



**European Foundation for the
Improvement of Living and
Working Conditions**

The tripartite EU agency providing knowledge to assist in the development of better social, employment and work-related policies

Eurofound exhibition at the European Parliament

Panel debate: Building a competitive Europe for its people
– A future with quality jobs, affordable housing and access to opportunities

Wednesday 16 October 10.00-12.00

Introduction by Ivailo Kalfin, Executive Director, Eurofound

What can Eurofound offer you?

Knowledge and expertise

Comparative research
on countries
and sectors

Well-informed debate
through seminars and
conferences

... through statistics,
case studies, visits



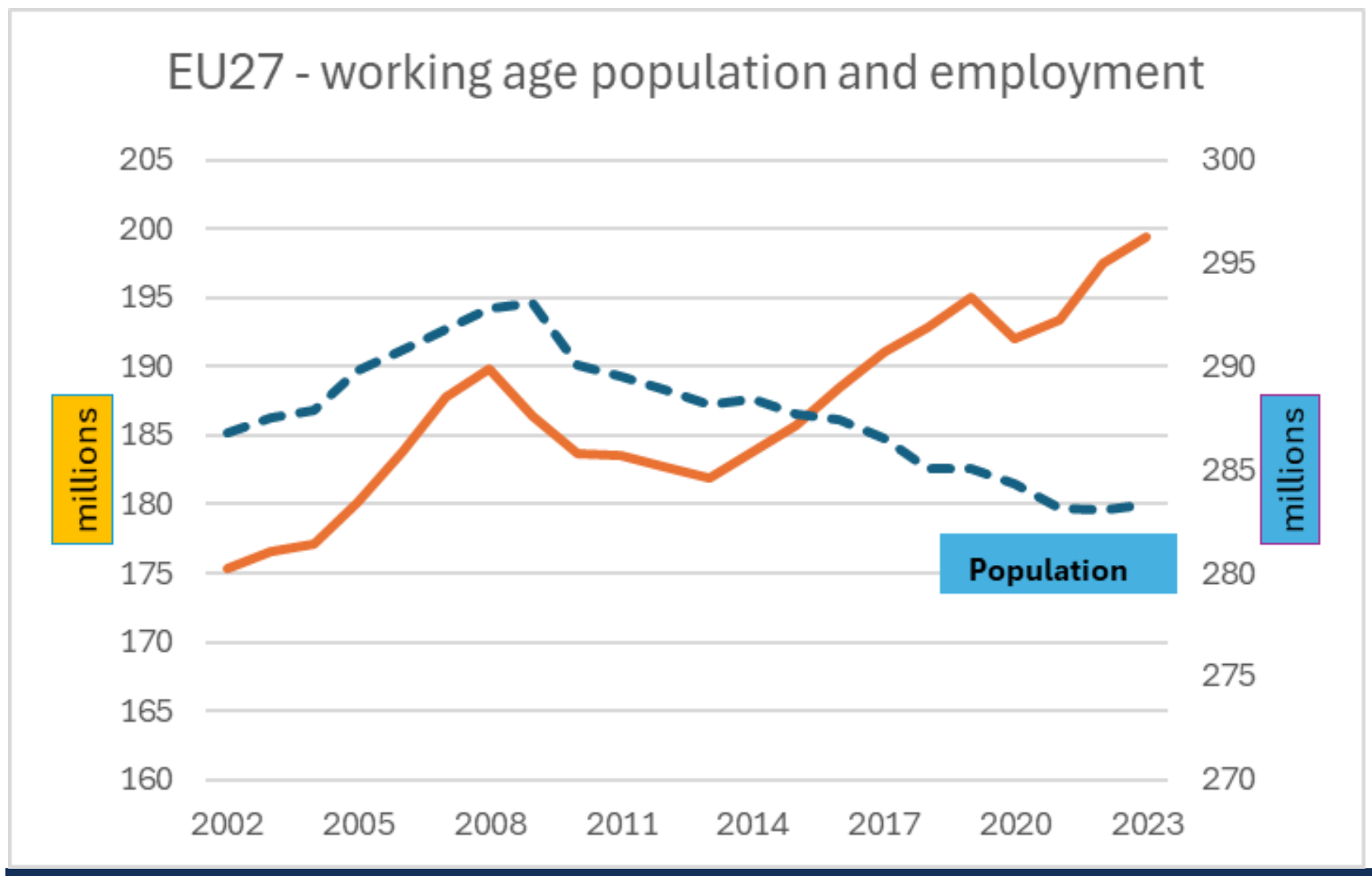
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Employment and labour markets

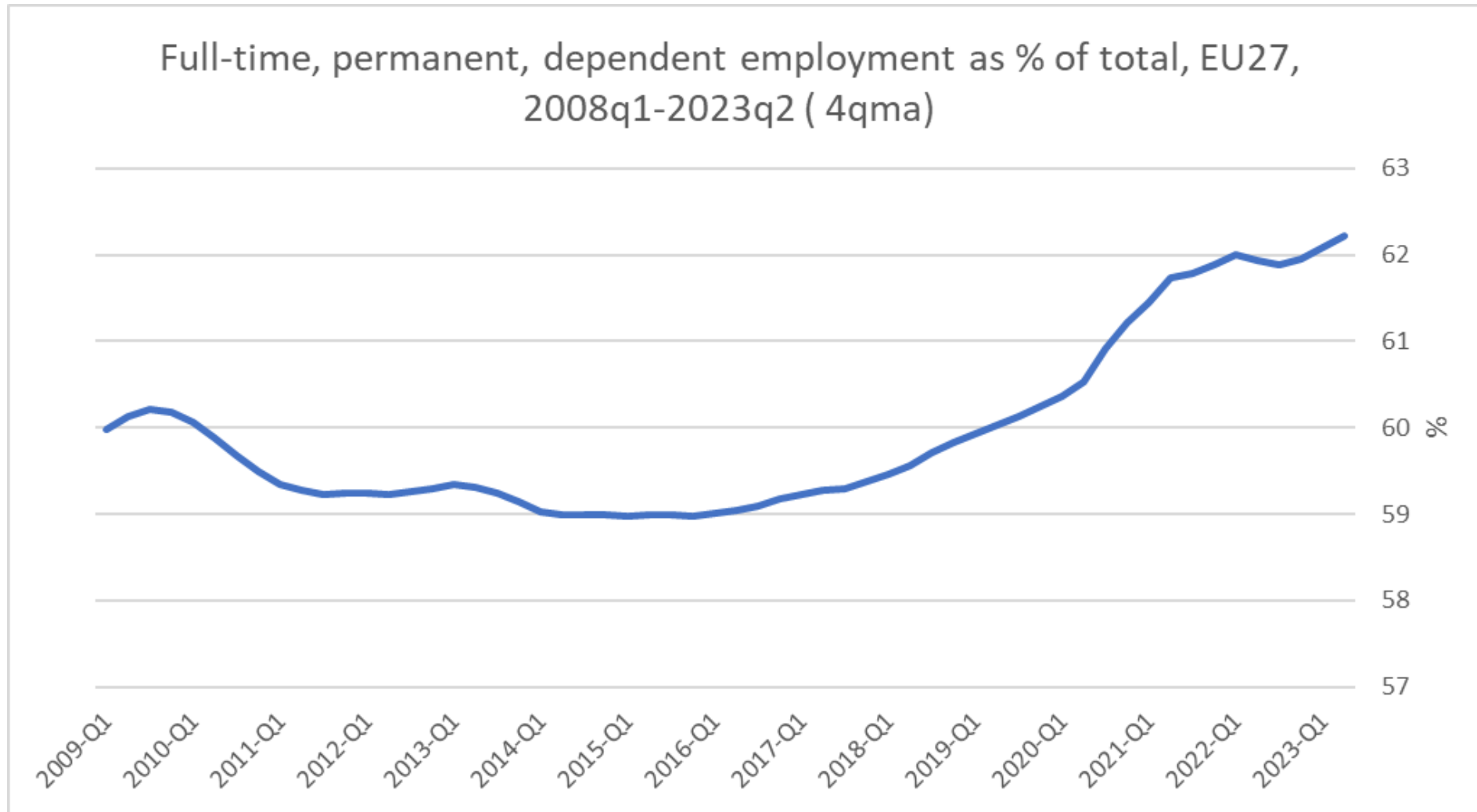
Tadas Leoncikas, Head of Employment Unit

16 October 2024



Source: Eurofound (2024), *The changing structure of employment in the EU: Annual review 2023*, updated

Growth of core employment: rise in standards or shortage of labour?



The share of employment in the EU27 that is 'core' or standard has been increasing.

Part-time employment: some growth, incl. in permanent contracts.

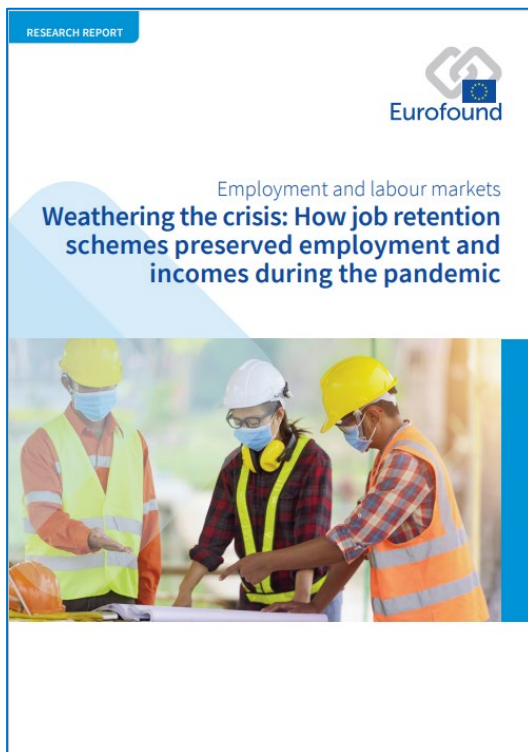
Greater **decline** in *self- and temporary employment and family workers.*

To appreciate the change, note:

- Nearly 27 million jobs were saved in the EU in 2020-2021. In 2021, the job retention schemes
 - reduced inequality by 0.15 pp
 - lowered the at-risk-of-poverty rate by 0.5 pp
- Minimum wages grew in real terms in a number of MSs
- Self-employment is decreasing, issues remain

Forthcoming in 2025-2026:

- **Structure of employment: Annual review 2024** – with a chapter on productivity
- **Measuring differences in tasks**
- **New and atypical forms of work: labour market trends and working conditions**
- **Impact of minimum wage policies on low-paid jobs**
- **Wage determinants in the EU: the riddle of opposing gender gaps**



European Restructuring Monitor

Total number of jobs recorded in large restructuring events, EU27



The sectors with the largest recorded number of jobs lost in 2024 are:

