

Living and working in Europe



Living and working in Europe 2024



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Foreword

Resilience and renewal: Europe in transition

2024 was a year of resilience, renewal and continuing transformation. In recent years, Europe has faced a long list of overlapping crises – a global health pandemic, cost-of-living pressures with rising inflation, an energy crisis, geopolitical instability with Russia’s war on Ukraine and the ongoing climate crisis. Yet, through each of these crises, the EU has not only endured, but adapted and evolved.

These challenges are not happening in isolation. They are unfolding against the backdrop of the EU’s changing policy landscape, with the new European Commission prioritising, among other things, affordable housing, high-quality jobs and an anti-poverty strategy. Eurofound contributes to these priorities through its research on housing insecurity, job quality, minimum wages and social inclusion, providing a robust evidence base to support more effective and inclusive policies across the EU.

Today, Europe finds itself in transition, facing long-term structural shifts in the labour market driven by digitalisation, the climate crisis and demographic challenges. Artificial intelligence, automation and climate policies are redefining industries, reshaping economies and redefining job quality. As these transformations unfold, Eurofound stands alongside the EU community, providing evidence-based insights to help shape a stronger, more inclusive and forward-looking Europe.

In 2024, Eurofound’s research addressed some of the most pressing issues affecting people and businesses across the EU – from labour and skills shortages to the housing crisis, rising living costs and social protection gaps. Labour and skills shortages in particular have emerged as a key constraint on business performance and the green and digital transitions. Eurofound research shows that companies are increasingly taking action – not only through upskilling initiatives and the targeted inclusion of underutilised groups such as women, individuals with disabilities and third-country

nationals, but also by improving working conditions, for instance through better pay, flexible working arrangements, childcare support, and housing assistance to attract and retain workers.

Two years after the European Year of Youth, Eurofound remains focused on the situation of young people across Europe. While there are positive signs – such as rising employment and job stability – many still face barriers to independence, notably in the areas of mental well-being and housing. The housing crisis, manifested in record-high rents and the unaffordability of homeownership, continues to delay key life transitions for young people. Eurofound’s work reveals the multidimensional nature of the crisis, from housing insecurity to evictions and homelessness – issues that now sit high on the EU agenda as Commission President Ursula von der Leyen signals urgent action on housing.

2024 was also a year of political transition, marked by the election of the new European Parliament and the formation of a new European Commission. Eurofound actively contributed to public debate, joining the EU-wide #UseYourVote campaign in advance of the European Parliament elections in June and launching a major exhibition, *The Future of Living and Working in Europe*, at the European Parliament in the autumn. This gave Eurofound an opportunity to engage with newly elected MEPs and key stakeholders, reaffirming its commitment to providing independent, evidence-based research to inform EU policymaking.

As we enter 2025, Eurofound marks its 50th anniversary – a milestone moment to reflect on five decades of research that has helped shape European employment and social policies. Since its establishment in 1975, Eurofound has evolved alongside the European project itself, responding to economic crises, demographic shifts, technological revolutions and policy transformations.

Eurofound’s mission is Europe’s mission: putting people first and building a strong, fair and competitive social market economy. Europe’s resilience has got it through crisis after crisis – now, its strength to renew itself will define the path ahead.



Labour and skills shortages: Workforce crisis hitting Europe

1

Key insights

- **Labour shortages are a long-term structural issue.** Vacancy rates remain high, particularly in construction and ICT, two sectors critical to the EU's green and digital transitions.
- **Engaging underutilised labour groups is key.** Women with care responsibilities, people with disabilities and third-country nationals continue to face significant barriers to participation.
- **Skills shortages remain widespread across the EU, especially among SMEs.** In 2023, 80% of SMEs reported difficulties finding workers with the right skills, with the problem particularly acute in the manufacturing, retail and services sectors.
- **Poor job quality drives shortages.** Sectors with high vacancy rates, such as health and construction, often have poor working conditions, job instability and low wages.
- **Companies are taking action to attract and retain workers.** Employers are offering better pay, flexible work, childcare facilities and training to address shortages.

1 Shortages dominate labour market concerns

The EU labour market has shown exceptional resilience following the COVID-19 pandemic, with employment surpassing pre-pandemic levels by mid-2022. Job retention schemes played a critical role, with estimates that they saved 26.9 million jobs in the EU in 2020 and 2021.

By 2024, rising labour demand pushed employment rates to historic highs and unemployment rates to historic lows, shifting the policy focus from reducing unemployment to tackling persistent labour shortages – a major concern for governments and the social partners. Far from being a temporary economic condition, shortages have become a persistent, long-term structural issue. They are rooted in long-term structural changes, including the ongoing increase in employment, the shift toward service sector jobs, occupational upgrading with increasing demand for high-skilled white-collar roles and an ageing workforce. Evolving skills needs, job quality concerns, and the green and digital transitions have only intensified the challenge. This structural labour market shift is also clearly reflected in job vacancy rates, which remain persistently high across the EU.

These shortages are having negative impacts on companies, affecting growth, productivity and innovation. In response, companies are increasingly putting in place initiatives to address the challenge – Eurofound research in 2024 examined the strategies they are adopting to attract new talent, engage underutilised labour, and improve job quality to attract and retain workers.

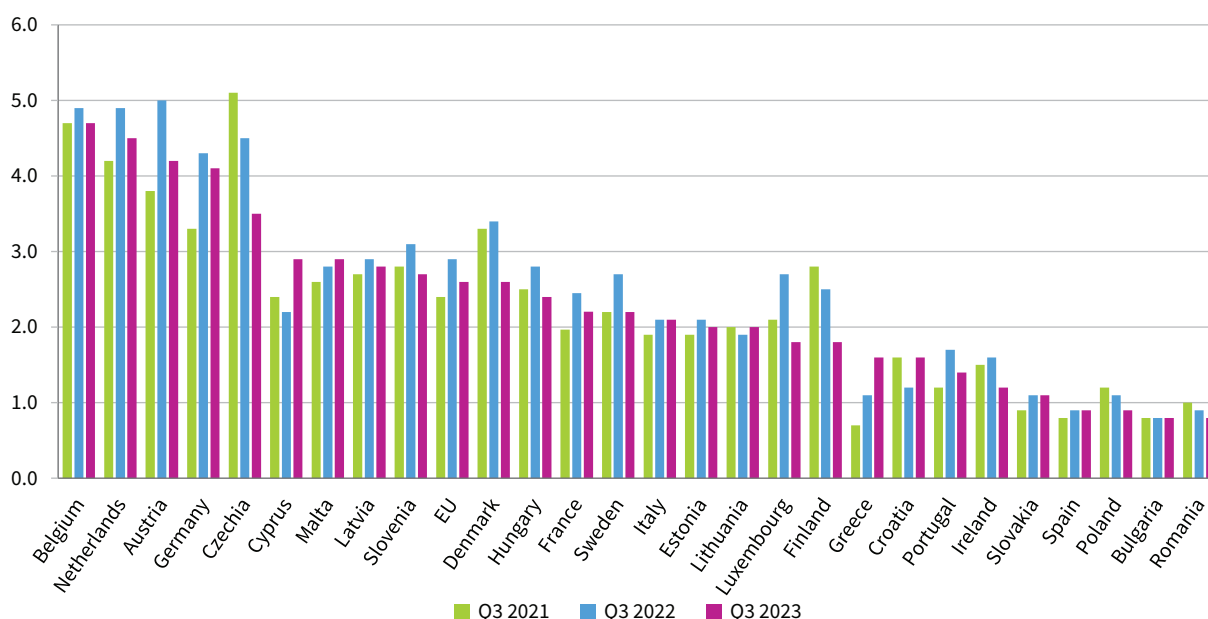
Vacancy rates remain high

The EU labour market remained resilient in 2023 despite weak economic growth and high but falling inflation. Following a period of sustained growth for nine consecutive quarters, the employment rate declined marginally, from 75.4% in the second quarter of 2023 to 75.3% in the third quarter of the same year. Amid these developments, labour shortages remained a persistent problem in the EU.

