

Living and working in Europe



Living and working in Europe 2022



European Foundation
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Conditions

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Foreword

With just two years into the 2020s, this decade has already witnessed two momentous events – the COVID-19 pandemic and the war in Ukraine – both of which have altered Europe profoundly and permanently.

We are not yet at a sufficient remove from the pandemic to properly assess its enduring imprint on the lives and work of Europeans, but the evidence produced by Eurofound in 2022 gives hints of its indelible legacy.

Most notably, the crisis seems to have prompted a reassessment by workers of the meaning and structure of work. The return to workplaces seems to have heralded a ‘great resignation’ – a pattern of workers quitting, or at least thinking about quitting, deficient jobs for better quality jobs. It seems that the disruption to work prompted workers to rethink their jobs and the weight they give to job quality. The evidence lies in the difficulty some sectors – especially those reputed for their poor working conditions – are having in recruiting and retaining staff. Close to one-third of EU workers is in a job that could be described as of poor quality, insofar as the negatives outweigh the positives, according to the analysis of Eurofound’s European Working Conditions Telephone Survey (EWCTS).

The survey findings shed light on a long list of negatives that are dragging workers down, such as a struggle to make ends meet, poor job security, long and unsocial hours, work–life imbalance, high levels of work intensity, dangerous working environments, limited job prospects, intimidation from co-workers, and abusive customers and clients. Eurofound has long been spreading the message that one way of averting the consequences of a shrinking labour force is to create the kind of working conditions that protect workers’ physical and mental health and enable them to thrive. The potential already exists – thousands of workers reported autonomy and participation in decision-making, time flexibility, recognition for their work, good career prospects, and a sense of doing good and useful work. Expanding positive aspects of work such as these is a way to mitigate some inevitable downsides.

Labour shortages are also being driven by skills shortages, which should cause some alarm in light of the EU’s ambitious goals for a green and digital transition. Much low-skilled work is being eliminated by digitalisation, implying that reskilling workers with limited or no skills has to be a priority if the EU is to achieve its employment targets and economic goals. Yet findings from the ECTWS show that low-skilled workers have fewer training and learning opportunities than their counterparts in higher-skilled occupations.

Workers’ attitudes to the relationship between work and home also seem to have undergone a readjustment. Working from home during the pandemic gave workers more freedom to decide how to better apportion their time between the two domains. Eurofound’s surveys have recorded a desire among workers to continue to work much, if not all, of their time from home. Recurrent stories across the media describe the resulting tugs-of-war with management over returning to the office. Hybrid arrangements combining working from home and from the office would seem to provide a solution, but the debate over what the workplace is and where it should be located seems destined to continue.

The demand for telework may be just a symptom of a broader discontent with working time arrangements. The EWCTS found that almost half of workers would like to work less. It also shows that working women work a double shift when the quotidian unpaid work of domestic life is taken into account. Men seem to have more trouble with long hours and work–life balance. Collectively, the findings suggest the nine-to-five, five-day week has become a straitjacket. Work is changing, and it is time to explore how working time might change too.

The war in Ukraine is etching permanent marks onto the lives of Europeans, the initial effects of which were captured by Eurofound’s *Living, working and COVID-19* e-survey. The e-survey highlighted the struggle to deal with the escalating cost of living, with more people reporting inability to make ends meet and household arrears in 2022 than in 2020. With energy poverty looming, many people feared they might be unable to pay their energy bills in the months ahead.

This financial stress combined with the psychological impact of a war in Europe might explain why, with the lifting of pandemic restrictions, Europeans’ sense of well-being failed to rebound to pre-pandemic levels. On all measures of mental health tested by the e-survey, people were doing less well than in the first month of the pandemic. The risk of depression was highest among those who were experiencing the most financial difficulty.

A sentiment of declining trust in national institutions was another visible legacy of the pandemic in 2022. Even among those who are comfortable financially – and who traditionally put most trust in institutions – trust in government dropped dramatically, while trust among those in acute economic difficulty was extremely low. The area of trust deserves more attention from policymakers as it is the foundation to functioning democracies.

There are positives to be gleaned from 2022. While mental well-being was lower on average than in spring 2020, it had risen from a low point in 2021. It had rallied most among young people, the age group for whom the curtailments of public life had been particularly damaging. 2022, the European Year of Youth, also brought about some upturn in their economic circumstances: unemployment, which rose substantially only among young people over 2020 and 2021, fell to a rate lower than before the COVID-19 outbreak.

Other encouraging signs include record employment levels and evidence of some gender rebalancing in the labour market. Employment growth has been stronger among women, and of the higher-paying jobs created,

women have taken the lion's share – a sure step toward eliminating the disparity between men and women in higher-paying jobs. Workers in low-paid jobs should in the coming years see the benefits of the EU directive that has laid the legal groundwork for a fair and adequate minimum wage so that all workers can earn a decent living.

Europe's economic performance was better than anticipated in 2022, and the EU is taking steps to maintain its economic strength by investing in building a recovery across the Member States that carries through into a transition to carbon neutrality without a residue of economic loss to any citizens. A strong social market economy is fundamental to weathering whatever storms lie ahead.



1

Employment

1 Rebound in employment

Top takeaways

- Labour market data reflect a resurgent labour market in 2022. Employment in the EU recovered rapidly in the wake of the COVID-19 pandemic, reaching an all-time high of 74.8% in the second quarter, while unemployment dropped to a record low of 6%. While young workers had borne the brunt of job losses during the pandemic, by the end of 2021 youth unemployment had fallen to a rate lower than before the virus outbreak.
- The composition of employment in the EU upgraded during the pandemic: employment grew in higher-paying jobs while simultaneously declining in lower-paying jobs. Women benefited more than men from the growth in higher-paying jobs but also lost out more with the destruction of the lowest-paying jobs.
- Labour shortages are adversely affecting the labour market. High job vacancy rates are likely to intensify unless two issues are addressed: skills mismatches – discrepancies between the skills sought by employers and the skills possessed by workers – and poor job quality, which is making some sectors unattractive to potential recruits.

EU labour markets performed well in 2022 – the payback for government interventions in 2020 and 2021, many EU-backed, to protect employment through the tumultuous previous two years. Even the war in Ukraine did not arrest the momentum of an economy released from a lengthy stasis, which hired strongly, especially in the first half of the year.

Employment hit new high

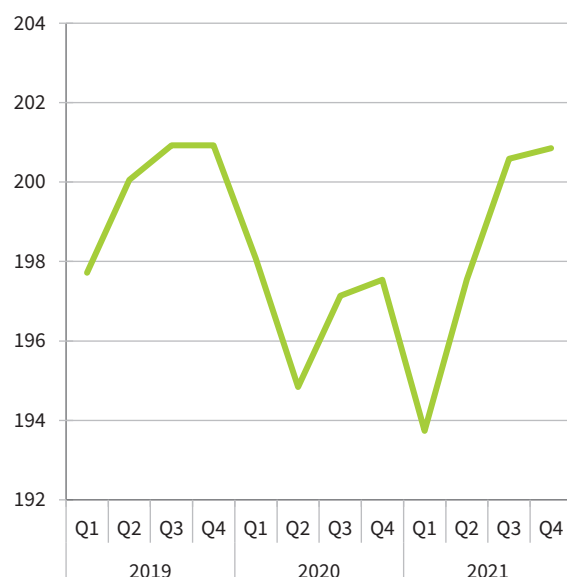
The last of the employment protection schemes wound down in early 2022, and the employment rate (of 20–64-year-olds) soon hit an all-time high of 74.8% in the second quarter of 2022, 1.6 percentage points above the pre-pandemic rate.

The mapping of Eurostat's quarterly employment data in Figure 1 shows that after strong growth over three consecutive quarters in 2021, employment had almost fully recovered to the level of early 2020. This recovery from the COVID-19 labour market shock had taken two years, compared with the eight years following the 2008 financial crash. Employment protection schemes preserved the relationship between employers and employees, averting the disruption and costs associated with mass lay-offs and enabling a swift return to business when demand picked up.

Patterns in hours worked varied

Actual weekly working hours fell in the EU and most Member States in the first year of the pandemic. The pattern of changes in working time between the end of 2020 and the end of 2021 is more mixed. In that period, weekly hours worked continued to fall in the EU overall but to a lesser extent. At Member State level, hours worked increased in 9, declined in 12 and remained stable in 2 (Figure 2).

Figure 1: Employment level (in thousands), by quarter, EU27, 2019–2021



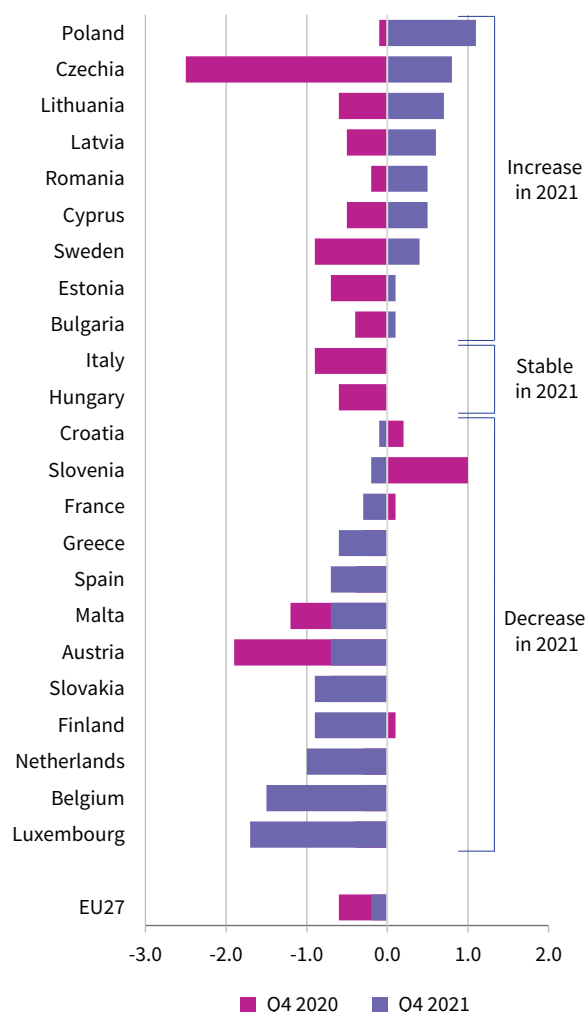
Note: Workers 15 years and over; data have not been seasonally adjusted.

Source: Eurostat [lfsa-eisn2]

Unemployment fell further

Rising unemployment was, unexpectedly, not a feature of post-pandemic EU labour markets, and the inflationary pressure on business costs did not lead to economy-wide job cuts. The EU unemployment rate (among 15–74-year-olds) fell to 6% in September 2022, the lowest rate in three decades. Unemployment had been held at bay during the pandemic, peaking at 7.8% in the third quarter of 2020, a rise of 1.2 percentage points since the same quarter of 2019.

Figure 2: Year-on-year change in actual weekly hours worked, EU Member States, Q4 2020–Q4 2021 (hours)

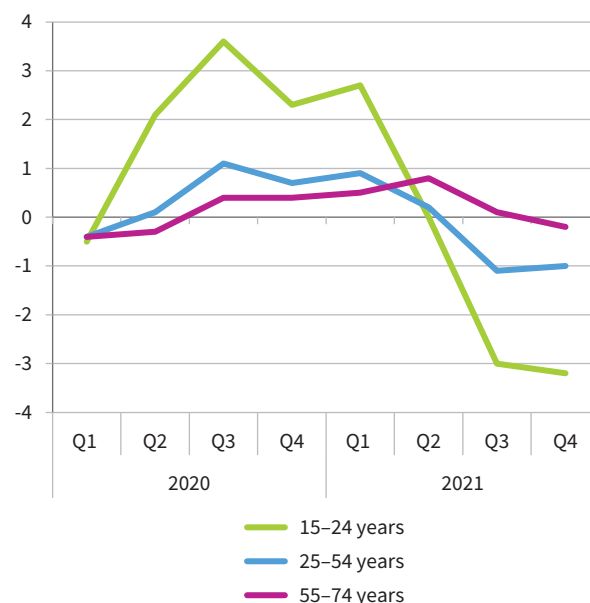


Note: Data for 2020 not available for Germany; Denmark, Ireland and Portugal excluded because data are incomplete.
Source: Eurostat [lfsq_whoan2]

Moderate as this rise was, it was borne mainly by workers in the 15–24 years age bracket: first, because a disproportionate number have a temporary or other type of insecure employment contract, meaning they benefited less from the job-retention schemes than workers in other age groups; and second, because a disproportionate number were employed in sectors badly hit by lockdowns, such as the hospitality and leisure sectors. Many young workers were left jobless when businesses across Europe closed, adding to the already high rates of youth unemployment.

The unemployment rate of younger workers increased substantially during the pandemic, peaking in the third quarter of 2020, but this trend reversed in the last two quarters of 2021 (Figure 3). Although still more than double the unemployment rate of prime-age workers, the youth unemployment rate in the last quarter of 2021 was 14.4% – 0.9 percentage points lower than in the same quarter of 2019, just before the outbreak of COVID-19.

Figure 3: Year-on-year change in the unemployment rate (percentage points), by age group, EU27, 2020–2021

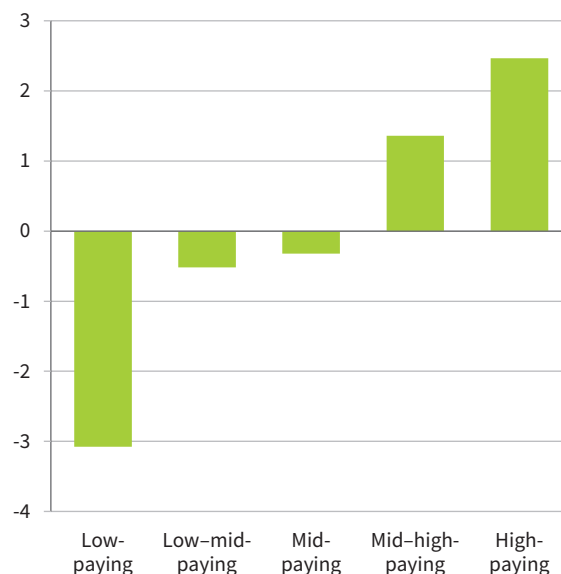


Source: Eurostat [une_rt_q]

Well-paid jobs grew sharply

Employment in the EU has upgraded since the start of the pandemic, growing sharply in well-paid, knowledge-intensive sectors and declining in low-paid, in-person service sectors over 2019–2021. Figure 4 is based on a data analysis by the European Jobs Monitor that allocates all jobs in the EU to five quintiles based on their wages, from lowest-paying to highest-paying.

Figure 4: Employment shifts in job–wage quintiles (millions), EU27, Q4 2019–Q4 2021



Source: European Jobs Monitor, based on EU labour force survey (EU-LFS) and Structure of Earnings Survey (SES)

Illustrating net employment change over the two years between the end of 2019 and the end of 2021, the figure shows that 2.5 million jobs were created in the highest-paying quintile, while over 3 million jobs were eliminated in the lowest-paying quintile.

Employment rose in most sectors

The rebound in employment was seen across all sectors in 2021, apart from agriculture and accommodation and food services (Figure 6). The latter sector lost almost 0.9 million workers between 2020 and 2021, as hotels, bars and restaurants were forced to limit their operations. In contrast, information and

communications, buoyed by the expansion of online services and the accelerated digitalisation of work processes in response to pandemic restrictions, gained 1.06 million workers (0.35 million women and 0.71 million men) between 2019 and 2021, the largest increase of any sector.

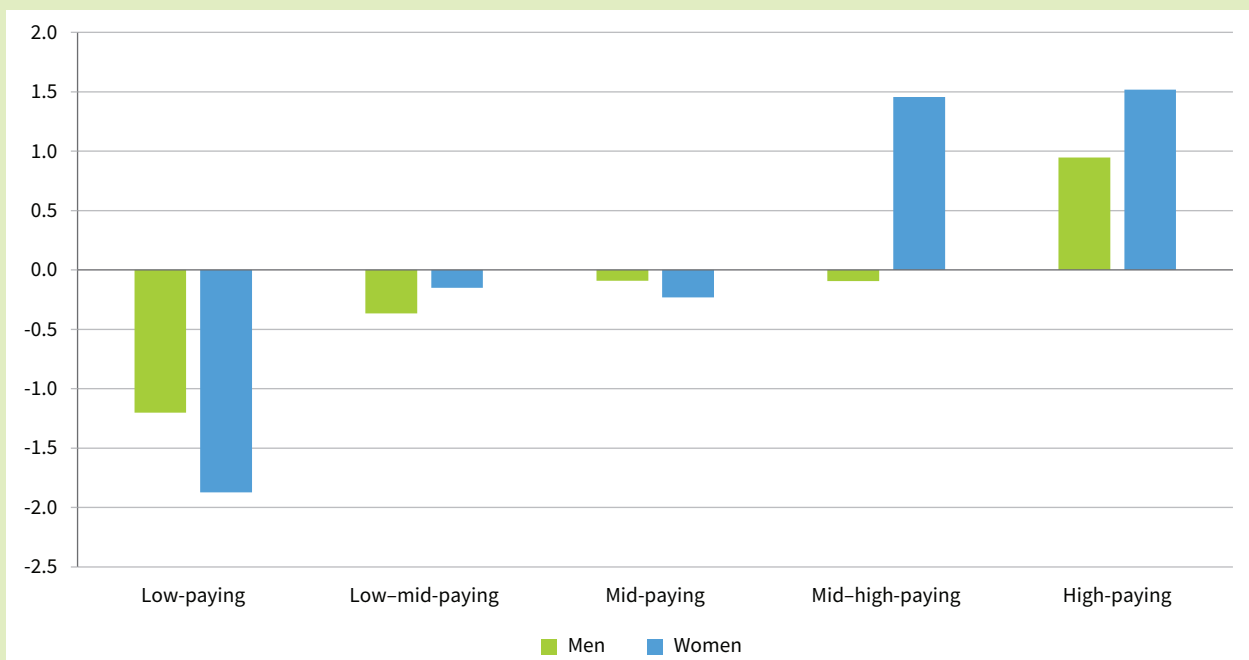
The decline of employment in the agricultural sector is a long-term trend, as workers are replaced by technology and the number of farms diminishes. However, the size of the reduction is likely to have been exaggerated in part by downward revisions in estimates of Romanian agricultural employment, which resulted in a drop in the number of workers employed from 1.5 million in 2020 to 0.9 million in 2021.

Data dive: Progress and setback in female employment

Women benefited more than men from the growth in employment over 2019–2021. The number of women employed had increased by 2.2 million year on year at the end of the fourth quarter in 2021 compared with an increase of 1 million for men. The year-on-year growth rate of employment in the last two quarters of 2021 was 3% for women and 1% for men.

This gender bias in favour of women is also seen in terms of quality of employment. Breaking down the data in Figure 4 by gender, Figure 5 shows that women dominated the employment growth in the two highest-paying quintiles. While this represents progress, it is nevertheless just a small chipping-away of men’s numerical domination of better-paying jobs. Women’s employment continues to be skewed towards the lowest-paying jobs, where, as Figure 5 illustrates, they experienced a larger share of employment losses than men.

Figure 5: Employment shifts in job–wage quintiles (millions), by gender, EU27, Q4 2019–Q4 2021



Source: EU-LFS and SES, Eurofound analysis

Figure 6: Year-on-year changes in employment across sectors, by gender, EU27, Q4 2020–Q4 2021 (%)



Source: EU-LFS quarterly data, Eurofound analysis

Number of sales workers fell

The employment loss in the bottom two job–wage quintiles, shown earlier in Figure 4, is echoed in the data capturing the jobs that lost most workers during the pandemic, shown in Table 1. The list is topped by the job of sales worker in wholesale and retail, the job that employs the largest number of workers in the EU, providing work to more than 1 in 20 workers. It is held predominantly by women, and two-thirds of the losses were among female workers. The next highest job loss was in the combined category of personal service workers and sales workers in the accommodation and food services sector. This is among the lowest-paying jobs in the EU, typically requiring few qualifications.

Number of IT professionals rose

The jobs that registered the greatest employment gains are found in the top two quintiles of the job–wage distribution. Top of this list is information and communications technology (ICT) professionals in the information and communication sector, attesting to the rapid growth of tech companies during the pandemic (Table 2).

Table 1: Top three jobs with biggest employment losses, EU27, Q4 2019–Q4 2021

	Occupation	Sector	Wage quintile	Change in employment (thousands)
1.	Sales workers	Wholesale and retail trade	Low–mid-paying	– 848
2.	Personal service workers and sales workers*	Accommodation and food services	Lowest-paying	– 649
3.	Market-oriented skilled agricultural workers	Agriculture, forestry and fishing	Low–mid-paying	– 514

* Two occupational categories have been combined.

Source: EU-LFS and SES, Eurofound analysis

Table 2: Top three jobs with biggest employment gains, EU27, Q4 2019–Q4 2021

	Occupation	Sector	Wage quintile	Change in employment (thousands)
1.	ICT professionals	Information and communication	High-paying	407
2.	Teaching professionals or legal and other associate professionals*	Education	High-paying	379
3.	Protective services workers	Public administration and defence; compulsory social security	Mid-high-paying	257

* Two occupational categories have been combined.

Source: EU-LFS and SES, Eurofound analysis

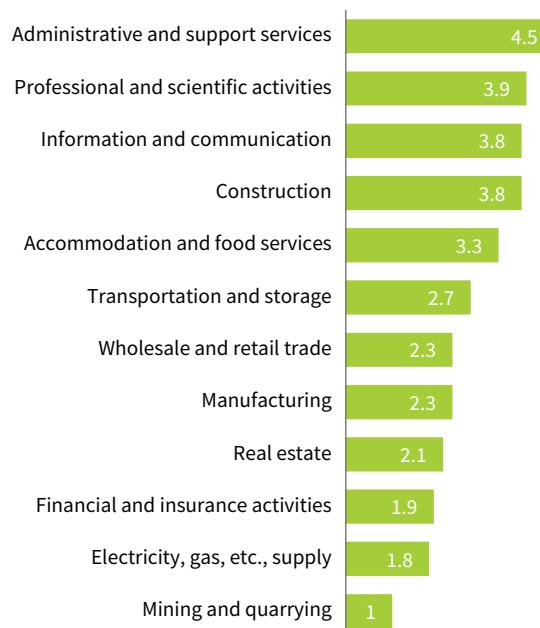
Labour shortages intensified

The bane of labour markets post-pandemic has been labour shortages. Job vacancy rates had been rising since the end of the last recession, particularly in information and communication, construction, manufacturing and healthcare, up to the COVID-19 outbreak. The job vacancy rate in the EU27 rose from 1.2% in 2012 to 2.2% in 2019. While the pandemic interrupted the trend, it resumed in 2021 with the reopening of the economy. Job vacancy rates at the end of 2022 were disproportionately high in administrative and support services, professional and scientific activities, information and communication, and construction, as well as accommodation and food services (Figure 7).

Skills mismatches – employers failing to find workers with the skills they require – are partly to blame. With one-third of workers in the EU lacking basic digital skills, according to the Digital Economy and Society Index, it is little wonder that white-collar sectors are reporting high vacancy rates. The European Year of Skills 2023 is clearly an effort by the European Commission to focus the political and civic spheres on addressing the skills shortfall and to invest in upskilling and reskilling the EU workforce.

Poor job quality is another factor hindering recruitment, particularly in accommodation and food services, where employment had not recovered by the end of 2021. As described in Chapter 3, it is the sector with the highest proportion of minimum wage earners – 9% – compared with less than 2% in financial services. It seems that the

Figure 7: Job vacancy rates, by sector, EU27, Q4 2022 (%)



Source: Eurostat [JVS_Q_NACE2]

pandemic has led to a shift in workers' tolerance of poor job quality and the relative importance that they attach to pay, job security and the quality of their working environment. Workers who had occupied poor quality jobs in hotels, restaurants and retail prior to the pandemic have possibly switched to better jobs in other sectors where the demand for labour is high.

