



RECOVERY AND RESILIENCE SCOREBOARD

Thematic analysis

Employment and Labour Market

NEXT
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EU

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This paper is part of a series of thematic analysis undertaken by the European Commission to illustrate the impact of the Recovery and Resilience Facility (RRF). The RRF is the European Union's largest ever funding instrument and is intended to support European economies and societies to recover from the Covid-19 pandemic and build resilience against future shocks. EU Member States commit to implement ambitious reforms and investments and receive funds from the RRF when they achieve these commitments.

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Policy Overview

In spite of a major drop in GDP in 2020, comprehensive policy measures swiftly adopted at the national and EU level contributed to cushioning the labour market impact of the pandemic. Overall, job losses in 2020 have been limited compared with those observed during the 2008 financial and economic crisis, thanks to the short-time work schemes and similar job retention measures put in place. The EU economy rebounded strongly in 2021 and the average unemployment rate has recently decreased below 7%, close to the pre-crisis level (6.6% in Q4 2019). Unemployment remains however significant in some Member States, with rates still above or close to 10% in some Member States. The employment rate (20-64) has recovered partially to 72.8% in Q2 2021 but is still slightly below the Q4 2019 peak (73.4%). With women overrepresented in several occupations that were vital and required for continuous work during the crisis, employment rates during the crisis dropped more for men than for women, reducing slightly the gender employment gap, which remains nonetheless large (11%). Overall, employment is projected to increase by 0.8% in 2021 and by 1% in 2022, followed by a more modest increase of 0.6% in 2023.

Green transition, digitalisation, globalisation and demographic trends are having a major impact on the labour markets. The COVID-19 crisis has further accelerated many of these trends, exposing the need to further adapt labour market institutions, build inclusive education, training and welfare systems and promote quality jobs as a cornerstone of economic growth.

Almost all Member States received a country-specific recommendation directly linked to employment support and labour market in the last two years. In particular, a majority of Member States were asked in 2020 to 'mitigate the employment impact of the crisis and to strengthen jobs support', while various more specific structural challenges were also identified. The plans submitted by Member States focus on investments and reforms to address the key structural challenges identified in the context of the European Semester as well as challenges related to the twin transition.

Against this backdrop, Member States included in their recovery and resilience plans a range of reforms and investments to support job creation and the modernisation of their labour market. In particular, the measures support the transition to new sectors and job types, improve the efficiency of labour market regulations and institutions, and strengthen the labour market integration of groups with lower labour market participation, including women. In the medium term, the Recovery and Resilience Facility (RRF) will contribute to labour market recovery in the aftermath of the pandemic and to make EU labour markets better prepared when the next crisis hits.

Several EU funds and instruments support employment in the Member States and complement the measures taken in the recovery and resilience plans, such as the European Social Fund Plus (ESF+), the European Globalisation Adjustment Fund for Displaced Workers (EGF), the Temporary Support to Mitigate Unemployment Risks in an Emergency (SURE), or the Employment and Social Innovation (EaSI) programme.

The employment measures included in the recovery and resilience plans provide a key contribution to the EU strategic policy objectives. In particular, the reforms and investments will support the implementation of the principles of the European Pillar of Social Rights. The EU policy framework for employment and the labour market has been strengthened

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over the last years to ensure a sustainable and inclusive recovery. A number of key initiatives have recently taken place at EU level, including:

- **The European Pillar of Social Rights Action Plan:** Adopted on 4 March 2021, the Action Plan put forward a number of initiatives aimed at turning the Pillar principles into concrete actions to benefit citizens. It also proposed headline targets on employment, skills and poverty reduction¹ for the EU to reach by 2030, which were later welcomed by the EU leaders at the Porto Social Summit on 8 May 2021 and by the European Council on 25 June.
- **The Recommendation on effective active support to employment (EASE):** On 4 March 2021, the Commission outlined in its recommendation a strategic approach to gradually transition between emergency measures taken to preserve jobs during the pandemic and new measures needed for a job-rich recovery. EASE provides guidance to Member States on active labour market policies and lays down how Member States could use EU funds to support EASE policies, including those available under NextGenerationEU and the Recovery and Resilience Facility. Member States are invited to develop coherent policy packages that should comprise three components: (1) hiring incentives and entrepreneurial support, (2) upskilling and reskilling opportunities, and (3) enhanced support by employment services, with a special focus on young people and workers of all ages in the sectors worst affected by the pandemic.
- The Reinforced **Youth Guarantee:** The Youth Guarantee has been reinforced in October 2020 in various aspects. Its coverage has been broadened to cover people up to 30 years of age. Its inclusiveness has also been strengthened by focusing more on prevention and outreach to the hardest-to-reach. It also links the Youth Guarantee more clearly to existing quality frameworks (notably the Pillar of Social Rights, the Quality Framework for Traineeships and the European Framework for Quality and Effective Apprenticeships) and calls for reinforcing the post-placement support.
- The proposal for a **Directive on adequate minimum wages:** In October 2020, the Commission published a proposal to establish a framework to improve the adequacy of minimum wages and to increase the access of workers to minimum wage protection.

Employment² in the recovery and resilience plans

Overview of the plans³

Employment and active labour market policies are a key aspect of the recovery and resilience plans for most Member States. Around EUR 17,4 billion are expected to be invested in employment support and the modernisation of labour market institutions. This corresponds to 3,9% of the total grants and loans under the RRF. These investments often accompany reforms to increase the functioning and inclusiveness of the national labour markets. The plans include in particular measures to support job creation and the transition to new sectors and job types, boost employment and improve labour market performance and resilience, focusing in particular on improving the efficiency of their public employment services, activation support for jobseekers, and increasing participation of women, young people, and vulnerable groups in the labour market. The implementation of these specific employment measures is complemented by investments and reforms (such as in the areas of education, training, innovation and competitiveness) to support a fully functioning and inclusive labour market.

¹ At least 78% of the 20-64 population should be in employment; at least 60% of people aged 25-64 should participate in learning activities each year; and the number of people at risk of poverty or social exclusion should decrease by at least 15 million compared to 2019.

² The area of "Employment" that is considered here does not include adult learning, upskilling and reskilling reforms and investments.

³ The figures in this thematic analysis are based on the pillar tagging methodology for the Recovery and Resilience Scoreboard and correspond to the measures allocated to the policy areas "Employment support" and "Modernisation of labour market institutions" as primary or secondary policy areas.

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Employment and Labour Market

Expenditure in EUR billions, per Member State



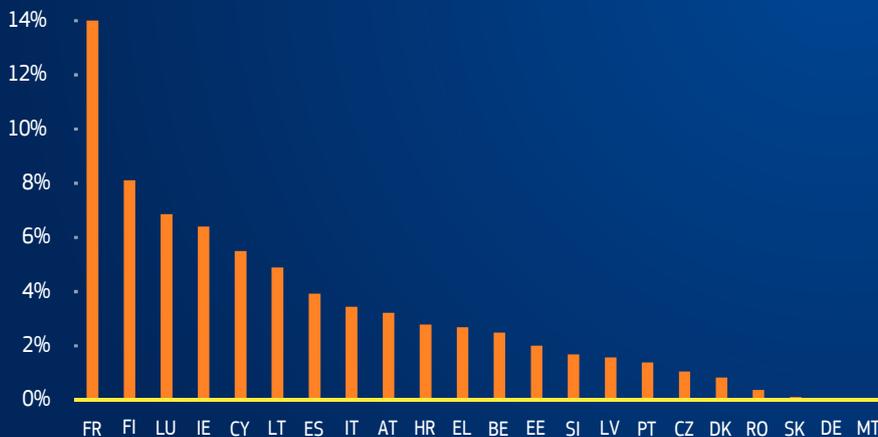
IT (6,61)	FR (5,74)	ES (2,74)	EL (0,84)	PT (0,23)	HR (0,18)
FI (0,17)	BE (0,15)	AT (0,14)	RO (0,11)	LT (0,11)	CZ (0,07)
CY (0,07)	SI (0,04)	IE (0,06)	LV (0,03)	EE (0,02)	DK (0,01)

Member States invest in a variety of activation policies to support the job creation and the employability of its working population. Some Member States are implementing in particular targeted and time-limited hiring subsidies for specific groups of workers to help job creation or transitions and support specific economic sectors to recover

The Recovery and Resilience Facility supports Member States to strengthen and modernise their public employment services. The recovery and resilience plans include measures to provide more efficient and targeted support to jobseekers, in particular to disadvantaged workers, such as digitalisation, process optimisation, staff training, recruitment of temporary staff. Member States aim at monitoring more closely the labour market developments and to support more actively workers in transition to adapt to rapidly changing labour environment.