The post-pandemic recovery saw a spike in the EU job vacancy rate in line with the historical trend. The EU job vacancy rate reached a peak of 3% in the second quarter of 2022, before declining to 2.6% by the third quarter of 2023. However, it remains significantly above pre-pandemic rates.

Vacancy rates remain particularly high in some Member States. Figure 1 shows that in Belgium, the Netherlands, Austria, Germany and Czechia rates were at or above

Figure 1: Job vacancy rates, EU Member States, Q3, 2021–2023 (%)



Source: Eurostat [jvs_q_nace2]; data for Denmark and France are from national sources

3.5% in spite of declining vacancies in 2023. In the majority of countries, decreases in the vacancy rates were very small – indicating that labour shortages are likely to continue.

These persistent shortages have prompted initiatives aimed at mobilising underutilised labour within the domestic workforce.

Activating underutilised labour market groups

In 2024, following consultation with the social partners, the European Commission published an action plan on addressing labour and skills shortages in the EU. A key priority of the plan is supporting the activation of underrepresented groups in the labour market, recognising that barriers to employment vary across different demographics.

Women and people with disabilities, in particular, face significant barriers to labour market participation – women due to unequal care responsibilities and limited access to quality childcare and long-term care, and people with disabilities due to structural accessibility issues and gaps in inclusive employment policies. Eurofound research highlights how gender segregation and systemic inequalities continue to hinder both groups. Tackling these challenges is essential to easing

labour shortages and building a more inclusive, resilient workforce.

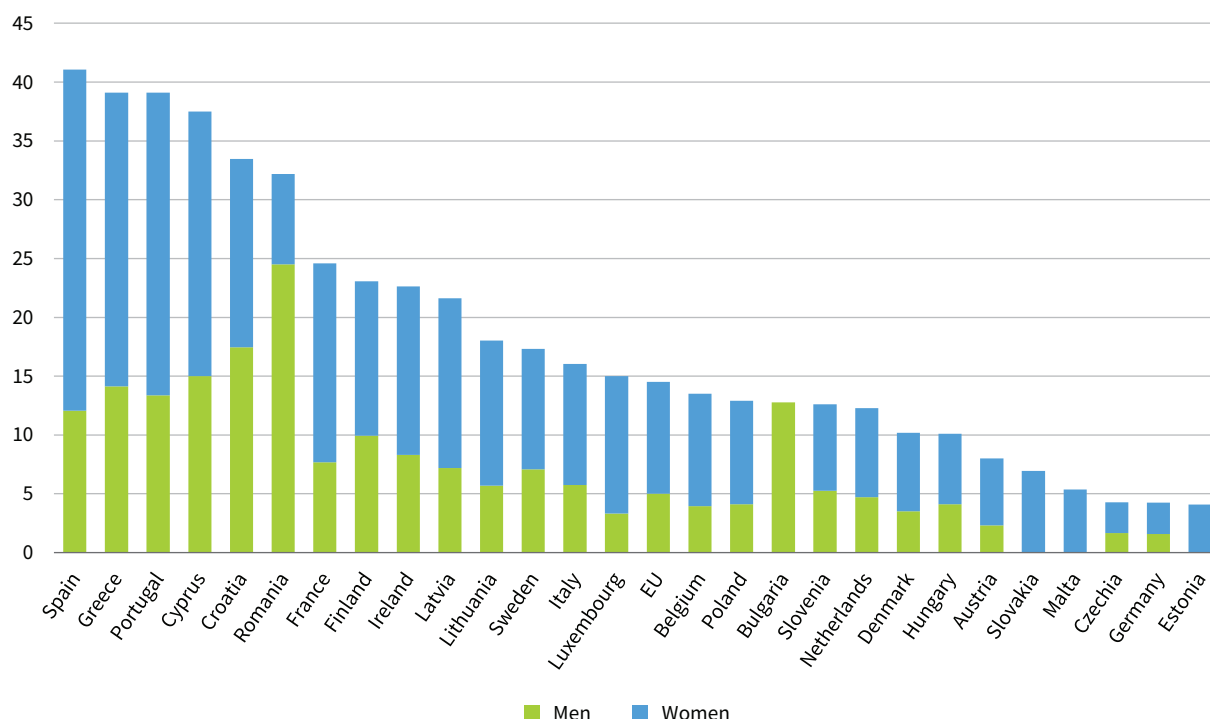
Tackling the gender employment gap

Tapping into underemployed part-time workers, who make up a large part of the workforce, could be a key strategy to address labour shortages. Women with caring responsibilities are key members of this underutilised workforce. In 2023, there were about 5.4 million part-time underemployed workers in the EU – of whom a striking 65% were women. Women remain overrepresented in underemployment in almost all Member States, making them the EU's largest untapped labour force (Figure 2).

However, increasing working hours among part-time workers alone will not close the gender employment gap. To truly address this gap, more women need to be brought into employment overall – whether part-time or full-time.

Eurofound case studies found some initiatives by companies to attract women. For instance, in Czechia, Ipsos, a market and public opinion research company, opened a crèche facility. The company recognised that the age profile of new and existing employees meant that, at any given time, workers will probably be starting families; will wish to take maternity, paternity and parental leave; and will have childcare responsibilities.

Figure 2: Underemployment as a share of part-time employment, by gender, EU Member States, Q3 2023 (%)



Note: Eurostat defines underemployed part-time workers as people working part-time who wish to work additional hours and are available to do so.

Source: Eurostat [lfsq_eftpt] and [lfsi_sla_q]

More integration of people with disabilities into the labour market

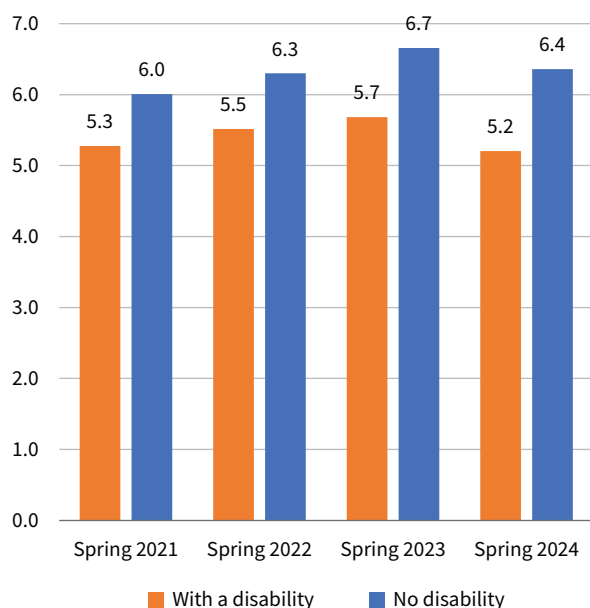
Individuals with disabilities continue to face significant barriers to labour market participation and often need targeted policy assistance. Eurofound highlights that labour market participation remains a challenge for people with disabilities – a problem compounded by the COVID-19 pandemic. They face many obstacles – ranging from disability-related stereotypes to a lack of strategic vision in governance – making employment more difficult.

Bringing more people with disabilities into the workforce would not only help address the ongoing labour shortages crisis but also significantly improve their quality of life.

Unemployment reduces quality of life

Eurofound research consistently emphasises the importance of employment and income for individuals with disabilities to fully participate in society. According to the 2024 Living and Working in the EU e-survey, respondents with disabilities consistently reported lower life satisfaction levels than those without disabilities between 2021 and 2024 (Figure 3).

Figure 3: Average life satisfaction rating, by disability status, EU, 2021–2024 (scale 1–10)



Source: *Living and Working in the EU e-survey series*

Respondents with disabilities also reported lower levels of optimism about their future compared to those without disabilities. Eurofound's 2024 e-survey shows that, among people with disabilities, being unemployed is strongly associated with lower optimism – unemployed individuals in this group were 13 percentage points less likely to be optimistic than their employed counterparts. Similarly, respondents with higher incomes were 11 percentage points more likely to report feeling optimistic than those with medium incomes.

Can migration shore up the labour market?

While improving domestic labour market inclusion remains critical, many Member States are also turning to migration to fill persistent workforce gaps. One way of doing this is by facilitating third-country nationals' access to the labour market.

