responding to specific ads in the press relating to employment; looking for employment assistance from relatives, friends or acquaintances; looking for land, buildings, machinery or equipment for their business start-up; trying to obtain permits or licenses related to intended work.

It should be noted that the recommendations of the International Labour Organization (ILO), allow countries in certain circumstances to apply a more relaxed definition of unemployment, considering from the three criteria above only the first two, namely (a kind of) *joblessness* and (technically) *available for work*.

In Romania unemployment is regulated since the '90s in terms of that definition. Subsequently, clarifications to the status of *unemployment* were made by Law no. 76 of 2002, which was subsequently amended and updated by different acts (government ordinances), the last being from 2016. From this point of view, actual Romanian legislation is defining an unemployed person as a person who fulfils the following conditions:

- are looking for a job, being aged from 16 and until the conditions for retirement;
- has health and physical and mental abilities that make her fit for work;
- has no job, or no income or, pursues activities which are legal but generate incomes which are lower than those in order to fulfil the *reference social indicator of unemployment insurance and employment stimulation* legally in force at a given point in time;
- she is available to start work in the next period, if a job would be found.

However, both the Romanian legislation as well as international norms, only refer to the category of the registered unemployed, describing persons which fulfil the above conditions and register at labour offices within their area of residence, or,

where appropriate, to other legally operating employment service providers in order to obtain a job.

Starting out from these many deficiencies in accounting for a more representative population spectrum of persons being *in labour* and *out of labour* respectively, we mention that a good portion of people who meet the conditions listed above, but for various objective or subjective reasons are not registered at the employment agencies. This phenomenon leads to a distortion of reality in terms of *underreporting unemployment* as generated by the existing labour markets and with regard to the reserves and categories of workforce available nationally or regionally. The existence of these hidden categories of people should concern the state, because most are poor people with no income or low income and should be included in government programs and policies of integration into the labour market.

3. Research Methodology

The purpose of the research conducted in this work is rather complex, reflected in the use of multiple levels of aggregation and abstraction. We address the following interrelated aspects, i.e.:

- bringing some hidden facts of labour market in Romania to the fore – namely the existence of important categories of persons of working age, being either unemployed or looking for a job, but which are not recorded in the statistics of state institutions dealing with unemployment (AJOFMs);
- highlighting the existence of such persons in the Western region of Romania (within the Arad, Bihor, and Timis counties);
- estimating the extent of this phenomenon or the number of people in these types of situations, in the west of Romania;
- discovering and underlining the main reasons (and mechanisms) for which these people fail to be registered;
- emphasizing the characteristics of these persons and creating a profile (or a few distinct profiles) of unregistered unemployed in the western region of Romania.

Based on secondary empirical materials (i.e. institutional reports and official web sites), we have first made a series of comparisons noting the differences that appear in the official statistics provided by the National Agency for Employment (ANOFM) and the National Institute of Statistics (INS). The monthly data provided by the ANOFM on the national unemployment situation do not include people who are not officially registered with the county employment agencies, nor those who have completed their period of social protection against unemployment (e.g. frictional unemployment) and subsequently were taken off the records of these agencies. Therefore, the unemployment rate calculated by the ANOFM is less than

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that calculated by the method of the International Labour Office ILO (which is used in all Member States of the European Union). This method, called BIM, is also used by the National Institute of Statistics in Romania. BIM calculates unemployment data collected from surveys done in households.

The subsequent technical research of delineating unregistered unemployed is quite extensive and is based on primary empirical data collected in our aforementioned project. The beneficiary of the project was the County Labour Office from Arad (AJOFM Arad). Other partners contributed with points of view, methodology and data collection. They were the regionally adjacent labour offices AJOFM Bihor and AJOFM Timis, the Arad Chamber of Commerce (CCIA Arad), the Arad Territorial Labour Inspectorate (ITM Arad), the Austro-Romanian IT service company FireWhite specialized on providing labour market data, and the "Vasile Goldis" Western University group (UVVG Arad) as labour market research coordinator.