Share of Employment and Labour Market expenditure

% of total estimated cost per Member State



One of the main focuses of labour market investments is the integration of young jobseekers, in particular with low skills or lacking work experience. Many measures aimed at job creation and at activation include a dedicated approach for young people, for instance with specific hiring subsidies or career guidance. Member States strengthen apprenticeship programmes, support training activities or offer first job experience and traineeships, focusing in particular on persons not in education, employment, or training, in line with the objectives of the Youth Guarantee.

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Many Member States are also focusing their active labour market policies on the integration of groups furthest away from the labour market, such as long-term unemployed, older workers, people with disabilities, migrants and people with a migrant background. Dedicated support from public employment services, often integrated with other forms of social support, should help them better integrate the labour market. In some instances, workplaces are also expected to be adapted to new forms of work and integrate workers with specific needs.

Some measures also focus on the participation of women in the labour market and the reduction of the gender pay gap. These include specific hiring subsidies for under-represented gender in a given profession, up-and re-skilling, better monitoring of the gender pay gap, or support for female entrepreneurship. More generally, the reduction of the gender employment and wage gaps should benefit also from other types of investments included in the plans, in particular those aiming at improving access to early childhood education and long-term care.

Member States include a number of key labour market reforms to improve resilience, reduce segmentation and adapt to new forms of work. These reforms focus in particular on enhancing and modernising active labour market policies in an integrated manner, and strengthening the link between the activation support and the evolving needs in labour markets. Some Member States will also adapt labour market regulations and institutions to take into account the rapid changes of the work environment (e.g. teleworking, platform work). The recovery and resilience plans also address the structural issue of high labour market segmentation (i.e. the high incidence of temporary contracts) by making open-ended contracts more attractive for employers but also by fighting abuse of non-standard work contracts and undeclared work.

Examples of measures in the main policy areas

1) Activation support for long-term unemployment

→ Ireland – Work Placement Experience Programme – EUR 27 million

This labour market initiative aims to keep at least 10 000 persons who have been unemployed for six months or more close to the labour market. The goal is to provide them with a quality work experience to increase their employability and increase the likelihood of their return to full employment once the placement concludes. The investment will offer subsidised work placements for six months in a host organisation, committed to providing or facilitating access to training (minimum 60 hours). Beneficiaries will in parallel receive support from public and private employment services (interview trainings, career advice, network expansion, building digital skills). In addition, each participant is assigned to a mentor in the host organisation who will review and monitor the participants' progress on a monthly basis.

2) Support for young workers and entry into the labour market

→ Slovenia - Faster entry of young people into the labour market – EUR 27.5 million

The investment provides financial incentives for employers to hire young people up to 25 years of age on open-ended contracts. Employers should also commit to provide an appropriate mentor, to assist and train young people in a specific job. During the 18-month subsidy period, young people are expected to acquire additional competences to exercise the profession and enhance their theoretical knowledge with work experience. During this period, the new employee and their mentor should be involved in training of at least 30 hours with a focus on improving digital competences.

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3) Participation of women

→ Italy – Supporting female entrepreneurship – EUR 400 million

The objective of this measure is to contribute to labour market participation of women and, in particular, to support women's participation in business activities. The investment will encourage the creation of women's enterprises through support to female entrepreneurs, support to the implementation of innovative business projects, mentoring and training, and communication actions.

