



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

Visit of the Network of the EU Heads of Mission in Ireland to Eurofound

Europe at a crossroads: Key challenges for the next phase

7 February 2024

Welcome address

Ivailo Kalfin, Executive Director, Eurofound

Karen Van Vlierberge, Ambassador of the Kingdom of Belgium to Ireland

Living and working in Europe

Current research findings and priorities of Eurofound

- **Maria Jepsen**, Deputy Director, Eurofound
- **Massimiliano Mascherini**, Head of Unit, Social Policies
- **Barbara Gerstenberger**, Head of Unit, Working Life
- **Tadas Leončikas**, Head of Unit, Employment

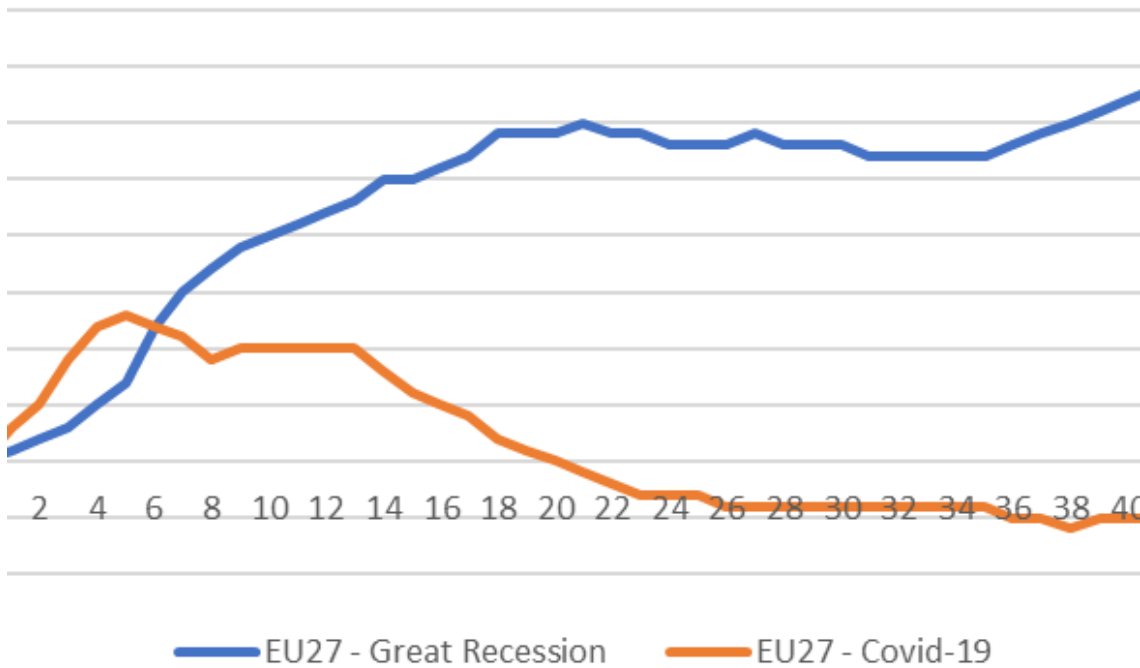
Moderator: Mary McCaughey, Head of Unit, Information and Communication

Living and working in Europe

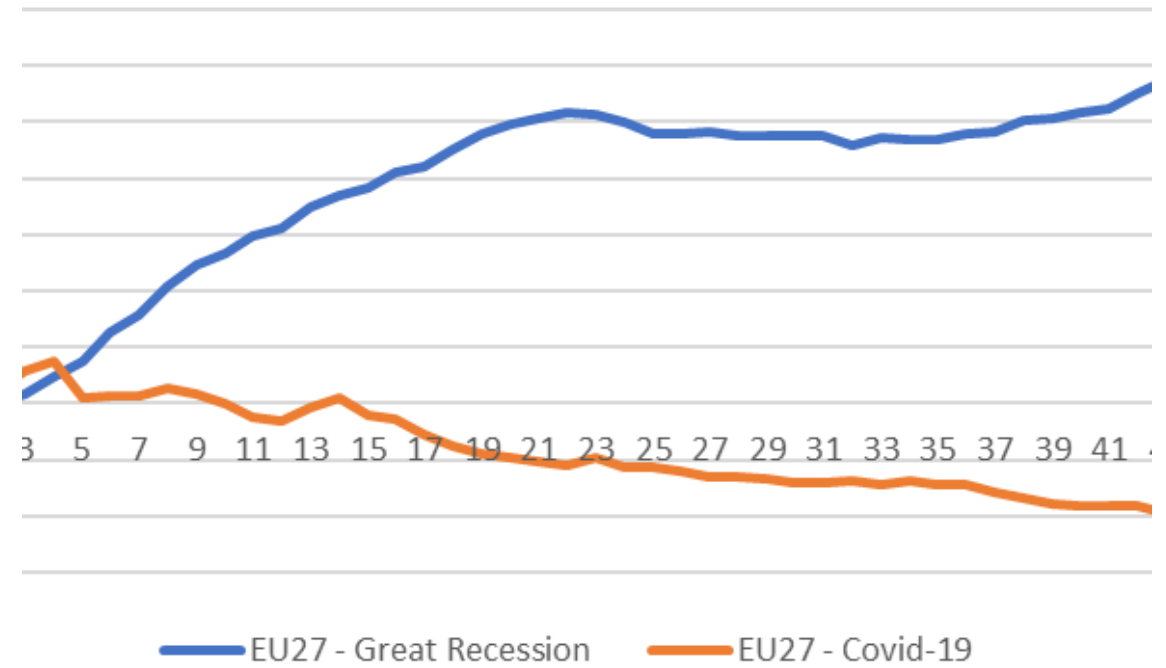
- **Current context and challenges**

Unemployment rate - Comparison of the Great Recession and COVID-19

Changes in unemployment rate

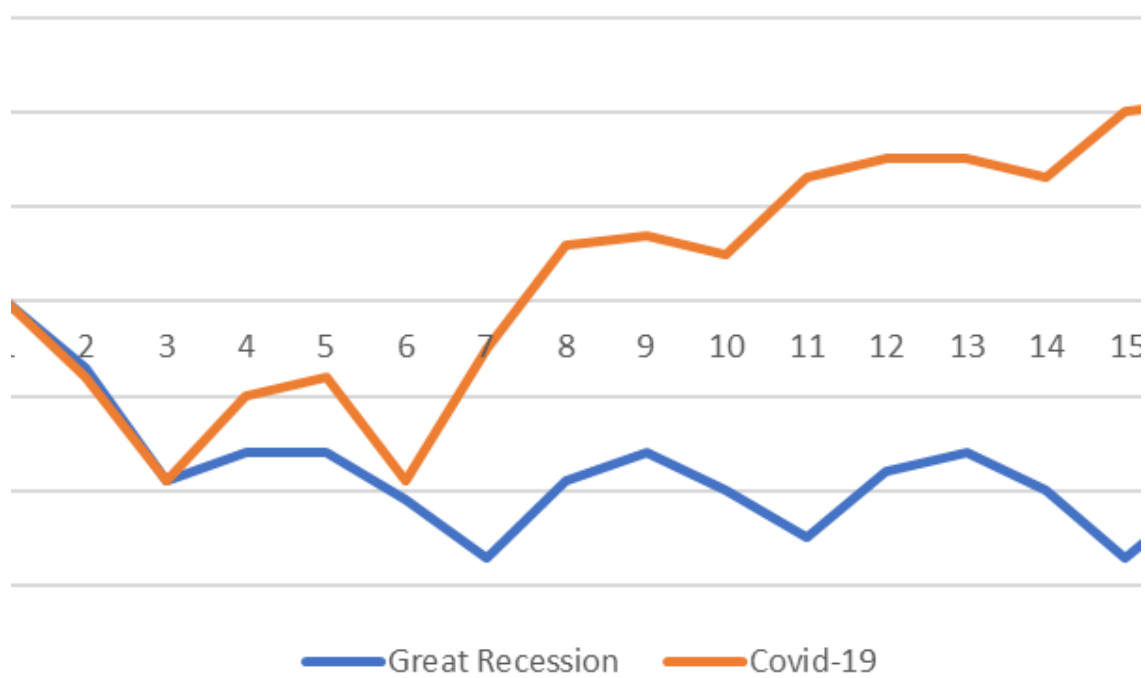


Trend in disparities

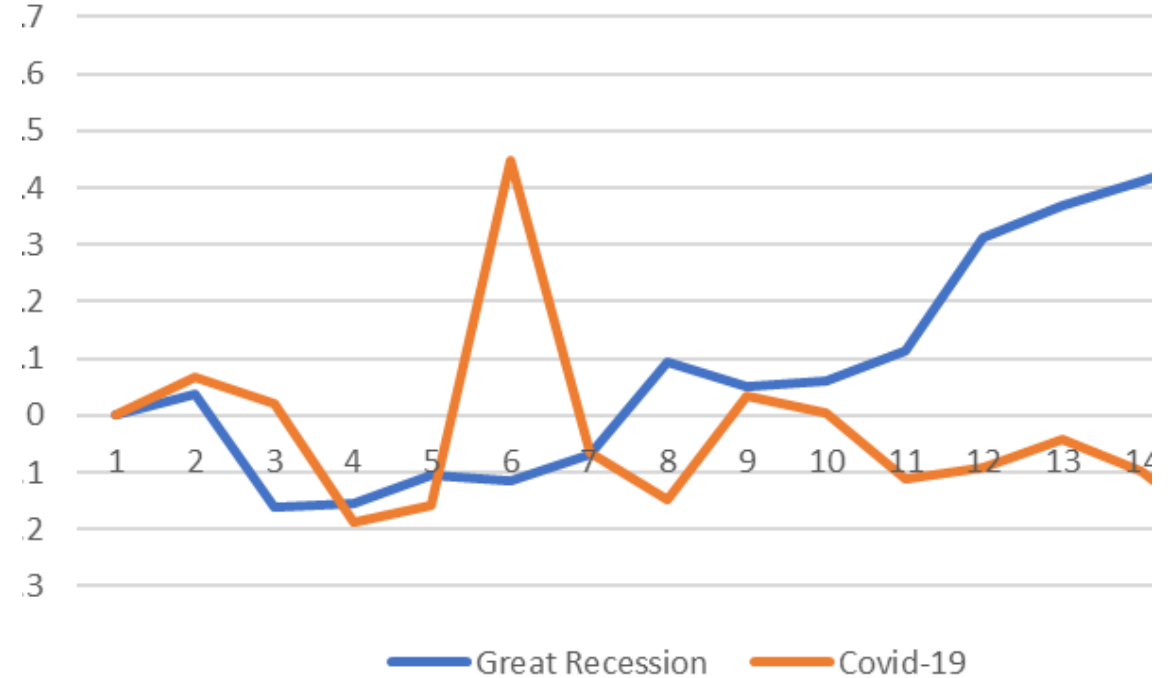


Employment rate (20-64)