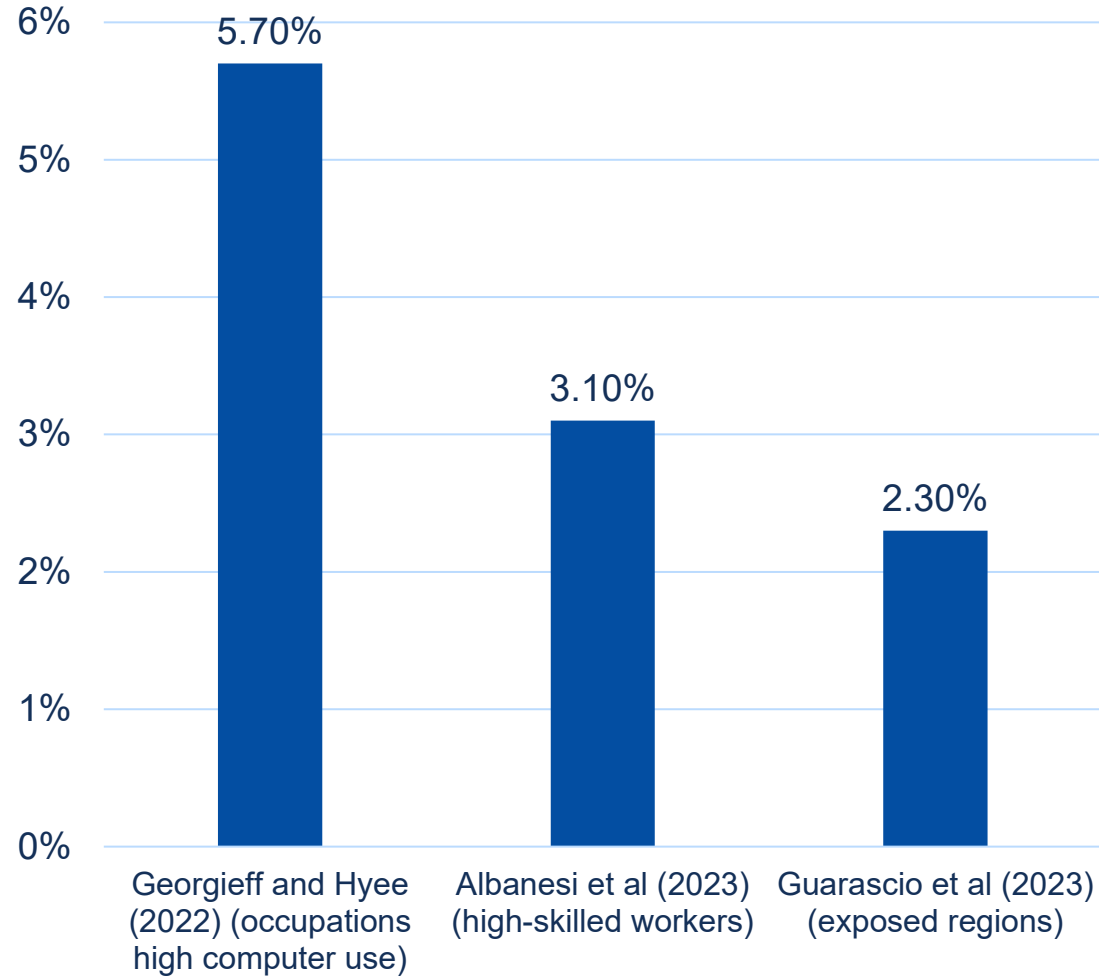
- manufacturing,
- **retail**,
- *information and communication*

Sectors with the largest recorded number of job creation in 2024 are:

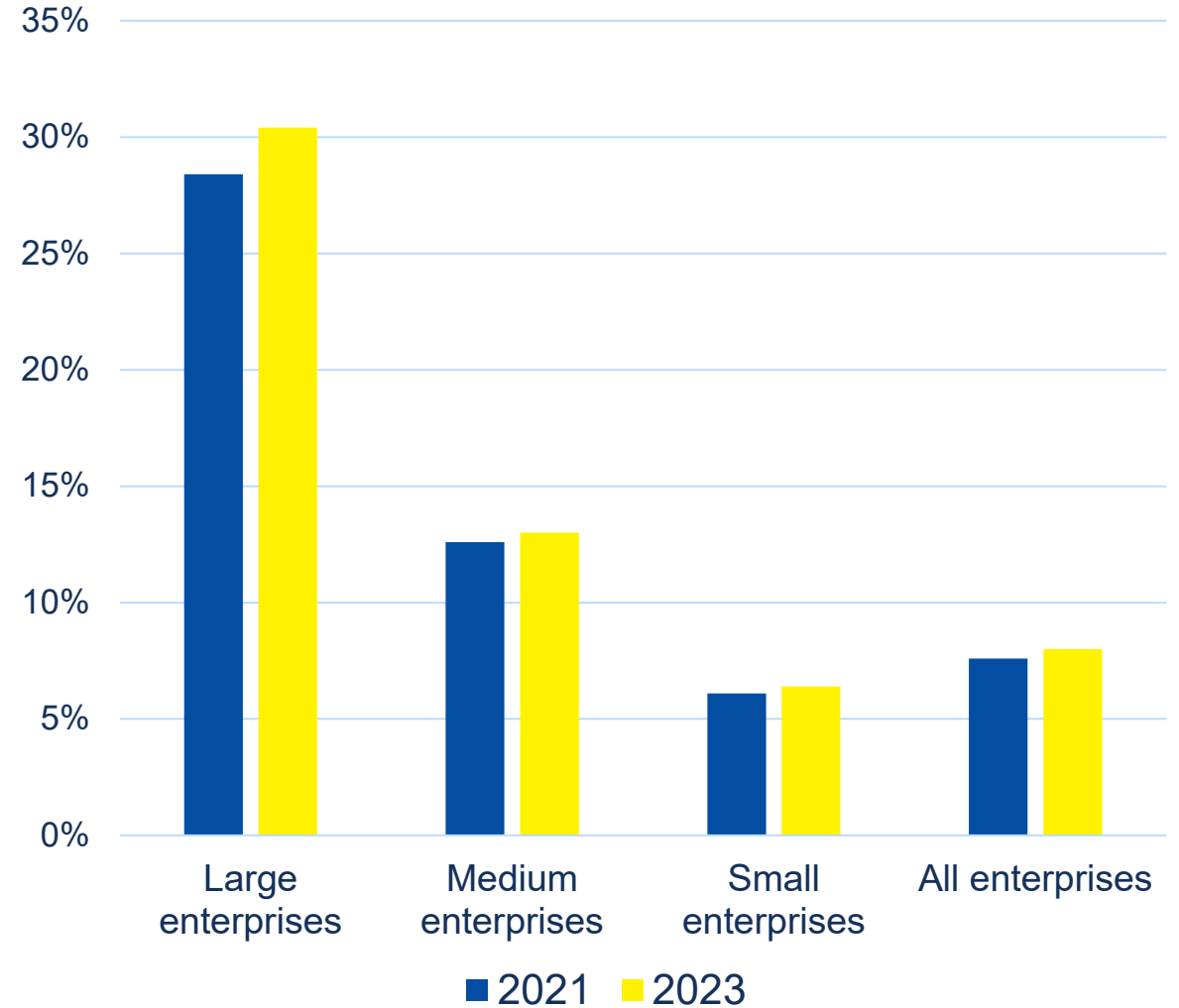
- manufacturing,
- **transportation / storage**,
- *hotel and restaurants*



AI: employment effects are relatively small, but positive



However, AI adoption in Europe remains slow



Enterprises using at least one AI technology, Eurostat ICT Survey



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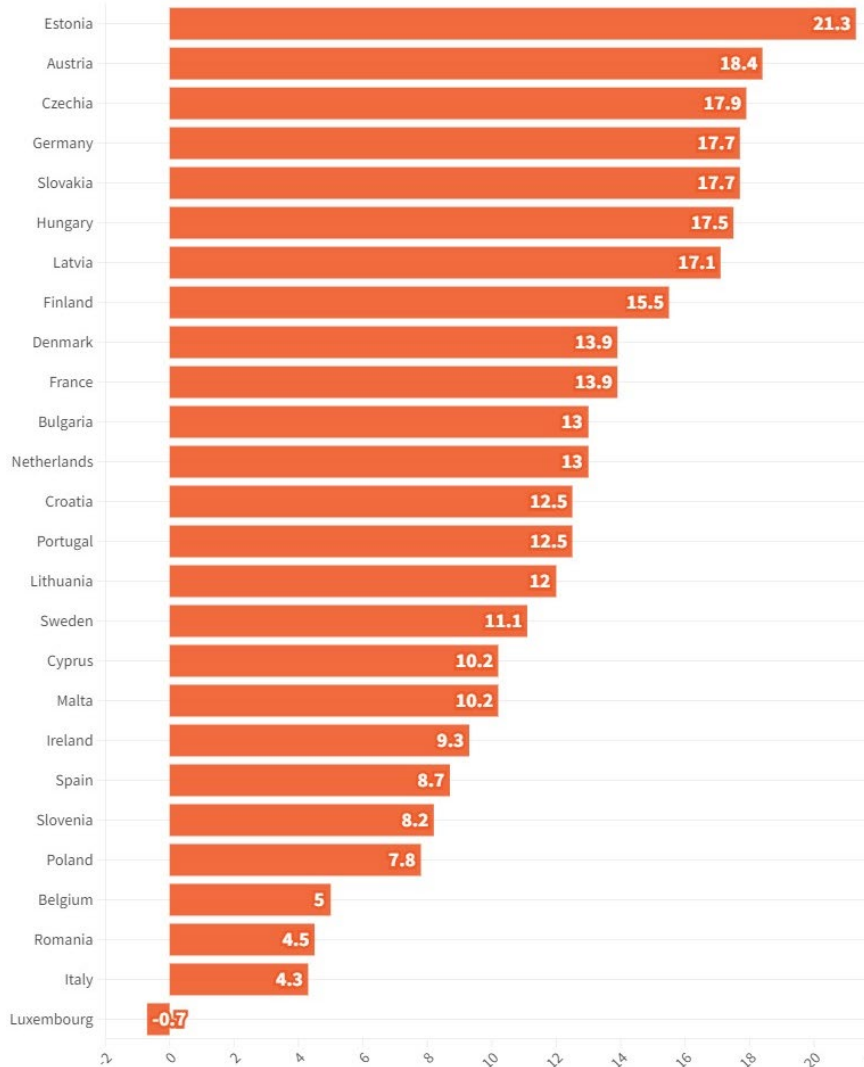
Working life

Barbara Gerstenberger, Head of Working Life Unit

16 October 2024

The Gender Pay Gap in the EU

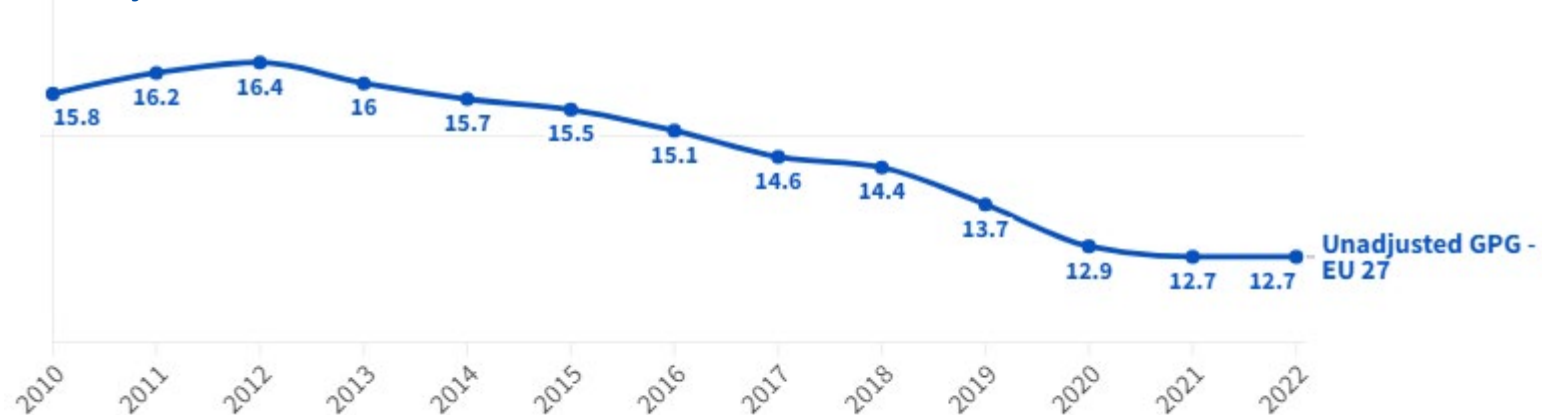
Unadjusted GPG by EU MS, 2022



The **gender pay gap (GPG) in EU** in 2022 was still **12.7%**, with large differences between countries: from -0.7% in Luxembourg to 21.3% in Estonia. (Eurostat, 2024)

- Women would need to work **1.5 extra months** to make up the difference
- Women on average earn **0.87€** for every **1€** earned by men

