

# 2. Labour market and social developments in the EU: the quest for strong jobs recovery



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## Topics

Introduction	53
Labour market trends	55
Employment arrangements and job quality	65
Selected recent developments in relation to Social Europe	74
Conclusions	82



This chapter provides new and detailed evidence pertaining to the quality of jobs across the EU

# Introduction

The European Union went through an eventful year in 2023: recovery from the Covid-19 pandemic, the lingering cost-of-living crisis and the ongoing Russian invasion of Ukraine. Recent years have also seen an expansion of Social Europe based on the principles of the 2017 European Pillar of Social Rights, with the unprecedented flow of investments and reforms fuelled by the recovery assistance granted under NextGenerationEU and aided by the temporary loosening of the EU fiscal framework allowing more space for public spending. These three trends have put social issues more squarely at the centre of the European Union's agenda, as well as providing funds to act on them.

Developments and trends on the European labour markets must be interpreted against the backdrop of the recovery from the post-financial crisis recession, which was then interrupted dramatically by the Covid-19 pandemic. This recovery has actually led to a sizeable growth in the demand for labour, with shortages now emerging as the major problem (Causa et al. 2022; Zwysen 2023a). While employment rates are high, the question is whether the jobs are also of sufficient quality.

At the same time, the European labour markets face substantial long-term challenges in the form of three transitions: the green transition, which requires decarbonisation of the economy, the digital transition, which transforms jobs and threatens to destroy jobs for more vulnerable workers while at the same time creating opportunities (Acemoglu and Restrepo 2020; Dauth et al. 2021), and the demographic transition, as the European population ages. Each of these has profound effects on the labour market, although these impacts differ strongly between countries, regions and especially sectors.

The key issue addressed in this chapter is therefore the way in which recent reforms and this changing context have affected social outcomes and divisions in Europe. This chapter takes stock of trends on the labour market and developments in relation to Social Europe over time, from a variety of different angles. There is some positive news, as employment rates in Europe are at a high, while unemployment rates are low. There is also some indication of convergence between the EU Member States and between their regions, with the more-disadvantaged regions and countries catching up. This first section also addresses recent developments in migration and intra-EU mobility.

After describing the trends referred to above, the chapter then analyses several issues in more depth: the platform economy and developments relating to the Platform Work Directive, the extent to which the European Pillar of Social Rights has fulfilled its promises, and an overarching assessment of the social and labour policy direction set by EU economic and social governance in the context of the European Semester.

While there has been sizeable job growth, job quality remains a challenge. This chapter addresses this issue, firstly, by describing trends in relation to non-standard work arrangements and, secondly, by considering in detail the performance of the EU Member States concerning different dimensions of job quality. This reveals that there are still very sizeable differences within the EU by country, but also by gender and by sector, with significant room for improvement. One key aspect of job quality presented here that is not always considered as much as it should be is the extent to which poor job quality entails health risks for workers. Psycho-social work factors can impose a heavy health burden, as indicated by the high morbidity and mortality attributable to these exposures.

The third section of this chapter then considers in more detail how European policy-making has changed, and in particular the influence that the EPSR has had on directives and regulations in the social sphere. We delve deeper into platform work and consider the Platform Work Directive. While, in principle, the Pillar enshrines equal opportunities,



Employment rates in Europe are at a high, while unemployment rates are low

access to the labour market, fair working conditions and social protection and inclusion, it is far from clear that progress has, in fact, truly been made (Rainone and Aloisi 2021; Vanhercke et al. 2023). Since the EPSR, a number of new directives and regulations have been adopted that build further on it, and it is now possible to offer a first evaluation of these ‘children of the Pillar’. More specifically, we take stock of the different ways in which the need for minimum income protection has been taken on board in European policies and communications. Finally, the new economic governance is considered in more detail.

This Benchmarking Working Europe edition also marks 20 years since the milestone of the EU’s eastwards enlargement in 2004. With that anniversary in mind, it is all the more important to compare how the objectives of access to high-quality work and social protection for all are achieved in the different countries of the Union.

# Labour market trends

## Employment trends by country

The employment rate across the EU27 has been on a constant upward trajectory since around 2014, when 62.9% of the working-age population (15-64) across the EU was employed, as shown in Figure 2.1. By the final quarter of 2019, there had been a steady rise to 68.3%, but the impact of the Covid-19 pandemic is clearly visible in the data, since the employment rate then declined to 66.1% in the second quarter of 2020. While this percentage drop may not seem very large, it means that over 5.7 million Europeans dropped out of work. Yet the recovery commenced very soon after the onset of the pandemic, and the employment rate had already reached 68.8% by the third quarter of 2021, or in other words above what it had been at the end of 2019. By the end of 2022, the proportion of the working-age population in employment peaked at 70%.

Two key trends made significant contributions to this rising employment rate. Firstly, the employment rate of women steadily caught up with that of men over time. Whereas, in the second quarter of 2009, the employment of women and men was 57% and 69% respectively, by the second quarter of 2023 this had increased to 66% and 75% respectively, or in other words

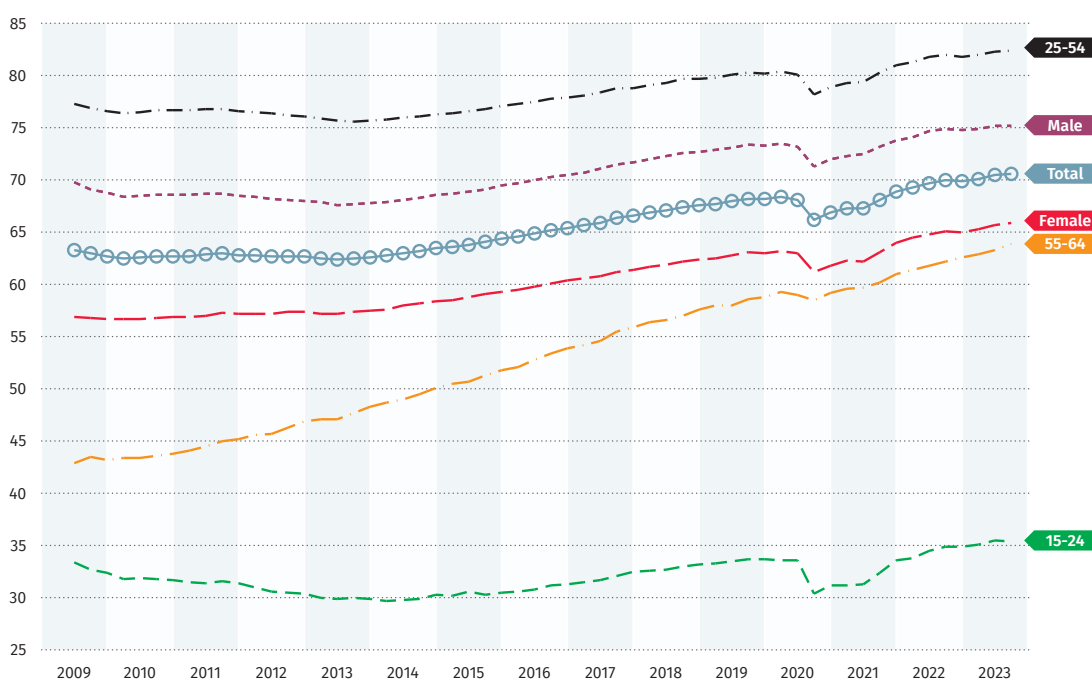
an increase of 9 percentage points for women versus 6 percentage points for men.

Secondly, there has been a marked increase in the employment rate of older workers (aged 55-64). In the second quarter of 2009, 43% of older workers were employed, but by 2023 this had risen by 21 percentage points to 64%. By contrast, the rise in the employment rate for workers aged 25-54 changed by 5 percentage points, from 77% to 82%, over the same period. Interestingly, there was also much less of a drop in the employment rate for the older age group during the pandemic than for younger workers, suggesting that their jobs were less at risk.

Europe faces a rapidly ageing population. Whereas, in 2002, 26.6% of the population aged 15-74 was older than 55, by 2022 the same figure had reached 33.4%. At the same time, the share of young workers (15-24) declined from 16.7% in 2002 to 14.0% in 2022. This demographic transition has many repercussions for society, because it increases the need for care and may affect social security systems, yet it will also have an enormous impact on the labour market (Eurostat lfsa\_pganws).

The demographic transition has engendered much debate and unrest regarding retirement

Figure 2.1 Rising employment rates across the EU



Source: Eurostat (lfsi\_emp\_q).

ages. There has been a rise in the official retirement ages, from an average of 62.9 for men in the EU countries that are part of the OECD in 2010 (OECD 2011) to 64.4 by 2020 (OECD 2021b). Although gender differences in retirement ages are reducing, in some countries (e.g. Austria, Hungary, Lithuania, Poland and Switzerland), the retirement age for women still lies somewhat (between one and five years) below that of men (OECD 2023). Countries have also aimed to reduce the number of those taking early retirement, although this is naturally a highly complex issue affected by many different developments such as sectoral trends, the sustainability of public finance (which is often invoked as a reason to increase retirement ages), variation and changes in healthy life years (a factor which also differs greatly between countries) and socio-economic circumstances. The latter is a particularly important point, since rising longevity is very stratified, and socio-economic inequality is pronounced, especially in terms of healthy years. Crucially, any changes to retirement ages also require sustainable jobs that make it possible for workers to remain in the labour market longer, by providing healthy and safe work environments and often reduced or flexible working hours (Eurofound 2017).

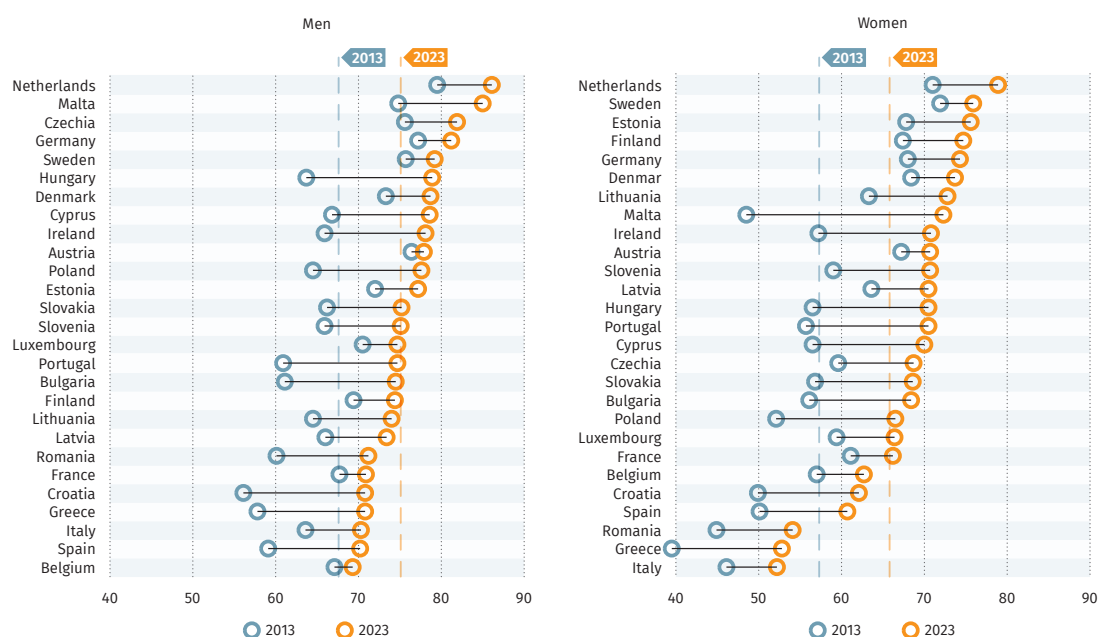
Figure 2.2 highlights the substantial differences between countries in the level of employment and the changes over time. Employment rates were highest in the Netherlands in the second quarter of 2023, for both men and women, and

among the lowest in neighbouring Belgium, especially for men. Employment rates also tended to be low for men in Spain, Italy, Greece, Croatia, France and Romania, and for women in Italy, Greece, Romania, Spain, Croatia and Belgium, followed by France which was average for the EU. Generally speaking, employment rate rankings were fairly consistent for both men and women.

Employment rates increased in all countries between 2013 and 2023 (second quarter in each case), although the extent to which they rose differed. Broadly speaking, there was a negative relationship between employment rates in the second quarter of 2013 and changes between 2013 to 2023 (second quarter in each case), with a correlation of 0.57 for women and 0.71 for men, across countries. This implies a certain amount of convergence over time, as those countries with relatively lower employment rates initially saw a greater increase over time.

The large increase in women's labour market participation was also due, in particular, to countries that were well below the average employment rate for women in 2013 catching up; this included Malta, Hungary, Portugal, Poland and Croatia, but also Greece and Spain. Despite some improvement, women's participation remained very low in Italy, Romania and Greece. As shown in Figure 2.2, there is still a wide divide between the countries in the EU in terms of gender gaps in employment. There continues to

Figure 2.2 Changes in employment rate between men and women



Note: Employment rate for the population aged 15-64 in the second quarter of 2013 and 2023; data sorted by level of employment rate in the second quarter of 2023. Dashed lines indicate the EU27 average.  
Source: Eurostat (lfsi\_emp\_q).

be much less variation in male employment rates between countries, with the difference between the highest (Netherlands: 86.1%) and the lowest (Belgium: 69.3%) standing at 16.8 percentage points, than between female employment rates, where the difference between the highest (Netherlands: 78.9%) and lowest (Italy: 52.5%) stands at 26.7 percentage points.

## Sectoral employment trends

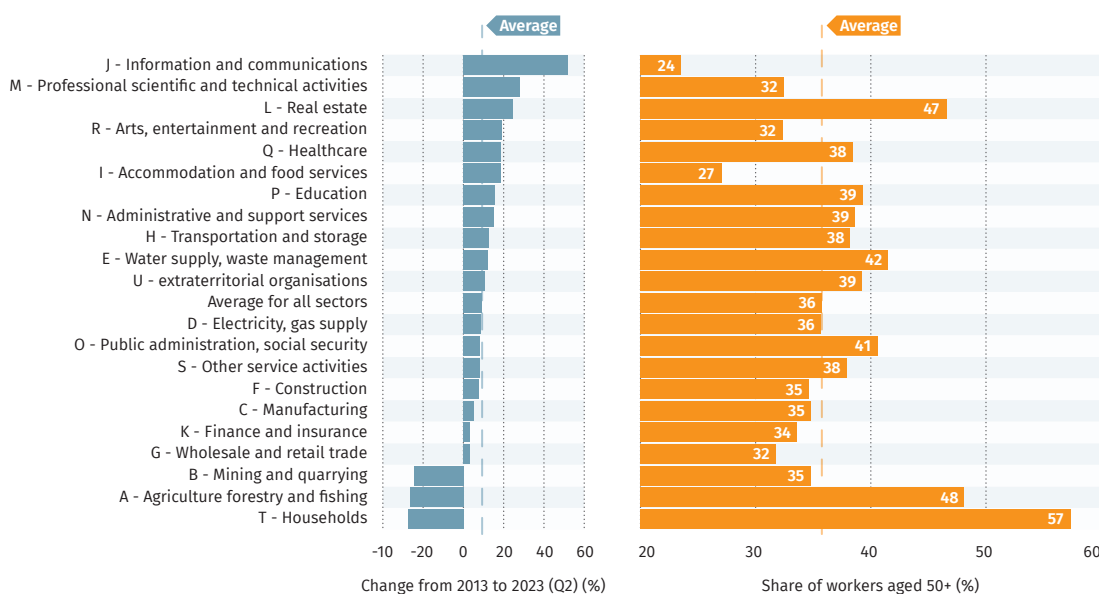
While the labour market is doing well as part of the recovery, this is an era of major transitions, which differ strongly in their impact by sector. The green transition and the shift from more to less polluting industrial activities will involve a strong decline in sectors based on polluting economic activities, or in other words brown jobs (Bowen and Hancké 2019; Vandeplas et al. 2022), and a growth or change in jobs that contribute to the green and renewable economy (Vona 2021; 2022). Digitalisation will also have a very different impact on the various occupations and sectors, depending on the investments made in new technologies and the scope for automation and digital technology. Thirdly, the age profiles of workers in industries can differ greatly, with certain sectors seeing a more rapidly ageing workforce.