Changes in Employment rate



Trend in disparities





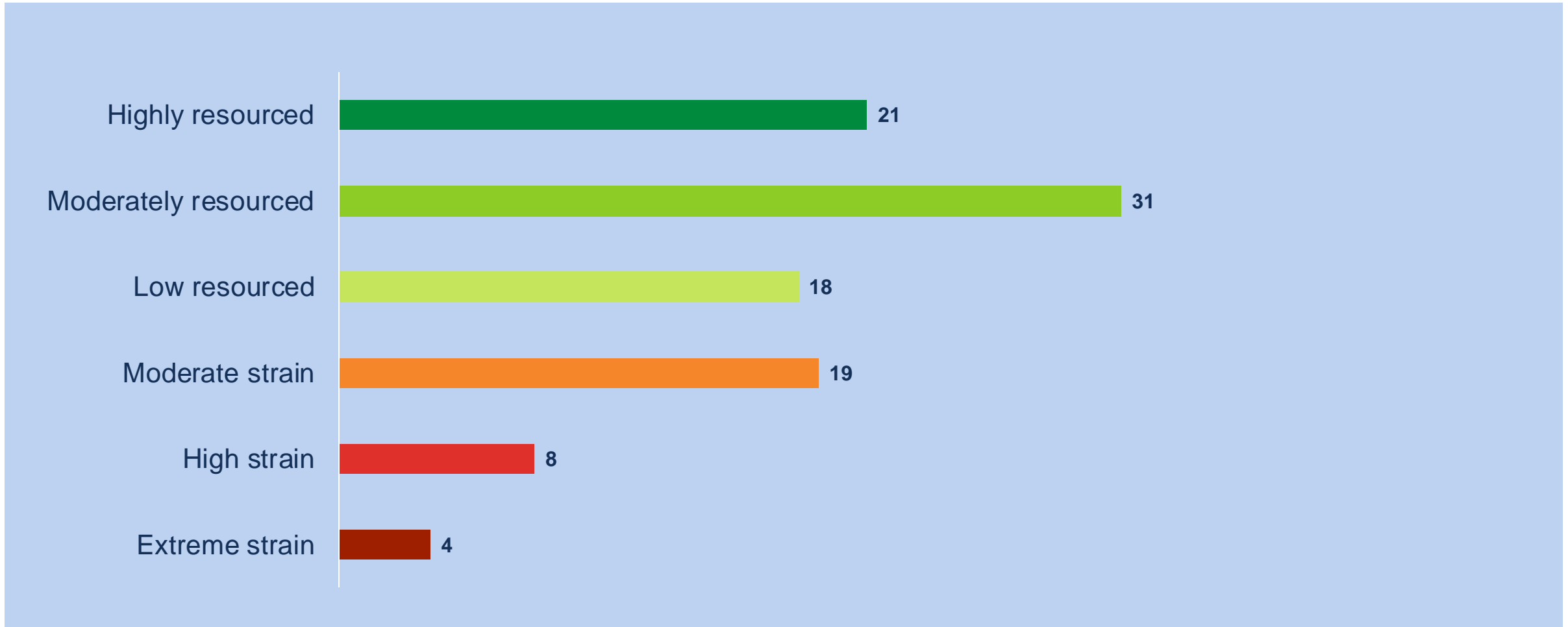
Meeting the challenges: The role of job quality

Calculating job quality – examining the balance between job demands and job resources



- Compare individual exposure to demands and resources
- More job demands than job resources 'job strain'
- Jobs are grouped into six levels
 - Extremely strained
 - Highly strained
 - Moderately strained
 - Poorly resourced
 - Moderately resourced
 - Highly resourced

Distribution of job quality, EU 27 (%)

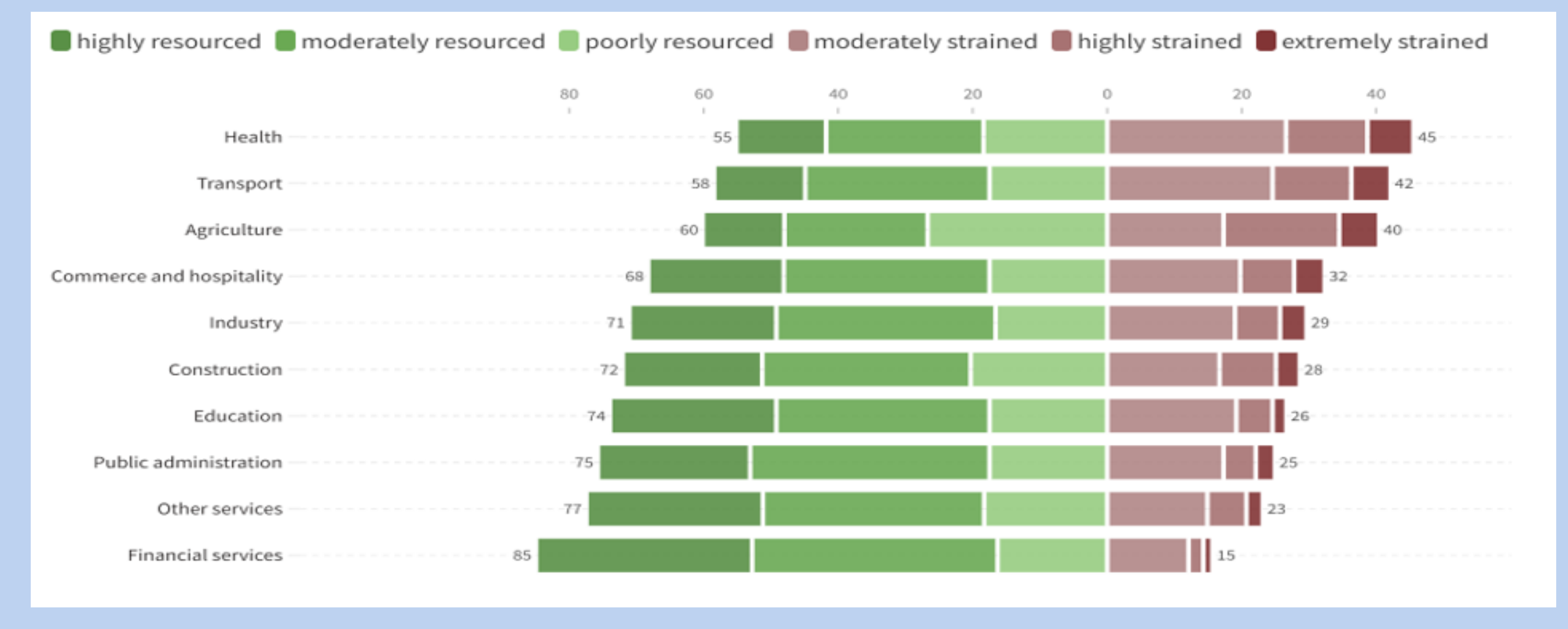


Job quality index, EU Member States and other European countries (%)