Read more

Report: Recovery from COVID-19: The changing structure of employment in the EU eurofound.link/ef22022

Report: COVID-19 pandemic and the gender divide at work and home eurofound.link/ef22010

Report: Measures to tackle labour shortages: Lessons for future policy eurofound.link/ef22015

Topic: Employment and labour markets eurofound.link/employment

2 Job gain versus job loss

Top takeaways

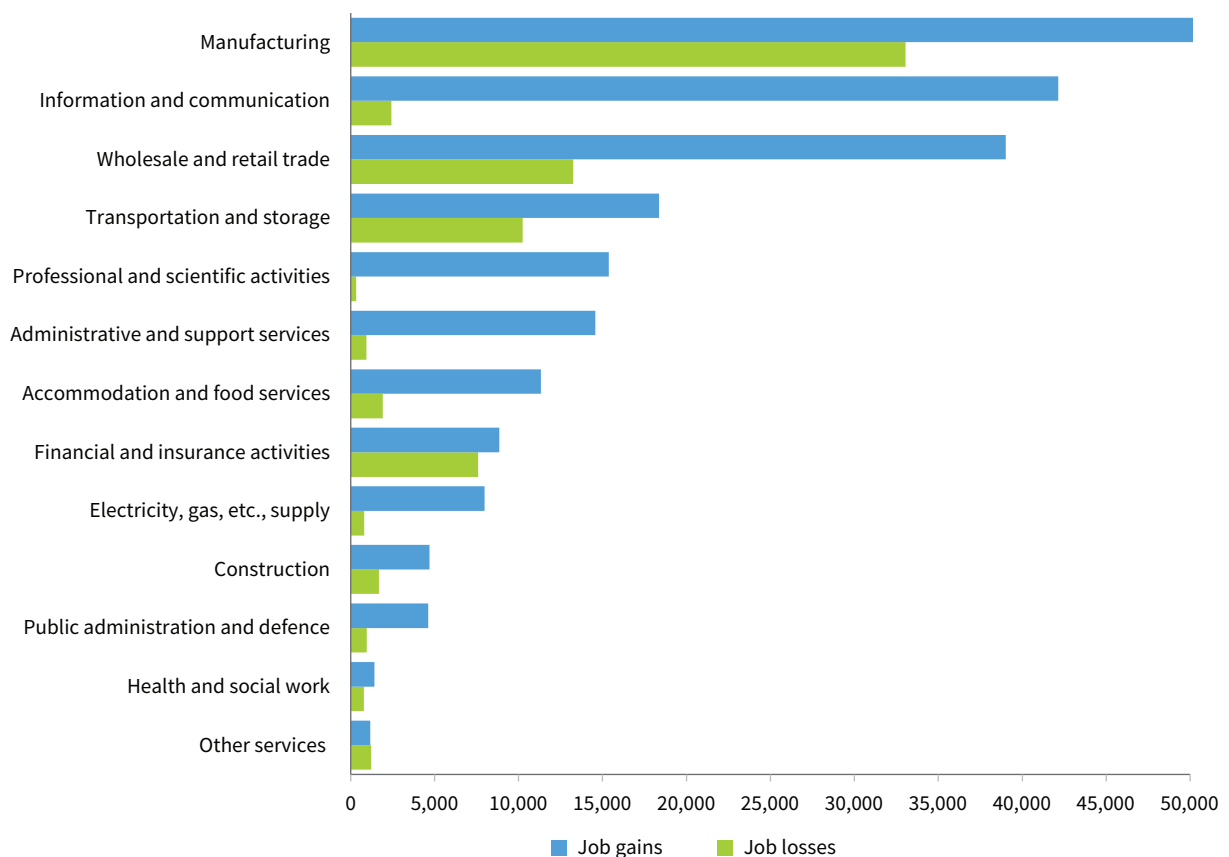
- Company restructurings in 2022 led to substantially more job creation than job loss in all sectors except financial services. The energy crisis, however, forced job cuts in energy-intensive sectors, especially basic metals manufacturing and rubber, plastics and chemicals manufacturing.
- Retail banking stands out as a sector that has seen a steady decrease in employment since the financial crash of 2008. Since 2015, job loss has been driven mostly by digitalisation. It has been most visible in the reduction of cashiers and other customer-facing staff with the shift to online banking, but back-office jobs have also been cut.
- Digitalisation has transformed the occupational composition of employment and the skills profiles of employees in retail banking. The proportion of specialised financial and IT professionals with third-level or postgraduate qualifications has increased, while the proportion of managers, cashiers and staff without a tertiary qualification has fallen. This transformation is consistent with the upgrading of employment generally in the EU.

The strength of the employment recovery in 2022 is replicated in the data on announced job losses and job creation over the year and recorded in the European Restructuring Monitor (ERM). Despite the robust job gains across sectors, however, some businesses were exposed to the fallout of the war in Ukraine and compelled to axe jobs.

Restructurings tilted towards job creation

Between 24 February (when Russia invaded Ukraine) and the end of 2022, the ERM documented more cases of job gain than cases of job loss, representing the creation of almost 225,000 jobs and the destruction of just over 75,000. In almost all sectors, job creation substantially exceeded job loss (Figure 8).

Figure 8: Total number of announced job losses and job gains, EU27, February–December 2022



Source: ERM

The ERM events database

The ERM events database contains factsheets on large-scale restructuring events reported in the principal national media, company websites and administrative data of the 27 EU Member States and Norway. To be included in the database, an individual case of restructuring must involve the announced loss or creation of at least 100 jobs or employment effects affecting at least 10% of a workforce of more than 250 people.

Energy crisis had an impact

Despite the strong job growth across sectors, the war in Ukraine has not left all businesses unscathed. Rising energy costs as a result of Russia's suspension of gas supplies to the EU have forced companies in some sectors to cut jobs. The energy-intensive basic metals manufacturing sector in particular has suffered. A number of aluminium producers and other metal manufacturers have curtailed production or shut down completely. For instance, Alum Tulcea, a Romanian alumina plant, announced its intention to shut down production in August 2022, with the loss of 441 jobs; increasing electricity and gas prices made it much cheaper to import alumina than to produce it.

Rubber, plastics and chemicals manufacturers have

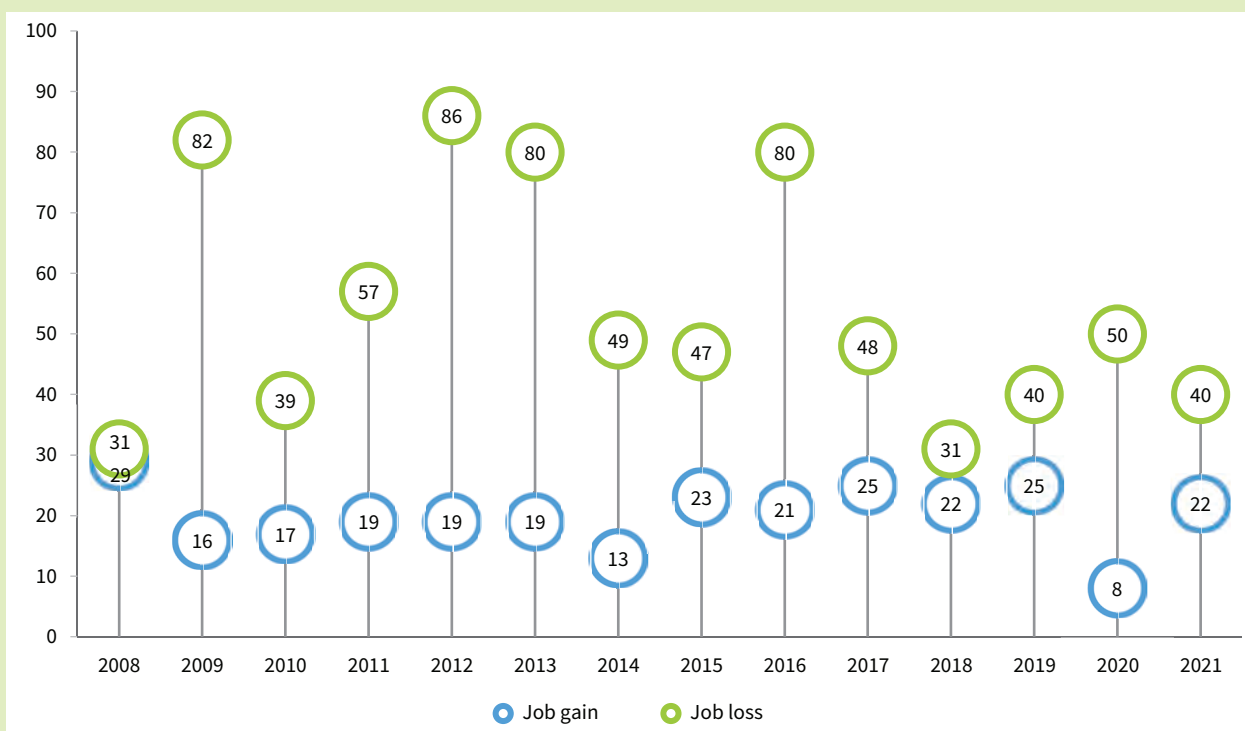
been affected, too. Aside from the manufacturing sectors, the ERM also recorded cases of job losses in the accommodation sector, as hotels struggled to meet rising heating costs, forcing some to close their doors.

The EU stepped in to try and contain the rising price of gas, although consensus was difficult to reach among the Member States. European leaders agreed a cap on energy prices in December 2022 that will be triggered if the price exceeds a certain level. The regulation came into effect in February 2023 but may end up never being activated as European gas prices fell in the final months of 2022 to a level last seen before the Russian invasion of Ukraine, due to falling demand. While falling prices should bring relief to businesses, the drop-off in demand may signal a recession in some countries in 2023.

Digitalisation and the transformation of retail banking

One sector that has shown an ongoing decline in employment since the 2008 economic crash is financial services. Figure 9 shows the trend in restructuring in financial services over 13 years up to 2021, and in each year cases of job loss have outnumbered those of job gain.

Figure 9: Number of cases of announced job loss and job gain in financial services, EU27, 2008–2021



Source: ERM

According to Eurostat data, financial services has experienced a significant drop in employment of 9.6 percentage points since 2008. At Member State level, the picture is more varied: employment has risen in Estonia, Lithuania and Malta, while Belgium, Cyprus, Germany and Greece have seen sharp falls.

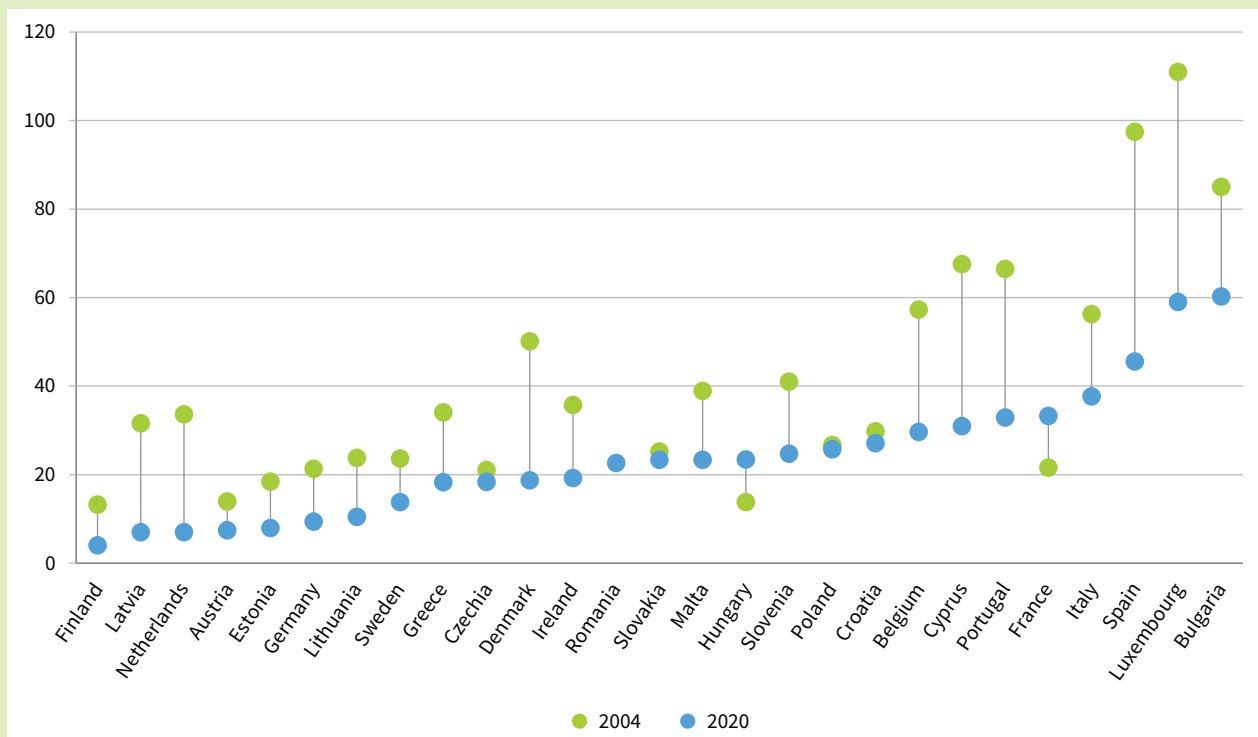
The sector represents a small proportion of overall employment in the EU – 1.6% – but has undergone more restructuring than other sectors. Up to 2015, this restructuring was driven by substantial rationalisation and consolidation of financial services institutions as a result of the global financial crisis, in which it played a major role. Since then, the main driver has been digitalisation. The non-physical nature of its ‘raw material’, combined with a drive to boost efficiency and tackle declining profit margins in a low-interest-rate environment, has pushed the process of substituting customer-facing and back-office staff with technology.

More transactions online, less need for in-person services

Retail banking, the subsector within the financial services sector serving the banking needs of consumers, has seen the same digital transformation as the sector as a whole. In a society that is becoming progressively cashless, basic banking transactions such as bill payment and money transfer can be performed online via a combination of customer self-service and process automation, with very limited need of intervention from bank employees. With the near-ubiquity of the internet and widespread use of smart devices, more and more banking activity is moving online. The diminishing need to provide labour-intensive, face-to-face services has had a knock-on effect on employment.

The most obvious manifestation of banking’s move into the digital space has been the reduction of its branch network. Between 2008 and 2020, according to the European Banking Federation, the number of bank branches fell by 36%. This is evident across the Member States, with few exceptions (Figure 10).

Figure 10: Number of bank branches per 100,000 inhabitants, EU Member States, 2004 and 2020



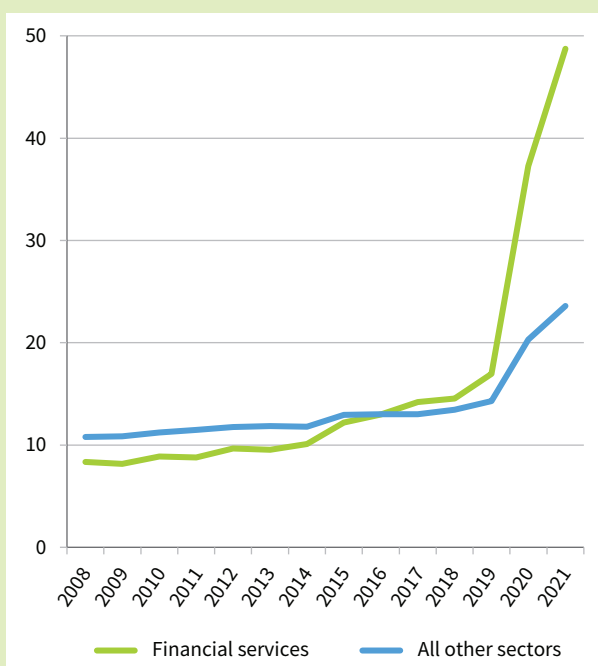
Source: International Monetary Fund (IMF)

However, branches are likely to remain a feature of the high street for the foreseeable future, as banks are generally required to maintain in-person services for customers who do not wish to switch to digital channels. Nevertheless, the shift towards online interaction is inexorable, propelled by the younger generation’s preference for digital banking.

Move towards teleworking

Once the handling of cash is eliminated, most tasks in retail banking involve information processing; as this activity is very amenable to remote working, it has impelled banks to start implementing telework policies. Only from 2016 onwards has the prevalence of telework in the sector outstripped that of all other sectors (Figure 11). In 2021, the percentage of retail banking employees engaged in telework (49%) was double the average of all the other NACE sectors (24%).

Figure 11: Prevalence of telework, retail banking and other sectors compared, EU27, 2008–2021 (%)



Note: Break in time series in 2021.
Source: EU-LFS, Eurofound analysis

Evolving occupational structure

The shift to digital services is affecting not only the staff headcount of banks but also the types of jobs people hold and the skills required for those jobs. Table 3 shows the dramatic change in the occupations of employees in retail banking over a decade.

In 2011, the most common occupation was that of cashier ('tellers, money collectors and related clerks' in ISCO terminology), who work in customer-facing roles in branches. In 2021, by contrast, the most common occupation was finance professionals, who manage and advise on accounts and investments (an occupation that increased by 45% compared with 2011). At least some of those who previously worked as cashiers are likely to have moved to roles as sales agents, which did not feature in 2011 but had risen to fifth place in the occupational rankings by 2021.

The number of IT employees in the sector increased by 55%. The largest increase was of software developers and analysts, whose numbers almost doubled from 66,000 to 112,000. Software developer is now the sixth most common occupation in retail banking. All other IT occupations – such as database and network professionals, ICT operators, and user support technicians and professionals – have also risen, although at a slower pace.

Table 3: Top 6 retail banking occupations in 2011 and 2021, EU27

2011			2021		
1.	Tellers, money collectors and related clerks	776,000	1.	Finance professionals	518,000
2.	Financial and mathematical associate professionals	556,000	2.	Financial and mathematical associate professionals	515,000
3.	Finance professionals	357,000	3.	Tellers, money collectors and related clerks	480,000
4.	Professional services managers	319,000	4.	Numerical clerks	210,000
5.	Numerical clerks	254,000	5.	Sales and purchasing agents and brokers	143,000
6.	General office clerks	107,000	6.	Software and applications developers and analysts	112,000

Source: EU-LFS, Eurofound analysis

A trend of de-layering of management in banking is apparent in the occupational data, where middle-management roles have been eliminated to flatten the organisational structure in a move to improve efficiency. The proportion of managers has decreased in every area, apart from sales and IT. The most marked decrease is among professional services managers, a category that includes branch managers, which fell by 185,000 over 10 years, facilitated by the contraction in branch networks.

Upgrading of skills

The occupational transformation has entailed a parallel transformation of the skills and educational levels required of banking staff. The sector has boosted the numbers of employees with higher-level skills, and not only advanced IT skills. The increased regulatory burden on banks after the global financial crisis has also generated demand for staff with legal and compliance-related qualifications.

A distinguishing feature of the emerging skills needs is that they all involve higher qualifications, third-level degrees or post-graduate qualifications. Traditionally, such qualifications were not a prerequisite of entry into the sector. The proportion of employees without tertiary education has been decreasing steadily. In 2021, over 65% of employees had a bachelor's degree, a master's degree or a PhD.

Read more

Article: EU labour markets resilient despite energy-cost related restructuring eurofound.link/ef22078

Article: First impacts of the Ukrainian crisis on employment in the EU eurofound.link/ef22053

Report: Going digital: Restructuring trends in retail banking eurofound.link/ef22014

Topic: Digitalisation eurofound.link/digitalisation

Eurofound stands with Ukraine

The sudden invasion of Ukraine by Russia in February 2022 took Europe by surprise. The import of this act of aggression and its impact throughout the 27 Member States spurred Eurofound to find ways within its remit to gather evidence and make information available on how people and policymakers across Europe reacted and responded to the crisis as the year progressed.

One of the Agency's first actions was to add a module to the scheduled fifth round of the *Living, working and Covid-19* e-survey, fielded in March–May, to capture Europeans' reactions to the war and to gauge their support for the EU's response. A report and a blog post based on the findings from this survey were published immediately:

- [Fifth round of the Living, working and COVID-19 e-survey: Living in a new era of uncertainty](#)
- [Eurofound survey reveals widespread support for Ukraine](#)

The scope of the **EU PolicyWatch** database was also broadened to record the policy measures adopted by governments and the EU in response to the war. It now includes policies to support refugees from Ukraine and to implement their rights under the Temporary Protective Directive. It also records policies to cushion the impact of the war for EU citizens, workers and companies; these are mostly measures addressing rising inflation, but also include support measures for companies and sectors affected by disruptions to supply chains.

Information from this database was distilled into a series of articles published during the year:

- [Measures to lessen the impact of the inflation and energy crisis on citizens](#)
- [First responses to cushion the impact of inflation on citizens](#)
- [Policies to support EU companies affected by the war in Ukraine](#)
- [Policies to support refugees from Ukraine](#)

The **European Restructuring Monitor** events database was updated to identify restructuring cases related to the war in Ukraine. An article describing the war's impact on employment in the EU, based on ERM factsheets, was published:

- [First impacts of the Ukrainian crisis on employment in the EU](#)

A second article outlined the impact of the energy crisis on employment:

- [EU labour markets resilient despite energy-cost related restructuring](#)

Furthermore, Eurofound adapted its **work programme for 2023** to monitor and analyse the repercussions of the war on living and working conditions in Europe. A project on the plight of Ukrainians fleeing from the war was added to the programme, and the findings will be published in a study on the labour market integration of the displaced persons from Ukraine (jointly with the European Union Agency for Fundamental Rights) and the report *Social impact of migration: Addressing challenges in receiving and integrating Ukrainian refugees*. Other research projects have been modified to examine the impact of the war in different areas: these include projects on regional labour market developments and psychosocial risks at work.



2

Social dialogue

3 Adequate minimum wages

Top takeaways

- In January 2022, all the Member States with a statutory minimum wage, except Latvia, had increased their minimum wage over the previous 12 months. The central and eastern European Member States delivered the highest increases, with Hungary's level increasing by 19.5%. The increments set by Croatia, Estonia, Lithuania and Romania were also generous, raising the level by more than 10% in each.
- Because of inflation, however, these increases did not translate into real gains in two-thirds of Member States. Only minimum wage workers in Croatia, Hungary, Portugal and Romania saw decent gains in their earnings from work.
- Eurofound estimates that around 4% of EU employees currently earn a minimum wage or a wage close to it, but the percentage is higher among specific groups of workers. Among female employees, the figure is 5%, while it is 9% among temporary employees. Close to 1 in 10 employees in accommodation and food services and in agriculture earn a minimum wage. It is also more prevalent in certain occupations, particularly agricultural workers (11%) and workers in unskilled elementary occupations (10%).

The minimum wage – the lowest wage an employer can legally pay – is one of the building blocks of a social Europe. The implementation of minimum wages by the Member States and the progressive increase in their value relative to other wages are steps towards a more equal society, where workers' pay meets their material needs. With nearly 1 in 10 workers at risk of poverty, however, Europe is still some way from achieving that goal. The European Pillar of Social Rights commits the EU to ensuring that every worker has a wage that secures a decent standard of living, and the Minimum Wage Directive adopted in 2022 follows through on that commitment.

Upward revisions in 2022

In January 2022, all the Member States with a statutory minimum wage (21 of the 27 Member States at that time) had increased their minimum wage over the previous 12 months, with the exception of Latvia. The pandemic-induced caution of 2021, which had held down increases and even persuaded four Member States to freeze the level, had dissipated.

The central and eastern European Member States delivered the highest increases, in particular Hungary, with an increase of 19.5%. Revisions in Croatia, Estonia, Lithuania and Romania were also generous, raising the level by more than 10% in each, while Bulgaria applied an increase of more than 9% and Czechia and Poland set increases of around 7%. In the pre-2004-enlargement Member States, increments were more modest, the largest being 4–6% in Belgium, Portugal and Spain.

