

# The European Pillar of Social Rights. Implementation and effects in the EU Member States<sup>1</sup>

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*Abstract: The article focuses on the research into the European Pillar of Social Rights, as well as the challenges of applying the basic principles in the Member States, in order to identify the best measures for their implementation in the European Community. This analysis is structured on the 3 main categories, respectively: (1) the equal opportunities and access to the labour market, (2) the fair working conditions, (3) the social protection and social inclusion. The conclusions of the study will highlight the important role that the European Pillar of Social Rights has in the more efficient solution of the economic and social problems facing the EU, being a step forward towards " a better governance of social policies at Community level". The study aimed to add value through the research methodology used, based on a multidisciplinary approach. This involves analysing social policies from the perspective of accelerating the process of European integration, in order to reduce socio-economic disparities between the Member States. The research is based on the consultation of the specialized literature and of the studies and articles published by well-known specialists, on the analysis of official documents of the European institutions and the latest Eurostat data. Therefore, the European Pillar of Social Rights seeks to provide a single and coordinated response to the main challenges facing the EU: inequality, poverty, unemployment, social exclusion, economic and social disparities. How its principles will be put into practice in all Member States will influence the future of the EU architecture, as an area of "European values", in which the social rights of all citizens are equally respected. The Member States with "critical situations" concerning the access to the labour market and social protection, including Romania, will have to step up their efforts to implement the European Commission recommendations and attract the EU funds by using examples of good practice from performers in this field.*

*Key-Words: European Union, European pillar, social rights, social scoreboard, equal opportunities, labour market*

*JEL Classification: J16, J18, H75, I38, O52*

## 1. The development of the concept of the European Pillar of Social Rights

The idea of a European Pillar of Social Rights (EPSR) was launched on September 9th, 2015 by the former president of the European Commission, Jean-Claude Juncker, in his speech on the state of the European Union, entitled "The moment of honesty, unity and solidarity" (Juncker, 2015). But this idea did not turn into a concrete project until 2017, the year that marked the 60th anniversary of the European Union and thus represented a good time to redefine the European social model.

The new vision on social rights was presented by the European Commission in April 2017, and on 17th November 2017, during the Social Summit in Gothenburg, the EU leaders adopted the Proclamation on the European Pillar of Social Rights, in order to promote job creation and stimulate inclusive growth (EU Council, 2017).

According to the EU experts, the labour market is changing rapidly, providing new opportunities, but it is also accompanied by the new challenges, generated by globalization, digital revolution, changing labour

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patterns and demographic developments. In the future, 9 out of 10 jobs will require digital skills. At the same time, 169 million Europeans between the ages of 16 and 74 or 44% of the total EU population did not have basic digital skills (European Commission, 2017a). At present, people change jobs up to 10 times in their entire careers, and more and more employees are working on non-standard contracts. The good news is that in 2019, in the European Union, four in five young people (the age between 16 and 24), about 80% of them had basic or above basic digital skills; this was 24 percentage points higher than the share of individuals aged between 16 and 74 (56%). Among the EU Member States, Croatia had the highest share of individuals aged 16 and 24 with basic or above basic overall digital skills (97%), followed by Estonia, Lithuania and the Netherlands (all three with 93%) as well as Greece (92%). By contrast, the lowest shares were observed in Romania (56%), Bulgaria (58%), Italy (65%), Hungary (68%), Latvia and Luxembourg (both with 75%) (Eurostat, 2020a).

A major demographic challenge is the ageing and declining population, and under the current conditions, by 2080 the EU population will shrink by about 8.5 million people (Eurostat, 2018). However, social inequalities remain significant, and many difficulties persist, such as disparities in terms of social protection between workers employed on a full-time basis and those with part-time contracts, the pay gap between women and men and unequal access to goods and services for people with disabilities and other vulnerable groups. There is also concern about whether innovation, technological change and the benefits that accompany open markets and societies are evenly distributed in the actual society.

The proclamation on the European Pillar of Social Rights underlines the common commitment of EU leaders to promote the full implementation of the 20 principles and rights enshrined in the Pillar in all Member States. Through this social pillar, the EU aims to ensure social equity and reduce disparities so that the economy works for the benefit of all.

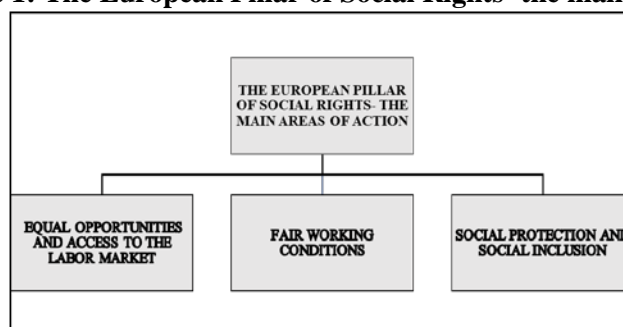
In the opinion of Karlson and Wennerberg (2018), "many of the principles and rights regulated under the social pillar have not yet materialized as mandatory rules at EU level." The authors point out that the impact of the social pillar will be minimal in the short term, but the effects will be positive in the long term, because when the EU proclaimed the social pillar, it set unitary social goals for Member States and clear principles to implement. On this basis, an opportunity has been created for the EU to work up new legislation in the field of labour market policies. Rather than "supporting and complementing" the social and labour market policies of the Member States, the EU can now, with the help of the European Pillar of Social Rights, replace these national policies with the "best objectives" of the Union, in an effort to implement fully the 20 unique principles (Karlson and Wennerberg, 2018).