Today's labour market is calling out for workers, be they EU citizens in their country of origin or from another EU Member State, or third-country nationals currently working inside or outside the EU. Eurostat data indicate that, in 2020, 23 million non-EU nationals were living in Member States. Therefore, third-country nationals make up around 5% of the EU population. Yet in 2022, their employment rate (62%) lagged behind that of EU nationals in their home country (75%).

Despite contributing significantly to essential services, such as providing food, care and cleaning services – often while overqualified – third-country nationals remain underrecruited.

Companies are open to using mobility and migration recruitment routes but this willingness is not matched by the reality. Around 60% of employers indicated that they are open to exploiting the possibilities of third-country migration to address shortages (BusinessEurope, 2023). Many Member State governments also consider migration from third countries to be an important source of labour – see the case study summary on Luxembourg on the next page.

Hiring third-country nationals in Luxembourg

With a vacancy rate of 1.8% and a level of labour market slack (the unmet demand for labour in a given population) of just over 10% of the extended labour force, Luxembourg is currently experiencing labour shortages. This is particularly the case in the professional, scientific and technical services sector, which has a vacancy rate of over 6%.

The national labour market in Luxembourg presents challenges linked to the high prevalence of cross-border work. In Luxembourg, 44% of the labour force are cross-border workers, which can contribute to shortages, particularly in occupations where shortages also prevail in neighbouring countries. For the same reason, Luxembourg experienced disproportionate labour shortages during the pandemic as cross-border workers were furloughed or restricted from travelling to their place of employment.

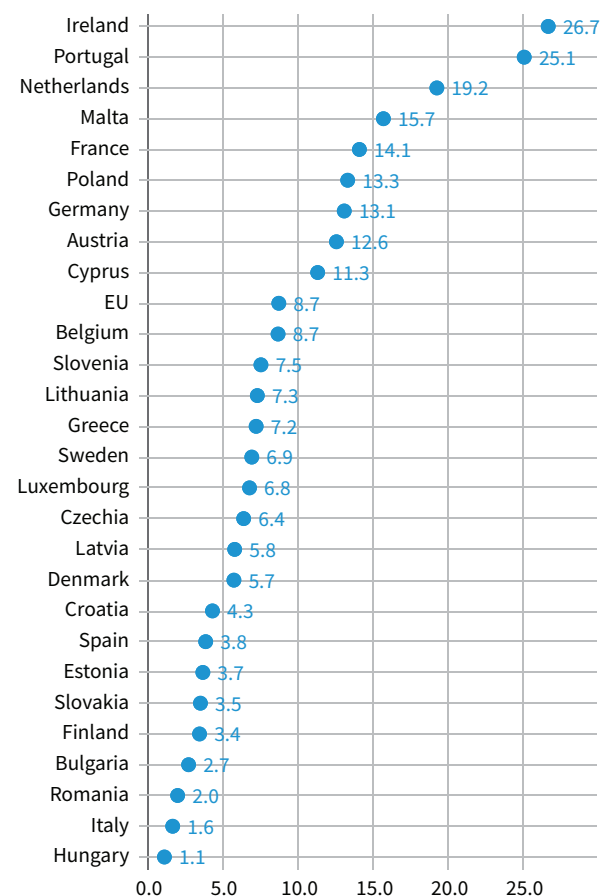
To address these shortages, Luxembourg introduced the Law of 7 August 2023 to facilitate the recruitment of third-country nationals. This legislation simplifies procedures for hiring foreign skilled workers, particularly in sectors facing significant shortages, such as IT, healthcare, engineering services, financial services and construction. For professions listed as shortage occupations, the National Employment Agency (ADEM) will no longer be required to conduct a job market test, expediting the hiring process. Furthermore, family members of third-country nationals legally residing in Luxembourg now have unrestricted access to the job market and no longer require work permits.

SMEs slow to recruit third-country nationals

Despite the willingness to hire third-country nationals, recruitment is challenging, particularly for small and medium-sized enterprises (SMEs).

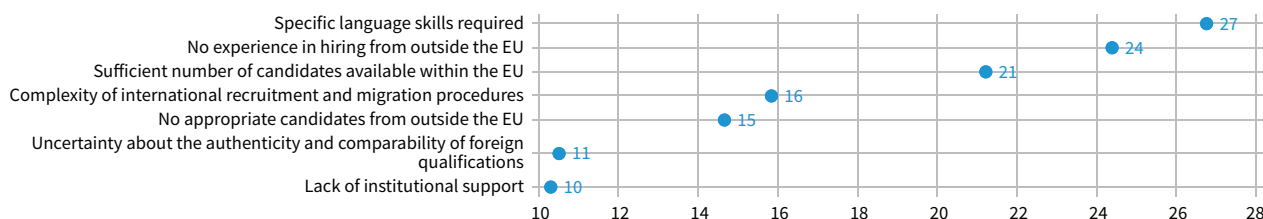
Only 9% of SMEs in the EU hired candidates from outside the EU in 2023, and there were large differences between Member States (Figure 4). Around one in four SMEs in Ireland and Portugal recruited workers from outside the EU. More than 1 in 10 did so in the Netherlands, Malta, France, Poland, Germany, Austria and Cyprus. At the other end of the scale, fewer than 5% of SMEs in Croatia, Spain, Estonia, Slovakia, Finland, Bulgaria, Romania, Italy and Hungary recruited non-EU workers in response to labour shortages. More than half (56%) of the SMEs that recruited from outside the EU reported that this hiring process was difficult.

Figure 4: SMEs that recruited non-EU workers, EU and Member States, 2023 (% of SMEs)



Source: Eurofound calculations based on Eurobarometer 529

Figure 5: Reasons why SMEs did not recruit from outside the EU, 2023 (% of SMEs)



Source: Eurofound calculations based on Eurobarometer 529

Language requirements of candidates (27%), lack of experience in hiring from outside the EU (24%) and complexity of international recruitment and migration procedures (16%) were some of the main reasons cited (Figure 5).

Migration policies for third-country nationals

The 2023 EU Pact on Migration and Asylum and the current proposal for an EU Talent Pool aim to simplify the process enabling third-country nationals to work in Europe and to ensure fair working conditions for them. Reducing the mismatch between the qualifications of third-country migrants and the jobs performed and ensuring their effective integration is a big part of the response.

Effectively integrating third-country migrants will entail addressing barriers to sustainable recruitment, including avoiding skills underutilisation. Solutions include streamlining processes to ensure that the identification of shortage occupations is regularly updated for the purposes of granting work permits to third-country nationals, improving qualification recognition and offering language training and integration services with the involvement of the social partners.

However, policymakers acknowledge that migration alone is not the solution to labour market shortages and migration policy cannot be linked solely to the needs of the labour market – a multifaceted approach to address this complex issue is required.