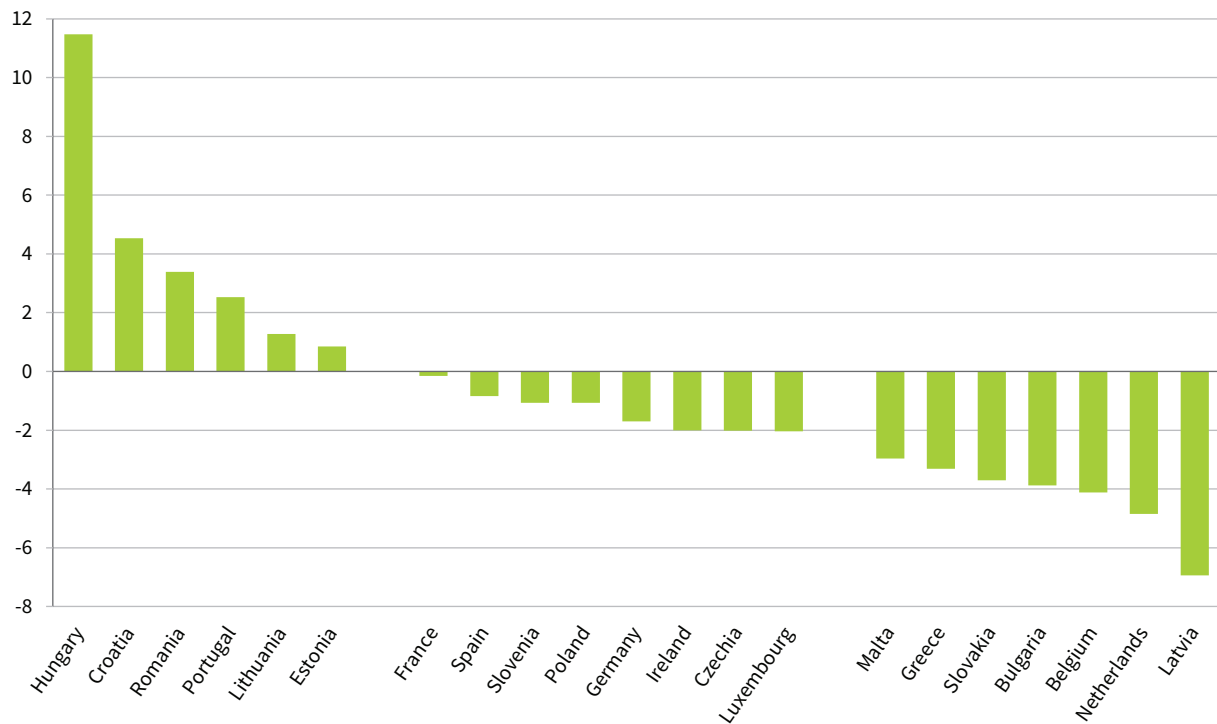
Gains wiped out by inflation

Up to 2021, these nominal increases would have translated into real increases, boosting the purchasing power of the minimum wage, thanks to virtually flat inflation over several years. The return of inflation, however, wiped out the minimum wage hikes in two-thirds of Member States (Figure 12). Only in Croatia, Hungary, Portugal and Romania did minimum wage workers see decent gains in their pay. The purchasing power of the minimum wage fell by as much as 7% in Latvia and 5% in the Netherlands.

A single yearly revision is the norm in Member States. If the prices of goods and services rise after the increase is passed on, minimum wage workers see the purchasing power of their wage diminish, unless there is further intervention to keep the wage in line with inflation. In most Member States, no additional increases were sanctioned in 2022. Greece, however, gave workers an extra increase of 7.5% in May, and in June, the German Parliament passed a further one-off increase to €12 per hour from October.

Three Member States – Belgium, France and Luxembourg – have automated indexation mechanisms that raise minimum wages in line with inflation, thereby enabling these countries to act if the gap between the nominal and real levels widens over the year. The indexation mechanism in Belgium triggered five increases in 2022, while two additional increases were made in France. Luxembourg applied one extra increase as a result of the automatic indexation but postponed a second by 12 months, following agreement between government, employers and trade unions, on the basis that this would ensure the predictability of labour costs for business.

Figure 12: Changes in minimum wages in real terms, EU Member States, January 2021–January 2022 (%)



Note: 21 Member States have a minimum wage. Based on the rate of change between January 2021 and January 2022 except for Hungary (February 2021) and Bulgaria (April 2022). Change is calculated based on monthly gross minimum wage figures and the Eurostat HICP monthly index (2015 = 100)

Source: Network of Eurofound Correspondents and Eurostat [prc_hicp_midx], Eurofound analysis

Right to a fair and adequate wage

There is no escaping the fact that, across the Member States, the minimum wage has failed to ensure a decent standard of living for its recipients because it is consistently too low. A European Commission analysis found that in nine Member States the minimum wage was insufficient to place a single minimum wage earner above the at-risk-of-poverty threshold. What hope then for workers with families? In fact, many more workers in addition to minimum wage earners are financially insecure. One-quarter of workers struggled to make ends meet in 2021, according to the European Working Conditions Telephone Survey (EWCTS).

The inception of the European Pillar of Social Rights placed an onus on the EU to address the inadequacy of minimum wages, stating that workers have a right to a minimum wage ‘that provides for the satisfaction of the needs of the worker and his/her family’. The EU acted, and in October 2022, the European Council adopted the directive on adequate minimum wages.

The directive requires those Member States that have a statutory minimum wage to establish clear criteria to set the wage at a level that enables a decent standard of living and to update it in a timely manner. It proposes that Member States determine the level using reference values such as 60% of the national median wage or 50%

of the average wage. If this is done, 25 million EU workers could see their wages increase, according to the Commission. And as women are overrepresented among minimum wage earners, the directive should also help reduce the gender pay gap. Member States have two years to transpose the directive, so that by 2024 all workers in the EU should be earning a fair and adequate wage.

Who are the minimum wage earners?

Revisions to countries’ minimum wages are followed closely. While changes directly affect only a small percentage of workers, the minimum wage can have knock-on effects on other wages if it is used as a benchmark in wage negotiations or if worker representatives seek to keep a relative margin between it and the wages over which they are negotiating.

Eurofound estimates that around 4% of EU employees currently earn a minimum wage or a wage close to it. The percentage is higher among specific groups of employees such as part-time employees, temporary employees and those with low educational attainment.

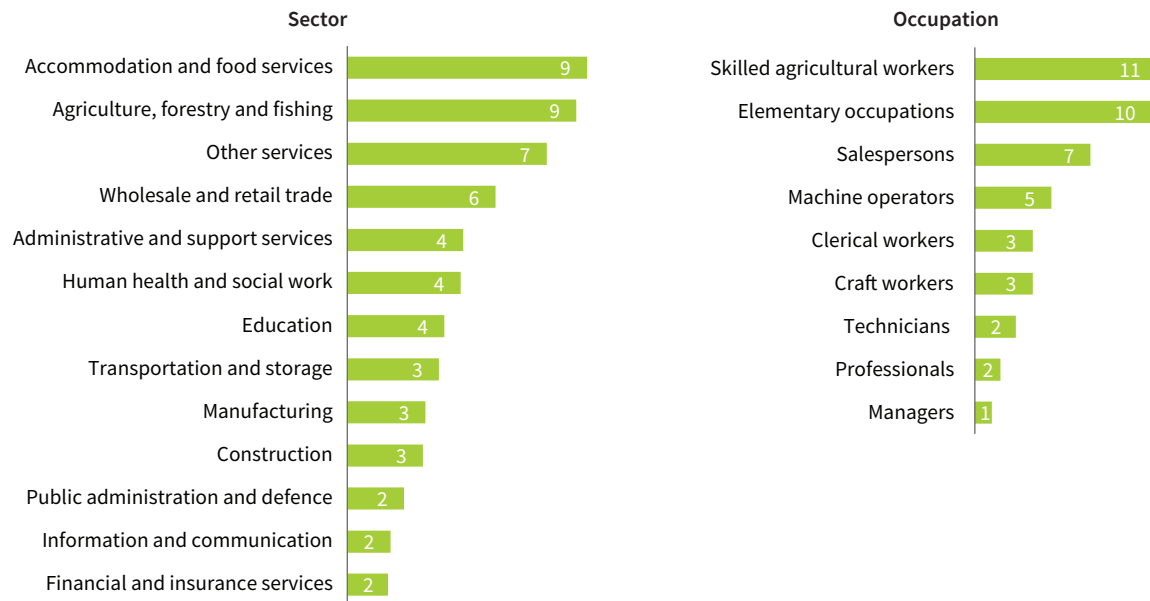
Many more minimum wage workers than the average work in hotels and restaurants, accounting for close to one-tenth of the sector’s employees, while many fewer work in high-paying sectors such as finance and IT

(Figure 13). And while 11% of agricultural workers and 10% of workers in unskilled elementary occupations earn a minimum wage, the figure is just 1% among managers.

So while the overall percentage of minimum wage workers in the EU is relatively low, substantial proportions of workers who produce our food, clean our working and living spaces, and provide our leisure services are paid the lowest legal wage.

Minimum wage earners	
5%	of female employees
5%	of young employees
7%	of employees with low educational attainment
8%	of part-time employees
9%	of temporary employees

Figure 13: Proportion of EU employees earning minimum wages, by sector and occupation, 2018 (%)



Note: Excludes data from Bulgaria, Croatia and Romania because these Member States provide wage information in net terms and the conversion into gross terms cannot be done.

Source: EU-SILC 2019 (referring to 2018 wage information), Eurofound calculations

Read more

Report: Minimum wages in 2022: Annual review eurofound.link/ef22040

Blog post: Minimum wages in 2022: Bigger hikes this time around eurofound.link/ef22041

Blog post: How to ensure adequate minimum wages in an age of inflation eurofound.link/ef22069

Listen

Podcast: [Eurofound Talks – Minimum wages](#)

4 Stronger collective bargaining for better outcomes

Top takeaways

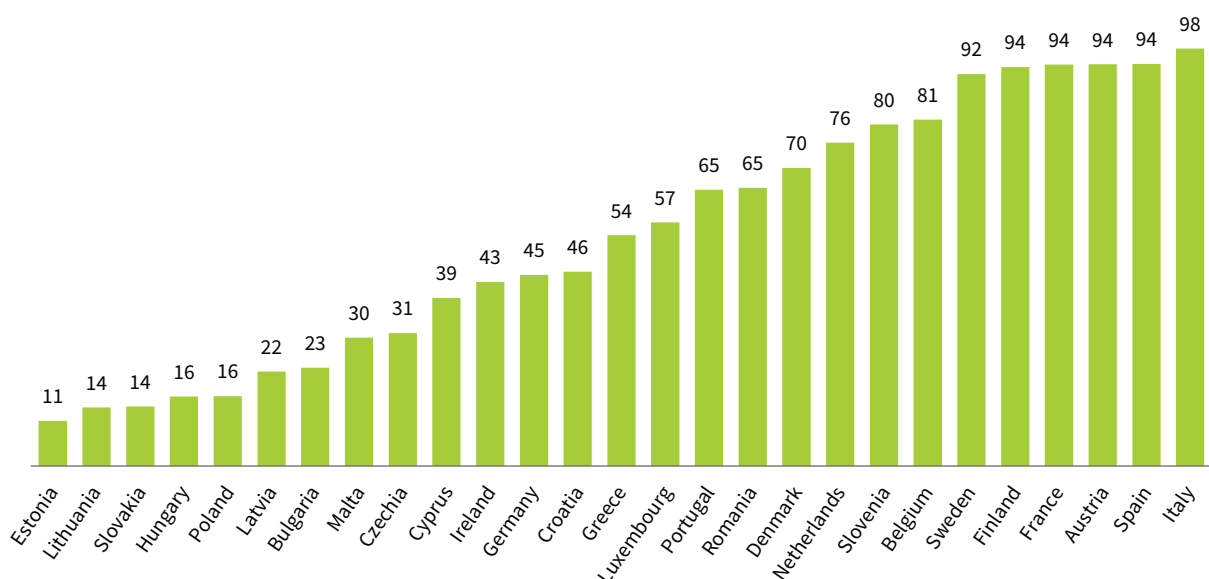
- The provision in the directive on adequate minimum wages on broadening the numbers of workers covered by collective bargaining asks a lot of several Member States. Many will need to invest in building the capacity of the social partners to engage in collective bargaining and to establish legal and other public frameworks and incentives to support it.
- The transition to a green and digital economy will be disruptive to business and workers, but integrating collective bargaining into the process of change would help build partnership and joint decision-making. However, the evidence indicates that collective bargaining has made limited inroads so far in agreeing provisions to address the changes arising from decarbonisation and digitalisation.
- During the pandemic, the social partners demonstrated an ability to respond rapidly to unprecedented challenges and jointly arrive at solutions. This suggests that they should play an important role in the policymaking around crucial issues arising from the structural changes that the economy is undergoing.

The directive on adequate minimum wages has a second objective in addition to raising minimum wages: to strengthen collective bargaining, the process of negotiation between employer and worker representatives to determine the terms of employment and working conditions, including pay, for an organised body of employees. The directive requires Member States in which less than 80% of workers are covered by collective bargaining to create a framework for bargaining to take place and to establish an action plan to promote it.

A glance at Figure 14 makes it plain that collective bargaining plays a marginal role in the private sector in several Member States; in 13, less than half of workers are covered.

While there were some indications in 2022 that stakeholders in the Member States were anticipating the directive’s provisions on the adequacy of minimum wages and considering increasing their levels in line with the reference values cited in the directive, there is scant evidence that anyone was debating ways to extend collective bargaining coverage. Only in Denmark and Latvia had discussions on the matter begun.

Figure 14: Private sector collective bargaining coverage, EU Member States, 2019 (%)



Source: European Company Survey (ECS) 2019

Reversing declining coverage

Behind the directive's second objective lies policymakers' recognition that the erosion of collective bargaining over several years has put a downward pressure on wages and on the minimum wage. The share of low-paying jobs in the economy has risen more than the share of mid-paying jobs; this, alongside the growth of high-paying jobs, is polarising employment. Reversing the decline in collective bargaining is seen as a means to halt this trend. The Commission notes in the directive that Member States with a high collective bargaining coverage tend to have a low share of low-wage workers and high minimum wages.

Meeting the challenge set by the directive will require governments to invest in building the capacity of the social partners to engage in collective bargaining and to establish legal and other public frameworks and incentives to support it.

This is ironic, given that governments and, indeed, the EU were instrumental in the diminution of collective bargaining in the wake of the 2008 financial crash. Structural reforms targeted collective bargaining, decentralising it from multi-employer industry level to company level, on the grounds that this would introduce more flexibility in the labour market, which was necessary to tackle unemployment. The estimated number of EU employees covered fell from an average of 66% in 2000 to about 56% in 2018. Declines were particularly sharp in central and eastern Europe.

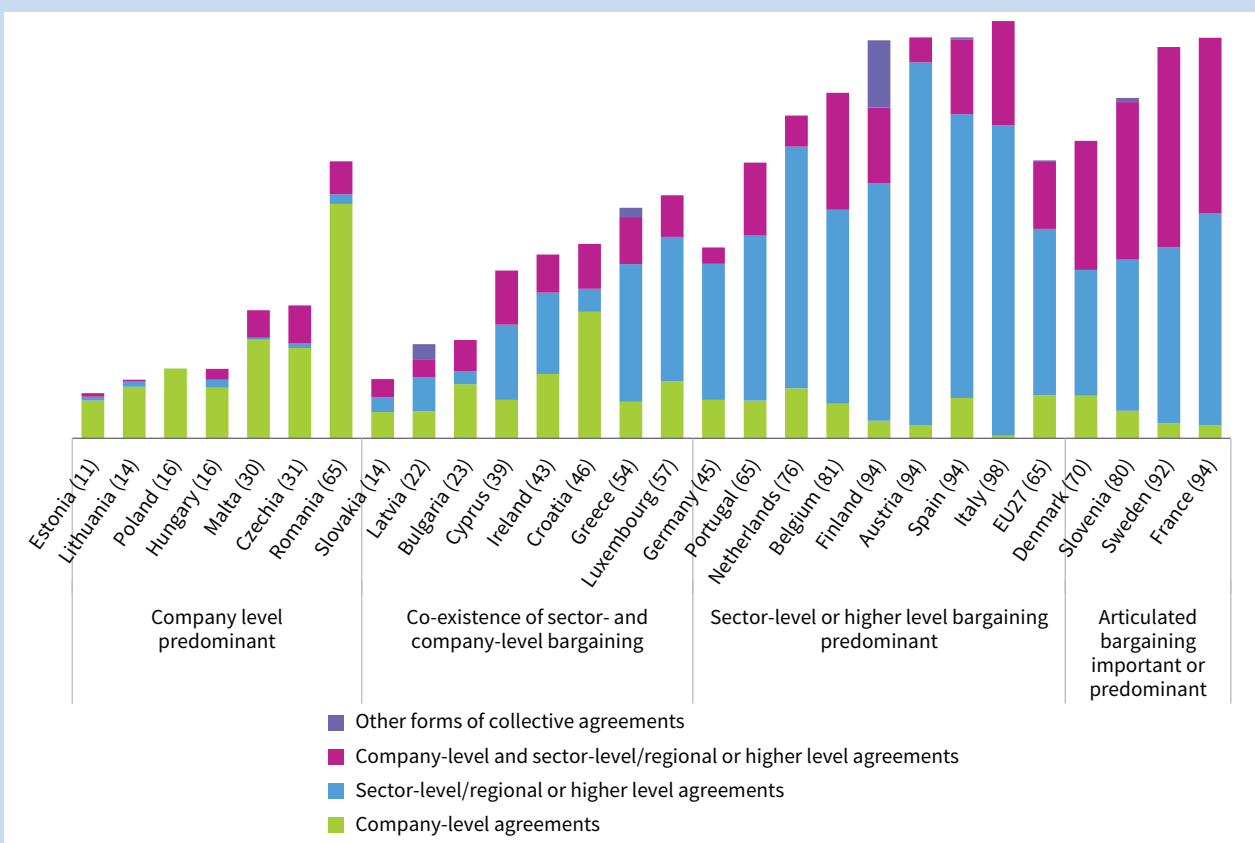
Data dive: Variation in coverage

Figure 15 rearranges the Member States in Figure 14 according to the predominant level of collective bargaining. Eurofound has identified four broad groups:

- decentralised, predominantly company-based bargaining
- coexistence of company- and sector-level bargaining, with neither dominating
- predominantly sector-level or higher-level bargaining
- predominantly articulated bargaining (where companies adhere to both a company-level and a higher-level collective agreement)

The figure also illustrates the extent of different levels of collective agreement. It shows that higher-level agreements make up the majority of agreements in countries where collective bargaining coverage is high, while countries that have no substantial sectoral bargaining in place tend to have much lower collective wage bargaining coverage.

Figure 15: Private sector collective bargaining coverage and predominant level of agreements, EU27, 2019 (%)



Source: EU-LFS and SES, Eurofound analysis

Scope for wider role in managing change

In its favour, collective bargaining is potentially more flexible, adaptable and effective than legislation in the regulation of employment and working conditions, which suggests its role could be expanded in this area. Collective agreements can be revised or updated at any time and because provisions can be tailored to the specific conditions of a sector or company, they can more effectively achieve the overall goals of less-specific national regulations. Joint decision-making by both sides of industry on issues could also contribute to a more inclusive and effective governance of work.

Making a difference in a crisis

The performance of collective bargaining, and social dialogue more broadly, in some Member States during the COVID-19 pandemic demonstrated the ability of the social partners to deal in a timely manner with novel challenges to the employment and working conditions of employees at the centre of the storm. Countries that involved the social partners in the decision-making were better and more quickly able to develop responses. Social dialogue also gave workers a voice in the management of a crisis that put both their health and their livelihoods at risk.

Studies by Eurofound documented the measures agreed in two sectors severely disrupted by the crisis – hospitals and civil aviation. In the hospital sector, the social partners concluded agreements that enabled hospitals to cope with the overwhelming pressure of COVID-19 admissions, such as the adaptation of work organisation to secure greater capacity, the reallocation of staff, and the implementation of measures to protect the health and safety of staff. In the civil aviation sector, social dialogue intensified in order to lessen the negative effects on employment and on the industry as a whole, with the social partners jointly preparing rescue packages and employment-retention schemes.

This involvement of the social partners in the development of pandemic-related policy was not universal. Their participation was evident in countries with well-established social dialogue institutions and social partner cooperation, such as Austria, Belgium, Denmark, Finland, Germany, Luxembourg, the Netherlands and Sweden. Closer collaboration between government and the social partners was also evident in countries where collective bargaining is comparatively less established, such as Bulgaria, Cyprus, Czechia, Estonia and Malta in the case of the hospital sector; and Bulgaria and Croatia in the case of civil aviation. Elsewhere, however, governments did not seek the social partners' input when critical decisions were made.

Shaping the future of work

As work is transformed by the simultaneous projects of digitalisation and carbon-neutrality, as well as structural factors such as demographic change, collective bargaining is one tool that could ensure that workers have a say in the choices that are made and that the transition is indeed just. While the twin transition is predicted to bring many gains – more and better jobs – it will not be smooth. Collective bargaining would give workers a place at the table when their jobs are in the firing line or their skills rendered obsolete, empowering them to negotiate for training and reskilling, for opportunities and support to transfer into new jobs. As new business models emerge and create new employment relationships, as online platforms have done, collective bargaining could be the means for workers to argue for decent pay and working conditions. Through collective bargaining, automation and artificial intelligence might be implemented not to undermine jobs, but to enhance work, encourage autonomy and boost engagement.

A study by Eurofound of collective agreements made in recent years across the EU suggests that bargaining is making inroads in shaping future workplaces but not nearly as extensively as might be expected.

Few agreements on green transition

Only recently have trade unions and employers started to negotiate on the challenges presented by the transition to a carbon-neutral economy. Collective agreements are relatively scarce, generally confined to those sectors or companies directly affected by the transition. Some of these focus on creating specific instruments for worker participation in decision-making on greening issues while others address the impact of decarbonisation. An example of the latter is the agreement on the phasing-out of coal mining in the Silesia region of Poland, which was reached between the government, trade unions, mining companies and local authorities. It addresses the transformation of the entire region as this traditional cornerstone of the economy is removed.

More activity on digitalisation

Digitalisation has produced more collective bargaining activity than greening. To date, much of this activity has revolved around telework or mobile work, an area that gained momentum with the COVID-19 crisis. The scope of the agreements on telework varies. Some have tried to provide an overarching framework taking into account all the implications, including health and safety, working time, control and privacy, and even decarbonisation. Others have simply set out the conditions under which telework can take place, without considering the broader implications for the worker or the organisation.

Agreements have also been reached to address situations where digitalisation leads to a significant change in job requirements or working conditions. These include provisions on job security that establish mechanisms to secure equivalent jobs or compensation if jobs are lost or downgraded because of digitalisation. There are also agreements covering the use of artificial intelligence mechanisms and algorithms by companies, requiring transparency from employers about how the data on employees gathered by these tools is used.

Addressing skills gaps due to technological innovation

Technological advances are changing the skills composition required of workers, and collective agreements are increasingly addressing reskilling. Several collective agreements include clauses relating to skills and training policies to maintain workers' employability and enable organisations and business to adapt to structural change. Clauses in collective agreements in the steel, metallurgy and mining industry in Slovakia, for instance, establish a framework aimed at avoiding redundancies arising from the implementation of new digital technologies by retraining or reskilling employees and reassigning them to another position with the same employer.

Proactivity not a given

One of the main conclusions of the study of collective agreements is that it cannot be taken for granted that collective bargaining will respond automatically, without prompting, to structural changes in the labour market. The study found significant variation across the Member States in the capacity of collective bargaining to introduce new elements onto negotiation agendas.

