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**References of the Fiscal System's Adaptation in the  
Context of Reforming the European Social Models**

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**Abstract:** The purpose and the objectives of this approach circumscribe to the highlighting and the delineation of the representative markers as milestones in the uneven dynamics, both in time and space, of the complex process of adaptation of the fiscal systems in the context of reforming the European Social Models. In this respect, the statistical analysis made on a sample grouping countries with different types of capitalist social economic systems, forefront and retrospectively outlines, a series of steps in the reforming of the European Social Models, and it is to be noticed the fact that the adaptation of the national fiscal subsystems, related to the requirements of the social and economic development on each step, was to be distinctively conceived and differentiated applied, through their main components. The neglect of the interdependences between the components of each fiscal system can lead to making unrealistic assessments and proposals regarding their adaptation process to the requirements of European Social Models reform. Even more, in the context of producing destabilizing phenomena (recession, crisis, unemployment) which disrupt social and economic processes, the issue of fiscal sustainability may have most unwanted consequences.

**Keywords:** government expenditure; taxation; welfare state; European integration

## 1 Introduction

This paper, aims as main objective, the highlighting and the delineation of the main markers of connecting fiscal systems in the context of reforming the European Social Models, both conceptual and empirical.

The motivation in approaching this theme resides from the confluence of at least three defining aspects for the countries on "the old" continent.

First, within the European social and economic system and its subsidiaries, visibly coexist more versions of capitalist social and economic systems, each one, with its own development model. Second, in the context of building the European construction, the defining dimension of national autonomy (from enforcing and insurance of autonomy point of view) is the fiscal one. Never the less, it is to be noticed that, in time, the European Social Models needed and still need to be developed and adapted, according to the fast changes of social and economic systems, and to the global system as a whole. In such a context, regarding the quality of the fiscal systems as subsystems within the higher order systems (the national social and economic systems), it is admitted that the European Integration

created the premises of adapting the first, to the requirements of the second, including in the context of reforming the European Social Models.

Such an adaptation process is by excellence, a complex one, through the current approach of the matter, the highlighting and the delineation of the representative markers as milestones are imposing themselves in its dynamics, even more because it is uneven both in time and space in the European Union.

## 2 Conceptual Basis

As a high complexity process with profound implications on the economic, social and political aspect of life, the European integration seems to be circumscribed to the evolution of social and economic systems on “the old” continent, targeting their development by its aim. In order to accomplish this, it is required to substantiate and implement, on suitable basis, development models and strategies both in the economic and social European system and in its subsidiary, on the level of each national economic and social system.

In an usual acknowledgement, the concept of *European Social Model* is the generic name, used to describe the divers European experience regarding the simultaneous promotion of sustainable economic growth and social cohesion (Oneașcă, 2006). Also, regarding the fact that within the European social and economic system, visibly coexist five versions of capitalist social and economic systems, “it is obvious in any case that there is not one, single, European Social Model. There are many varieties...” (Wener, 2006), respectively: the Nordic model (Scandinavian), the Anglo-Saxon model, the Continental model, the Southern model and the “catching-up” model (Socol & Marinaș & Socol, 2010). At the same time, according to the rapid changes of the social and economic systems, and the global one, there was and still is necessary to reform the European Social Models. In order to do this, it is known the fact that “the modernization of the social model means developing and adapting it to take account of the rapidly changing new economy and society and to ensure the positive mutually supportive role of economic and social policies” (Commission of the European Communities, 2001).

The integration of the *fiscal subsystem* in the social and economic systems, is circumscribed to the same evolution process, and through its complex content it represents *an assembly of social and economic interrelations in monetary form, generated by the mobilization and use of the fiscal resources, organized and run through a system of specific social and economic institutions, including the ones specialized in their formation and administration*. On a broader spectrum, the formation and the use of financial resources (including the fiscal ones) refers to “two different moments of the same process, with close ties between them, of interacting”. Therefore, the purchase of financial resources (including the fiscal ones) to the public financial funds “is justified only through their guidance for meeting certain defined public needs”, and the use of these resources can only be made “only if, previously, there were constituted the appropriate funds” (Filip, 2002). This way, reporting also to the side of fiscal resources utilization through public expenditure, and not only to the side regarding their mobilization, is a rational support to make realistic assessments not only about the notion of fiscal system and its content and structural components, but also about its adaptability to the requirements of social and economic development, including regard to its adaptation in the context of reforming the European Social Models.

