

LINKS BETWEEN EUROPEAN UNION SOME SOCIAL REFORMS FEATURES AND SOCIAL INDICATORS FOR 2011-2021 PERIOD

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Abstract. *Although compared to many other parts of the world, the European Union is a prosperous region, with a relatively low level of social inequality, nevertheless a series of problems persist and often develop in times of crisis (e.g. the global crisis of 2008-2009, the sovereign debt crisis, the COVID-19 crisis). Under the influence of the south-eastern flank of EU27 countries, poverty, social inequity and even the participation of young people in the labor market or in education and training programs seem to suffer significantly from the COVID-19 pandemic. Thus, this study uses panel data from 2011 to 2021 and analyzes it using a regression approach to determine the influence of the characteristics of social policies at the level of EU27 countries on several problematic social indicators such as: At-risk-of-poverty rate by sex, Income quintile share ratio (S80/S20) by sex, Young people neither in employment nor in education and training by sex (NEET). According to the findings of this research, the effect of the characteristics of social policies on the improvement of the above indicators is weak, and the influence comes more from the part of the social indicators on the characteristics of the social policies at the EU27 level.*

Keywords: Social vulnerabilities, Social reforms, European Union

JEL: E61, O15, E66

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Introduction. In the context of the current global challenges: climate change, rising prices, energy crisis, deceleration of economic growth, the need to accelerate digitization, etc. the protests and strikes of citizens from the main countries of the European Union outline the need to understand social desires and not the implementation of unilateral governmental and "autistic" social reforms.

In the Recovery and Resilience Facility, as well as in other national programs and legislative packages and at the level of the European Union (EU27), a series of necessary social reforms are provided for the next period. The extension of the retirement age (e.g. to 64 years in France), the extension of the contribution period, new measures to make the labor market more flexible etc. only support the authorities in regulating budget imbalances, but they do not support the needs of the citizens. The Healthy life years' indicator (Eurostat) shows that the average health age of the EU27 population oscillates around 64 years (starting from 2016 to the present), or the government reforms would aim to leave the workforce simultaneously with the materialization of health problems of the population. The cynicism of these decisions outlines the idea that the national governments and the

Brussels authorities do not understand that after retirement age you may want to live healthy for at least 10 or more years and to be able to enjoy a decent pension and a healthy life at the same time.

For example, instead of increasing the retirement age, pension system reforms should aim at a normalization of incomes between groups of retirees, a transparency of special pensions, a gradual and relatively early replacement (from 50 years and above) of elderly workers with other young people. This gradual replacement could propose ways in which the elderly are obliged to take on new generations of young people as apprentices and thus retire earlier (around the age of 54-55). This would solve the problem of young people without a job, they would also be included in a relatively formal learning and professionalization program, the workforce would be renewed, and young people in turn can teach older workers how to befriend with technology and digitization. In this way, for employers, the transition from one generation of workers to another would have lower costs than at present, and multiple benefits, including increased work efficiency.

Although there can be a lot of solutions with all of this, the difficulties in regulating social problems through social reforms and designing and promoting them is not an easy task (Rosenhead, 1992, Vickers, 1983), especially since, according to Vickers, social relations and practices are based on historically developed appreciative systems.

Thus, those who develop (social) reform policies must, on the one hand, offer an alternative discourse, win the battle for ideas, through a coherent, plausible and legitimate plan, formulating another language, another mission, another philosophy, so another way of institutional functioning, and on the other hand, to provide a regular flow of information about other systems and/or about one's own functioning, which by triggering an institutional reflexivity, have a potential reorganization effects (Tsoukas, 1996).

Therefore, the topic proposed in this study refers to the impact of the characteristics/features of the social reforms carried out so far at the level of the EU27 countries (the observed period 2011-2021) on several important social indicators: the risk of poverty, income inequality and young people excluded from labor market and from the formal education system.

The article's designed structure has introduction as the first section, the second section is reviewing the literature and the methodology is presented in the third section, the fourth section discussing the results, and the fifth section presents a series of conclusions.

Literature review. According to London School of Economics and Political Science (Platt, L., What is social policy? International, interdisciplinary and applied) social policy addresses how societies and states respond to global challenges of social, poverty, migration, demographic and economic change and globalization. In this sense, social policies aim at providing social services from childhood to old age, through educational integration services, training, family support, poverty reduction, unemployment reduction, pensions and medical and social assistance.