It identified three factors that seem to increase the probability of collective bargaining responding to structural changes: a degree of autonomy on the part of the social partners in regulating employment relations; the social partners having the necessary capabilities and skills; and a shared perception by trade unions and employer organisations of the challenges associated with these changes.

The ability of the social partners to contribute constructively to addressing the unprecedented challenges presented by the pandemic has proven that social dialogue and collective bargaining can have a role in finding solutions to issues not traditionally within its scope. This is a strong argument in favour of the social partners' involvement in the policymaking around crucial issues such as the future orientation of industry and reform of regulations governing working conditions in step with a changing world.

Read more

Report: Moving with the times: Emerging practices and provisions in collective bargaining eurofound.link/ef21046

Article: Collective bargaining and social dialogue – Back to normal in 2021? eurofound.link/ef22039

Report: Social dialogue and collective bargaining in the hospital sector during the COVID-19 pandemic eurofound.link/ef21030

Report: Social dialogue and collective bargaining in the civil aviation sector during the COVID-19 pandemic eurofound.link/ef22023

5 Social partners' involvement in recovery and resilience plans

Top takeaways

- The regulation establishing the Recovery and Resilience Facility (RRF) requires the Member States to include the social partners in developing their national recovery and resilience plans in order to foster a sense of ownership of the plans across stakeholders, an important factor in ensuring the effectiveness of the measures.
- There was general dissatisfaction among the social partners across the Member States regarding the quality of the consultation with the government ministries that developed the plans. In several countries, both the employer organisations and trade unions felt they had limited influence at best on the final plan. In the remaining countries, there were differences between trade unions' and employer organisations' perceptions – some feeling they had significant influence, others feeling they had little or no influence.
- Despite their dissatisfaction with the RRF process so far, the social partners were positive about engaging in further consultation on the implementation of the planned policy measures and reforms.

The need for the meaningful involvement of the social partners in decision-making is a frequently repeated tenet of EU social policymaking. The regulation establishing the Recovery and Resilience Facility (RRF) reiterates it. The RRF is providing over €700 billion in loans and grants to Member States to make the necessary reforms and investments to drive a recovery from the COVID-19 pandemic that focuses on achieving a zero-carbon digitalised economy. The input of the social partners is considered essential for fostering ownership of policy actions at national level and to strengthen their effectiveness. However, the principle is, once again, proving to be observed more in the saying than in the doing, because the social partners, for the most part, express dissatisfaction with their participation.

The process of applying for and receiving RRF funding has been built into an adapted European Semester. To get a slice of the fund, Member States were required to submit a national recovery and resilience plan (NRRP) by the end of April 2021 outlining their plans for investment and reform, in line with the EU policy objectives. The NRRPs are integrated into the national reform programmes (NRPs) of previous years, but each are developed using different methods.

The Commission has urged the participation of the national social partners throughout the stages of the European Semester, and since 2016, Eurofound has reported on their involvement in the development of the NRPs. From the start, the depth of this involvement has varied enormously depending on the country, and the social partners in several Member States believe that their views have little influence on the final programmes.

The RRF regulation requires Member States to include a summary of the consultation with the social partners, among a number of social actors, and to describe how their inputs are reflected in the plan. The summary should cover the 'scope, type and timing of consultation activities, as well as how the views of the stakeholders are reflected in the plan', according to the Commission. Most of the NRRPs submitted, however, simply describe the milestones of the consultation process in brief and list the stakeholders involved, without explicitly documenting the social partners' views or indicating which contributions have been incorporated.

Deficient consultation process

Unsurprisingly, then, several representatives of both employer organisations and trade unions expressed dissatisfaction with their involvement in the drafting of the NRRPs in a survey conducted by Eurofound across the EU27 in 2022. With few exceptions, the social partners in Member States considered that the time allotted for their involvement was insufficient and that a genuine process of consultation and discussion on the content of the NRRP had not taken place. The governments of Bulgaria, Greece, Hungary, Ireland and Poland set up online forums for consultation that were open to other civil society actors, in the interest of broadening the scope of involvement. These forums did not enable feedback to be given, however, so the social partners regarded them as information-sharing mechanisms and not a meaningful social dialogue process.

Overall, the social partners in many countries felt that the quality and intensity of their involvement was uneven and weak and that the consultation process

could have been better planned and organised. In defence of the government ministries in charge of the process, the challenges they faced in preparing the NRRPs were considerable. The process was conducted during the COVID-19 pandemic and the design and drafting of the plans was a complex, demanding and time-consuming task. These factors may have constrained engagement with the social partners.

Proposals and contributions not taken on board

In addition to the faulty consultation process, the social partners took the view that the NRRP submitted by their government did not reflect their proposals and contributions. A question in the survey asked representatives of employer organisations, trade unions and governments whether the social partners had a significant influence, a limited/relative influence or no influence. In 12 countries, both employers and trade unions, and in some cases government representatives too, reported they had a limited influence: Belgium, Bulgaria, Cyprus, Czechia, Estonia, France, Latvia, Lithuania, Poland, Portugal, Spain and Sweden. In the remaining countries, there were differences between the views of trade unions and employer organisations. In no country did both report they had a significant influence, but employer organisations in Austria and

Cyprus (one organisation) reported having a significant influence as did trade unions in Denmark, Finland and Malta. Unions reported less influence than employer organisations overall.

Opportunity to contribute to implementation

Despite their dissatisfaction with the RRF process so far, the social partners were positive about engaging in further consultation on the implementation of the planned policy measures and reforms. They took the view that the country reports issued by the Commission in the context of the European Semester could frame a discussion on the implementation of national reforms and investments, allowing them to exchange ideas and contribute to the NRRP using a sound baseline.

The structural reforms ahead will transform the economic landscape, the way business operates and the nature of work. However, the economic impact of the war in Ukraine will complicate the realisation of plans. While the transition will be disruptive, a focus on building partnerships between all sides – employers, workers and government – could increase the prospects for successful implementation of the structural reforms needed to achieve fair and inclusive sustainable economic growth.

Read more

Report: Involvement of social partners in the national recovery and resilience plans eurofound.link/ef21002

Blog post: Resumed EU Semester calls for better involvement of the social partners in implementing recovery and resilience plans eurofound.link/ef22054

Foundation Forum 2022

Eurofound held the seventh Foundation Forum in March 2022 in cooperation with the Irish government. This flagship conference, entitled ‘Recovery and resilience in the EU – Back to the future?’, brought together high-level policymakers, experts and thought leaders to explore the issues around Europe’s recovery from the COVID-19 pandemic and how the EU could ensure equality, inclusion and social cohesion as it builds a greener, more digital and more resilient Union. The Russian invasion of Ukraine only two weeks earlier added an unexpected urgency to the debates.

The Forum explored four key themes in panel sessions.

- COVID-19 and the impact on EU convergence and resilience
- The future of work: Between dark clouds and silver linings
- Moving to a green economy: Challenges and opportunities
- The future of social protection: Is a reset possible?



[Read more](#)

Foundation Forum 2022: <https://www.eurofound.europa.eu/events/foundation-forum-2022>



3

Working conditions

6 Raising the bar on job quality

Top takeaways

- Nearly one-third of workers had ‘strained’ jobs in 2022, in the sense that the negative aspects of their working conditions outweighed the positive aspects. This means they were exposed to many adverse working conditions – such as physical and psychosocial hazards, job insecurity, unsocial hours, and work intensity – without sufficient job resources to offset the negative aspects. These resources include recognition for their work and autonomy to make decisions independently about their work.
- The poor job quality of strained jobs was associated with worse outcomes for workers’ health and well-being: more workers whose jobs were classified as strained reported that their health and safety was at risk because of work, that they suffered from health problems and that their work–life balance was poor.
- While job quality is a priority for its own sake, enabling people to realise their full potential and their goals, in a tightening labour market, it becomes an increasingly important criterion in workers’ decisions in choosing a job. Job quality will need to be improved if employers are to retain and attract staff to realise their business potential.

A scarcity of workers to fill job vacancies was commonplace across the economy in 2022. The struggles of hospitality businesses to lure staff back after a long period of closures and restrictions on operating hours were aired across the media. Former workers in the sector cited poor working conditions – such as job insecurity, haphazard working hours and low pay – as the reason for their reluctance to return. With tight post-COVID labour markets and other sectors hiring energetically, workers had options and were opting for job quality.

Labour shortages and high vacancy rates are likely to plague some sectors for the foreseeable future as the population ages, causing the labour force to shrink. It means that employers will have to work harder on improving job quality to retain experienced and trained staff and to attract new staff who have choices aplenty.

Distinguishing strained jobs and resourced jobs

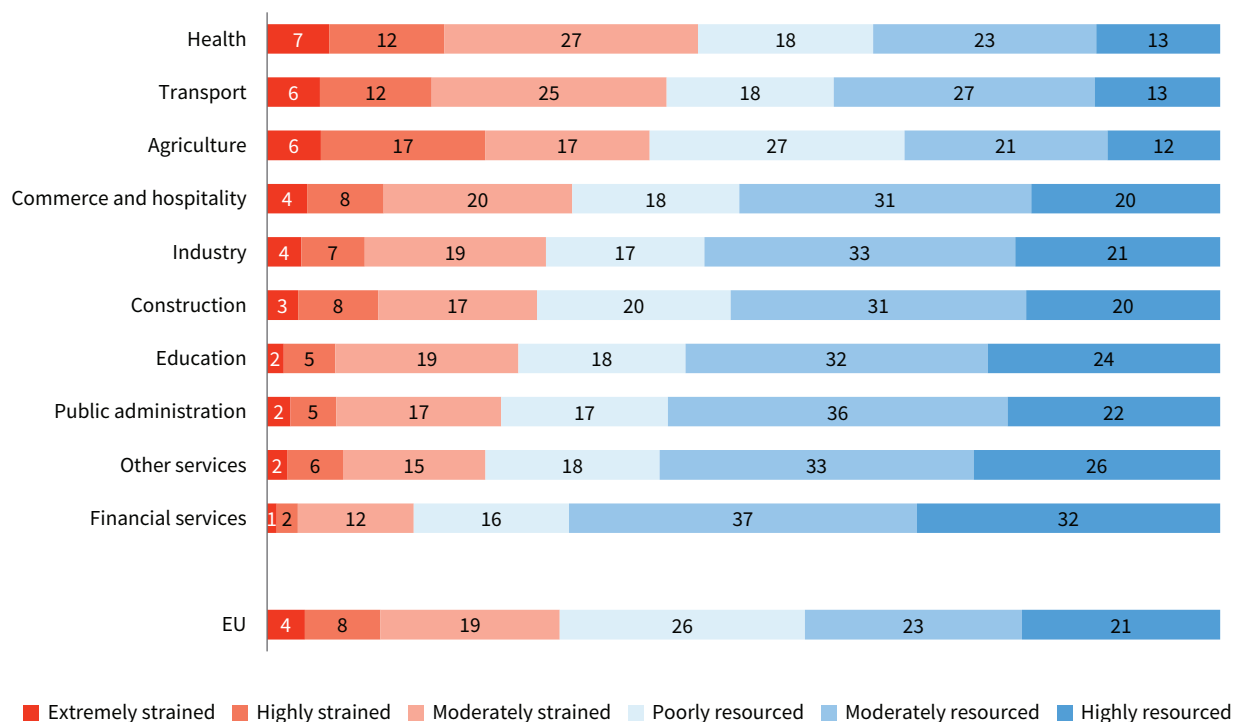
This will pose a challenge because poor job quality continues to be widespread in the EU, according to Eurofound’s latest findings on working conditions in Europe. The European Working Conditions Telephone Survey (EWCTS), a special pandemic edition of Eurofound’s regular EWCS, asked participants across Europe in 2021 about multiple aspects of their working

conditions. Based on the data gathered, researchers categorised workers on a continuum from those with the best jobs to those with the worst, designating poor-quality jobs as ‘strained’ and good-quality jobs as ‘resourced’. The survey showed that, overall, nearly one-third of EU workers (31%) worked in strained jobs.

The data also show, as Figure 16 illustrates, that despite the bad press around the hospitality sector, the highest proportions of workers in strained jobs were not found in that sector but in the health sector, where close to half of workers (45%) had strained jobs. The finding comes as no surprise: many health workers were working in severely pressurised workplaces when they answered the survey – feeling overworked and undervalued and fearful of contracting a potentially killer virus. Nevertheless, not far behind is transport, quite a different sector but another one disrupted severely by the pandemic restrictions, where 42% of workers had strained jobs. The third sector is agriculture, quite different again, less affected by the pandemic and characterised by a declining economic role and a falling share of employment in the EU.

It is worthwhile probing the data to see why these three sectors topped the ranking, and also what placed financial services at the bottom, with the lowest share of strained jobs. While the findings capture these sectors at a unique point in history and might not be replicated exactly now, they point to underlying issues that determine working conditions at any time.

Figure 16: Job quality breakdown by sector, EU27 (%)



Source: EWCTS 2021

Delving deeper

How do we judge a job to be resourced or strained? If it is physically demanding but offers flexible hours and pays well, is it good or bad, or somewhere in the middle? Every job is a mix of positive and negative attributes. An influential theory of occupational well-being, the job demands–resources model,

posits that job strain arises when the negative outweighs the positive. The negative, ‘job demands’, carry physical and psychological costs, while the positive, ‘job resources’, offset those demands. The higher the demands in relation to the resources, the lower the job quality.

The EWCTS asked respondents about several demands and resources in their jobs, listed in Table 4.

Table 4: Job demands and job resources included in the EWCTS 2021

Job demands		Job resources	
Physical risks	Contact with chemicals or infectious materials; exposure to loud noise	Social support	Support from colleagues, managers or peers
Physical demands	Carrying heavy loads; lifting people; tiring or painful positions; repetitive hand or arm movements	Autonomy	Ability to choose methods of work, order of tasks, speed or rate of work
Social demands	Verbal abuse; sexual harassment; bullying or violence; discrimination	Workplace voice	Ability to influence important decisions on your work; involved in improving work processes; consulted on the objectives of your work
Work intensity	Working at very high speed or to tight deadlines; emotionally disturbing situations	Time flexibility	Easy to arrange to take an hour or two off work
Dependency (self-employed only)	No authority to hire or dismiss employees; cannot take the most important business decisions	Training	Training provided by employer; on-the-job training provided; learning new things
Unsocial hours	Working in free time, at short notice or at night; long working hours	Intrinsic rewards	Recognition for work
Job insecurity	Might lose job in the next 6 months; expected undesirable change in work situation; only one client (self-employed only)	Self-realisation	Opportunities to use knowledge and skills; sense of work well done or useful work; paid appropriately

Large numbers of workers in the health, transport and agriculture sectors had jobs that placed more job demands on them than offered job resources.

Physical and psychological hazards

More workers in the health sector than any other sector reported being exposed to hazards at work that can cause physical harm. As Figure 17 shows, an especially high percentage, 59%, handled infectious materials, a particular concern during the pandemic, when any article or surface in the vicinity of a COVID-19 carrier was potentially a source of contact with the virus. An analysis of the data at more granular level showed that more workers in hospitals and residential nursing homes (75% and 73%, respectively) were regularly in contact with infectious materials.

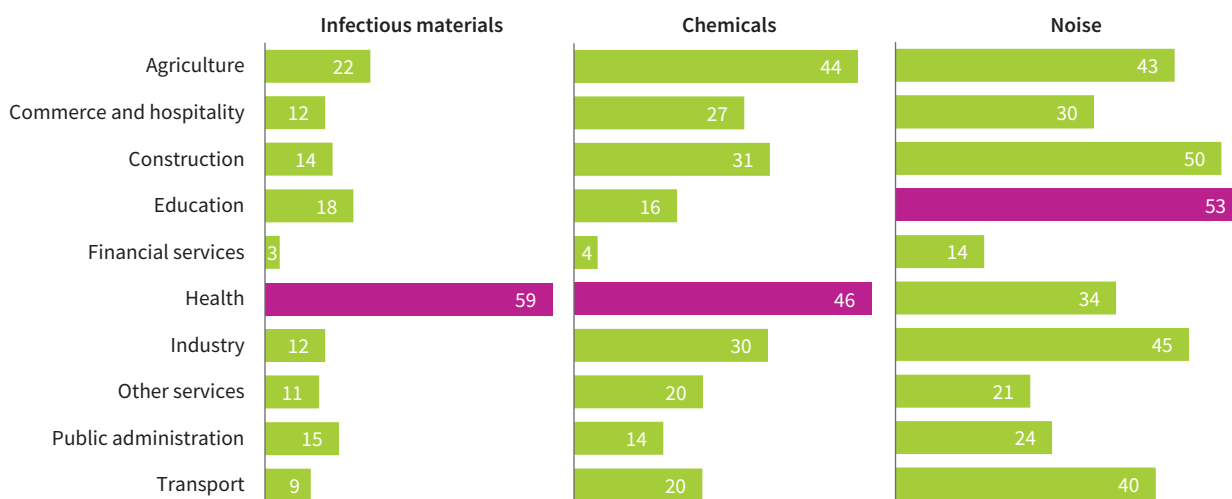
Health is also the sector with the highest proportion of workers who had contact with chemicals, closely followed by the agriculture sector. Exposure to loud noise, the third physical risk investigated, was common across many sectors, particularly those involving work

with heavy machinery. This risk was most prevalent in education, however, where teachers and students are routinely exposed to classroom noise. The lowest percentages on all three indicators were found in the financial services sector.

Physically demanding work was also more prevalent in health and agriculture: 70% of workers in agriculture and 64% in health reported working in tiring or painful positions, compared with an EU average of 50%. Agriculture had the highest percentages of workers who carry heavy loads (64%) and perform repetitive movements (81%) in their jobs, compared with EU averages of 35% and 71%, respectively, while lifting people was most common in the health sector (51%, compared with an EU average of 12%).

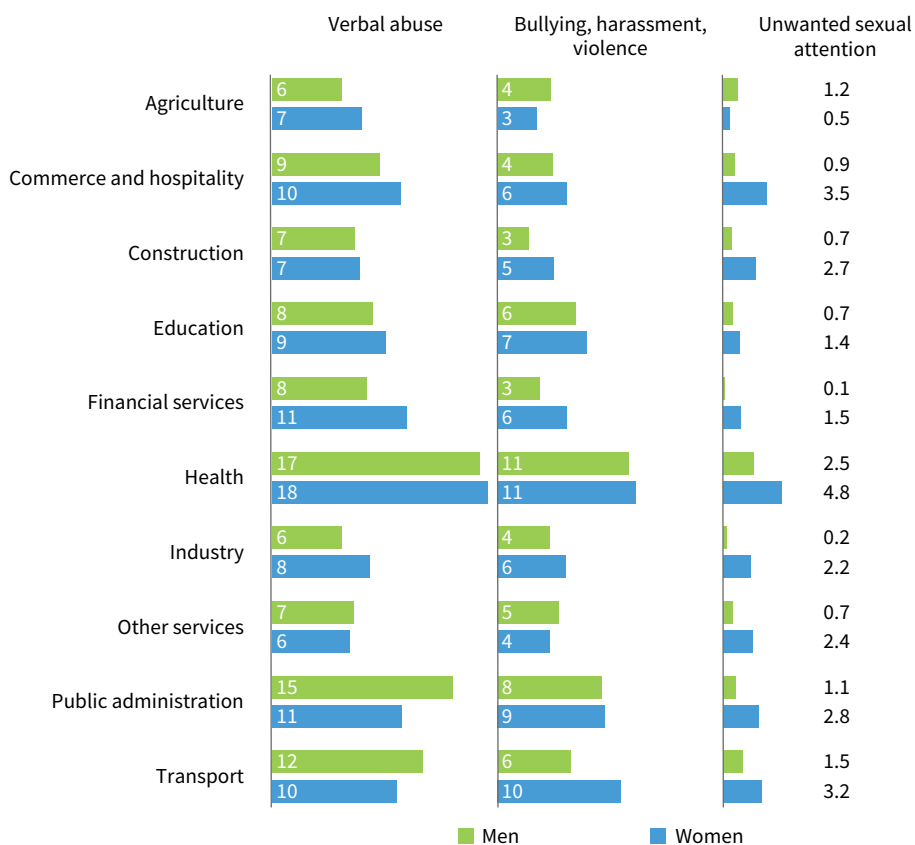
Aside from physical risk, workers can be subject to psychological harm at work through intimidation – verbal abuse, bullying or violence, or unwanted sexual attention. All three types of intimidation were most prevalent in the health sector (Figure 18).

Figure 17: Exposure to high level of physical risks, by sector, EU27 (%)



Source: EWCTS 2021

Figure 18: Exposure to types of intimidation, by sector and gender, EU27 (%)



Note: Questions on verbal abuse and unwanted sexual attention referred to the previous month, the question on bullying, harassment or violence referred to the previous 12 months. The data on the agriculture sector should be treated with caution due to the small sample size.
Source: EWCTS 2021

Job security and working time

Insecurity related to one’s job and suboptimal working time arrangements are also psychological and physical stressors of work. Comparing sectors, more workers in agriculture, especially, but also health and transport, expected an undesirable change in their work situation (Figure 19).

Long hours at work were much more prevalent among workers in agriculture than in any other sector, with nearly half reporting working weeks of 48 hours or more. Transport is next in terms of prevalence; for once, health does not appear in the top three sectors where a job demand is most common (Figure 20). Night work, however, is commonplace in the care occupations. In 2021, 39% of health professionals reported working at night, compared with an EU average of 21%. It was also usual in transport, with 46% of drivers working night shifts, but most common among protective services workers such as police officers and firefighters, of whom 65% worked nights at least sometimes.

Work intensity and autonomy

Although financial services comes low in the rankings of sectors according to prevalence of many job demands, the news is not all good for workers in the sector. This is

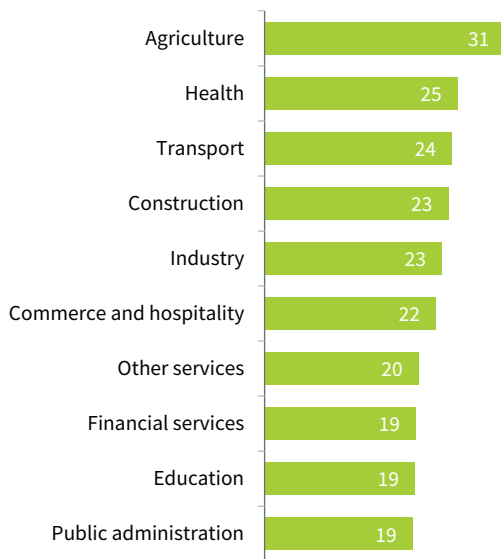
a sector where work intensity is widespread. One indicator of work intensity – working to tight deadlines – was most prevalent in this sector. Another – working at high speed – was also most common in financial services, along with health, and commerce and hospitality.

At the same time, as the jobs–resources model suggests, having some control over these pressures can mitigate their effects, and autonomy is a resource. Having the autonomy to determine the speed of work was most reported by workers in financial services (60%), but in shorter supply to workers in the health (43%) and transport (44%) sectors.

Recognition of effort

Another job resource found to be scarcer in agriculture, health and transport was recognition for one’s work. While 72% of workers in the EU27 as a whole agreed with the statement ‘I receive the recognition I deserve for my work’, the proportions were 66% in agriculture, 67% in transport and 68% in health. In addition, less than half of workers employed in the health sector agreed that their pay was in line with the efforts that they put into their work, compared with 59% of EU workers on average.

