Priorities for a new Europe
Priorities for a new Europe
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Europe may be the old continent, but it is in a state of constant renewal and change. This is perhaps truer in 2020 than ever as a new European Commission takes effect. This next decade will bring stark challenges for Europe, including those brought about by automation and digitalisation, demographic change and globalisation – while at the same time ensuring a just transition in response to climate change. Demands emanating from the impacts of Brexit, changing global trade dynamics and other risks will also be to the fore in the coming years.

Indeed, the new European Commission has wasted no time in setting out an ambitious agenda for continuing this recovery and development, translating economic growth into better and fairer working and living conditions, pioneering social rights for citizens, stepping up the struggle against inequality, and making the EU a global leader through the new European Green Deal.

Eurofound’s updated Founding Regulation underlines the role of the Agency in informing policies and promoting dialogue between management and labour, enhancing and disseminating knowledge, providing evidence and services for policymaking, and facilitating knowledge-sharing among and between the EU and national actors.

EU evidence-based policymaking requires the detailed, accurate and comprehensive research that has been at the heart of the Agency’s work for over four decades. You can read more on how our work aligns with the priorities of the European Commission online at EU priorities: Working for a strong social Europe.

In this compendium, which is organised around the European Commission’s six priorities for Europe, we present a snapshot of some of the areas that our researchers are working on; important questions for the EU institutions over the next decade; and trends that we have observed in quality of life and working conditions throughout the EU.

We hope that it will further enrich the public debate on these important areas and provide you, the reader, with a gateway to our full body of research.

Juan Menéndez-Valdés
Executive Director, Eurofound
As one of their ‘100 days in office’ initiatives, the new European Commission proposed an initiative for an EU minimum wage. The aim is that by 2024 every worker in the EU should earn a fair and adequate wage, no matter where they live. And despite the Commission’s assurance that this would not alter national traditions of wage-setting, emotions quickly ran high – particularly among Scandinavian countries, which have collectively agreed sectoral minimum wages – not statutory. Unions from Central and Eastern EU Member States, on the other hand, regarded the initiative as a step towards gaining more substantial pay. Member States take different approaches to minimum wage-setting and there is no blueprint as to which regime generates a more desirable outcome.

What minimum wages do and don’t do
Minimum wages have multiple functions: from the worker’s perspective, they can rule out exploitative low pay and possibly limit wage inequalities, particularly among workers in the lower part of the wage distribution; from the company’s perspective, they can ensure a level playing field between companies.

Article 6 of the European Pillar of Social Rights has a worker-focused perspective at its core – using terms such as ‘fair’, ‘decent standard of living’, ‘the needs of the workers and their families’ and the prevention of ‘in-work poverty’ – while embedded in the context of national economic and social conditions and aiming to safeguard access to employment.

From earlier research, two main findings can be distilled: minimum wages probably do not harm employment a lot (Arpaia et al, 2017) (at least not substantially as a whole), but they tend to have a more limited impact on fighting in-work poverty (Matsaganis et al, 2015). The latter is dependent on household composition, complemented by the national system of benefits, taxation and social security contributions. The figure below illustrates just that: among the low-paid worker group – those earning less than 60% of the national median – the proportion of workers who find it difficult to make ends meet ranges from zero in Sweden to around 60% in Greece.
The question as to whether minimum wages are adequate is thus closely linked to the question of whether wages in general are adequate to ensure a decent living. It is therefore important to observe what impact minimum wage policy will have on wages in general.

Boosting minimum wages

The most recent round of minimum wage increases have been – due not least to a still favourable economic development – relatively high across the board. Some EU Member States have increased their gross minimum wages quite substantially in the recent past or announced they would do so. In several cases, this was explicitly or implicitly linked to a percentage of wages: Spain had an increase of 22% for 2019 and the new government’s intention is to move towards 60% of average wages until 2024, while the Polish government announced – ahead of the 2019 elections – that they would increase wages from PLN 2,250 in 2019 to PLN 4,000 by 2024; again, a rise projected to more than 60% of average wages (Shotter, 2019).

Elsewhere, the UK has just reached their target of 60% of the median wage and is now aiming for 66%, while Croatia legislated in 2019 to set minimum wages as ‘an upward share of average wages’. The Slovak parliament has taken a different approach with its minimum wage legislation, effective from 1 Jan 2020: if social partners cannot agree on the level of minimum wage for 2021 (up to a certain deadline), this will automatically be set as 60% of the average nominal wage of the previous year.

To what extent some of these envisaged increases might have originated in the shadow of the EU initiative is speculative but cannot be ruled out either.

Needs-based approaches

A different, ‘needs-based’ approach is currently under discussion in Slovenia and Romania. Under a new law, from January 2021, calculation of the minimum wage in Slovenia will be based on a formula where the minimum remuneration for full-time work will have to exceed the calculated minimum cost of living. In Romania, the ‘Law for a minimum consumer basket for a decent living’ has been under discussion in parliament throughout 2019.

These two approaches, while not explicitly labelled as such, can be regarded as being closely related to the ‘living wage’ concept and discourse. To date, living wages – aimed at guaranteeing workers and their families a decent level of living and social participation – are in place (on a voluntary basis and in addition to the statutory minimum wages) only in two EU countries: Ireland and the UK.

Fear and hope and a lot of speculation

While it is not clear what the Commission will propose exactly (although the figure of 60% of median wages figures high in the discussion), there has been some speculation over the past six months as to what it might
entail: One level for all? A one-size-fits-all wage-setting?
One common percentage of median wages – or something else?

In any case, the announced initiative has triggered emotions, fear and hope among social partners and in some Member States. The most vocal are representatives from Denmark and Sweden, where the social partners fear that their collective bargaining system will come under pressure and where not only any statutory solution to replace the autonomous collective bargaining, but also any other form of interference, will be rejected. On the other hand, the main unions from Central and Eastern EU Member have joined forces and written a letter to ETUC to express their support for an EU minimum wage, combined with an initiative to promote collective bargaining.

On 15 January 2020, the European Commission launched the first phase of social partner consultation according to Article 154 TFEU and has confirmed that ‘EU Action would not seek the introduction of a statutory minimum wage in countries with high coverage of collective bargaining and where wage setting is exclusively organised through it’.

Shift of focus to adequate and needs-based minimum wages?
In the years following the economic crisis of 2009 and beyond, the minimum wage policy was one of restraint – ‘allow minimum wages to develop in line with productivity’ – with a view to safeguarding employment and restoring macroeconomic imbalances through internal devaluation. Many Member States had frozen their minimum wages or only increased them very moderately. The new economic and political context has now shifted the narrative somewhat towards the perspective of the worker and their families. This is set against the context of declining unemployment, increasing labour shortages and migration from east and south to west – but is supported politically from left and right, especially in the months ahead of elections.

The EU minimum wage initiative now has the potential to give additional impetus to this shift of focus and ascertain that the levels of minimum wages in each Member States are reviewed in line with their adequate levels for workers. Having a ‘fair’ minimum wage in turn also implies that they should be fair for companies and continue to increase in line with productivity developments. It may also support an upward convergence of wages in the EU, if it helps to lift wages in the most low-paid countries.

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Read more

Forthcoming publication: Minimum wages in 2020: Annual review
Blog: To have or have not: A statutory minimum wage
Data: Statutory minimum wages - Minimum wages in the EU in 2020
Romania: Law for a minimum consumer basket for a decent living
Publication: Concept and practice of a living wage
European Commission: First phase consultation of social partners on Fair Minimum Wages in the EU
DN Debatt: Regeringen måste stoppa EU-förlaget om minimilön
Berlingske.dk: Europæisk mindsteløn truer den danske model

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Matsaganis et al (2015), The interaction between minimum wages, income support, and poverty, research note 10/2015.

Shotter, J. (2019), Poland’s ruling party pledges big minimum wage rise to woo voters, Financial Times, 9 October 2019.

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A decade on from the financial crisis and Europe is finally on a stable path towards recovery, with growing economies and robust improvements in labour market participation in all Member States. However, the long-term implications of the crisis still weigh heavy on Europe’s most disadvantaged youth.