At the same time, due to the interdependences between the processes in financial-monetary form, and the processes in natural-material form (Filip, 2001), these development models, also included, in principle, fiscal variables. Regarding the place of the fiscal subsystem in the evolved social and economic systems, it reveals its self the fact that the mobilization side (by taxation and social security contributions) and the use and allocation side (through government public expenditure) of the fiscal resources, are real channels used by the social model to considerably stimulate economic growth and its odds (especially competition and the ability to adapt the social and economic system to the requirements of globalization). In particular, in the context of building the European Union, subsumed its self to the social and economic development, such an influence lies under the impact of the reforming actions of the European Social Models, although in each national social and economic system, the “hard core” of carrying out and insuring autonomy is own fiscal subsystem.

### **3 Empirical Benchmarks**

In an empirical plan and related to the integration process, this approach notice the existence of more stages in the evolution of the European Social Models (Păuna, 2006). Briefly, the first stage revealed its self through: the maintenance of the social welfare costs at manageable levels in the Western countries, a rapid economic growth, the mutual support between the macroeconomics and the social welfare state, for over two decades. This stage of consolidation of the European Social Model philosophy, ended with the two oil shocks and the changes in some power relationships on the energetic resources and raw materials markets, but also because the demographic development indicators, the rapid technological progress and the globalization process. The second stage, between 1974 and 1985 was characterized through its evolution that led to the discouragement of labor and investments, and it slowed down the GDP growth on long term. The third stage, the one after 1986, although refers to some progress, showed in an obvious manner the imperative need of reforming the European Social Models, because of their precarious social efficiency, context that had a great influence on the adaptation of the fiscal subsystems.

This approach identifies, within the last stage, after the year 1993, three sub-stages, between 1993 and 2000, 2001 and 2007, respectively 2008 and 2010. The statistical analysis is based on a series of synthetic indicators, searching to outline both the *level* (by arithmetic average,  $m$ ) and their *dynamics* (by the regression line, with the slope  $b$  and the coefficient of determination  $R^2$ ) for each period of time. For methodological reasons regarding the availability and comparability of the data, and the need not to complicate the exposure, this approach explicitly present only the calculations related to the first stage, between 2001 and 2007. For the stage between 2008 and 2010, because of its relatively low duration, we only present the levels of the appropriate indicators.

The motivation for the previous timing lies in the fact that in the year 1993 was triggered the fiscal consolidation process that targeted the stop of the budget deficits triggered in the previous decades.

Second, in the year 2000 rose the issue of updating the European Social Model, regarding the following aspects: the need to improve the level of education and training (skill), adopting a new attitude regarding professional training and lifelong learning, the reforming of the security system and promoting the social inclusion. As we can see, the first aspects are related to the human capital and oriented to the labor market supply. Regarding social protection, there were emphasized: the sustainability of pensions and labor payment, but also social inclusion with the highlighting of the individual ability to answer challenges and to survive in a competitive economy. Even more, this second stage, distinguished its self by bringing up to date the reinventing of the European Social