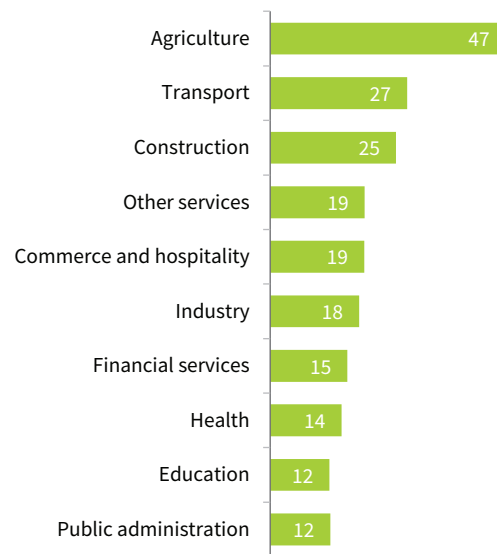
Figure 19: Expected undesirable change in workplace situation, by sector, EU27 (%)



Source: EWCTS 2021

No sector is without its compensations, however, and jobs in the health sector provide intrinsic rewards more widely to workers than others. The perception of doing useful work was most prevalent among workers in health, as well as those in education: 94% in both sectors, compared with 88% of workers on average. In addition, 88% of workers in health had a sense of work well done, compared with an EU average of 86%.

Figure 20: Workers who work 48 hours or more per week, by sector, EU27 (%)



Source: EWCTS 2021

Furthermore, health, commerce and hospitality, and construction were the sectors where most workers received support from their colleagues. This form of support was least common among workers in the agricultural sector, where 18% of workers reported never or rarely receiving it, compared with an EU average of 8%. Transport comes in second, with 16% reporting an absence of support.

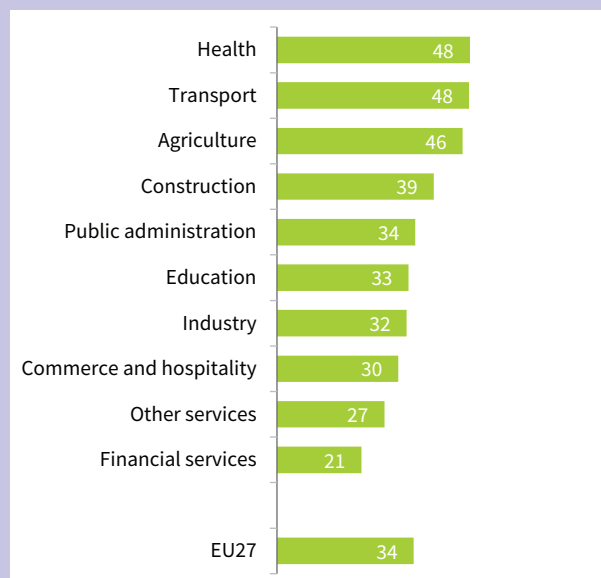
Data dive: Health and well-being in higher-strain sectors

As well as the evidence on strained jobs, the impact they have on workers can be deduced from the EWCTS data.

Many more workers in health, transport and agriculture – the sectors with the highest shares of strained jobs – were concerned about the effect of work on their health, as Figure 21 illustrates, where almost half believed their health and safety to be at risk because of work, well above the EU average of 34%.

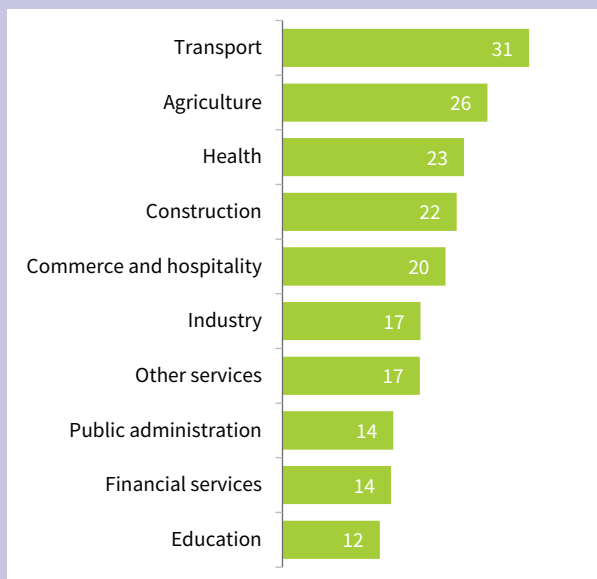
Questions about specific health problems – backache, upper and lower limb pain, headaches, physical exhaustion, emotional exhaustion, anxiety and chronic illness – indicated that these conditions were most prevalent in health and agriculture, with more than half of all workers in both sectors reporting experiencing three or more.

Figure 21: Health and safety at risk because of work, by sector, EU27 (%)



Source: EWCTS 2021

Figure 22: Poor fit between working hours and family and social commitments outside work, by sector, EU27 (%)



Source: EWCTS 2021

Many workers, however, went to work when they were sick, possibly exacerbating the condition, passing on infection to colleagues and affecting productivity. Presenteeism was most prevalent in agriculture (38%), health (34%), financial services (31%) and education (31%), while the phenomenon was least widespread in the industry (23%) and transport (24%) sectors.

As well as poor health outcomes, job strain is linked to poor work-life balance. In 2021, 19% of workers across the EU27 did not have a good fit between their working hours and their commitments outside of work. A sectoral breakdown of the data shows that poor work-life balance was more prevalent in the sectors with the highest shares of strained jobs – transport, agriculture and health (Figure 22).

Balancing demands with resources

The EWCTS findings are a snapshot of working conditions at a peculiar point in time, the middle of the first global pandemic in 100 years. It is arguable whether the survey might have yielded significantly different results had it been fielded in normal times. But crises are a ‘normal’ feature of the business cycle, and different sectors suffer at different times. The unpredictability of economic expansion and contraction reinforces the need for good working conditions to build the resilience to see the workforce through crises, regardless of sector.

This brief review of a handful of findings focused on three sectors, but poor job quality exists in all sectors. Some workplace stressors can be tackled head on – any organisation can promote a work culture where intimidation and discrimination are not tolerated. Other demands are less avoidable: nurses have to be present in wards at night; laboratory workers have to handle chemicals; journalists have to meet tight deadlines. For those demands that cannot be eliminated, increasing resources can tip the scales from strained to resourced. Measures are often low cost – having the flexibility to take a few hours off during the day, for instance, has been found to significantly improve work-life balance and engagement with work. Taking such steps might just ensure that workers can continue to apply their talent and skills to the full throughout their working lives.

Read more

Report: Working conditions in the time of COVID-19: Implications for the future eurofound.link/ef22012

Topic: Job quality eurofound.link/jobquality

Topic: Working conditions and sustainable work eurofound.link/workingconditionsustainablework

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7 | Is technology an ally of job quality?

Top takeaways

- The application of technology to perform menial, arduous or hazardous tasks has been and continues to be beneficial for job quality, reducing the physical risks of work. The incorporation of digital technology into intellectual tasks can also enhance work by extending human abilities. However, there is evidence to suggest that it can add to cognitive load and intensify work, increasing psychosocial risks.
- Research indicates that the adoption of technology in the workplace can either enhance or compromise the skills and autonomy of workers. Neither outcome is inevitable – it depends on the decisions made about how the technology is implemented.
- The advent of algorithmic management and its application in online platforms has sparked concern, as algorithms can effectively replace line managers, removing a key support from workers. The EU directive on platform work seeks to increase the transparency of such systems, but its passage is currently stalled.

Legislation, collective agreements and workplace practices have secured better working conditions over time. But technology has played a part, too, replacing workers in the execution of the more physically gruelling and dangerous aspects of work. While productivity may have been the primary motive, technology has also reduced the physical toll of work on workers and the risk of accident and injury. The EWCS has recorded decreasing risks to workers in the physical environment over several years, especially those related to physical work. Digitalisation is the latest phase in the substitution of workers by machines. A critical question is to what extent the new technology will augment or diminish workers' capabilities and the experience of work, and how the rewards are distributed. It all depends on decisions made on what is implemented and how.

Robotics has reduced physical risk

Robotics, which has been used in large-scale industry since the early days of digitalisation to carry out arduous and hazardous tasks, is now being applied into other sectors and on a smaller scale, improving safety in different environments. Wearable robots or exoskeleton suits, for instance, are being introduced in care settings to lift and transfer patients. Similar technology is being developed in industries such as construction and agriculture. Workplaces are being made safer generally by the deployment of digital devices such as sensors to gather safety-related information on the workplace environment – the presence of noxious gases, for instance – and thus prevent harm to workers.

The use of robots is not entirely risk-free. Current-generation robots often work alongside people, in warehouses and assembly lines, for instance, which carries a risk of injury if the interaction is not carefully

designed; several accidents involving machines have been recorded in these human–robot collaborations.

But psychosocial risk is on the rise

Much as it reduces physical risk, technology may be contributing to the increase in psychosocial risks in the workplace, as it is incorporated more and more into the intellectual tasks that people perform. This is beneficial, on the one hand, and can extend human abilities, enabling workers to perform a broader range of tasks. Workers as a result gain a comparative advantage thanks to the adoption of technology. However, technology may also add to cognitive load and increase the pace of work, the number of interruptions and the amount of multitasking, all of which fuel stress. Work intensity increased between 2010 and 2015 according to the EWCS, and technological change has been a factor. Notably, financial services, a highly digitalised sector, is among the sectors where working at high speed and to tight deadlines is most prevalent, according to the EWCTS.

Threat or boost to skills and autonomy?

Findings on the impact of digital technologies on skills are mixed. Because technology is effective in replacing humans to carry out routine, repetitive tasks, it should reduce the amount of low-skilled work. In tandem, it should drive reskilling and upskilling so that workers can transition to new tasks involving increasing interaction with technology. Not everyone necessarily benefits, however. Case studies conducted by Eurofound found that the adoption of automation technology in manufacturing settings redefined tasks in the workplace. This for the most part upgraded the

skills of staff in managerial and engineering positions, which increased their ability to make decisions independently, amplifying their autonomy. The skills boost for lower-skilled and blue-collar workers was more muted, while their autonomy, if anything, diminished.

The EWCTS examined the extent to which computerised systems play a part in workers' jobs and the impact they have on autonomy. It found that such systems had a large influence on the work of 39% of workers. Among that group, one-fifth reported that they lacked the autonomy to decide on the order of their tasks, and a quarter were unable to determine the speed and methods of their work (Figure 23). However, the influence of a supervisor seems to have a greater negative impact on workers' autonomy. Among those reporting that a supervisor had a large influence on their work (28% of respondents), a higher share reported low levels of autonomy for all three items.

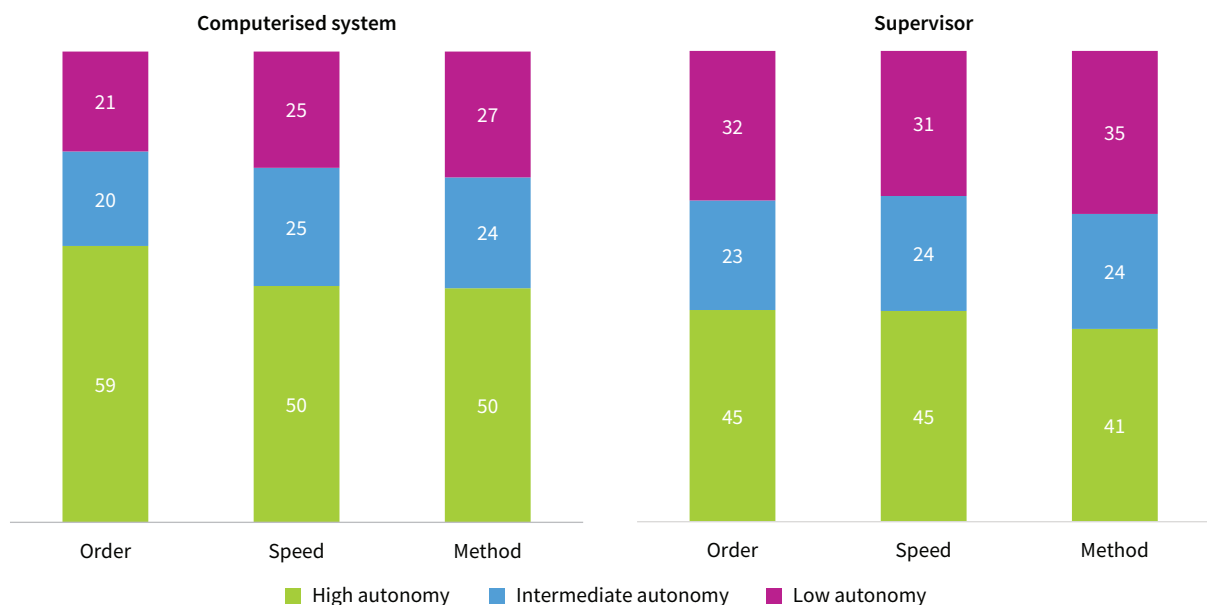
Certainly the digital economy has been proven capable of generating poor-quality jobs. Platform work, the poster child of employment in the digital sector, is for the most part low-skilled and associated with poor working conditions. And while digitalisation may be automating some routine and repetitive work, it is generating other work of this type for humans. The online microwork industry, for instance, hires legions of online workers to perform low-skilled micro-tasks, such as image tagging, data input, transcribing and processing unstructured data. No effective algorithm has yet been devised to perform this work, so human intelligence is needed to carry it out reliably.

Breaking into management

Tasks performed further up the occupational hierarchy are no longer off-limits to automation. It turns out that many traditional managerial and human resources functions can be routinised and executed by algorithms, even to the exclusion of human input. Such algorithmic management systems are built into the functioning of online platforms, where they allocate tasks, specify how tasks are to be completed, and monitor and collect data on workers. They are capable even of evaluating performance and taking decisions on promotions, based on customer ratings, stripping out the social aspects of management, although in practice this is currently rare. These algorithmic tools are spreading into more traditional areas such as business logistics, manufacturing, retail and call centres, to supervise, monitor and control workers.

Workers on the receiving end of such management describe their powerlessness in an employment relationship characterised by opacity, information asymmetry and absence of empathy. Work intensity is high, with workers feeling pressurised to accept tasks quickly without full information, to complete them fast and to follow the system's instructions to the letter. They report anxiety over damaging customer ratings, which causes them to work longer hours at faster pace.

Figure 23: Degrees of autonomy, influence of computerised system and a supervisor compared, EU27 (%)



Source: EWCTS 2021

Regulating the machines

The alarming prospect of dystopian working conditions under algorithmic management has motivated the European Commission to circumscribe such practices in the proposed directive on improving working conditions in platform work. One of the directive's aims is to increase the transparency of algorithmic management systems by, for example, establishing the right of platform workers to be informed that such systems are in use and of the type of decisions that are taken or supported by such systems, the parameters used and their weight in those decisions, and the grounds for disciplinary actions taken by the systems, such as pay-docking or termination of the worker's account. The European Parliament wants the directive to go further, with stronger requirements on transparency and information requirements on how these tools are being applied. The passage of the directive through the EU institutions has been held up repeatedly, however, as consensus on the final text remains elusive.

What next?

There is ample evidence of the scope for digital technologies to provide solutions to poor working conditions. The use of machines for menial, tedious and arduous tasks, removing such tasks from human work, can significantly improve job quality. It could also ease labour shortages. As decisions are made deeming certain tasks not to require social interaction – the tasks performed by cashiers and checkout staff, for instance – issues such as verbal abuse and being in emotionally stressful situations at work become less prevalent.

However, stripping human interaction out of work in the way algorithmic management can do should give us pause for thought. Technology is increasingly crossing the barrier into non-routine cognitive work. With the advent of generative artificial intelligence tools like ChatGPT and its even more advanced successor GPT-4, we are beginning to discern the contours of what exactly that technology is capable of: it can write software code, produce coherent texts, compose music and more. The pace of change is rapid, and while the outcomes are not pre-determined, the question is how to ensure that they are made with the interests of workers, and the good of society, in mind.

Read more

Report: Ethics in the digital workplace eurofound.link/ef22038

Blog post: Regulating platform work in Europe: A work in progress eurofound.link/ef22076

Report: Working conditions in the time of COVID-19: Implications for the future eurofound.link/ef22012

Topic: Psychosocial risks eurofound.link/psychosocial

Topic: Platform work eurofound.link/platformwork

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Podcast: [Eurofound Talks: Platform work](#)

8 | Telework, for better or for worse

Top takeaways

- Telework has bedded into working life in the EU thanks to the pandemic. One-fifth of employees (22%) were working from home at least some of the time in 2021, a doubling of the rate since before the pandemic, with 12% usually working from home. These figures have not changed significantly with the return to the workplace in 2022.
- Telework gives workers more autonomy in carrying out their work and managing their time. More employees who teleworked were able to take decisions independently and had more flexibility with their working time than those who worked only at their employers' premises. But teleworkers need to be able to establish boundaries, as otherwise they end up working long hours and being available at all hours, which can damage their physical and mental health.
- Many more employees would like to telework than currently do so. If they had a choice, 60% of respondents to the *Living, working and COVID-19* e-survey would work from home at least several times a month. Access to telework is not determined just by the teleworkability of the job but also by the employee's level of authority and degree of work autonomy and control, meaning that managers and professionals are more likely to telework than clerical staff.

Telework is one product of digitalisation that has opened up new frontiers in the working lives of white-collar workers. The transplantation of the workplace into employees' homes signifies a minor revolution in the distribution of power in the management–employee relationship, giving employees more autonomy over their work and more flexibility in how they apportion it over their day. Thanks to the pandemic, this arrangement has become a fixture of working life. But not everyone benefits, nor is telework entirely beneficial.

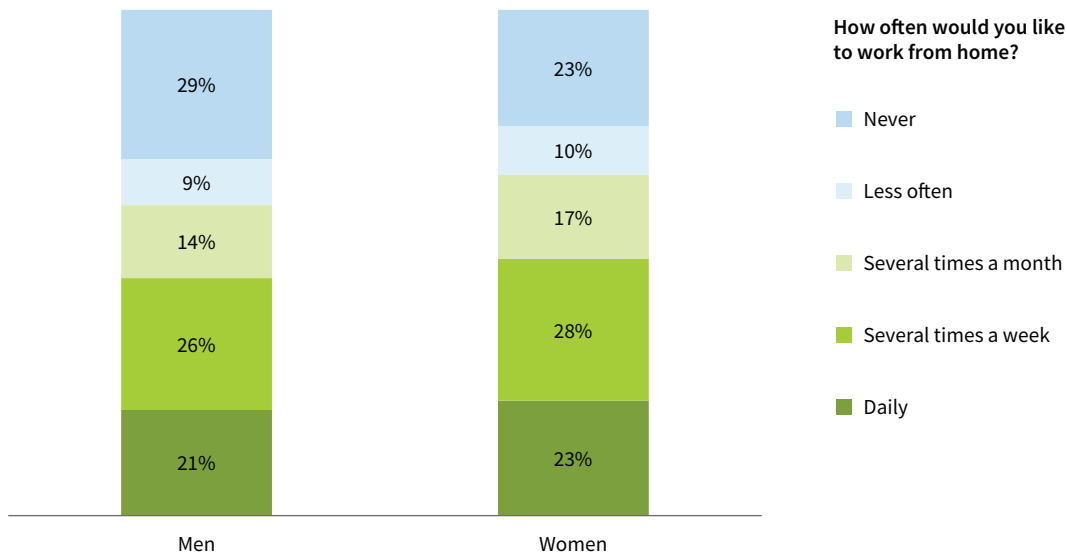
In 2021, 41.7 million EU employees, 22% of the total, worked from home at least sometimes, according to Eurostat, a doubling of the percentage since 2019.

For 12%, home was their usual place of work. While these numbers fell somewhat in 2022 with the ending of pandemic restrictions, if employees' preferences count for anything, it is unlikely that telework will wither away as the spectre of COVID-19 recedes.

Widespread desire to telework

Surveyed in March 2022, over 60% of respondents to the fifth round of Eurofound's *Living, working and COVID-19* e-survey, both women and men, said they would prefer to work from home at least several times per month (Figure 24) – signalling the yawning gap between those who would like to telework and those who actually do so.

Figure 24: Preferred frequency of working from home, by gender, EU27, 2022 (%)



Source: *Living, working and COVID-19, fifth round*

Among those who did not telework at all, 36% would have liked a hybrid arrangement enabling them to work from home some of the time. A further 10% would have preferred to work from home only.

Benefit of better work–life balance

Telework appeals because it gives back some control to employees. Analysis of EWCTS 2021 data found, for instance, that remote workers were more likely to have some degree of autonomy in carrying out their work, such as having the power to decide the order of tasks. But the main draw is that it seems to be an answer to that bane of modern life – juggling work with the other demands of living. The significant reduction in commuting time and the ability to rearrange working hours can make a difference in achieving work–life balance. Surveys across the EU Member States have found that telework has led to greater working time autonomy, allowing teleworkers to schedule their working hours to fit their personal circumstances. Respondents to the EWCTS who teleworked were more

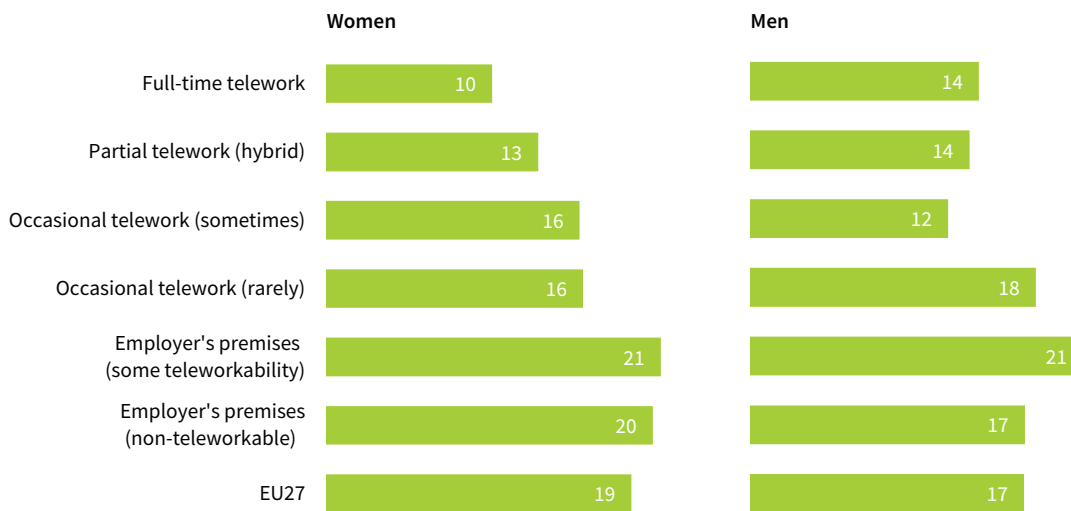
likely to indicate good work–life balance: 87%, compared with an EU average of 82%, reported a good fit between work and their other commitments.

A hierarchy in access

Figure 25 gives a breakdown, by place of work, of the percentages of workers who had poor work–life balance in 2021. For both men and women, the highest share was among employees working full time at the office whose jobs are teleworkable to some degree. It raises the question of why more of these workers do not telework at least some of the time.