## 2. The main action areas the European Pillar of Social Rights

The basic principles of the European Pillar of Social Rights are in line with Article 9 of the Treaty on the Functioning of the European Union, which governs that in defining and implementing its policies and actions, the Union shall take into account the requirements of promoting a high level of employment, guaranteeing adequate social protection, combating social exclusion, as well as the requirements of high levels of education, training and the protection of human health. The article 151 of the Treaty on the Functioning of the European Union also provides that the Union and the Member States, aware of the fundamental social rights as set out in the European Social Charter (signed in Turin on 18 October 1961) and in the Community Charter of the Fundamental Social Rights of Workers (adopted in 1989), will aim to promote employment, improve living and working conditions (European Parliament, Council of the European Union and European Commission, 2017).

The European Pillar of Social Rights is meant to provide new and more effective rights for citizens. It is based on 20 essential principles, structured in three main areas of action (see figure 1).

**Figure 1: The European Pillar of Social Rights- the main areas of action**

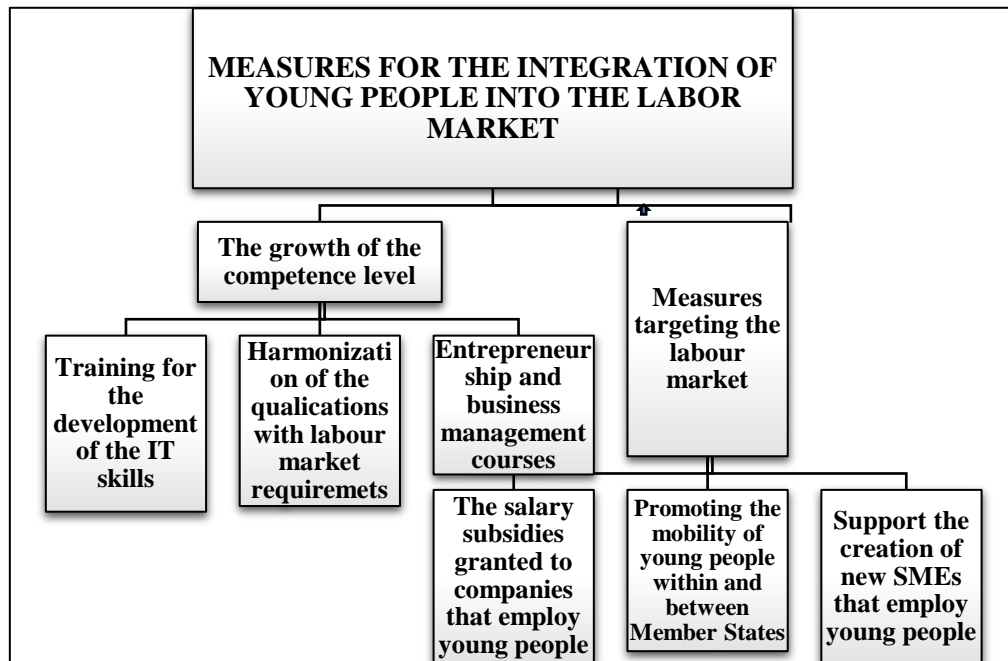


### 3. Equal opportunities and access to the labour market

#### 3.1. Equal opportunities and access to the labour market for young people

Based on the April 2013 EU Council Recommendation, all Member States have committed themselves to implementing the "Youth Guarantee". The EU Council (2013) proposed to state a set of measures that are summarized in Figure 2.

**Figure 2: The measures to support the integration of young people into the labour market as recommended by the EU Council**



Source: Figure developed by the author based on the EU’s literature (EU Council, 2013).

A particular attention is paid to identifying the relevant public authorities responsible for setting up and administering the youth guarantee system and to developing partnerships between public and private employment services, education and training institutions, vocational guidance and training services, other youth services (non-governmental organizations, youth centres and associations).

In this regard, with regard to the integration into the labour market of young people who do not have a job and who are not involved in vocational education or training (NEET systems, for aged 15-24) the progress has been made in a number of Member States. The Joint Annual Employment Report (JER), which was published on 8 April 2020, notes that several Member States have stepped up their efforts to increase equality and integration of young people into the labour market (see Table 1).