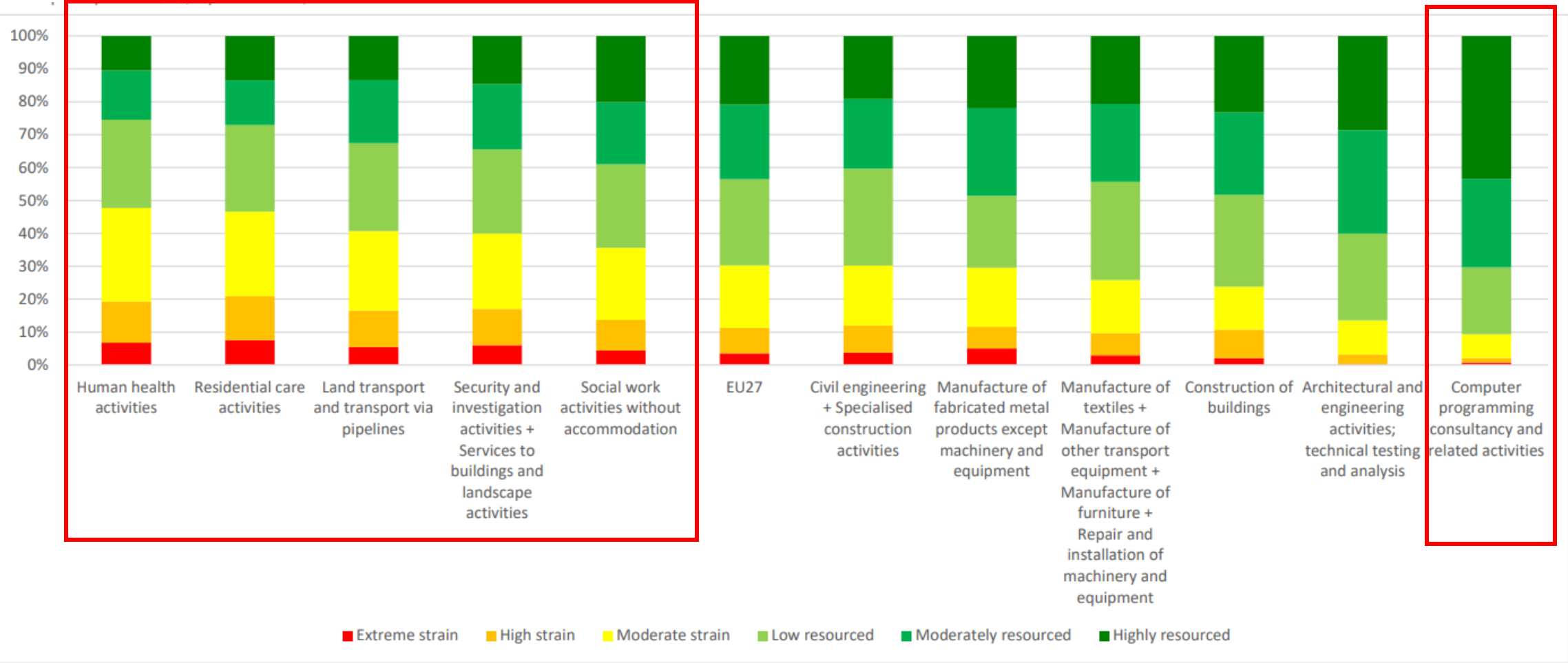
Source: EWCTS 2021

Job quality in sectors



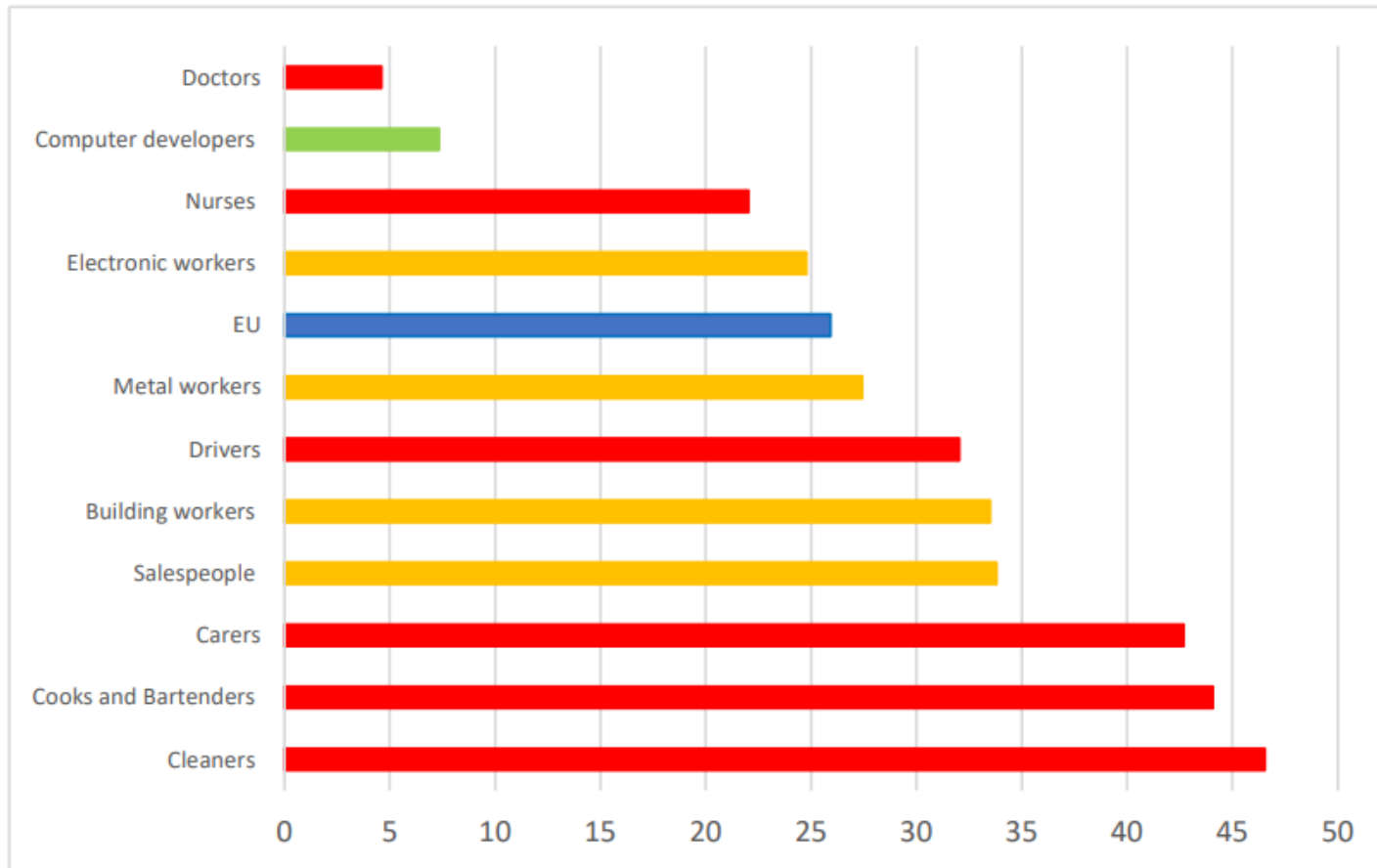
Source: EWCTS 2021

Job quality index (%), by subsector, EU27



Source: EWCTS 2021

Proportion of workers in shortage occupations reporting difficulty in making ends meet, 2021, EU27



Note: Red indicates significantly above EU average job strain, orange indicates slightly above EU average job strain, and green indicates below EU average job strain.

Minimum wages

January 2023

Minimum wage hikes struggle to offset inflation

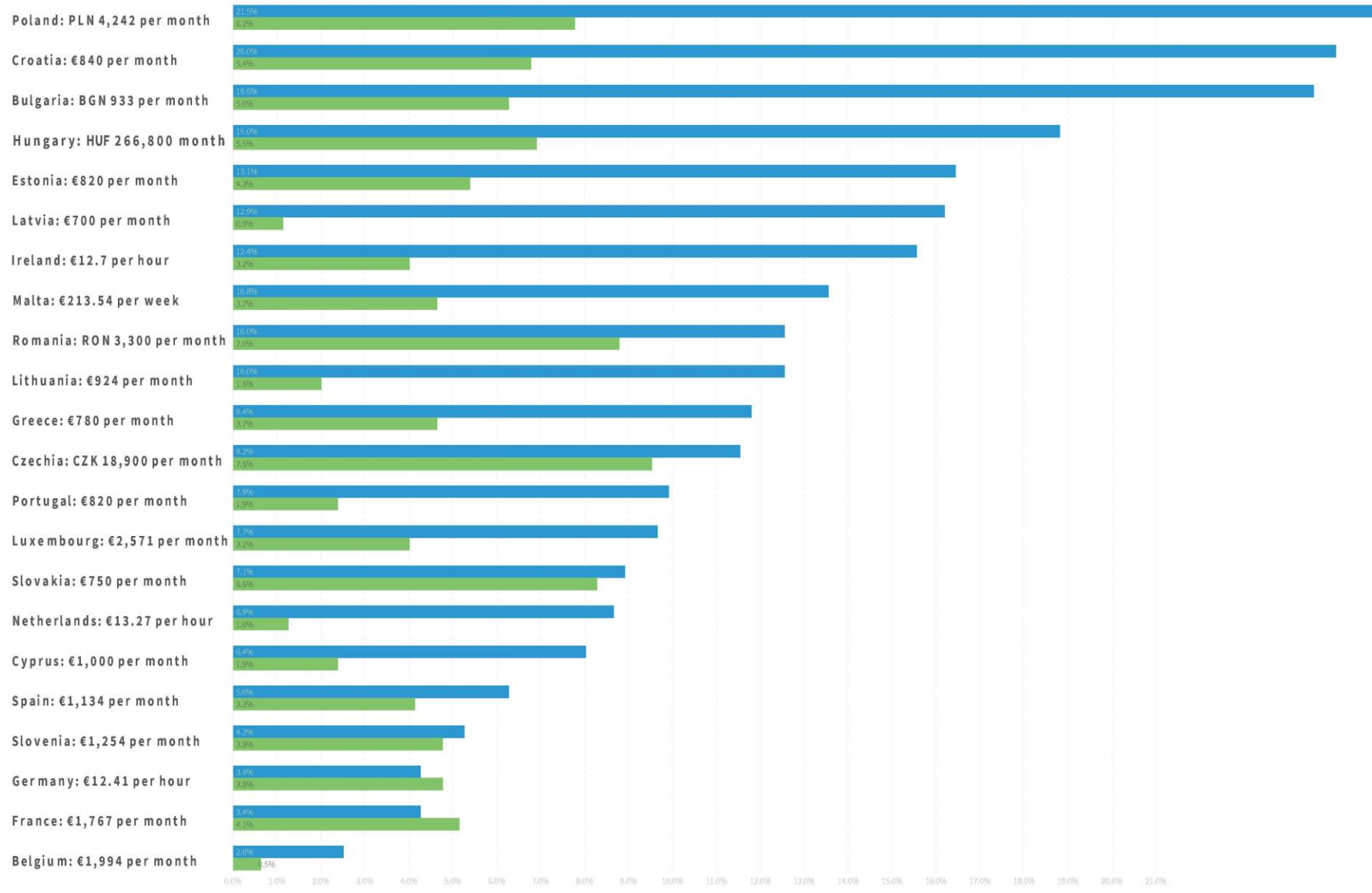
January 2024

Minimum wages 2024 – The tide is turning

Nominal changes in national minimum wages, January 2023 to January 2024, and annual inflation, December 2022 to December 2023 (%)