Unadjusted GPG EU 27, 2010- 2022



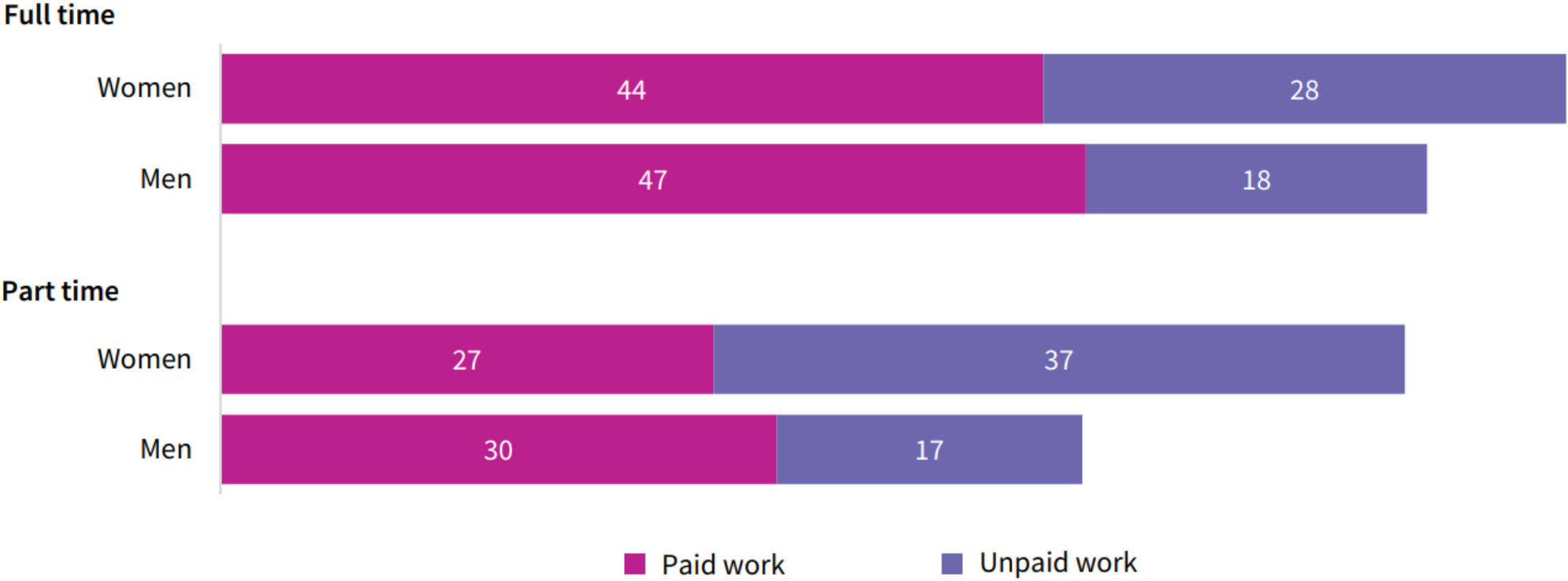
- Progress is **steady but slow**
- The gap decreased by only **3.7% pp** in 10 years

Source for both graphs: Eurostat (online data code: *sdg_05_20*)

Gender pay gap (%) and average wages by sector, EU, 2018

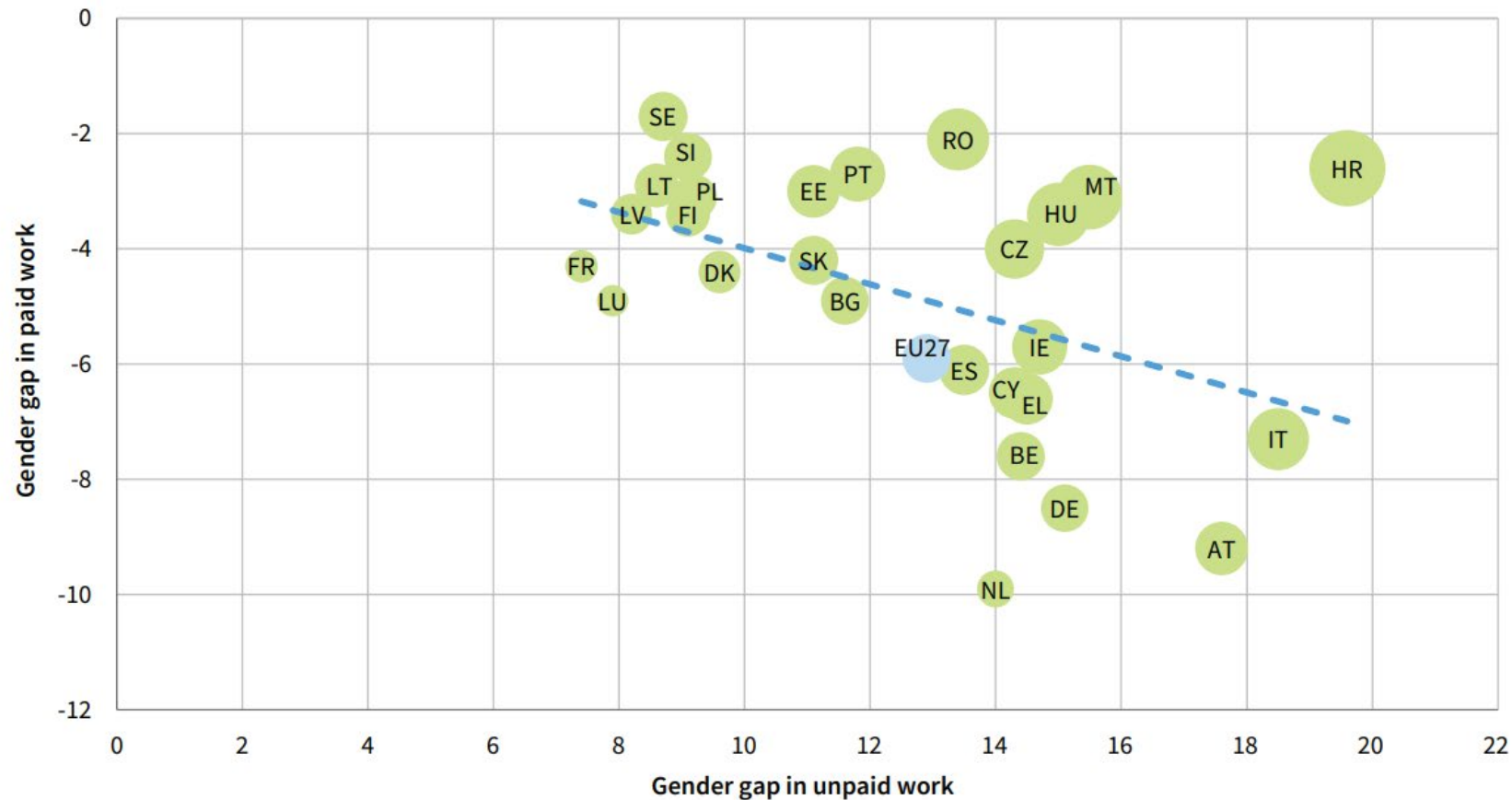


Paid and unpaid work of women and men, by full-time and part-time status, EU27 (weekly hours)



Source: European Working Conditions Telephone Survey (EWCTS) 2021

Gender gaps in weekly paid, unpaid and total working hours, EU Member States (weekly hours)



Source: European Working Conditions Telephone Survey (EWCTS) 2021

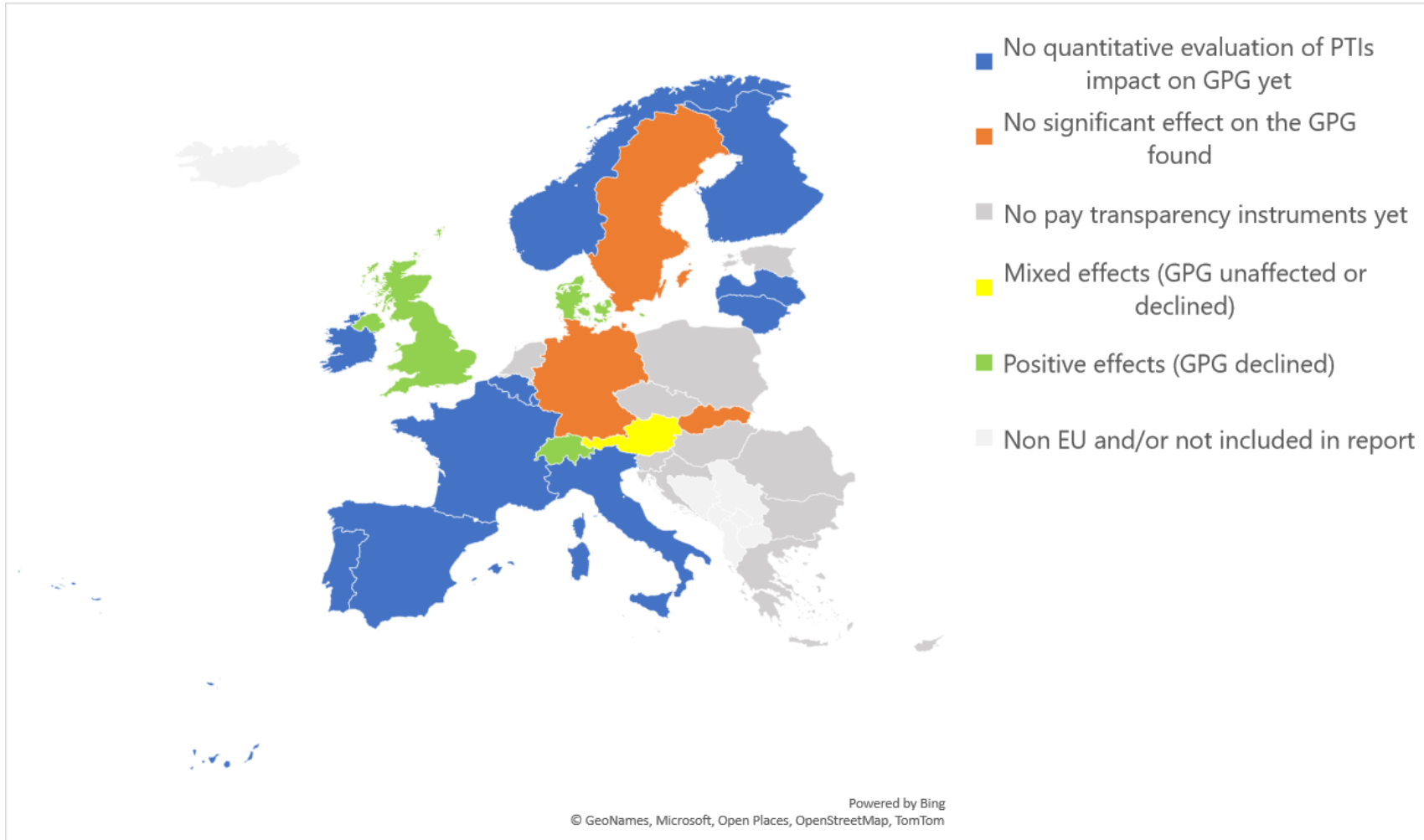
An anecdote ... and a finding from Germany's most recent evaluation of the pay transparency law



- A survey of German employees shows that 85% regard equal pay as important topic.
- More than 60% of female employees believe they are less well paid than their male colleagues because of their gender.
- The vast majority of company respondents, in contrast, do not believe the topic is relevant (75%).