**Table 1: Progress towards equal opportunities for young people in a number of Member States**

MEMBER STATE	APPLIED MEASURES
SPAIN	In Spain, the Youth Employment Plan for 2019-2021 aims to increase the number of consultants by 3000 employees to ensure the integration of young people and the long-term unemployed.
CYPRUS	In Cyprus, an information project is underway which aims to help 4000 young NEETs and provides support for finding a job by personalized counselling and training according to their specific needs. Also, in Cyprus, a communication campaign aims to attract young people to the Public Employment Service so

	that they can benefit from the Youth Guarantee. The government's campaign aims to involve young NEETs from disadvantaged groups exposed to poverty, disability, poor vocational training, or belonging to ethnic minorities or migrants.
<b>IRELAND</b>	In Ireland, the Youth Employment Support Scheme (YESS) promotes job placements for young applicants who are long-term unemployed or facing barriers to employment. Through the YESS scheme, participants gain skills and experience while actually working.
<b>FRANCE</b>	In France, a training and employment scheme for young people have been launched involving at least 10000 companies, offering training, apprenticeships, or jobs. The main objective of these measures is to develop public / private cooperation in order to reduce unemployment rates for young people in disadvantaged urban areas.
<b>PORTUGAL</b>	In Portugal, young people benefit from internships to gain work experience and facilitate their entry into the labour market. Subsequently, these traineeships can be transformed into permanent employment, with the help of grants for the employment of young people and the long-term unemployed.

Source: Author based on data provided by the European Commission (2020a).

#### 4. Fair working conditions

The European Commission (2020a) appreciates the progress made in 2019 on the social pillar on promoting dynamic labour markets and fair working conditions in the EU; on average the situation has improved on all indicators, in particular employment and declining unemployment. Thus, the following developments were mentioned:

- Croatia, Greece, Italy and Spain face “critical situations” in the *employment rate indicator*, compared to the Czech Republic, Estonia, Germany and Sweden as “best performers”;
- Italy registers “critical situations” regarding the *unemployment rate*, while the Czech Republic registers as “the best performer”;
- Italy faced “critical situations” in the *long-term unemployment rate*, this indicator did not record the “best performers” while 15 Member States were identified that are “better than average”;
- At the indicator of disposable income of households "the situations were critical" in Greece, Cyprus and Italy, compared to Lithuania, Poland and Romania are "the best performers";
- The situation of the net earnings of a full-time employee without children earning the average salary is considered critical in Romania and Slovakia, while Austria, Germany, Ireland, Luxembourg, the Netherlands and the United Kingdom are “the best performers”.

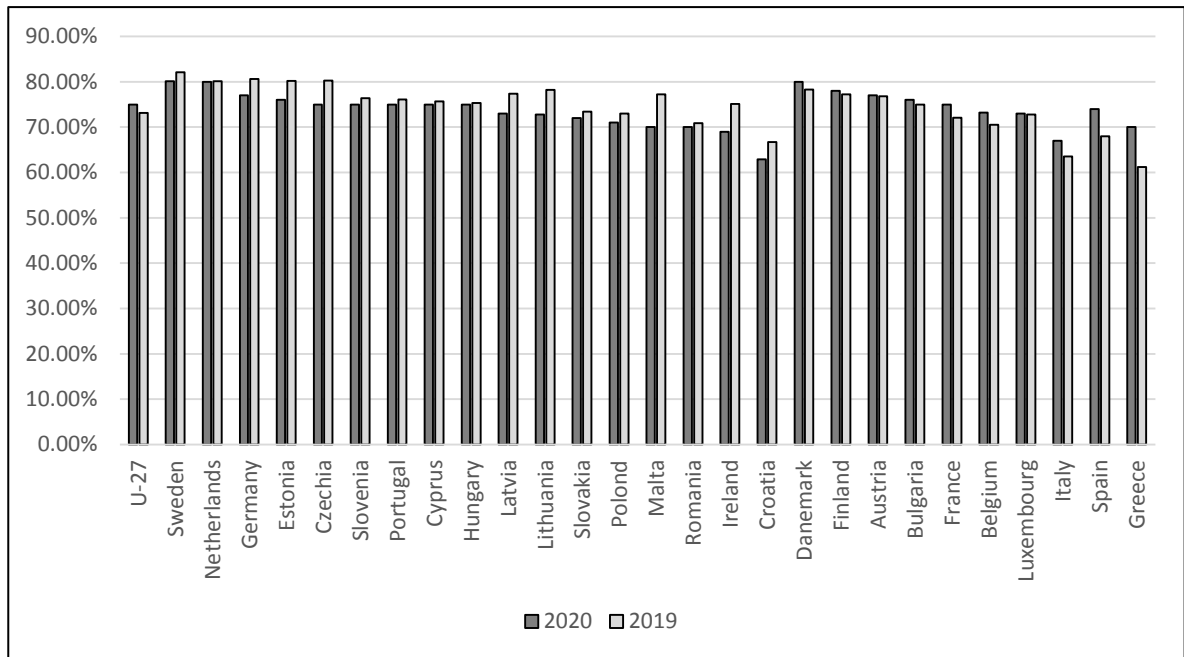
##### 4.1. The employment rate in the European Union

In 2010, the European Council adopted the Europe 2020 Strategy. The focus was on strengthening the EU economy and preparing for the challenges of the next decade. One of the main objectives of this strategy at EU level is to increase, by 2020, the employment rate of the population aged 20-64 to at least 75%.