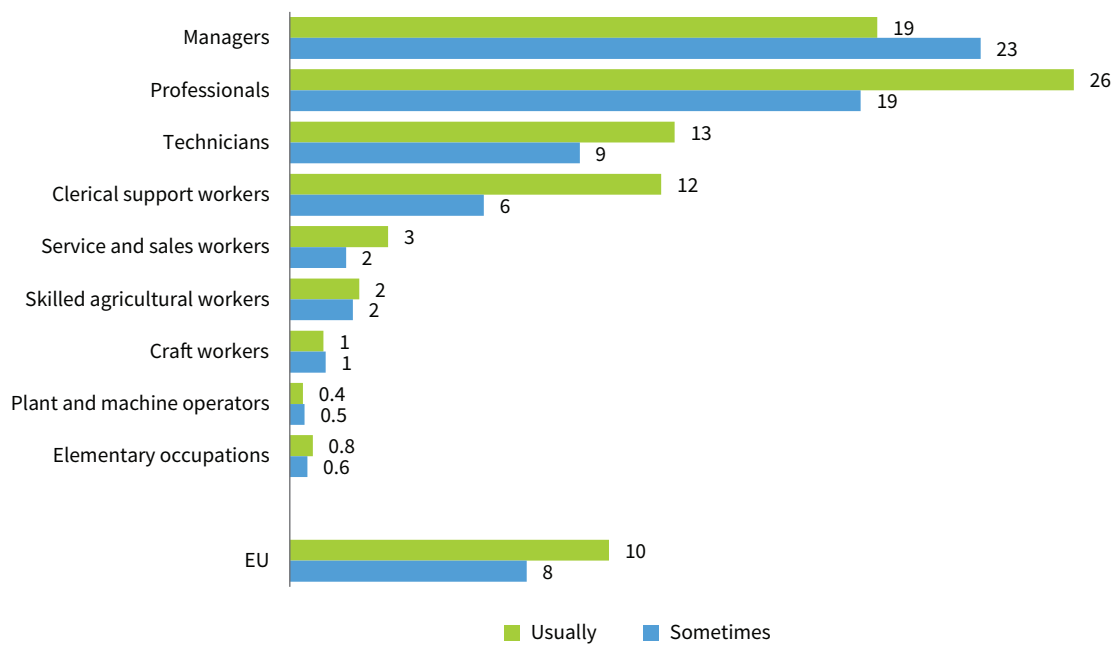
There might be practical reasons – not all homes have a suitable space for remote working, for instance – and not everyone wants to work from home. Occupation is an important factor, and not only the distinction between white collar and blue collar but also the gradient within the white-collar group. Figure 26 illustrates the percentages of workers in different occupational groups who were working from home in 2021.

Figure 25: Workers with poor work–life balance, by gender and telework arrangement, EU27, 2021 (%)



Source: EWCTS 2021

Figure 26: Employees working from home, by occupational group, EU27, 2020 (%)



Source: EU-LFS, Eurofound analysis

The non-teleworkability of jobs accounts for the low proportions to the right of the chart – sales workers must carry out their jobs in shops and machine operators in factories. However, task analysis has shown that clerical white-collar occupations are more teleworkable than those of managers or professionals, so more clerical workers should in theory be working from home. It suggests that dimensions of work organisation – notably hierarchical control, work autonomy and levels of trust – play an important role in determining access to remote working.

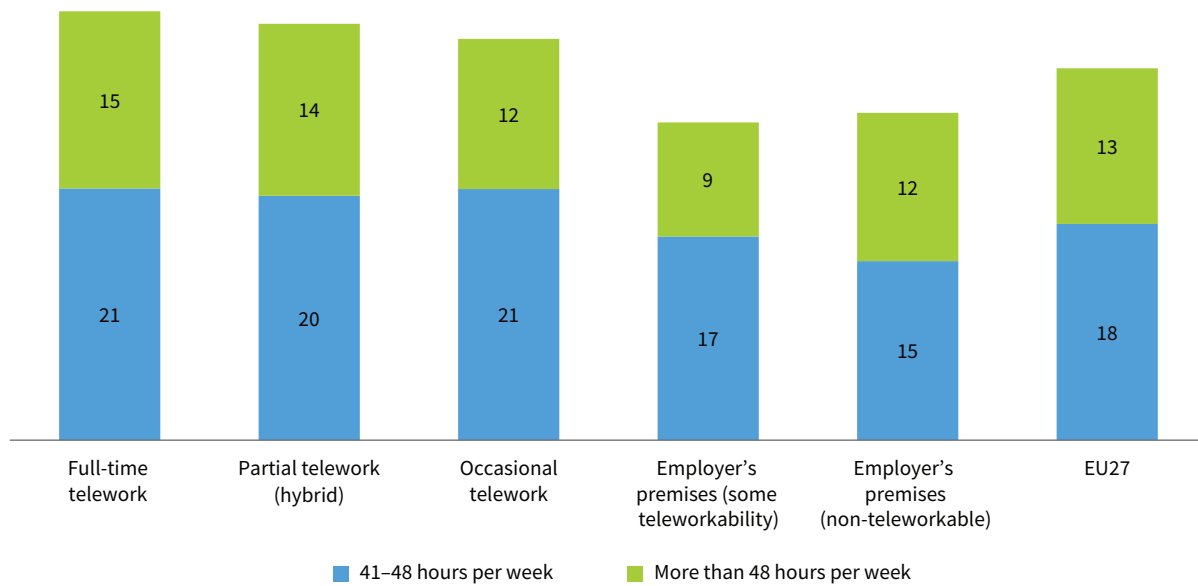
Legislation giving employees a right to request telework might help to level out the playing field. In most countries, access to telework is formalised through an individual agreement between the employer and the employee or in the employment contract. A legal right to request telework provides a firmer foundation

because, in principle, it could be rejected only if the employee did not meet certain conditions. At present, only in France, Lithuania and Portugal do employees have a legal right to request telework, while such legislation is passing through the parliaments of Germany, Ireland and the Netherlands.

Costs as well as benefits

For all its benefits, there are well-documented costs associated with telework. The enhanced autonomy seems to place an added burden of responsibility on those working away from the office, which inclines them to work more hours. Studies have consistently found that teleworkers work longer hours than their counterparts based at the office. The EWCTS in 2021 found this to be the case, too, as illustrated in Figure 27.

Figure 27: Share of full-time employees working long weekly hours, by telework arrangement, EU27, 2021 (%)



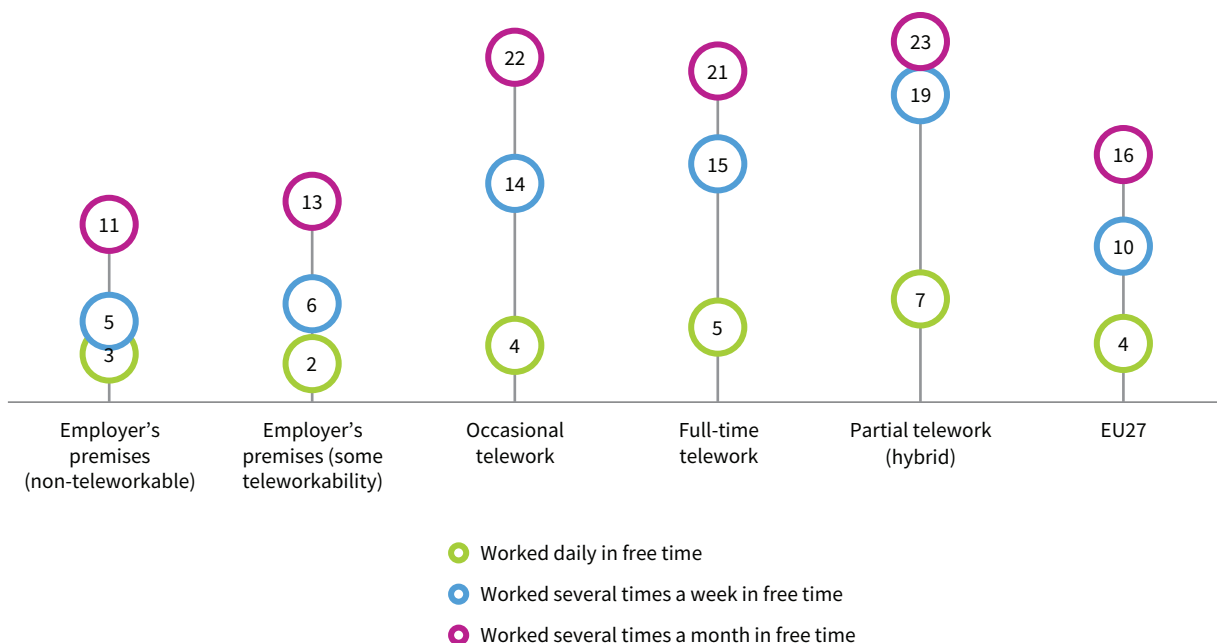
Source: EWCTS 2021

It was also more common for teleworkers – all three categories in the EWCTS typology (full-time, hybrid and occasional) – to work in their free time, as Figure 28 indicates. This was particularly the case for those who had a hybrid arrangement, of whom nearly half regularly worked in their free time.

It may be that these teleworking employees were not always putting in longer hours but had just reorganised their working time. Many studies have found, however,

that teleworkers find it harder to switch off from work once the working day has ended. Among EWCTS respondents, 30% reported that they kept worrying about work when they were not working, compared with 21% of those who did not telework. This can cause work to bleed into home life, with employees continuing to communicate with colleagues and managers outside their contracted hours. And employers sometimes expect such availability, which

Figure 28: Share of full-time employees who worked during their free time, by telework arrangement, EU27, 2021 (%)



Source: EWCTS 2021

has given rise to ‘right to disconnect’ legislation in several Member States.

Having autonomy in one’s work can also increase work intensity, especially when combined with a heavy workload and a work culture dominated by competition, self-management or performance targets. The EWCTS found work intensity to be more prevalent among teleworkers, with more than half (54%) regularly working to tight deadlines, compared with 48% of workers with partly teleworkable jobs based at their employer’s premises and 27% of non-teleworkers.

The EWCTS also found evidence of increased psychological stress associated with working from home, with a greater prevalence of anxiety and lower well-being scores among teleworkers. Other surveys have found feelings of isolation and physical issues such as headache and eyestrain to be more prevalent among teleworkers during the pandemic. It is difficult, however, to disentangle the effects of the pandemic on teleworkers from the impact of telework in general.

Not the only solution

The demands of telework have not deterred workers from choosing it as their preferred working arrangement. This, along with the growing numbers of teleworkable jobs as digitalisation advances and the lack of definitive evidence that it diminishes productivity, augur well for its continuation.

Most employees, however, do not have jobs that can be performed remotely – 63% of dependent employment is not teleworkable, according to estimates – and these employees, no matter the legislative regime, will never benefit from telework. Furthermore, not all employees want to telework even if they could do so and not all those who could telework will be permitted to do so. Telework needs to be seen as just one answer to the question of how we improve working lives. If we are serious about raising job quality, more effort must be made to enhance autonomy and working time flexibility through job design and workplace practices. Otherwise, we are creating another source of inequality in work, where well-paid, higher status employees once again stride ahead of the rest.

Read more

Report: The rise in telework: Impact on working conditions and regulations eurofound.link/ef22005

Report: Telework in the EU: Regulatory frameworks and recent updates eurofound.link/ef22032

Blog post: Do we really have the right to disconnect? eurofound.link/ef22060

Blog post: Is telework really a ‘green’ choice? eurofound.link/ef22059

Topic: Teleworking eurofound.link/teleworking

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Podcast: [Eurofound Talks – Telework](#)

9 Working time and its discontents

Top takeaways

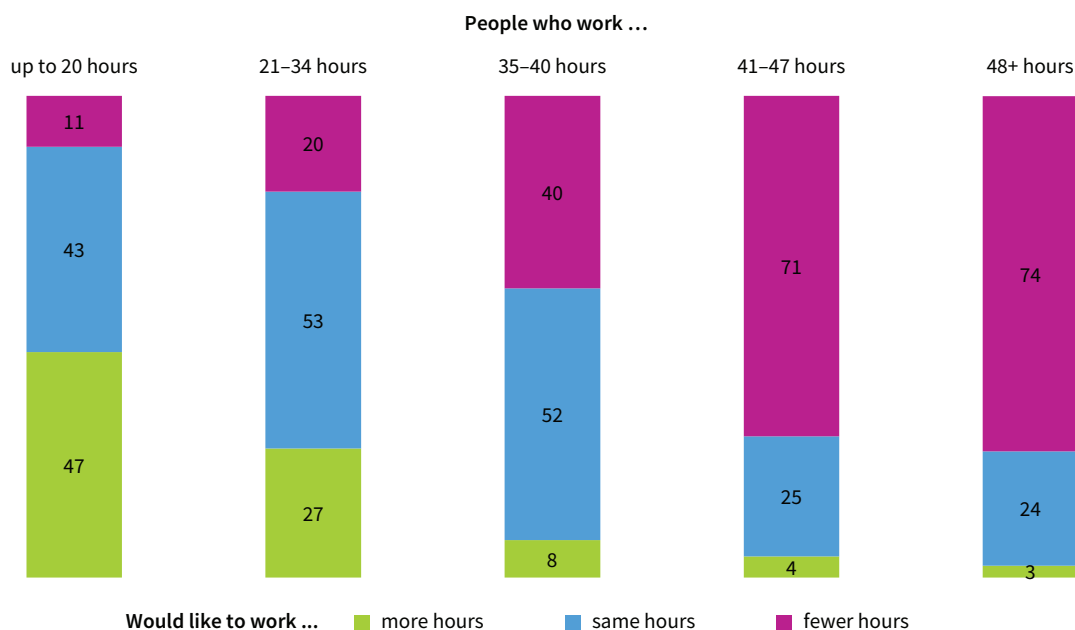
- Over half of all workers in the EU were dissatisfied with their working time in 2021: nearly half wanted to work less, while others, especially underemployed part-time workers, wanted to work more.
- Men worked 42 hours on average per week, while women worked 37 hours. However, taking unpaid work into account alters the picture, because women spent 13 hours more on average per week than men doing unpaid work. Considering paid and unpaid work together, women worked 7 hours more in a week than men (70 hours and 63 hours, respectively), which amounts to a total of 8 working weeks in a year.
- Having a child leads to a dramatic increase in the time women spend on unpaid work. Women with one child carried out 46 hours of unpaid work per week in 2021 compared with 20 hours for women without children. The figure rose to 60 hours for women with three children. Men with three children meanwhile spent just 28 hours per week on unpaid work.

Telework is championed by workers because it gives them more of one thing they sorely lack: control of their time. The duration and organisation of working time is extensively regulated in Europe – by EU legislation (the Working Time Directive, in particular), national legislation and collective agreements – to protect workers from the detrimental effects on their health and well-being of excessive work and lack of rest. Yet 57% of workers surveyed by the EWCTS were dissatisfied with their working time, some wanting to work more, many wanting to work less.

Dissatisfaction with working time

When asked by the EWCTS about how many hours they would prefer to work per week (taking into account the need to earn a living), 45% of respondents said they would like to work less. Even among those who worked the standard 35–40-hour week, 4 out of every 10 would have preferred to work fewer hours. That percentage rises dramatically once the working week extends beyond 40 hours (Figure 29). Conversely, the percentage is much smaller among those who worked part time. Nearly half of those who worked less than 20 hours per week would like to work more, indicating that their part-time status is involuntary and that they want or need to earn more.

Figure 29: Working time preferences, by usual weekly working hours, EU27 (%)



Source: EWCTS 2021

Perhaps the desire for shorter working hours is related to other findings from the survey: one-third of workers worked more hours than stated in their contract, 16% worked in their free time every week to meet work demands and 14% were regularly called into work at short notice.

Recent trialling of a four-day working week by 61 companies in the UK has generated a great deal of interest. The idea is to reduce the working week by a day without cutting pay (and not condensing the full five-day week into four days, as workers in Belgium now have a right to request). This, according to advocates, would improve workers' well-being and work-life balance without harming productivity and possibly even boosting it. Backing for a shorter working week is growing among trade unions. The EWCTS did not find signs of a shift in that direction: only 8% of EU workers (6% of men and 10% of women) had a four-day working week, although it was the most common length of week for women in the Netherlands, a country known for the prevalence of part-time working. For the majority (70%), the five-day week was the norm.

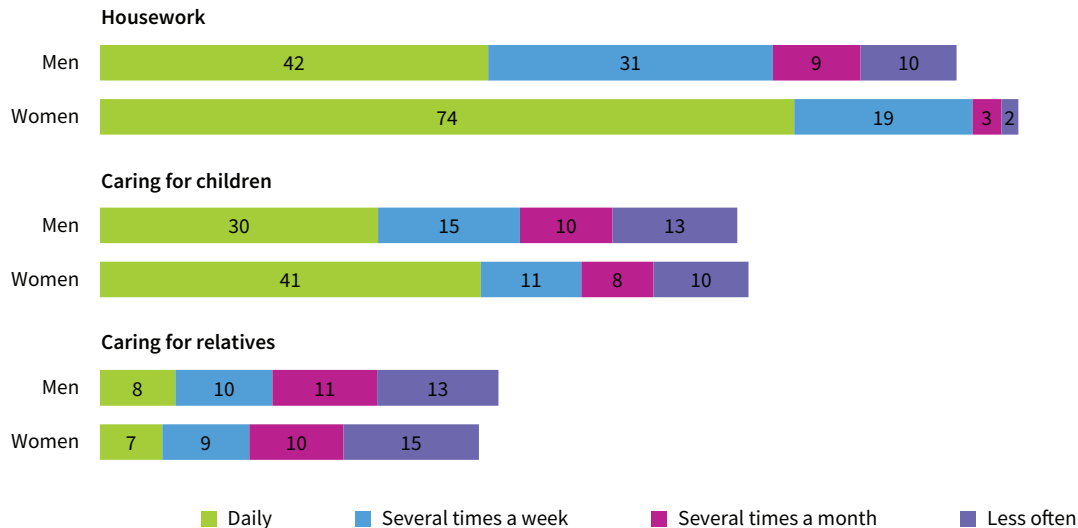
Gender gaps surface

When working time is examined in any depth, the gender gaps quickly become apparent. More men than women, for instance, wanted to reduce their working hours (46% versus 43%) in 2021. Men may have been less satisfied with their hours because they worked more (42 hours) per week on average than women (37 hours). Paid work, that is. When unpaid work is factored in, the story changes. Women spent 13 more hours on average per week on unpaid work (putting in 31 hours) than men (18 hours) in 2021. This unpaid work includes, in the EWCTS definition, the care and education of children and grandchildren, the care of elderly or disabled relatives, and cooking and housework.

Figure 30 shows a large gap in the proportions of women and men who took care of children daily (41% and 30%, respectively), but the gender gap in daily housework (74% and 42%, respectively) is particularly striking.

Overall, considering paid and unpaid work, women on average worked 7 hours longer in a week than men (70 hours and 63 hours, respectively), which amounts to 8 working weeks in a year.

Figure 30: Unpaid work activities, by gender, EU27 (%)

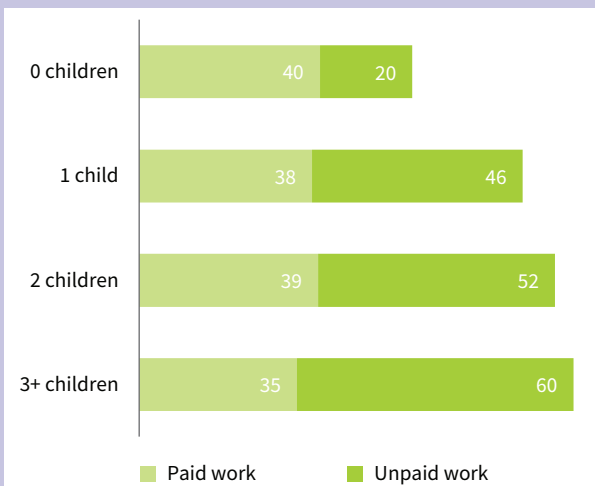


Source: EWCTS 2021

Data dive: Impact of having children

Having children denotes a ramping up of unpaid work for both men and women but much more so for women. As Figure 31 shows, for working women, having one child added unpaid work equivalent to a second part-time job of 26 hours per week to their total working time compared with women without children. The difference rises to the equivalent of a full-time shift of 40 hours for those with three or more children. And while women's paid working hours declined with the number of children, the gap between women with three or more children and those with none was only five hours less, on average.

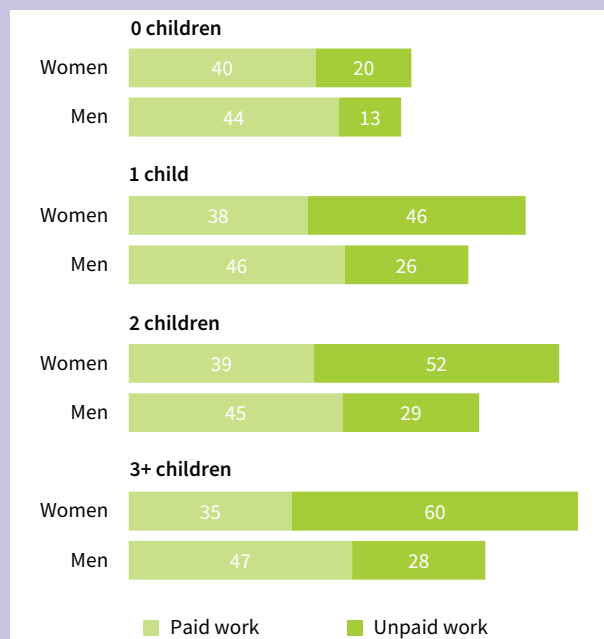
Figure 31: Paid and unpaid hours of work among women, by number of children, EU27



Source: EWCTS 2021

EU legislation has expanded the entitlements for parental leave and limited its transferability between parents to encourage men, and fathers in particular, to participate more in the domestic sphere and to rebalance the sharing of childcare and housework in couples. Doing so would enable more women with children to remain in work, which would increase their

Figure 32: Paid and unpaid hours of work among women and men, by number of children, EU27



Source: EWCTS 2021

The gap in total working time between women and men with children, illustrated in Figure 32, is equally striking. While between women and men without children, it is just 3 hours, it rises to 12 hours for those with one child and tops 20 hours for those with three or more children.

financial security; research also suggests it would benefit their well-being. Gender stereotypes and social norms, however, are tenacious, continuing to determine the distribution of paid and unpaid work between men and women, even in an increasingly gender-equal society.

Read more

Report: Working conditions in the time of COVID-19: Implications for the future eurofound.link/ef22012

Topic: Working time eurofound.link/workingtime

Topic: Gender equality eurofound.link/genderequality

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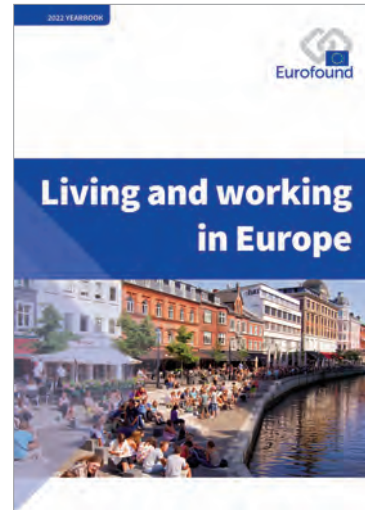
Podcast: [Eurofound Talks – Gender equality](#)

Podcast: [Eurofound Talks – The work-life challenges of women and men](#)

Inaugural living and working in Europe lecture

Eurofound launches its inaugural annual Living and working in Europe lecture at Government Buildings in Dublin on 11 May 2023. Titled 'Ireland at EU50', the lecture is delivered by Brigid Laffan, Emeritus Professor at the European University Institute, Florence, and President of The European Policy Centre (EPC).

The event is hosted by Ivailo Kalfin, Executive Director of Eurofound, and Peter Burke, TD, Minister for European Affairs, to mark Europe Day 2023 and Ireland's 50 years of EU membership.