The left-hand panel of Figure 2.3 shows the changes in the employment rate of workers in different sectors across the EU27 over the past 10 years, from the second quarter of 2013 to the second quarter of 2023. The right-hand panel shows the share of older workers (aged 50+) in

each of these sectors. On average, the number of individuals employed increased by 9% across the EU27, evidencing the rising employment rate across countries and the tight nature of the current labour market. This increase differs greatly between industries, however. The absolute winner in terms of job growth is the information and communication sector (J) which became half as large again over the past 10 years (a 52% increase). This is followed by professional, scientific and technical activities (M) and real-estate activities (L) which grew by 25% and 28% respectively. On the other hand, employment shrunk substantially in agriculture, forestry and fishing (A), mining and quarrying (B), and activities of households as employers or own production (T). Employment grew much less rapidly in financial and insurance activities (K) and wholesale and retail trade, repair of motor vehicles and motorcycles (G), which both grew by 3%, and manufacturing (C), which grew by 5%.

The sectors that saw large decreases also generally have a higher than average share of older workers in relative terms, with a correlation of 0.37. The growing sectors of information and communications and professional, scientific and technical activities have relatively young workforces, as do accommodation and food service activities and arts, entertainment and recreation, whereas the sectors seeing a decline in employment (mining, agriculture and work for households) have older workforces, relatively speaking. This is likely to mean that these sectors may decline further in the future, as they seem to have difficulty in attracting younger workers.

Figure 2.3 Changes in sectoral employment from 2013 to 2023 and share of workers aged 50+ in 2023



Note: Relative change in employment among workers aged 15-64 from 2013 to 2023 (second quarter in both years) as a percentage (left), and share of workers aged 50+ as a proportion of the whole workforce in 2023 (right). The dashed line refers to the average across the EU27 for all sectors.  
Source: Eurostat (lfsq\_egdn2).

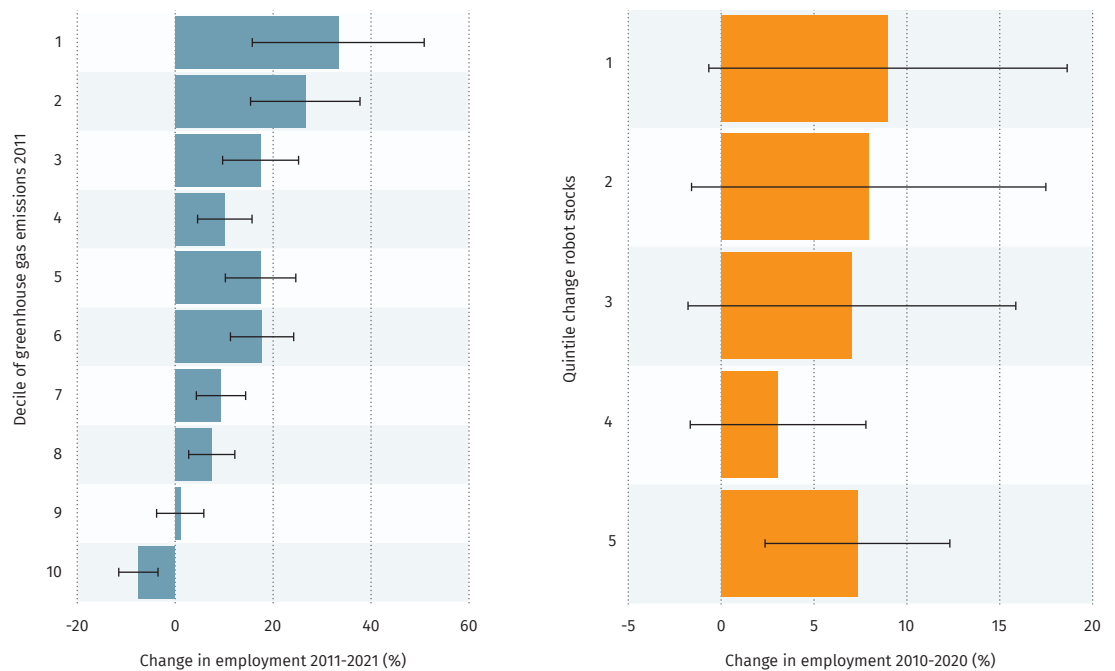
The ageing workforce is contributing to an overall rise in the demand for labour, which became particularly acute across many sectors following the Covid-19 pandemic (Causa et al. 2022; Zwysen 2023a). Such shortages are now heavily present in a large range of jobs with a variety of skills requirements and appear to be consistent across EU countries as well as globally, meaning that increased labour mobility does not seem to provide an answer (European Labour Authority 2023). Such shortages can, however, also provide opportunities for workers, since they are associated with greater wage gains and better conditions as employers compete for workers (Aeppli and Wilmers 2022; Zwysen 2023a).

Sectoral trends in employment also partly reflect the challenges that Europe is currently facing with respect to the decarbonisation of the economy and the digital transition, referred to as the ‘twin transitions’ because of their interdependency. Firstly, the economy needs to decarbonise in order to remain sustainable and within planetary boundaries, entailing a shift away from polluting jobs. Although it is more or less speculative how many jobs will be affected by the green transition, most estimates put the amount of truly polluting jobs in Europe at around 5% (Vona 2021; Vandeplass et al. 2022). While this is a relatively low figure, the expectation is that the majority of jobs not

directly affected will be reformed in some way in terms of their methods of production or tasks. Of course, these jobs are also heterogenous and the activities may still persist in the green transition, but they are likely to experience substantial changes. What remains unclear is the extent to which the new jobs created will be of sufficient quality, even if net job loss is to be minimised. A recent report by Eurofound (2022) points out that the green transition will also increase demand for many tasks that are often associated with lower quality in terms of working conditions. On the other hand, some of the green jobs will generally require high technical skills, and research by Cedefop (2022) indicates that the green transition may offer an opportunity to upskill jobs, providing new opportunities for technical and vocationally schooled workers. This transition is discussed in much more detail in Chapter 4 of this volume of *Benchmarking Working Europe*.

Figure 2.4 illustrates the link between sectoral employment and decarbonisation by showing the average relative change in specific industries within countries based on their global warming potential, as measured by the emission of greenhouse gases in 2011. This historical emission is taken as an indication of how ‘green’ a certain industry was, and whether that affects subsequent growth. This shows that the sectors that were among the top 10% of emitters in

Figure 2.4 **Change over time by greenhouse gas emissions (left) and by stocks of robots (right)**



Note: Relative change in employment (%) from 2011 to 2021 for workers aged 15-64 for the combination of the EU27 countries plus Switzerland, Iceland, Norway and the United Kingdom, and industry, by deciles of greenhouse emissions in 2011 where the first decile contains the 10% of country-industry groups with lowest emissions, and the 10<sup>th</sup> decile the 10% with highest emissions; and change from 2010 to 2020 by quintile of change in robot stock over the same period where the lowest quintile contain the 20% country-industries with the lowest change in robot stock and the 5<sup>th</sup> quintile the 20% with the highest change in robot stock, for manufacturing and industry (right).  
Source: International Federation of Robotics 2021, and Eurostat (env\_ac\_ainah\_r2, ifsa\_egan22d).





## Employment dropped in more polluting sectors

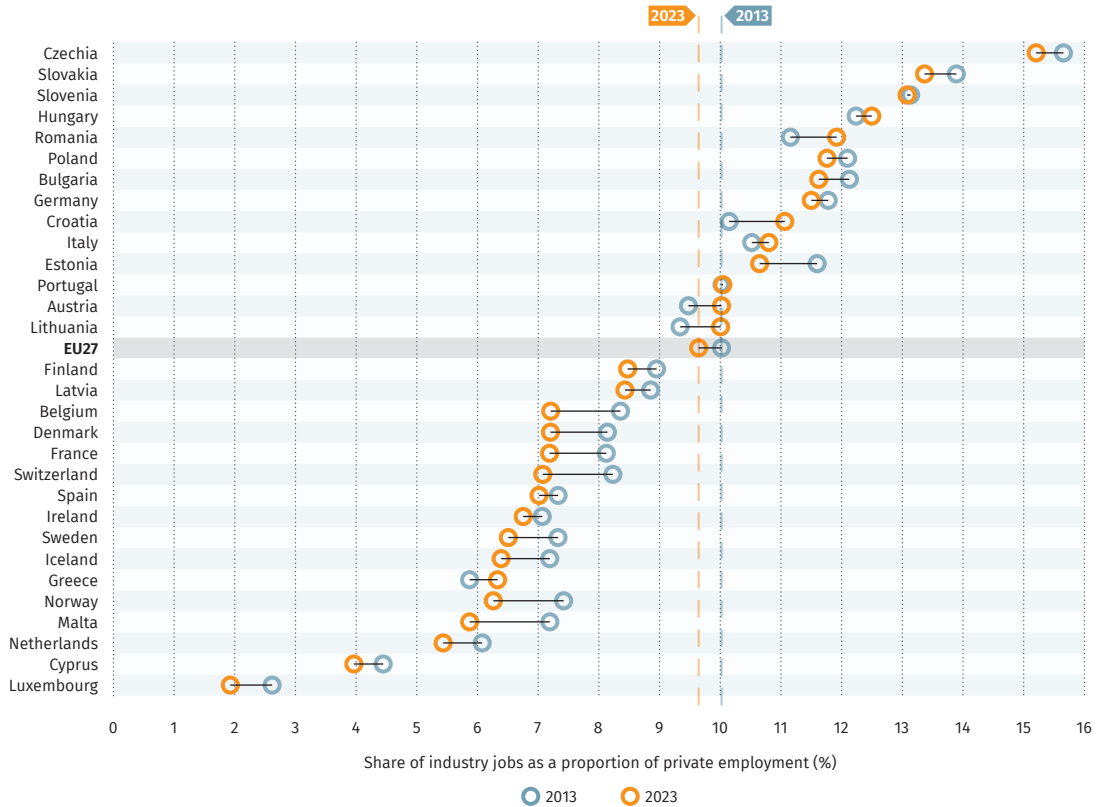
the European countries saw the most sizeable decline in employment on average, followed by the sectors that were among the top 20% of emitters. On the other hand, employment grew most in the relatively cleaner sectors that emitted the fewest greenhouse gases. This therefore supports the idea that some of the changes across sectors are attributable to the green transition.

Secondly, new technologies are being introduced at an ever faster rate. It was predicted that the introduction of computers and digitalisation to the world of work would lead to some jobs being replaced, particularly the lower-skilled or more routine, while the higher-skilled tasks that were complemented by the increase in productivity would be supported (Autor et al. 2003; Goos et al. 2014). Then came a wave of automation, with a major increase in the use of task-automating industrial robots, which have spread through the various sectors. The evidence generally points to an increase in productivity, but is somewhat mixed in terms of employment, with studies finding either no negative impact (Dauth et al. 2021) or some reduction, particularly for routine jobs (Acemoglu and Restrepo 2020). One of the clearest ways in which new technologies affect the labour market is the growth of digital

platforms mediating labour. Most recently, there has been a sharp rise in the availability of relatively low-cost AI, which will affect many more jobs, since it can also replace tasks that are less routine and more cognitive or abstract that, until now, were generally the domain of skilled workers. A recent report by the ILO estimates that around 5.5% of total employment in high-income countries like those in the EU will potentially be exposed to automation effects, while there is a much higher potential for augmentation (Gmyrek, Berg and Bescond 2023). Although still very uncertain, the scope for impact is likely to be large. A recent report on the OECD survey on AI for workers and employers contains generally positive evaluations about how AI can affect performance and working conditions, but also concerns about how it will be implemented and the impact on work conditions as well as possible displacement effects (Lane et al. 2023).

As far as digitalisation is concerned, the right-hand panel of Figure 2.4 shows changes in the employment rate for specific sectors in industry against the intensity of robot installations in the same decade. There is no clear relationship between changing investment in robotisation and changes in the proportion of employment over time, although there seems to be some

Figure 2.5 Share of industry jobs as a proportion of private employment (%)



Note: Share of industry jobs (mining and quarrying, manufacturing, energy) as a proportion of all jobs except public administration, education and healthcare in 2013 and 2023 (second quarter in both years), for the population aged 15-64. Source: Eurostat (lfsq\_egd2).

indication of larger growth overall in less-automating sectors.

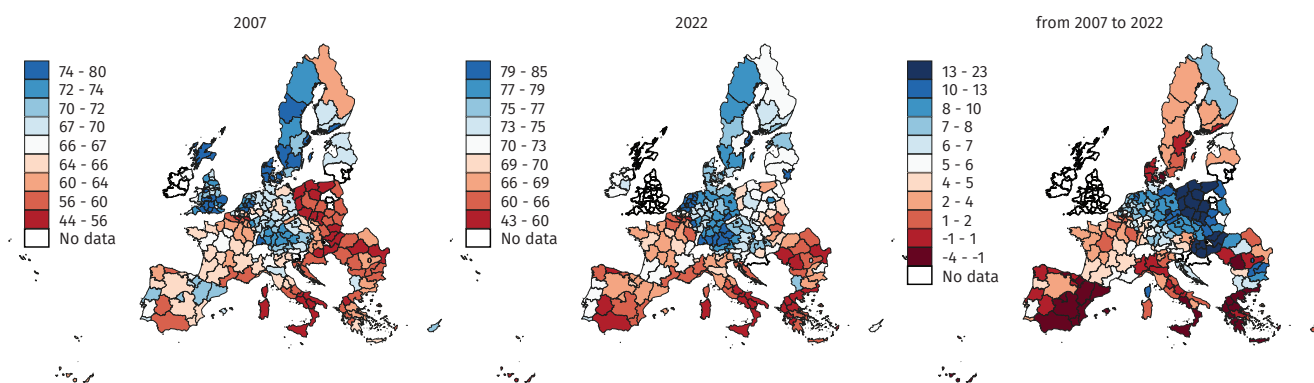
The changes over time also indicate a further, albeit modest, decline in the industrial sector within Europe. Figure 2.5 shows the change in the share of workers in the industrial sectors – mining and quarrying, manufacturing, and electricity, gas, steam and air conditioning supply – as a proportion of all the sectors except public administration and defence, compulsory social security, education, and human health and social work activities. Overall, there was a modest decline of around half a percentage point between 2013 and 2023 (second quarter in both cases) in the share of workers in industrial jobs. This conceals considerable variation, however. Firstly, the share of workers in industry grew only in Romania, Croatia, Austria, Portugal, Lithuania and Greece. Secondly, there was a sizeable difference between the different countries in Europe, with industry being most important in Czechia (15%), followed by Slovakia (13%), Slovenia (13%), Hungary (12%) and Romania (12%), and then Poland (12%), Bulgaria (12%) and Germany (11%). It follows that industry is much more important than the services sector in central and eastern Europe (12% on average in the post-2004 Member States, with the exception of Malta and Cyprus) than in the older Member States (8%). Germany and Italy still have the highest employment shares in industry (11%) of the Member States that joined prior to 2004. On the other hand, industry and manufacturing has reduced greatly in importance in Luxembourg (2%), Cyprus (4%) and the Netherlands (5%), followed by Malta (6%), Norway (6%), Greece (6%), Sweden (6%), Iceland (6%) and Ireland (7%). This therefore shows that there are wide gaps between the European countries in terms of the extent to which they focus on services or industry.

## Regional employment and long-term cohesion

In most of this chapter, we describe the situation at country level. This approach conceals significant variation, however, as shown in Figure 2.6. In countries with more than one regional subdivision, the average range between the highest employment rate and lowest employment rate within a country was 11 percentage points in 2022. The employment rate in each country's best performing region ranged from 64% in Greece to 85% in Finland, while the worst-performing regions of each country recorded employment rates of between 43% in Italy and 79% in the Netherlands. As a comparison, the overall variation in employment rates between EU countries in the second quarter of 2023 was 21 percentage points.

There has also been a convergence among the European regions over time, however. The growth in the employment rate was most pronounced in the regions with relatively lower employment rates in 2007, with a correlation of 0.19. Within countries, the average correlation was 0.33, and negative in 14 of the 18 countries with sufficient regions. This means that the regions across Europe are becoming more similar over time in their employment opportunities, both overall and within countries. Despite the overall improvement, there has also been stagnation in certain areas. Firstly, several regions, particularly in Greece and Spain, but also in Romania (Sud-Vest Oltenia), Denmark (Sjælland, Syddanmark, Midtjylland), Italy (Sicily, Calabria, Emilia-Romagna, Campania) and Belgium (Vlaams-Brabant), experienced declines in their employment rate between 2007 and 2022. Whereas the majority of Greek and Spanish regions experienced a decline, this was not the case for eight Spanish regions, in particular

Figure 2.6 Regional variation in the employment rate over time



Note: Employment rate for the population aged 15-64 by regions (NUTS2) in 2007 (left-hand side), 2022 (middle) and change over time (right-hand side). Source: Eurostat (lfst\_r\_lfe2emprt).