The research is based on field data collected by an interdisciplinary team (including psychologists and sociologists) by the project partner FireWhite. The field study was performed on the rural and non-rural (mainly small urban) populations in three adjacent counties Arad, Bihor, and Timis. Owing to different reasons, the segments of the working age populations targeted were in part much more difficult to access than average citizens. Goodwill and readiness to cooperate with the interviewers had to be consistently enhanced by different measures, e.g. by also including people they trusted or by offering some labour market related services like (free) ability tests and certificates. The persons interviewed were also strongly heterogeneous in profile ranging from near-analphabets belonging to ethnic minorities to youngsters with university degrees hiding out in the bigger cities. An important technical contribution of project partner FireWhite consisted in its authorized capability of checking on-line (i.e. at the point of interview in real time) if the single person to be interviewed is indeed not registered in any official data base. Finally, over a time period of approximately two years, a total of 6229 such validated questionnaires have been processed and interpreted of which around 5000 were from the Arad County.

The questionnaire itself has a quite complex structure, requiring data on the personal status and situation of unregistered unemployed, including information about the respondent's knowledge about services basically and currently offered by AJOFM to the unemployed which are effectively in search of employment.

The questionnaire has 24 questions and includes "closed" questions that provide opportunity for dichotomous answers (10 questions) or multiple choices (14 questions) concerning past working experience and future work preferences.

Methodologically, the research involved gathering, grouping, evaluating and interpreting multiple types of data on a segment of the working age population in a

region, which are best candidates for the category of unregistered unemployed and which may be future subjects of enhanced labour market services.

4. Results and discussion

The time evolution of the number of unemployed in Romania and particularly in the western area of Romania provides a first guess for estimating and characterizing the unregistered unemployed. Thus, at the end of 2015 the national unemployment rate was 4.90%, with an annual (seasonal, etc.) average of 5.12% (www.anofm.ro/statistica). At national level a total number of 436242 persons were registered as unemployed.

According to Eurostat (<http://ec.europa.eu/eurostat/web/lfs/data/database>), this indicates a comparatively low unemployment level nationally, which is well below the European average of 9.1% at the end of 2015. The same source noted however, that in 2015 Romania registered an unemployment rate of 6.6%, showing discrepancies between the methods of calculation leading to these different rates, used by the European institutions and the national employment agency ANOFM, respectively.

These differences in reporting due to different calculation methodologies as well as other factors related to failure of registering important categories of people in official statistics may all contribute to the distortion of reality.

For this reason highlighting unregistered unemployed, looking or not for a job, is meant to show a much more realistic picture of the true situation in the western region of Romania. Compared with the rates at the national level, the situation in the Western Romania is much better. Thus, at the end of 2015, in Arad there was recorded an unemployment rate of 2.24%, far below the national average. The Timis County recorded the best situation nationwide, having an unemployment rate of only just 1.24%. The Bihor County is also in the league of the best counties in this respect, with an unemployment rate of 3.53% (Figure 1).

In order to highlight the true (i.e. more inclusive) situation of the unemployed from these three counties, a large number of official statistical data by the regional labour offices, namely AJOFM Arad, Bihor and Timis were analysed and interpreted by using time series provided over the last 5 years. The analysis was conducted according to different criteria: unemployed by category of unemployment compensation received, unemployed by (declared) nationality of individuals, unemployed by gender, unemployed after home unemployed, by age category, by the level of education received, and by the duration of being unemployed. The purpose of these tests is to create an overall profile of registered unemployed in the three counties during that period in order to facilitate a number

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of valid estimates for future periods according to categories of unemployed people who will appear in these counties.

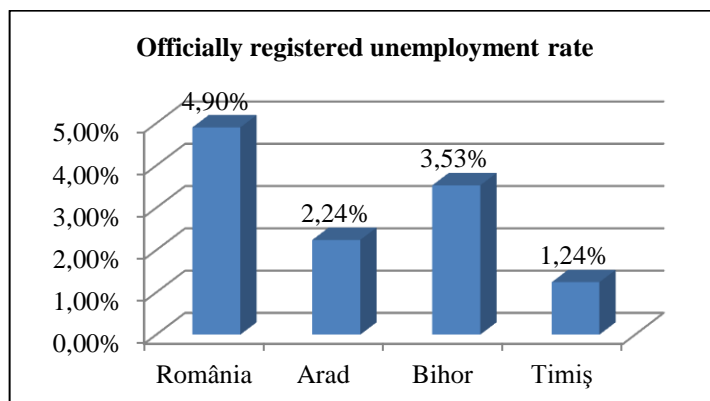


Figure 1. Unemployment rate as registered by the labour offices at the end of 2015

Source: ANOFM Romania

Thus, the overall profile of the unemployed obtained for the counties of Arad, Bihor, and Timis, based on the statistics reported during the period 2010-2015, shows predominance in the following features. It is:

- A person receiving compensation at the level of 75%;
- A person of Romanian nationality;
- A male person;
- A person living in rural areas;
- A person aged 40-49 years;
- A person with studies at secondary school level;
- A person with an average unemployment period of 1-3 months.