The latest data from Eurostat reveals sustained growth in the employment rate and a decrease in unemployment rates for all age groups. In 2017, the unemployment rate for the general population decreased to 7.6%, reaching a level very close to the 7.2% observed in pre-crisis 2007. Similarly, the rate of unemployment among young people finally decreased to 16.8%, a level that it is not far from the 15.7% recorded in 2007.

Notwithstanding this remarkable improvement and the roser scenario for labour market participation of youth, the legacy of the crisis is still visible in the substantial increase in the cohort of long-term unemployed young people. Analysis of the composition of the NEET population over time reveals that higher levels of this group recorded in 2016 were driven by growth in the cohort of the long-term unemployed. While the rates of NEETs in short-term unemployment decreased from 3.3% in 2008 to 3% in 2016, the share of those that were respectively long-term unemployed or discouraged workers increased from 1.4% and 0.5% in 2008 to 2.3% and 0.7% respectively in 2016.

Composition of the NEET population (as % of the population of young people), EU, 2008–2015

### Long-term unemployed youth: The legacy of the crisis

By Massimiliano Mascherini

![Image of two young people sitting on a brick wall, one looking at the camera with a serious expression, the other looking down]

Priorities for a new Europe
Having a large cohort of young people who suffer protracted disengagement from the labour market is not just a risk for the individual but also for broader society.

**Long-term scarring**

Experiencing long-term disengagement is detrimental to the well-being and employment perspectives of young people. Recent research from Eurofound on longterm unemployment among young people has shown that this has a scarring effect on a young person’s lifelong economic outcomes. The research also confirms that, while the scarring effect on employment participation tends to disappear over time, those who experienced long-term unemployment are more likely to suffer permanent damage to their earning prospects, resulting in a sizeable income penalty over the course of their lives.

Long-term unemployment dramatically affects several dimensions of young people’s well-being. In particular, it decreases overall life satisfaction and, most importantly, increases the risk of social exclusion and mental health problems. Young people who have experienced long-term unemployment are also more likely to be materially deprived compared with others in the same age group, including the short-term unemployed.

It is important to understand that the protracted disengagement of young people from the labour market results in an accumulation of monetary and non-monetary barriers that prevent young people from fully participating in society. Due to their daily confrontation with structures and institutions, the young long-term unemployed are more likely to accumulate a general disaffection with, and resentment against, society as a whole and with political actors.

This is the ‘discontent of declining expectations’, as defined by Allan Larson, of young people who have made costly investments in their education but still are struggling to enter the labour market and to achieve the same working and living conditions as their parents.

The term ‘Youthquake’, which is defined as a significant cultural, political, or social change arising from the actions or influence of young people, was declared 2017’s word of the year by Oxford Dictionaries. This term came into popular use following the increased political participation of young people during the UK election, reversing a long trend of political apathy and lower participation rates among them.

While any increased participation in society by young people is very beneficial overall, it can manifest itself in various ways. As early as 2012, Eurofound alerted to the likelihood that resentment and mistrust in institutions accumulated during the crisis due to lack of jobs were likely to take on a political dimension, driving young people’s response to the crisis towards open support for opposition or illiberal forces and anti-establishment parties. The discontent behind Youthquake has no defined political direction in Europe; in the UK it took the direction of progressive forces, in the latest 2018 Italian elections more than 60% of young Italians voted for anti-establishment parties such as the Five Star Movement and Lega Nord.

**Multiple disadvantages**

Long-term youth unemployment is certainly not a new policy challenge for Europe and Member States have been quite active in implementing initiatives targeted at those furthest from the labour market.

However, re-integrating long-term unemployed young people is not an easy task given the many levels of disadvantage they are more likely to face. This group has specific characteristics: they are more likely to be male, indigenous nationals, and to lack work experience and education. They are also likely to experience multiple disadvantages, with a disproportionate amount having a difficult family environment and possible health issues.

For this reason, a holistic, individualised and young-people-centred approach is crucial for bringing young people back on track. This would require a broader approach to boosting the employability of youth, including elements such as counselling, mentoring, referral to specialised support services, tailor-made training and job placements, as well as flexible and sustained support through all stages of the programme.

All these measures should be put in place as part of the Youth Guarantee. However, despite the numerous efforts put in, the size of the cohort indicates that long-term unemployed youth are those for whom the Youth Guarantee – now five years in place – and the long-term unemployment initiatives have yet to prove effective.

As the aim of the Youth Guarantee is to prevent the long-term disengagement of young people, such a large cohort of young people who have been unemployed for 12 months or more reveals that additional efforts are required from Member States and the European Commission in order to fully implement its provisions and effectively support young people in their transition to the labour market.
The International Labour Organization (ILO) met for the first time 100 years ago, and right at the top of the agenda for discussion for this new specialised UN agency was the 8-hour working day. This discussion subsequently resulted in the Hours of Work (Industry) Convention, which stated that ‘The working hours of persons employed in any public or private industrial undertaking or in any branch thereof (…) shall not exceed eight in the day and forty-eight in the week.’

A century later and, despite radical technological change in almost every aspect of our lives, the 8-hour workday still largely defines working life throughout Europe. John Maynard Keynes famously thought that, by now, the primary societal issue would be boredom, due to productivity increasing to a level where we would only need to work 15 hours per week. He was evidently wrong. Despite huge changes in technology and productivity, long working hours are still prevalent. In fact, according to Eurofound’s European Working Conditions Survey, at least 10% of workers in the EU work more than 48 hours per week.

Collective agreements and individual realities

Who works longest in Europe? On average, collectively agreed working time is 116 hours longer per year in the Member States that joined the EU after 2004 than in older Member States. This equates to almost three full working weeks. The largest difference between Member States in annual working time is between Estonia and France, with workers in Estonia on the job on average six full working weeks more than those in France. This is due to both the shorter weekly working time in France, as well as the amount of annual leave and public holidays accorded to French workers in comparison with those in Estonia.

These numbers are based on the collectively agreed annual working time and public holidays, which can differ from the actual working time. In reality, workers in 19 of the 29 countries in Europe analysed in Eurofound’s Working time in 2017-2018 report usually work more than 40 hours per week. The largest difference between collectively agreed hours and usually worked hours is found in the United Kingdom, where collectively...
bargained working time is among the shortest in the EU at 37 hours per week. However, when the usually worked hours are considered, the UK has the longest week in the EU, with 42 hours. This relates to the highly decentralised system for working time regulation, which is mainly between the individual and their employer. Statutory legislation plays little role in working time standards, and coverage by collective agreements is relatively low.

**Another 100 years on the horizon?**

Debates about a shorter working week are ongoing in Europe, most notably in Belgium and Czechia. There has been increased focus in the Belgian media about reducing weekly working time to 30 hours, with the idea gaining support from trade unions, but causing concern from employers’ associations. Trade unions in Czechia are also pushing for reduced weekly working hours, with the Czech-Moravian Confederation of Trade Unions proposing a reduction of the working week from 40 to 37.5 hours. Although the Czech Prime Minister did not exclude the possibility, he stated that it was not on the current political agenda.

Collective bargaining can ultimately push working time in either direction. For example, in 2018 the Greek Panhellenic Federation of Local Government Employees agreed on reducing the working time for employees in waste management, inspection and transportation; drainage and water supply; maintenance; and construction to 32 hours per week. On the other hand, in Finland a tripartite agreement called The Competitiveness Pact increased the working time by an average of 30 minutes per week, without increases in salary. Austria also went in this direction, increasing the upper limit of weekly hours including overtime from 50 to 60 hours.

100 years after the ILO wrote their very first convention, the 8-hour workday is still under discussion and is subject to minor change. However, at present – despite the radical changes that we have seen in other aspects of working life – it does not look like significant reductions to working time are imminent.