Ceuta, Castilla y Leon, Melilla and Extremadura, which saw increases of over 2 percentage points, and Voreio Aigaio and Attiki in Greece.

Regional variation is an important driver, given that structural changes vary greatly within countries as well as between them. A key difference between regions is their sectoral make-up, which greatly changes the extent to which they are affected by the green transition (Rodriguez-Pose and Bartalucci 2023) or the rising labour shortages.

## Trends in unemployment rates

In line with the steady expansion of the employment rate, the unemployment rate declined substantially, which can be seen in Figure 2.7, dropping by a total of 5.7 percentage points from 2013 to 2023 (second quarter in each case). Both men and women saw a very similar drop, but the same cannot be said for the different age group. Whereas unemployment remains high for the youngest workers, aged 15-24, the fact that the unemployment rate almost halved for this group means a reduction from 25.5% to 14% over the 10 year period. The risk of long-term unemployment (over one year) more than halved, dropping from 5.3% to 2.2% over the same 10-year period. While such improvements clearly show that labour demand is picking up overall, it is striking that there is still a non-negligible group of workers unable to find employment in this period of high labour demand, reflecting the existence of persistent barriers.

Once again, the overall unemployment rate conceals a great deal of variation between countries. Unemployment among 15- to 74-year-olds is lowest in Malta, Czechia, Poland and

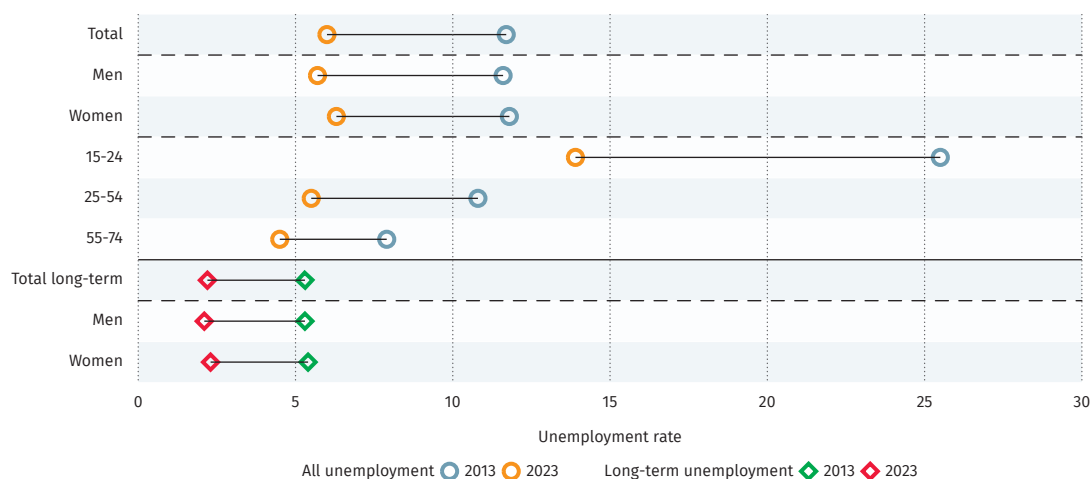
Germany, where it fell below 3% in the second quarter of 2023. It was furthermore low in the Netherlands and Slovenia (3.5%). The highest rates are found in Spain (12%), Greece (11%), Italy and Sweden (7.5%), and France and Finland (7%). Figure 2.8 also shows clearly that there has been a decline in the unemployment rate over time in all countries. The unemployment rate saw a drop from extremely high figures in Spain and Greece.

## Young people not in employment, education or training (NEETs)

Opportunities for young people are a specific focus of labour market policies as per the Youth Guarantee, which sets out a plan for providing a meaningful training or job opportunity for all young people. This is particularly important, as early negative experiences when entering the labour market can have long-lasting effects by scarring workers and rendering them less likely to find good jobs later on (Gregg and Tominey 2005; Mavromaras et al. 2015; Birkelund et al. 2017). Figure 2.9 below summarises how these efforts are paying off across countries for the youngest generation (15-24). On average, there has been a sizeable improvement across the EU27, with the rate of young people who are not in employment, education or training (NEET) dropping to below 10% between 2012 and 2022. The risk of NEET status declined in all countries with the exception of Austria and Luxembourg, where it increased slightly, and Finland, France and Slovenia, where it more or less stagnated.

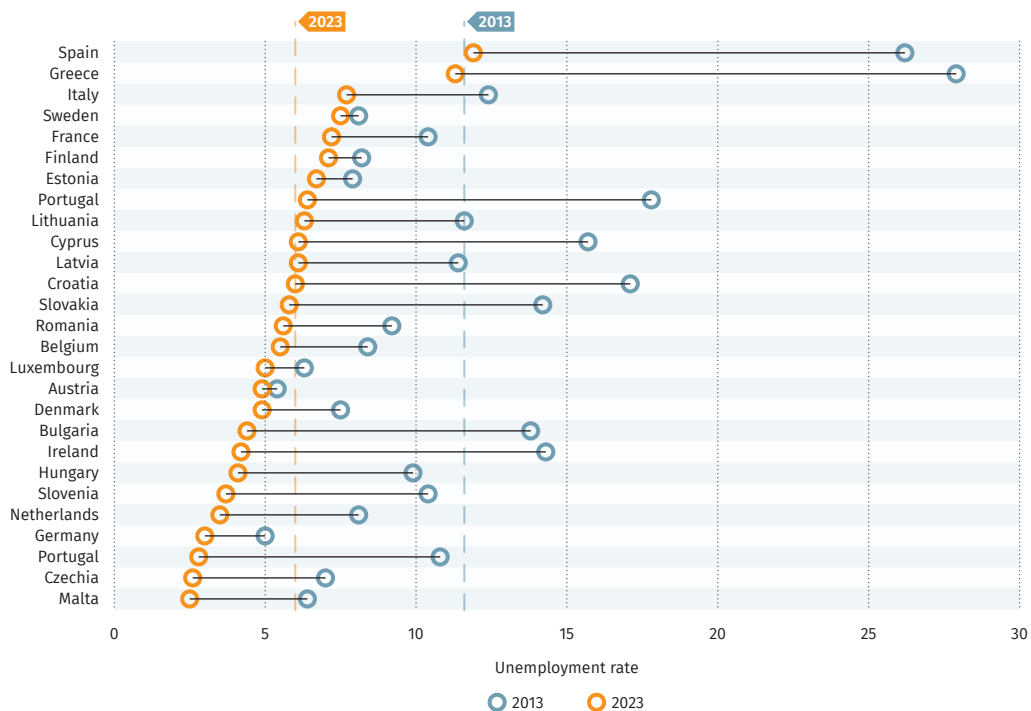
The risk of NEET status is by far the lowest in the Netherlands (3%), followed by Sweden (5%) and

Figure 2.7 Unemployment rates by categories



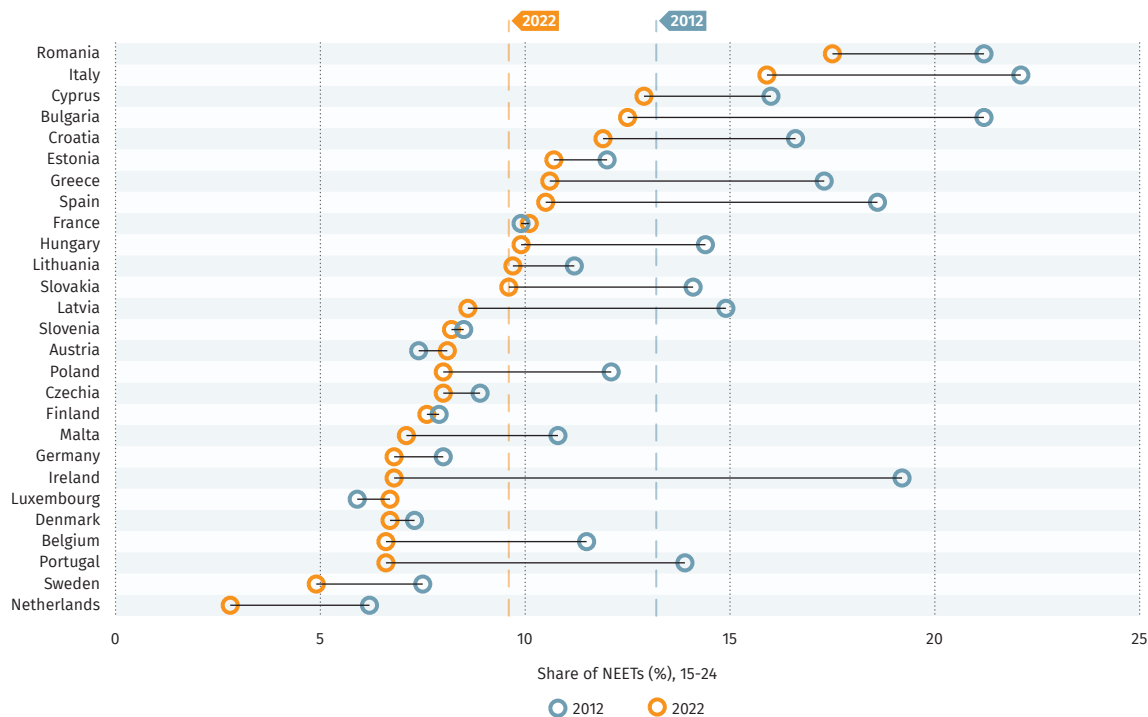
Note: Unemployment rate and share of long-term unemployed as a proportion of the labour force from 2013 to 2023 (second quarter in each year). Source: Eurostat (une\_rt\_q and une\_ltu\_q).

Figure 2.8 Unemployment rate by country



Note: Unemployment rate in 2013 and 2023 (second quarter in each year) for the population aged 15-74. Dashed lines indicate the EU27 average. Source: Eurostat (une\_rt\_q).

Figure 2.9 Share of young people not in employment, education or training



Note: Share of young people not in employment, education or training over time (%). Dashed lines are the EU average in the respective years. Source: Eurostat (tipslm90).

then Portugal, Belgium, Luxembourg, Denmark, Ireland, Germany and Malta (7%). It is highest by far in Romania, where almost one fifth (18%) of young people are not in employment, education

or training. Italy is next (16%), and then Cyprus and Bulgaria (13%), and Croatia (12%). These numbers indicate that a sizeable share of young people are losing out on opportunities.

## Intra-EU mobility and third-country migration

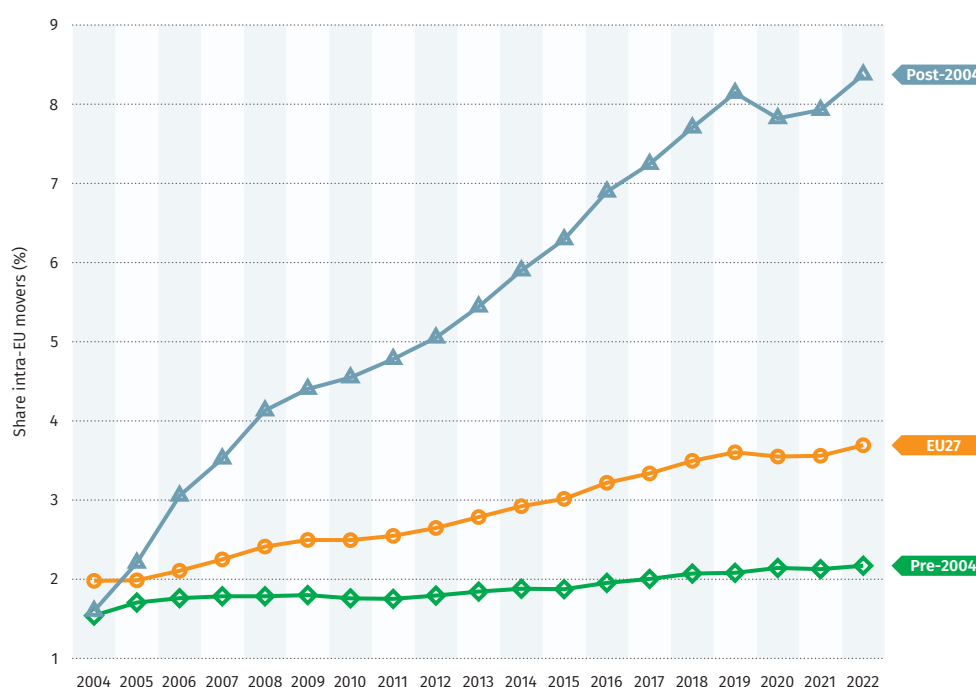
Both third-country migration into the EU and intra-EU mobility within the EU are steadily rising. As regards the former, since 2013 the annual figure for individuals aged 15-64 who were born outside the EU27 migrating to the 27 Member States has risen from 966,296 to 1,589,388, which is an increase of 64% (Eurostat: migr\_imm3ctb). In part, this reflects international conflicts and rising asylum applications. In 2013, 400,515 asylum applications were made to the EU27 countries, which rose to a peak of 1,282,690 in 2015, and then further declined to 698,760 in 2019, before plummeting to 472,395 in 2020 due to the Covid-19 pandemic. By 2022, the annual number of asylum applications to the EU had again risen to 955,525. The overall increase is not (solely) the result of Russia's invasion of Ukraine, since asylum applications by Ukrainian citizens increased from 6,460 in 2021 to 26,715 in 2022, with most Ukrainians covered by the Temporary Protection Scheme activated in 2022 and not included here (Eurostat: migr\_asyappctza). Whereas one third of applicants were women in 2013 (33%), the same figure had declined to 29% by 2022.

Labour migration is likely to become increasingly important in the light of ongoing labour shortages, for which third-country labour migration is touted as a possible

solution. Recently, the Commission presented a series of initiatives as part of the Skills and Talent Mobility package in order to make the EU more attractive to talent from outside the EU and make it easier to recruit these individuals (European Commission 2023a). While this may alleviate some shortages in specific skills, it also risks moving the problem from wealthier to poorer countries, since similar skills are required everywhere. It may also provide only a temporary solution, rather than improving working conditions and wages (Zwysen 2023a). As migration is generally at the discretion of the Member States, approaches to the adoption of regulations on short-term third-country migrants vary greatly. This, in turn, entails risks for third-country national migrant workers, who are often very dependent on their employer, and whose social security rights may be very limited (Bogoeski and Rasnača 2023).

The next focus of this chapter is intra-EU mobility, or in other words where citizens of one EU country move to work or reside in another. They experience significantly fewer regulatory hurdles than migrants from outside the EU, but still face barriers relating to knowledge of the destination country and this country's customs and language, and a lack of networks. Figure 2.10 indicates the share of nationals moving to another country within the EU, both overall and broken down by nationals of pre- and post-2004 joiners. An increase over time is apparent, from around 2% of EU citizens aged 15-64 living in a

Figure 2.10 Intra-EU mobility over time



Note: Share of EU citizens usually residing in another EU country, as a percentage of their national population aged 15-64.  
Source: Eurostat (lfst\_lmbpcita, lfsa\_pganws).

different EU Member State in 2004 to close to 4% by 2022, which has been driven almost entirely by rising shares of working-age movers who are nationals of the post-2004 Member States. Notwithstanding a brief downswing due to the Covid-19 pandemic, the share has risen to over one twelfth of the working-age population living in a different EU Member State.

Figure 2.11 breaks down mobility further by countries, showing a large division between the EU countries, with the number of Romanian and Croatian working-age citizens usually residing in a different EU country making up about one fifth of the national resident population, followed by over 10% of people in Luxembourg, Bulgaria, Portugal, and then Estonia, Lithuania and Latvia. Almost all central and eastern European countries, barring Czechia, also saw a large increase in the share of their working-age population living in another EU country. By contrast, less than 1.5% of the Swedish, German, French, Danish, Czech, Spanish, Finnish or Irish population usually resides in another Member State.