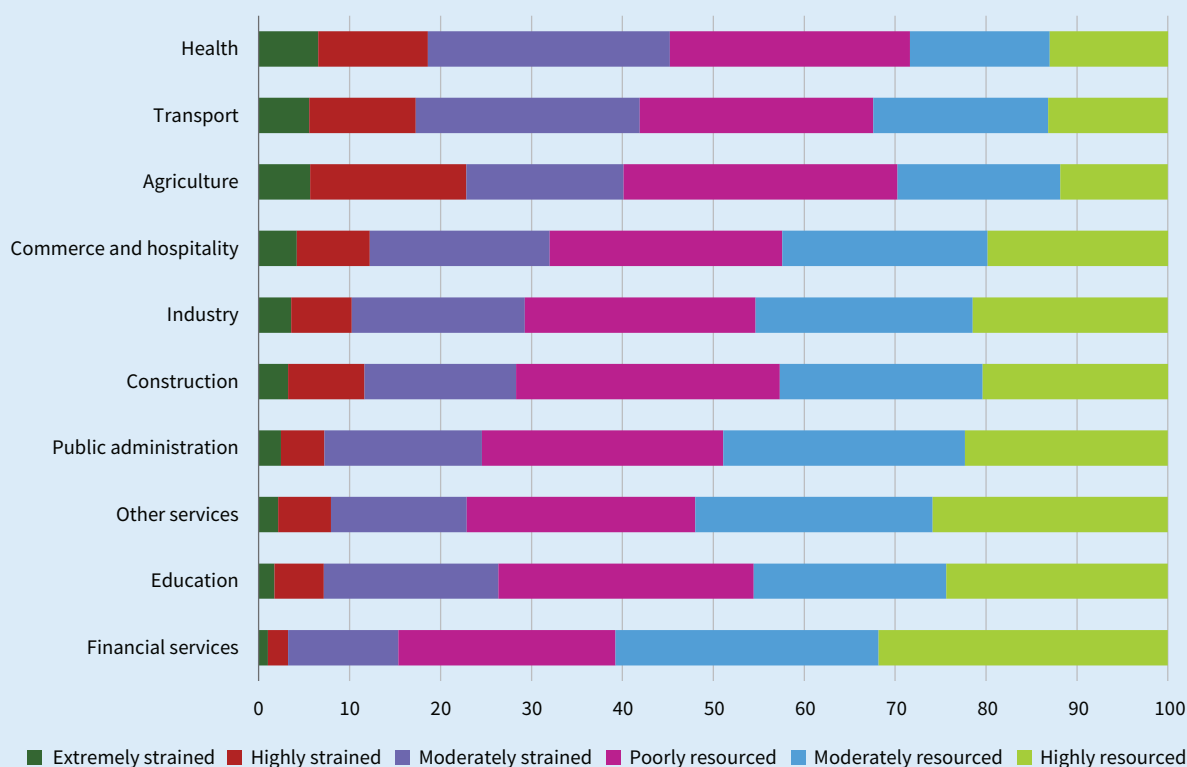
Improving job quality is key

Improving job quality is key to complementing efforts to expand the labour force, as poor working conditions remain a major barrier to both attracting new workers and retaining existing ones – especially in sectors already facing acute shortages. Put simply, there is a clear link between poor-quality jobs and labour shortages (Eurofound, 2023a).

Improving job quality needs to be prioritised for the EU to address persistent labour shortages. Eurofound data show that these shortages are particularly prevalent in sectors with poor job quality. Eurofound measures this quality using its job quality index. This compares job demands (such as physical and psychological hazards, work intensity and unsocial working hours) with job resources (such as autonomy, flexible working hours and training opportunities). When the resources available to workers consistently fail to offset the demands experienced at the workplace, job quality is poor, making these positions less attractive and worsening labour shortages.

Many jobs in sectors with the highest vacancy rates have an imbalance between job demands and resources. For instance, data from the European Working Conditions Telephone Survey (EWCTS) 2021 show that the health sector is the most ‘strained’, followed by transport, agriculture, commerce and hospitality – all sectors experiencing significant labour shortages (Figure 6). Similarly, in the construction sector, poor working conditions are a factor behind labour shortages as the sector has high levels of job insecurity and health and safety concerns because of high levels of physical risk.

Figure 6: Job quality index, by sector, EU27, 2021 (%)



Source: EWCTS 2021

Labour shortages do not just reflect poor job quality – they actually make it worse. As vacancies remain unfilled, existing workers face intensified workloads, increasing stress and the risk of burnout. This, in turn, could lead to higher absenteeism and staff turnover, worsening the shortages even further. It is a vicious cycle that keeps eroding working conditions, making it even more difficult to fill these roles.

Company initiatives to improve job quality

In order to gain an insight into how organisations deal with labour shortages, Eurofound carried out 17 case studies in various sectors (construction, health and social care, ICT, marketing, consulting, retail, tourism and transport) across 13 Member States in 2024.

The case studies show that companies are making greater efforts to improve job quality to retain and attract workers, offering better pay, non-wage benefits and good working conditions. These measures include flexible working time and remote work options, but also assistance with housing and childcare. For instance, in response to high property prices and rental costs in Prague, the Na Františku Hospital helps its workers find affordable housing. The hospital owns three dormitories within walking distance and provides rental accommodation at favourable rates – on average, around 40% below market prices – for employees who have or are planning to start a family. In order to retain staff, the management is also proactive in offering the possibility of part-time work. As a result, according to 2020 Eurostat data, the share of part-time workers at the hospital stands at 30%, compared with just 5.6% in the Czech labour market as a whole.

2 Missing skills, lost opportunities

Persistent skills shortages in the EU limit companies' ability to hire, innovate and adapt – particularly among SMEs.

The European Year of Skills extended into 2024, reinforcing the EU's push for reskilling and upskilling to help businesses – especially SMEs – address skills shortages. The European Commission's 2024 action plan on skills and labour shortages, drawing on data from Eurofound's European Company Survey (ECS), highlights that many employers perceive new recruits as lacking the necessary skills required to perform their jobs. These concerns highlight what many companies see as a persistent mismatch between workforce skills and labour market needs across the EU.

As the green and digital transitions accelerate, skills shortages are set to worsen, particularly in construction and ICT. Addressing these gaps means improving access to high-quality training, including on-the-job learning, continuously monitoring emerging skill requirements, and integrating this knowledge into education and training curricula.

Widespread skills shortages

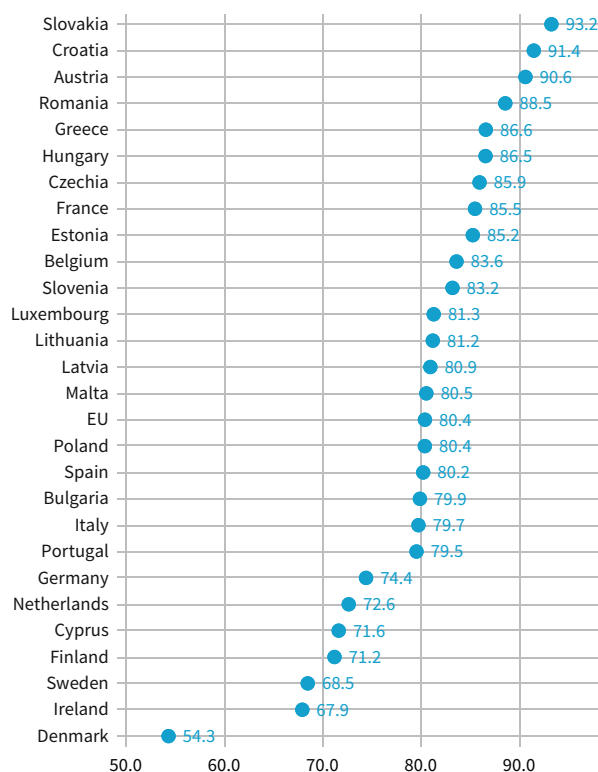
Skills shortages are not a new phenomenon, and they continue to affect a large share of employers across the EU. Findings from Eurofound's most recent ECS in 2019, referenced in the European Commission's 2024 action plan on skills and labour shortages, reveal that 77% of employers in the EU reported experiencing skills

shortages, with over a quarter finding it very difficult to hire workers with the right skills.

More recent evidence demonstrates that skills shortages are a persistent challenge for SMEs in particular. In 2023, 80% of surveyed SMEs reported difficulties finding workers with the right skills (Figure 7).

SMEs also reported significant impacts from these shortages. Almost two-thirds (64%) of SMEs stated that skills shortages impede their general business activities. Some 47% linked skills shortages with delaying the adoption or use of general technologies, and 39% linked them with holding back the greening of business activities (Figure 8). This is particularly concerning for the EU, as it affects SMEs' ability to adopt new technologies and transition to greener business practices, which are key to the green and digital transitions.