According to Eurostat (2020b), the highest employment rate in the EU (for people aged 20-64) since 2005 was recorded in 2019 at 73.1%. Although the EU-27 as a whole has not yet reached its target in 2019, only 17 EU Member States have reached or even exceeded the target of the Europe 2020 Strategy. These countries include three Nordic Member States (Sweden, Denmark and Finland), the three countries Baltic Member States (Estonia,

Lithuania and Latvia), as well as the Netherlands, Germany, the Czech Republic, Slovenia, Portugal, Cyprus, Hungary, Malta, Ireland, Austria and Bulgaria. The United Kingdom, as well as Iceland, Switzerland and Norway, also had occupancy rates above 75%. At the other end of the scale, the employment rate was far from the EU target, below 70%, in Croatia, Italy, Spain and Greece, the country with the lowest rate among EU Member States (61.2%) (Figure 3).

**Figure 3. The employment rates in 2019 compared to the Europe 2020 Strategy’s targets**  
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Source: Author based on Eurostat data (2020b)

#### 4.2. The unemployment rate in the European Union

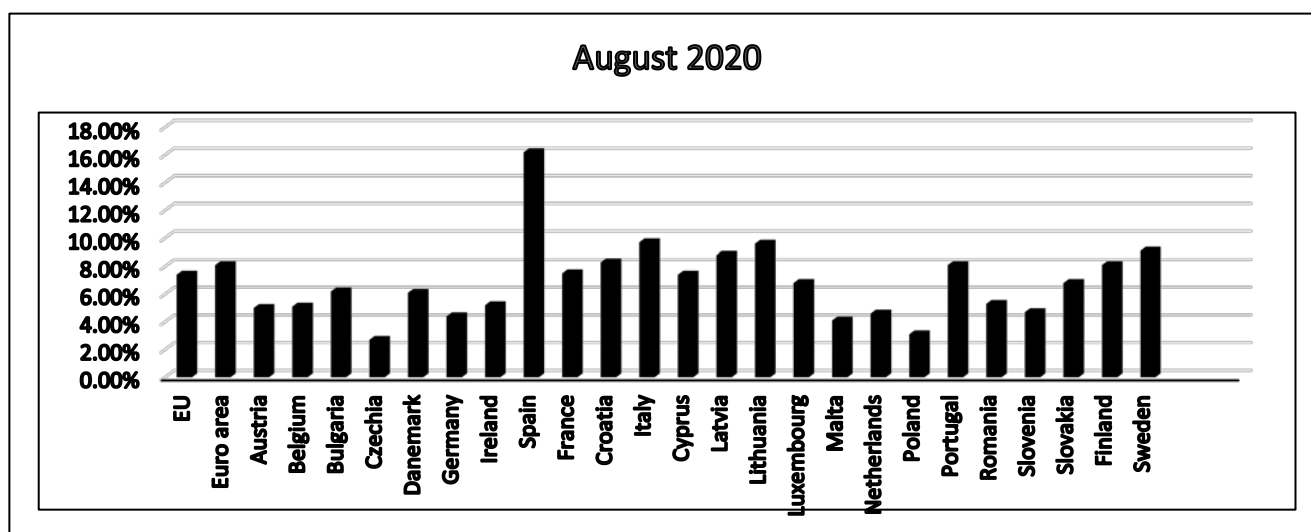
In 2020, the Covid-19 pandemic caused an unprecedented decline in economic activity around the world, not least in the EU. The supply chains were disrupted, altering the industrial production. Many economic activities, especially in the services sector, have been disrupted by administrative restrictions on social distancing. Associated revenue losses, albeit amortized by various types of government intervention and increased uncertainty, have diminished demand and led to additional production losses.

According to macroeconomics expert Andrew Watt (2020), production in the European Union fell in the first quarter of 2020 by more than 3%, and fall in the second quarter by another 11.4%, setting a record. In particularly the most affected Member States, the losses were even more dramatic. Andrew Watt (2020) points out that this decline in production should have led to a sharp rise in unemployment, but the employment decline has remained modest, given the scale of the shock.

Thus, in August 2020, the seasonally adjusted unemployment rate in the Euro area continued to rise for five consecutive months, reaching 8.1%, and the same trend was applied to the EU-27, which reached 7.4% in August 2020, with only 0.6 percentage points and 0.7 percentage points above their levels a year earlier (see Figure 4).

In August 2020, Eurostat (2020c) estimated that 15.603 million men and women in the EU-27, of which 13.188 million in the Eurozone (EA-19), were unemployed. Compared to July 2020, the number of unemployed people increased by 238,000 in the EU and by 251,000 in the Eurozone (Eurostat, 2020c).

**Figure 4: Unemployment rates in the EU in August 2020**



**Emergency (SURE)**

Source: Author based on Eurostat data (2020c)

**4.3. European Instrument for Temporary Support for Mitigating Unemployment Risks in an Emergency (SURE)**

The EU Commissioner for Employment and Social Rights, Nicolas Schmit stressed that “the EU is currently facing the worst recession in history as a result of the COVID-19 pandemic, and to ensure that this economic contraction does not turn into a social crisis, the community bloc must address issues such as job security, the granting of the minimum wage and the extension of youth guarantee opportunities”. Commissioner Nicolas Schmit also said that “in order to ensure resilience, solidarity and cohesion, the EU response must prioritize employment, reduce inequalities and ensure equal opportunities, and the effective implementation of the European Pillar of Social Rights will serve as a guide”.