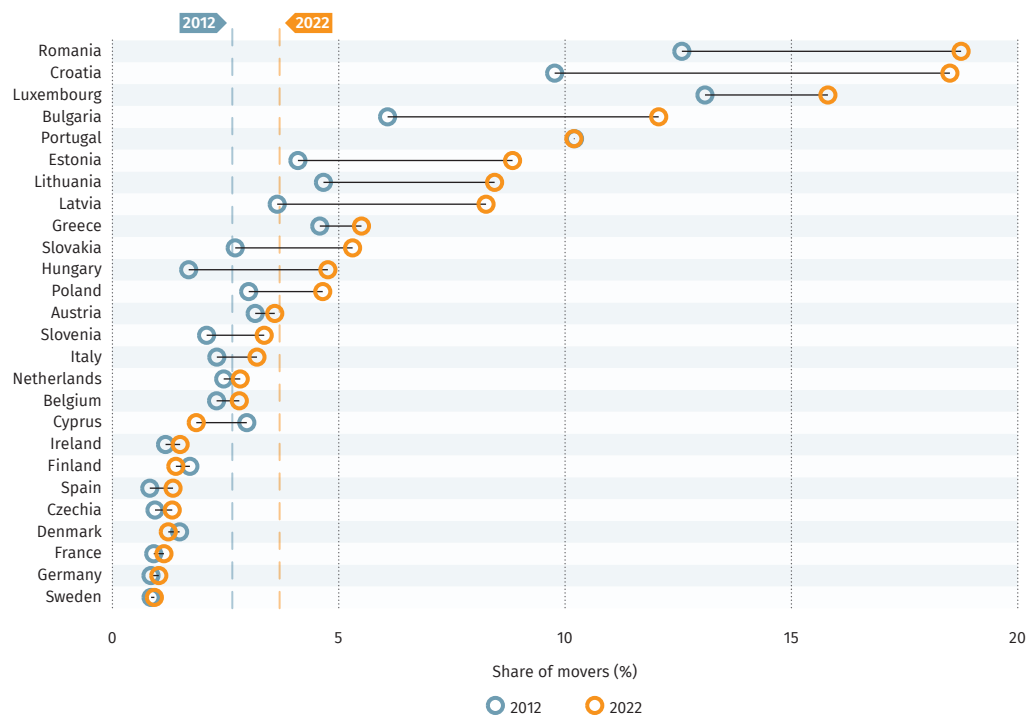
A recent ETUI working paper analysed the drivers of intra-EU mobility and its outcomes (Zwysen and Akgüç 2023). The paper indicated that, in the case of both standard mobility (where people move from one country to reside elsewhere) and the posting of workers, flows generally

went towards wealthier and bigger countries with a higher demand for labour, particularly in more seasonal sectors such as food services, construction and agriculture, and away from countries with a larger number of lower-skilled workers. This points to the importance of economic conditions in driving these flows.

Moreover, intra-EU movers do still face disadvantages on the labour market, in that they are generally less likely to be employed and more likely to work in lower-quality jobs than would be expected given their skills and characteristics. This conceals a large amount of variation, with movers from central and eastern Europe generally not facing high employment gaps but working in much lower-quality jobs, which raises the risk of exploitation for these movers (Zwysen and Akgüç 2023).

A very important channel of intra-EU mobility, albeit one which is not discussed further here, is the posting of workers to provide a service in a different Member State. Based on data from Portable Documents, there seems to have been a sizeable increase in postings over time, with around 3.7 million postings taking place across the EU, EFTA and UK in 2020. Many postings actually cover only a very short period of time, and their impact differs greatly between sectors (De Wispelaere et al. 2022).

Figure 2.11 Intra-EU mobility per country



Note: Share of EU citizens usually residing in another EU country, as a percentage of their national population aged 15-64. For Cyprus, the last available year is 2019. Source: Eurostat (lfst\_lmipcita, ifsa\_pganws).

# Employment arrangements and job quality

The previous sections discussed the employment rate overall, but there is, of course, a large amount of variation between jobs in terms of work and employment conditions. Looking at a wider time span, there has been an increase in the variety of different types of work arrangements and contract types as alternatives to the standard full-time open-ended contract. This section will first describe variations in part-time and temporary work, and then delve deeper into different aspects of the quality of work.

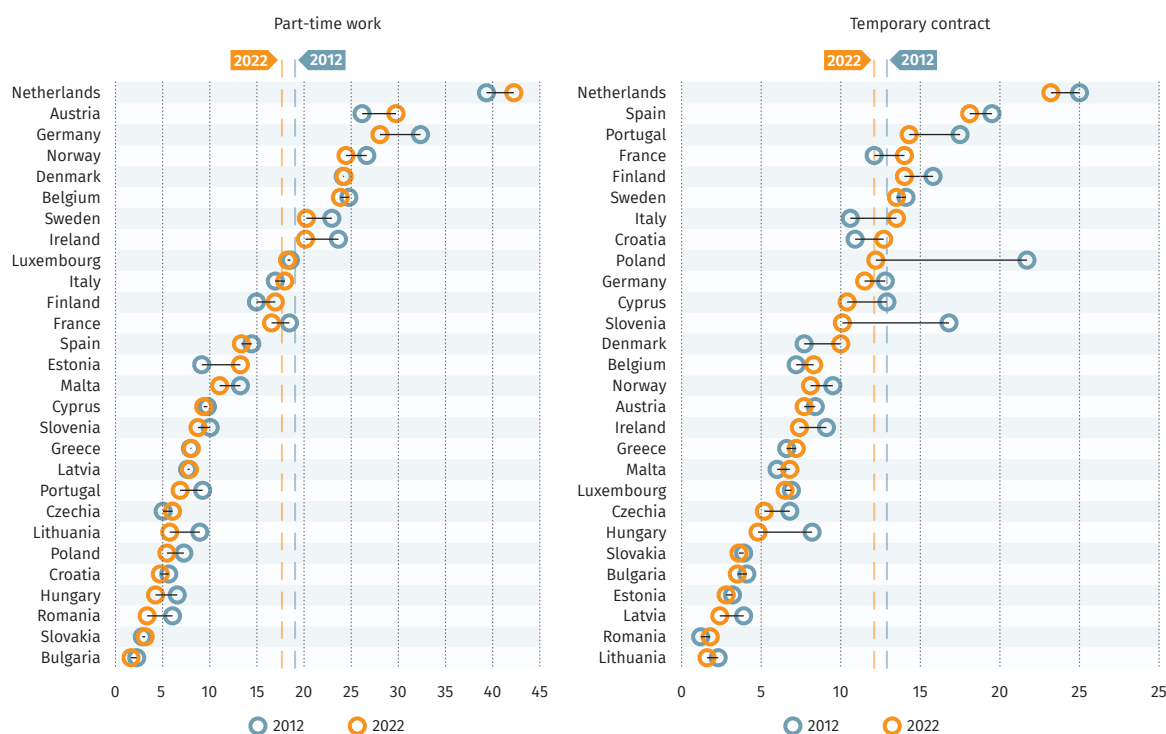
## Non-standard forms of work

Non-standard work generally means an increase in worker vulnerability, as it is linked to more precarious working conditions and greater income insecurity as a result of either insufficient working hours and too low an income, under-employment or uncertainty surrounding contract end dates, as is the case for temporary contracts.

Figure 2.12 shows that the share of workers on part-time contracts and employees on temporary contracts declined between 2012 and 2022, and so the overall increase in employment over this period did not come at the cost of more non-standard work or more under-employment. There is a sizeable difference between countries, however. Part-time work (left-hand panel) is particularly prevalent in the Netherlands, where over 40% of the employed population work part-time. This is followed by Austria, Germany, Norway, Denmark, Belgium, Sweden and Ireland. Accordingly, there is a very clear geographical divide, with part-time work much more likely in the northern and western countries of the EU. With some exceptions, these countries generally also have relatively high employment rates. Part-time work is still a much rarer occurrence in many of the central and eastern European countries, making up 5% or less of the employed in Bulgaria, Slovakia, Romania, Hungary, Croatia and Poland.

The right-hand panel of Figure 2.12 shows the share of temporary contracts for employees.

Figure 2.12 Share of employed working part-time and share of employees working on temporary contracts



Note: The figure shows the share of employed workers in part-time work and employees on temporary contracts, in 2012 and 2022\*. Dashed lines indicate the EU27 average. \* The last year available for Latvia is 2021.  
Source: Eurostat (lfsa\_eppgai, lfsa\_etgar).

On average, 12.1% of employees in the EU27 worked on temporary contracts in 2022 (women: 11%, men: 13.4%) (Eurostat lfsa\_etgar). Temporary contracts are also very prevalent in the Netherlands, followed by Spain, Portugal, Finland, France, Italy and Sweden. This type of non-standard work is consequently used more often in southern Europe on average, although by no means exclusively. Temporary contracts are generally least likely in most central and eastern European countries, with Croatia (13%), Poland (12%) and Slovenia (10%) representing notable exceptions. Temporary contracts make up 5% or less of all employee contracts in Lithuania, Romania, Estonia, Bulgaria, Slovakia, Hungary and Czechia. Temporary contracts can be particularly precarious, as they are less secure, and temporary employees are often the first to be let go. This became abundantly clear during the Covid-19 pandemic, when the share of temporary contracts declined from 13.2% in 2019 to 11.9% in 2020.

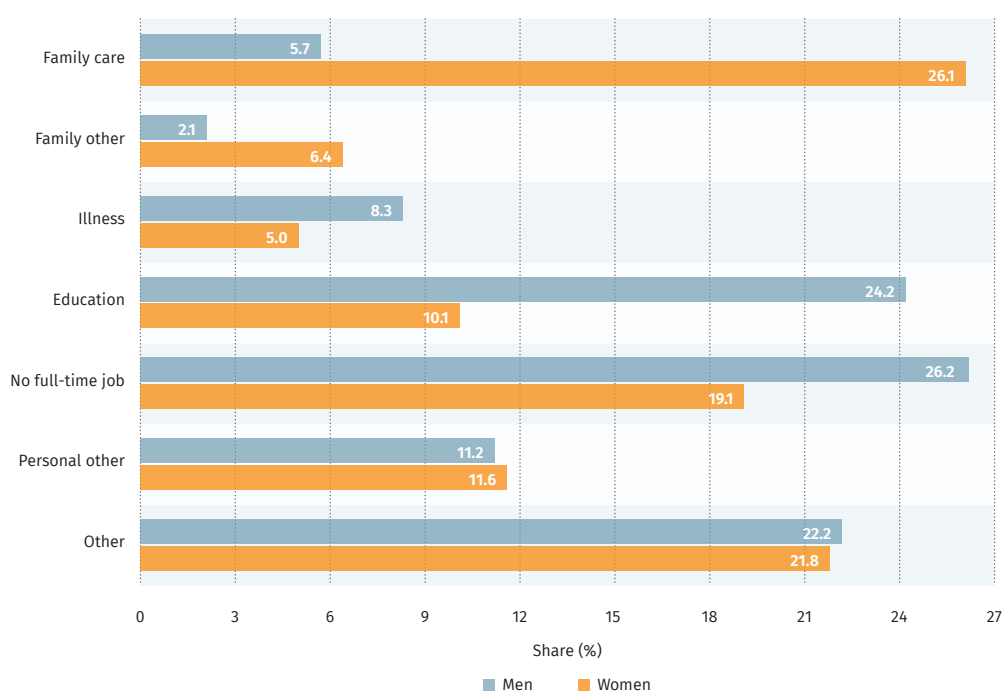
Part-time work is also much more likely to be used by women (28.4%) than men (8.2%) across the EU, and while not all of this difference is due to involuntary part-time work, it does indicate a strongly gendered constraint in options (Eurostat lfsa\_eppgai). Firstly, it is clear that women are more likely to work part-time due to family obligations: 26% of female part-time workers do so because of care responsibilities, with a further 6.4% due to other family reasons, compared to 5.7% and 2.1% of men respectively.

Men are more likely to work part-time because they are participating in training or education (24%) than women (10%). A second important difference is that 8.3% of women report disease or illness as reasons for working part-time, compared to only 5% for men. Given the high incidence of family and personal reasons, care responsibilities and illness reported by women, it should be clear that the choice to work part-time is generally a constrained choice, which also reflects variations and gendered patterns in care provision between countries and healthcare.

Figure 2.14 takes a closer look at involuntary part-time work (left-hand side) and temporary contracts (right-hand side), which are indications of under-employment, with people taking fewer hours or a more precarious job than they would otherwise have wanted due to a lack of alternatives. On average, there has been a decline in involuntary part-time work from 5.6% to 3.6% across the EU, and a drop in involuntary temporary work from 7% to 3.7%, showing that there has been a clear improvement over time. Involuntary part-time work declined in all countries with the exception of Belgium, where it increased by 2 percentage points, and Croatia, Finland and Italy, where it increased by about half a percentage point.

Involuntary part-time work is highest in Italy at 10.4%, where almost two thirds of those working part-time do so because they cannot find a full-time position. This is followed by

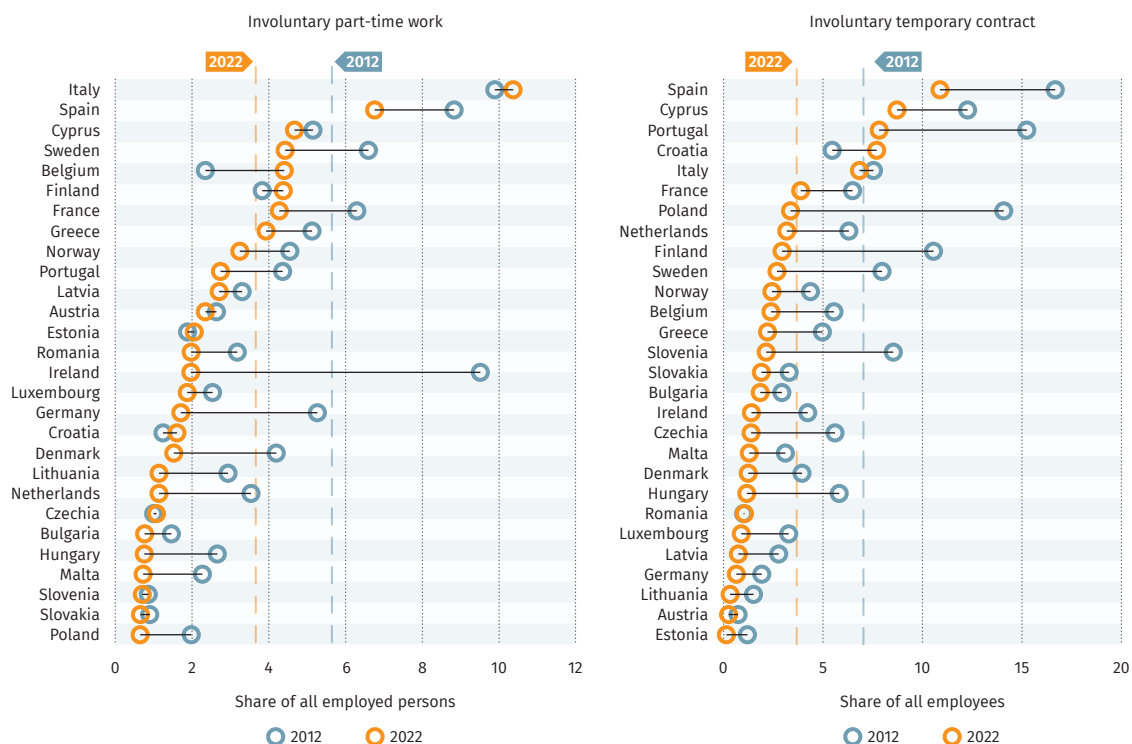
Figure 2.13 **Part-time work by reason**



Note: Share of part-time workers by reason across the EU27 for those aged 15-64 in 2022. Source: Eurostat (lfsa\_eppgai).



Figure 2.14 Share of involuntary part-time and involuntary temporary work



Note: The figure shows the share of involuntary part-time workers of all employed persons and the share of involuntary temporary contract workers as a proportion of all employees, aged 15-64, from 2012 to 2022\*. \* The last year available for Latvia is 2021. Source: Eurostat (lfsa\_eggai, lfsa\_etgar).

Spain, where 6.8% of the employed population work part-time because they cannot find a full-time position. The rate of involuntary part-time work is furthermore above 4% in Belgium, Cyprus, Finland, France and Sweden. Involuntary part-time workers account for less than 1% of the employed population in Bulgaria, Hungary, Malta, Poland, Slovakia and Slovenia. Interestingly, given their high share of overall part-time work, this figure is also very low in the Netherlands (1.1%). The number of involuntary part-time workers is thus many magnitudes smaller than the overall number of part-time workers, showing that there is a large difference between countries in the extent to which part-time work is a choice, even when constrained.