This profile helps in identifying and also in forecasting the unregistered unemployed and their profile in the counties listed. Starting out from the situation of officially registered unemployed, the issue of unregistered unemployed in Arad, Bihor and Timis may be approached by formulating guesses about what the profile of an unregistered unemployed would be.

In order to confirm or infirm this we then use the total of 6229 questionnaires designed and validated in the project and in order to obtain a differentiated picture of conclusions highlighting the real situation and peculiarities of each of these counties we evaluate a total of 4373 questionnaires from Arad, 853 questionnaires

from Bihor and 1003 from Timis County collected by the methodology described in the previous section.

Assessments and analyses pursued grouping the categories of unregistered unemployed after multiple criteria as e.g. sex, age, residence, nationality, seniority, level of education, ability to work and requests for qualification and training in order to obtain conclusions viable and a general profile of these unemployed at the county level.

At first, we find a share of 51.40 % of the respondents are male (Figure 2), and over 79.26% of assessed residing in urban areas, especially in small towns in these districts (Figure 3).

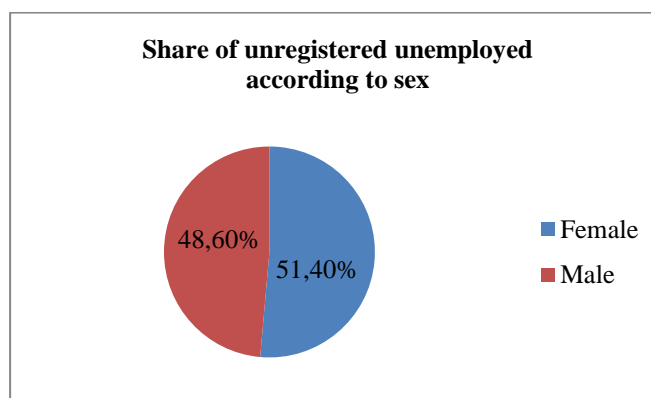


Figure 2. Share of unregistered unemployed according to sex

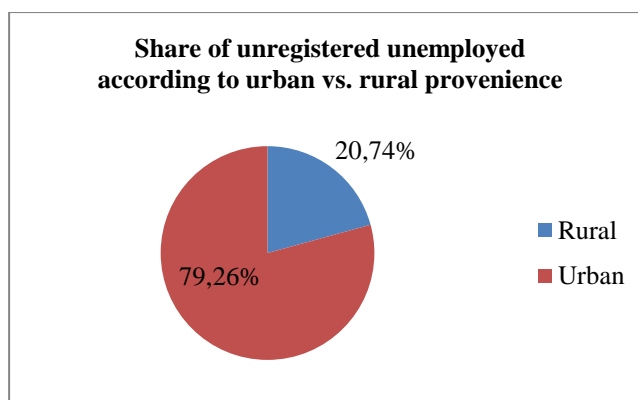


Figure 3. Share of unregistered unemployed according to urban vs. rural provenience

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Analysing the seniority indicator (which may be seen as a proxy for effective work experience) shows that the largest share is that for persons with 1-3 years and 3-10 years, respectively, representing over 42% of the total population analysed (Figure 4). Note also the rather large share of persons with no work experience whatsoever (i.e. 28.77%; the largest pie segment of Figure 4).