Thus, social protection is defined as the set of public measures that a society provides for its members to protect them against social and economic distress that would be caused by the absence or a substantial reduction of income from work as a result of various contingencies, the provision of health care, and, the provision of

benefits for families with children (ILO, 2000, Bonilla García and Gruat, 2003, Mathers and Slater, 2014).

In this sense, the social protection programs guarantee a minimum level of economic and social well-being, serving as safety nets for low-income and vulnerable households and individuals to mitigate the risk of poverty, and as spring boards that enable social mobility and help close inequality gaps (Ali, 2007; OECD, 2019).

At the global level, for approximately six decades, despite the progress made, the dispute regarding the orientation of social policies, towards liberalism or socio-democracy has not yet had a positive finality - the improvement of the material condition and well-being of vulnerable populations.

Thus, in many parts of the world, under the influence of phenomena such as globalization, multiple crises (including epidemical), the regional economic gap, consumerism, individualism, care deficit, the polarization of wealth, etc. social policies are still unable to ameliorate or reduce the consequent inequalities, to reduce poverty and insecurity among children and vulnerable groups and the management of social tensions has become an even more difficult task (Wade, 1990; Ghosh, 2004, pp.23; Chandrasekhar and Ghosh, 2002; Jacobs et al., 2010; Daly, 2022).

Ever since the beginning of the establishment of the European Economic Community and the constituent treaties of the EU, there has been an asymmetry of integration, monetary policies entering the sphere of supranational governance while economic policies (implicitly social ones) were under a less centralized governance (Howarth and Verdun, 2020) leading to vulnerabilities that were reflected in the 2007-2008 crisis (Sabato, Vanhercke and Guio, 2022).

The previous crises to the COVID-19 crisis at the level of the European Union (e.g. the global financial crisis of 2007-2008, the sovereign debt crisis of 2011-2012) were treated either in a Keynesian or neo-Keynesian manner with disruptive effects not only economically, but also socially.

Thus, the social and labor market policies, under the neoliberal narrative, had in mind a deregulatory approach aimed at the greater flexibility in the labor market regarding the entry and exit from the market and the decrease of labor costs (Piasna and Myant, 2017), and the structural reforms have led to the deterioration of working conditions, the reduction of social cohesion, the increase of inequality and poverty in many EU countries (Theodoropoulou, 2015).

These aspects are highlighted especially by the fact that within the monetary union model (in our case - EMU) employment and social policies have thus become adjustment variables in the event of a shock (Degryse et al. 2013, Rainone and Pochet 2022, pp.5-6 and pp.29).

Launched at the beginning of 2020, the COVID-19 crisis brought to light unprecedented national and especially European initiatives, including the NextGenerationEU (NGEU) recovery strategy, which was perceived as a clear orientation towards a more integrated, solidaristic and politically mature Union (Schmidt 2022, Rainone and Pochet 2022, pp.5). However, the capacity of this program and other European programs and initiatives remains to be seen in the context of the energy crisis, the war in Ukraine and the increase in prices, especially for basic products and fuels throughout the European continent.

This can be intensely debated, especially as the social component of the NGEU and of the other EU initiatives is rather weak, due partly to the fact that the European Pillar of Social Rights (EPSR) and the Social Scoreboard have no binding force

(Rasnača 2017, Rainone and Pochet 2022, pp.29). Therefore, against the background of the effects of the Covid-19 pandemic and a temporary fiscal relaxation at the EU level, the rethinking/re-establishment of the rules could also come with the opportunity to strengthen the Social dimension of the EU by establishing a Social Imbalances Procedure (SIP), integrated with the Macroeconomic Imbalance Procedure (MIP) and the procedures for implementing the Stability and Growth Pact (SGP) (Sabato, Vanhercke and Guio, 2022).

Based on the above studies, on the most recent social reports and documents from the EU level, and on the EPSR Social Scoreboard, the present study chose only three social indicators considered significant and which describe quite well the social vulnerabilities of EU level.

Recent studies that describe and analyze the features of the present social reforms and especially their effects on other social and macroeconomic variables are practically extremely limited. In this sense, as a novelty, the present study opens the area of analysis between the characteristics of social reforms at the EU27 level and a series of social indicators specified as important by European reports and studies.

Research methodology. This study investigates the impact or rather the connections between the features of social policies at the EU27 level on several social variables that describe the vulnerabilities of the social dimension at the EU27 level.