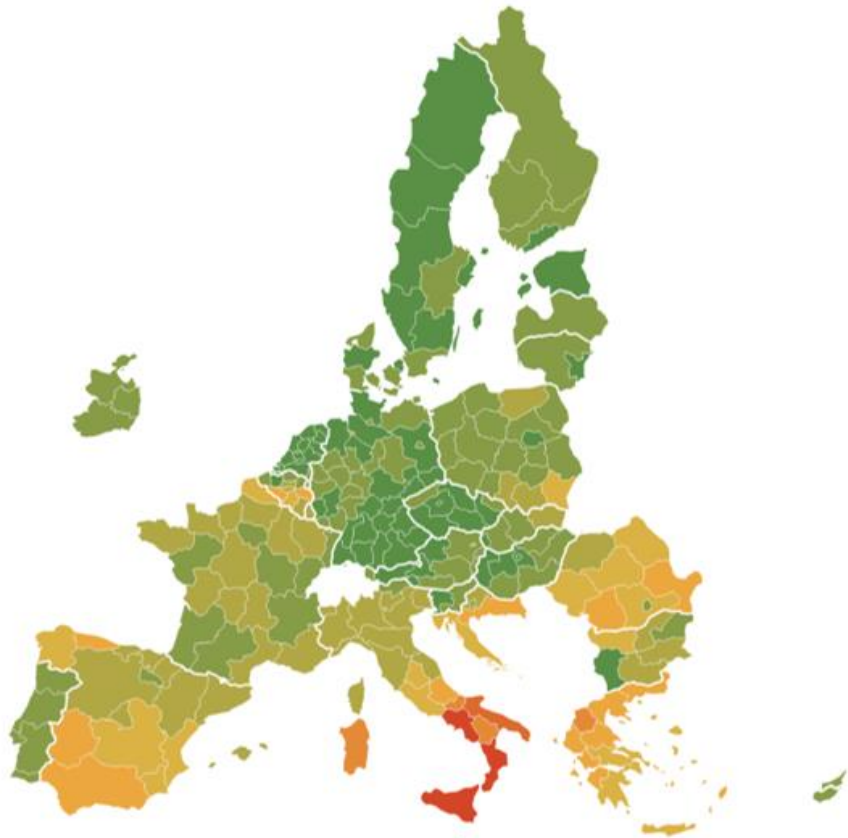
■ Statutory minimum wage: Jan 2023 to Jan 2024

■ Annual inflation: December 2022 to December 2023



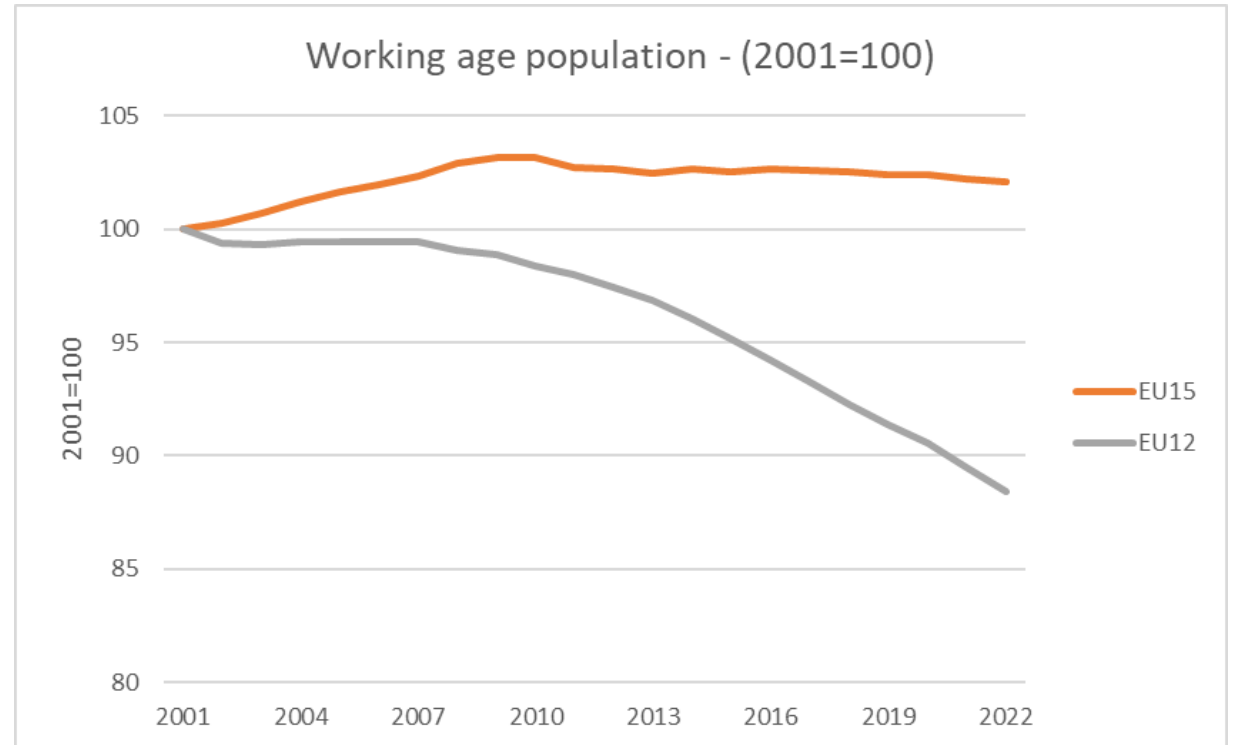
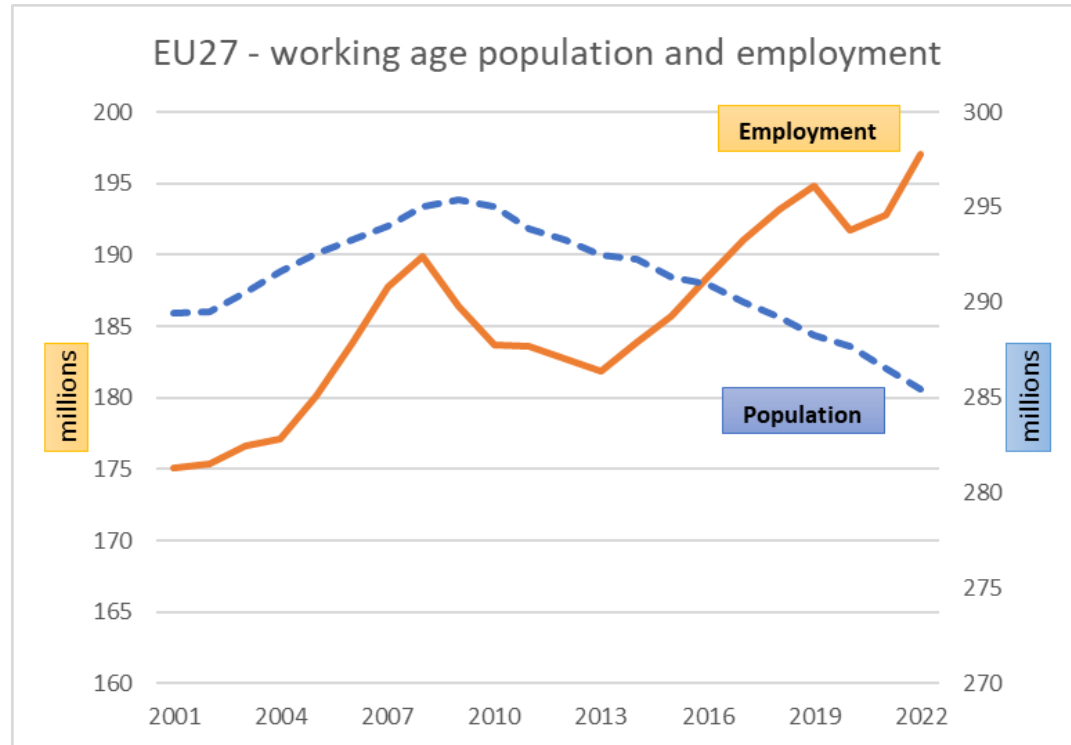
Employment trends: strong post-pandemic rebound across the regions

Employment rates in 2022



- Labour markets have recovered more quickly post-COVID than after the financial crisis:
- Around $\frac{3}{4}$ of the regions recorded a decline in employment in 2019-2020
- **In 2022, almost 9 out of 10 EU regions had employment rates higher than pre-COVID**
- However, large geographical disparities persist between and within countries (e.g. Italy)
- Capital city regions have a premium: in GDP and employment growth as well as e.g. options for remote work