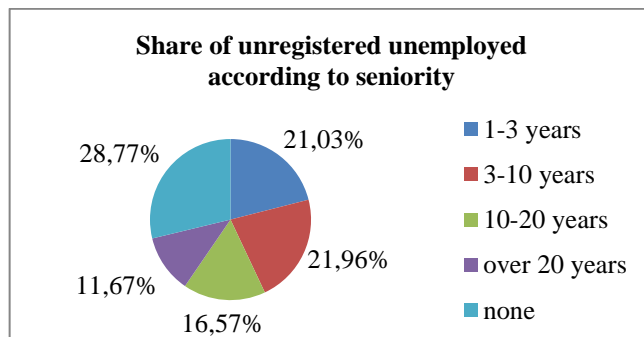


Figure 4. Share of unregistered unemployed according to seniority

In analysing the unregistered unemployed by age group a total of six different age categories were considered. They are: under 25 years, 25-29 years, 30-39 years, 40-49 years, 50-55 years, and over 55 years (Figure 5). Evaluation of all the unregistered unemployed persons by age shows that the percentage is higher in persons aged 40-49 years (24.47%). Next come persons aged 30-39 years whose share is 22.06% and young people under 25, whose share totals 16.54%.

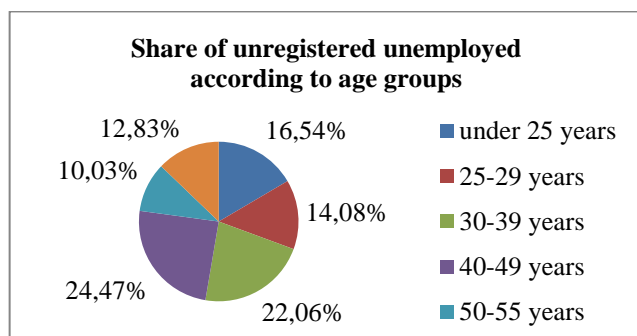


Figure 5. Share of unregistered unemployed according to age groups

Considering that the three counties are home to a quite involved mixture of ethnic groups, the situation in terms of nationalities of respondents is as would be grossly expected from the general population. In total respondents from 11 different

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nationalities are reported (Figure 6). Thus, we find the largest share of 82.48% of unregistered unemployed persons to be of Romanian nationality, followed by Roma (gypsies) 7.81%, Hungarians 7.32% and Czechs and Slovaks 1.54%. Other ethnicities have an insignificant share of below 1% in the structure of unregistered unemployed in our three counties.

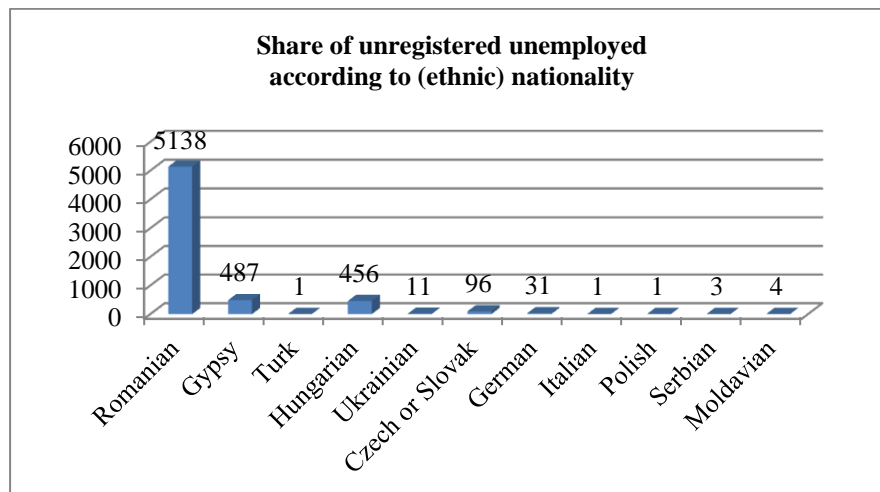


Figure 6. Share of unregistered unemployed according to (ethnic) nationality

Assessing the situation our unregistered unemployed by the level of education involves grouping them into 14 distinct categories. The biggest share of unregistered unemployed persons has a low level of education. Accordingly (see Figure 7), the largest share in the total is formed by the people with incomplete secondary school (28.24%), followed by the people who have completed secondary school (26.97%) and vocational school (18.11%). A partial explanation for this is that those persons having a low level of education, have considerable difficulties in finding a suitable (or any!) job in the context of economic recession which prevailed during the interviews. It should be noted that out of the total of unregistered unemployed from Arad, Bihor and Timis only 4.23% are without any degree.