(BMFSFJ, 2023)

Mixed evidence of whether the PTI affect the GPG: Some positive, some not significant effects



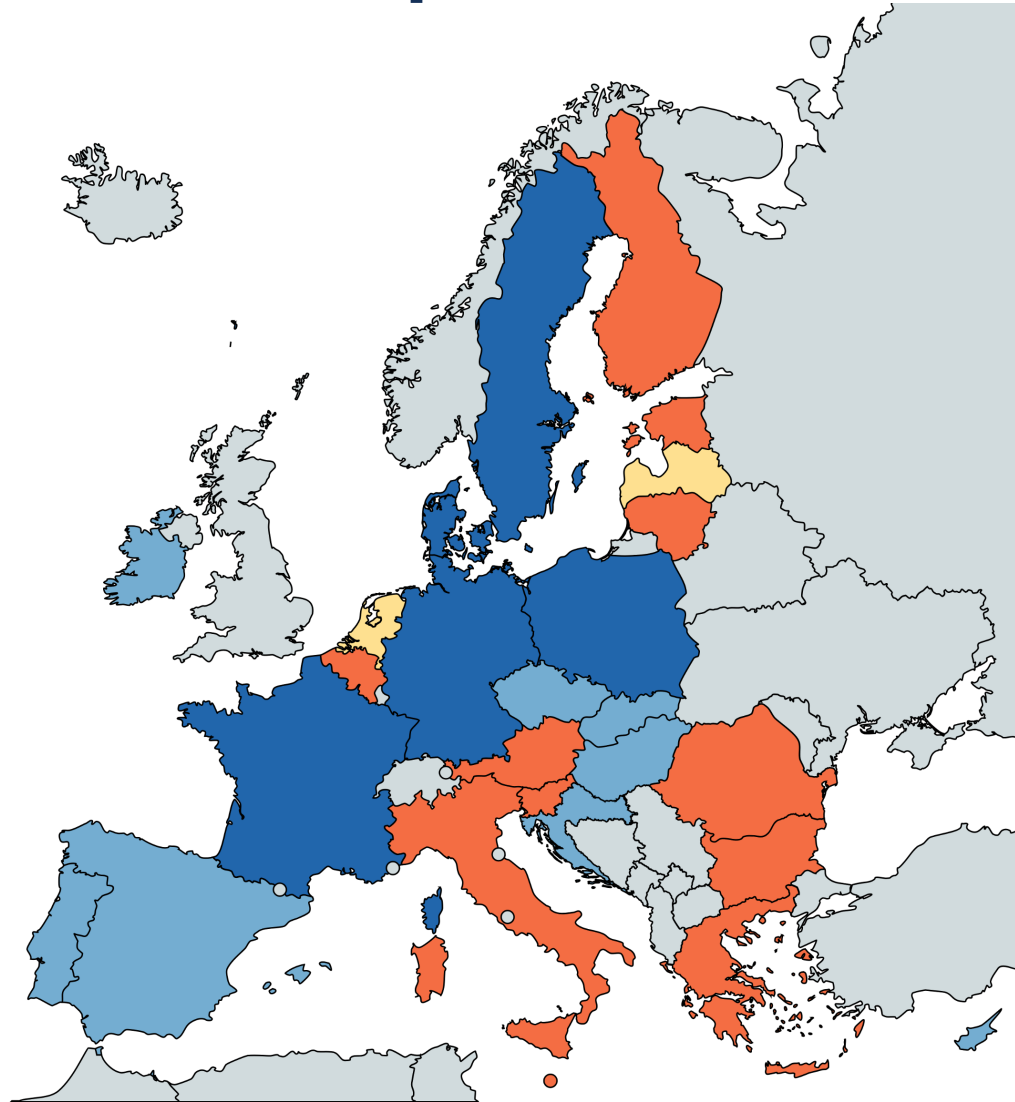
- PTI worked in the UK, DK and Switzerland
- No effect of PTI on GPG in Germany, Sweden* and Slovakia,
- Mixed effects in Austria.

* In contrast to the other countries where the effect of the introduction of the instrument was assessed, only the impact of a change of documentation requirement was studied.

Definitions of equal work and work of equal value

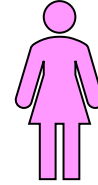
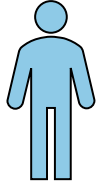
Definition of work of equal value

- No definition
- Case law definition ONLY
- National law definition ONLY
- National AND case law definition



- 16 MS have a definition of what work of equal value means
- Remaining 11 only state the principle (don't explain it)
- Definitions are always linked to criteria, based on which equal value is defined, both in national and case law

Examples of professions and tasks that are comparatively valued differently but should not



Male-dominated job	Female-dominated job	Source
Hospital technician	Midwife	SE – court case
Hotel bar and kitchen staff	Hotel housekeeping	ES – court case
Packers loading trucks	Mushroom packer	FR – court case
Finance and Commercial Affairs Department Manager	Resources, Legal and Office Department Manager	FR – court case
Special cleaning	Maintenance cleaning	AT – legal opinion
Caretakers	Home-care workers	SE – pay audits
...

AI use: What's holding us back?

Opportunities

1. Productivity gains.
2. Greater physical safety.
3. Enhanced accuracy and reduced human errors.
4. Improved production processes or service delivery

Obstacles

1. Limited investment in training and reskilling.
2. Limited worker involvement.
3. No ethical thinking and human centricity in technology design and implementation.

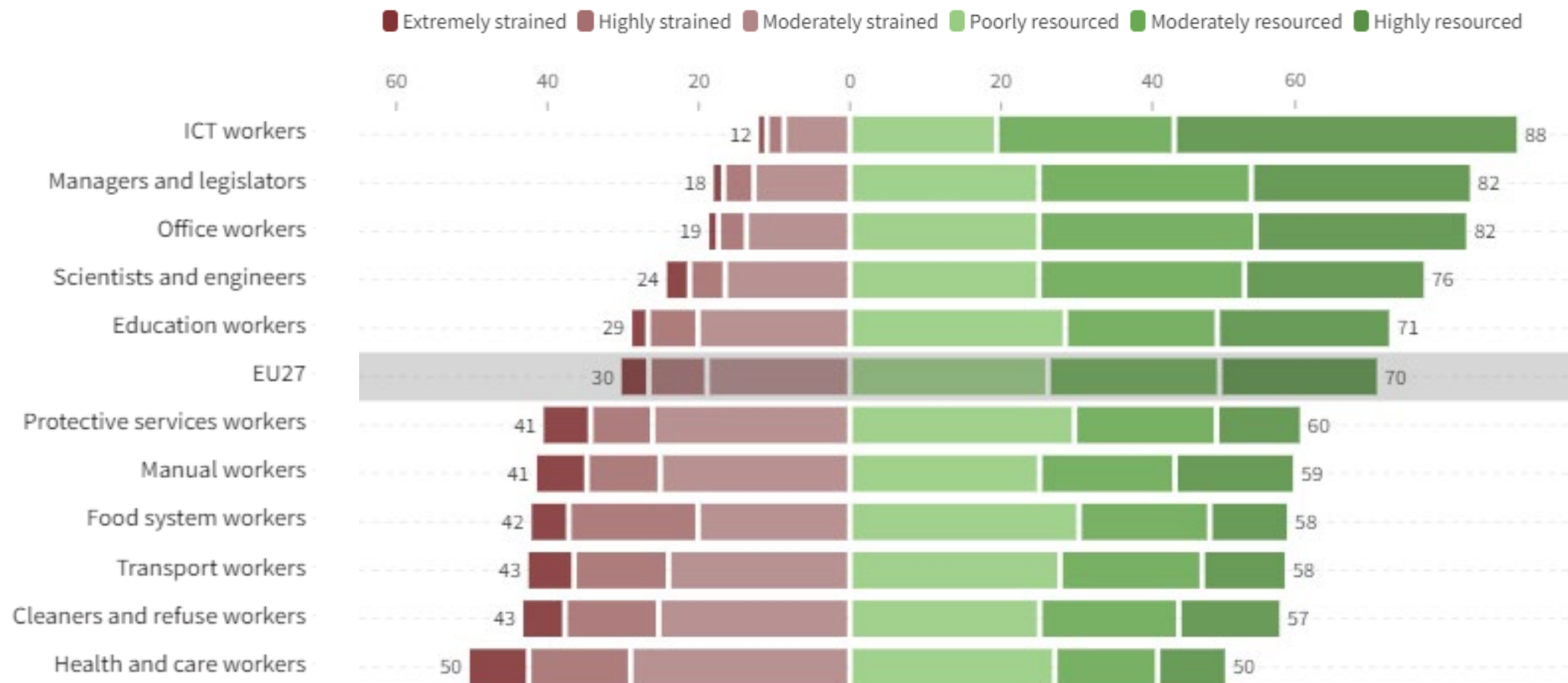


AI: Are fears just fears, or could they turn into reality?

- AI mostly **used to augment work**, rather than eliminate jobs.
- Future plans for tech adoption in companies show **job cuts are not ruled out**.
- **Employees' stressors:** fear of job loss, greater monitoring of activities, skills obsolescence, tech complexity or unreliability.

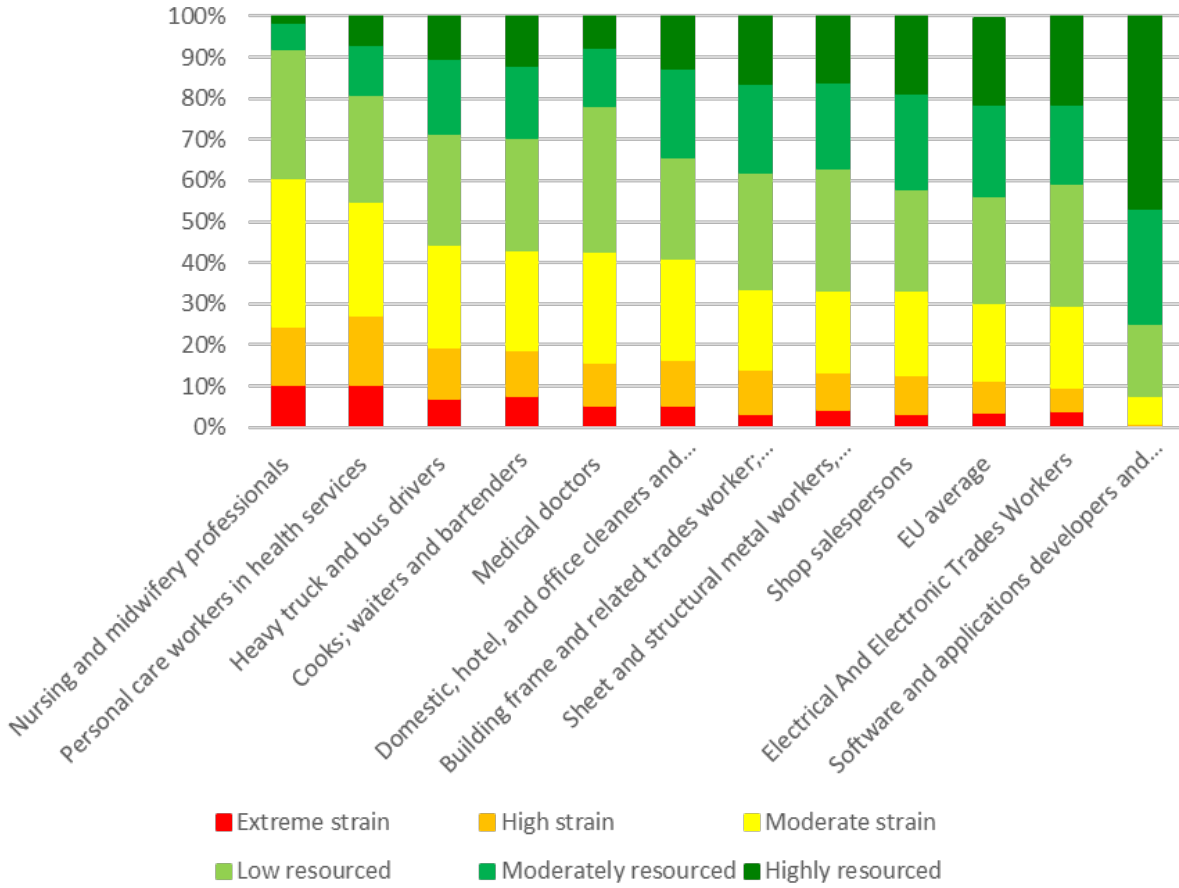
Job quality: A key driver of labour shortages

Job quality index, by critical workers group, EU27



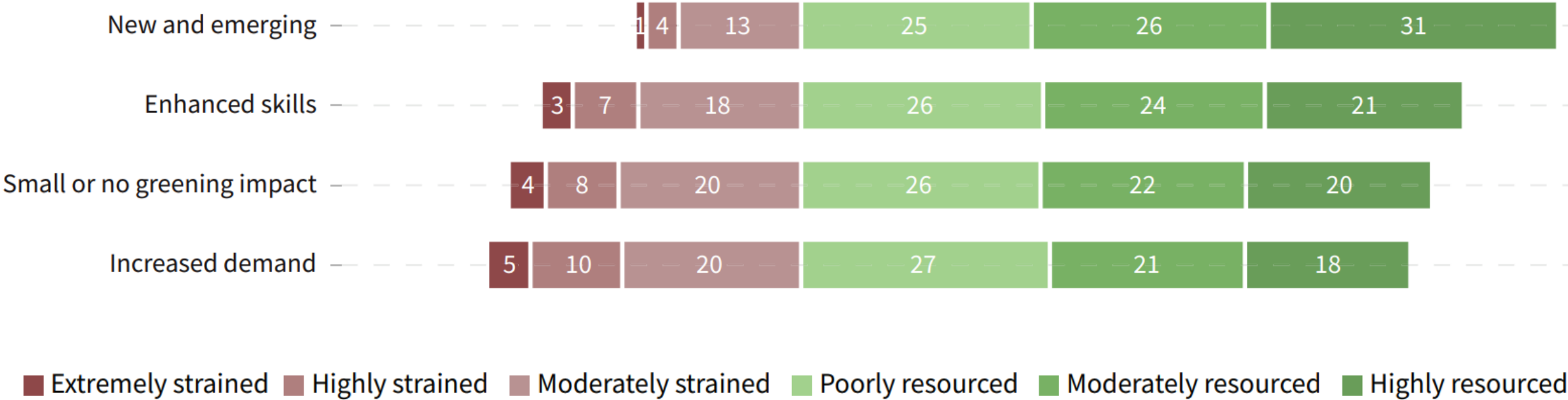
Source: European Working Conditions Telephone Survey, 2021.

