Impact of the crisis on working conditions in Europe

Executive summary

Introduction

The economic crisis has put a severe strain on the European economy and labour markets – with repercussions for working conditions – since its onset in 2008. This study investigates the impact of the crisis on working conditions in Europe, based on reports by national experts plus international data and comparative studies. The focus has been on assembling national trends across the EU Member States and Norway in how the world of work is changing, using data covering the crisis period up to mid-2012. The study compares information on the effect of the crisis in each country, illustrating the links between policy reforms or austerity measures and changes in working and employment conditions.

The report forms part of a wider Eurofound project comprising the present report based on contributions from the European Working Conditions Observatory (EWCO), a report from the European Industrial Relations Observatory (EIRO), a literature review and an overview report for the entire project.

Policy context

Improving job quality and working conditions is important, not just for the benefit of workers, but also to increase productivity and employment levels across the European Union, and to promote social inclusion. Considering the ambitious goals of the Europe 2020 strategy for smart, sustainable and inclusive growth, including more and better jobs, it is important to monitor how working conditions are faring in the current economic context.

Key findings

The crisis involved a strong economic decline in some EU Member States with dramatic job losses, forcing some countries to implement regulatory reforms affecting working and employment conditions.

Employment conditions

The employment characteristics of the workforce have changed in some European countries during the crisis, but not always in the same way. Trends in temporary employment diverge between countries and, to some extent, depend on how significant this type of employment was before the crisis. Fixed-term contracts have declined in those countries, such as Spain, which previously had a high rate of these contracts. In other countries, such as Ireland and some central and eastern Member States where changes in labour legislation have encouraged the use of temporary contracts, the share of fixed-term contracts has increased. Involuntary temporary and part-time work has also risen, especially in countries most affected by the crisis such as Ireland and Spain.

Job insecurity

In connection with higher unemployment, the new socioeconomic context and the probability that labour law changes have weakened employment protection (although studies still have to confirm this), there is also a rise in job insecurity. The number of workers who feel it is likely that they will lose their job has grown in most European countries, especially in Slovenia, Greece and Cyprus, followed by Ireland, Latvia, the Czech Republic, Portugal, Spain, Slovakia and Italy. This rising trend of job insecurity is less dramatic in Nordic countries, even in Denmark where the unemployment rate doubled between 2007 and 2011, possibly because of the flexicurity model applied.

Working time

After a general decline of average weekly working hours from 2007 to 2009, a more diverse trend emerged between 2010 and 2012. This was caused,
There have been positive changes to some indicators. Small increases can be seen in levels of job satisfaction, even in countries badly affected by the crisis – Estonia, Portugal, Spain and Ireland. It seems that the negative effect of rising job insecurity is compensated for by the reassurance of (still) having a job. In most European countries, accident rates decreased, especially between 2008 and 2009, with the exception of Ireland and Portugal, although they rose again in some countries between 2009 and 2010. This may have been caused by some possible reduction of work activity at the start of the crisis together with more experienced workers remaining at work. Data for trends on occupational diseases are mixed. Nevertheless, there are higher suicide rates in Greece, which has been badly hit by the crisis.

In general, most countries have experienced a drop in absenteeism, perhaps caused in some (such as Estonia, Italy, Lithuania, Norway and Portugal) by more stringent rules for claiming sickness benefits.

### Policy pointers

The introduction or expansion of short-time working measures played a positive role in overcoming the first employment shock of the crisis in several countries. Subsequently, many countries have been focusing on new employment measures to get unemployed people back to work, on wage restraints to restore business competitiveness, and also on training. Efforts must continue to support low-skilled workers and young people in terms of their employability.

The economic downturn and labour law reforms might have played a role not only in changing employment conditions but also in changing the quality of work. Special attention should be paid to the impact that these changes might have on the current EU objectives of sustainable work and extending working life (for example, indirect or direct changes in the levels of flexibility, job security, satisfaction at work and well-being).

At workplace level, social partners should aim to redesign work to help workers combat the negative psychosocial effects of the rise in job insecurity, job intensification, involuntary working and informal employment associated with the crisis.

### Further information


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