The features of the social reforms are taken from the Labor Market Reform Database (LABREF), and the analyzed social indicators are taken from the Eurostat database. The analysis period is 2011-2021, and the systematization of data is panel type, centralizing the information from the level of the 27 member states. Where the series stop in 2019, they are extended by extrapolation for the next two years and where the data are missing, they are interpolated or proxies are used, which is why the results must be viewed with caution.

Simplifying, table 1 presents the information regarding the used variables, notations and data sources.

Table 1. Variable description and data source

Variables' notation	Variable Description	Source
ARPR	AT-RISK-OF-POVERTY RATE BY SEX	Eurostat [TESSI010]
IQSRS80/S20	INCOME QUINTILE SHARE RATIO (S80/S20) BY SEX	Eurostat [TESSI180]
NEET	YOUNG PEOPLE NEITHER IN EMPLOYMENT NOR IN EDUCATION AND TRAINING BY SEX (NEET)	Eurostat [SDG_08_20]
PDOM	POLICY DOMAIN	LABREF
DUR	DURATION	LABREF
LAGS	IMPLEMENTATION END DATE (Implementation lags)	LABREF
MDIR	MEASURE DIRECTION	LABREF
YOUTH	YOUTH TARGET	LABREF
SCOPE	SCOPE	LABREF
PACKEMB	PACKAGE EMBEDDED	LABREF

Source: Author's selection

The regression models verified in this article is presented below:

Arpr = f (PDOM, DUR, LAGS, MDIR, YOUTHT, SCOPE, PACKEMB) (1)

IqsrS80/S20= f (PDOM, DUR, LAGS, MDIR, YOUTHT, SCOPE, PACKEMB)
(2)

NEET= f (PDOM, DUR, LAGS, MDIR, YOUTHT, SCOPE, PACKEMB) (3)

Generically, the equations are represented as:

$$Y = \alpha + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + \beta_5 x_5 + \beta_6 x_6 + \beta_7 x_7 + \varepsilon$$

Where:

Y= the dependent variables chosen successively as: ARPR - At-risk-of-poverty rate by sex, IqsrS80/S20 - Income quintile share ratio (S80/S20) by sex, NEET - Young people neither in employment nor in education and training by sex (NEET);

α = Constant; $\beta 1-6$ =Slope or $x1-X6$ coefficients;

$x1-x7$ = the coefficients of the regression or the independent variables, or PDOM – policy domain, DUR – duration, LAGS - implementation end date (if there are lags), MDIR - measure direction, YOUTHT – youth target, SCOPE – scope, PACKEMB -package embedded;

ε = error term.

In Table 2, the initial information selected from the LABREF database is coded.

Table 2. The attributes of the social reforms of the EU27 countries and their notations

SOCIAL REFORM ATTRIBUTES	NOTING THE STATES OF THE SOCIAL REFORM ATTRIBUTES (the value is in brackets)
POLICY DOMAIN	Labour taxation (10); Unemployment benefits (9); Other welfare-related benefits (8); Active labour market policies (7); Job protection (EPL) (6); Early Withdrawal (5); Wage setting (4); Working time (3); Immigration (2); Mobility (1)
DURATION	Permanent (2); Temporary (1); No data (0)
IMPLEMENTATION END DATE (Implementation lags)	Permanent (3); Same year (2); Another year in relation to the one of recording the reform, or lags existence (1); No data (0)
MEASURE DIRECTION	Increasing (3); Decreasing (2); No change (1); No data (0)
YOUTH TARGET	Yes (2); No (1); No data (0)
SCOPE	Both incumbent and new entrants (3); Only current incumbents (2); Only new entrants (1); No data (0)
PACKAGE EMBEDDED	Yes, reform package (3); Yes, policy programme (2); No (1); No data (0)

Source: Author's conception.

Main results. Based on the above information, we can construct an Augmented Dickey-Fuller (ADF) unit root test and present the descriptive statistics of the models. The Table 3 demonstrates that all of the variables utilized in this

investigation are stable at order 0.