Boredom from underwork, it seems, is not going to be a problem for some time yet.
### Collectively agreed hours versus usually worked hours

<table>
<thead>
<tr>
<th>Country</th>
<th>Collectively agreed hours</th>
<th>Usually worked hours</th>
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<tbody>
<tr>
<td>United Kingdom</td>
<td>37</td>
<td>42</td>
</tr>
<tr>
<td>Cyprus</td>
<td>38</td>
<td>41.3</td>
</tr>
<tr>
<td>Austria</td>
<td>38.8</td>
<td>41.2</td>
</tr>
<tr>
<td>Greece</td>
<td>40</td>
<td>40.9</td>
</tr>
<tr>
<td>Portugal</td>
<td>39.4</td>
<td>40.8</td>
</tr>
<tr>
<td>Malta</td>
<td>40</td>
<td>40.8</td>
</tr>
<tr>
<td>EU13</td>
<td>39.7</td>
<td>40.8</td>
</tr>
<tr>
<td>Czechia</td>
<td>38</td>
<td>40.7</td>
</tr>
<tr>
<td>Slovakia</td>
<td>39</td>
<td>40.4</td>
</tr>
<tr>
<td>Croatia</td>
<td>40</td>
<td>40.4</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>39.8</td>
<td>40.2</td>
</tr>
<tr>
<td>Germany</td>
<td>37.7</td>
<td>40.2</td>
</tr>
<tr>
<td>EU28</td>
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<td>40.2</td>
</tr>
<tr>
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<td>37.8</td>
<td>40.2</td>
</tr>
<tr>
<td>EU15</td>
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<td>40.1</td>
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<tr>
<td>Sweden</td>
<td>37.1</td>
<td>39.9</td>
</tr>
<tr>
<td>Spain</td>
<td>38.2</td>
<td>39.7</td>
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<tr>
<td>Finland</td>
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<td>39.4</td>
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<td>39</td>
<td>39.3</td>
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<tr>
<td>France</td>
<td>35.6</td>
<td>39.1</td>
</tr>
<tr>
<td>Netherlands</td>
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<td>39</td>
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<tr>
<td>Italy</td>
<td>38</td>
<td>39</td>
</tr>
<tr>
<td>Norway</td>
<td>37.5</td>
<td>38.5</td>
</tr>
<tr>
<td>Denmark</td>
<td>37</td>
<td>37.8</td>
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**Source:** Eurofound 2019

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**Read more**

- Eurofound: [Working Time 2017-2018](#)
- Eurofound: [Working time developments in the 21st century: Work duration and its regulation in the EU](#)
- European Commission: [European Working Time Directive](#)
- International Labour Organization: [Hours of Work (Industry) Convention, 1919](#)

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Economic disparities have been decreasing between EU Member States over the past decade, but at the same time inequality has been growing within Member States. Despite national-level convergence, the gap in wealth and income between the rich and the poor is growing in most of Europe. Some of this rise has been attributed to increasing returns to education pushing earnings up faster for those in jobs requiring higher levels of education – while wages stagnate for the rest. But increasing inequality is not just a matter of skills, it also relates to where one lives.

In a just-published joint report, researchers at Eurofound and the European Commission Joint Research Centre, demonstrate large and, in some cases, growing differences between employment structures at the region level. The analysis looks at shifts in sector and occupational employment composition in nine larger Member States (and 130 regions) between 2002 and 2017.

A key finding is that capital city regions are generating a disproportionate share of new employment in well-paid jobs in most Member States. Employment levels are growing faster in these regions, as is the quality of employment – as proxied by the share of net new employment in well-paid jobs.

The advantages of large capital city regions are abundant; as centres of learning and entertainment as well as of political power and decision-making. These advantages have tended to more than match any disadvantages in terms of cost of living, cost of labour or congestion. The largest metropolitan areas benefit in particular from ‘thick labour markets’ and the opportunities provided by variety and volume of firms and employers and a matching variety and volume of qualified workers all in close proximity. Importantly, these advantages tend to be self-compounding. The things that attract firms and people to big cities in the first place are boosted in turn by further agglomeration. And this has been especially true of service sector employment. Service sectors account for just over seven in ten jobs in the EU overall but for as much as 85–90% of employment in some highly urbanised regions. Many of these jobs are in professional, knowledge economy roles requiring high levels of education.
There are for example almost twice as many employed in skill-intensive sectors such as financial services, information and communication, and professional and scientific services in capital city regions compared to other regions, according to the report’s analysis. This growth of capital city regions appears to come partly at the expense of other regions, including other urban regions, in the same country. The growth in the national employment shares of London and Brussels for example mirrors a decline in the shares of other largely urban regions in their respective countries. Economic dynamism appears to be waning in some second cities and other regional urban centres just as it accelerates in capital city regions. And in many Member States, retrenchment in the public sector – on which regional labour markets have traditionally been more reliant – has sharpened this divide. These developments can feed perceptions that capital city regions are benefiting from globalisation and technological change, the very same forces perceived to be undermining the social and economic fabric outside the capitals.

Unbalanced regional growth is likely therefore to be one of the factors contributing to social and political polarisation, most evident in the emergence of nationalist, nativist and populist political parties in many Member States. One contribution of this new report is to point that this is not only a cultural or political phenomenon but is likely to have its roots in the emerging geographical division of labour within advanced economies and the unequal distribution of the benefits of the ‘services shift’.

Read more
Publication: Upward convergence in employment and socioeconomic factors (See Related working paper)
Publication: European Jobs Monitor 2019: Shifts in the employment structure at regional level
Observatory: EMCC - European Jobs Monitor
Data and resources: Regional shifts in employment structure, 2002-2017

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Restructuring: We need to make sure those that stay behind are not forgotten

By Sara Riso

Company restructuring may hit the headlines less in good times, but it remains a central experience in the working life of many. According to the most recent European Working Conditions Survey (EWCS) data, just under one in three (30%) employees in the EU reported that restructuring had taken place at their workplace in the preceding three years. A similar proportion reported working in downsized workplaces. Large scale restructuring involving job loss is usually well-documented, and there is rightly a focus on what options there are for those who have lost their jobs. But what impact does all this have on those that are left behind?

Restructuring can take a heavy toll

It should firstly be noted that restructuring can come in many different shapes: it can translate into a rethinking of workforce strategies, a reconfiguration of work organisation and training practices, and the most feared of all, the shedding of many jobs. Management may see the positive potential of restructuring efforts in terms of cost savings, the opportunity to make the business more viable, agile or profitable; but from the worker’s perspective, restructuring is often just bad news.

Data from the EWCS reported in the latest European Restructuring Monitor (ERM) report confirm that restructuring can take a heavy toll on employees and has a negative impact on their well-being, regardless whether there are job losses or not. The experience of restructuring is associated with higher levels of work intensity and self-reported stress, greater exposure to psychosocial risks, work-related absenteeism and presenteeism, and decreased satisfaction with working conditions.

Ongoing restructuring is one possible contributing factor to the increasing share of work-related ill-health that is mental rather than physical in nature. Nonetheless, while restructuring can be disruptive and stressful, it is also correlated with some positive work outcomes. Restructuring was associated with higher levels of employer-paid training and cognitively richer work – consistent with restructured workplaces requiring adaptation by means of new, and often higher-level, skills in the remaining workforce.

Evidence from company case studies – complementing Eurofound’s empirical research on restructuring – suggests that training should go beyond the mere

Worker-reported incidence of workplace downsizing in preceding three years

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Establishment size</th>
<th>Age</th>
</tr>
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<tbody>
<tr>
<td>Blue-collar low-skill</td>
<td>2 to 9</td>
<td>under 35</td>
</tr>
<tr>
<td>White-collar high-skill</td>
<td>10-249</td>
<td>35-49</td>
</tr>
<tr>
<td>White-collar low-skill</td>
<td>250+</td>
<td>50+</td>
</tr>
<tr>
<td>Blue-collar high-skill</td>
<td></td>
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</tbody>
</table>

Source: European Working Conditions Survey 2015
development of skills required to cope with increased workload or to adjust to new job requirements. Taking the case of a Dutch insurer, the training offered to employees as part of the new company strategy in the aftermath of the restructuring, revolved around the concept of ‘sustainable employability’ within or outside the company in a longer-term perspective. There was resistance initially on the part of the employees who remained attached to the idea of a lifetime job in the company. Eventually, employee’s resistance to change was eased off by intensifying communication with the staff, helping them to see the long-term benefits of training, investing in their future, making them feel in control and shifting their mode of thinking from one based on job security to one on employment security.