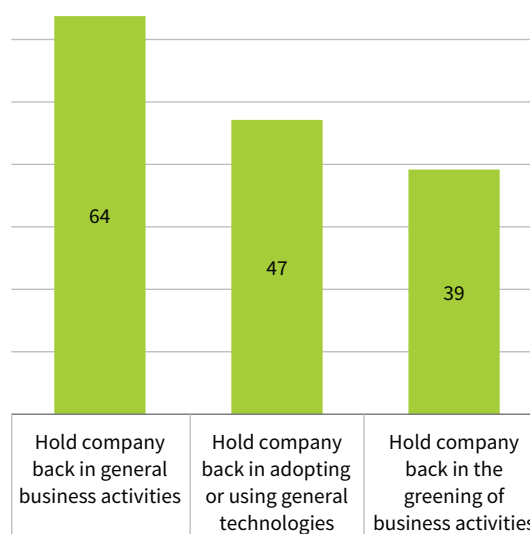
Figure 7: SMEs facing difficulties finding workers with the right skills, EU and Member States, 2023 (% of SMEs)



Note: Data represent weighted totals for the categories 'very difficult' and 'moderately difficult'.

Source: Eurofound calculations based on Eurobarometer 529

Figure 8: SMEs' perceived impacts of skills shortages, EU, 2023 (% of SMEs)



Note: Bars represent weighted totals for the categories 'totally agree' and 'somewhat agree'.

Source: Eurofound calculations based on Eurobarometer 529

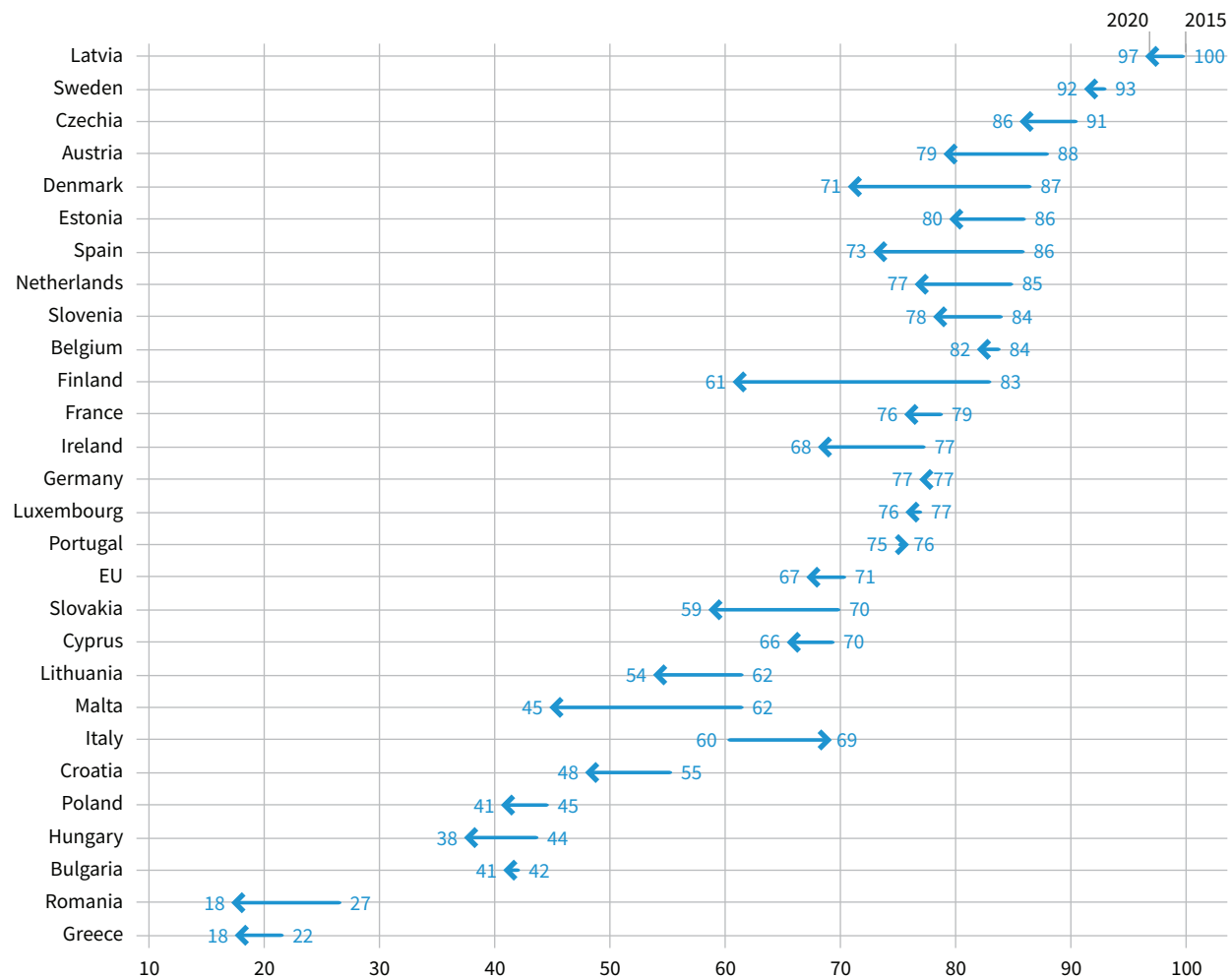
Recruitment challenges among SMEs are especially widespread in relation to professionals and machine operators. The main reason SMEs face challenges in these occupational groups is the lack of applicants.

Furthermore, around one in three SMEs in the EU face difficulties recruiting manual labourers due to the lack of applicants. Differences in the prevalence of recruitment challenges between sizes of SMEs tend to be pronounced only for professionals, with a larger share of medium-sized enterprises (40%) having such challenges. In contrast, recruitment difficulties for more generalist occupations such as managers and clerical and service workers tend to be less pronounced across size categories of SMEs.

Companies' role in upskilling and reskilling

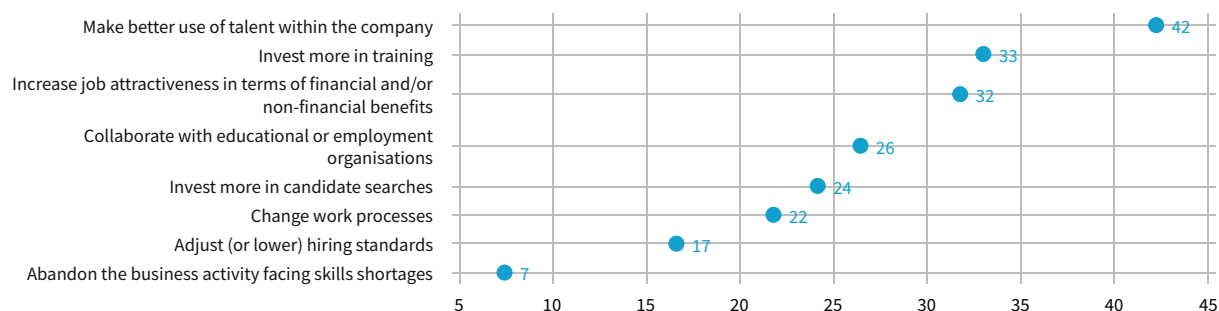
Access to high-quality initial and ongoing training is key to reducing skills shortages. Countries with many underskilled workers also tend to have fewer companies offering training to their employees (Figure 9). In Greece and Romania, under a third of companies provided training in 2015, and participation had dropped further by 2020. During that period, the share of enterprises that provided training declined in all Member States except Italy and Portugal. Geographical disparities in the provision of training persist, with most enterprises in northern and western Europe offering training to employees, while many southern and eastern European countries rank below the EU average. However, data for 2020 may have been affected by the pandemic's impact on the ability to deliver training.

Figure 9: Companies providing training, EU and Member States, 2015 and 2020 (%)



Source: Eurostat [trng_cvt_01s]

Figure 10: Strategies to address skills shortages in SMEs, EU, 2023 (% of SMEs)



Source: Eurofound calculations based on Eurobarometer 529

Companies play a pivotal role in closing at least some of these skills gaps. Data from the Eurobarometer 529 show that after making better use of existing talent (42%), investing in training is a key priority for SMEs to address skills shortages (Figure 10) (European Commission, 2023). Around one in four SMEs collaborate with educational or employment organisations to address skills shortages. Strengthening these partnerships and scaling up company-driven training initiatives will be vital, particularly in the face of structural transitions reshaping labour demand.

Shortages putting the twin transition at risk

SMEs represent 99% of all businesses in the EU and employed 84.9 million people in the EU in 2022. Given their critical role in the European economy, addressing skills shortages in SMEs is essential to ensuring sustainable growth and innovation.