Model, “by making it more flexible but without its losing the elements of social solidarity” (Špidla, 2005). In a similar way, it was told that “there is a new version of the Lisbon Strategy. It states that we need a more competitive economy, but that we should not ignore social and environmental policy aspects in our efforts at modernization” (Wener, 2006). The justification for invoking the need for deep social transformations lies in the fact that there was a growth of average age of population due to birth decline in the European Union countries that decreases labor force and alters the equilibrium between generations, this phenomenon leading to the decrease of the economic potential and generating a high level of dependence. Especially, the analysis for this period, based on indicators such as real GDP growth rate (growth rate of GDP volume - percentage change on previous year), unemployment rate (annual average) and long term unemployment share in unemployment, showed a series of empirical regularities. Regarding the real GDP growth rate, most European countries (except for some belonging to the Anglo-Saxon model, such as Ireland or the “catching-up” model, like Hungary) registered notable performances, reflected by a high level of this indicator and by a ascendant sustained dynamics of this indicator. Regarding unemployment, we see that it was at high levels in some countries, the general trend being of dropping (less in the countries belonging to the Anglo-Saxon model and respectively to the Continental model). Never the less, long term unemployment had significant shares (even over 60%) of all unemployment. Regardless of what these calculations show and of some similarities to the performances of the previous period, we must mention that the analyzed period’s performances were inferior to the performances of the previous period.

In the context of producing deep destabilizing phenomena that greatly disturbed the economic and social processes in the last years, this approach notice many voices that question the possibilities of maintaining some national social protection systems, and of such expensive governmental mechanisms in Europe, outlining a different stage in reforming the European Social Models and in the adaptation of the fiscal subsystems. Especially, the analysis, for this particular stage, based on the same synthetic indicators shows unprecedented aggravation both of their levels and dynamics. In the year 2009 the level of the real GDP growth rate was a negative one in all countries of the analyses sample, with one exception, Poland (1.7%). Regarding the unemployment rate, its level had a considerable growth in most countries, over 20% in Spain in 2010 (20.1%).

In the given context of the social and economic data, regarding the previous period with an impact on the reforming of the European Social Models, it is obviously that the adaptation of the fiscal subsystems in that context was distinctively conceived and differentiated applied, through their main components. In this respect approach first delineate the adaptation of social and economic interrelations subsystems in monetary form that they mobilize through and respectively use fiscal resources. Tied to this matter, we must say that, in the globalization context, we see on one side, a growth trend of the financial availability (including the fiscal ones) required in order to support social programs of some stronger social and economic systems, and on the other side, a growing need for social transformations regarding the adaptation of those social and economic systems in order to face competition. In this context, we see that the growth of financial resources (including the fiscal ones) in the welfare state can be a defining condition to strengthen the social cohesion within the European Union, based on rational criteria with their allocation-use side.

In a similar way, the analysis for the stages between 2001 and 2007 respectively 2008 and 2010 based on synthetic indicators regarding *total general government expenditure* (as percentage of GDP) and *total receipts from taxes and social contributions (including imputed social contributions) after deduction of amounts assessed but unlikely to be collected* (as percentage of GDP) shows a series of

empirical regularities. Regarding the level of total general government expenditure ( $G$ ), for the stage between 2001 and 2007, the highest values were in countries belonging to the Nordic model, the Continental model respectively to the Southern model, while the lower values mainly were in countries of the “catching-up” model. It is also to be noticed the fact that the values of this indicator for that stage were lower than those for the previous stage in the case of all Nordic model countries and the Continental model. For the stage between 2008 and 2010 this approach notice values of the same indicator higher than the values for the previous stage (exceptions: Sweden, Germany, Malta, Bulgaria, Czech Republic, Hungary, Slovakia and Switzerland) (see Table 1). By reporting to the dynamics of the total general government expenditure, we notice for the stage between 2001 and 2007, on one hand, a significant dropping trend for all countries of the Nordic model, and on the other hand, a significant growing trend for the countries of the Anglo-Saxon model. Especially, a significant reduction trend of total general government expenditure was noticed in most countries of the Continental model (exception: France), while a growth of total general government expenditure was noticed in most countries of the Southern model (exception: Malta).