Table 3. Unit root test result

Variables ADF	T-statistic	Mackinnon critical value at 5%	P-value	Order of integration	Remarks
Arpr	-4.239	-3.425	0.004	I(0)	Stationary
IqsrS80/S20	-4.234	-3.425	0.005	I(0)	Stationary
NEET	-4.279	-3.425	0.004	I(0)	Stationary
PDOM	-10.809	-3.425	0.000	I(0)	Stationary
DUR	-11.699	-3.425	0.000	I(0)	Stationary
LAGS	-11.856	-3.425	0.000	I(0)	Stationary
MDIR	-10.887	-3.425	0.000	I(0)	Stationary
YOUTH	-11.689	-3.425	0.000	I(0)	Stationary
SCOPE	-11.620	-3.425	0.000	I(0)	Stationary
PACKEMB	-12.073	-3.425	0.000	I(0)	Stationary

Source: Author's computation, Eviews processing, Eurostat and LABREF data.

The mean values of the variables, the median, the standard deviation, the skewness, as well as kurtosis, are shown in *Table 4*.

Table 4. Descriptive statistics

	ARPR	IQSR80_S20	NEET	PDOM	DUR	LAGS	MDIR	YOUTH	SCOPE	PACKEMB
Mean	16.581	4.868	13.667	62.003	20.211	28.661	31.579	8.558	22.253	12.504
Median	16.000	4.500	12.900	54.000	17.000	24.000	27.000	7.000	18.000	8.000
Maximum	25.400	8.320	28.500	232.000	95.000	140.000	129.000	54.000	100.000	118.000
Minimum	8.600	3.030	5.500	4.000	1.000	1.000	2.000	0.000	0.000	0.000
Std.dev.	3.824	1.166	5.062	38.841	13.081	19.019	18.152	7.927	18.786	15.578
Skewness	0.238	0.745	0.614	1.312	1.889	1.886	1.616	2.121	1.626	3.150
Kurtosis	2.153	2.673	2.720	5.411	8.766	8.882	7.102	9.493	6.274	16.785
Jarque-Bera	11.678	28.8296	19.688	157.203	588.320	604.264	337.614	744.530	263.586	2842.981
Prob.	0.002	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Sum	4924.79	1446.01	4059.10	18415.06	6002.82	8512.36	9379.18	2541.96	6609.40	3713.956
Sum Sq.Dev.	4329.16	402.981	7585.597	446553.4	50651.1	107071.9	97539.32	18602.51	104462.8	71837.35
Obs.	297	297	297	297	297	297	297	297	297	297

Source: Author's computation, Eviews processing, Eurostat and LABREF data.

The standard deviation, with some exceptions, shows in most cases close to the average, being below the average for the targeted explanatory indicators, except for PACKEMB.

So we can notice that the values are grouped around the average. Also, the mean and median are close in value for all the predictive variables investigated, showing a relatively symmetrical distribution.

We notice that the independent variables are above the value of 1, which indicates that they are substantially and positively skewed, and the kurtosis is above 3 for all these variables, which indicates that the distribution is leptokurtic, producing more values than a normal distribution.

In *Tables 5, 6, 7* results show that the data set is free from heteroskedasticity, multicollinearity and the models used in this study are appropriate and firm.

Table 5. The assessment of results for ARPR

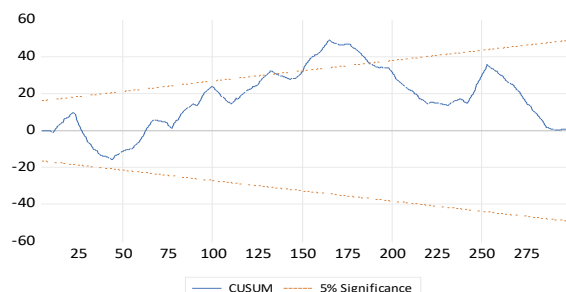
Fact-findings verifications	F - Statistics	P-value	Result analysis	Observations
Ramsey RESET - Stability test	0.0296	0.8636	$p > 0.05$	Firm model
Heteroskedasticity Test: Breusch-Pagan-Godfrey	1.0286	0.3588	$p > 0.05$	No Heteroskedasticity
Multi-Collinearity test for initial equation	Coefficient variance	Centered VIF	Result analysis	Observations
PDOM	0.0000	6.5658	$VIF < 10$	No interconnectivity of independent variables
DUR	0.0140	225.0523	$VIF > 10$	Interconnectivity of independent variables
LAGS	0.0051	175.2575	$VIF > 10$	Interconnectivity of independent variables
MDIR	0.0004	12.0393	$VIF > 10$	Interconnectivity of independent variables
YOUTH	0.0007	4.3246	$VIF < 10$	No interconnectivity of independent variables
SCOPE	0.0001	4.6813	$VIF < 10$	No interconnectivity of independent variables
PACKEMB	0.0002	3.9027	$VIF < 10$	No interconnectivity of independent variables
CUSUM test				