The European Commission President Ursula von der Leyen said: “Only the strongest responses will allow us to deal with this coronavirus crisis. We must use all the means at our disposal. Every euro available in the EU budget will be redirected to overcome the crisis, every rule will be relaxed to allow funding to flow quickly and effectively. Through the new Solidarity Instrument (SURE) we will mobilize €100 billion to maintain jobs and businesses. Through this instrument, we join forces with the Member States to save lives and protect livelihoods. This is what European solidarity looks like. ”

The European Commission emphasizes that SURE will support partial unemployment programs and similar measures to help Member States protect the unemployed, employees and the self-employed against the risk of dismissal and loss of income. The companies will be able to temporarily reduce the working time of the employees or to completely interrupt the activity, the state offering income support for the hours not worked. Self-employed workers will receive income replacement assistance for the current emergency (European Commission, 2020b). Specifically, the SURE instrument acts as a second line of defence, supporting short-term work schemes and similar measures, to help Member States protect jobs and thus employees and the self-employed against the risk of unemployment and income losses.

The European Commission has proposed 87.8 billion euros in financial support to 17 Member States under SURE (see Table 3.1).

**Table 2: SURE - European Temporary Support Instrument for Emergency Risk Mitigation**

MEMBER STATE	AMOUNT ALLOCATED
<b>SURE TOTAL</b>	87.8 billion euros
<b>BELGIUM</b>	7.8 billion euros

<b>BULGARIA</b>	511 million euros
<b>CZECHIA</b>	2 billion euros
<b>GREECE</b>	2.7 billion euros
<b>HUNGARY</b>	504 million euros
<b>SPAIN</b>	21.3 billion euros
<b>CROATIA</b>	1 billion euros
<b>ITALY</b>	27.4 billion euros
<b>CYPRUS</b>	479 million euros
<b>LATVIA</b>	192 million euro
<b>LITHUANIA</b>	602 million euros
<b>MALTA</b>	244 million euros
<b>POLAND</b>	11.2 billion euros
<b>PORTUGAL</b>	5.9 billion euros
<b>ROMANIA</b>	4 billion euros
<b>SLOVAKIA</b>	631 million euros
<b>SLOVENIA</b>	1.1 billion euros

Source: European Commission (2020b).

## 5. Social protection and social inclusion (SPSI)

The European Commission (2020a) considers that in terms of the *European Pillar of Social Rights (EPSR)* relating to social protection and social inclusion, in 2019 the situation has improved in terms of both the availability of institutions for the care of preschool children and the share of the population with basic general digital skills. However, the situation of indicators on the impact of *social transfers on poverty and rapid access to good quality and affordable preventive and curative healthcare have slightly worsened*.

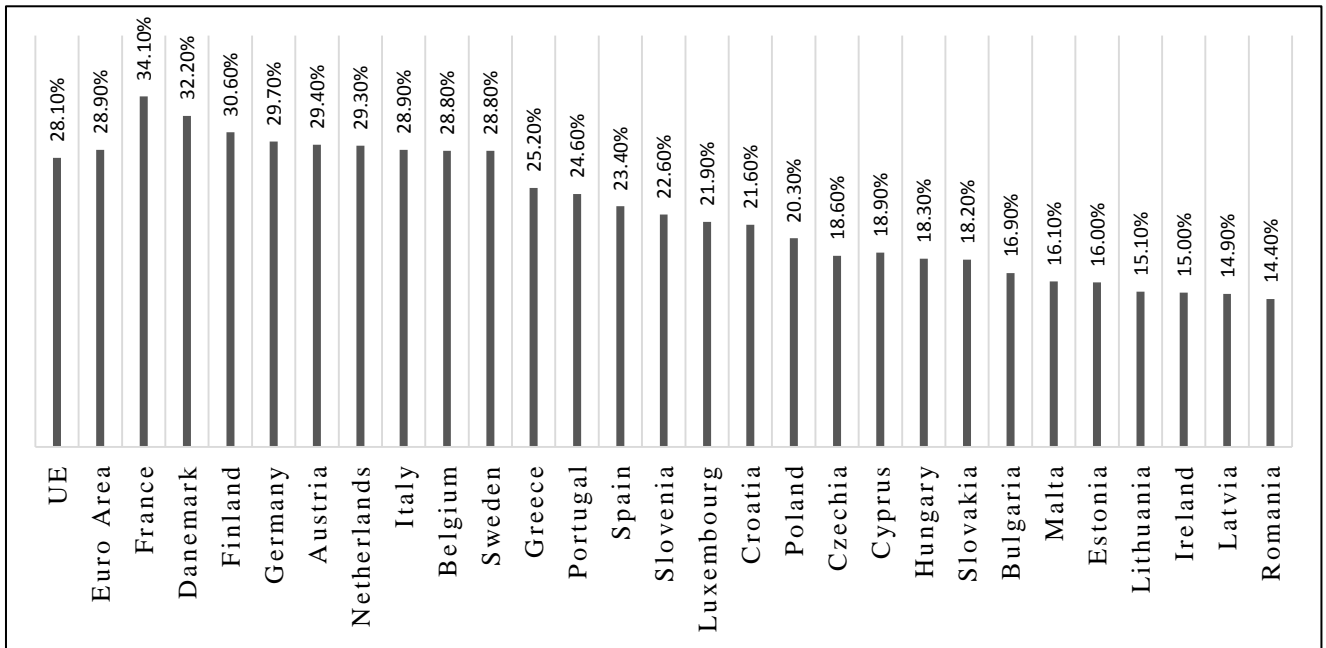
Regarding the stage of implementation of the SPSI actions in 2019:

- Spain, Italy, Lithuania, Latvia and Romania face “*critical situations*” when it comes to their ability to secure their social transfers to reduce the risk of poverty. On the other hand, Hungary and Ireland are considered to have performed the best;
- The Czech Republic, Poland, Romania and Slovakia recorded “*critical situations*” at the number of children under the age of 3 in nursery-type care systems, compared to Belgium, Spain and Luxembourg who are the “best performers”;
- Estonia and Latvia face “critical situations” in terms of rapid access to good quality and affordable preventive and curative healthcare. The “best performers” identified through the social scoreboard methodology were not reported, while nine countries are “better than average”;
- Bulgaria, Croatia and Romania face “critical situations” in the share of the population with basic general digital skills, while Finland, Luxembourg, the Netherlands and Sweden have performed best.

### 5.2. EU social protection spending

In the EU-27, social security revenues exceeded social expenditures each year in the period from 2008 to 2017. In 2017, this social income/expenditure gap was 1.0% of GDP, given that expenditures with social protection in the EU-27 accounted for 28.2% of GDP in 2017 (Eurostat, 2020d) (see Figure 5).

**Figure 5: The Social spending as a percentage of GDP in the EU in 2017**



Source: Author based on Eurostat data (2020c)

Of all the EU Member States, this ratio was highest in France (34.1%), while Denmark and Finland also reported levels of over 30.0%, and Germany (29.7%). In contrast, social protection expenditures accounted for less than 17.0% of GDP in Bulgaria, Malta, Estonia, Lithuania, Ireland and Latvia, with the lowest ratio among Member States registered in Romania (14.4%) (see Figure 5).

## 6. The stage of European Pillar of Social Rights implementation in Romania

The 2020 Country Report on Romania states that “the Social Scoreboard, which supports the European Pillar of Social Rights, highlights a number of social and employment challenges. *Strong economic growth has made it possible to improve social conditions, but nevertheless, poverty and social exclusion, as well as the poverty of the employed, remain at very high levels, and income inequalities have deepened, given that social transfers have had a limited impact on poverty reduction*” (European Commission, 2020c).

The main conclusion regarding the evolution of the implementation of *EPSR* in Romania is that the active policies in the field of labour market, mainly employment subsidies, have a low impact on reducing unemployment. In this regard, the European Commission emphasizes that:

- the share of persons employed in the total number of participants in the training, at 6 months after participating in the measure, was only about 40%. There is still significant room for improvement in the effectiveness of activation measures, in particular as regards the provision of personalized services to vulnerable groups, such as the low-skilled, the elderly and people with disabilities. Although the employment rate of people with disabilities is below the EU average of 43.7% compared to 50.6%, the legal framework does not effectively stimulate their employability and the public employment support services are limited;
- The access to the labour market remains limited for certain groups. In 2018, the share of long-term unemployment in the total unemployment rate increased to 44.1%, after falling from 50% in 2016 to 41.4% in 2017. Currently, approximately 100,000 long-term unemployed are register with the public employment services; 88% of them come from rural areas, about 9% are Roma and over 90% are identified as having a low level of employment.

### 6.1. The impact of COVID-19 on Romanian labour market

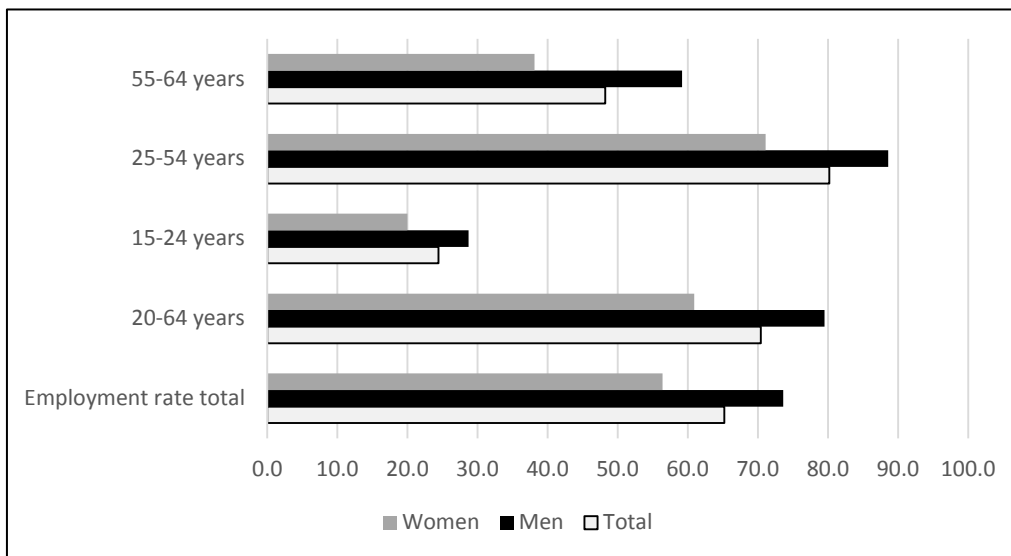
The Council’s recommendations on Romania’s National Reform Program for 2020, which includes a Council opinion on Romania’s Convergence Program for 2020 (European Commission, 2020c), state that in the



context of the COVID-19 epidemic, the existing challenges are very likely to increase, amid rapidly rising unemployment and inactivity. The Commission forecasts that the unemployment rate is expected to rise to 6.5% in 2020 and then fall to 5.4% in 2021.