**Employee viewpoint matters**

Eurofound’s research on restructuring emphasises that employees’ perceptions and views matter, and restructuring efforts can be compromised if employees no longer trust their employer. Survey data shows that exposure to psychosocial risks is reduced where employees indicated a high level of perceived fair treatment in the restructured workplace. This was one of a number of potential buffer factors identified which serve to limit the negative effects of downsizing.

The story of Bulgarian textile producer Mizia-96 is similar to that of many companies who struggle financially and find themselves with no other choice than making involuntary dismissals. Hit by the 2008 economic downturn, the management at Mizia-96 tried hard initially to retain staff despite plummeting sales. When it became apparent that jobs had to be shed, the management, in close cooperation with the union, strived to ensure equitable treatment of the dismissed. This included looking after the most vulnerable workers who retained their jobs alongside the most qualified, on whom the company relied to keep it afloat. The way Mizia-96 handled the dismissals sent a powerful message to the remaining employees, who assumed that they would be treated likewise if ever a new restructuring was to take place.

Of course, there are many different strategies that companies can implement in restructuring, but the evidence shows that the success of any restructuring is at least partly linked to the way the process of change is managed. The extent to which employees are supported throughout the restructuring helps to make sense of the process and cope with change. Firms need to be aware of the damage that restructuring can do when it is not planned thoroughly and carefully. When the needs of the employees are not met, or when no investment is made on the workforce, everyone pays a high price in the long-term, not just the employees.

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**Read more**

Publication: **ERM report 2018: Impact of restructuring on working conditions**

EMCC: **Restructuring case studies – Dutch insurer (The Netherlands)**

EMCC: **Restructuring case studies – Mizia-96 (Bulgaria)**

**Contact the author**

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Motivated workers have higher levels of engagement, better health and are able to work longer. Improving motivation at work is therefore a key component in meeting the challenges of Europe’s ageing workforce and improving the EU’s long-term competitiveness on a global scale. This means that fostering motivation at work isn’t just about personal or business success, it is also about Europe’s success.

Europe’s ageing workforce has resulted in a renewed focus in both academic circles and among policymakers on the concept of ‘sustainable work’. Sustainable work is achieved when living and working conditions are such that they support people in engaging and remaining in work throughout an extended working life. Factors that discourage or hinder workers from staying in or entering the workforce therefore need to be tackled and removed.

At EU level, concerns about the sustainability of pensions, economic growth and labour supply have triggered policy responses to support the goals of longer working lives and later retirement. The main thrust of the European Commission’s active ageing policy is on helping people to stay in charge of their own lives for as long as possible as they age and, where possible, to contribute to the economy and to society. These goals will only be achieved if workers are in good health, qualified and employable, and particularly if they are motivated at work and motivated to stay in work for longer. Job quality and the work environment are therefore key overall components in allowing workers to remain longer in the labour market.

Improving working conditions to protect workers’ health is a long-standing issue and was on the agenda at the dawn of organised industrial relations. Motivation, however, has not received the same level of attention – partly due to its complexity and subjectivity. This needs to change if we are to dramatically improve work sustainability.

**Money or pleasure? Intrinsic vs extrinsic motivation**

Traditionally, two types of motivation are distinguished: Intrinsic motivation stems from personal interest, enjoyment or pleasure. The motivating force of extrinsic motivation on the other hand lies outside the worker and is directed towards external goals such as recognition, reward or money.

Motivation at work, either intrinsically driven by the content of the job or by organisational factors such as recognition of work well done, appropriate payment, career prospect or fairness, is important for employees in various regards. Motivated employees have higher levels of work engagement, a lower likelihood of their work negatively affecting their health, less days of sick leave and are generally more likely to perceive their job as sustainable. Previous research has clearly highlighted that HR practices focused at the development of employees are linked to higher motivation, work performance and employability of workers.

Sustainable work is of relevance for workers of all ages, not just for the older generations. In order to stay in the workforce, it is important that employees work in a competent, motivated and healthy manner, whatever their age. Eurofound research from 2018 on burnout in the workplace placed particular emphasis on this, highlighting the long-term impacts of disengagement and stress on career prospects and ability to work.

Motivation is linked to sustainable work outcomes in all age groups. Gender also has an important role: women are still disadvantaged in the labour market, have more disruptive working lives (mainly due to child care or other care responsibilities), and are therefore more likely to have less sustainable work overall. Generally, women are less likely to see their current jobs as sustainable, and do not foresee being able to work until age 65. They also, on average, report more days sick leave than men. On the other hand, they are less likely to report negative effects of work on their health and have higher levels of overall intrinsic motivation at work.

**Taking motivation seriously**

It is easy to see the important role of motivation in making work sustainable, but the policies needed to boost worker motivation in work are a little more complex, and are related to broader employment and social policy as well as good workplace and managerial practice. Remaining at work as long as possible does not only depend on the quality of working conditions,
but also on numerous other factors. Some, such as health, formal education and income, are more personal; but others are institutional and macroeconomic such as pension regime, taxation policy, poverty rate, and the structure of employment by occupations.

In order to make work more sustainable, it is not enough for policymakers to simply extend the statutory retirement age or introduce bonus-malus systems for companies depending on the share of their older workforce. Workplace organisation and HR practices are fundamental; particularly those featuring horizontal and vertical mobility activities, internal career prospects and opportunities for development.

The systematic measurement of motivation and well-being at the workplace can help to develop a blueprint for policy intervention. The sustainability of work is ultimately determined at the workplace, but policy measures can encourage best practices and eliminate work–life conflicts that ultimately drain motivation and resilience. Europe can undergo positive change in this area, we just have to be motivated to make it.

**Read more**

Publication: Sustainable work over the life course: Concept paper (including Working paper: The role of motivation for sustainable work)

Publication: Burnout in the workplace: A review of data and policy responses in the EU

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Promoting our European way of life

Political, social and economic changes in Europe over the past decade have shone a spotlight on what it means to be European, what our core values are, and how we work to ensure justice at home and abroad.

Eurofound provides evidence-based research to enable policymakers to develop policies for ensuring equal opportunities for people in the labour market and in life. We have devoted a large part of our work to documenting gender inequality in the labour market and in recent years have also produced research on the challenges migrants to Europe face in accessing work and integrating in society. Although very separate subjects, success in both areas is pivotal to ensuring equality and unleashing Europe’s full potential on the world stage.

Read more
European Commission: Promoting our European way of life

Women in management: If we want to get serious about gender equality, we need to talk about job quality

By Isabella Biletta and Agnès Parent-Thirion

After more than 60 years of European policy on the equal treatment of women and men, men still outnumber women in management positions by almost two to one. The women who do make it into management are more likely to be in non-supervising management roles where they manage operational responsibilities but not staff, and the minority that do manage staff are more likely to be managing other women.

Why is this the case? Old prejudices and stereotypes about women in management undoubtedly persist, and women can struggle to break into male-dominated management structures and hierarchies. But there is also the issue that modern workplaces are still based upon an archaic and outdated model of a sole male breadwinner. To ensure gender equality in management we need to not only break down stereotypes and cultural hang-ups, but also address the issue of quality jobs and work–life balance to make management more attractive, and manageable.

This is not idle speculation. It is clearly demonstrated by the broad analysis of the experience of workers in European workplaces, as recorded in Eurofound’s 2015 European Working Conditions Survey (EWCS) data.

Old trends and new states

On average, women make up just 36% of all ‘managers’ in Europe. In referring to managers, we are mainly talking about individuals either supervising a team or a set of operational responsibilities. There are twice as many men in management position as women in the EU, and men outnumber women in management in most sectors. Even in female-dominated sectors such as education and health, women have a lower proportional representation in management than their broader representation across the workforce. But this is not universal throughout Europe. In Lithuania, Hungary, Bulgaria and Latvia women account for over 40% of managers, more than five percentage points above the EU average.