In evaluating the indicator for the employability of the persons surveyed we considered four categories: persons with full ability to work, people with partial ability to work, the disabled, and people without any work capacity. It turns out that over 95% of those evaluated are fully employable, and approximately 4% have partial ability to work. Less than 1% of those polled are completely incapable to work or have a disability (see Figure 8).

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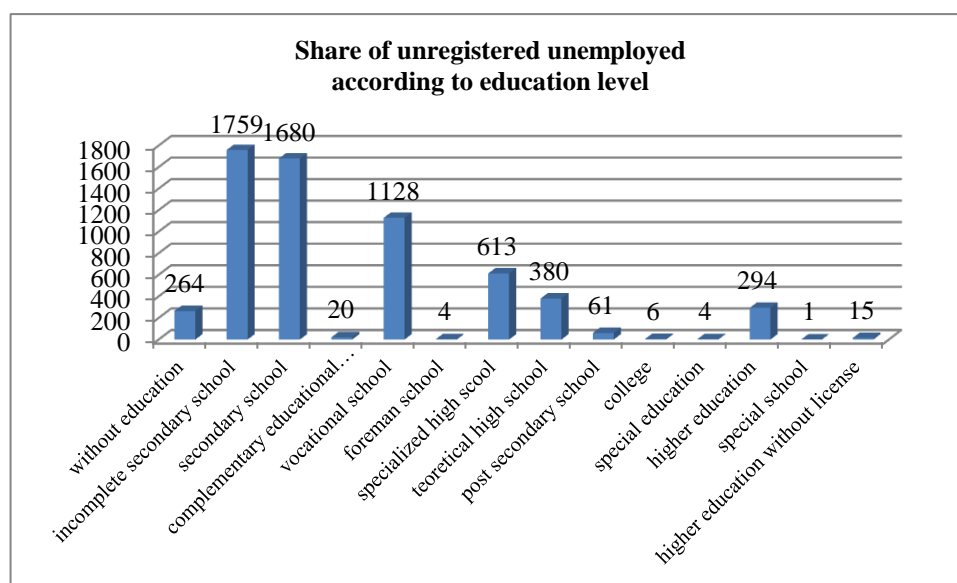
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Figure 7. Share of unregistered unemployed according to education level

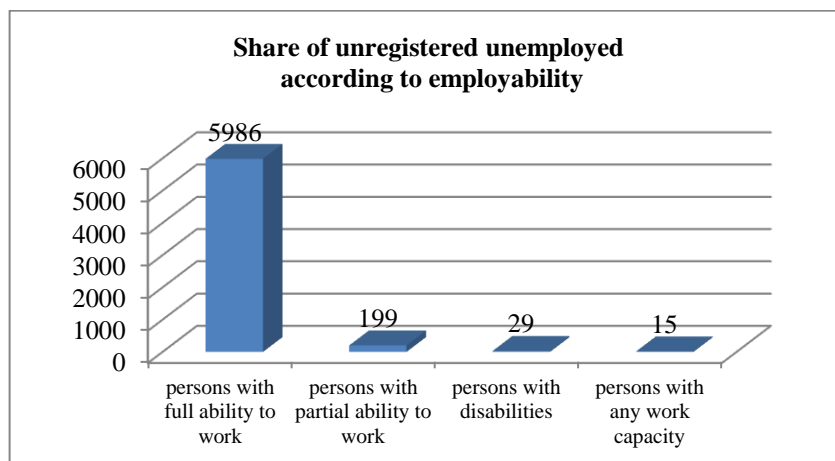


Figure 8. Share of unregistered unemployed according to employability

Given the specific situation of the people surveyed, namely to be both unemployed and not registered at their local labour office, and, at least in most cases, seeking or wishing employment, an important question is whether they are indeed willing to qualify or re-qualify by means of participating in measures (courses, etc.) of

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vocational training. In terms of willingness to participate in future training courses a total of 3576 people (representing 57.41% of those surveyed) responded affirmatively to this question, 2518 people (representing 40.42% of the total) responded negatively, and a small number of 135 people (representing 2.17%) did not answer the question at issue (Figure 9).