Regarding the level of total receipts from taxes and social contributions (including imputed social contributions) after deduction of amounts assessed but unlikely to be collected ( $T$ ), for the stage between 2001 and 2007, the highest values were registered in the countries of the Nordic model, respectively the Continental model, while lower values were mostly in the countries of the Southern model, respectively the “catching-up” model. At the same time, it is to be noticed that the values of this indicator for this stage were lower than those for the previous stage in all the countries of the Nordic model and of the “catching-up” model (exceptions: Bulgaria and Czech Republic). For the stage between 2008 and 2010 there are values of this indicator lower than the values of the previous period (exceptions: Netherlands, United Kingdom, Germany, Cyprus, Italy, Malta, Portugal, Estonia, Lithuania, Poland and Slovakia).

**Table 1** The level and the dynamics of  $G^{(a)}$ ,  $T^{(a)}$  and  $SP^{(b)}$  for a series of European countries (2001-2007)

Country	$m_G$	$b_G$	$R_G^2$	$m_T$	$b_T$	$R_T^2$	$m_{SP}$	$b_{SP}$	$R_{SP}^2$
Denmark	53.4	-0.660	0.728	49.7	0.260	0.323	43.3	0.199	0.389
Finland	49.0	-0.053	0.009	43.9	-0.250	0.769	42.0	0.003	0.000
Netherlands	45.8	-0.142	0.166	38.4	0.107	0.191	36.5	-0.285	0.559
Sweden	53.9	-0.646	0.712	48.3	-0.096	0.091	42.3	-0.023	0.004
Ireland	34.1	0.496	0.694	31.3	0.589	0.767	29.8	0.890	0.899
United Kingdom	42.7	0.700	0.908	36.9	0.217	0.296	36.2	-0.547	0.959
Austria	51.1	-0.446	0.311	44.5	-0.571	0.939	40.7	-0.049	0.012
Belgium	49.8	-0.125	0.039	46.2	-0.171	0.734	35.5	0.049	0.023
France	52.7	0.096	0.108	44.9	0.060	0.129	40.6	0.266	0.911
Germany	46.7	-0.689	0.749	40.4	-0.128	0.475	46.0	0.178	0.439
Luxembourg	40.0	-0.421	0.144	38.3	-0.682	0.947	42.2	-0.052	0.031
Cyprus	41.5	0.539	0.291	34.4	1.489	0.892	22.7	0.562	0.598
Greece	45.2	0.110	0.098	34.0	-0.235	0.438	35.9	-0.433	0.288
Italy	48.0	0.078	0.160	41.4	0.242	0.314	37.3	0.184	0.515
Malta	44.5	-0.092	0.012	33.9	0.596	0.952	31.6	0.178	0.134
Portugal	43.9	0.346	0.364	34.4	0.410	0.828	32.7	0.895	0.948
Spain	38.7	0.028	0.037	35.4	0.653	0.957	33.4	0.012	0.020
Bulgaria	38.8	-0.446	0.222	31.1	0.403	0.361	30.7	-0.863	0.607
Czech Republic	44.9	-0.471	0.408	36.0	0.460	0.676	29.8	-0.205	0.166
Estonia	34.4	-0.242	0.444	30.7	0.075	0.111	28.6	-0.132	0.097
Hungary	49.8	0.385	0.275	37.9	0.082	0.040	32.6	0.781	0.911
Latvia	35.8	0.342	0.397	29.1	0.317	0.674	28.9	-1.807	0.992
Lithuania	34.2	-0.289	0.226	28.7	0.178	0.463	30.7	-0.215	0.299
Poland	43.6	-0.246	0.353	32.7	0.314	0.433	39.9	-0.986	0.863

Romania	34.8	0.039	0.004	28.6	0.128	0.198	29.9	-0.077	0.040
Slovakia	39.5	-1.775	0.903	24.0	0.317	0.543	32.7	-0.062	0.011
Slovenia	45.5	-0.728	0.893	38.2	-0.017	0.012	36.8	0.050	0.108

Source: statistical data available at the following web

address: [http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search\\_database](http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search_database).

Notes: <sup>a)</sup> as percentage of GDP, <sup>b)</sup> as percentage of G.