4) Strengthening the Public Employment Services

→ Lithuania – Digitalisation and optimisation of employment service – EUR 7.1 million

The aim of the measure is to modernise employment services and increase customer orientation through digitalisation, in particular by the creation of an employment platform. This new multifunctional IT tool will be linked to a life-long learning system, a career guidance system and other country information systems and should provide at least 90% of the services digitally. The new tool is expected to free up the necessary resources for more individualised services to job seekers and employers, to contribute to increased access to these services and to a better matching of employers and employees, with the potential to shorten the period of return to the labour market for the unemployed.

5) Labour Market organisation and legislation

→ Spain – Reform of employment contracts

This reform consists in amending existing regulations on the use of temporary contracts to promote the use of open-ended contracts. The reform will in particular simplify and reduce the types of work contracts available (open-ended, temporary and training/apprenticeship) and limit the conditions under which temporary contracts can be used. It will provide an adequate framework for apprentices to enter the labour market, reinforce the use of open-ended contract for seasonal activities, strengthen controls to prevent irregular working time and fight against labour fraud, including by updating the sanctioning system.

Country overview

For all Member States, the listed relevant components are based on the Council Implementing Decision.

Austria

Allocation: EUR 144.80 million. Relevant components: 3 and 4

Austria is planning to implement a one-stop-shop for the long-term unemployed facing multiple barriers to placement

and inclusion on the labour market. The aim is to provide coordinated support to address those multiple barriers and to facilitate access to qualification and training. The Austrian plan includes also important measures for the integration of the unemployed, including the low-skilled and long-term unemployed into the labour market, notably also in a crisis situation and in a period where new qualifications are required. In addition, certain other measures (i.e. improved

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offer of quality childcare facilities) are expected to boost the full-time labour market participation of women.

Belgium

Allocation: EUR 147.01 million. Relevant components: 2.2, 4.2, and 5.1

Belgium's recovery and resilience plan includes measures aimed at increasing the employment rate while ensuring an inclusive labour market. Several measures aim to strengthen labour market participation, notably by enhancing and improving the training offer to cover skills shortages, fostering life-long learning and providing more personalised support to jobseekers by the public employment services. Belgium envisages a pension reform alongside specific measures aiming to foster the employability of older workers. Furthermore, to enhance activation and make (part-time) employment financially more rewarding, a more gradual withdrawal of benefits is envisaged for people on unemployment benefits or an integration income who start working. Investments in dedicated and individualised training and support aimed at ensuring an inclusive labour market are specifically targeted towards the most vulnerable groups, including people with a migrant background, women, people with disabilities, prisoners and people at risk of digital exclusion. Specific measures are also designed to combat discrimination on the labour market.

Cyprus

Allocation: EUR 66.48 million. Relevant components: 3 and 5.2

Labour market measures in the Cypriot recovery and resilience plan aim to enhance labour market dynamics and working conditions. The plan envisages legislative changes expanding social security coverage to self-employed and non-standard forms of employment. It also envisages making flexible working arrangements in the form of telework more widely available, including a hiring incentive scheme for employers to hire people that will (partly) telework. This will also facilitate the full-time labour market participation of carers, notably women, and people with limited mobility. Key measures include strengthening the effectiveness of the public employment services to foster equal opportunities and access to the labour market, especially for young people not in employment, education or training. Youth employment is further supported by a dedicated hiring incentive

scheme incorporating training and coaching offers for young people. In addition, measures addressing the skills mismatch between the labour market and the secondary and higher education system are also expected to have a positive effect on the labour market.

Czechia

Allocation: EUR 73.64 million. Relevant component: 3.3

Czechia's recovery and resilience plan includes a legislative reform to better target active labour market policies to the most vulnerable groups. In addition, other measures are also expected to have a positive effect on the labour market. A measure aims at supporting the successful launch of new enterprises across Czechia and will include advisory, consultancy and mentoring services via regional innovation and business hubs to newly established business initiatives and start-ups as well as awareness raising campaigns to promote entrepreneurship. Key measures also include upskilling and reskilling programmes aiming at providing 130.000 people skills needed for the digital transition and Industry 4.0. The construction of new childcare facilities (or adaptation of existing ones) will also foster the labour market participation of women.