According to Romanian National Institute of Statistics, the COVID-19 pandemic affected the labour market by moderately decreasing the employed population and the employment rate and increasing the number of unemployed and the unemployment rate in the 6 months of 2020 (INS, 2020). According to official statistics, in Q2 2020, the employment rate of the population aged 20-64 was 70.4%, with 0.4 percentage points over the national country target of 70% set in the context of the Europe 2020 Strategy, at the level of the analysed periods, the active population of Romania was 8.987 million people, of which 8.505 million people were employed and 482,000 were unemployed. Also, the employment rate was higher for men – 73.6% compared to 56.4% for women and people in urban areas (66.1%, compared to 64% in rural areas) (Figure 6).

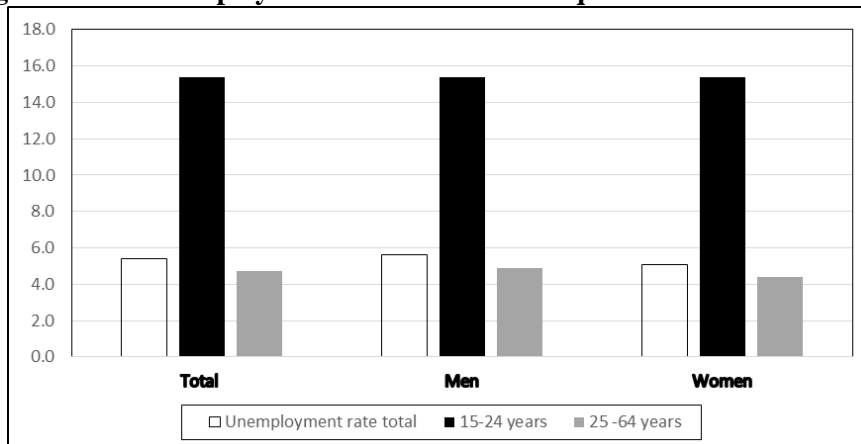
**Figure 6: The employment rate in the second quarter of 2020 in Romania**



Source: Author based on INS data (2020a)

According to data provided by the National Institute of Statistics (INS), the unemployment rate in Romania was 5.4% in the second quarter of 2020, increasing by 1.1 percentage points compared to that recorded in the previous quarter. The employment rate of the working age population (15-64 years) was 65.2%, decreasing by 0.2 percentage points compared to the I / 2020 quarter, according to the National Institute of Statistics (INS). By sex, the gap between the two unemployment rates was 0.5 percentage points (5.6% men compared to 5.1% for women) and by residential area, 0.6 percentage points (5.7% in rural areas, compared to 5.1% in urban areas). *At the same time, by age group, the unemployment rate among young people aged between 15 and 24 years has reached the highest level (15.4%) from all, in 2020 (Figure 7).*

**Figure 7: The unemployment rate in the second quarter of 2020 in Romania**



Source: Author based on INS data (2020a)

## 6.2. Measures to combat the social effects of the COVID-19 pandemic in Romania

One of the most important measures taken by the Romanian government to reduce the social effects caused by the Covid-19 pandemic is the Kurzarbeit Law, which was recently introduced into Romanian legislation by Emergency Law no. 132/2020. This law aims to make the work schedule more flexible for employees, representing a measure of support for both employees and employers in the conditions of restricting economic activities caused by the epidemic of Coronavirus. The model was taken from the Germany. They first developed this type of program more than 100 years ago, especially for periods of recession or economic crisis.

The Emergency Law no. 132/2020 provides the following:

- employers may order the reduction of employees' working time by no more than 50% of the duration provided in their individual employment contract. The employer may order for an employee with a norm of 8 hours of work per day to reduce it to a maximum of 4 hours per day;
- employers may decide to reduce the working hours of employees for a period of at least 5 consecutive working days;
- during the reduction of working time, the affected employees can benefit from an indemnity of 75% of the difference between the gross salary provided in the employment contract and the gross salary related to the hours actually worked.
- the 75% allowance will first have to be borne by the employer. This allowance will be paid to the employee on the date of payment of the salary for that month, to be reimbursed to the employer by ANOFM from the unemployment insurance budget.
- the indemnity settled by the state will not benefit from a special fiscal treatment, it represents income of salary nature and is subject to taxation, both with income tax and with the obligatory social contributions, according to the law.
- this indemnity will be taken into account when establishing the contribution period of at least 12 months for the unemployment indemnity.