Demographic headwinds



European Restructuring Monitor

**Total number of jobs
recorded in large restructuring events, EU**

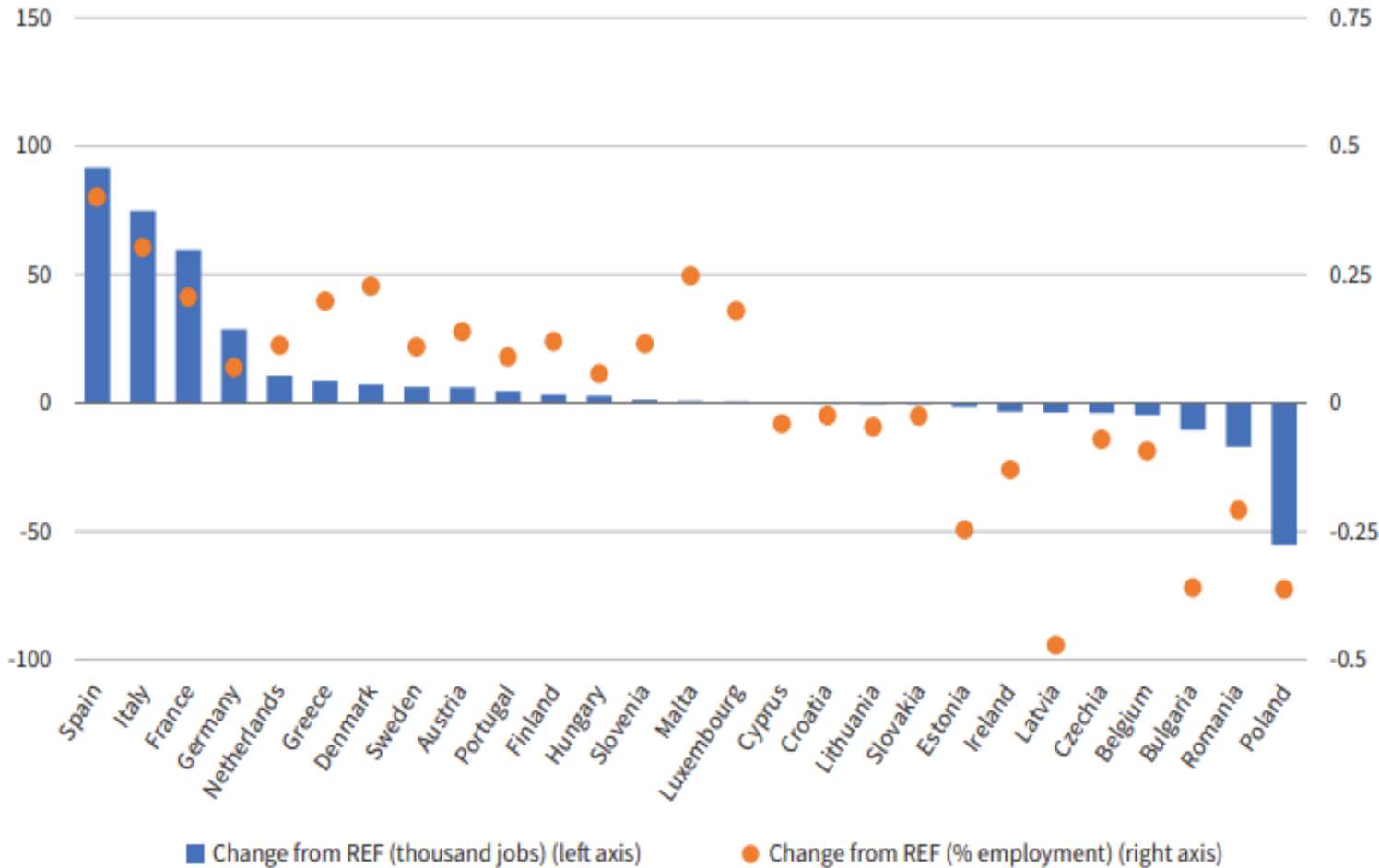


The sectors with the largest recorded number of jobs created and lost in 2023 are:

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



Employment projections of climate-neutrality policies

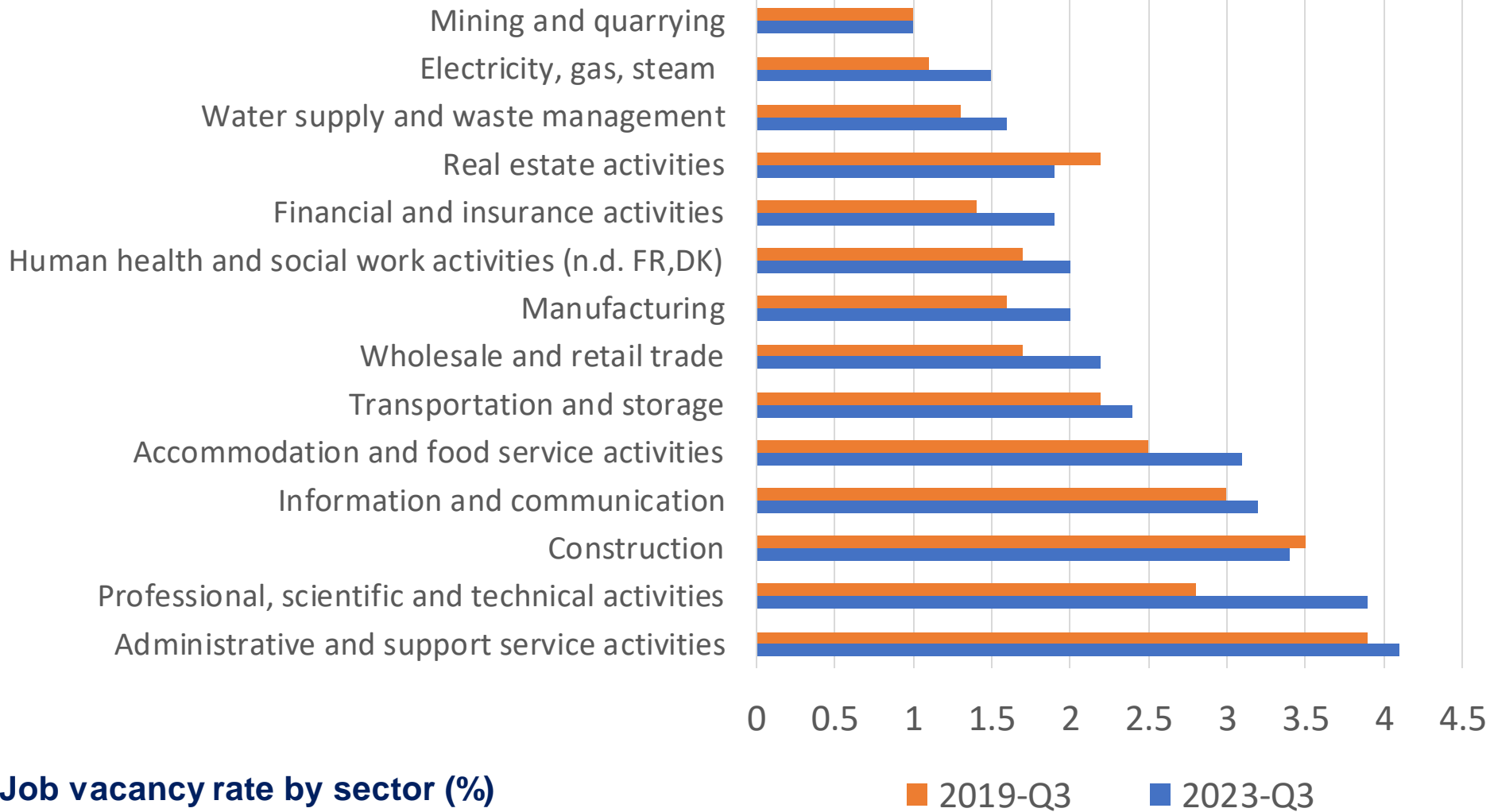


Absolute **employment impacts of Fit for 55 policies are higher in regions negatively affected** – Polish and Romanian regions with high share of employment in mining/extractive sectors.

Positive employment impacts are more dispersed across other regions.

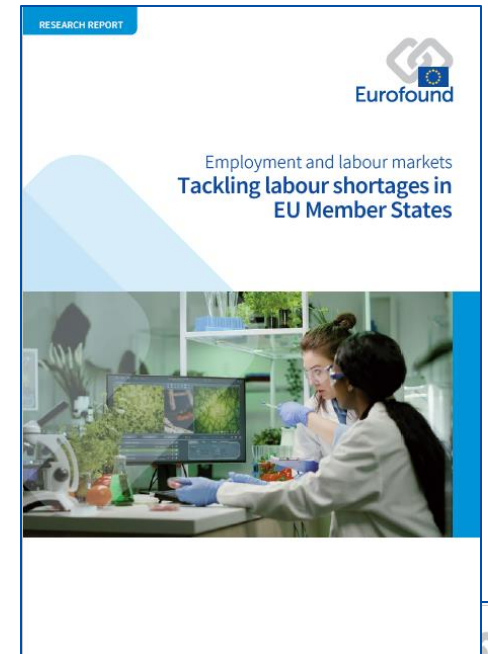
Construction sector likely to be the main sector benefitting from additional labour demand (clean energy manufacturing).

Labour shortages



Job vacancy rate by sector (%)