Job quality in occupations with persistent labour shortages



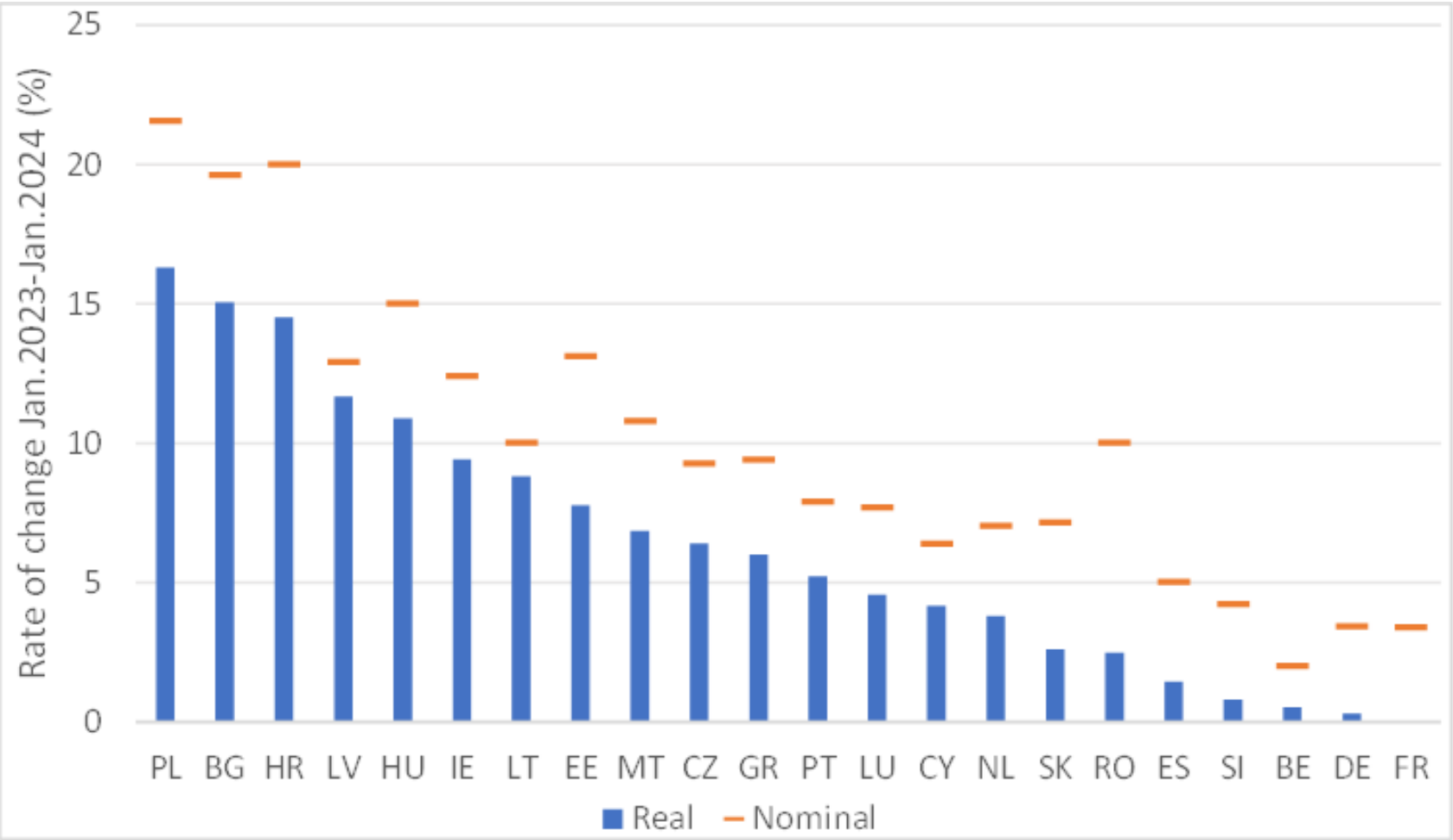
Source: European Working Conditions Telephone Survey, 2021.

Job quality in green jobs



Source: European Working Conditions Telephone Survey, 2021.

2024: A return to real growth in national minimum wages



Notes: Data refer to the growth rate between January 2023 and January 2024. Real values have been calculated by deflating nominal rates using monthly data on price levels (HICP), Eurostat. Countries are ranked by the magnitude of increase in real statutory rates.

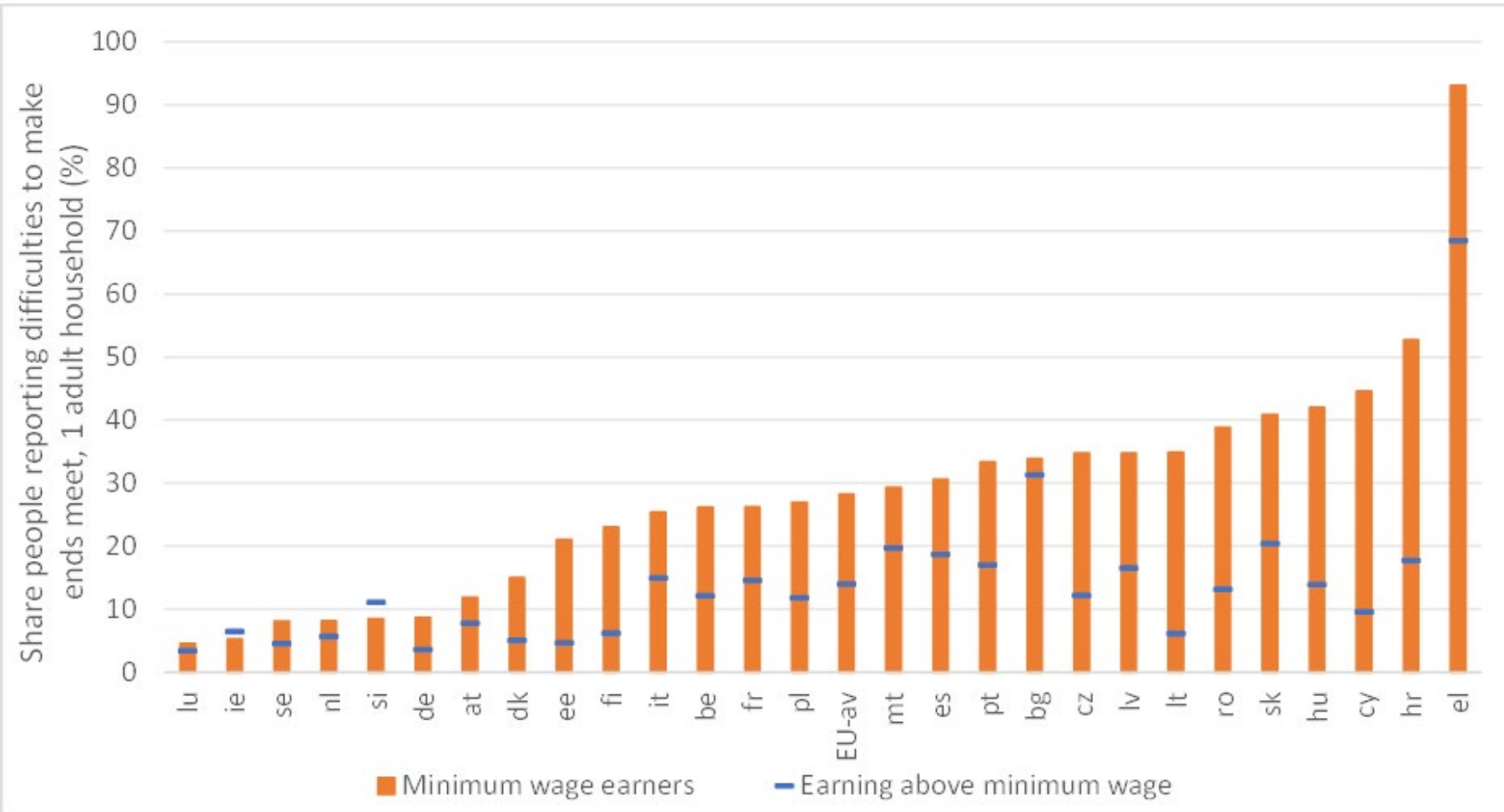
Nominal

- >10% in ten countries (NMS + IE)
- <5% in five countries (ES, SI, DE, FR, BE)
- Average: 10% (almost 12% in 2023). Similar nominal hikes

Real (sensitive to measure of inflation)

- >10% in five countries
- <5% in ten countries (FR constant)

Large country differences in ability to make ends meet by minimum wage workers



28% of minimum wage earners EU-wide report difficulties in making ends meet in 2022.

Note: Among single adult households, no dependents



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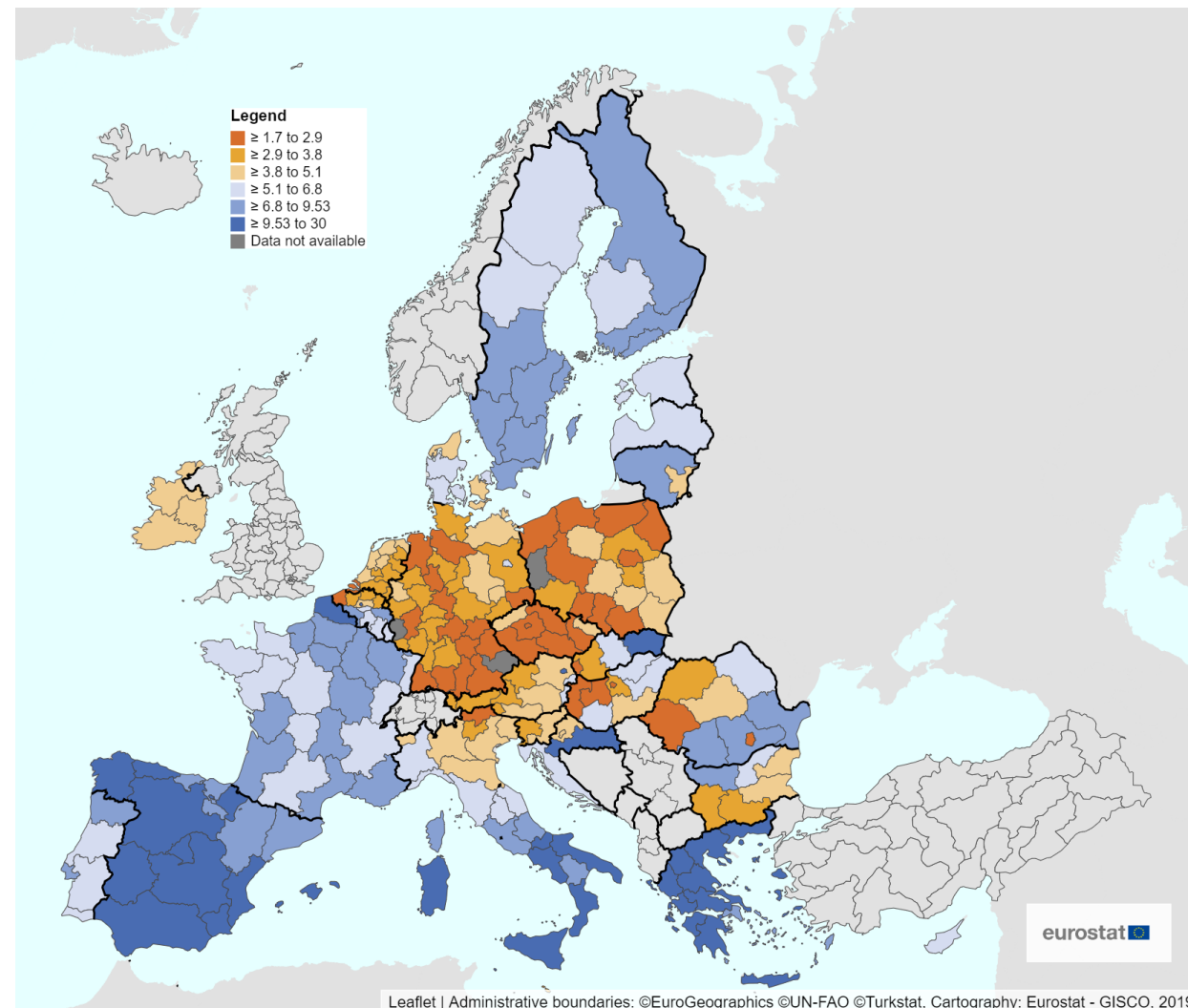
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Living Conditions