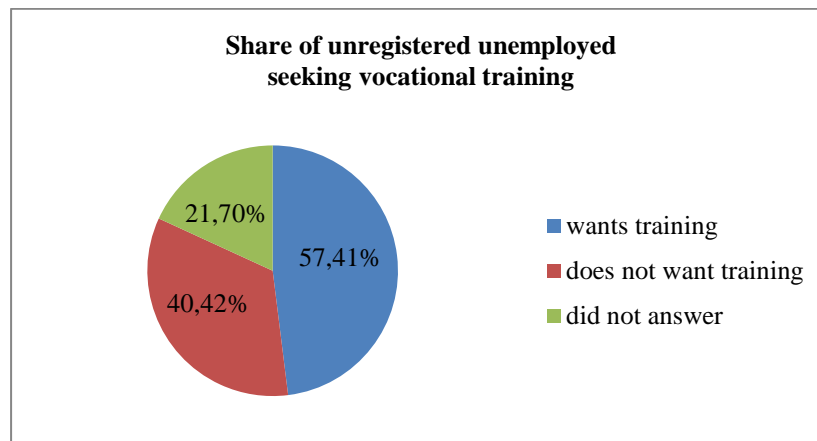


Figure 9. Share of unregistered unemployed seeking vocational training

Assessing responses to other questions in the questionnaires we identify a series of further important results for the situation of unregistered unemployed. Thus, over 80% of persons surveyed in the three counties, expresses their readiness to take a job somewhere in the country, however restricting their readiness for being employed to either somewhere in the county of residence, or to an adjacent county and sometimes to "any other county". The 4991 people willing to be employed indicated a total number of 5882 options of territorial mobility within Romania, which amounts to an average of 1178 options per person. This average is quite low, indicating a rather low availability of interviewees to engage in other counties than in theirs of residence. Of the 4991 persons available for employment, 4,559 stated only one territorial option, namely the county in which he resides.

Regarding the availability of the unemployed and unregistered persons for hiring abroad, out of the 6229 persons interviewed, a number of 2724 people (accounting for 43.73%) expressed their actual readiness. Only countries from Europe were considered, 31 different options in total, including EU Member States and three more developed European countries (Switzerland, Iceland and Norway). Of those 2724 persons who have expressed their willingness to work abroad, 1245 people have opted for a single country where they would be willing to work, while in 1479

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cases persons gave two options of countries. In total, 2724 people offered 6340 of countries where they would be willing to work, yielding an average of 2.32 options per person. Their willingness for taking up a job abroad (their propensity for being mobile) is quite high, although attaining a mere half of the respective willingness for staying within the country for employment. Still, this level is quite remarkable, probably owing to the opportunity to obtain much higher incomes than within the country.

All data processed in the study finally lead to a general profile of the unregistered unemployed in the western region of Romania (Arad, Bihor and Timis), yielding the most prevalent characteristics. Accordingly the representative person:

- Is of Romanian nationality;
- Is female or male person (rather balanced proportion);
- Is residing mainly in rural areas;
- Is aged 40-49;
- Has seniority (work experience) of 3-10 years;
- Has studies at secondary school or primary incomplete primary school level;
- Is fully employable;
- Is willing to participate in vocational training.

Thus, comparing the general profile of registered unemployed with that of the unregistered unemployed within the three counties we observe both similarities but also some differences. It should be noted that these comparisons can be performed only up to a certain point, given the relatively different nature data were collected by our project group and the official data available from the labour agencies.

Regarding similarities, as expected by anecdotal evidence, the predominant category of people in both situations analysed are persons of Romanian nationality, aged 40-49 years. Another similarity exists concerning the level of education of the two types of unemployed persons. In both situations people with a rather low education level prevail. Many of them are secondary school graduates or those who have attended but not finalized elementary school. This indicates that within the Arad County there seem to be plenty of barriers to finding jobs for persons with a relatively low level of education. Regarding the type of residence of the two groups of unemployed persons there are differences in the sense that the representative registered unemployed lives in rural areas, while the representative of the unregistered unemployed lives in some urban area. Another difference relates to the sex of the defining profiles of the two groups of unemployed. While in the case of unregistered unemployed there is a relative balance between women and men, with a slight tendency towards women, the representative of the registered unemployed in the Arad County is male.