As companies experience long-term structural transformations driven by the green and digital transitions, their skills requirements are evolving rapidly. However, widespread skills shortages pose a risk to strategic investments essential for the success of the twin transition.

While shortages exist across the economy, they are particularly acute in the construction and ICT sectors – two industries at the centre of the EU’s green and digital transitions. The European Commission’s commitment to reduce the EU’s greenhouse gas emissions by at least 55% by 2030 hinges on the construction sector’s ability to build a renewable energy infrastructure and to retrofit the built environment to improve its energy performance.

Similarly, the speed of digitalisation is reliant on the availability of a highly skilled ICT workforce to develop and implement new technologies. Without the necessary human capital in ICT, the EU risks falling behind global competitors in this critical sector.

These pressures are especially pronounced for SMEs, who form the backbone of the EU economy but often lack the resources to address skills challenges.

Discover more

Report: [Company practices to tackle labour shortages](#)

Report: [The changing structure of employment in the EU: Annual review 2023](#)

Report: [Weathering the crisis: How job retention schemes preserved employment and incomes during the pandemic](#)

Data story: [Quality of life in the EU in 2024](#)

Blog post: [Migration and mobility unpacked](#)

Blog post: [Building back better: Construction essential for EU green transition](#)

Eurofound Talks: [Episode 19 – Tackling the gender pay and employment gaps](#)



Green transition: Is the EU really ready?

2

Key insights

- **The green transition's overall job impact will be modest but uneven.** Job growth is expected in the electrical goods and construction sectors due to electrification and the retrofitting of buildings.
- **Rising demand for green jobs does not guarantee better job quality.** While new and emerging green jobs tend to offer good working conditions, existing jobs for which there is an increased demand, such as construction jobs, often involve high levels of physical risk and work intensity.
- **Social partner involvement is crucial.** Despite requirements for social partner involvement in just transition plans, the role of the social partners is often limited to information sharing rather than true partnership.
- **Economic concerns, particularly in rural areas, may dampen support for the green transition.** There are also concerns that Europe's competitiveness could be affected compared to regions with less stringent environmental policies.

3 Green transition at a crossroads: Crisis, uncertainty and job quality

Following the previous discussion on persistent labour shortages and skills mismatches, this chapter explores how these same structural weaknesses pose serious risks to one of the EU's most ambitious undertakings: the green transition.

In 2024, the EU experienced some of its most devastating climate-related disasters in recent times. Greece recorded its warmest summer on record, sparking numerous wildfires across the country and causing multiple fatalities. In Spain, torrential rains brought over a year's worth of precipitation to several areas in eastern Spain, particularly in the province of Valencia. The flash flooding led to over 220 deaths and caused widespread destruction to homes and infrastructure. Storm Boris brought record-breaking rainfall to central Europe in September, causing around 30 fatalities and billions of euro worth of damage. Member States are taking action, and Eurofound's EU PolicyWatch database has recorded 67 measures, mostly financial support or early warning systems, in the short space of time between May 2023 and September 2024 to support workers, businesses and citizens hit by these extreme weather events.

These extreme weather events have turned what was once a distant threat of climate change into an immediate crisis. They vindicate the EU's commitment to cut greenhouse gas emissions by at least 55% by 2030. Importantly, the majority of EU citizens seem to be onboard. Not only do 88% of them agree that the EU should be climate-neutral by 2050, over half (58%) are now saying that this transition needs to speed up. However, economic pressures, social inequalities and labour shortages pose growing risks to achieving these goals.

Is Europe's green transition in jeopardy?

The EU has taken unprecedented policy steps to lay the groundwork to become a climate-neutral economy by 2050. The European Green Deal has set targets that are legally binding under the European Climate Law and in line with global climate action under the Paris Agreement.

However, challenges are emerging to Europe's commitment to climate neutrality. Increases in the cost of living in Europe, along with a growing perception – particularly in rural communities – that some green policies are compromising people's ability to make ends meet, are fuelling concerns about the green transition. There is also some unease that Europe could lose its competitive advantage to other regions and countries less concerned by environmental policies and legislation.

Furthermore, as mentioned in previous chapters, labour and skills shortages present a substantial risk to achieving the ambitious targets of the European Green Deal. A skilled workforce is an essential pillar of a successful and inclusive transition.

While the European Parliament and Commission remain committed to the 2050 target, the broader challenge is one of fairness: how can the transition to a green economy be achieved without deepening existing social and economic inequalities?

Just transition – Is it that simple?

The EU's commitment to a just transition ensures that no one is left behind as policy measures are rolled out. The goal is not only to prevent EU citizens from being badly affected but to ensure they actually benefit from the move to a climate-neutral economy.

This matters because the green transition will not affect everyone equally; it will have an uneven impact on regions, countries, jobs and certain sections of society. It risks deepening existing inequalities within EU societies.

From a general employment perspective, the overall effect on employment is expected to be minor. Most studies estimate changes ranging from a slightly negative impact to a 2% increase by 2030. In fact, the transition is likely to create more jobs than it eliminates.

But the effects will be uneven. Job losses will be concentrated in regions reliant on mining, extraction and energy-intensive industries – underscoring the need for place-based policies and support through mechanisms like the Territorial Just Transition Fund.

Conversely, job growth is expected in sectors like construction – driven by retrofitting demand – and electrical goods, as economies electrify. These gains will be more evenly spread across regions.

What is a green job?

Overall, 40% of workers in the EU are in occupations that will be directly impacted by the green transition. According to the EWCTS, in 2021, about 9% of workers were in new or emerging jobs that had not existed previously, such as renewable energy engineers. Some 14% were in jobs that required enhanced skills due to greening, such as motor vehicle technicians. The biggest effect will be the increase in demand for certain existing occupations that are needed to ‘make and build’ the transition, such as electrical and mechanical engineers, affecting 15% of workers (Table 1).

The demand for workers with the right skills to support the green transition cannot always be matched with the supply of workers in ‘green’ jobs. One of the most pressing examples of labour market pressure from skills shortages is the heat pump sector, which sits at the intersection of climate targets, energy efficiency goals and skilled labour supply (see box below).

Table 1: Impact of the greening of the economy on occupational groups

Occupational group	Description
Small or no impact	Occupations that will see little or no impact of greening.
New and emerging	New and emerging occupations that do not exist in the International Classification of Occupations 08 (ISCO-08) and are currently classified under one of the existing codes. Examples of occupations: green policy planning managers, renewable energy engineers.
Enhanced skills	Existing occupations that will potentially require changes in tasks, skills and knowledge as a result of the transition to a carbon-neutral economy. Examples of occupations: house builders, roofers, motor vehicle technicians.
Increased demand	Existing occupations that will not require changes in tasks, skills and knowledge but will potentially see an increase in demand due to the transition to a carbon-neutral economy. Examples of occupations: electrical and mechanical engineers, electrical line installers and repairers, field crop and vegetable growers.