## 7. Conclusions

*The existence of unique indicators at EU level to monitor progress under the European Pillar of Social Rights represents a decrease in the subsidiarity of social policies and an increase in the EU's role in creating more integrated and unitary social policies, which play a key role in increasing social cohesion and quality of life in all Member States. This involves the establishment of a European process for the coordination of social policies in general and employment policies in particular, which will periodically assess and monitor progress in implementing the basic principles of the EPSR and of the indicators of the Social Scoreboard. This is linked to the second method of EU governance: Open Method of Coordination.*

Addressing the issue of unemployment and especially long-term unemployment is a priority at EU level, achieved through the promotion of regulations and directions for action, as well as examples of good practice among Member States. Active employment policies focused on disadvantaged groups have also been promoted at Member State level. It should not be neglected that there is a shortage of labour in many Member States and that the integration of young people, women, the elderly, minorities or immigrants can cover the shortage of labour, which has been reduced mainly by the demographic decline of the population in the EU.

At the level of each Member State, increasing employment can also be an important means of reducing budget deficits by reducing social costs related to social benefits, but also by increasing the funds collected from social security contributions.

In conclusion, it should not be overlooked that active employment policies that include investment in training and improving human resources and skills development, as well as career guidance, can bring invaluable benefits to the Community labour market, contributing to economic growth and development of the EU. *However, it must not be neglected that active policies are not without costs and must be effective in justifying the high public spending allocated at EU and Member State level. Therefore, both a focus on disadvantaged and socially marginalized groups and a permanent recalibration according to macroeconomic developments and the requirements of the business environment in each Member State are needed.*

In my opinion, in EU the implementation of youth employment programs has undoubtedly had positive effects on facilitating their integration into the labour market and significantly reducing youth unemployment (to around 16% today compared to 24% before the introduction of Youth Guarantee (YG)). *However, the success of*

these programs has objectively depended on the existing institutional framework in each Member State, with clear differences between these countries in terms of cooperation of key actors in the labour market and the effective management of these programs.

On the other hand, there are situations in which due to a weak capacity to attract European funds and limited expertise in the development of eligible projects at EU level, some Member States have benefited to a lesser extent from the YG scheme, although they had high unemployment rates among young people. The opinion of many experts, which I fully share, is that the limitations of the YG impact are related to the limited period of development of these programs, deficiencies in establishing clear eligibility criteria, institutional bureaucracy or lack of focus on socially marginalized categories among youth.

Romania will have to comply with the EC recommendations in the latest “Country Report 2019” on overcoming the “critical situations” registered in the indicators of the Social Scoreboard, which include the school dropout and the limited access to the labour market of young NEETs.

Member States with “critical situations” in access to the labour market for young NEETs, including Romania, will have to step up their efforts to implement the “Youth Guarantee” and attract EU funds by using examples of good practice from performance for better results in this field.

Romania must also consider “zero priority” the development of national strategies for the integration of young people into the labour market by providing financial incentives to companies, such as salary subsidies, bonuses, exemption from social security contributions or tax exemption, by programs for the creation of new jobs in the public domain for young people and through the development of entrepreneurship and start-up companies among them.

The last, but not the least the SURE (**European Temporary Support Instrument for Emergency Risk Mitigation**) financial support of 4 milliard euros allocated to Romania, together with the Romanian government program on flexible work (**Kurzarbeit**) could play an important role in the reducing of the effects of the crisis caused by the Covid-19 pandemic and the diminution of unemployment rate, in Romania. These are two important instruments that can be used, but in order that the efforts have success, it is important to have a less bureaucratic national system, a digitized system, a simplification of payment procedures, a good communication with the companies and a much more efficient administrative capacity in attracting European Union funds.

In conclusion, Table 3 presents the summary of the SWOT analysis on the impact of European Pillar of Social Rights’ implementation in the European Union.

**Table 3. The SWOT analysis of the impact of EPSR’s implementation in the EU**

<b>STRONG POINTS:</b>	<b>WEAKNESSES:</b>
<ul style="list-style-type: none"> <li>• <b>Increasing equal opportunities and access to the labour market in the EU;</b></li> <li>• <b>Ensuring dynamic labour markets and fair working conditions in the EU;</b></li> <li>• <b>Strengthening social protection and social inclusion in the Member States.</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>The different levels of development and financing of social protection systems in the Member States;</b></li> <li>• <b>The weak EU fundraising capacity and the limited expertise in developing EU-eligible projects in some Member States;</b></li> <li>• <b>A high level of bureaucracy, together with a low level of digitization in some Member States.</b></li> </ul>
<b>OPPORTUNITIES:</b>	<b>THREATS:</b>
<ul style="list-style-type: none"> <li>• <b>Addressing the issue of unemployment and especially long-term unemployment by promoting regulations and directions for action as well as examples of good practice among Member States.</b></li> <li>• <b>Increasing the labour supply;</b></li> <li>• <b>Increasing the employment rate;</b></li> <li>• <b>Increasing labour productivity;</b></li> <li>• <b>Increasing the competitiveness of European products.</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>The growth of unemployment and social spending if the integration of beneficiaries into the labour market is not effective;</b></li> <li>• <b>The increase number of people at risk of poverty and social exclusion if the EU recommendations on the implementation of the EPSR objectives are not implemented in the Member States;</b></li> <li>• <b>The marginalization and the extension of the difficulties of the integration in society of unemployed from disadvantaged categories (young people, women, minorities, migrants).</b></li> </ul>

Source: Author based on the specialized literature consulted

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