Several labour market characteristics contribute to explain the higher representation of women in management in some of the newer Member States. Emigration trends have created opportunities for female workers, and the advancement of women in organisational structures. But perhaps more important is the longstanding presence of a significant proportion of female workers on the labour markets of these countries. This has both influenced working culture and resulted in a large pool of talented working women ready to progress into management.
Is management worth it?
Overall, EWCS data shows that women enjoy fewer of the advantages of being managers than their male counterparts. Compared to non-managers, workers in managerial positions enjoy higher job quality - that extends beyond the pay slip at the end of the month. This includes more autonomy, the power to influence change in the organisation, opportunities to grow and develop one’s skills, and better job security and career prospects. Managers also report higher influence on organisational decision-making: they have more of a say in the choice of their work colleagues, have more scope to apply their own ideas at work, and have more influence on important decisions on the job.

However, among supervisors and non-supervising managers, men’s latitude and leverage exceed those of women. Female supervisors (not having the title but managing staff) have less control over their speed or rate of work. Female supervising and non-supervising managers also face increased physical environment risks, compared to other female workers.

Given the imbalance of domestic care responsibilities, women are perhaps particularly concerned with the price all managers pay for their function, namely longer working hours and greater work intensity. Moreover, climbing the corporate ladder often doesn’t mean taking the foot off the pedal at home: women managers still report a higher number of unpaid working hours for domestic work and care responsibilities, at least double that of men.

It is no surprise that most women managers report lower rates of well-being than men.

Equality at work means quality work
If we are serious about addressing this situation, and ensuring gender equality, we need to both address cultural hang-ups and structural issues in organisations and the broader labour market.

Role models for girls and boys need to be updated to the modern work environment. Coaching and support for career advancement should be available for women in work throughout their working careers. This would be beneficial to both women and men: we should all be empowered to reconcile our different roles as workers, parents, carers, and active citizens. Different rates of progress towards gender equality in Europe is a challenge but also presents an opportunity to learn from best practices on a local, sectoral and national level.

It is also important for work performance and workers’ well-being that the needs of the individual are taken into consideration in the work context. This includes the quantity of unpaid work, domestic care responsibilities, and the particular challenges and potential work–life conflict of starting a family.

A more equitable sharing of domestic work would facilitate developing equal opportunities between men and women and ensuring equality at the workplace. As highlighted in the European Commission’s proposal for a new Directive on work–life balance for parents and carers: ‘New work–life balance rules that are fit for purpose in the 21st century will open up opportunities for working women and men to share caring responsibilities, for children and relatives, on an equal basis’ (European Commission press release, 24 January 2019). They will also align with many individual preferences.

The very nature of work is in flux, and is increasingly challenged by automation, digitalisation and organisational change. And yet outdated stereotypes, cultural practices and work organisation is hampering gender equality and undermining innovation. It is time for new practices that ensure equality of opportunity and workers’ well-being.

Those of us striving for gender equality can be the champions of change that is to the benefit of everyone.

Read more
Publication: Women in management: Underrepresented and overstretched?

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The refugee 2015 crisis posed significant challenges for Europe – we had not seen such a large-scale migration of people since the Second World War. The exodus from war-torn regions initially posed a humanitarian challenge for frontline countries such as Greece and Italy. However, the longer-term challenge around the successful integration of new arrivals is an issue for Europe as a whole. Labour market integration of these new migrants is vital, not only for their social inclusion, but also for Europe’s economic and political cohesion.

The effective and timely integration of new migrants into the labour market has become a prominent issue on the policy agenda in many EU Member States. This is not surprising as, besides facilitating social inclusion, labour market integration is important in order to relieve pressure on social systems, is an economically rational response (to the refugee crisis), and in the long-term can ease Europe’s issues with an ageing population and shrinking workforce. Moreover, effective and sustainable labour market integration can improve social cohesion both locally and in society as a whole – for example, through their workplace colleagues, the newly arrived refugees and asylum seekers can become more involved at community level and in other social activities.

Every EU country has been affected by the refugee crisis, many directly. It is not an issue that is confined to national borders, nor can it be looked at in isolation. Eurofound’s report on the Approaches to the labour market integration of refugees and asylum seekers looks at the practical measures that have been taken in different EU Member States. Clearly, integrating these new migrants within the labour market is not simply a question of skills or legal procedures, but also involves living conditions, geographical distribution, incentives for employers and education.

For example, living conditions in reception centres are often inadequate to prepare people for joining the labour market. Overcrowding and poor conditions are reported, as well as lack of accommodation. And although the geographical distribution of asylum seekers and refugees within individual countries is being planned, there is no guarantee of job opportunities near the reception centres and locations where migrants are being accommodated.

Different situations for refugees and asylum seekers

There can also be stark differences in the situation for refugees (those with the officially recognised status of international protection) and asylum seekers (those who have applied for international protection and are awaiting a decision). Funding for employment services for asylum seekers is often less well established than for those for refugees, and access to these services is not as straightforward. Likewise, social security entitlements for working asylum seekers vary significantly across Member States, and often the rules are less favourable than for other migrant groups, including refugees.

Another vital issue is that of education. Special arrangements for school-age children of refugees and asylum-seekers are not always guaranteed, with some countries reporting capacity problems, saying that schools are ill-prepared to receive this specific group of pupils. This may cause issues with social mobility in the future and reinforce the cyclical nature of poverty and social exclusion.

The volume of newly arriving asylum seekers since 2015 has resulted in an increased use of temporary asylum. This can weaken refugees’ position in the labour market since it may deter employers from hiring them or offering them longer term contracts as they are reluctant to invest in training.

An issue of access, not of motivation

Despite these impediments to accessing the labour market, there is a perception in several countries that a lack of motivation to work is the prevailing issue to be addressed, with a number of Member States recently reducing some non-employment-related social services and allowances provided to asylum seekers and/or refugees. However, these measures risk further isolating people from the labour market since it makes it more difficult for those concerned to live in decent conditions. Restrictions on family reunification may have a similar impact, further postponing social (and labour market) inclusion.
Refugees and asylum seekers also face specific challenges and administrative restrictions in becoming self-employed, and in a number of countries measures that aim to facilitate self-employment for refugees are either mainstream initiatives or are targeted at immigrants in general and thus do not take the specific needs of refugees into account.

Despite these ongoing issues, it must be acknowledged that in the key destination countries there is a strong political will to integrate refugees and asylum seekers within the labour market as quickly as possible. A broader consensus is developing that the effective integration of refugees and asylum seekers should be a priority for Europe as a whole. However, we are a long way from this objective, and a concerted effort involving social partners is needed in order to make the effective social and economic integration of refugees and asylum seekers a reality.

**Read more**

Eurofound: Role of public services in integrating refugees and asylum seekers

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A Europe fit for the digital age

Ensuring that citizens and businesses can take full advantage of the opportunities offered by digitalisation is one of the central priorities of the European Commission’s strategy for the digital age.

As technological and sectoral changes to Europe’s labour market take hold, the very structure of work, including where it takes place, is changing. For some, flexible work arrangements give greater autonomy and enhance efficiency; for others, it contributes to work intensity and further blurs the lines between work and private life. Some view the impacts of digitalisation through the prism of upskilling work, others see a throwback to a deregulated paradigm of employer–employee relations not seen in Europe for generations.

In this section, we look at how the digital age has changed, and not changed, working lives in Europe.

Read more

European Commission: A Europe Fit for the Digital Age

Are blue-collar jobs turning white?

By Martina Bisello and Enrique Fernández-Macías

Manual jobs in European manufacturing are being transformed as blue-collar workers take on more intellectual tasks. This is a consequence of the increasing use of digital tools and the growing importance of quality control in production. The severe losses of middle-paying jobs in the manufacturing sector during the economic crisis raised concerns about its future role and contribution to economic progress. However, not only has the recovery brought back employment growth in manufacturing, but there has also been a shift towards higher-skilled professional occupations, especially in machinery and equipment as well as motor vehicle production, as described in Eurofound’s 2017 European Jobs Monitor report.

This upgrading of employment in manufacturing is further borne out by Eurofound’s latest report on the future of manufacturing in Europe, which looks at the types of tasks performed by workers on the job. We carried out case studies on five occupations within manufacturing: car assembler, meat-processing worker, chemical products machine operator, hand-packer and inspection engineer. The case studies suggest that intellectual tasks involving information processing and problem solving are becoming more common in manufacturing jobs where physical tasks traditionally predominated.