Table 6. The assessment of results for IQSRS80/S20

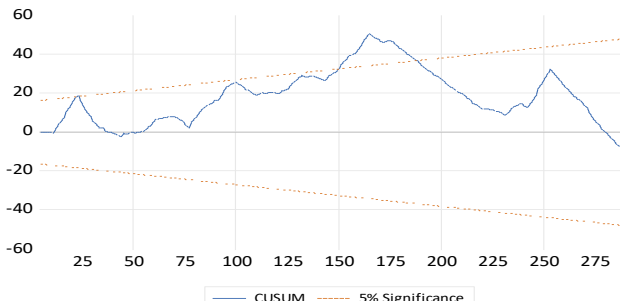
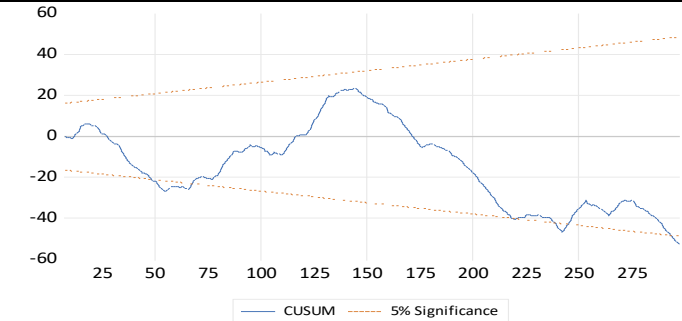
Fact-findings verifications	F - Statistics	P-value	Result analysis	Observations
Ramsey RESET -Stability test	0.330503	0.5658	$p > 0.05$	Firm model
Heteroskedasticity Test: Breusch-Pagan-Godfrey	1.906893	0.1504	$p > 0.05$	No Heteroskedasticity
Multi-Collinearity test for initial equation	Coefficient variance	Centered VIF	Result analysis	Observations
PDOM	0.0000	6.480397	$VIF < 10$	No interconnectivity of independent variables
DUR	0.0057	225.4654	$VIF > 10$	Interconnectivity of independent variables
LAGS	0.0021	175.7703	$VIF > 10$	Interconnectivity of independent variables
MDIR	0.0002	12.00065	$VIF > 10$	Interconnectivity of independent variables
YOUTH	0.0003	4.089695	$VIF < 10$	No interconnectivity of independent variables
SCOPE	0.0001	4.5814	$VIF < 10$	No interconnectivity of independent variables
PACKEMB	0.0001	3.8620	$VIF < 10$	No interconnectivity of independent variables
CUSUM test				

Table 7. The assessment of results for NEET

Fact-findings verifications	F - Statistics	P-value	Result analysis	Observations
Ramsey RESET -Stability test	1.29973	0.2552	$p > 0.05$	Firm model
Heteroskedasticity Test: Breusch-Pagan-Godfrey	1.065155	0.3798	$p > 0.05$	NoHeteroskedasticity
Multi-Collinearity test for initial equation	Coefficient variance	Centered VIF	Result analysis	Observations
PDOM	0.000306	6.4804	$VIF < 10$	No interconnectivity of independent variables
DUR	0.0939	225.4654	$VIF > 10$	Interconnectivity of independent variables
LAGS	0.0346	175.7703	$VIF > 10$	Interconnectivity of independent variables

Fact-findings verifications	F - Statistics	P-value	Result analysis	Observations
MDIR	0.0026	12.0007	VIF>10	Interconnectivity of independent variables
YOUTH	0.0046	4.0897	VIF<10	No interconnectivity of independent variables
SCOPE	0.0009	4.5814	VIF<10	No interconnectivity of independent variables
PACKEMB	0.0011	3.8620	VIF<10	No interconnectivity of independent variables
CUSUM test				

Source: Author's computation, Eviews processing, Eurostat and LABREF data.

Indicators whose VIF value is over 10 are eliminated from the three regression equations subsequent. Thus, tables 8, 9 and 10 present the selected final equations results.

Table 8, 9 and Table 10 shows the connection between the predictor variables and the response variable (ARPR, IQSRS80/S20 and NEET).