Estonia

Allocation: EUR 20 million. Relevant component: 6

The Estonian plan includes a labour market measure on youth employment. The 'My first job' (M1T) scheme will provide a wage subsidy paid to the employer and the reimbursement of the training costs of a young person. The measure will be integrated with other services, in particular with follow-on support to young people and employers, beyond the start of the employment relationship. Estonia will also implement a Youth Guarantee Action Plan to support youth employment, including upskilling, outreach and prevention of NEET-situation. Furthermore, to reduce the gender pay gap, Estonia will roll out a digital tool to help employers collect data based on which they can take effective actions.

Germany

Allocation: EUR 0 million. Relevant component: 4.1

If no investment in Germany's recovery and resilience plan is focusing directly on employment support, it mobilises

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resources to improve access to the labour market and to strengthen apprenticeship opportunities, thereby supporting the labour market entry of young people. The plan also includes measures to address the country-specific recommendation to reduce disincentives to work longer. The Social Guarantee 2021 provides a temporary relief through a cap of 40% on social security contributions up to the end of 2021, helping to avoid an increase of the already high tax wedge on low and medium incomes. This cap reduces disincentives to work more hours at least until the end of 2021. Investment in childcare facilities should also boost the labour market participation of parents, especially women.

Denmark

Allocation: EUR 13.40 million. Relevant component: 6

A reform introducing a 'Strategy for the digital professions and jobs of the future' aims to support growth and export of goods and services by strengthening digitalisation within business and industry. In addition, other measures should have a positive impact on employment. Denmark's recovery and resilience plan addresses the mismatch between labour supply and demand by strengthening vocational education and training. The Green Tax Reform should also create incentives for companies to invest in green and digital technology, which will lead to an increase in demand and a rise in employment.

Greece

Allocation: EUR 838.70 million. Relevant components: 3.1 and 3.4

The Greek plan encompasses a comprehensive set of measures to modernise labour market institutions and promote employment through redesigned and strengthened active labour market policies that foster participation of women, persons with disabilities and Roma, and reduce youth and long-term unemployment. Hiring subsidies support the creation of at least 70 000 new jobs including in the green sectors. The plan further aims to strengthen the capacity and improve quality of public employment services and reinforce individualised approach to jobseekers. Pilot projects to reform the unemployment insurance system aim to provide an effective safety net while strengthening incentives for labour market re-entry. The revision of the labour code and improvements in public administration efficiency (largely thanks to digitalisation and better labour

market monitoring) are also expected to improve labour market outcomes. In addition, the plan includes an investment to promote the integration of the refugee population into the labour market with a traineeship programme which will help refugees acquire work experience. Investments to upgrade vocational education and training and a new strategy for lifelong learning that will boost upskilling and reskilling are also expected to have a positive effect on the labour market by reducing the mismatch between the demand and supply of skills.

Spain

Allocation: EUR 2 738 million. Relevant components: 11, 20 and 23

The Spanish plan includes reforms and investments to modernise active labour market policies, including the digitalisation of the public employment services, as well as to simplify and rationalise contracts and hiring incentives. The plan proposes reforms to amend existing regulations on the use of temporary contracts to promote the use of open-ended contracts and to reduce the use of temporary contracts in the public sector. The plan also provides for the regulation of teleworking, the revision of the regulation of subcontracting and of the conditions applicable to employed and self-employed workers including platform workers. It also includes the establishment of a permanent mechanism for internal flexibility, to adjust to cyclical and structural shocks with a focus on the reskilling and upskilling of workers, and the modernisation of collective bargaining to balance the need for flexibility and security in the labour market. Moreover, the plan includes reforms to reduce the gender employment gap and youth unemployment and investments to boost the social economy. In addition, the creation of new places of vocational education and training and the formal accreditation of professional skills acquired through work experience and non-formal training are expected to ensure the necessary supply to meet labour market demand.