Technology and quality control

Two main factors are contributing to this trend, one purely technical and the other more institutional. First is the rising use of digitally controlled equipment in production. This not only requires that workers in manual, semi-skilled occupations have more developed ICT skills, but also increases the literacy- and numeracy-related tasks they have to perform, such as reading technical documentation or dealing with numerical information. The spread of automation and the use of advanced machinery in production are also driving up the importance of problem-solving intellectual tasks, with shop-floor workers being tasked increasingly with troubleshooting production lines and handling errors.

The second factor adding to intellectual tasks in manufacturing occupations is the increasing use of quality control and standards in production. This is driven by regulation, consumer demand and the increasing complexity of production processes (as exemplified by global value chains). Quality standards impose a certain degree of formalisation on the production process, with the use, for instance, of benchmarking documentation, detailed planning and performance indicators. Many of these quality-control procedures are at least partly carried out by shop-floor
operators, whose task set has broadened to include documenting problems, assessing numerical benchmarks, filling in forms and so on. Conversely, the importance of physical tasks is generally decreasing because of automation, although with the extent of this differs depending on the comparative advantages and efficiency associated with manual versus machine task performance. Tasks that require workers to exert strength, in particular, are in decline, but tasks that require dexterity remain an important part of some shop-floor jobs, notably in the context of operating machinery.

**Implications for job quality**

Such changes have significant implications for job quality. The decline in physical tasks, combined with more restrictive safety regulations limiting direct contact with machinery, has the benefit of reducing physical workplace risks for some manual occupations. This together with the upgrading of work in terms of intellectual tasks has contributed to job quality improvements in traditional manual occupations in manufacturing. However, automation technology is not spread equally across industries and is far from becoming mainstream in many jobs where human labour is still preferred, mainly due to the comparatively low costs and the still very significant technical challenges involved in their automation.

The reshaping of manufacturing occupations poses significant challenges for our societies. The skills of the workforce must keep pace with technological change, and education systems have to be modernised to meet the needs of ever-changing workplaces. Employment regulation and industrial relations systems must also evolve to maintain their effectiveness as occupations transform; in times of rapid economic transformation such as these, their mediating role becomes particularly important for the translation of technical change into socioeconomic progress for all.

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**Read more**

Publication: Occupational change and wage inequality: European Jobs Monitor 2017
Social Europe: Job polarisation in Europe: Are mid-skilled jobs disappearing?
Publication: New tasks in old jobs: Drivers of change and implications for job quality

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Let’s move beyond platitudes on platform work
By Irene Mandl

It feels like every day there are new articles or blog posts about how Uber drivers are exploited, or on the bad working conditions and safety standards for Deliveroo riders. In an era of ‘fake news’ can we trust that these are accurate? They most likely are, and I agree that things are not all rosy with regards to employment and working conditions of platform workers. But we should be careful with generalising from such messages that all platform work is bad.

Platform work is still small in scale in Europe, but it is increasing – and this not only in terms of the number of platforms, workers and tasks, but also the diversity of business models, matching mechanisms and types of tasks that are mediated through an online platform or an app. This diversity makes a considerable difference for the labour market situation and working conditions of the individual worker. Eurofound has identified 10 different types of platform work which are currently operational in Europe, showing that they are each characterised by a variety of opportunities and risks.

Platform positives

On the positive side, the main advantages of platform work are its low entry barriers to the labour market and the easy opportunity to earn (additional) income. This is particularly true with regards to tasks that do not require a high level of specialised skills. Higher skilled tasks, in contrast, might foster entrepreneurship if the platform is used somewhat strategically to try out or strengthen a self-employed activity. However, this only works if the platform’s business model is limited to matching supply and demand for services rather than intervening in the transaction by setting prices or giving instructions to the worker on how to do the job.

Another often discussed positive aspect of platform work is the flexibility it offers – the worker can choose what, when, where and how to work. This is true, but again only if the platform leaves it to the worker and the client to agree on the work organisation and the terms and conditions do not directly or indirectly limit the workers’ flexibility – such as by imposing sanctions when rejecting task offers.

There is a focus in the media on the low earnings of platform workers. The general earnings through platform work is indeed limited, but it should be recognised that in many cases this is in line with the nature of the work: small and low-skilled tasks, and work conducted on an occasional basis. What is more important is whether the earnings are fair or workers are being exploited. Here, we find that if tasks are conducted on-location, with face-to-face contact with the clients, prices tend to be comparable with the ‘traditional economy’, and particularly if the worker has the discretion to set the price, they can not only be decent but are even favourable.

Platform pitfalls

The most discussed issue related to platform work currently is the employment status of the workers: are they employees, self-employed or something in between? This is important as the employment status defines basic rights and entitlements of the workers. It is fraudulent if there is an intentional mismatch between the employment status and the operational characteristics of the employment relationship, which results in a situation in which the workers are worse off than if they had a ‘proper’ employment status. As of today, there are no legal frameworks in Europe clarifying the employment status of platform workers, which in practice leaves it to the platforms to decide. Risks for the workers arise if they are considered to be self-employed and have to bear entrepreneurial risks, but do not enjoy the positive aspects of self-employment – such as when the platform determines the employment and working conditions.

Related to that, one of the distinctive characteristics of platform work – algorithms – raise concerns if they go beyond the matching of supply and demand by, for example, taking on management and control of the transaction. This is even more problematic if the logic behind the algorithm is not transparent to the worker, unfair or even discriminatory.

Platform progress

The main message behind the research on platform work is that it is complex, and probably will get more complex over time. There is no ‘one platform work’. What is positive in one type of platform work can be negative in another type, and we need to be better informed about the different effects on the workers in order to ensure decent working conditions.
Work needs to be done, but we are not starting from scratch: governments, social partners and the platform work community itself are already experimenting with approaches to tackle the emerging issues. However, as these interventions are still in their infancy, we have to monitor them carefully to analyse what works and what does not. We should encourage more information sharing, so that everyone does not have to reinvent the wheel – but that they can rather from each other.

Finally, we should raise awareness of the diversity within platform work and the need for more tailor-made, solutions rather than wasting effort in ‘one-size-fits-all solutions’ which in the end do not really fit anyone.

Read more
Platform economy repository: Initiatives
Platform economy repository: Typology
Publication: Platform work: Maximising the potential while safeguarding standards?

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The pandora’s box of the platform economy
By Sara Riso

We hear more and more about the platform economy, with the debate often revolving around the potential long-term implications of its growth on the labour market and the impact on traditional and established businesses and industries. There has been increasing calls for a legislative response at European and national level, but what information do we have for evidence-based policy making? Attempts at estimating the size of the platform economy go back to when these platforms were in their infancy, but conclusions have been diverse. Eurofound has now published a working paper to sketch out what we know so far, and to discuss options for the immediate future.

What is the platform economy?
When it comes to the platform economy, the first thing everyone wants to know is how big it is, but without much clarity on what the platform economy covers. Estimates on the size of the platform economy vary across studies and this partly depends on the type and nature of platform activities being measured.

One of the most seemingly straightforward differentiation is between capital platforms facilitating the selling of goods or renting of assets and labour platforms matching supply and demand for paid labour. But looking closely this distinction is blurred as there is a labour market dimension also in assets-based platforms. An Airbnb host may be both a property manager and a home owner.

Beyond the ongoing debate on how to best label and define the platform economy, everyone can agree that this is a very fast-changing economy where platforms are moving targets, changing quickly, expanding to new
markets or quickly disappearing. For this reason, any platform categorisation should be kept as open as possible and reflect its ever-evolving nature. Equally important is to understand how different segments of the platform economy relate to one another (for example platform work, digital economy and so on), instead of investigating and measuring them in isolation.

**Different approaches to measurements**

There is no shortage of surveys measuring the size of the platform economy, or rather parts of it. Many have been attempts to measure specifically the size of the workforce engaged in platform work. What is measured and how this is done can vary across surveys, making difficult comparability of estimates.