Massimiliano Mascherini, Head of Social Policies Unit

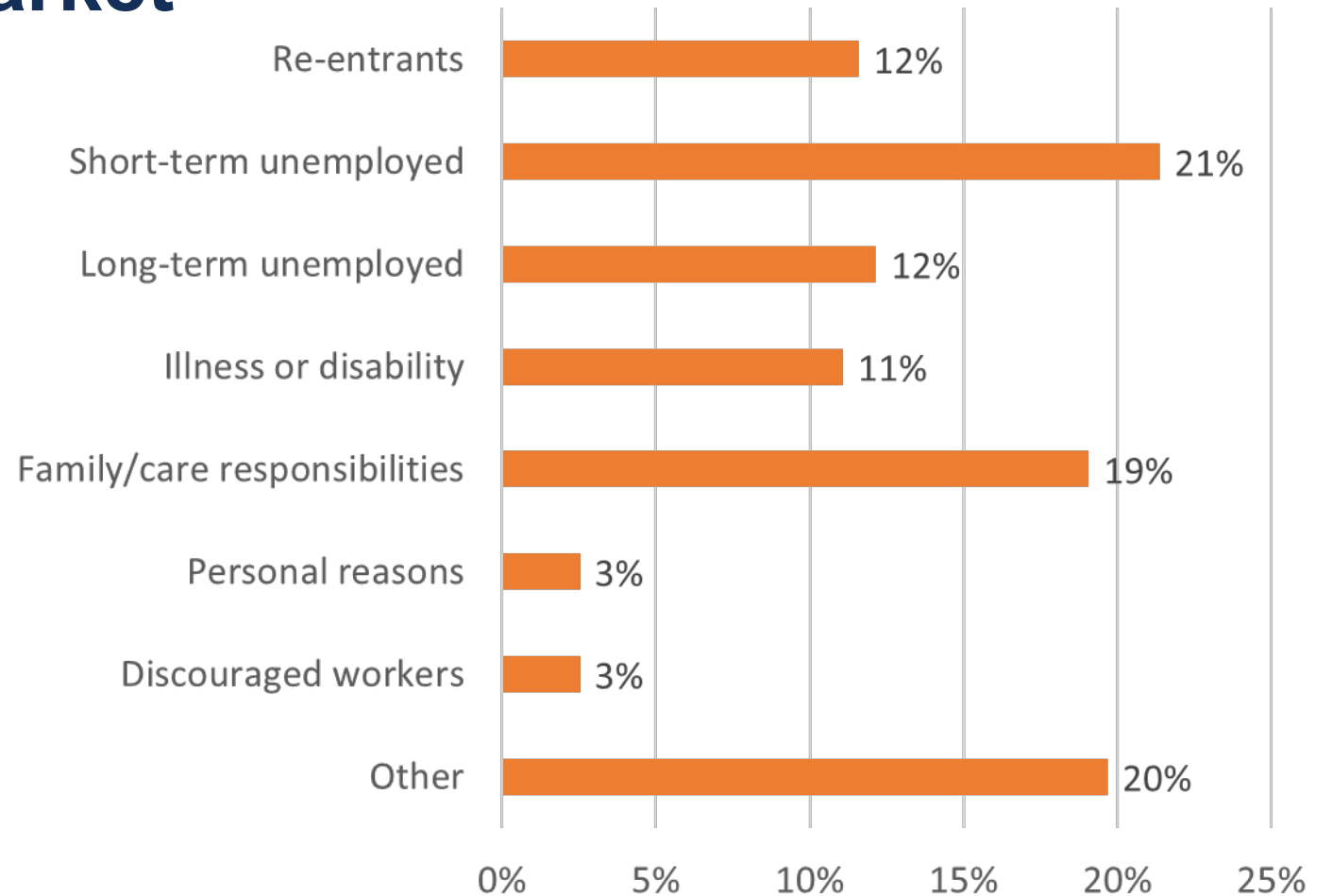
The issue of unemployment

- Around **12.1 million** Europeans, 5.9%, were unemployed in February 2024.
- Among them, almost 3 million were **young people** under 25 (14.3%)
- The unemployment rate for **women** was 6.1% against the 5.7% for men.
- Highest unemployment rates in the EU were recorded for those with a **low level of education** (>10%).
- **Marked geographical disparities:** At regional level: From the 28.4% in the Ciudead de Ceuta Region to the 1.6% of Zeeland.



Youth and the Labour Market

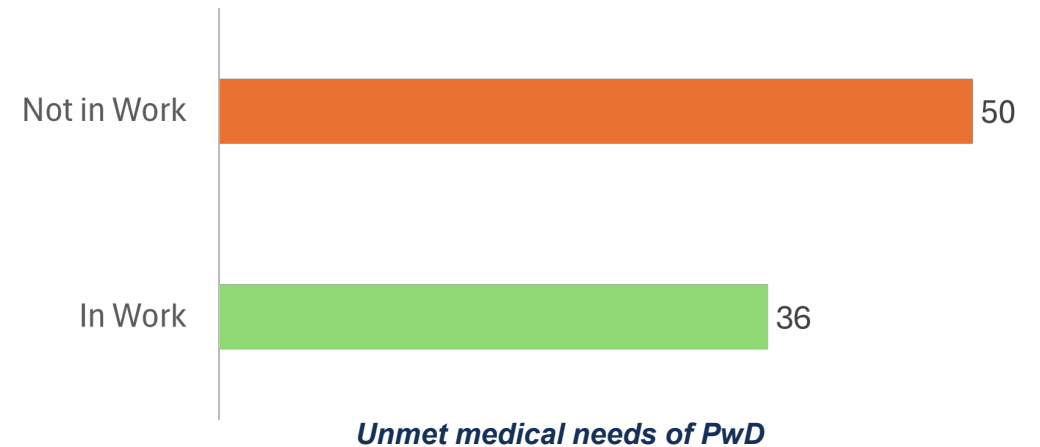
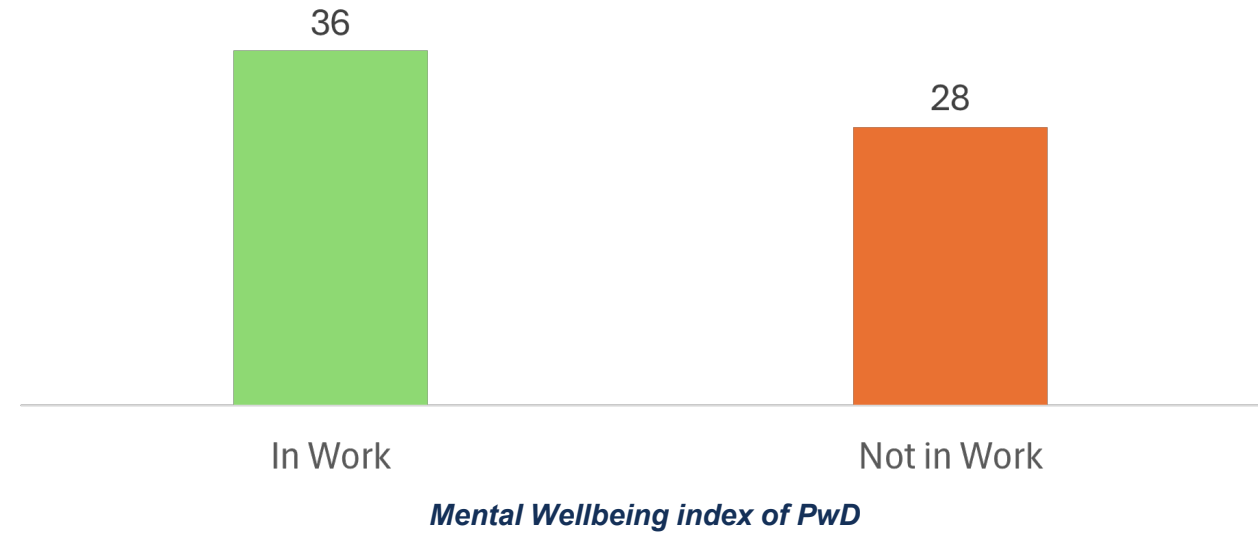
- **Less than 50% of young people (15-29) are at work**
- < 40% in IT, EL, RO, BG, ES
- > 70% in NL
- Among them:
 - 33% have **temporary contract**
 - Around 25% with **part time**
- The issue of **traineeship**: more than 50% did one or more traineeship, only half received compensation.
- 11.2% of young people were **NEETs**



Composition of NEETs - 2022

Persons with disability

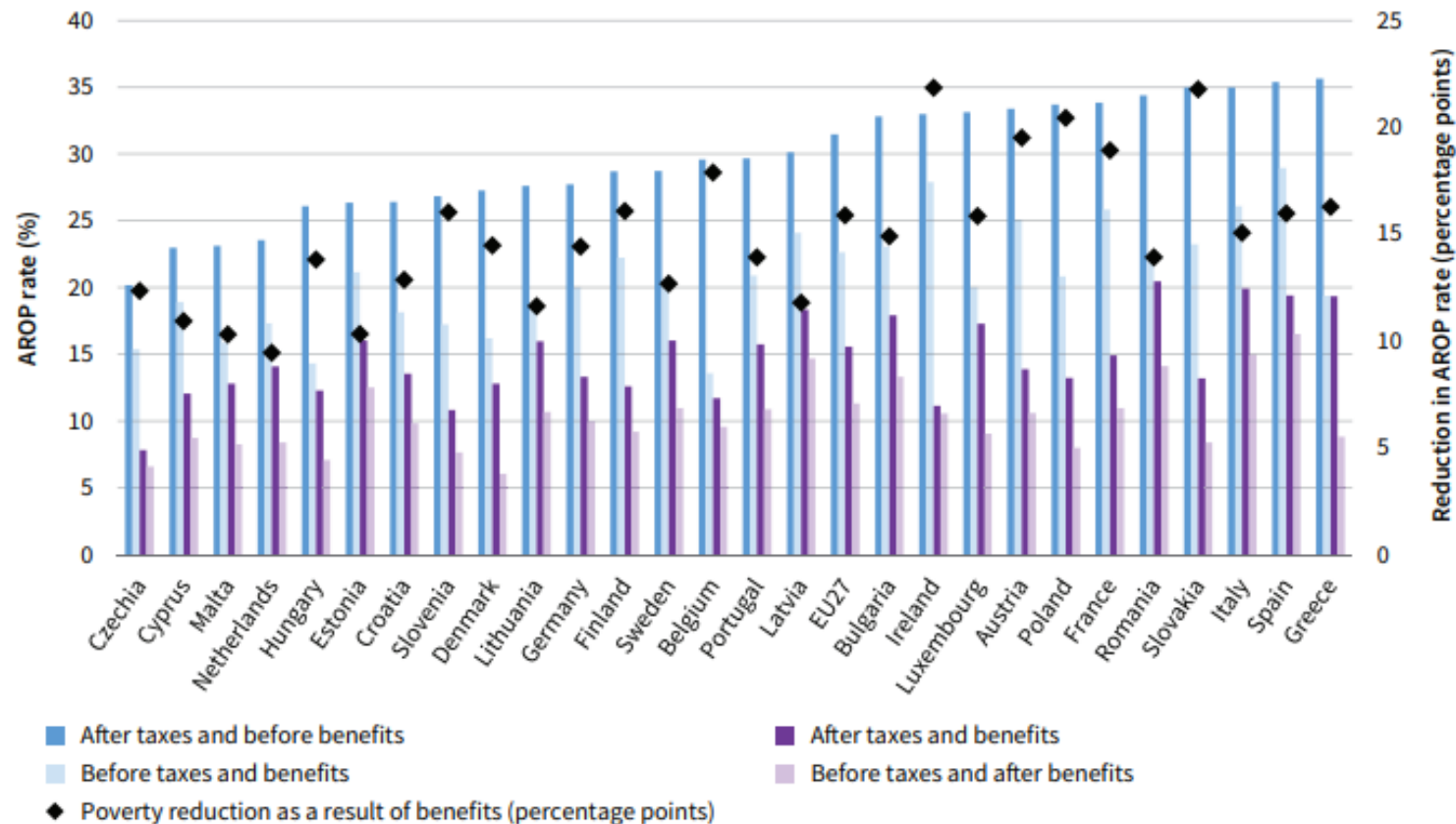
- Disability Employment Gap: **21.5%**
- Higher difficulties in making ends meet:
39% PwD vs 22% Others
- Lower Mental wellbeing (WHO-5):
35 PwD vs 51 others
- Higher share of unmet medical needs:
40% PwD vs 17% Others
- **The role of work!**



Differences between Persons with Disabilities at work and those not at work

Poverty reduction

Figure 1: At-risk-of-poverty rate before and after taxes and social transfers among people aged 16–64, 2022



- Social benefits halve the proportion of people aged 16–64 at risk of poverty in the EU, reducing it from 31% (after taxes and before transfers) to 15.5% (after taxes and transfers).
- If a lower poverty threshold is applied at 40% instead of 60% of median income, social benefits would raise to 69% of households above it (instead of 50.5%).
- About one-quarter of economically inactive and unemployed people are brought above the at-risk-of-poverty threshold of 60% of median income, and 73% and 63%, respectively, are brought above 40% of median income.