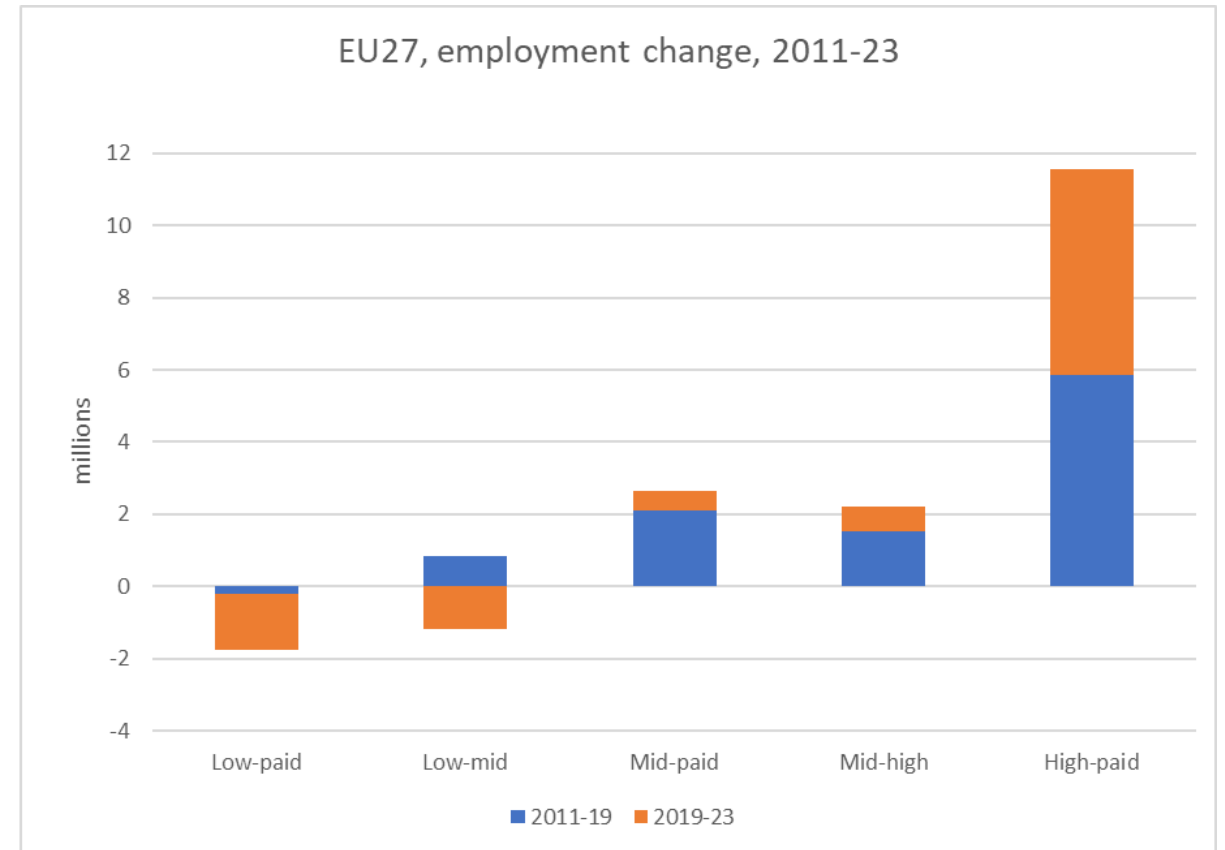
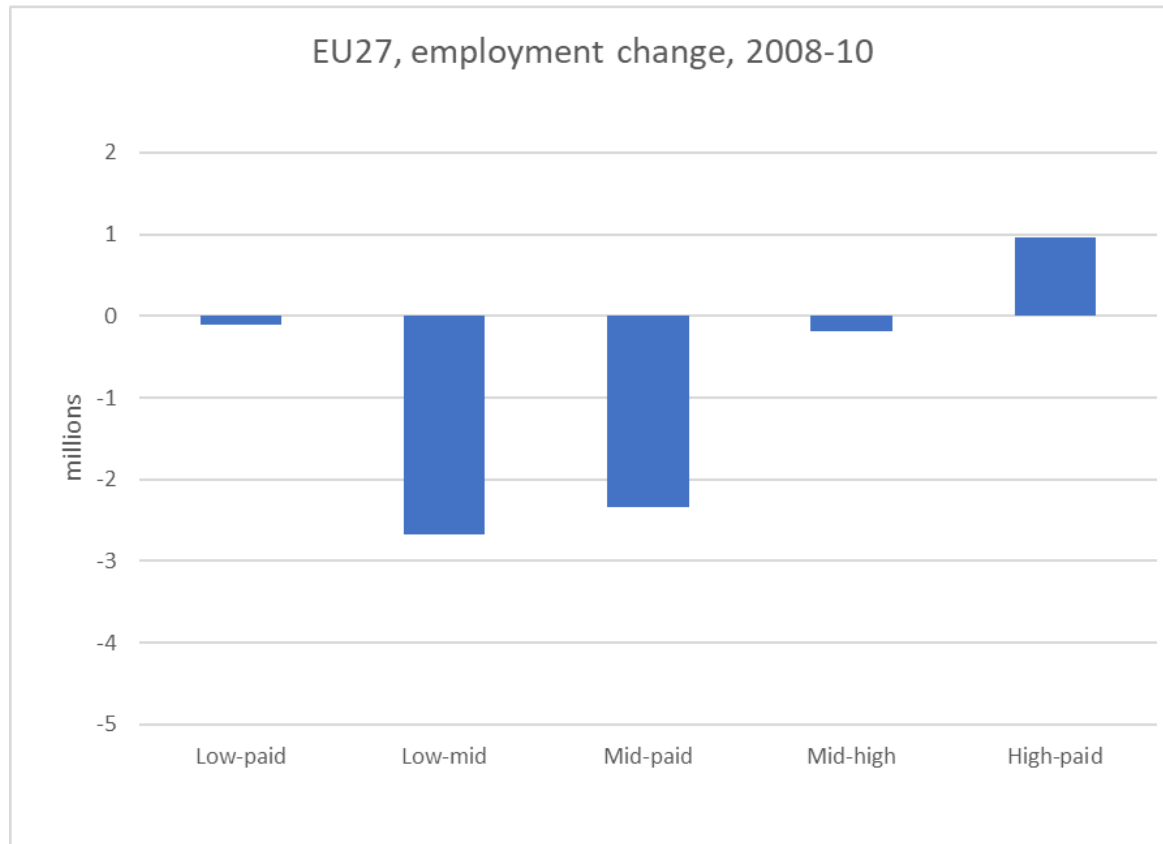
Source: Eurostat



European Jobs Monitor

<https://www.eurofound.europa.eu/data/european-jobs-monitor>

Polarisation or Upgrading?

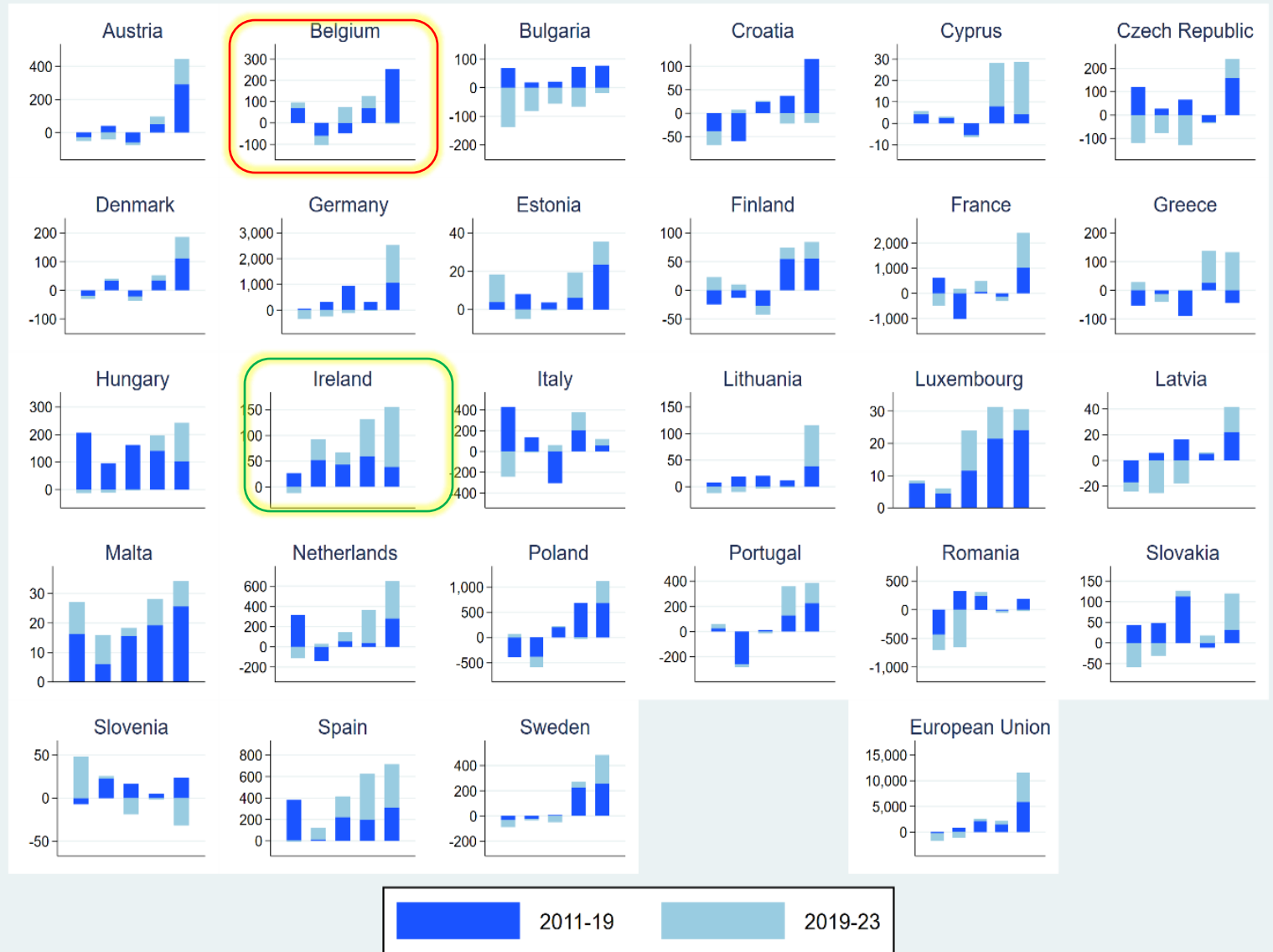


Find your country profiles on the EJM webpage!

European Jobs Monitor

2023 annual update
(publication forthcoming)

Emp change by wage quintile (thousands, 2011-23)





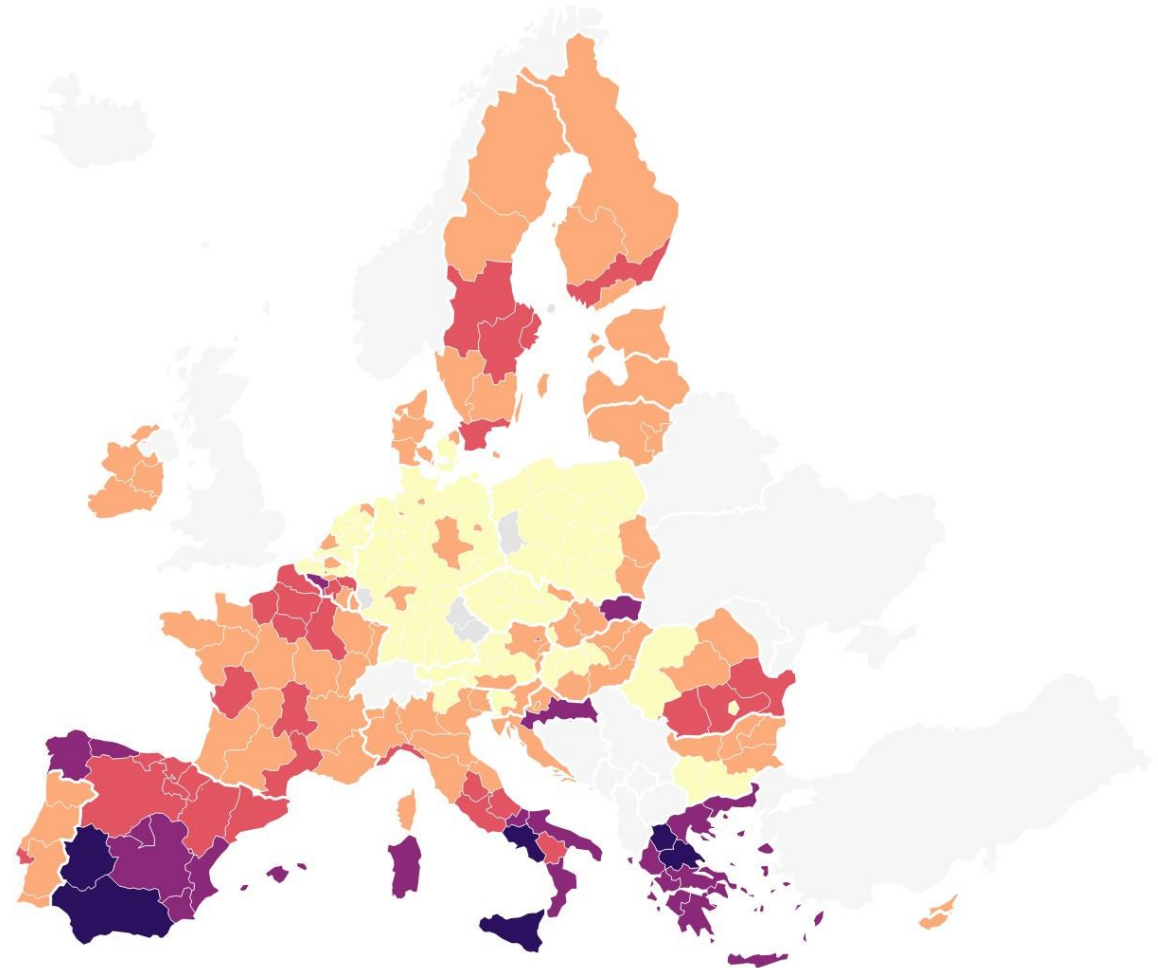
Societal challenges – Improving social cohesion