Many private agencies and national statistical offices in Europe and beyond have carried out one-off or pilot surveys to estimate the number of people engaging in the platform economy as either consumers or service providers, but concretely measuring the platform economy has turned out to be a minefield for a host of different reasons. To name just a few of the outstanding issues, many surveys are web-based, often rely on relatively small samples and typically resort to unconventional sampling techniques. This compromises survey representativeness, meaning the estimates are indicative at best. It is also challenging to formulate questions that respondents can relate to and then choose an appropriate timeframe for the questions.

The use of big data offers ways to enrich the data collection from surveys, but many caveats apply. For example, big data sources are unstructured, unrepresentative and require much statistical effort to be processed. Also, compliance with GDPR rules can be challenging; there are ethical concerns and data protection issues arising from the collection and processing of big data. This is an uncharted territory that would require more clarity and attention from legislators.

**Still small in scale but fast growing**

No hard numbers exist for the size of the platform economy but the evidence available points to a fast-growing phenomenon.

In the US, JPMorgan Chase analysis of checking account customers in late 2015 estimated that about 1% of American adults had earned an income from the platform economy (including both capital and labour platforms) in a given month. Labour platforms are growing at a faster rate than capital platforms, which, however, continue to be significantly larger. A 2018 update confirmed that participation in the platform economy has continued to grow, with the transportation sector leading in terms of number of participants and total volume of transactions.

A European Commission flash Eurobarometer survey conducted in 2016 found that 17% of EU respondents had used a ‘collaborative platform’ for a wide range of services – from renting accommodation and car sharing to small household jobs – at some stage as a service provider or client. Of the group of respondents who had used such platforms, 5% said they offered their services every month.

Using data extrapolation and relying on secondary data, another EU study (Vaughan and Daverio, 2016) estimated that the platform economy, including labour and capital platforms, generated revenues of €3.6 billion in the EU in 2015 (less than 0.1% of EU GDP) and facilitated transactions of around €28 billion.

Narrowing the focus on platform work, a survey of nearly 39,000 internet users in 16 EU Member States (COLLEEM II of the Joint Research Centre of the European Commission) estimated that in 2018 only a small proportion of the working age population – on average about 1.4% – engages in platform work as a main form of employment. These are respondents who claim to work more than 20 hours a week or earn at least half of their income providing services via online labour platforms. For many others platform work remains only a sporadic (2.4%), marginal (3.1%) or secondary (4.1%) form of employment.

All in all, the available evidence tells us that the platform economy is growing at a fast rate. But there is a need to add on to the knowledge base and generate reliable estimates on an ongoing basis to inform sound policymaking and make the most of this growing phenomenon.

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**Read more**

Working paper: Mapping the contours of the platform economy

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Imagine you’re at work and something happens: you have to leave to visit a client, you have to go home to let in the plumber, or you have to collect the kids from school as the football training has just been cancelled. If you’re lucky, your employer gives you the flexibility to do this. If you’re even luckier, it is YOU who decides upon your schedule and place of work.

ICT-based flexibility in Europe
Flexible working time and flexible places of work are nothing new. But advances in information and communications technology (ICT) have added a whole new dimension to flexibility, allowing workers to virtually connect with colleagues, clients and business partners anytime and anywhere. ICT has opened the door to new ways of organising work, resulting in much more flexibility around when and where tasks are performed. In short, we are shifting from a regular, bureaucratic and ‘factory-based’ working time pattern towards a more flexible model of work.

In the EU, around one-fifth of workers telework from home or engage in what we call ICT-based mobile work, meaning they work, either occasionally or regularly, from somewhere other than a main place of work, like a train or a coffee shop, heavily depending on mobile devices like a laptop or iPad. There is some diversity in the percentages by country, figures range from 8% in Italy to 38% in Denmark.

The reason for this diversity across Europe is a combination of factors, such as a country’s affinity for technology; the availability and quality of its technological infrastructure; management culture and the drive for higher productivity within companies; and

Percentage of workers doing telework and ICT-based mobile work, by employment status

Source: European Working Conditions Survey 2015
employees’ needs for spatial and temporal flexibility to balance work demands with family commitments and other personal responsibilities.

Happy flexibility?
Increased flexibility is generally perceived as a positive feature of job quality. It gives workers more autonomy and control, allowing them to combine work with a variety of life situations and make choices according to their individual preferences. This potentially boosts productivity while enabling a better work–life balance.

From a labour market perspective, ICT-supported flexibility offers better employment opportunities for some groups of workers, like those with disabilities, illnesses or care responsibilities, whom a standard work schedule doesn’t suit, or those living in remote areas with few local employers.

However, this type of working also has downsides. Paradoxically, the higher level of autonomy quite often results in people working longer hours or at higher intensity, because they use the flexibility to supplement rather than replace office time. Or they feel pressured to do more work in exchange for the flexibility provided by the employer or because of excessive workload.

Sometimes, this situation can be a result of work organisation, but it can also be due to the worker’s desire to prove their performance is unaffected or even enhanced by the location. As a result, teleworkers and ICT-based mobile workers who work more intensively are more likely to report high levels of stress, anxiety, sleeping disorders, headaches and eye strain.

A new phenomenon is now being observed among these workers: virtual presenteeism. Presenteeism is when employees go to work in spite of being sick. Again, it is nothing new and is often related to the employee’s fear of negative consequences if they miss work. But now ICT is facilitating people to work from home when they’re not feeling well, which is likely to impair their performance. What such behaviour means for the recovery process and long-term health has not been determined.

Bigger challenge for self-employed
One section of the ‘flexible workforce’ – in terms of having a high level of autonomy – likely to embrace flexibility-enabling ICT are the self-employed. General economic developments, notably the ongoing shift to a service economy, are a factor. Additionally, there is some anecdotal evidence that for at least some types of freelancers, like consultants or those in the creative industries, clients value their ability to adapt their working hours and to operate from different locations.

So far, little research has been carried out on ICT-supported flexible working among the self-employed. But the available findings indicate that this form of work is generally positive for their work activity. It supports their entrepreneurial initiatives and fosters their professional prospects. It also helps to overcome professional isolation by keeping them in touch virtually with colleagues. However, findings also show that this group presents higher risks of lack of rest periods in comparison with other self-employed. As they are not covered by labour law, which at least in some countries is already tackling the ‘right to disconnect’, it is particularly important for them to find individual ways to disconnect, balancing the business need with their own health and well-being.

Read more
Publication: Working anytime, anywhere: The effects on the world of work

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A European Green Deal

Becoming the world’s first climate-neutral continent by 2050 is the greatest challenge and opportunity of our times. To achieve this goal, the European Commission has launched the European Green Deal, an ambitious package of measures that should enable European citizens and businesses to benefit from a sustainable green transition. This section shows that, when it comes to Europe’s low-carbon transition, it’s not about calculating how much it is going to cost but rather recognising how much we have to gain.

Read more
European Commission: A European Green Deal

Europe’s low-carbon transition makes economic sense
By James Higgins

At the very outset of its mandate, the new European Commission presented the European Green Deal, establishing the objective of becoming the first climate-neutral bloc in the world by 2050. The initiative emphasises the seriousness which the European Commission places on the climate and biodiversity challenges Europe faces in the coming decades and proposes an unprecedented mobilisation of resources to finance a transition to a sustainable economy. There has already been much speculation about the potential impacts of these proposals on the EU’s carbon footprint, but it should also be emphasised that, in addition to being necessary for the planet, they are also necessary for Europe’s economy – which is likely to see dividends in terms of both growth and employment from a low-carbon transition – and may even help ease Europe’s regional imbalances.

Last year, the Future of Manufacturing in Europe (FOME) project – an EU initiative proposed by the European Parliament and delegated to Eurofound by the European Commission – published findings projecting that a successful transition towards a low-carbon economy, as defined by the Paris Climate Agreement, would result in a 1.1% growth in GDP and a 0.5% growth in employment in the EU by 2030. This was compared to a ‘business as usual’ baseline forecast. On a national level, the study projected that Latvia, Malta and Belgium would experience the largest boost to GDP. At close to 6%, the projected growth in Latvia’s GDP was by far the most significant – this being largely attributed to the energy efficiency investment required and the reduction in fossil fuel imports relative to GDP.