France

Allocation: EUR 5 743.70 million. Relevant components: 6, 7 and 8

The French recovery and resilience plan includes a variety of measures relating to tackling unemployment, addressing labour market integration (in particular for youth) and skills mismatches, in particular by strengthening the Public

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Employment Service and the use of targeted hiring subsidies. Dedicated measures are planned for the labour market integration of persons with disabilities, including a reorganisation of the Public Employment Service specialised for that target group, support to employers hiring persons with disabilities, and individualised guidance to devise a tailored employment project. In addition, skilling measures such as apprenticeships or the 'jobs of the future' programme are expected to have a positive effect on the labour market by ensuring the necessary supply to meet the labour market demand.

Finland

Allocation: EUR 170 million. Relevant component: P3C1

Finland's recovery and resilience plan aims to raise the employment rate and strengthen the functioning of the labour market. The adoption and implementation of the Nordic model of public employment services and the phasing out of the additional days of unemployment benefits for older people (the so-called 'unemployment tunnel') are both expected to have a positive impact on employment. The Nordic model of employment services consists in transitioning towards a new model of employment services, which will enhance active labour market policies by improving personalised and integrated services for jobseekers. This shall be done through a structural reform and digitalisation of the public employment services. The plan includes also specific activation support for young people (strengthening the one-stop-shop youth centres) and people with partial work ability (new intermediate labour market operator and adaptation of workplaces). In parallel, the facilitation of work- and education-based immigration is targeted at attracting international talent and should thereby contribute to employment growth and decrease labour shortages. Other training and skilling measures should enhance skills for the labour market, especially in the context of the twin transition, including for lower-skilled people.

Croatia

Allocation: EUR 178.69 million. Relevant components: 22, 23 and 41

Croatia's recovery and resilience plan includes targeted reforms and investments that aim to improve processes at the Public Employment Service and help increase participa-

tion in the labour market by adopting active labour market policies, establishing vouchers for training and upskilling programmes, and amending the labour law. The participation of women in the labour market will also be supported through the reform of the labour law to facilitate work-life balance, indirectly reduce the gender pay gap and address the high gender pension gap. In addition, investments in strengthening human capital are expected to reduce the skills mismatch, and create high value added jobs. The plan also provides support to traineeships, employment, and self-employment related to the green and digital transitions, which will also increase the competitiveness and employability of the labour force in line with labour market needs. It will focus in particular on the activation of the long-term unemployed.

Ireland

Allocation: EUR 63.56 million. Relevant component: 3

The Irish recovery and resilience plan will invest in the Work Placement Experience Programme, a labour market initiative which aims to keep at least 10 000 persons who have been unemployed for six months or more close to the labour market. The initiative will provide participants with quality work experience and training to increase their employability and increase the likelihood of their return to full employment once the placement concludes. Other measures are expected to have a positive impact on employment. The plan supports upskilling or reskilling opportunities, specifically aimed at supporting workers most impacted by the pandemic. Employability will be boosted via the development of green and digital skills in particular. In addition, measures to address the digital divide aim at improving employability and reducing skills mismatches.

Italy

Allocation: EUR 6 610 million. Relevant component: MSC1

Italy's recovery and resilience plan introduces a comprehensive and integrated reform of active labour market policies and vocational training. To strengthen active labour market policies and improve the capacity building of public employment services, the plan invests in personalised pathways for upskilling and reskilling by standardising the services throughout the national territory (GOL programme), by promoting a territorial network of education and training, and

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by establishing public-private partnerships. These interventions are expected to increase the efficacy of services. In addition, the measures aim to reduce social vulnerability, in particular by tackling undeclared work in all its forms and in all sectors by setting more effective sanctions along with stronger incentives to work legally. Further measures promote female entrepreneurship and equal pay through the gender equality certification system. To boost full-time labour market participation of women, the plan will also enhance the offer of childcare facilities for children under the age of 6.

Lithuania

Allocation: EUR 108.80 million. Relevant component: 7

The Lithuanian recovery and resilience plan includes measures aimed at increasing employment and ensuring the sustainable integration of people into the labour market. The implementation of a 'customer-oriented employment support' in particular should improve support provided by the public employment service. Other measures will incentivise entrepreneurship and re- and upskilling towards high value-added areas through targeted subsidies contributing to the goal of digital and green transition.