The R-squared of 6.77 percent for ARPR, 7.41 percent for IqsrS80/S20 and 16.8 percent for NEET are quite small but indicate a positive relationship. As a result of this finding, it is possible to conclude that the features of social reforms determine to a small extent the evolution of the followed social indicators.

The F-statistics p-value is less than 5%, indicating that the models are acceptable. The p-vau is only suitable for the youth target of the reform programs (YOUTH) in explaining the evolution of the risk of poverty (ARPR) and income inequality (IQSRS80/S20).

Table 8. The regression result for ARPR

R-squared	0.067727	Mean dep.var.	16.58180
Adjusted R-squared	0.061385	Akaike inf crit.	5.467348
F-statistic	10.67908	Schwarz crit.	5.504659
Prob.(F-statistic)	0.000033	Hannan-Quinn crit.	5.482285
Sum sqrd.resid.	4035.968	Durbin-Watson stat.	0.334100
Variable	Coefficient	t-Statistic	Prob.
C	15.59924	49.25828	0.0000
YOUTH	0.173834	4.217411	0.0000
PACKEMB	0.040404	-1.926323	0.0550

Note: Dependent Variable: ARPR; Method: Least Squares; Included observations: 297.

Table 9. The regression result for IQSRS80/S20

R-squared	0.074170	Mean dep.var.	4.868725
Adjusted R-squared	0.067872	Akaike inf crit.	3.086172
F-statistic	11.77651	Schwarz crit.	3.123482
Prob.(F-statistic)	0.000012	Hannan-Quinn crit.	3.101109
Sum sqrd.resid.	373.0920	Durbin-Watson stat.	0.318951
Variable	Coefficient	t-Statistic	Prob.
C	4.546064	47.21469	0.0000
YOUTH	0.053627	4.279166	0.0000
PACKEMB	-0.010901	-1.709392	0.0884

Note: Dependent Variable: IQSRS80/S20; Method: Least Squares; Included observations: 297.

Table 10. The regression result for NEET

R-squared	0.168093	Mean dep.var.	13.66700
Adjusted R-squared	0.162434	Akaike inf crit.	5.914319
F-statistic	29.702448	Schwarz crit.	5.951629
Prob.(F-statistic)	0.000000	Hannan-Quinn crit.	5.929255
Sum sqrd.resid.	6310.510	Durbin-Watson stat.	0.417430
Variable	Coefficient	t-Statistic	Prob.
C	10.51216	20.71210	0.0000
PDOM	0.030766	3.152152	0.0018
SCOPE	0.056046	2.777282	0.0058

Note: Dependent Variable: NEET; Method: Least Squares; Included observations: 297.
Source: Author's computation, Eviews processing, Eurostat and LABREF data.

In *Table 10* it can be seen that the p-value indicates that the policies field (PDOM) and the area of action (SCOPE) are good predictors for the evolution of NEET (young people who are neither in the training and education programs nor on the labor market). We notice that for the first two independent variables (ARPR and IQSRS80/S20), another explanatory indicator could have been also PACKAGE EMBEDDED (PACKEMB), which underlines the need for well-articulated policies and reform packages.

The Granger causality test (*Table 11*) with a probability below 0.05, shows that rather the influence comes from social indicators on the features of social reforms than vice versa, suggesting the need for more substantial, better coordinated and more effective social reforms at the level of EU27 countries.