Notes: AROP, at risk of poverty. Old-age pensions and survivor benefits are included in social transfers. The poverty threshold is 60% of median equivalised income after taxes and transfers. Survey weights were applied.

Source: Authors' estimates, based on EU-SILC microdata

Coverage

Overall, about **two-thirds of unemployed people are left without benefits.**

Ineligible groups: gaps exist for some groups of people who are self-employed, with non-standard contracts, with short work histories, non-nationals, long-term unemployed

Non-take-up: expected to be mostly for means-tested unemployment benefits, and -especially- for other benefits supporting unemployed

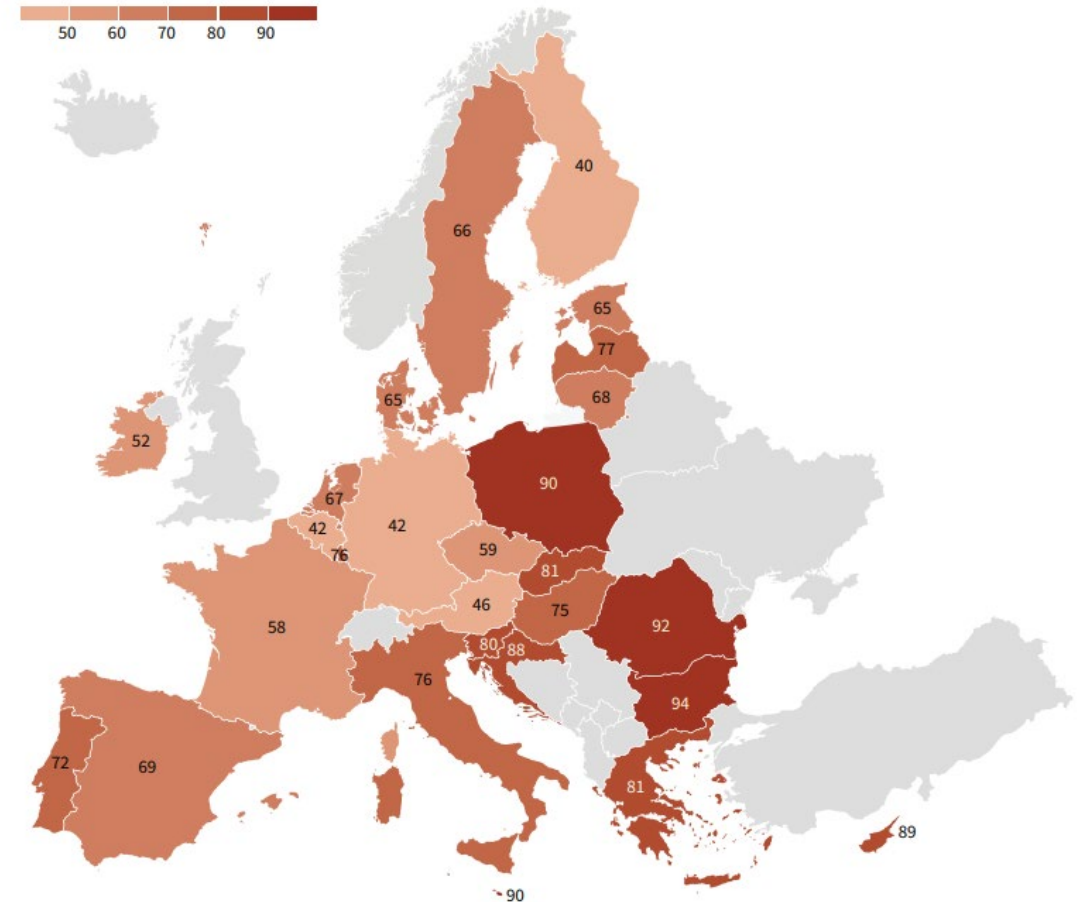
Adequacy

Low benefits: low-income earners, short work history, long-term unemployed

Inflation adjustment: sometimes absent or limited, and not always low-income-specific inflation

Inability to make ends meet regardless of benefit receipt: longer unemployed, low educational attainment, single parent, poor self-reported health

Percentage of unemployed people not in receipt of benefits or assistance, EU Member States, 2021 (%)



The issue of coverage of minimum income

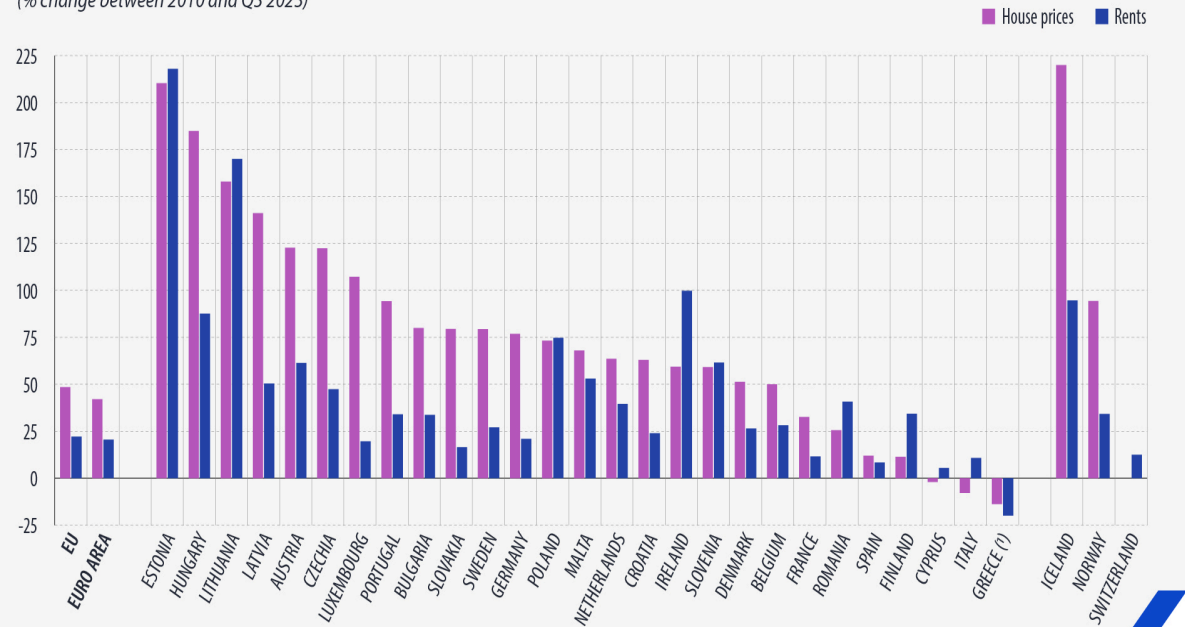
- Over half (54%) of those who are at risk of poverty before benefits receive no benefits such as 'social exclusion' (mainly minimum income), disability or unemployment benefits.
- Groups facing gaps in minimum income support include
 - households with low incomes or assets (homes that increased in value) above the entitlement threshold,
 - groups of non-nationals (third-country nationals with temporary resident permits, EU citizens looking for work)
 - homeless people.
- Non-take-up: no Member State was identified where more than 80% of those entitled to minimum income benefits receive them

The housing challenge

- **House prices up by 48% in EU between 2010 and 2021:**
 - Increase in 23 Member States.
 - Largest increases observed in Estonia, Hungary, Lithuania, Latvia
 - Decreases registered in Italy, Cyprus, Greece
- **Rents up by 20%:**
 - Increase in 22 Member States
 - Largest increases registered in Estonia, Lithuania and Ireland
 - Decreases observed in Greece.
- **Housing costs increased much more than disposable income:**
 - Disposable income +17%
 - Housing price: +76%
 - Rent: +35%
 - **More than 8% of European households spend more than 40% of their income in households related costs.**

House prices and rents

(% change between 2010 and Q3 2023)



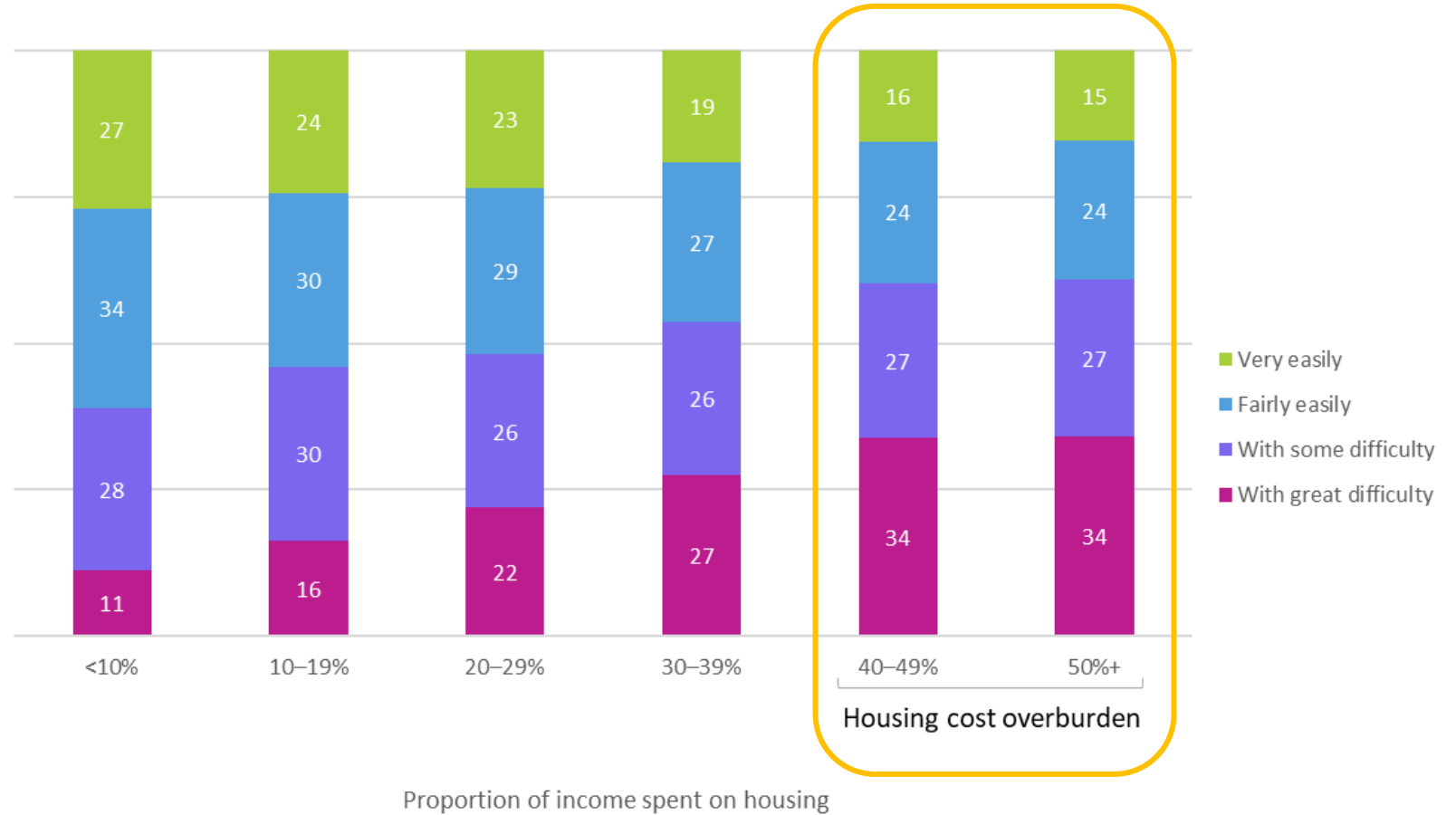
(*) House Prices: data from Bank of Greece; 2022 instead of third quarter of 2023.