Regarding the dynamics of the total receipts from taxes and social contributions (including imputed social contributions) after deduction of amounts assessed but unlikely to be collected for the stage between 2001 and 2007, there is a significant growing trend in the countries of the Anglo-Saxon model, in most countries of the Southern model (exception: Greece), and in most countries of the “catching-up” model (exception: Slovenia). A significant dropping trend was registered in most countries of the Continental model (exception: France). Regarding the Nordic model countries, there was a dropping trend (Finland and Sweden) or a growing trend (Denmark and Netherlands), both less significant.

In that same context, this paper focuses also on the analysis based on structural indicators regarding total general government expenditure. Regarding the analysis on the same two stages based on indicators of *general government expenditure on social protection* (as percentage of total general government expenditure), it is to be noticed that this also indicates some empirical regularities.

By reference to the level of general government expenditure on social protection (SP), for the stage between 2001 and 2007, the highest values were in the countries of the Nordic model (exception: Netherlands) and the Continental model (exception: Belgium), while the lowest values were in countries of the Anglo-Saxon model, of the Southern model and of the “catching-up” model. It is significant that the values of this indicator for this stage were higher than those for the previous period in all the countries of the Continental model, the Southern model and mostly the countries of the “catching-up” model (exceptions: Estonia, Latvia, Lithuania, Romania and Slovenia). The Anglo-Saxon model countries registered values of this indicator for this stage lower than those of the previous stage. For the period between 2008 and 2010, is revealed values of this indicator higher than those from the previous stage, in almost all the countries (exceptions: Finland, Sweden, Latvia, Slovakia and Slovenia).

Regarding the dynamics of the general government expenditure on social protection, for the stage corresponding to the period between 2001 and 2007, is revealed that it is diversified, and it has both a significant growth trend (Ireland, Cyprus, Portugal and Hungary), and a significant dropping trend (United Kingdom, Greece, Bulgaria, Latvia and Poland), mostly with trends of low growth or dropping. A growth trend was registered in the countries of the Continental model (exceptions: Austria and Luxembourg) and the Southern model (exception: Greece). Also it was obvious a dropping trend in the countries of the “catching-up” model (exceptions: Hungary and Slovenia). Regarding the countries of the Nordic model, there were both growing (Denmark and Finland) and dropping trends (Netherlands and Finland).

In subsidiary, the current paper also focuses on the analysis based on structural indicators regarding general government expenditure on social protection. About the analysis for the stages between 2001 and 2007 respectively 2008 and 2010, based on indicators of: *general government expenditure on sickness and disability (S&D)*, *general government expenditure on old age (OA)*, *general government expenditure on family and children (F&C)* and *general government expenditure on unemployment (U)* (as percentage of general government expenditure on social protection) is revealed that it also indicates empirical regularities.

Regarding the level of these general government expenditures, for the stage between 2001 and 2007, the highest values are for government expenditure on old age, followed by government expenditure on sickness and disability, government expenditure on family and children and government expenditure on unemployment (see Table 2).