The issue of unemployment

- Around 13 million Europeans were unemployed in December 2023 (5.9%)
- Among them, almost 3 million were young people under 25 (14.5%)
- The unemployment rate for women was 6.2% 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 Member State and regional level: from below 2% to above 20%

Unemployment rates 2022, NUTS 2 regions (%)

< 4 4-7 7-10 10-15 ≥ 15



Created with Datawrapper

Coverage

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

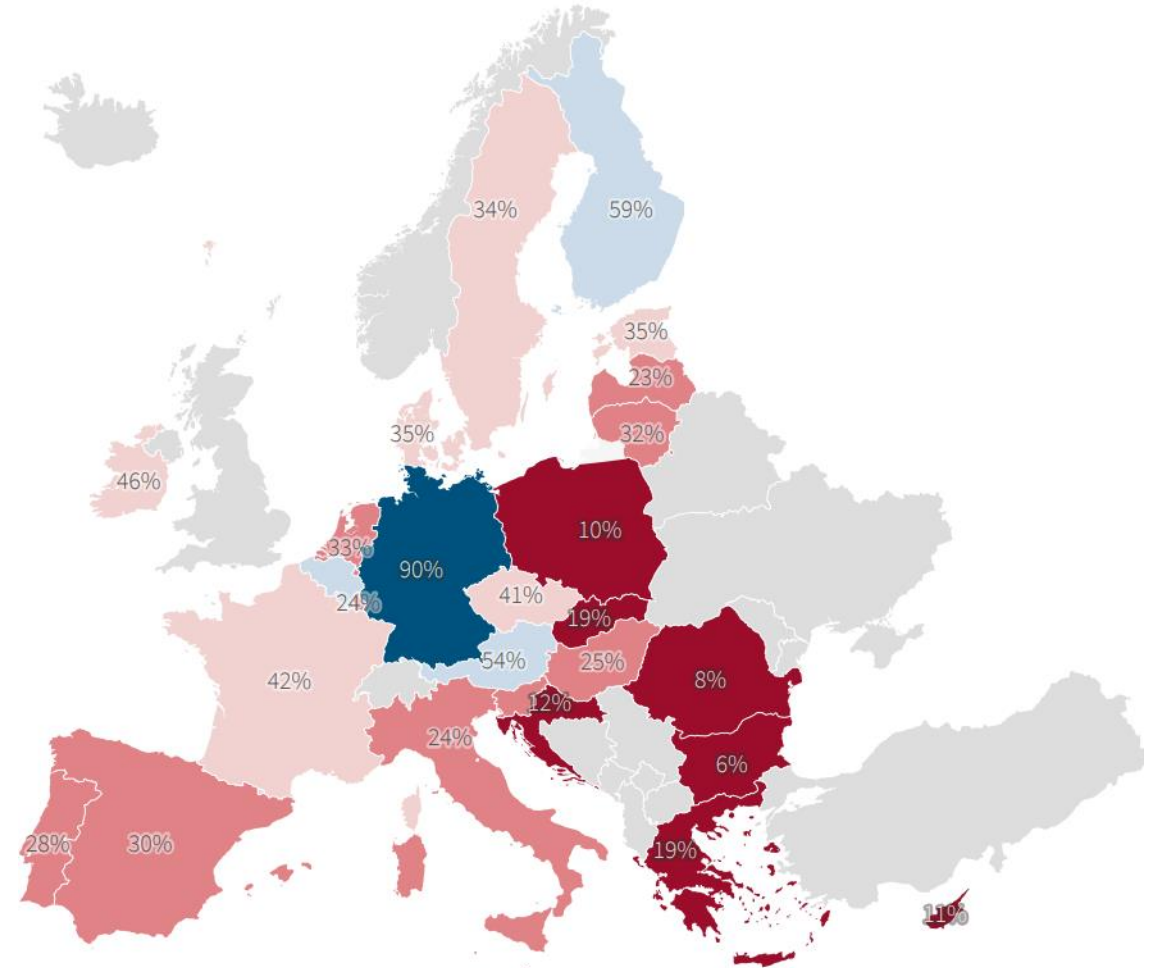
Low benefits: low-income earners, short work history, long-term unemployed

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 in receipt of benefits or assistance, EU Member States, 2021 (%)

■ < 20 ■ 20-34 ■ 34-48 ■ 48-62 ■ 62-76 ■ ≥ 76

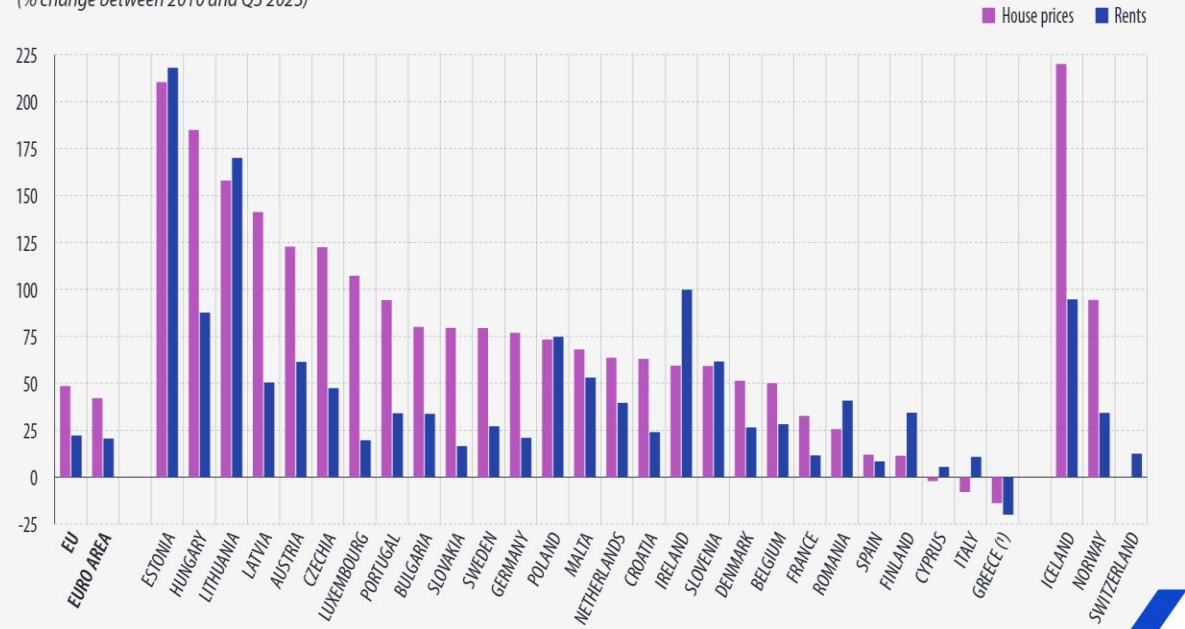


The housing challenge

- **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.