Table 11. The GRANGER causality test results

Pairwise Granger Causality Tests		
Sample: 1297		
Lags: 2		
Obs: 295		
Null Hypothesis:	F-Statistic	Prob.
ARPR does not Granger Cause DUR	3.04010	0.0494
ARPR does not Granger Cause MDIR	3.59510	0.0287
ARPR does not Granger Cause PACKEMB	4.55665	0.0113
ARPR does not Granger Cause SCOPE	4.61660	0.0106
ARPR does not Granger Cause YOUTH	6.45409	0.0018
IQSRS80_S20 does not Granger Cause DUR	6.96722	0.0011
IQSRS80_S20 does not Granger Cause LAGS	6.74269	0.0014
IQSRS80_S20 does not Granger Cause MDR	7.24521	0.0009
IQSRS80_S20 does not Granger Cause PACKEMB	7.98482	0.0004
IQSRS80_S20 does not Granger Cause PDOM	5.31545	0.0054
IQSRS80_S20 does not Granger Cause SCOPE	8.44478	0.0003
IQSRS80_S20 does not Granger Cause YOUTH	10.3271	5.E-05
MDIR does not Granger Cause DUR	4.12137	0.0172
MDIR does not Granger Cause LAGS	4.83670	0.0086
MDIR does not Granger Cause YOUTH	6.24417	0.0022
NEET does not Granger Cause DUR	8.68676	0.0002
NEET does not Granger Cause LAGS	7.90193	0.0005
NEET does not Granger Cause MDIR	7.65775	0.0006
NEET does not Granger Cause PACKEMB	12.5033	6.E-06
NEET does not Granger Cause PDOM	8.91969	0.0002
NEET does not Granger Cause SCOPE	11.0150	2.E-05
NEET does not Granger Cause YOUTH	20.8559	3.E-09
PDOM does not Granger Cause DUR	4.14283	0.0168
PDOM does not Granger Cause LAGS	4.53104	0.0115
PDOM does not Granger Cause YOUTH	7.91970	0.0004
PACKEMB does not Granger Cause SCOPE	3.33124	0.0371
SCOPE does not Granger Cause YOUTH	6.03787	0.0027

Source: Author's computation, Eviews processing, Eurostat and LABREF data.

Thus, the At-risk-of-poverty rate Granger causes the duration, direction and scope of the reform, as well as if the reform is oriented towards youth and if it is part of a reform package. Income quintile share ratio (S80/S20) Granger causes the domain, the direction, the scope, the lags and if the reform is oriented towards the youth or if it is part of a complex reform program. Also, NEET Granger causes the domain and scope of the reform, but also if the reform is aimed at young people or if it is part of a larger reform program.

It should be noted that the relationship between the characteristics is also complex. For example, the domain and direction of the reform influence the duration and lags, and the domain, scope and direction of action of the reform influence whether or not the reform is oriented towards the youth.

Discussion and conclusions. Epidemiological developments (the COVID-19

crisis), climate changes, growing international tensions, hegemonic ambitions, war, natural and man-made disasters make an increasing number of people annually take the path of wandering to more favorable places, including the more developed countries of the European Union, thus putting constant pressure on the social policies of the EU27 and the member states.

Social policies and social protection in general are quite high, compared to other areas of the world, within the European Union. However, unemployment, poverty, international and regional migration, the aging of the population, the precarious birth rate and regional disparities seriously hinder the achievement of the social objectives of the Union.

Social policies are extremely important for a good functioning of the labor market, as well as for a fair program of social benefits. However, the need for reform is sometimes produced with a haste that undermines the very goals of these reforms. Thus, social equity is set aside in front of the need for fiscal balances and no attempt is made to harmonize the two goals.

In this sense, the study tries, navigating the cloudy framework of the social reforms of the EU27, to highlight the connection between a series of features of the social reforms (such as the field of policies, the typology of duration, the implementation lag, the direction of the measures taken, targeting the youth or not, the purpose of reforms and belonging to a package of reforms) and three social indicators that highlight the vulnerabilities of the social field: poverty risk (ARPR), income inequality (IQSRS80/S20) and young people neither in employment nor in education and training (NEET).

The results show that although the links are relatively modest, for the risk of poverty (ARPR) and income inequality (IQSRS80/S20), targeting the youth seems an important feature in explaining the evolution of the two indicators. This should not seem surprising considering that young people, children, women and the elderly are the social categories most vulnerable to adverse social developments, implicitly those of the labor market. Also, the young people who are not employed but not in any training program, although they are not directly affected by their targeting in the social reforms (YOUTH) are still affected by the characteristic of the broad field of reform (PDOM) and the area of action (SCOPE – e.g. new entrants or pre-existing or and new entrants and pre-existing ones).

The results of the Granger causality explain even better the lack of efficiency of the reform programs at the level of the EU27 states, the causality coming rather from the problematic indicators (poverty, inequity and socially uninvolved youth) on the features of the social reform programs.

Therefore, social reforms must be carried out with special attention, they must be seen holistically, incorporating numerous economic and social realities that must be addressed, they must be analyzed through the prism of past effectiveness (e.g. what did not work in the past may not work now either), must have vision etc. Technology, digitization, young people, energy crisis, international labor migration, disobedient climate, etc. therefore, they should not be seen as problems, but only as challenges that, most of the time, correctly incorporated into holistic reform packages (so not only social!) give not only good solutions in the short term, but also moral and correct solutions in the medium and long term.

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