Involuntary temporary contract work declined everywhere except Croatia. Involuntary temporary work is prevalent in Spain (11%), Cyprus (9%), Portugal and Croatia (8%), and Italy (7%). It is very low in Estonia, Austria, Lithuania, Germany and Luxembourg.

In addition to temporary employment and part-time work, there are several other types of precarious positions that are not as easily measured but should not be forgotten. They include zero-hours contracts, arrangements where fewer social security benefits are accrued (such as minijobs in Germany or flexijobs in Belgium), unpaid internships and bogus

self-employment, or the vulnerable bargaining position of some solo self-employed or precarious seasonal workers.

Importantly, there has been a sizeable increase across European countries in the use of temporary agency work (Zwysen 2023b). This chimes in with a larger increase in the externalisation of work through mechanisms such as domestic outsourcing, where tasks are no longer carried out by employees of a specific firm, but rather purchased from a service-providing firm or performed by a temporary employment agency (OECD 2021a; Drenik et al. 2023). Outsourcing of this kind is generally linked to worse working conditions and lower pay compared to those of workers on more standard arrangements, and also generally results in worse representation of these workers. A recent ETUI working paper (Zwysen 2023b) describes this growth in outsourcing over time, while also revealing the sizeable variations between countries and sectors. Importantly, there is generally less outsourcing – and the outsourcing that does occur impacts workers less – in countries and sectors with stronger union density and higher collective agreement coverage rates.

## In-work poverty

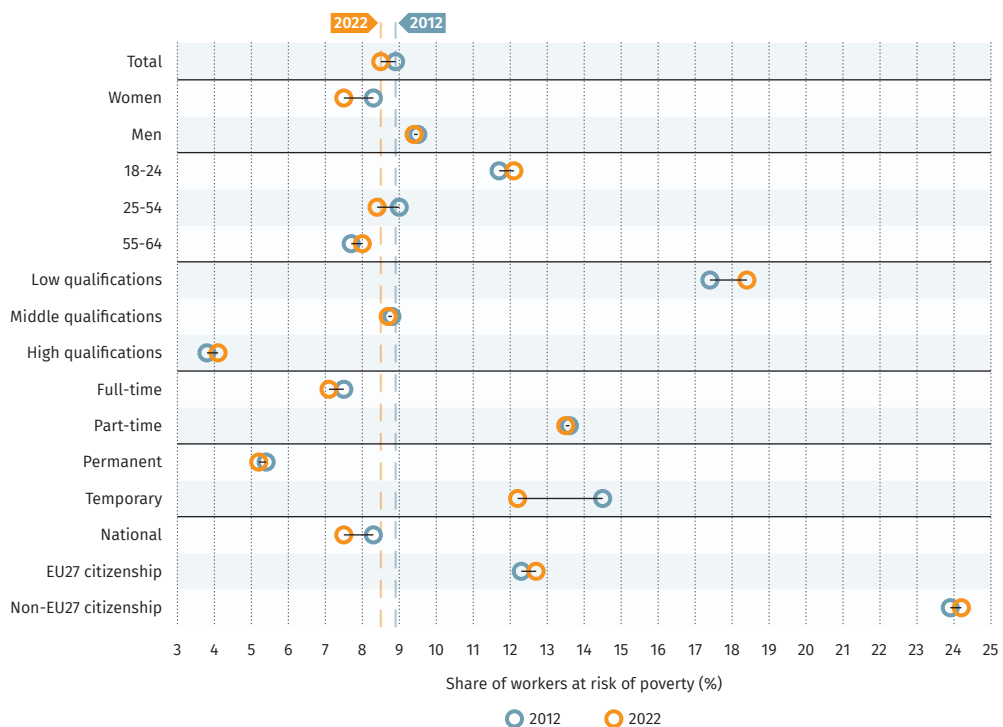
Wages and wage inequality are discussed in more detail in Chapter 3 of this volume, yet since pay is a key dimension of job quality, it is also important to consider whether jobs still provide a decent income. Figure 2.15 shows the risk of being at work while still being below the household poverty line (in-work at risk of poverty) across the EU and over time. On average, 8.5% of the employed population were at risk of poverty in 2022, which is down slightly from 8.9% in 2012. There has been a decline of 0.8 percentage points in the risk of poverty for women, which has dropped to 7.5%, whereas it remained more or less stable for men at 9.4%. The risk of in-work poverty is somewhat higher for men. There is also a clear age division, with 12.1% of young workers at risk of poverty compared to 8.4% of prime-age workers (25-54) and 8% of older workers (55-64). Over time, the risk of in-work poverty has increased somewhat for younger workers (18-24) and older workers (55-64) while declining for prime-age workers. The risk of in-work poverty is also highly dependent on qualifications, since about 18.4% of lower-educated workers (with at most lower secondary qualifications) live in poor households, compared to 8.7% of middle-qualified (upper secondary or post-secondary non-tertiary) and 4.1% of higher-qualified

workers. The risk of poverty increased by 1 percentage point for workers with lower qualifications and by 0.3 percentage points for the highly qualified between 2012 and 2022.

Non-standard work is also associated with a higher risk of poverty, since 13.5% of part-time workers in 2022 were at risk of poverty compared to 7.1% of full-time workers. Similarly, workers on temporary contracts are more than twice as likely to be in poverty (12.2%) than those on non-temporary contracts (5.2%). This also indicates why we should care about the risk of non-standard work. Finally, there is also a clear correlation with migrant status, since workers with a citizenship other than that of the country where they live are more at risk of poverty, and this risk has increased over time. The risk of in-work poverty is 12.7% even for intra-EU movers (who are relatively advantaged) and over 24% for third-country nationals.

In summary, therefore, the risk of in-work poverty has declined somewhat over time, yet this conceals variation between the different categories of workers, as the gaps between workers of different ages, qualification levels and migration statuses have generally widened over time. It therefore follows that the more vulnerable did not really see their outcomes improve and remain more at risk of poverty, even when working.

Figure 2.15 Workers at risk of poverty



Note: Share of workers at risk of poverty aged 18-64.  
Source: Eurostat (ilc\_iw01, ilc\_iw04, ilc\_iw07, ilc\_iw05, ilc\_iw15, ilc\_iw16).

## Multidimensional job quality

### Job quality across countries and genders

Since the 2008 financial and economic crisis, which triggered one of the deepest recessions in generations, the European labour markets have been in perpetual crisis management mode. Recovery has been uneven, with policy measures for a long time focusing mainly on stimulating job growth and paying far less attention to the quality of the jobs created (see, for example, Maricut and Puetter 2018; Piasna et al. 2019). Rising inequalities, sluggish wage growth and the expansion of the precarious gig economy (Tomaskovic-Devey et al. 2020; ILO 2021) are just some of the many outcomes ringing alarm bells about the unsustainability of the current economic model, thus underscoring the need for social policy to step up and rendering the monitoring of developments in job quality a pressing issue.

The European Job Quality Index (JQI) has been developed by ETUI researchers to benchmark EU countries in terms of quality of jobs and monitor trends over time (Leschke et al. 2008; Piasna 2023). The JQI encompasses a broad range of work and employment characteristics, summarising them within six dimensions: income quality (i.e. predictability and adequacy of income), forms of employment and job security, working time and work-life balance, working conditions, skills and career development, and collective interest representation and voice (for more details, see Piasna 2023).

The latest results, based on data from 2021, show considerable differences in job quality between the Member States (Figure 2.16). Countries with overall job quality that falls below the EU average are mostly located in central, eastern and southern Europe, testifying

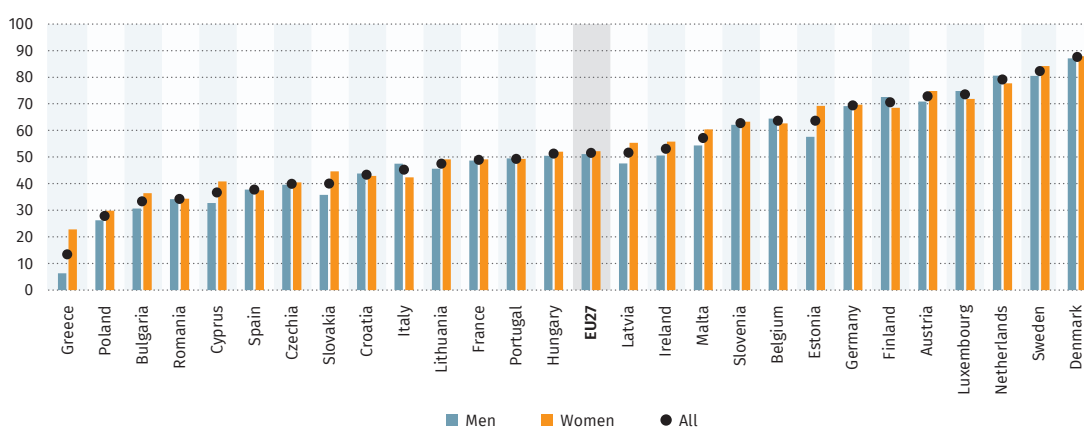
to the persistent regional divides within Europe. Overall job quality is lowest in Greece, followed by Poland, Bulgaria and Romania. In contrast, Denmark, Sweden and the Netherlands noted the best job-quality outcomes in 2021. These regional disparities are also broadly reproduced for the specific dimensions of job quality, demonstrating that the European labour markets continue to offer highly unequal employment opportunities and that upward convergence is hindered by persistent structural and institutional barriers. There is surprisingly little gender-based variation in global measures of job quality at EU level, with the scores for women slightly outperforming those for men, especially so in Greece, Estonia, Slovakia and Cyprus.

There are some notable trade-offs between the various dimensions, however (Figure 2.17). Women achieve better outcomes compared to men in only two dimensions, namely income quality and working time quality/work-life balance. The latter is mainly due to the fact that their working hours are shorter overall, and the incidence of unsocial and very long hours (more than 48 per week) is lower as a result. This gender gap is narrowest in Sweden, which also scores the best on this dimension of job quality.

Income quality reflects the adequacy of income and its predictability rather than wage levels. It is notable that women, who continue to earn less than men in the EU on average, regardless of differences in personal characteristics and work settings (EIGE 2021; European Commission 2022a), are nevertheless more often able to foresee the amount they will earn in the near future and feel more confident in being able to make ends meet at the end of the month.

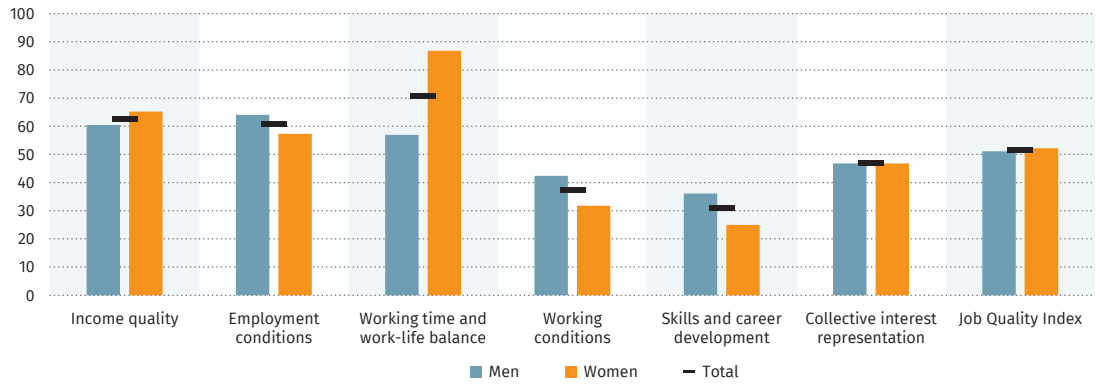
Men score better in terms of quality of employment conditions, and this gender gap is particularly wide in countries with the worst

Figure 2.16 Overall Job Quality Index in 2021, by country and gender



Source: Piasna (2023: 14).

Figure 2.17 Job Quality Index in 2021, by sub-dimensions and by gender, EU27



Note: All sub-dimensions have been normalised for the purpose of calculating the overall Job Quality Index.  
Source: Piasna (2023: 14).

employment conditions, or in other words Spain, Italy, Cyprus and Greece, but also Finland. Interestingly, women are somewhat more likely to perceive their jobs as secure compared to men, which reduces the overall gender gap in employment conditions.

The fact that men have a better quality of working conditions (i.e. work intensity, work autonomy and physical risk factors) might be surprising, but is partly due to a focus on the physical risks that are common in female-dominated healthcare and clerical occupations in the 2021 data. Women, however, have lower autonomy and less control over the organisation of their work.

There is little gender difference at EU level in participation rates for education and training, but women view their career prospects more negatively than men. Some interesting patterns emerge between countries, however (see Piasna 2023), with women enjoying better conditions in terms of skills and career development in countries that are above the EU average on this dimension, such as Sweden, Estonia, Denmark or Finland. In contrast, a gender gap in favour of men tends to be observed among the lower-ranked countries, such as Portugal, Italy, Czechia or France. Finally, there is no gender difference in collective interest representation.

### Working conditions across sectors

Figure 2.18 illustrates differences in the quality of working conditions across sectors, revealing trade-offs rather than a correlation between the various dimensions. The overall quality of working conditions is highest in knowledge-intensive activities, such as real estate, finance and insurance, information and communication or professional scientific and technical activities. This is driven by low exposure to physical risks and high scope for autonomy, but

is offset by high-intensity work. In contrast, a combination of high exposure to physical risks along with low worker autonomy characterises work in the healthcare sector, raising concerns about the unsustainability of conditions for this group of key workers in a sector faced with labour shortages.

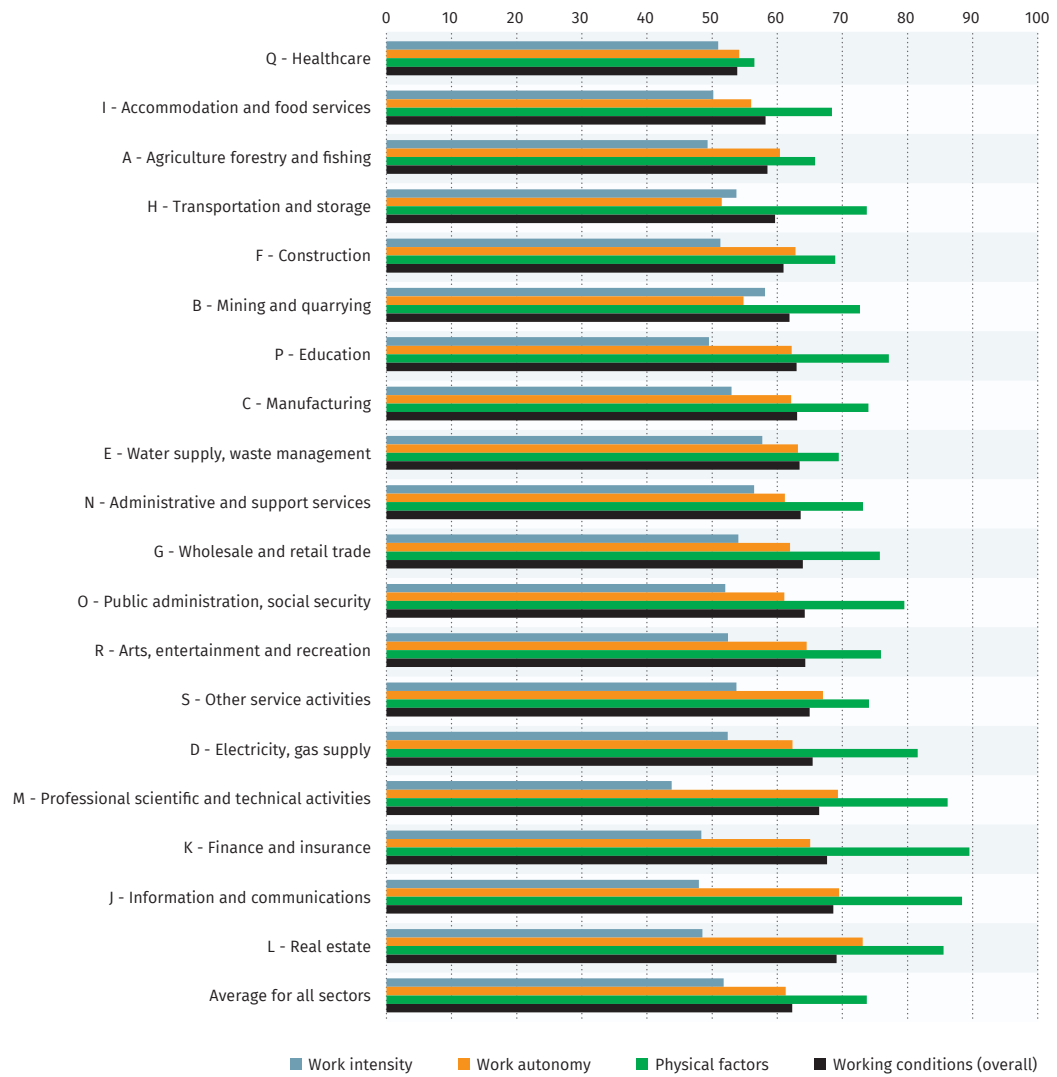
## The burden of psychosocial work factors

Occupational Safety and Health (OSH) is core to job quality, as it aims to prevent work-related harm to employees and therefore constitute a key driver of each worker's overall employment experience. Over the past decade, the European OSH policy framework and rules have contributed to a considerable improvement in working conditions. The previous EU OSH strategic framework (2014-2020) played a major role in the prevention of work-related diseases, with several updates of the Carcinogens and Mutagens Directive as well as modernisation updates of four directives, including in the areas of exposure limit values and biological agents. The new OSH strategic framework (2021-2027), announced in the European Pillar of Social Rights Action Plan, also places an emphasis on the prevention of work-related accidents with the ambitious 'Vision Zero' approach to work-related deaths. Yet the roadmap makes no references to the psychosocial factors behind work-related illnesses and deaths, even though the scientific evidence points towards a substantial toll.