Sources: Eurofound, based on Dierdorff et al (2009)

Europe’s heat pump challenge

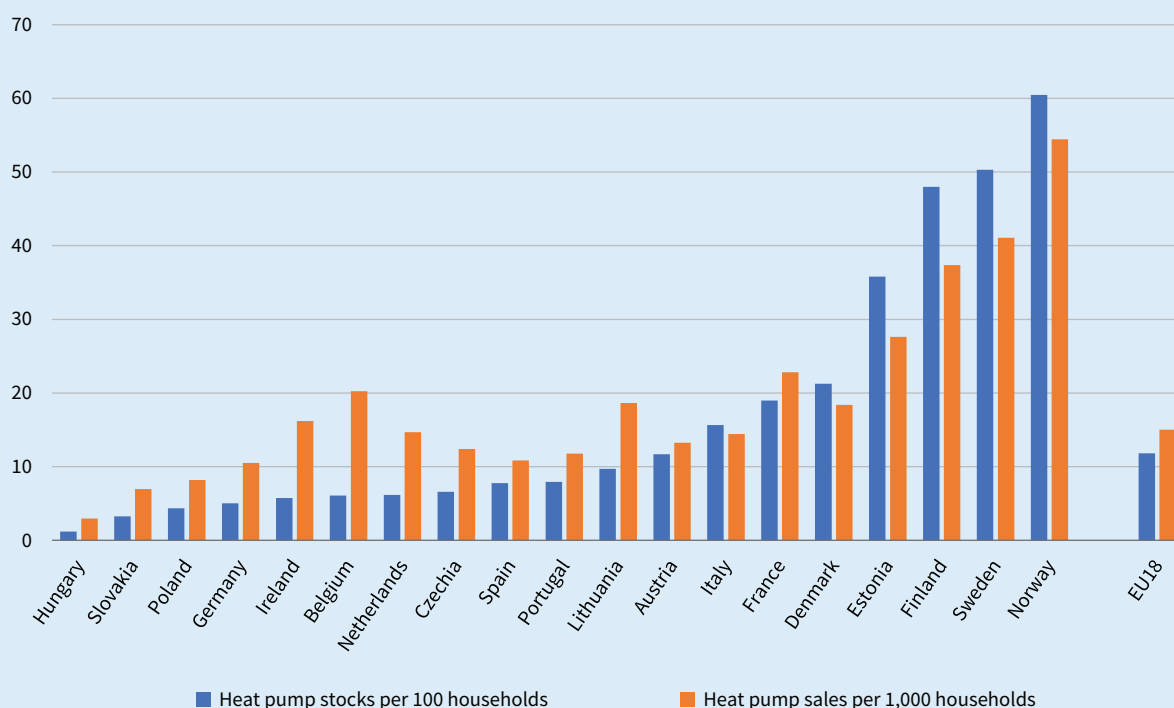
The transition to heat pumps is essential for the decarbonisation of residential heating in the EU, which is a critical component of the EU’s strategy to achieve carbon neutrality by 2050. One of the aims of the RePowerEU initiative, designed to reduce the EU’s reliance on Russian energy imports, is to double the number of new heat pump installations over the period 2022 to 2026, equivalent to 50–60 million new installations by 2030.

Buildings account for over one-third of greenhouse gas emissions in the EU (36%). Improving energy efficiency will reduce the need for fossil fuels, the main source of thermal heating and cooling in most homes. Heat pumps, using renewable energy sources, are between three and five times more energy efficient than gas boilers and run on electricity, increasingly sourced from renewables.

Europe was the fastest-growing market for heat pump sales globally in 2022, up nearly 40% year on year. However, recent indications show a marked decline in the rate of growth in 2023. Figure 11 shows heat pump sales and stocks of heat pumps for a selection of EU countries based on data from the European Heat Pump Association (EHPA). The Nordic countries are clear leaders in this regard – both sales and existing stocks of heat pumps are much higher, particularly in Finland, Sweden and Norway.

Shortages in the skilled labour necessary for the installation and maintenance of heat pumps is one of the main reasons why their rollout has stalled. An estimated 70,000 more installers are needed, but low enrolment in training and an ageing workforce remain key barriers.

Figure 11: Heat pump stock and heat pump annual sales, selected EU Member States and Norway, 2023



Sources: EHPA, 2024 for stock and sales data; Eurostat [lfst_hh] for household count in 2023 (Eurofound's calculation)

Faster rollout of heat pumps

Accelerating heat pump deployment by 2030 will signal the EU's commitment to decarbonising its building stock.

Recommendations based on Eurofound analyses include:

- expanding and integrating heat pump training into existing electrician, plumbing and HVAC certification programmes
- offering financial incentives for vocational training and apprenticeships, including tuition support and stipends
- launching awareness campaigns to promote career opportunities in heat pump installation and boost interest in the sector
- improving working conditions through fair wages, safer environments and better work practices to make roles more attractive

Are all green jobs good jobs?

New jobs emerging as a result of the green transition are usually good-quality jobs. However, jobs that already exist but for which demand will increase ('increased

demand occupations') are more likely to have below-average job quality.

Table 2 shows how the different types of occupational groups compare in relation to workers' access to job

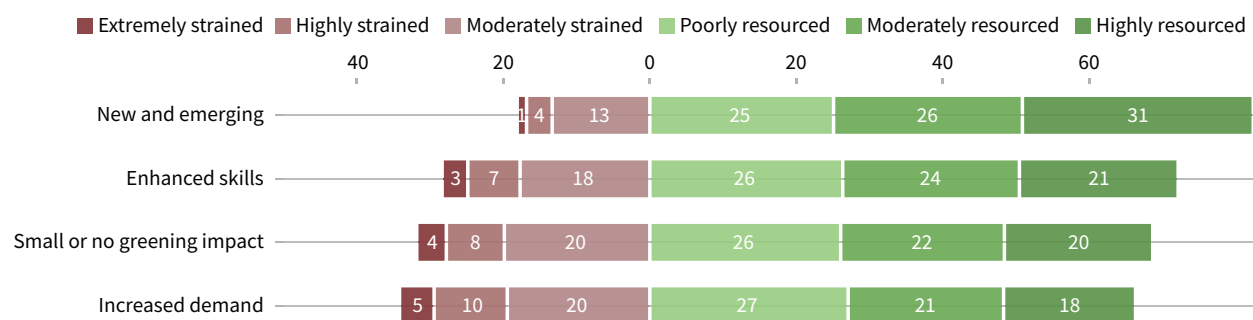
Table 2: Job quality resources across occupational types affected by the green transition, 2021

Occupational group	Social support	Task discretion and autonomy	Organisational participation and workplace voice	Flexibility in working hours	Training and learning opportunities	Intrinsic rewards	Career advancement	Opportunities for self-realisation
Small or no greening impact	Red	Red	Red	Red	Red	Red	Red	Blue
New and emerging	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Red
Enhanced skills	Red	Blue	Blue	Blue	Red	Blue	Blue	Blue
Increased demand	Red	Red	Red	Blue	Red	Red	Red	Red

Note: The red bars represent resources that are below average, whereas the blue bars represent resources that are above average.

Source: EWCTS, 2021

Figure 12: Job quality index, by greening occupational group, EU27 (%)



Source: EWCTS 2021

resources. Workers in increased demand occupations appear to be particularly disadvantaged. They fare worse in terms of social support (provided by co-workers and managers), task discretion and autonomy, organisational participation and workplace voice, and intrinsic rewards.

Figure 12 shows the distribution of strained and resourced jobs across the occupational groups affected by the green transition. What is striking is that a much lower share of workers in new and emerging occupations are in strained jobs compared with the other occupations, while those in increased demand occupations fare the worst. This pattern reflects that new and emerging jobs tend to fare better than average in terms of job quality, whereas occupations with rising demand often experience higher job strain and fewer resources.

Climate change endangers workers

Climate change is increasingly shaping job quality, especially in sectors like agriculture, construction and tourism. Rising temperatures, air pollution and extreme weather are making work harder, less safe and less sustainable – particularly for outdoor workers and those using heat-generating machinery.

Without targeted protection measures, workers critical to the green transition may face worsening health, safety and well-being. Emergency responders are also directly impacted by wildfires, floods and other climate-related events.

These environmental hazards lower job quality and reduce productivity, compounding risks in already demanding roles.

Psychosocial risks: Hidden danger of climate change

Beyond physical threats, climate change is fuelling psychosocial risks – job insecurity, financial strain and workplace stress – especially in sectors like agriculture, forestry and fossil fuels.

Workers in these industries face growing uncertainty about their future employment as environmental degradation and climate policies impact on their way of working.

Financial insecurity is another growing concern, particularly for those working in sectors highly exposed to climate-related disruption. Income loss due to lower yields or industry shutdowns increases the risk of in-work poverty, making it harder for affected workers to adapt or transition to new careers. Additionally, climate-related job restructuring can intensify stress, as rapid changes force workers to adapt to new roles, often without sufficient training or support.

Vulnerable groups at risk

Jobs most affected by the green transition are disproportionately held by men (75%) (with half the male workforce working in such jobs), but only 20% of female employment. Migrant and low-income workers are also overrepresented in high-risk roles that are subject to climate change, for example in agriculture, construction, transport and emergency services.