Luxembourg

Allocation: EUR 6.41 million. Relevant component: 3B

The digitalisation of the Agency for the Development of Employment will improve the efficiency of the Public Employment Service. Other measures are also expected to have a positive impact on employment. Luxembourg's recovery and resilience plan includes investments to address skills mismatches and enhance the employability of job seekers and workers on short-time working scheme in 2021. This should promote digitalisation and innovation, and contribute to meeting demand in the labour market. The plan also includes a reform to develop a skills strategy and define dedicated training paths helping workers and job seekers to enhance their employability.

Latvia

Allocation: EUR 28.71 million. Relevant component: 3

Latvia's recovery and resilience plan include implementing active labour market policy measures, development of

digital tools for the assessment of skills and upskilling of unemployed, jobseekers, and persons at risk of unemployment. Complementary upskilling and reskilling measures of low-skilled workers and unemployed should also improve their job opportunities. In addition, Latvia's focus on enhancing digital skills of all parts of the population and improved skills management will foster employability.

Malta

Allocation: EUR 0 million. Relevant component: 5

If no investment in Malta's recovery and resilience plan is focusing directly on employment support, it includes a review and regular monitoring of the effectiveness of unemployment benefits aiming to increase the adequacy and coverage of benefits and boost the incentives to work. The reform shall also entail the implementation of the newly adopted Employment Strategy to make the labour market more resilient. This Strategy aims at increasing labour market participation of older workers, in particular women, and low skilled adults, and reducing the gender employment gap. Other education and training measures, in particular in the tourism and hospitality sector, are also expected to boost job creation by addressing skills shortages, reducing the skill mismatch, and ensuring that the skills of the workforce are up to date.

Portugal

Allocation: EUR 230.36 million. Relevant component: 6

Portugal's recovery and resilience plan supports quality employment and aims to reduce segmentation in the labour market. The plan includes a reform to regulate platform work in order to address the new challenges created by atypical labour relations, in accordance with the principles of the European Pillar of Social Rights. The investment in the Sustainable Employment Commitment programme will support through subsidies the creation of permanent and quality labour contracts, while reducing labour market segmentation through targeted top-ups. This measure is expected to support the creation of 30 000 permanent jobs. A reform will promote equality in gender pay and equal career opportunities by monitoring gender pay differences and obliging companies to address pay disparities. Other measures are also expected to have a positive impact on employment. The reform on vocational education and training will take into account labour market needs and the

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emergence of new skills and professions to boost employment.

Romania

Allocation: EUR 111 million. Relevant components: 7 and 13

Romania's recovery and resilience plan includes measures to boost access to the labour market and the provision of activation measures, also benefitting to vulnerable groups. The introduction of a voucher system for domestic work and the digitalisation of the public employment services is expected to bring positive impact. Moreover, the plan envisages the implementation of the minimum inclusion income reform, which should also contribute to better employment and education outcomes. Growth and jobs will be further supported by developing digital skills for all and by increasing the labour market relevance of the education system.

Slovenia

Allocation: EUR 41.91 million. Relevant component: 10

Slovenia's recovery and resilience plan is expected to contribute to mitigating the social and employment impact of the crisis, including through a reform of short-time work schemes, which will increase the resilience of the labour market to shocks, and the promotion of more flexible working arrangements. Specific measures are planned also

for youth employability. Financial incentives will be provided for employers to hire young people up to 25 years of age on open-ended contracts. Moreover, the labour market measures intend to increase the employability of low-skilled and older workers by amending the regulation on unemployment benefits. Other measures are also expected to have a positive impact on employment. The plan aims in particular to improve the labour market relevance of education and training, and promote lifelong learning and activation measures, including through better digital literacy. The reform of higher education programmes will also foster the employability of graduates.

Slovakia

Allocation: EUR 7.81 million. Relevant component: 10

If no investment in Slovakia's recovery and resilience plan is focusing directly on employment support, a reform of residence and labour legislation aims at attracting highly qualified third-country nationals and will also help fight the skill shortage. The plan aims also to improve the quality of performance of Slovak higher education institutions. In addition, the reform on long-term care is expected to have positive effects on the labour market by enabling carers, notably women, to participate in the labour market.