Psychosocial work factors are aspects of the design or management of work that are associated with a negative impact on mental or physical health. Several epidemiological studies have actually demonstrated that psychosocial work factors are associated with

“  
Psychosocial risks are not included in the OSH roadmap, but carry a substantial toll

Figure 2.18 The quality of working conditions (overall measure and sub-dimensions), by sector, EU27



Note: Higher values indicate a better job quality for all dimensions; for example, a high score for work intensity indicates less intense work. Activities of households as employers and extraterritorial organisations and bodies are not shown but are included in the calculation of the average for all sectors. Sorted by scores for working conditions (overall). Source: EWCTS 2021, own calculations.

various negative health outcomes, especially cardiovascular diseases and mental disorders. The burden of disease is typically measured by disability-adjusted life years (DALYs), a time-based measure that combines years of life lost due to premature mortality (YLLs) and years of life lost due to time lived in states of less than full health, or years of healthy life lost due to disability (YLDs). The following data are from an ETUI-funded research project aimed at estimating the annual burden of cardiovascular diseases and depression attributable to a selection of psychosocial work factors in the EU27 and United Kingdom (Sultan-Taïeb et al. 2023). The analysis is based on data from the sixth European Working Conditions Survey (EWCS) carried out in 2015 in 35 countries. The questions included on the EWCS allow five psychosocial work factors to be assessed:

job strain, job insecurity, long working hours, bullying and effort-reward imbalance.

The overall burden of depression attributable to the five psychosocial work factors in the EU27 and United Kingdom was estimated at 211,689 YLLs and 449,322 YLDs. Job strain was the leading contributor to depression, accounting for the heaviest burden across all exposure-outcome pairs, with 132,988 YLLs and 281,037 YLDs. Workplace bullying (68,924 YLLs and 155,285 YLDs) and effort-reward imbalance (54,095 YLLs and 105,063 YLDs) ranked second and third respectively. Depression caused more YLDs than YLLs for all factors, showing that the effects of depression can be long-lasting or recurrent, and can dramatically affect a person's ability to function.

The overall burden of coronary heart disease (CHD) attributable to all psychosocial work

factors – except for bullying, for which paired data are unavailable – was estimated at 201,359 YLLs and 11,508 YLDs. The highest burden of CHD in both YLLs and YLDs was for job insecurity, closely followed by job strain (i.e. a situation where high job demands combined with low control or decision latitude are experienced). By way of contrast to depression, CHD caused substantially more YLLs than YLDs for all factors, underscoring that survival following a CHD event is typically short.

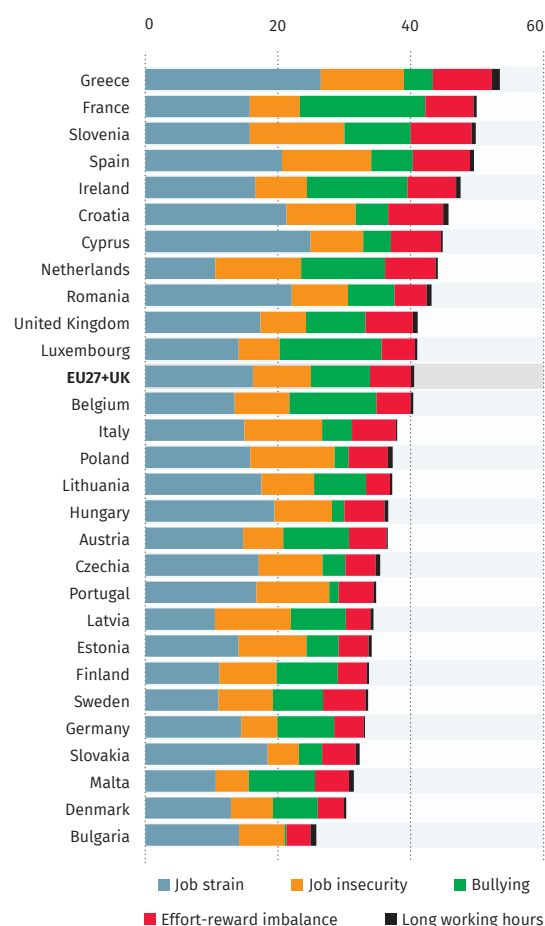
Three additional health outcomes were available for specific factors, although they made more modest contributions to the overall burden. Stroke added 11,818 YLLs and 4,041 YLDs to the burden of long working hours, while atrial fibrillation, characterised by rapid and irregular beating of the upper chambers of the heart, accounted for 554 YLLs and 1,085 YLDs. Finally, peripheral arterial disease attributable to job strain were estimated to add 2,993 YLLs and YLDs. Peripheral arterial disease is a condition in which narrowed arteries reduce blood flow to the arms or legs, which in turn increases the risk of developing coronary and cerebrovascular diseases, potentially leading to a heart attack or stroke.

There are discrepancies between Member States in the burden borne by workers. Figure 2.19 and Figure 2.20 show the share of depression and coronary heart diseases attributable to the five psychosocial work factors in 2015 (i.e. attributable fractions or AFs).

As shown in Figure 2.19, the fraction of depression attributable to job strain ranged from 10% in Latvia to 26% in Greece, with an EU27+UK average of 16%. Less than 2% of depression was attributable to bullying in Bulgaria, Portugal and Hungary, in contrast to more than 15% in Ireland, Luxembourg and France. A lack of reciprocity between effort and reward in the workplace was the cause of 9% of depression in Spain, Greece and Slovenia, but less than 4% in Bulgaria, Lithuania, Latvia and Denmark. The fraction of depression attributable to long working hours averaged out at 0.5% and was significantly different from zero ( $p < 0.05$ ), with significant differences between Member States. There was no significant difference between Member States in the share of depression attributable to job insecurity, which averaged out at 9% in the EU27+UK. Overall, the burden of depression attributable to the five psychosocial work factors studied was highest in Greece,

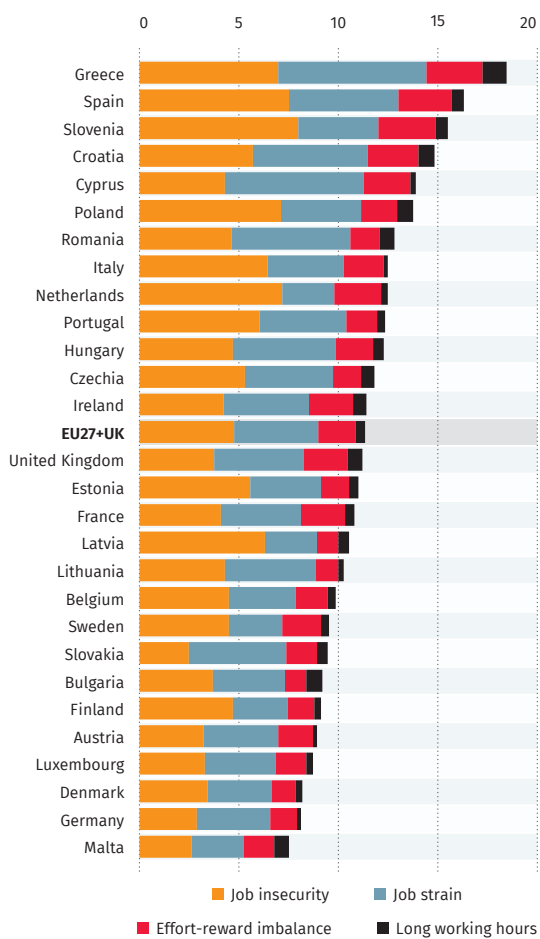
France, Slovenia and Spain. At the other end of the spectrum, Bulgaria, Denmark, Malta and Slovakia recorded the lowest overall burden for depression. In Figure 2.20, the fraction of CHD attributable to the five psychosocial work factors was found to be significantly different from zero in all cases, but with no significant differences between Member States. Job insecurity contributed to 5% of CHD on average, ranging from 2.5% in Slovakia to 8% in Slovenia. CHD attributable to job strain ranged from 3% in Latvia to 8% in Greece, with an average of 4% in the EU27+UK. The attributable fraction of effort-reward imbalance ranged from 1% in Bulgaria to 3% in Slovenia, contributing to 2% of CHD in the EU27+UK on average. Finally, long working hours were a factor in 0.5% of CHD in the EU27+UK, ranging from 0.2% in Germany to 1.2% in Greece.

Figure 2.19 Fractions of depression attributable to selected psychosocial work factors in EU27+UK in 2015, per Member State



Note: Expressed as percentages.  
Source: authors, based on Sultan-Taïeb et al. 2023.

Figure 2.20 Fractions of CHD attributable to selected psychosocial work factors in EU27+UK in 2015, per Member State



Note: Expressed as percentages.  
 CHD: Coronary/ischaemic heart disease.  
 Source: authors, based on Sultan-Taieb et al. 2023.

It should be noted that the separate attributable fractions do not sum up to an overall attributable fraction, since multiple risk factors may act together to cause a disease in any given individual. Psychosocial work exposure nevertheless remains a significant source of ill-health in the European Union. In 2015, 6,190 workers died of CHD attributable to at least one of the five psychosocial work factors under investigation. The burden was equally high for depression, with 4,843 deaths attributable to exposure of this kind. Although less visible, in

2015 the burden of psychosocial work factors was three times heavier than that of workplace accidents, which amounted to 3,502 fatalities in the same year (Eurostat hsw\_mi01). Moreover, these estimates are conservative, since only a limited set of psychosocial work factors and health outcomes were included. The inclusion of additional exposures such as ‘dealing with difficult customers’, which has been reported as a risk factor for mental health by 10% of EU workers, is likely to result in an even heavier burden (Franklin et al. 2021). Similarly, additional diseases known to be associated with chronic stress could contribute to the death toll, such as type II diabetes or inflammatory bowel disease (Ge et al. 2022; Sharma et al. 2022). Finally, the analysis does not capture the changes brought about by Covid-19 lockdown measures on the one hand, and the emergence of new forms of employment on the other, both of which have been known to exacerbate the psychosocial toll on vulnerable workers.

Post-pandemic surveys hint at an unprecedented deterioration in psychosocial working conditions, with an even greater share of workers reporting time pressure, overload of work, poor communication, bullying or harassment, and a lack of autonomy or influence over work (Franklin et al. 2021). According to the Flash Eurobarometer survey conducted in April 2022, 44% of EU workers agree or strongly agree that they experience more work-related stress as a result of the Covid-19 pandemic (EU-OSHA 2022). The survey highlights the growing use of digital technologies as a contributor to the worsening of psychosocial working conditions. For many workers, the introduction of digital technologies resulted in more lone working, increased surveillance and a loss of autonomy at work. This is in line with the extensive body of research conducted on the platform economy, showing that algorithmic management and digital surveillance technologies contribute to a hectic pace of work, long working hours and lone working (Bérestégui 2021). These developments are likely to have placed a yet greater burden on the health of European workers compared to the 2015 estimates.

# Selected recent developments in relation to Social Europe

This section goes beyond describing the structure of the labour market in Europe by taking a more policy-focused look at developments across the European Union. Certain efforts have been more focused on expanding access to the labour market and taking certain, albeit hesitant, steps towards social policies that are harmonised in terms of outcomes at the European level, for example the adoption of the European Pillar of Social Rights and the increase in other related directives and regulations. However, these efforts remain generally much weaker than those focused on economic and monetary regulation and the organisation of the single market.

Specific attention is given firstly to the social legislation initiatives, referred to here as the first ‘children of the Pillar’, that emerged from the post-EPSR expansion. This section describes what stage has been reached with this process to date and provides an initial assessment thereof. As part of these developments, there has also been an increased level of interest in minimum income provisions with a view to limiting poverty across the Union; this section therefore looks in more detail at the efforts being made to address this issue. Secondly, the chapter describes the issue of platform workers, with reference to the work currently ongoing on a directive regulating the obligations of platforms and the status of platform workers. Finally, the fact that the EU governance scheme is being renewed at present makes this the perfect time to analyse the extent to which country-specific recommendations (CSRs) address and frame labour market issues in the EU. The section begins with a brief overview of changes in spending on labour market policies.

## Spending on labour market policies

The previous section described trends in the labour market, and it was shown that there had been some convergence in employment rates over time between countries. However, it is also important to consider the policy dimension of labour market and social developments across

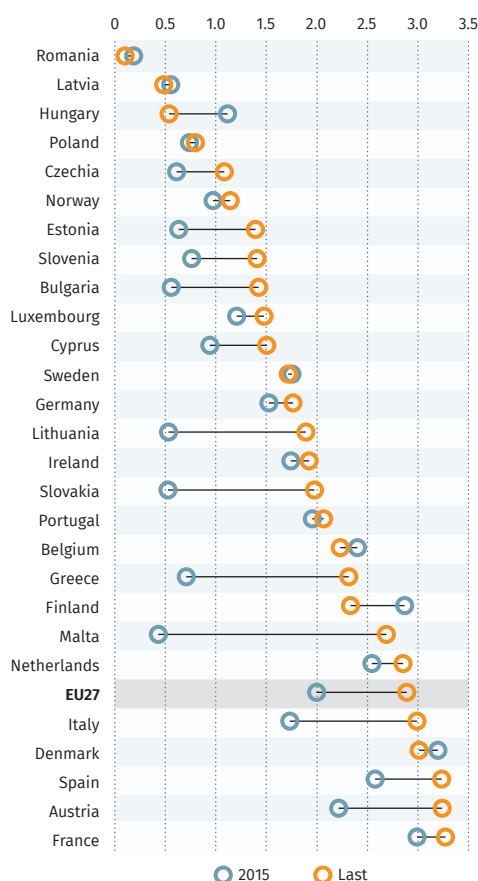
Member States and within the European Union. Labour market policies are an important issue in the European Union’s Member States. In 2020, around 2.9% of GDP was spent on support for various labour market policies. This reflected a major increase compared to the previous year (1.7%) due to the support provided to workers during the Covid-19 pandemic. This is particularly evident from the fact that spending on out-of-work income maintenance and support increased from 1% to 2.1% of GDP, and spending on employment incentives increased from 0.07% to 0.26%. Yet, prior to the pandemic, there had actually been a steady decline in spending on labour market policies, from 2.4% in 2010 to 1.7% in 2019. A more detailed examination of the specific types of spending reveals that spending on labour market services declined slightly from 2010 (0.23% of GDP) to 2020 (0.20% of GDP) across the EU27. On the other hand, combined spending on activation – training, employment incentives, supported employment and rehabilitation, direct job creation and start-up incentives – declined heavily from around 0.58% of GDP in 2010 down to 0.39% in 2019. However, the Covid-19 pandemic meant that this spending increased again to 0.59% of GDP by 2020. Finally, spending on replacement incomes – out-of-work income maintenance and support, and early retirement – had also declined from 1.56% of GDP in 2010 to 1.07% by 2019 but then increased sizeably up to 2.10% of GDP by 2020. These spending patterns illustrate not only trends in the labour market, with an overall reduction in the share of early retirees and lower unemployment rates, but also changing policy priorities that led to a decrease in training, labour market services and employment initiatives.