According to the research, Belgium was also among the countries that would experience a marked increase in employment from the economic restructuring required to fully implement the Paris Agreement, resulting in increased consumer expenditure in labour-intensive sectors such as retail, hospitality and catering. Spain and Germany were projected to experience a similar phenomenon. In the case of Spain, the report pinpoints the importance of solar photovoltaic electricity and lower consumer energy prices in generating disposable income to the benefit of labour-intensive sectors. The only country projected to experience a (comparatively marginal) net decrease in employment was Poland, due to its large coal-mining sector.

The projections detailed in the report were modelled on a basis that there would be no significant labour market frictions from the transition, in particular that the labour force would adapt to the structural change with regards to skill requirements. To this extent, the findings show how effective and comprehensive cooperation between regional, national and European levels - as well as between governments and social
partners - in the transition can bring tangible economic and employment dividends. What is also evident in the research is that there are few sectors that would be broadly negatively impacted by this transition; of the nine sectors analysed, just two - utilities and mining - would see a net job loss compared to the baseline scenario. Even agriculture, often considered to be adversely exposed to job loss from a low-carbon transition, would see a 0.5% job growth compared to the baseline scenario by 2030.

Despite these findings, it would be remiss to downplay or negate apprehension over the challenges of making a low-carbon transition to be found in many rural areas and communities throughout Europe. The European Commission has emphasised the role of Member States in identifying regional priorities and committing to match each euro from the Just Transition Fund with money from the European Regional Development Fund. President von der Leyen, in particular, has emphasised the need to prioritise vulnerable regions and communities and ensure that no-one is left behind.

There are clear reasons for this sensitivity to regional balance. Eurofound’s 2019 European Jobs Monitor shows that employment growth in capital city regions in the EU’s largest Member States outstripped that of other domestic regions between 2002 and 2017. The European Quality of Life Survey 2016 also showed that people in rural areas report a lower quality of life and life satisfaction, as well as more difficulty in making ends meet, than those living in Europe’s capitals and metropolitan centres. It is therefore important that the Green Deal is rolled out and communicated in a way that demonstrates how it can mitigate, not accentuate, regional imbalances.

Europe’s economy, and particularly the economy of rural Europe, may have it all to gain from a low-carbon transition, but getting everyone on board could turn out to be the greatest challenge.

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**Positive impacts of implementing the Paris Climate Agreement**

![Graph showing positive impacts on employment and GDP](#)

**Note:** Percentage difference from baseline, for EU Member States and United Kingdom, by 2030

**Source:** Future of Manufacturing in Europe project

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**Read more**

Eurofound: Energy scenario: Employment implications of the Paris Climate Agreement

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A stronger Europe in the world

The European Commission rightly recognises that making the EU a global leader starts at home. It means a strong, open and fair trade agenda so that Europe remains an attractive place for business, and ensuring the highest standards of climate, environmental and labour protection.

Here we look at how the European Pillar of Social Rights is not just about copper-fastening the rights of citizens at home, but also ensuring that Europe remains a global leader in the area that is most important: the quality of people’s lives.

‘Europe – a world-class place to live and work’. That is how then European Commission President Jean-Claude Juncker described Europe at the summit to formally proclaim the EU Pillar of Social Rights in Gothenburg in 2017, adding ‘Europe is more than just a single market, more than money … It is about our values and the way we want to live’. So how do we live? Do people across the EU really feel that their living conditions are ‘world-class’?

Certainly, many do. But many others still face inequalities and feel excluded or insecure, worry about access to decent housing and jobs and wonder about the future for themselves and their children. This is reflected in growing populist sentiment that seems to reject the Establishment, making the general narrative on Europe appear largely negative.

But, as always, the reality is significantly more complex.

In fact, the last few years have been generally good, and the wind is (indeed) back in Europe’s sails. The results from the most recent European Quality of Life Survey (EQLS) show overall progress in the areas of quality of life, quality of society and quality of public services. We have seen improvements for many, although from low points following the economic crisis. Indeed, in some cases, the indicators finally display a return to pre-crisis levels – reflecting, in part, the general economic upturn and return to growth across the Member States.

Levels of optimism have risen, and life satisfaction and happiness ratings have remained generally high in most EU countries. Satisfaction with living standards has increased in a majority of Member States and more people can now make ends meet than was the case in 2011.

Trust in national institutions has actually increased across the board and young people in particular show greater trust in other people. The welcome growth in engagement and participation in social and community organisations across Member States and the decline in feelings of social exclusion, which were more prevalent in the downturn, are also signs of a more positive post-crisis environment. Indeed, perceived tensions in society between poor and rich people, management and workers, old and young persons and men and women, have all declined during the last five years.

Moreover, contrary to popular belief, people are actually more satisfied today overall with critical public services such as healthcare and transport – and even with childcare services in some countries.

So far, so good, it would seem.

But, at the same time, we clearly have some way to go. While a number of countries, mostly in central and eastern Europe, continue to catch up, others have stalled in the process of upward convergence and the

Read more
European Commission: A stronger Europe in the world

Europe – A world class place to live and work?

By Juan Menéndez-Valdés

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gap has even widened in some areas. Satisfaction with living standards, for example, increased particularly in Bulgaria, Estonia, Hungary, Ireland and Poland, while life satisfaction declined in Croatia, Cyprus, Greece, Italy and Spain. This can partly be attributed to the economic situation of the country concerned. Great differences remain between Member States in terms of both access to, and quality of, health and care services.

There are also still profound inequalities across different gender, age and income groups.

Women, for example, report slightly higher levels of life satisfaction than men, but continue to manage more unpaid household and care work. Further compounding the gender divide, the growing need for long-term care of older people – where women continue to contribute more – is one of the main reasons behind difficulties with work–life balance.

Older people indeed fare less well than their younger counterparts, particularly in some central and eastern European countries, and age clearly contributes to decreasing life satisfaction in Bulgaria, Croatia, Malta, Poland, Portugal, Romania and Slovenia. In two-thirds of the EU Member States, more than half of respondents also have concerns about their levels of income in old age.

In fact, despite growth that has seen fewer people reporting material hardship compared to five years ago, over half of the population in 11 Member States still say they have difficulties making ends meet. This is marginally down on the 13 Member States where the majority of people expressed difficulties making ends meet in 2011, but still more than 2007 levels. As always, the poor suffer most, and the results show that quality of life has improved less for those in lower income groups.

Indeed, many Europeans have less optimism about the future for their children than for themselves. But here, again, divides are obvious, with less optimism about future generations in Austria, Belgium, Czech Republic, France, Germany, Greece, Italy, Luxembourg, the Netherlands, Slovenia, Spain, and the UK; while in Bulgaria, Finland, Latvia, Lithuania and Poland people believe their children’s prospects are better than their own.

And, in the context of the wider high-stakes debate on migration and mobility across the EU, it is worth noting that perceived tensions between different religious and ethnic groups have markedly increased in certain countries, notably Bulgaria, Estonia, Denmark, Germany, Malta, Austria, France, Belgium and Italy. This runs counter to the general decrease in perceived tensions between different groups in society.

Such is the nuanced picture of life for the EU citizen as governments, local and regional authorities, social partners and civil society set about implementing the Pillar of Social Rights. These results from the EQLS highlight the need for policymakers to focus on groups that are most in need: the long-term unemployed – who suffer a higher risk of poverty, social exclusion and mental health issues – in the context of active support for employment; women – who continue to shoulder the largest share of household and care work – in the context of gender equality and childcare principles; care
support and services to embed the right to better work–life balance across the whole of working life; poorer older citizens – in the context of the right to adequate old-age income and pensions; as well as on divergence disparities in the availability of quality services – in the context of the right to timely access to affordable health- and social care.

But these are just some of the critical initiatives required to match the daily reality of Europe’s citizens with the ambitious aspirations of the Pillar. If this is truly to be a landmark moment for Europe, we need to translate this kind of evidence into implementation and these data into delivery, to indeed uphold ‘our values and the way we want to live.’

Read more
Interactive presentation: European Quality of Life Survey 2016

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This compendium of articles, which is organised around the six priority areas of the EU, presents a snapshot of some of Eurofound’s most recent research, and highlights important 21st-century trends in quality of life and working conditions throughout the EU.