4

Living conditions and quality of life

10 | Counting the cost of the pandemic

Top takeaways

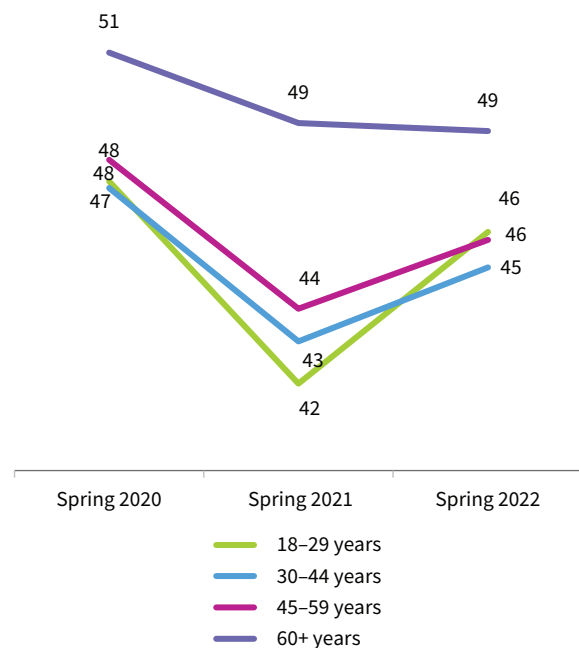
- Europeans' sense of well-being was lower in spring 2022 than at the start of the COVID-19 pandemic, despite the diminishing threat of the virus and the lifting of pandemic-related restrictions. This is attributable, perhaps, to Russia's launch of a war against Ukraine and the surge in the cost of living. More people assessed their health and well-being negatively than had done so two years earlier. The proportion who reported bad health had doubled, while people's mental well-being was, on average, worse than it had been.
- The mental health of young people, however, was improving: the proportions reporting having negative feelings fell, as did the proportion at risk of depression. The same degree of improvement was not apparent in older age groups. Among people aged 60 and over, negative feelings and risk of depression actually increased.
- Financial hardship increased in 2022. Over half of Europeans (53%) had some degree of difficulty making ends meet compared with 47% at the outset of the pandemic. Energy poverty threatened more people: 16% were in arrears with their utility bills, compared with 11% in spring 2020. Governments across the EU attempted to alleviate the impact of rising energy and fuel costs on citizens through temporary, ad hoc measures such as subsidies and VAT cuts.

The year 2022 opened with the general expectation that COVID-19 was in retreat. The falling number of cases and declining death rates, the successful vaccination campaigns and the emergence of the Omicron variant, which caused a less severe illness, offered reassurance that society could at last live with the virus without need of the drastic measures to limit in-person interaction. Workers were free to return to their workplaces, students to education, children to childcare and citizens to normal life. The tentative rebound in Europeans' sense of well-being was dealt a blow, however, when Russia sent its army into Ukraine at the end of February, with consequences for everyone across the continent, both personal and economic. Three-quarters of respondents to the fifth round of Eurofound's *Living, working and COVID-19* e-survey said they were very concerned about the war in Ukraine. This survey round, which ran from March to May 2022, is testimony to how far Europeans were from regaining the financial and personal well-being they had enjoyed before the pandemic.

Mental and physical health

In spring 2022, 13% of Europeans reported that their health was bad or very bad, double the percentage at the start of the pandemic (6%). The mental health of the population was also worse than two years earlier: the average score across the EU on the WHO-5 Mental Well-being Index was 47 (on a scale of 1–100; a score of under 50 signifies risk of depression). This average was an improvement on the 2021 figure of 45 but was still lower than the average of 49 measured in spring 2020 at the outbreak of the pandemic.

Figure 33: Well-being scores, by age group, 2020–2022



Source: *Living, working and COVID-19*, fifth round

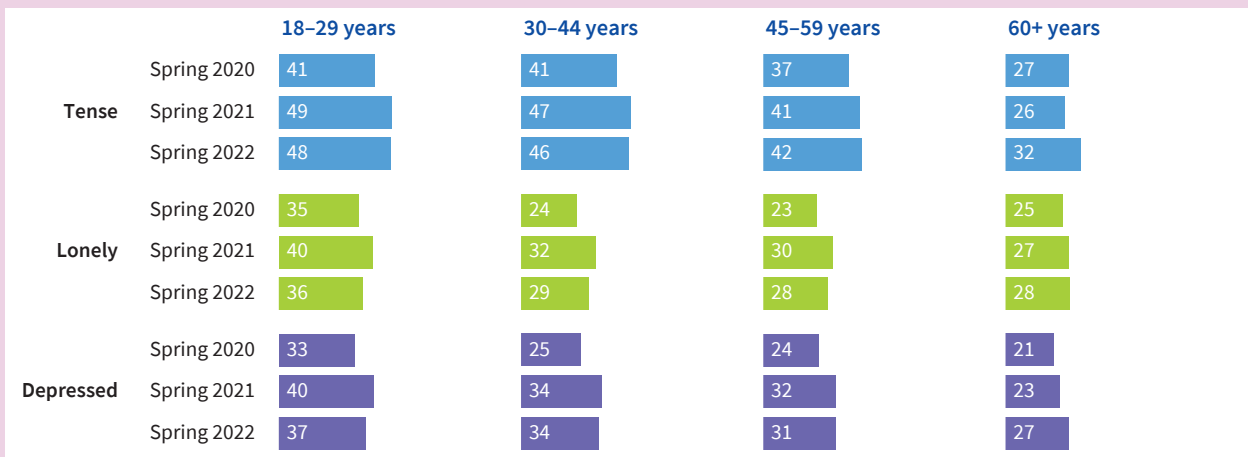
On a brighter note, and coinciding with the European Year of Youth 2022, the well-being of young people (aged 18–29 years), the age group that had struggled most with mental health under the public health restrictions, had improved more than that of other age groups over the course of the previous 12 months (Figure 33).

By contrast, there was no improvement in the mental well-being of people aged 60 or over between 2020 and 2022, although they consistently scored highest of all age groups on the index across the two years.

Data dive: Contrasting mental health dynamics across the age spectrum

Other data gathered to capture mental health – feelings of tenseness, loneliness and depression – reinforce the finding of contrasts between the age groups. Negative feelings were expressed by more young people than any other age group, but the prevalence had fallen in this group by 2022, as Figure 34 shows.

Figure 34: Prevalence of negative feelings, by age group, EU27, 2020–2022 (%)



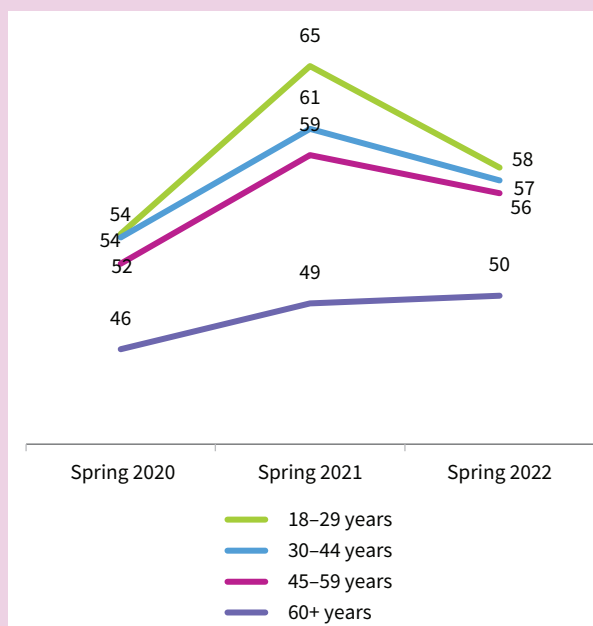
Note: Percentage of respondents who reported having these feelings ‘all of the time’, ‘most of the time’ or ‘more than half of the time’.
Source: Living, working and COVID-19, fifth round

Among people between 30 and 59 years old, negative feelings tended to be less prevalent, but these feelings had declined less by 2022. And among those aged 60 or over, negative feelings increased over the period.

Similarly, the risk of depression, though still high, fell among Europeans aged under 60 since last surveyed in 2021 and especially dramatically among young people (Figure 35). In the oldest age group, however, the risk of depression actually rose.

Disquiet about the war in Ukraine may in part explain the persistence of despondency in the EU population. The findings also suggest that many older people continued to be anxious about contracting the COVID-19 virus in the absence of the measures that had protected them during the pandemic.

Figure 35: Prevalence of risk of depression, by age group, EU27, 2020–2022 (%)



Note: Risk of depression is defined as a WHO-5 score of 50 or below.
Source: Living, working and COVID-19, fifth round

Access to healthcare

Negative self-assessments of physical and mental health may have been exacerbated by the difficulty many people experienced accessing healthcare. Many health systems in the EU had not managed to catch up with the backlog of demand for medical investigations and treatment that had accumulated during the pandemic. In spring 2022, nearly one-fifth of

respondents (18%) had a medical issue for which they had not yet received treatment, virtually the same proportion as one year previously (17%) when the pandemic was peaking for a third time, straining health services severely once again. The situation improved in 2022 in a number of Member States, however: the proportions of people with unmet medical need had fallen in Czechia, Hungary, Romania, Slovakia and Spain compared with 2021.

Hit to living standards

While indicators of health and well-being in Europe were on a slow path to recovery post-pandemic, the sense of financial insecurity mounted. The pandemic had disrupted supply chains, triggering increases in energy and food prices in 2021, after years of flat inflation. The situation deteriorated rapidly in 2022 with the Russian invasion of Ukraine. At the time of the e-survey, inflation had risen to 8%.

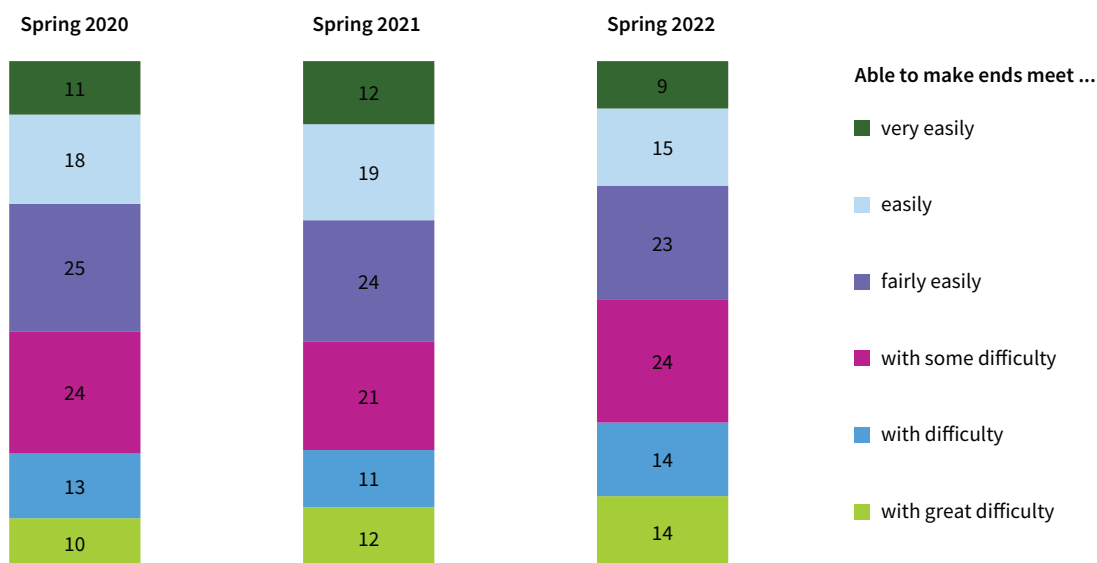
The rising cost of living put an increasing proportion of people under financial pressure: 53% of e-survey respondents reported some difficulty making ends meet – a considerable increase on the 45% having difficulty in 2021 and the 47% at the start of the COVID-19 pandemic (Figure 36).

Among people living in households that had difficulty making ends meet, 22% reported poor health, compared with 5% among those who found it easy to make ends meet. Similarly, mental health deteriorated as financial pressure increased. Respondents who found it very easy to make ends meet scored 58 on average on the WHO-5 index, while the score of those who had great difficulty was 32 on average, well below the threshold for risk of depression (a score of 50).

Higher energy costs began to take their toll on people's ability to pay their bills: 16% of respondents reported being in arrears with their utility bills compared with 13% in 2021 and 11% in 2020. Furthermore, 28% expected that their household would have difficulty in the coming three months, while 31% of households with a car anticipated they would find it difficult to cover its running costs.

Energy poverty affected many financially vulnerable households. Among those who had difficulty making ends meet, 28% were in arrears with their utility bills and 45% were worried they would not be able to pay those bills in the next three months. Among households that were already in arrears with their utility bills, 74% expressed concern that they would not be able to pay their bill in the three months that followed. While being in arrears with utility bills tended to be more common among respondents living in social housing, even those who owned their home reported problems in this respect compared with the previous year.

Figure 36: Ability to make ends meet by level of difficulty, EU27, 2020–2022 (%)



Source: Living, working and COVID-19, fifth round

Government responses to rising cost of living

Governments across the EU sought to alleviate the effects of soaring inflation in the price of household goods and energy for citizens. Eurofound documented the many measures implemented by Member States in its EU PolicyWatch database. An analysis of the measures recorded up to the end of May 2022 showed that most of the measures aimed to make home energy (electricity, gas and oil) and motor fuel costs more affordable. Some were aimed at the public in general, while others targeted the vulnerable groups at the sharp end of price rises. Most of the initiatives were temporary, ad hoc measures that provided one-off payments.

Controlling energy prices for consumers

A majority of Member States opted for tax cuts or credits to lower the price of energy for households. The Netherlands, for instance, reduced VAT on energy from 21% to 9% and provided additional discounts on energy taxes (with estimated annual savings of €400 per household). Luxembourg introduced an energy tax credit based on income level (peaking at €84 per month for those with an annual income below €44,000). A few governments – Belgium, Greece, Ireland and Germany – opted to directly subsidise energy bills. In Ireland, for example, households received a subsidy of €200 per household electricity bill. Malta and Romania resorted to price controls on energy and imposed price caps on suppliers for the benefit of consumers.

Additional measures for vulnerable groups

Rising rent, utility, food and transport costs affect vulnerable groups more, not only because they have less disposable income but also because these basics eat up a larger proportion of their income, leaving less to save or spend on other items. The vulnerable groups targeted by cost-of-living packages included people with low incomes, unemployed people and families with children.

Most of the supports were one-off payments of between €100 and €300. Estonia, Germany and Greece paid additional child benefits to families, while Spain increased the minimum living income by 15% for three months.

Both Estonia and Finland introduced measures that will have a permanent effect on people's incomes. Estonia increased the subsistence level at which people are eligible to receive social benefits and included the cost of mortgages in the calculation of this level. The Finnish government increased a number of benefits by 3.5%, including pensions, unemployment payments, student allowances and other benefits.

A helping hand for motorists and commuters

Several Member States also intervened to cushion the impact of rising motor fuel costs for car owners and businesses or for commuters specifically. Four countries – France, Portugal, Spain and Sweden – introduced subsidies for petrol and diesel. In France, for instance, private car owners and businesses received a discount of 15 cent per litre. Cyprus, Germany, the Netherlands and Slovenia introduced tax cuts on motor fuel. Slovenia also applied price caps; so did Hungary, limiting prices to HUF 480 per litre (about €1.23). Measures to support commuters, such as allowances and fare cuts, were adopted in Austria, France and Germany, while Austria also offered a €100 allowance to low-income commuters.

New approaches necessary

While governments wishing to cushion the impact of rising energy costs on citizens had little obvious alternative than to adopt measures to lower the price people pay, this approach provides only a short-term solution. These measures support energy use, which conflicts with the EU's aim of reducing carbon emissions. Shifting the focus of policy from energy subsidies to reducing energy use could help to address the unaffordability of energy in a way that is consistent with the EU's climate policy and its geopolitical interests.

Policies to support home insulation, to encourage investment in energy-efficient heating systems and appliances, and to promote the installation of solar panels would help to achieve these ends. Governments must also prioritise a reduction in transport, which accounts for almost a quarter of Europe's greenhouse gas emissions, by promoting cycling and walking and enabling more use of public transport. Embracing the concept of the 15-minute city, where most of a person's amenity and services needs are within a 15-minute walk or cycle, could see a radical reduction in energy consumption – as well as a beneficial transformation of the way people live.

Read more

Report: Fifth round of the Living, working and COVID-19 e-survey: Living in a new era of uncertainty eurofound.link/ef22042

Blog post: High risk of depression persists following COVID-19 pandemic: Data behind the mental health crisis eurofound.link/ef22075

Report: COVID-19 pandemic and the gender divide at work and home eurofound.link/ef22010

Blog post: Energy poverty looms as cost of living increases: Data behind the difficulties eurofound.link/ef22071

Article: First responses to cushion the impact of inflation on citizens eurofound.link/ef22067

Topic: Living conditions and quality of life eurofound.link/qualityoflife

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Podcast: [Eurofound Talks – Living in a new era of uncertainty](#)

Podcast: [Eurofound Talks – The impact of COVID-19 on young people in the EU](#)

11 Consequences of disability in a pandemic

Top takeaways

- The COVID-19 pandemic reduced quality of life widely among people with disabilities, more so than among those without disabilities. Poor mental well-being was prevalent, with 7 out of 10 people at risk of depression and 4 out of 10 reporting feeling lonely. One-third had unmet healthcare needs both in the 12 months prior to the survey and at the time of the survey. Unmet need for mental healthcare was twice as prevalent among people with disabilities (25%) than people without disabilities (12%).
- Many people with disabilities struggled financially: nearly 6 out of 10 (57%) lived in a household that had difficulty making ends meet, compared with 39% of respondents without disabilities.
- The situation of people with disabilities who are unemployed was particularly poor on all the indicators examined: 84% were at risk of depression and 86% had difficulty making ends meet, for instance. One-third of the *Living, working and COVID-19* e-survey respondents of working age were in employment; increasing labour market participation would make significant inroads in reducing the gap in financial security and well-being between those with and without disabilities.

The COVID-19 pandemic took its toll on everyone, but people with disabilities fared considerably worse than those without disabilities. Data on key quality of life indicators from the third round of the *Living, working and COVID-19* e-survey, fielded in spring 2021, bear this out.

Unmet medical need

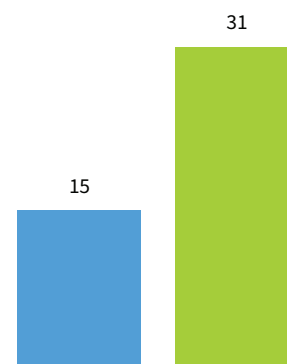
The need for medical consultation or treatment went unmet for a much higher proportion of respondents with disabilities. The proportion of people who reported that they had unmet healthcare needs at any point in the 12 months prior to March 2021 was double that of people without disabilities (Figure 37). This figure rose to three times the proportion when respondents were asked about their current situation.

On the question of why their healthcare need was not addressed, the main reason given by respondents both with and without disabilities was the unavailability of appointments due to the pandemic, followed by waiting lists. The cost of care, the third most common reason, was a barrier to more respondents with disabilities (36%) than those without disabilities (25%).

For almost all types of medical needs, more people with disabilities reported an unmet need than those without disabilities, particularly with regard to hospital or specialist care and mental healthcare (Figure 38). For the latter, one in four respondents with disabilities (25%) were unable to access care in spring 2021, compared to 12% of those without disabilities.

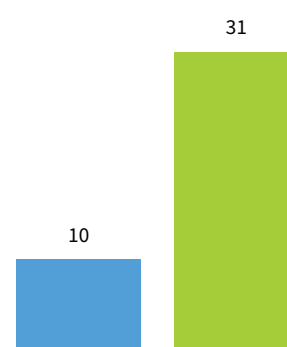
Figure 37: Unmet healthcare needs of respondents with and without disabilities, EU27, 2021 (%)

Unmet need at any point in 12 months prior to the survey



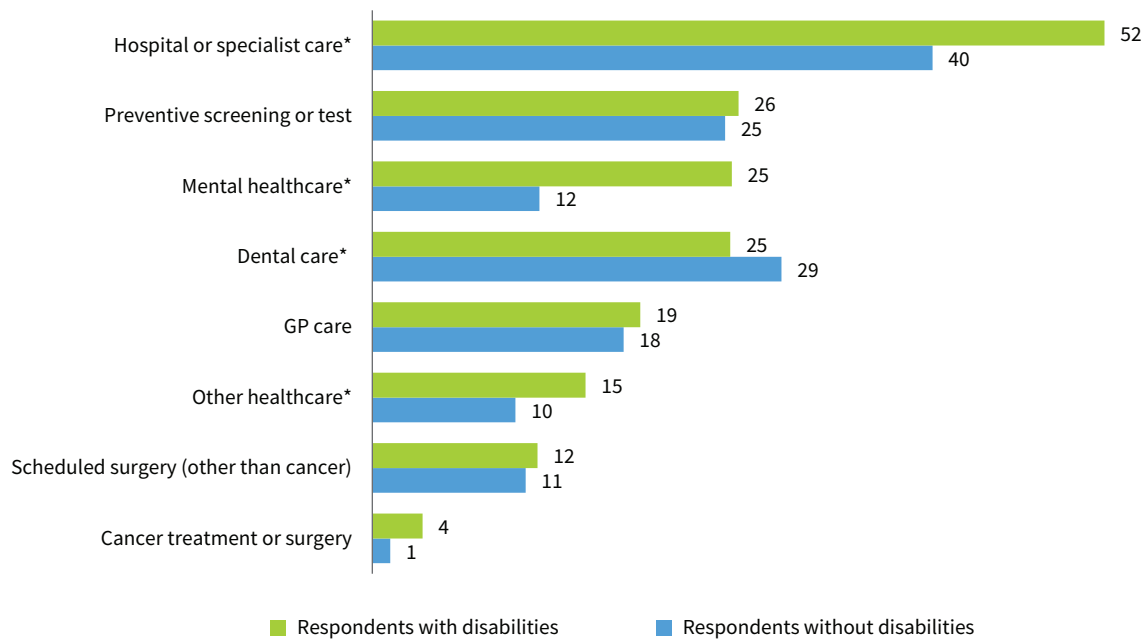
■ Respondents without disabilities
■ Respondents with disabilities

Unmet need at time of survey



Source: *Living, working and COVID-19*, third round

Figure 38: Unmet healthcare needs, by type of healthcare, respondents with and without disabilities compared, EU27, 2021 (%)



* denotes a statistically significant difference ($p < 0.05$) between respondents with and without disabilities.
 Source: Living, working and COVID-19, third round

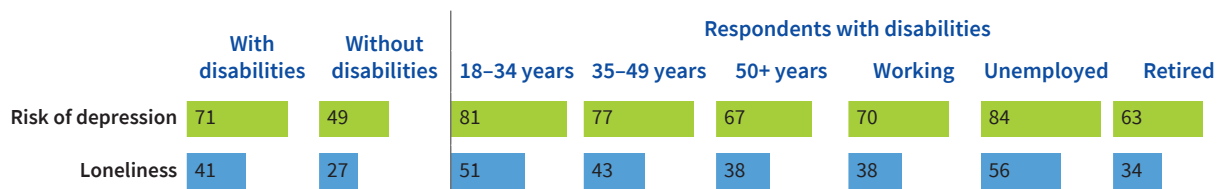
Mental health

On average, 71% of respondents with disabilities were at risk of depression (compared with 49% of people without disabilities) at the time of the e-survey, which makes the high level of unmet mental healthcare need in this group all the more alarming (Figure 39). The risk was particularly widespread among those aged 18–34 years, with 81% scoring under 50 on the WHO-5 Index. Among all the sociodemographic breakdowns of people with disabilities, however, prevalence was

highest among those who were unemployed, with 84% at risk of depression.

More than two out of five (41%) respondents with disabilities reported feeling lonely during the pandemic, and a greater proportion in the youngest age bracket (51%) reported feeling this way than their older counterparts. Furthermore, they were much more likely to feel lonely than those in the same age bracket without disabilities (32%). The sense of loneliness was most prevalent among respondents with disabilities who were unemployed (56%).

Figure 39: Risk of depression and loneliness, respondents with and without disabilities compared, EU27, 2021 (%)



Source: Living, working and COVID-19, third round

Definition of disability

In Eurofound’s analysis, respondents were considered to have a disability if they had a long-standing physical or mental health problem, illness or disability and were severely or somewhat limited in their daily activities. This group comprised 29% of the e-survey respondents.