A great deal of variation can be observed between countries, as can be seen from Figure 2.21, which maps the changes over the period 2015-2021. The highest share of GDP was spent on labour market policies in France, Austria, Spain, Denmark and Italy, which all spent 3% or more of their GDP on labour market policies. The Netherlands, Malta, Finland, Greece, Belgium, Portugal and Slovakia spent between 2% and 3% of their GDP on such policies. In contrast, labour market policy support was very low in Romania,



Latvia, Hungary, Poland and Czechia, and (with the exception of Czechia) also decreased in all of these countries. From 2015 onwards, there was generally an increase in labour market policy support in most countries, with the exception of Denmark, Finland and Belgium, where spending was already high, and Hungary and Romania, where spending was low and declined further. Overall, the level of variation between Member States is still very high.

Figure 2.21 **Spending on labour market policy support in 2010 and 2021, by country**



Note: The figure shows spending on different labour market policies as a share of GDP in 2010 and in the last available year, which is generally 2021, with the exception of Ireland, Romania, Italy and the EU27, where it is 2020. Source: Eurostat (lmp\_expsumm).

## The first 'children' of the Pillar

As the social consequences of austerity measures in the wake of the sovereign debt crisis started to become apparent, the European Pillar of Social Rights was proclaimed in 2017 by the European Commission, the European Council and the European Parliament. It is a set of 20 principles intended to inspire confidence in the social dimension of the Union. As a non-binding legal commitment, the function and effectiveness of the Pillar was questioned at the time (Rasnača 2017; Garben 2019). Six years later, doubt remains from many corners over the achievements of

the Pillar and its 2021 Action Plan (e.g. Rainone and Aloisi 2021; Seiwerth 2023). Nevertheless, it would certainly seem that, in the post-Pillar period, 'Social Europe is happening more than ever before' (Kilpatrick 2023).

The main initiatives to emerge during this period were discussed in the opening chapter to this edition by Claire Kilpatrick. Most of these are highlighted again here in Table 2.1, which includes most of the major pieces of legislation (some of which were in the pipeline before the Pillar was officially proclaimed), as well as non-binding initiatives and major funding instruments linked to the Pillar. Some of these initiatives – such as the Adequate Minimum Wages Directive and the NextGenerationEU – are remarkable achievements that would have been unthinkable a decade ago. The implementation of the Pillar is also mentioned in the Commission's proposal to review the EU governance framework, which is discussed below.

Table 2.1 **List of directives and instruments that have emerged in the wake of the European Pillar of Social Rights**

Legally binding instruments	<ul style="list-style-type: none"> <li>• Whistleblowing Directive</li> <li>• Work-Life Balance Directive</li> <li>• Transparent and Predictable Working Conditions Directive</li> <li>• Adequate Minimum Wages Directive</li> <li>• Women on Boards Directive</li> <li>• Pay Transparency Directive</li> <li>• Proposal for a Directive on improving working conditions in platform work</li> <li>• Proposal for a Directive on combating violence against women and domestic violence</li> </ul>
Non-binding instruments	<ul style="list-style-type: none"> <li>• Council Recommendation on key competences for life-long learning</li> <li>• Council Recommendation on access to social protection by workers and the self-employed</li> <li>• Council Recommendation establishing a European child guarantee</li> <li>• Council Recommendation on a fair transition towards climate neutrality</li> <li>• Council Recommendation on adequate minimum income</li> <li>• Council Recommendation on strengthening social dialogue</li> </ul>
Funding instruments	<ul style="list-style-type: none"> <li>• European Social Fund Plus</li> <li>• Recovery and Resilience Facility, part of NextGenerationEU</li> <li>• Social Climate Fund</li> </ul>

Here we take a closer look at two of the first binding legal instruments that emerged from the Pillar and that were directly linked to its principles, namely the Work-Life Balance Directive and the Transparent and Predictable Working Conditions Directive, which were due to be implemented by August 2022. The first

instrument seeks to ensure a better work-life balance for parents and carers. Since women tend to be the primary caregivers, it also aims to increase women's labour market participation and encourage a greater uptake of unpaid care work by fathers. It sets minimum standards regarding paternity leave (two weeks), parental leave (four months) and carers' leave (five days), and introduces a right to request flexible working arrangements. Many Member States already have more generous entitlements, but in others the Directive will raise the level of protection. Greece, Malta, the Netherlands, Portugal and a few other Member States offered only one week of paternity leave or less before the Directive (Janta and Stewart 2018), for example.

Yet, while the Directive is a positive development, the leave entitlements are still relatively minimal compared to the actual demands experienced by carers, and certain shortcomings persist. The Directive provides for paternity leave to be paid only at the level of sick pay (which varies between Member States), and for only two months of parental leave to be remunerated adequately. In the absence of decent remuneration across all types of leave, it remains more likely that uptake will be greater among women, who earn less on average and risk losing a smaller proportion of household income (Chierigato 2020; Arabadjieva 2022). Certain challenges have also been encountered in terms of implementation. By August 2022, 19 Member States had still not notified the Commission of the relevant implementation measures. In April 2023, the Commission sent reasoned opinions to 11 of those, and in November it referred Belgium, Ireland and Spain to the Court of Justice of the EU for failure to notify it of their implementation measures for the Directive.

The Transparent and Predictable Working Conditions Directive, on the other hand, aims to address the fact that atypical and precarious forms of work are often associated with unpredictability of income and irregular work schedules (Piasna 2019), contributing to economic insecurity and negative impacts on worker well-being. The Directive requires employers to provide workers with information on essential aspects of their employment relationship, including place of work, pay, predictable work patterns where possible, and – where work patterns are not predictable – information on the guaranteed number of hours they will work and the notice they must be given in advance of being required to work. It includes requirements pertaining to changes to the employment relationship, parallel employment, probationary periods (which must not exceed six months) and a minimum level of

work predictability in terms of reference hours and notice. A worker with six months' service can request a form of employment with more secure and predictable conditions, although the employer is obliged only to give a reasoned reply. The Directive does not, however, tackle the existence of precarious forms of employment as such, nor does it guarantee that the position of workers with precarious contracts will improve. Indeed, it explicitly states that its objective is to 'improve working conditions (...) while ensuring labour market adaptability.' While it adopts a relatively broad definition of 'worker', it allows for Member States to exclude certain workers, including domestic workers, from its scope. As with the Work-Life Balance Directive, in May 2023 the Commission sent reasoned opinions to 19 Member States that had not yet notified the Commission of their implementation measures in full.

The two Directives are certainly important steps forward, but they do have certain shortcomings, and more ambitious measures would have been needed to tackle the deep systemic problems that persist. For example, in the case of the Work-Life Balance Directive, both the Commission and Parliament had proposed more generous provisions, especially in relation to remuneration (Arabadjieva 2022). The delays in implementation are also concerning, though these may be due, in part, to the pandemic, and the Commission is yet to assess the conformity of the implementing measures with the two Directives.

It also remains to be seen how Member States will go about implementing the other major pieces of legislation that have been passed more recently. For instance, the Adequate Minimum Wages Directive, which includes crucial provisions on increasing collective bargaining coverage, is due to be transposed into national law by November 2024. Its standards are already in use by some Member States as a benchmark for increasing their minimum wage (Müller 2023); at the same time, however, a challenge to the Directive on constitutional grounds has been brought before the CJEU by Denmark. The Pay Transparency Directive, which is due to be transposed by June 2026, includes a wide range of measures to tackle gender pay gaps and the undervaluation of work performed by women, but it is a complex and technical piece of legislation that will likely face implementation challenges.

The latest addition to these 'children of the Pillar' is the proposal for a directive on working conditions in the platform economy. EU policymakers are entering uncharted territories with this directive, since it addresses, for the first

time, the disruptive effect of digitalisation in the world of labour. Any assessment of this instrument should therefore be more deeply contextualised in the relative novelty of the phenomenon and the innovative nature of the regulatory approach; for this reason, it merits discussion in a separate section below.

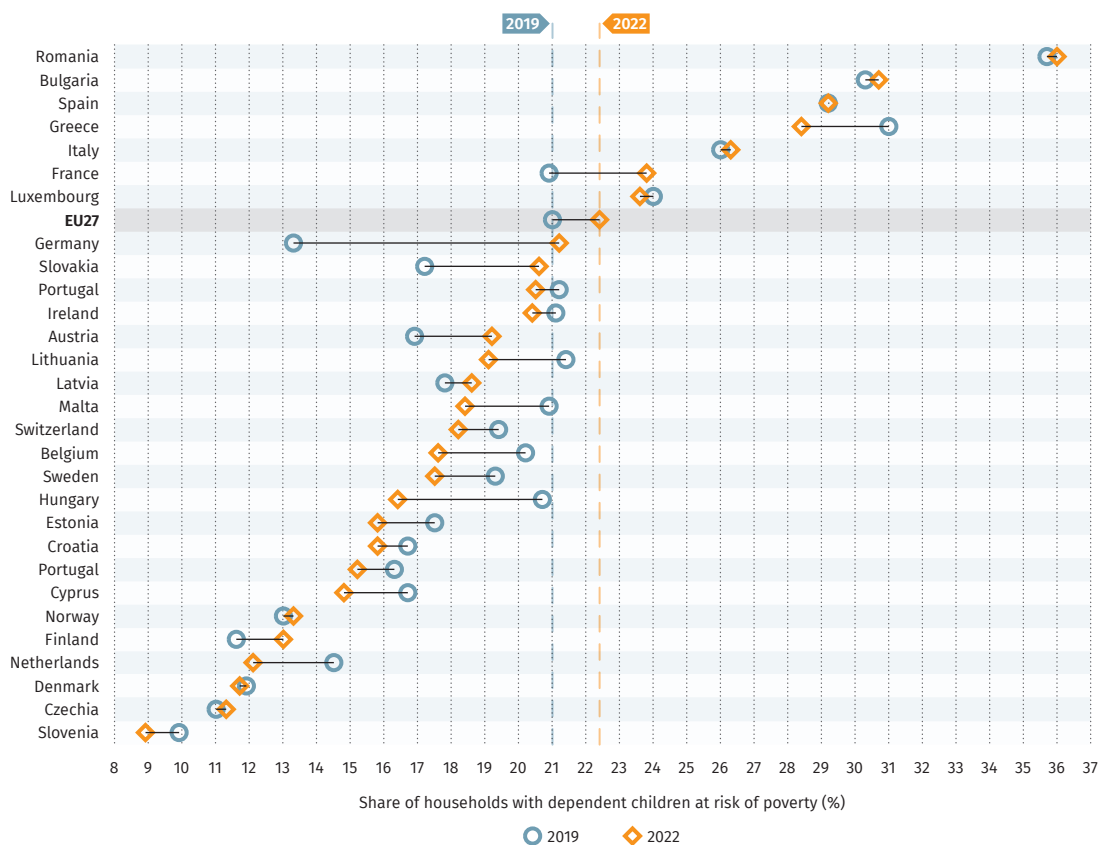
## Strides and struggles: towards an EU Minimum Income Scheme?

Although poverty has been a recognised issue within the European Union for an extended period of time, it has often been demoted to a lesser priority, characterised as a ‘third-order priority for the EU’ (Copeland 2023). Despite the establishment of specific targets, aimed at reducing poverty levels, such as those set for 2020 and 2030, there has been a notable absence of binding measures to address poverty and social exclusion effectively. The data pertaining to this issue are particularly alarming. According to the most recent figures from Eurostat as shown in Figure 2.22, over one fifth (22.4%) of the EU population in households with dependent children was at risk of poverty or social

exclusion in 2022. This risk had increased since 2019, bucking the longer-term trend of a decline. The risk of poverty was highest for Romania, Bulgaria, Spain, Greece and Italy, and lowest for Slovenia, Czechia, Denmark and the Netherlands. The largest increase by far was seen in Germany. Employment is still a key protective factor, with the risk of being in poverty substantially lower for the employed, as can be seen above in the discussion of in-work poverty.

The past year has seen the investment of substantial initial efforts to combat the multifaceted issue of poverty and social exclusion within the Union. This has been particularly evident in the realm of social assistance, and more specifically in means-tested cash transfers, known as Minimum Income Schemes (MIS). In September 2022, the European Commission proposed a non-binding recommendation on minimum income, which was subsequently endorsed by the Council in January 2023. In March 2023, the European Parliament amplified the long-standing appeals of trade unions, civil society organisations and progressive parties (Shahini 2024), and explicitly called for binding legislation in the form of an EU directive.

Figure 2.22 Share of households with dependent children at risk of poverty or social exclusion



Note: The figure shows the share of households with dependent children at risk of poverty or social exclusion (%). Source: Eurostat (ilc\_peps03n).

The European Union's initiatives to reform Minimum Income Schemes constitute a pivotal step forward in terms of tackling poverty and social exclusion. Substantial work is still required, however. The current measures, while praiseworthy, represent only the initial stages in a prolonged and intricate process of ensuring that all individuals in need have access to a fundamental level of income security and are effectively integrated into the European welfare states. The activation conditions for working-age individuals who are capable of employment remain excessively stringent. Additionally, both the adequacy and coverage levels of these systems are either insufficient or inefficient, and the rate of non-take-up is exceptionally high, with estimates suggesting that 30% to 40% of those potentially eligible for social assistance do not receive it (European Commission 2022b: 52).

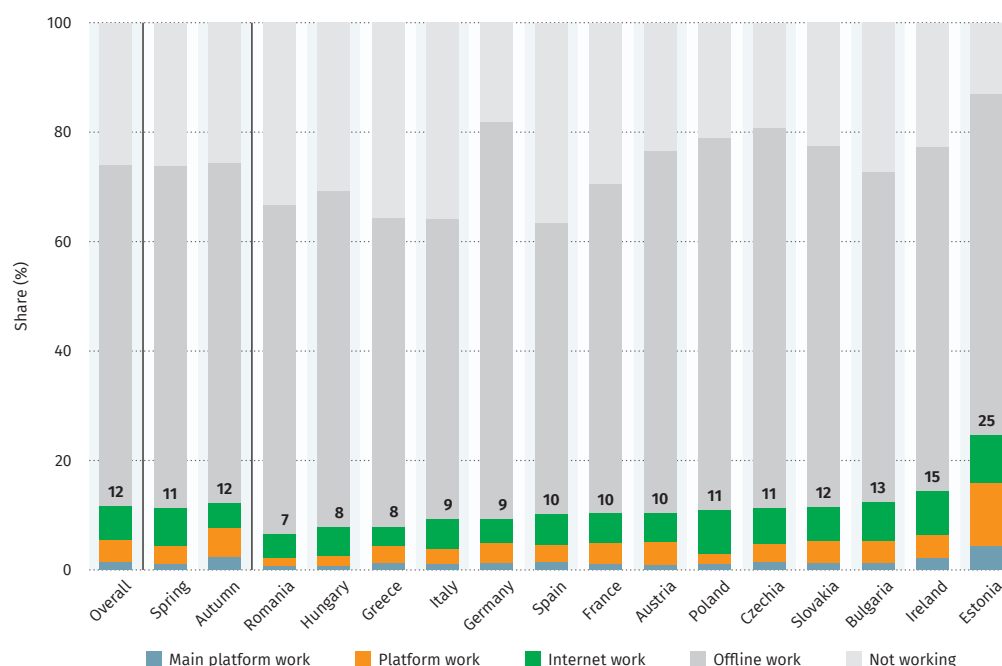
## Platform work: challenges and policy proposals

A growing amount of attention is being devoted to the issue of platform work, with the key issues being the quality of work, algorithmic management and the employment status of workers. While digital labour platforms often present themselves as mere intermediaries, much of the discussion concerns the extent of their control over workers. There is a large amount of variation between digital labour

platforms, and they adapt to the country they are in by means of very different organisational structures and arrangements (Vallas and Schor 2020). It is increasingly contended by scholars that platform work represents just another, possibly aggravated, type of precarious work rather than a truly new type of work (Piasna and Zwysen 2022). Generally, more of the risk is offloaded onto the worker, who is in a de facto position of vulnerability and dependency with regard to the conditions set by the platform (Vallas and Schor 2020; Piasna and Zwysen 2022; Aloisi et al. 2023).