**Table 2 The level<sup>a)</sup> and the dynamics of S&D, OA, F&C and U for a series of European countries (2001-2007)**

Country	$m_{S\&D}$	$b_{S\&D}$	$R_{S\&D}^2$	$m_{OA}$	$b_{OA}$	$R_{OA}^2$	$m_{F\&C}$	$b_{F\&C}$	$R_{F\&C}^2$	$m_U$	$b_U$	$R_U^2$
Denmark	22.1	0.523	0.921				22.6	-0.024	0.013	15.9	-0.843	0.678
Finland	20.9	0.149	0.490	43.2	0.525	0.904	12.8	-0.073	0.661	12.4	-0.553	0.814
Netherlands												
Sweden	24.4	1.018	0.405	46.5	-0.516	0.145	11.8	-0.120	0.271	8.6	-0.237	0.328
Ireland	17.6	2.666	0.799	28.4	-0.921	0.720	22.0	0.110	0.034	12.6	-0.785	0.882
United Kingdom	18.0	-0.141	0.951	46.7	0.190	0.433	15.2	0.492	0.566	2.0	-0.025	0.053
Austria	8.9	0.245	0.944	59.4	-0.163	0.511	12.4	-0.206	0.836	6.2	0.043	0.124
Belgium												
France	11.9	-0.049	0.326	54.4	0.515	0.823	11.2	-0.095	0.713	8.8	-0.169	0.178
Germany	12.5	-0.131	0.589	45.7	0.268	0.526	10.4	0.030	0.385	12.2	0.074	0.035
Luxembourg	11.1	-0.153	0.608	60.1	-0.191	0.427	19.0	-0.073	0.128	5.3	0.364	0.774
Cyprus	8.4	-0.089	0.242	41.9	-0.491	0.829	18.0	0.053	0.124	5.6	-0.112	0.288
Greece	13.3	-0.873	0.254	65.1	-0.135	0.017	3.6	0.096	0.359	2.7	0.172	0.470
Italy	9.6	0.057	0.157	66.9	0.056	0.119	5.6	0.062	0.218	2.7	0.043	0.261
Malta	13.4	0.311	0.663	52.9	0.240	0.171	8.6	-0.338	0.860	4.3	-0.063	0.022
Portugal	10.8	-1.265	0.901	55.8	1.491	0.973	10.1	-0.449	0.708	6.6	0.344	0.424
Spain	16.7	0.008	0.001	48.0	-0.163	0.262	3.8	0.079	0.379	12.3	0.069	0.379
Bulgaria	16.2	1.003	0.327	63.4	-0.896	0.335	11.9	-0.549	0.034	3.4	-0.555	0.374
Czech Republic	24.7	0.056	0.034	50.5	0.169	0.267	9.7	0.496	0.492	2.7	-0.115	0.607
Estonia	18.5	0.943	0.936	56.8	0.331	0.377	14.8	-0.010	0.001	3.6	0.007	0.001
Hungary	23.0	-0.497	0.726	37.4	0.146	0.128	13.6	-0.110	0.092	3.2	-0.038	0.120
Latvia	17.9			59.5			10.7			3.6		
Lithuania	20.2	1.522	0.947	53.9	-1.798	0.706	7.8	1.201	0.723	3.9	-0.035	0.130
Poland	14.8	-0.165	0.141	59.8	-0.605	0.715	7.2	0.090	0.362	5.5	0.298	0.812
Romania												
Slovakia												
Slovenia	16.0	-0.001	0.000	57.4	-1.157	0.683	11.7	-0.002	0.001	3.9	-0.356	0.799

Source: statistical data available at the following web address:

[http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search\\_database](http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search_database).

Note: <sup>a)</sup> as percentage of SP.

The level of general government expenditure on old age registered the highest values mainly in the countries of the Continental model (exception: Germany), the Southern model (exceptions: Cyprus and Spain) and the “catching-up model” (exception: Hungary). At the same time it is to be noticed that the values of this indicator for the stage between 2008 and 2010 were lower than those for the previous period mainly in countries of the Southern model (exceptions: Malta and Portugal) and the “catching-up” model (exceptions: Bulgaria and Czech Republic).

The level of general government expenditure on sickness and disability registered the highest values in the countries of the Nordic model, the Anglo-Saxon model and the “catching-up” model. At the same time, is revealed that the values for this indicator for the stage between 2008 and 2010 were lower than those of the previous stage, mainly in the countries of the Southern model (exception: Italy) and the “catching-up model” (exceptions: Estonia, Latvia and Lithuania).

The level of general government expenditure on family and children indicator registered its highest values mostly in the countries of the Nordic model (exceptions: Finland and Sweden) and the Anglo-

Saxon model (exception: United Kingdom). At the same time is revealed that the values of this indicator for the stage between 2008 and 2010 were higher than those of the previous period, mainly in the countries of the Southern model (exceptions: Cyprus and Portugal) and the “catching-up” model (exceptions: Estonia and Latvia).