eurostat

Problematic housing costs

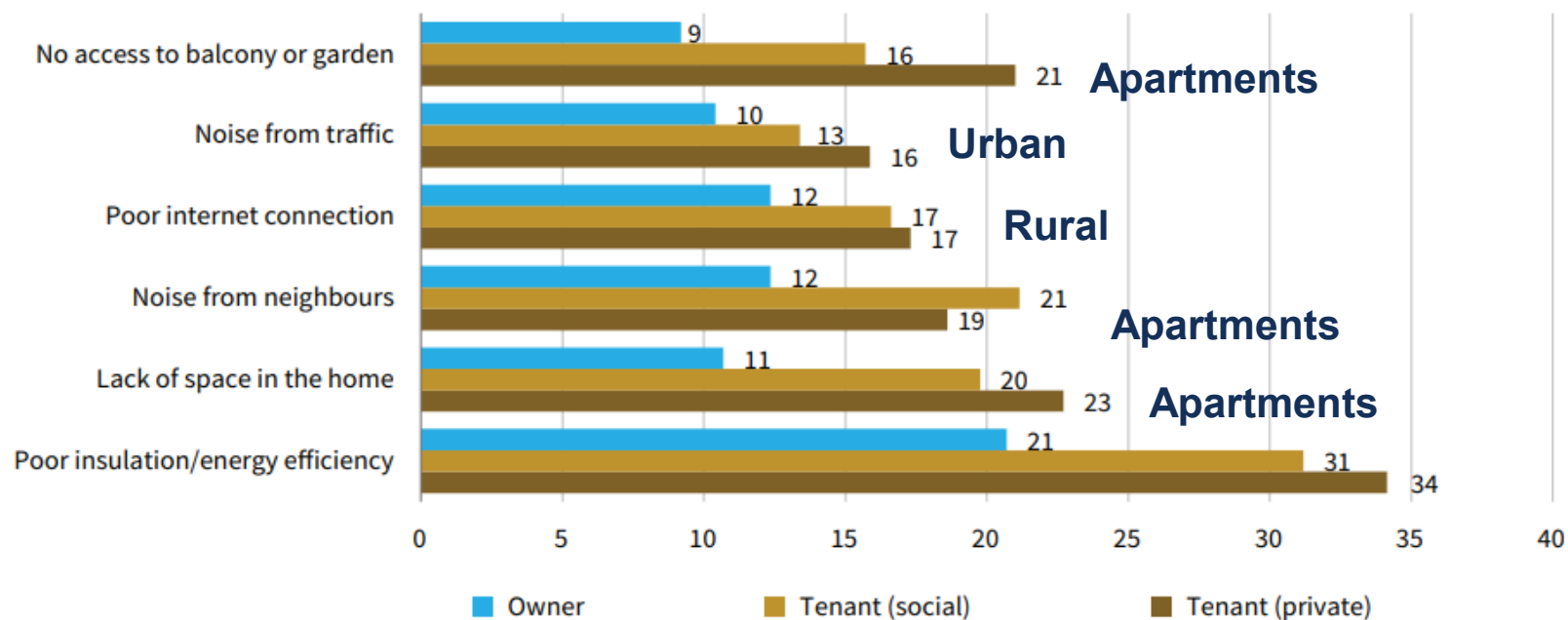
- **Spending $\geq 40\%$ of income on housing**
 - **EU level: 8.3%**
 - **Youth: 9.7%** more problematic for households with:
 - greater needs (e.g. children)
 - low income

Ability to make ends meet, by proportion of income spent on housing EU27, 2019 (%)



4a) Inadequacy: Problems with accommodation

Figure 14: People reporting problems with accommodation, by type of tenure, EU27, 2022 (%)



All problems more common for:

1. 18-34-year-olds

2. Bottom income half

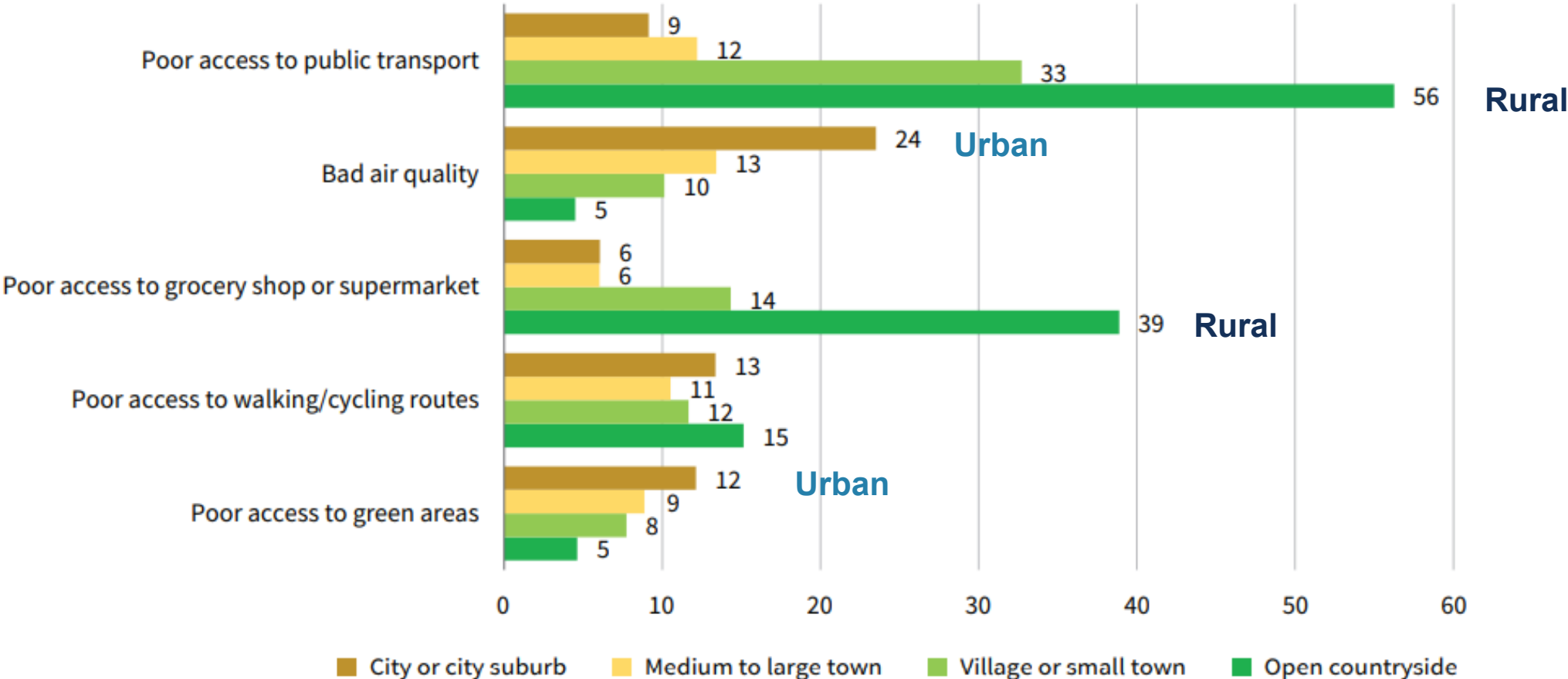
3. Private tenants (Figure)

difference with social housing even more marked among bottom income half earners:

- Noise neighbours: both 20%
- Energy efficiency: 39% vs 31%
- Balcony/garden: 24% vs 17%

Inadequacy: Problems with the neighbourhood

Figure 15: People reporting problems with the local area, by degree of urbanisation, EU27, 2022 (%)

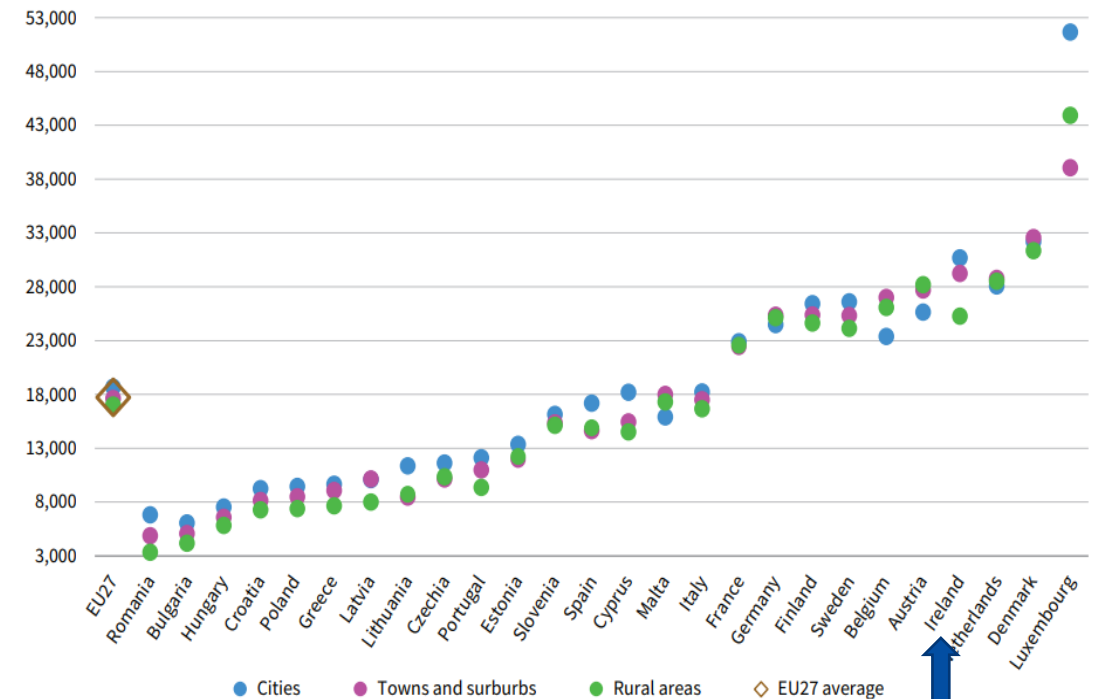


Source: Eurofound (2023, <https://www.eurofound.europa.eu/en/publications/2023/unaffordable-and-inadequate-housing-europe>, Living, working and COVID-19 e-survey, fifth round (carried out 25 March to 2 May 2022))

The rural-urban divide and importance of Territorial Cohesion

- **The place in which people reside** is a significant component of their identity and influences their daily lives and activities.
- **Urban areas** have higher employment rates, average GDP per capita and productivity, and better equipped to reap the advantages of globalisation.
- **The rural-urban gap** in incomes increased by almost 20% between 2012 and 2021. Similar trends in education and employment.
- Gaps in the provision of **public services** between rural and urban areas are also increasing, and declining and ageing populations pose challenges to future service provision in rural areas.

Median income, by Member State and degree of urbanisation, 2021 (€)



Notes: Slovakia is not included, as no data were available for 2021. Member States are ordered by median income, from lowest to highest.
Source: EU-SILC

Political participation and satisfaction with democracy

- **Trust in institutions** is a precondition for effective governance and contributes to political stability.
- Trust in national governments and EU **lowest in rural areas.**
- **Satisfaction with democracy** also lowest in rural areas.
- **Population in rural areas do not feel their role recognized by own governments.**
- Points to a potential **weakening of social cohesion.**
- **Importance of public services.**

Trust in government, in the EU, and satisfaction with democracy

● 2020 ● 2022



Source: [Living, working and COVID-19 e-survey, round 5 \(2022\)](#) • Note: Scale ranges from 1 to 10, with 1 representing the lowest level of trust/satisfaction. Satisfaction with democracy data only available from 2022.

Thank you