In view of the fact that much of the debate is plagued by a lack of data and uncertainty about the platform economy, in 2021 the ETUI carried out a representative survey in 14 EU countries on the extent to which people of working age engaged in digitally mediated gainful activities. This survey showed that 29% of adults had earned money through the internet at least once, with 17% doing so in the previous year. Narrowing the question to specific types of internet work – clickwork, remote professional work, on-location work in the private sphere, and transport or delivery work – revealed that around 12% had done such tasks in the past year, and half of those had been done through a labour platform. Finally, around 1.5% of working-age people across the EU countries under investigation relied on this work as a main source of income, working at least 20 hours in the past week or earning at least half of their income through it (Piasna et al. 2022). Figure 2.23

Figure 2.23 Labour market participation in internet and platform work across countries



Source: Zwysen and Piasna 2023a: 17.

separates this internet work into different types – main platform work, platform work and internet work – by the two waves of the IPWS survey and by country, revealing that internet work as a whole is least common in Romania, Hungary and Greece, and most common by far in Estonia, Ireland, Bulgaria, Czechia and Slovakia. The percentage of people who are main platform workers is largely similar between countries. Although the platform workforce is therefore not particularly large, the high number of internet workers and the fact that most started only in the past year highlights the growth potential.

Studies generally point out that working conditions are poor, with low pay, unsafe conditions, high work intensity and unpaid hours (Pulignano et al. 2021). This raises the question of why people do it. A recent study shows that a lack of options is an important driver, since people are much more likely to work on platforms when there are few alternatives in the region (Zwysen and Piasna 2023b).

So how can the conditions of platform workers be improved? One option is through legislation, which is an avenue that has been explored by several Member States (Aloisi 2022; Hießl 2022), and also more recently at EU level. Secondly, scope exists for collective bargaining and union action. Workers' mobilisation, trade union organisation and collective agreements are encountering unprecedented challenges in the platform economy. While forms of collectivism are gradually emerging, these typically concern on-location platforms (mostly food delivery), and, even there, significant differences exist between the Member States, suggesting the need for stronger institutional support for representation mechanisms and the creation of spaces for collective voices (Vandaele 2021; Lamannis 2023). The combination of precarious working conditions and a relative lack of collective bargaining initiatives thus reflects an untapped potential for industrial relations actors and trade unions, all the more so considering that a recent study highlights that platform workers are positively inclined to join a trade union compared to the population as a whole (Vandaele et al. 2024).

## Platform Work Directive

The past 12 months have seen intensive institutional efforts at EU level to regulate working conditions in relation to digital labour platforms. The European Commission triggered the first round of consultations with the social partners in February 2021, but a full political agreement between the European Parliament

and the European Council was only reached on 11 March 2024. Twice in the space of a few months the compromise text that emerged from the trilogues did not find sufficient support within the Council, giving little reason to hope that a Directive would actually be adopted. A first deal was almost struck by the Spanish Presidency of the Council, but then eventually rejected by a coalition of Member States (Estonia, Latvia, Lithuania, Bulgaria, Czechia, Finland, France, Greece, Hungary, Ireland, Italy and Sweden) in December 2023. This left the Belgian Presidency of the Council with the difficult task of resuming negotiations and finding sufficient support for the adoption of the Directive before the end of the legislature. A second interinstitutional agreement was eventually reached on 8 February 2024 on an amended text but failed to be endorsed by a majority within the Council, although this time the blocking minority was substantially smaller (France, Germany, Estonia, Greece). Finally, on 11 March, Greece and Estonia reversed their position, granting the Directive the necessary support for being adopted.

At the time of writing, the next step will be the formal approval in the European Parliament, which in all likelihood will proceed smoothly. Although the Directive has not yet been published in the Official Journal, some preliminary observations can already be made. While not as ambitious as the European Parliament's original demands (European Parliament 2022; Aloisi et al. 2024), nor as the text provisionally agreed in December 2023, the final version of the Directive has the merit of addressing and debunking two powerful myths that have been created around the platform economy over the past 10 years. The first is the 'app-based entrepreneurialism' rhetoric, with platforms claiming that they are mere intermediators or coordinators between service providers and customers, thereby generally avoiding the application of employment protection legislation. The second is the idea of algorithm-driven technology as an instrument for the empowerment of workers, which can emancipate them from simple, repetitive and often tedious tasks (Aloisi and De Stefano 2022).

The failures of the Spanish and Belgian Presidencies to find an agreement within the Council substantially complicated the institutional progress of the Directive. A further set back in the adoption of a legal text would have represented a full blown stalemate, and a lost opportunity for the European Union to take a powerful political stance and assert that digital labour platforms should not be immune to employers' obligations.

The vivid academic and policy debate that has accompanied the making of the Directive has nevertheless made it clear that digital labour platforms are just the tip of the iceberg when it comes to the incremental process of integrating algorithmic management and AI into the workplace (Baiocco et al. 2022; Gmyrek et al. 2023; Piasna 2024). Notwithstanding the apparent institutional hesitations, the hope is that the promulgation of the Platform Work Directive can pave the way for a broader policy-making discussion, igniting further reforms to close unaddressed gaps such as the distinction between employees and the self-employed, which remains blurred (Countouris and De Stefano 2023), the definition of a digital labour platform, which is still too narrow (Kocher 2023), algorithmic management rights in the platform economy and beyond (Ponce del Castillo 2023), and EU collective labour law norms in digital work environments, which need to be reinforced (Rainone 2023).

## EU governance framework

As Claire Kilpatrick clearly describes in the editorial to this year's Benchmarking volume, legislative developments are essential to gauge the policy orientation of the EU, but do not always provide a complete picture of the state of Social Europe (Kilpatrick 2023). It is also crucial to consider the country-specific recommendations (CSRs) on social and labour market issues, which are 'soft law' instruments formulated in the context of the European Semester, and which, despite not being legally binding, can influence national policies and have been doing so.

The analyses of the CSRs that have been carried out in previous studies (Clauwaert 2019; Rainone 2022) reveal a correlation between the formulation and direction of the policy prescriptions on the one hand, and the key policy priorities of the Commission's various political administrations, including in the social and labour dimensions, on the other. With the European Union now close to the end of the third political cycle since the launch of the Semester, there is sufficient scope for benchmarking the evolution of the 'social and labour CSRs'. This exercise is all the more interesting given the recurrence of certain contextual frameworks, such as economic crises and the subsequent recovery strategies, and labour market transitions.

As Figure 2.24 below indicates, during the Barroso Commission (until 2014), the emphasis was mostly placed on labour market activation measures (panel (a)), and on 'regressive' reforms

in relation to employment protection, which in essence were deregulation reforms leading to a decline in employment security and working conditions, paired with explicit demands to decrease public spending on social policies. Overall, this policy recipe was conducive to a period of 'austerity', with a tangible retrenchment on social and labour standards across the EU, especially in those countries with high public debts.

After this, the Juncker administration (2014-2019) was characterised by a gradual departure from the more aggressively neoliberal policies, and was a period marked by an increasing focus on (digital) skills (panel (a)), a steep reduction in recommendations requiring regressive employment protection reforms (panel (b)) and a more balanced mix of more fiscally sustainable and more inclusive social spending (panel (c)). The change of pace was also evident from the Juncker Commission's emphasis on strengthening the social dimension of the EU (Juncker et al. 2015; Zeitlin and Vanhercke 2018), which manifested itself most clearly in the adoption of the European Pillar of Social Rights (EPSR) (Garben 2018). The EPSR, together with a related benchmarking tool (the Social Scoreboard), was integrated into the European Semester as a guiding document; both the EU executive and the national governments have since been required to report on the state of implementation of the Pillar in the national context, thus helping to shed light on the most serious social policy shortcomings.

Assessing the social dimension of EU economic governance during the von der Leyen Commission compared to the previous two political cycles is a rather complicated task. The past five years have, in fact, been characterised by a sharp economic recession caused by the Covid-19 pandemic, a surge in inflation and an energy crisis triggered by the Russian invasion of Ukraine. To allow Member States sufficient fiscal space to enact emergency social measures to support the population in the face of lockdown measures and a spike in prices, EU fiscal rules have temporarily been made more flexible (Rainone and Pochet 2022). Most remarkably, the escape clause of the Stability and Growth Pact was activated and a series of financial assistance programmes were established in the context of NextGenerationEU, the most substantial of all being the Recovery and Resilience Facility (Bokhorst 2023).

These unprecedented measures had an impact on the European Semester and, at the same time, on the country-specific recommendations received by the Member States. Overall, two different

phases can be identified. At first, the pandemic was a game changer, leading to an evident departure from previous trends. In 2020, the focus was unequivocally on ensuring a sufficient margin for social investment and providing an adequate safety net for the population (panel (b)) (Rainone 2020), while, in 2021, the whole Semester cycle was de facto suspended to leave scope for the establishment and launch of the Recovery and Resilience Facility, with succinct recommendations pertaining only to the maintenance of a sustainable fiscal stance. This was followed by the 2022 and 2023 cycles. In this two-year window, the Commission once again returned to pre-pandemic trends in terms

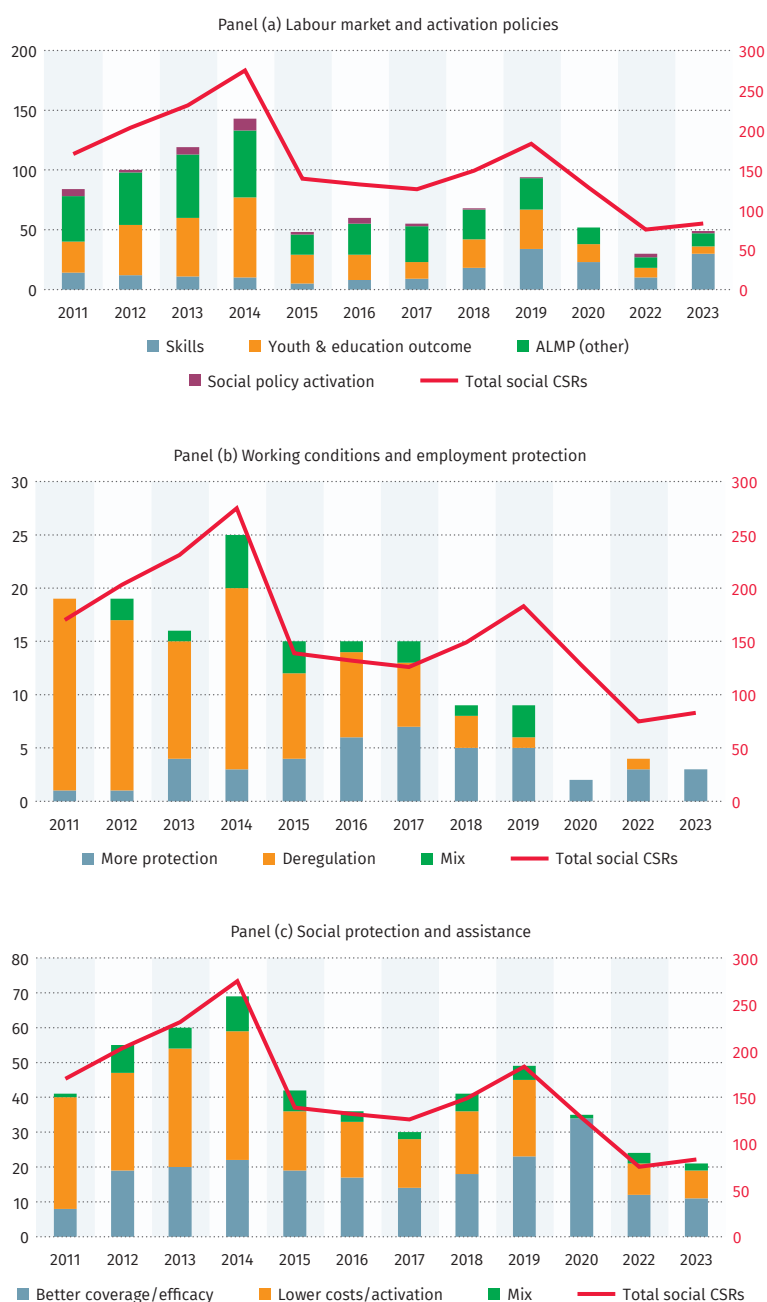
of policy direction, with the emphasis remaining on skills, and a combination of socially progressive and regressive stances in relation to both employment protection and social spending (including pensions, social assistance and various income support mechanisms). A remarkable difference can, however, be seen when looking at the total number of recommendations in the social sphere, which has visibly diminished, especially in the 2023 cycle (see Figure 2.24, panels (a), (b) and (c)).

The reduced number of recommendations in 2023 may anticipate the revised European Semester that will emerge from the economic governance reform. The overall institutional procedure is modified in the new framework, in a manner that partially recalls the process that led to the implementation of the Recovery and Resilience Facility, with the main policy-defining moment no longer being the final recommendations of the Commission and the Council but the mid-term Fiscal Structural programmes defined by the Member States following coordination with the Commissions and the Council.

It is undoubtedly too early to assess the extent to which the new governance framework will affect the social dimension of the European Semester (Theodoropoulou 2024). On the one hand, the Commission's proposal for a governance reform includes a reference to the implementation of the European Pillar of Social Rights as one of the relevant factors to be considered by the EU executive when assessing the national mid-term fiscal and structural programmes (European Commission 2023b: Article 12). On the other hand, no specific and enforceable social progress requirements and guarantees have been put in place, leading to the conclusion that this new framework does not provide sufficiently strong social and employment protection safeguards either.

It is thus reasonable to assume that much will depend on future interinstitutional and political dynamics, not only within the Commission and the Council, but also among the national governments within the Council. The concern that a new austerity wave might follow cannot, therefore, be dismissed (ETUC 2023).

Figure 2.24 CSRs on labour market policies, working conditions and social protection and assistance



# Conclusions

This chapter provides an overview of the situation on the European labour markets and of various social policy developments across Europe. The primary message is that the European labour markets have recovered well from the Covid-19 pandemic in terms of employment. There has been a boom in terms of labour demand, with higher employment rates and lower unemployment as a consequence, and this has also generated better outcomes overall in terms of under-employment. More broadly, there has been a convergence over time between countries and regions within the EU as regards their labour market opportunities. Despite this progress, the groups of workers and residents who do not have access to high-quality jobs and who remain at risk of poverty or social exclusion remain too numerous. This chapter provides new and detailed evidence pertaining to the quality of jobs across the EU, with a focus on different dimensions. Importantly, we also show the substantial variation in and cost of psychosocial risks, which carry a sizeable morbidity and mortality penalty.

Large structural transformations are still ongoing, as the current economic models will be challenged by new technologies, the increasingly urgent need for decarbonisation and a green transition, and the reality of a rapidly ageing European workforce. Substantial shifts in the industrial make-up of Europe can already be discerned, and this trend is likely to continue. It thus remains crucial to monitor progress on the labour market and to ensure that new and transformed jobs provide decent work opportunities for all Europeans.

This chapter also discusses the policy trends in Social Europe, which is a topic of increasing (and well-deserved) attention. The European

Pillar of Social Rights has given rise to several new regulations and pieces of legislation aimed at providing a minimum level of protection for Europeans and lifting them out of poverty. Progress has still been slow, however, and some of the new directives face substantial delays in transposition. One prominent area in which regulations are developing is the situation of platform workers. Discussions on the Platform Work Directive are still under way at the time of writing, but it is clear that renewed policy attention is being focused on the relatively poor working conditions of workers in the platform economy, and especially their misclassification.

This chapter then points to a number of partial successes, namely strong employment growth, as well as a growing role for the EU in tackling social inclusion and the quality of work. However, more work is still needed in terms of reaching agreements and then transposing these initiatives. The most recent example is the Platform Work Directive, where agreement has seemed close but has not yet been reached. While the progress described in this chapter offers some hope that social issues will be given greater consideration, this is by no means a foregone conclusion.

All in all, the contribution made by the many social initiatives to a truly Social Europe will need to be assessed in the light of their content, their national implementation and their enforcement. While progress has been made and should be celebrated, it is important to remember that much remains to be done, and that this progress is fragile and needs to be defended. A much-feared return of austerity, among other challenges, could place Social Europe in jeopardy.



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