Financial insecurity

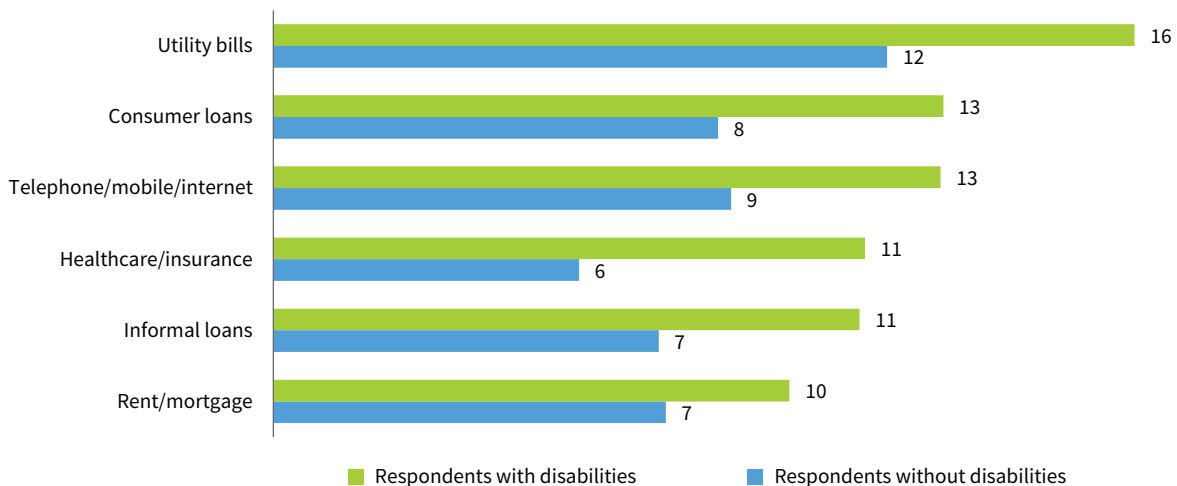
Nearly 6 out of 10 respondents (57%) with disabilities lived in a household that had difficulty making ends meet, compared with 39% of respondents without disabilities.

Even among those who were in work, a high proportion (47%) had difficulty making ends meet; the fact that the employment situations of people with disabilities are often precarious may have some bearing on this finding. Among the unemployed sample, difficulty making ends meet was very prevalent among people both with and without disabilities (86% and 79%, respectively).

More people with disabilities were also behind in their bills in comparison with respondents without disabilities (16% and 12%, respectively), and in all six types of arrears measured by the e-survey (Figure 40).

These findings from the *Living, working and COVID-19* e-survey support the call made in the new European Disability Strategy 2021–2030 to scale up action on improving the living conditions of people with disabilities. The continuing lack of fairness in society is possibly one of the reasons why people with disabilities were more severely affected by the pandemic. In many areas of life, their situation continues to be significantly worse compared to that of other Europeans. In a fair and social Europe, people with disabilities should enjoy the same access to healthcare, support for mental health and standard of living as everyone else. People with disabilities are more likely to be out of work, which has a negative impact not only on income but also on mental health. Increased participation in employment is needed to reduce the large inequalities in quality of life between those who have and those who do not have a disability.

Figure 40: Arrears, by type of healthcare, respondents with and without disabilities compared, EU27, 2021 (%)



Source: *Living, working and COVID-19, third round*

Read more

Report: People with disabilities and the COVID-19 pandemic: Findings from the *Living, working and COVID-19* e-survey eurofound.link/ef22019

Topic: Disability and chronic disease eurofound.link/disability

12 | Lessons in public trust

Top takeaways

- The initial shock of the COVID-19 pandemic raised public trust in government as people turned to their political leadership for guidance. This high level of trust was instrumental in achieving public compliance with measures that drastically curtailed people's freedoms and disrupted their lives.
- Trust in government fell sharply over the year that followed, as the waves of rising infections and deaths from the disease caused people to question the effectiveness of government policy and its stringency. Low levels of trust in national institutions resulted in high levels of dissatisfaction with government responses to COVID-19.
- Trust in government is associated with good governance and institutional quality. Overall, EU performance on institutional quality has been declining since 2008. In this time of uncertainty, tackling the poor performance of institutions would help to rebuild public trust in government. It would also strengthen the capability of those institutions to take full advantage of the opportunities provided by EU supports for recovery and resilience in the wake of the pandemic.

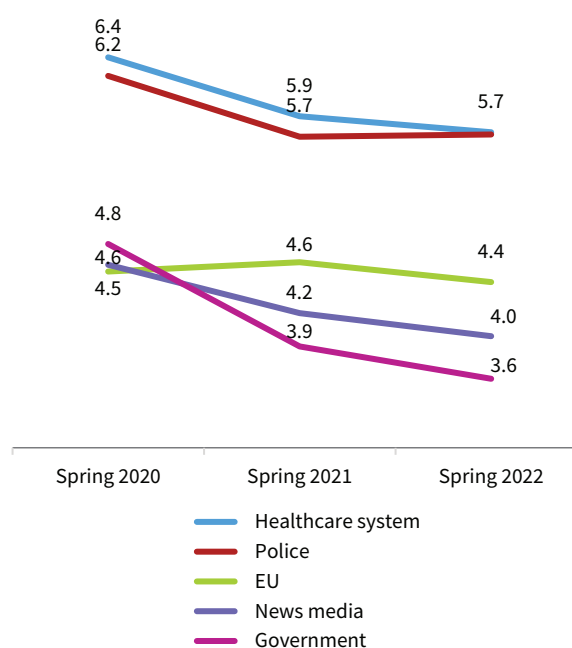
Trust in the institutions of the state is a precondition to the functioning of Europe's democracies. The COVID-19 pandemic drove this home: the public's adherence to stringent measures curtailing personal liberty and its assent to mass vaccination against the virus depended on people having trust in the national government. It was no small challenge to sustain that trust in light of the constant deluge of information emanating from traditional media and social media, much of it confusing and contradictory and, in the case of some outlets, straightforwardly malicious in intent. Although trust frayed over the course of the pandemic as frustration with restrictions increased and questions about their effectiveness grew, most people continued to comply. A study of the waxing and waning of public trust in government over this period could serve as an object lesson in how to keep the public on board in a time of crisis.

Trust is high at the outset of a crisis

In spring 2020, just one month after the first national lockdown began in Italy, trust in government was relatively high, higher than trust in the EU and the news media, two other highly politicised institutions (Figure 41). Respondents to Eurofound's regular European Quality of Life Survey (EQLS) consistently give governments, out of all institutions, the lowest scores on trust. In all likelihood, high trust in government at this point was a result of a 'rally-around-the-flag effect' – a known phenomenon in political science, where people demonstrate exceptional support of government in the early days of a crisis.

Focus groups, which were conducted by Eurofound to explore individual attitudes to the COVID-19 policy measures, back up this proposition. Participants spoke

Figure 41: Trust in institutions – mean scores (scale 1–10), 2020–2022, EU27



Source: Living, working and COVID-19, fifth round

of their uncertainty and anxiety at the outset of the pandemic and their willingness as a result to comply with draconian measures implemented to combat the virus, notably the lockdowns, social distancing guidelines and restrictions on mobility. They also felt that the lockdown measures were proportional to the threat at hand.

Governments should not expect a rally-around-the-flag effect with every crisis, however, as it does not always materialise. The 2008 financial crash is a case in point,

when trust in government fell from the outset of the crash. In that case, much of the public felt that governments were culpable for the crisis because of their failure to reign in banks for reckless practices and to dampen the overheating housing market.

Trust wears thin as crisis drags on

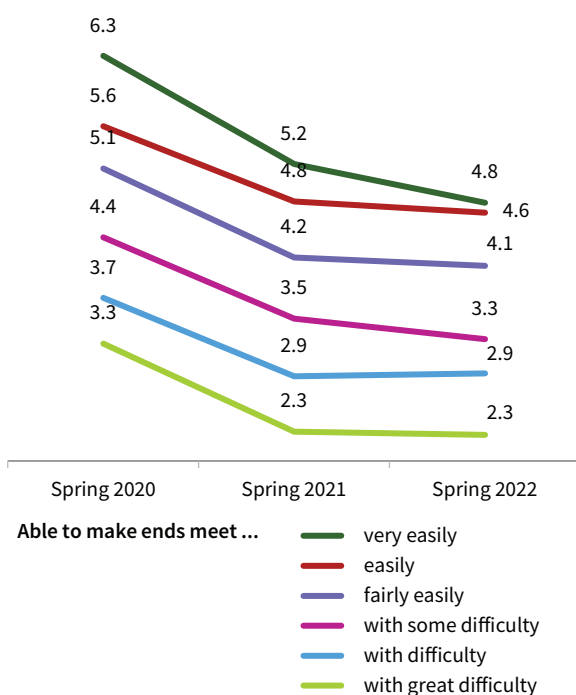
The rally-around-the-flag effect is short-lived, as crises tend to outlive public patience. Figure 41 shows how trust in government fell dramatically in the course of the first year of the pandemic. An additional factor was the further waves of the pandemic in autumn 2020 and spring 2021, which dented the public's confidence in the effectiveness of government policy. The reimposition of many restrictions and curtailment of people's freedom bred frustration and resentment.

The focus group participants spoke of how they began to doubt the effectiveness of government measures with the second wave in autumn 2020. They interpreted the escalation of COVID-19 cases to levels higher than the first wave as evidence that policy measures were unsuccessful. They questioned the rationality of some measures, such as the mandatory use of face masks out of doors.

Declining trust is contagious

The sharpest fall in trust in government between 2021 and 2022 occurred among people who are most well off financially – those who said they could make ends meet very easily (Figure 42). Meanwhile, there was no change

Figure 42: Trust in national government by ability to make ends meet (scale 1–10), 2020–2022, EU27



Source: *Living, working and COVID-19, fifth round*

in trust of government among those who had difficulty or great difficulty making ends meet. While wealthier people were still more trusting of government than those who were less well off, the gap had narrowed, indicating that distrust of government had spread more broadly in society.

The end of a crisis might not regenerate trust

Trust in government had not recovered by the spring of 2022, when pandemic restrictions had been lifted and life had returned to normal. In fact, it dropped again. Rising inflation and spiralling energy prices and the expectation that prices would rise even further over the course of the year are likely to be significant factors behind the continuing decline.

The media are not always an ally

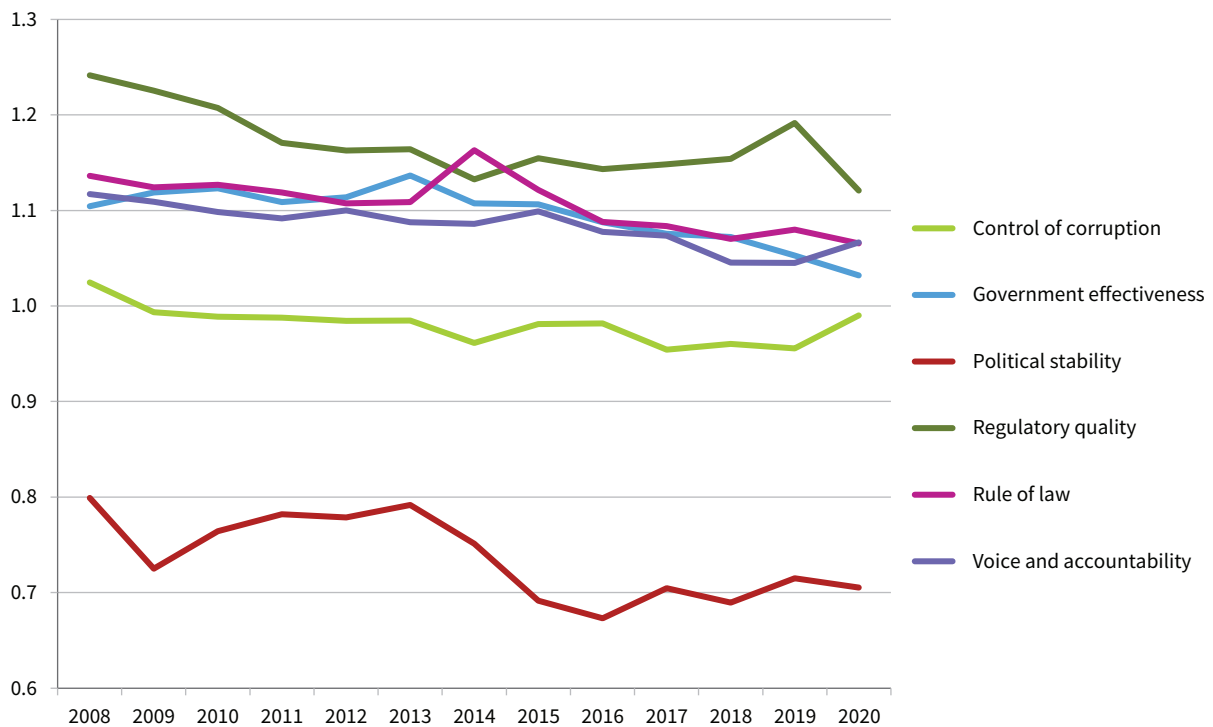
The public's trust in other institutions – the health system, the police, the EU and the news media, as illustrated earlier in Figure 41 – declined too during the pandemic, although trust in the police remained consistent between 2021 and 2022. Trust in the EU rose in 2021 – thanks perhaps to the generous EU initiatives to cushion the impact of the crisis and to promote recovery – before falling back again in 2022.

The news media scored next lowest to national governments on the question of trust. Participants in the focus groups were extremely critical of the media's reporting of the pandemic. They questioned the accuracy and neutrality of information provided by the media, and believed that the daily reports on mortality rates aimed to stoke fear. At the same time, they felt the media failed to provide answers to the questions people had or to inform the public clearly. Some resorted to social media, a notorious source of disinformation, in the search for alternative sources of guidance.

Low levels of trust linked to dissatisfaction with policy

Inferential statistical analysis of the *Living, working and COVID-19* data found that low levels of trust in national institutions resulted in high levels of dissatisfaction with government responses to COVID-19. When trust increased, so did satisfaction with government, while declines in trust led to falling satisfaction.

Figure 43: Performance of EU on six World Governance Indicators, 2008–2020



Note: WGI scores range from +2.5 to -2.5.
Source: World Bank; Eurofound analysis

Public trust depends on good quality governance

Widening the lens beyond the COVID-19 pandemic, trust in government correlates with quality of governance, as measured in terms of dimensions such as government effectiveness, regulatory quality and democratic functioning – this was a finding from an analysis based on Member States’ performance on the six World Governance Indicators (WGIs) developed by the World Bank. When performance on each of the WGIs was averaged across the EU, it was found to have declined in all six since 2008 (Figure 43). Declining performance on the indicators implies a corresponding decline in public trust.

The analysis also found that quality of governance varies considerably across the EU. The Nordic countries, for instance, outperform the rest of the EU whereas the performance of the southern European Member States has deteriorated since 2008, and Bulgaria and Romania have performed poorly throughout the period.

The war in Ukraine has cast a shadow over Europe’s emergence from the maze of restrictions imposed in COVID-19 times. No Member State, nor the EU itself, has the power to end the war or to guarantee no more hardship for Europeans. What governments can do, however, is to endeavour to ensure that their own institutions serve their populations well and undertake to overhaul those that are underperforming. Effective institutions build public trust; they also deliver on their objectives. Effective institutions are essential to ensuring that Member States can take optimal advantage of the opportunities for recovery and resilience-building provided by the Recovery and Resilience Facility (RRF). High-quality governance across Member States could lead to balanced and strong economic growth, while fostering trust in institutions among European citizens and helping to address their growing disenchantment and discontent.

Read more

Report: Fifth round of the Living, working and COVID-19 e-survey: Living in a new era of uncertainty eurofound.link/ef22042

Blog post: Trust in national institutions is falling: Data behind the decline eurofound.link/ef22070

Report: Maintaining trust during the COVID-19 pandemic eurofound.link/ef22001

Policy brief: Does Europe lead the way in institutional quality? eurofound.link/ef22026



5

Eurofound in 2023

13 | Projects in the pipeline for 2023

Europe reopened in 2022 after the two years of the COVID-19 pandemic but was soon shaken by the Russian invasion of Ukraine. While the development of a trenchant response and management of the subsequent energy crisis absorbed much of the policy bandwidth over the year, the EU nevertheless pushed forward with its programme of driving a recovery focussed on a zero-carbon and digitalised economy, as the Member States began the implementation of their recovery and resilience plans. In parallel, the project to translate the principles of the European Pillar of Social Rights into policies continues, which is critical to strengthening the employment and social rights of Europeans.

Eurofound's work programme for 2023, which operates within its multiannual work programme for 2021–2024, is informed by the challenges to social cohesion and just transitions in an environment shaped by the impact of the war in Ukraine and the aftermath of the COVID-19 crisis.

The work programme is operationalised through six strategic areas:

- Working conditions and sustainable work: providing comparative data and analysis that can be used to improve job quality and promote sustainability of work over the life course.
- Industrial relations and social dialogue: functioning as a centre of expertise for monitoring and analysing developments in industrial relations and social dialogue, promoting dialogue between management and labour.
- Employment and labour markets: providing knowledge to identify changes in the labour market and inform employment policies to improve its functioning and inclusiveness.
- Living conditions and quality of life: mapping and analysing key elements for the improvement of living conditions of people, including information on their perception of quality of life and society.
- Anticipating and managing the impact of change: providing evidence on structural changes, driven largely by digitalisation and climate change but also by the COVID-19 crisis, which can be instrumental in ensuring a just transition to a climate-neutral economy.
- Promoting social cohesion and convergence: contributing to the policy debate on fairness and informing policies aimed at improving social cohesion and promoting convergence towards better living and working standards in the EU.

The main outputs from each of these areas in 2023 are described briefly below. The aim is that the evidence provided will contribute to policymaking on living and working conditions in the years ahead.

Working conditions and sustainable work

Research in the area of Working conditions and sustainable work in 2023 concentrates on analysis of data gathered by the EWCTS in 2021. One report **examines the job quality and work outcomes of essential workers**, who were at the forefront of the battle against the COVID-19 pandemic. It describes how the challenges they face are being addressed and whether the increased recognition of their work during the pandemic has led to concrete actions to improve their working conditions.

The EWCTS is also the basis of an investigation into **psychosocial risks and associated working conditions** in cooperation with EU-OSHA. The study looks at the incidence of psychosocial risks, identifies the sectors and occupations particularly affected, studies the effects on specific working conditions, and examines work resources that can help to protect workers.

Eurofound's research on **the right to disconnect** continues with a module on how this right is implemented at company level. The study uses quantitative data to demonstrate the impact of right-to-disconnect policies in workplaces on workers' well-being and work–life balance.

Industrial relations and social dialogue

Developments in national tripartite or institutional social dialogue and the involvement of the social partners in policymaking is an ongoing theme in this activity. One output of this work in 2023 is a report on **the involvement of the national social partners in the implementation of reforms and investments associated with the RRF**.

The yearly **update on developments affecting minimum wages** in the context of the European policy debate will focus on the impact of high inflation on the setting of minimum wage rates, with new figures on the net value of minimum wages. Later in the year comes the biennial **update on developments in working time** over 2021–2022, examining the working hours set by

collective agreements and aspects of working time regulation.

A report on the **key dimensions and indicators of industrial relations** in the EU expands on the four key indicators identified in Eurofound's 2016 study of the same topic: industrial democracy, industrial competitiveness, job and employment equality, and social justice. It provides an in-depth analysis of divergence and convergence patterns in industrial democracy across the Member States.

Eurofound continues to support European social dialogue with its studies on the **representativeness of social partner organisations** in specified sectors. Six studies will be published in 2023.

Employment and labour markets

With labour shortages limiting production and service delivery across the EU, the first report from this activity in 2023 looks at **measures implemented at national level to tackle lack of labour supply** in the health, care and information and communications sectors, as well as shortages arising from the twin green and digital transitions. It assesses these measures and explores the contextual factors supporting or hindering effective policy implementation and outcomes.

Another project examines **the link between skills and company performance**, and how workplace practices related to work organisation, human resources management and employee involvement affect this association. It looks at how skills shortages can be addressed by creating an environment in which employees are facilitated and motivated to make better use of the skills they already have.

A third report explores **how climate change and policies to manage the transition to carbon-neutrality are likely to affect employment, working conditions, social dialogue and living conditions**. It identifies the opportunities and risks that climate change policies bring to European labour markets and develops a conceptual framework to identify the relevant drivers, relationships and outcomes of climate change and policies.

Living conditions and quality of life

Housing has become a highly charged topic across the EU, and Eurofound aims to shed light on the issues with a report providing **a detailed examination of the housing difficulties experienced by both tenants and home owners**, including lack of affordability, fear of eviction and substandard accommodation. It also discusses national policies introduced to address these issues and point to how policy could be improved.

Another strand of research under this activity builds on Eurofound's work on intergenerational dynamics with a report examining how **the COVID-19 pandemic may have unevenly affected the health, labour market participation, quality of life and financial needs of different age groups**, in both the short and longer term. It incorporates an analysis of policy measures taken by the EU and Member States to limit potential intergenerational fractures.

A second report exploring the impact of the pandemic looks at **the adaptation of public services** to meet the demands placed upon them. It also looks at the role played by the digitalisation of services.

A policy brief assesses **progress in implementing the European Child Guarantee** in several areas, including early childhood education and care, education, healthcare, healthy nutrition and adequate housing. It explores trends and disparities in these areas using a convergence analysis, which tracks disparities among Member States.

Anticipating and managing the impact of change

Telework mushroomed during the COVID-19 pandemic and different forms of hybrid work have emerged in its wake. One report in this activity explores **potential scenarios for hybrid arrangements**. It identifies the main trends and drivers, and predicts how they might interact to create particular outcomes. It also outlines measures that can be put in place to facilitate desirable outcomes and to avoid undesirable ones.

The likely **socioeconomic implications of the transition to a climate-neutral economy** on different EU regions and groups of people are explored in a report that adopts a foresight approach. Three scenarios outline emerging economic and social inequalities at EU and regional levels. The report points to measures that might be taken to achieve a just transition where no-one is left behind.

Work on the **ethical implications of workplace digitalisation** continues with a report examining the effects of digital technologies on fundamental rights, ethical principles and working conditions. It advocates embedding ethical thinking and practice into the entire technology lifecycle – from design to implementation and use.

A second report on the **impact of technology – in this case, advanced robotics** – explores the benefits and risks that come with closer human-machine interaction, the organisational practices needed to deal with emerging issues and the key concerns and challenges.

Promoting social cohesion and convergence

The first report from this activity considers the **impact of the COVID-19 pandemic on inequality** across different areas of life. It shows how inequality in the spheres of income, health, employment and education changed between 2010 and 2020 and examines the main drivers of this change as well as the effect of government policies.

Two outputs from Eurofound's research on convergence will issue in 2023. One report **investigates trends in economic, social and institutional convergence** over 2004–2019 at both Member State and regional levels, analysing the role of different geographical clusters of Member States in driving convergence. It also assesses the potential impact of the RRF on convergence and discusses different policy scenarios to support upward convergence.

A second report explores how **environmental performance has converged – or diverged – among the Member States** since the early 2000s. It asks whether it is reasonable to expect Member States to adhere to the emerging EU environmental *aquis* and whether they should be expected to reach these goals at the same time.

Against the backdrop of the flight of millions of Ukrainians into the EU, a policy brief looks at the **main barriers to employment encountered by Ukrainian refugees** and provides suggestions on how to facilitate their integration. The findings are based on a 2022 survey carried out by the Fundamental Rights Agency.

A report on the **societal implications of labour market insecurity** focuses on temporary, part-time and self-employed workers who perceive their job as insecure. It explores the impact of this insecurity on their health and well-being, social exclusion, trust in people, perception of fairness and trust in institutions. Policies aimed at reducing labour market instability are also discussed.

In the context of growing rural–urban polarisation, a report investigates **the trends and drivers of the urban–rural divide** in several dimensions: economic and employment opportunities, access to services, and living conditions and quality of life. It analyses the speed of convergence of big cities compared with rural areas and provides an overview of initiatives to improve access to and quality of public services in remote rural areas.

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Eurofound's brief

What does Eurofound do for you?

- We benchmark good practice in industrial relations, living and working conditions, employment and competitiveness
- We make key actors aware of challenges and solutions
- We support policymaking by monitoring the latest developments in living and working conditions

Eurofound, a tripartite European Union Agency, provides knowledge to assist in the development of social, employment and work-related policies.

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