House prices and rents

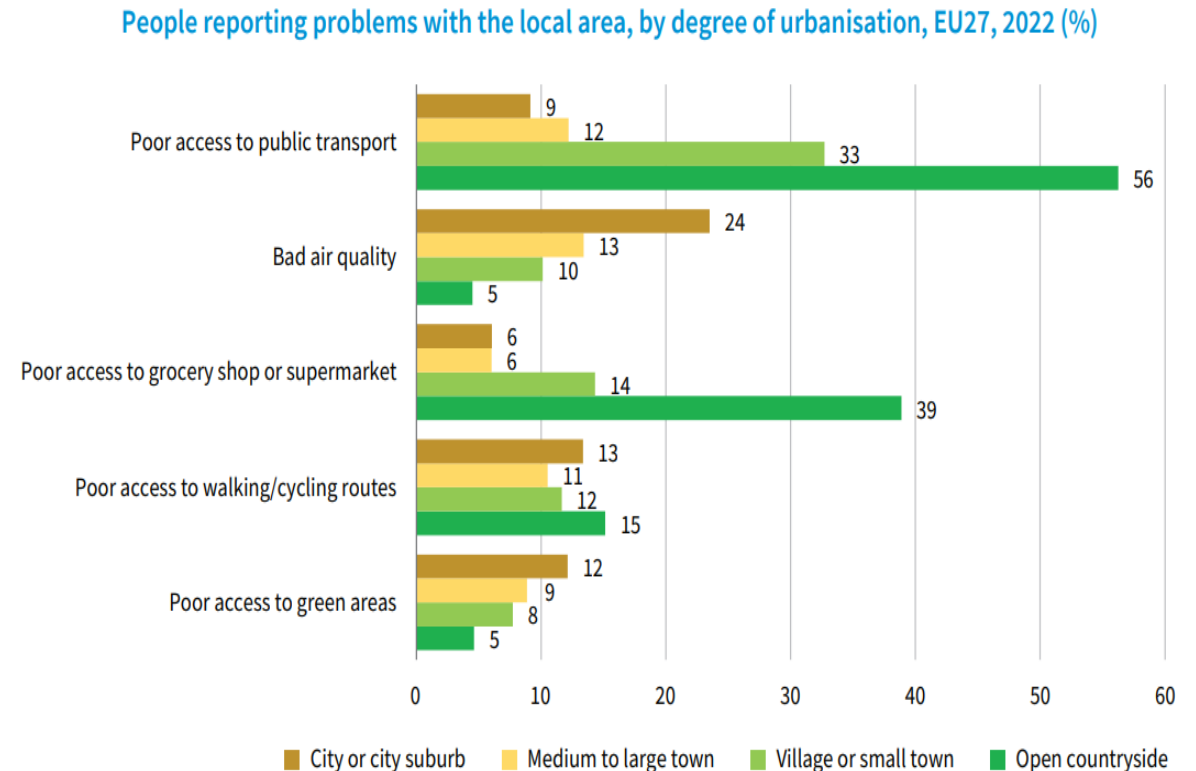
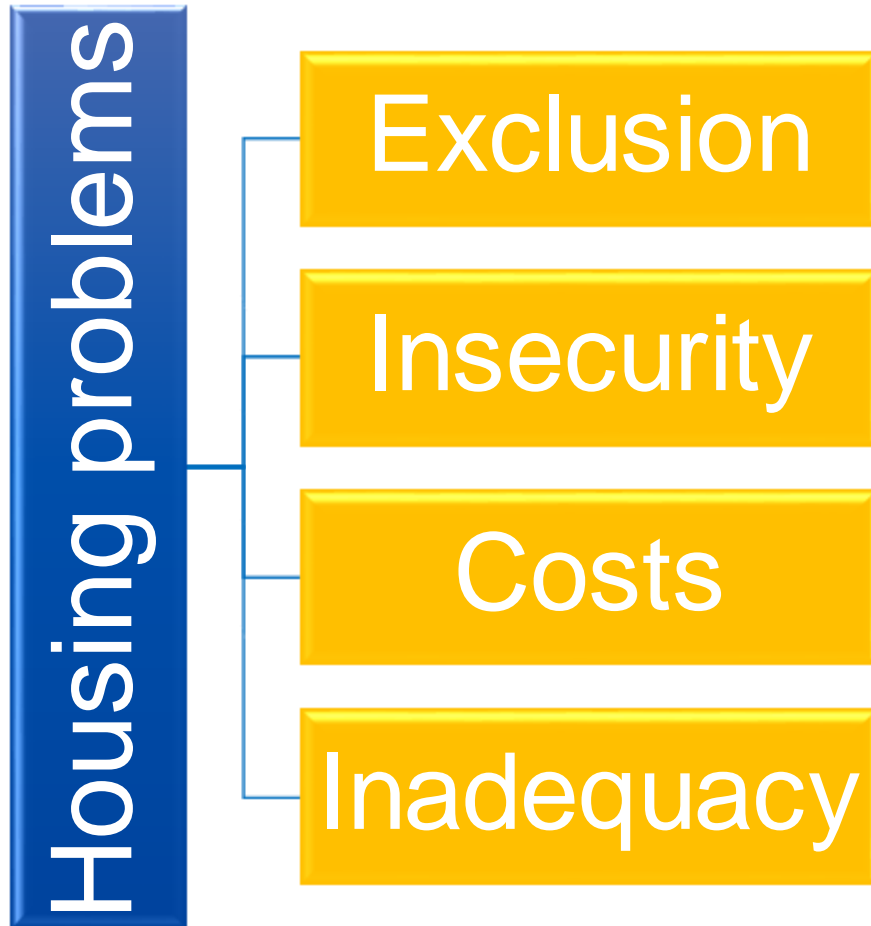
(% change between 2010 and Q3 2023)



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

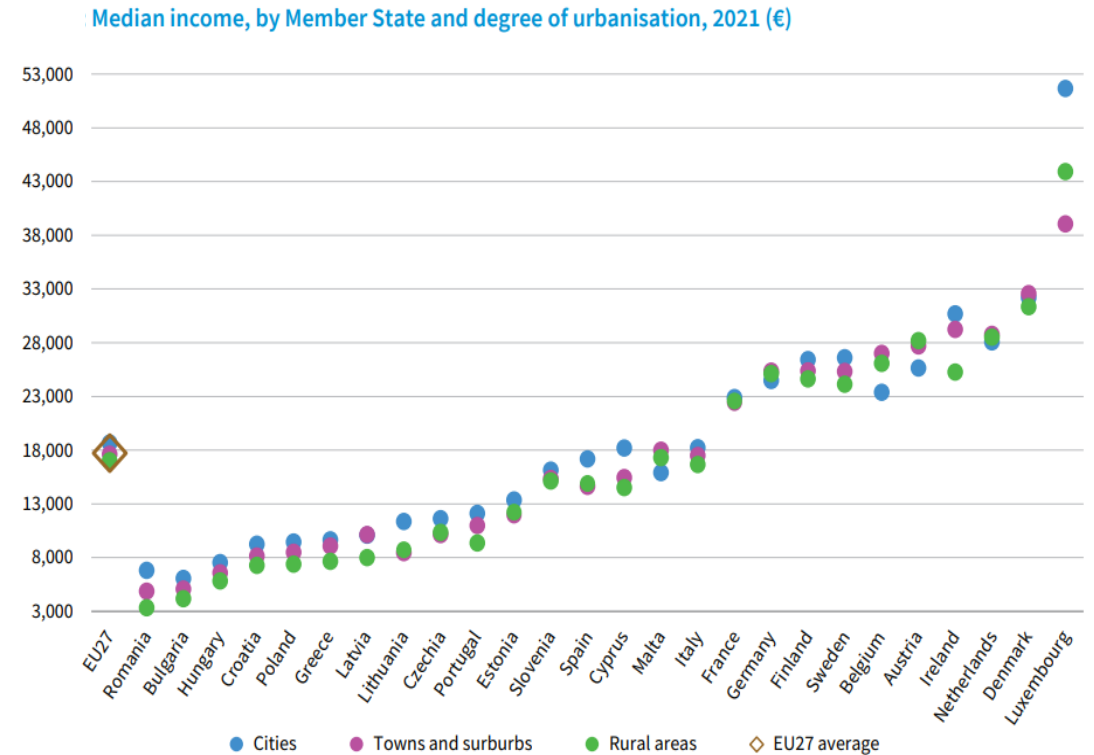
eurostat

Multidimensional housing problems



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.



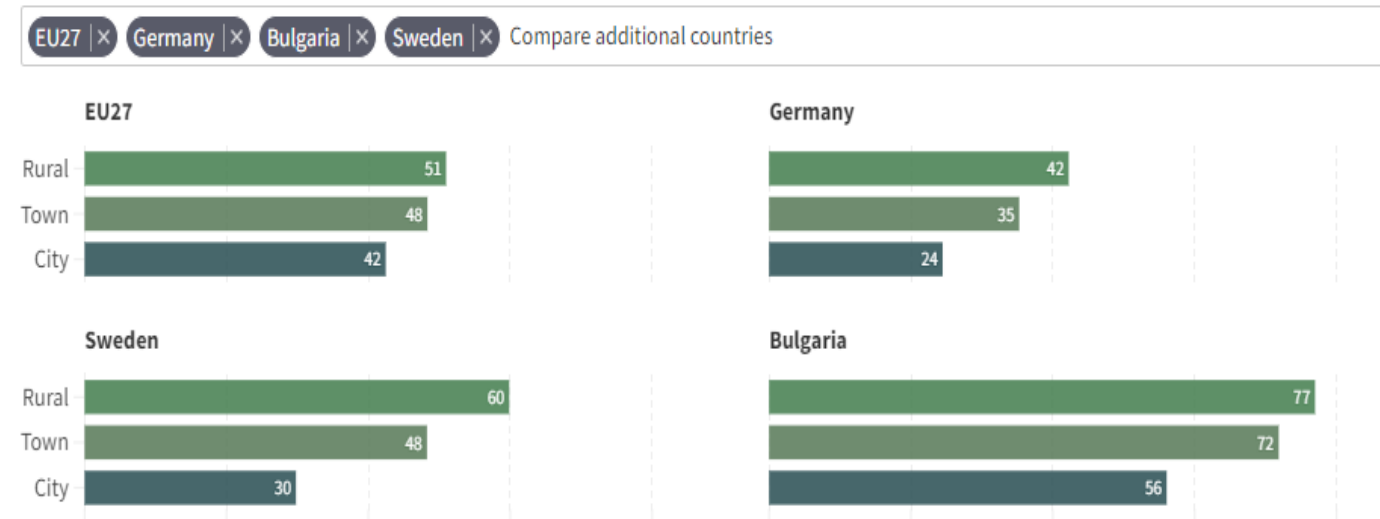
Notes: Slovakia is not included, as no data were available for 2021. Member States are ordered by median income, from lowest to highest.
Source: EU-SILC

Beyond economics: Rural-urban recognition gap

- Recognition gaps: the subjective experiences of individuals and groups who feel that their role in the society and their cultural identities are not valued or recognised.
- Recognition gaps can have a significant negative impact on individuals' self-esteem, political polarisation and feelings of discontent.

Community recognition gap

% reporting that the government cares less about people in their area or ignores their community



Source: [Living, working and COVID-19 e-survey \(spring 2022\)](#). • **Note:** The figure indicates the share of the population agreeing with at least one of the following statements: 'The government cares less about people in my area' and 'The government usually ignores my community'. Member States are ordered from the lowest average community recognition gap to the highest.

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.
- 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.

Questions from the floor

- **Discussion**

Wrap up and closing remarks

Ivailo Kalfin, Executive Director, Eurofound

Group photo

12:30 Light networking reception