5. Conclusions

Following our extensive empirical study regarding regional unregistered unemployment a number of important and relevant conclusions, the prevailing situation in Western Romania may be drawn at this point in time. The category of persons not registered as unemployed with the labour office AJOFM consists mainly – but entirely – of individuals with low levels of education, with difficult family situations, who are low skilled and who are not very concerned about following vocational training and / or reconversion. They often lack both education and relevant information, which is for instance reflected in poor knowledge about services offered by the labour offices, and, more basically, their legal entitlement to services of these labour offices. This leads to insignificant collaboration with the local labour office, i.e. only around 13% of those surveyed do collaborate to some extent.

The options offered by the labour market in the present socio-economic context are much less utilized by this category of unemployed persons, either because of unfavourable personal circumstances, or owing to the necessity to effectively and durably collaborate with the labour offices. In the future, the labour offices of the Arad, Bihor and Timis counties should have the duty to intensify their presence and to enhance the perceived image, especially in rural areas, but also in the small towns of the three counties where most of the unregistered unemployed are living. They also should engage in creating awareness of their role in providing public services in order to prevent as many types of unemployment as possible (especially the long term and the more hidden variants thereof) and to better coordinate their activities with the potential employers of the region.

The number of people who appear in the official statistics as having the status of unemployed is much lower than the actual number of persons forming part of the working population, especially those unemployed and also not registered in the records of the labour offices. This shows that "official unemployment" existing in national and regional statistics (provided mainly by labour offices, agencies and other relevant institutions) is much lower than the somewhat vague but highly relevant category of "real unemployment" existing in the economy. Because they represent a significant fraction of the employable population, they have never been highlighted (willingly or because of lack of methodology) in such statistics on unemployment.

Based on our data collection, analyses and interpretations we come up with, are viable and to a reasonable extent accurate estimates of the actual number of unregistered unemployed and their profile in the area of western Romania. This data and results could be used by the labour offices or other interested bodies in

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order to further appreciate and forecast the actual and upcoming number of unemployed persons of different types, including those who actively seek employment but also those who for various reasons are not recorded in the official statistics of Romania.

Estimates for the Arad County

The statistics for 2015 provided by the National Statistics Institute of Romania (INS) show at the country level that:

- Arad county's total population is about 475500 persons;
- Civilian employment in Arad is around 212100 persons;
- Retirees number approximately 101550 persons;
- 4993 people are registered unemployed;
- Inactive population aged 0-14 years are about 65500 people;
- Official unemployment rate is 2.24%.

We appreciate that in 2015 at least 15-17% of the total population in the county of Arad is unregistered unemployed and looking for a job. This percentage is slightly higher in the rural area of the county and lower in the more heavily industrialized urban areas.

Estimates for the Timis and Bihor counties

We appreciate that in 2015 at least 14-15% of the active and not in employment (i.e. employable) population in the Timis County and at least 18-20% of the same category of persons in the Bihor County are unregistered unemployed individuals. The Timis County recorded in 2015 with 1.24% the lowest official unemployment rate of any county in Romania. This may be due to a strong (re-)industrialization process especially in the metropolitan area of Timisoara, the regional capital. However, we estimate that in the entire county of Timis there are about 90000-100000 persons not included in the category of employed or registered unemployed, but are rather unregistered unemployed.

In 2015 the Bihor county situation was somewhat different. The number of unregistered unemployed is estimated to be around 105000-110000 persons, even if the official unemployment rate in this county was reported to be just 3.53%, a percentage well below the national average. There are more unregistered unemployed persons in rural areas than in urban areas, the latter being more developed in terms of industry and services.

The future concern of the labour offices from the Arad, Bihor and Timis counties as well as of other agencies relevant to the regional labour should be attempting to identify and highlight and record as many of these unregistered persons as possible. These agencies must have a clear picture of the extent of the various types of

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unemployment in the regions and nationwide. A well organized and continuously update evidence on all types of unemployment should bring a series of benefits to these institutions. Here we name just a few:

- Increasing the credibility of the labour offices' medium and long term roles and functions in the view of all citizens;
- Helping to improve awareness and the perception of effectiveness of the labour offices within the communities of unemployed of all categories;
- Providing better opportunities to integrate the marginalized unemployed within due time into the labour market through various public employment services
- Helping to design the new public employment services by more accurately targeting person groups via their needs in attitudinal support or in vocational training;

Finally, a more functional labour office should lead to other two important improvements, namely 1) easing access to more funding, and 2) winning trust of employers.

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