Employment situation

- High economic growth, influencing employment and unemployment
- Decreasing unemployment, but high unemployment differences between NUTS III regions
Employment per sectors

- **Structural shift in the economy**
  - Loss of jobs in agriculture and industry
  - Gain of jobs in services

Right skills for the right jobs?
- Shortages: ICT, health, teachers, engineering, skilled trades etc
Decreasing labour force

- **Causes:**
  - **Demography** (low birthrate, ageing)
  - **Migration**, especially of young people and limited return migration

- **Impact on economic growth**
UNTAPPED LABOUR FORCE

Unused employment potential

Need to activate difficult groups - more complex measures needed
Specific groups

Groups furthest away from the labour market:
NEETs, Roma, people with disabilities, low skilled, rural population, women

Inactivity is often associated with poverty

Educational and health status impacts on employment
POVERTY, SOCIAL EXCLUSION AND INCOME INEQUALITY

- The situation of poverty and social exclusion has improved over the years. However, it remains one of the highest in the EU
- Rising income inequality
- Poverty is associated with inactivity

Graph 3.1.1: Income inequality (2015)

![Graph showing income inequality trends over years]

Source: European Commission, 2016b
Labour market and education

**Educational outcomes** correlated to socio-economic status

Need to link education with labour market

But: challenges from rising ESL, low tertiary educational and low link of VET with labour market
Key reforms (1)

• Need for stable *business environment*, with *rule of law, fight against corruption* and *predictable labour conditions*

• Important measures already taken in employment, social inclusion, education and health

• *Need to continue and fully implement* to produce effects
KEY REFORMS (2)

- **Strong labour market institutions**
  - Substantial progress in strengthening the Public Employment Service
    - PES strategy
    - Profiling and segmentation procedures,
    - New approach towards vulnerable groups:
      - NEETs
      - Reinforcement of case management for vulnerable groups
    - Link with social services and integrated teams for NEETs, GMI beneficiaries etc
  - Stronger institutions to **fight undeclared work**
    - Joint controls

*Next steps: continue strengthening PES, fight against undeclared work*
• **Active labour market policies** more oriented to groups furthest away from the labour market
  • more generous ALMPs to increase **take-up**

• better targeted to **disadvantaged groups**, including NEETs, LTU and social assistance beneficiaries, (included for the first time among beneficiaries)

• measures to support internal **mobility**, focus on areas with high unemployment
  • ***Need to avoid creaming and competition between measures***

• **Activation measures in MII law**
  • ALMP target for MII beneficiaries, tapering of benefits
  • Need to strengthen delivery and step up ambition

*Next steps: provide more and well targeted ALMPs, especially to disadvantaged groups*
KEY REFORMS (3)

Disadvantaged groups: shift from benefits only towards services and better link with employment

Benefits:

- Increased adequacy and coverage and increased activation (Minimum Inclusion Income)

Integrated services:

- Anti-poverty package
  (integrated services services and synergies between EU and national budgets)
- Integrated teams (social assistance, education, health)
- Better mapping and provision of services
- Link employment – social services - case management in PES and personalised packages for disadvantaged groups

Next steps: strengthen link between employment, integrated services and benefits
KEY REFORMS (4)

Tackle education disadvantages

- Social coupons for disadvantaged children
- To reduce ESL: after school programmes, scholarships, and motivating teachers to work in disadvantaged schools

Increase the number of crèches

Education and labour market

- Need to step up training programmes and LLL and to link it with the needs of the labour market

Next steps: second chance programmes; training; link to labour market needs
Predictable conditions: the cost of labour force

• Wage increases and macroeconomic fundamentals

• **minimum wage setting mechanism** based on **objective and predictable criteria**, in consultation with **social partners**

For methodology see Arpola et al (2015)
*Source: European Commission*
EC SUPPORT

- **Policy**
- **Legislative initiatives**
- **Funding ESIF Funding** - 8 billion in 2014-2020 – to employment, social inclusion, education, health and good governance
Vă mulțumesc!

Intrebări?