The level of general government expenditure on unemployment registered its highest values in the countries of the Nordic model, but in other countries too (Ireland, Germany and Spain). At the same time, is revealed that the values of this indicator for the stage between 2008 and 2010 were higher than those for the previous stage, mainly in the countries of the Southern model (exceptions: Cyprus and Malta) and the “catching-up” model (exceptions: Bulgaria, Poland and Slovenia).

Regarding the dynamics of the general government expenditure on old age, for the stage between 2001 and 2007, is revealed a growing trend mainly in the countries of the Continental model (exceptions: Austria and Luxembourg), the Southern model (exceptions: Cyprus, Greece and Spain) and the “catching-up” model (exceptions: Bulgaria, Lithuania, Poland and Slovenia).

Regarding the dynamics of general government expenditure on sickness and disability, for the stage between 2001 and 2007, is revealed a growing trend in the countries of the Nordic model. Also a significant growing trend was registered in Ireland, Bulgaria, Estonia and Lithuania.

Regarding the dynamics of general government expenditure on family and children indicator, for the stage between 2001 and 2007, we see a dropping trend in the countries of the Nordic model and a growing trend in the countries of the Anglo-Saxon model.

Regarding the dynamics of general government expenditure on unemployment, for the stage between 2001 and 2007, is revealed a dropping trend in the countries of the Nordic model and the Anglo-Saxon model.

#### **4 Conclusions**

Being subsystems of the national social and economic systems, the fiscal systems need to be generally adapted to the requirements of the first type of systems, and in particular, in the context of reforming the European Social Models.

Regarding the analyzed countries, the current analysis showed, under all targeted aspects, the existence of significant differentiations, without excluding the possibility to refer and formulate, punctually, certain similarities between the experiences of these countries regarding the adaptation of their fiscal subsystems in the context of reforming the European Social Models.

As a general trend, it is obvious that in the stage between 2001 and 2007, the dimensions of the mobilization and allocation-use processes of the fiscal resources in all of the countries of the Nordic model and the Continental model, were at the highest levels. In principle, for most of the analyzed countries, in the period between 2008 and 2010, on the background of producing deeply destabilizing phenomena that considerably perturbed the economic and social processes, the levels of those processes mediated by their own fiscal subsystems, were superior to the first stage. Through the dynamics of these processes, the first one stands up, on one hand, with a relative reduction in the countries of the Nordic model and the Continental model, and on the other hand, with a relative expansion in the countries of the other models.

Regarding the global dimensions of the allocation-use of the fiscal resources that address directly to social protection processes, their highest levels for the stage between 2001 and 2007 were also in the



countries of the Nordic model and the Continental model. In principle, for most analyzed countries, in the following period, on the same background of producing deeply destabilizing phenomena, the levels of those processes mediated by their own fiscal subsystems, were superior to the first stage. Through the dynamics of these processes, the first of two, stands up, on one side, with a relative reduction in the countries of the Southern model and the “catching-up” model, and on the other side, with a relative expansion in the countries of the other two type of models, having dynamics of uneven homogeneity.

Never the less, regarding the structural dimensions of the previous mentioned processes, it reveals its self the fact that the countries of the Continental model, the Southern model and the “catching-up” model are characterized by high levels of general government expenditure on old age, while the countries of the Nordic model and the Anglo-Saxon model, by higher levels of the other general government expenditure on social protection. Through the dynamics of these processes, the first of two, stands up, on one hand with a relative expansion in the countries of the Continental model, the Southern model and the “catching-up” model, and on the other hand, with a relative reduction in the countries of the Nordic model and the Anglo-Saxon model.

All of these assertions suggest the fact that the reforming of the European Social Models (except for the Nordic model, the best performing in achieving the agreed objectives) is a desideratum far from being accomplished, in which context, the adaptation of the fiscal subsystems, in the near future, will be subject to some major challenges, even more on the same background of producing deeply destabilizing phenomena (recession, crisis, unemployment) that disrupt economic and social processes, reveals the fact that problem of fiscal sustainability can have most unwanted consequences.

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