Migrant workers are particularly exposed as they often do seasonal work. Such work is characterised by poor working conditions, limited decision-making power and reduced access to food, healthcare and financial resources – factors that increase workers' vulnerability and reduce their ability to manage work-related risks.

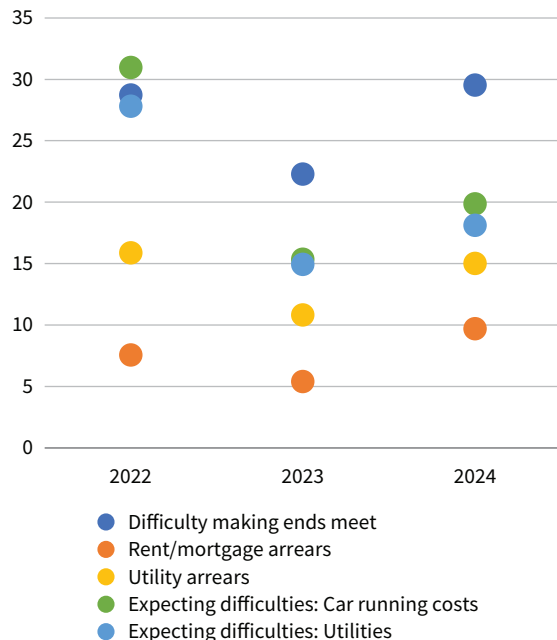
Unlocking opportunities: Benefits of the green transition

While the risks and inequalities associated with the green transition are considerable, there are also significant opportunities to improve living standards, public health and energy efficiency – if the transition is managed inclusively.

The green transition could improve the lives of people living and working in the EU. The recent sharp increases in energy prices have affected different groups of the population unevenly, with households at the middle and lower ends of the income scale having more difficulty

making ends meet (Figure 13). Making homes more energy efficient will help to reduce households' energy consumption and spending on heating and cooling.

Figure 13: Proportion of respondents with cost-of-living difficulties, EU, 2022–2024 (%)



Source: *Living and Working in the EU e-survey series*

Some 84% of Europeans believe tackling climate change should be a priority to improve public health (European Commission, no date). Environmental policies have already contributed to a drop in pollution-related health risks and gone hand in hand with a reduction in people reporting pollution, grime or other environmental problems.

Retrofitting housing and investing in alternative modes of transport could improve the living conditions of all EU citizens by decreasing environmental hazards such as pollution, especially in cities; reducing energy dependency and, hence, energy bills; and improving access to public transport. In essence, there is an opportunity to achieve a 'triple dividend'.

Yet realising these benefits depends on inclusive and coordinated implementation – especially through active engagement with the social partners. Without real

partnership, Europe's green transition risks being stalled at a crossroads – ambitious in vision, but uncertain in execution.

Real social partner involvement for socially just transition

The EU has introduced mechanisms to support the green transition, including the Just Transition Mechanism, launched in 2020 as part of the 2021–2027 budget. Its €19.2 billion fund aims to ease the socioeconomic impact of the transition in affected regions, mobilising over €25 billion in investments.

To access funding, Member States must submit territorial just transition plans (JTTPs).

While the input of the social partners is crucial to the development of these plans, they are often involved only at an information-sharing level. Yet, meaningful social dialogue is critical to ensure policies protect workers' rights and well-being.

In 2024, Eurofound co-hosted the Tripartite Exchange Seminar with the European Environment Agency (EEA), the European Centre for the Development of Vocational Training (Cedefop) and the European Training Foundation (ETF), bringing together governments and the social partners. Participants raised concerns about inconsistent engagement, lack of early involvement, and weak integration of their input into final strategies.

Trade unions also raised concerns about the lack of binding commitments on job quality within JTTPs. While reskilling is emphasised, few plans guarantee that new jobs in green industries will adhere to collective agreements or offer decent working conditions.

A stronger social contract is needed to ensure that the green transition is not only environmentally and economically fair but also socially just. Without meaningful social partner involvement, the promise of a just transition remains incomplete.



Discover more

Report: [Job quality side of climate change](#)

Report: [Decarbonisation of residential heating and cooling: The heat pump challenge](#)

Blog post: [Just transition? It's not that simple](#)

Article: [Extreme weather events: Policy measures to cushion the effects on workers, businesses and citizens](#)

Eurofound LIVE: [Is Europe's green transition in jeopardy?](#)

Eurofound Talks: [Is climate change making work more dangerous in Europe?](#)



Digital work revolution: Robots, AI and job quality

3

Key insights

- **Robot use remains concentrated in large firms and the manufacturing sector.** Service robots – often AI-enabled – are still in the early stages of adoption, particularly among SMEs.
- **AI-embedded robotics is enabling more complex, adaptive tasks.** As a result, the role of robots is being expanded beyond routine automation.
- **For now, robots are reshaping job roles, not eliminating them.** They are taking over repetitive tasks while shifting workers toward oversight, problem solving and technical support.
- **Impacts on job quality are mixed.** While robotics can reduce physical strain and improve safety, they may also limit autonomy, increase monitoring and raise cognitive demands.

4 Automation, AI and the future of work

Recent developments in digitalisation are unfolding at a pace that feels faster and more impactful than ever before. They are reshaping the world of work, with implications for both workers and companies. Innovations in robotics, algorithmic management and artificial intelligence (AI) accelerated during the COVID-19 pandemic and are changing how tasks are performed, managed and supervised. These innovations are also changing how businesses operate, generating new markets and increasing productivity.

While much of the current hype centres around generative AI, Eurofound research argues that AI is contributing to productivity gains when it is embedded in robotics and integrated into broader operational systems, rather than being applied narrowly to isolated tasks or processes. However, EU businesses have been slow to adopt advanced robots, particularly service robots, which are more complex than traditional industrial robots and can often incorporate AI into their operation.

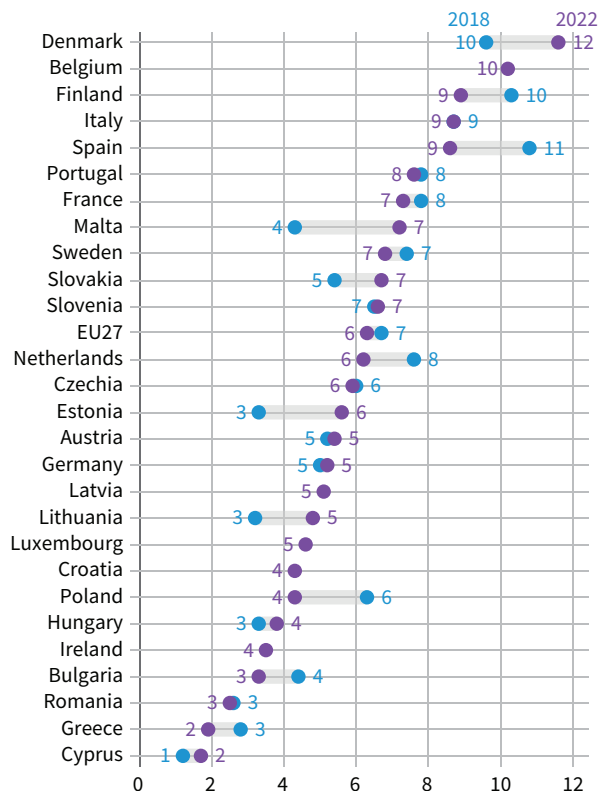
Eurofound research explores the current landscape of robot adoption, the role of AI in robotics, and the implications of these technologies for work organisation, job quality and working conditions.

Prevalence of advanced robots in the EU

Between 2018 and 2022, the share of EU enterprises using robots remained relatively stable, with a slight decline from 6.7% to 6.3% (Figure 14). However, the

number of robot installations increased, reflecting a concentration of automation investments among enterprises that already use robots.

Figure 14: Share of enterprises using industrial or service robots, EU Member States, 2018–2022 (%)



Note: No data available for 2018 for Belgium, Croatia, Ireland, Latvia and Luxembourg.

Source: Eurostat [isoc_eb_p3d]

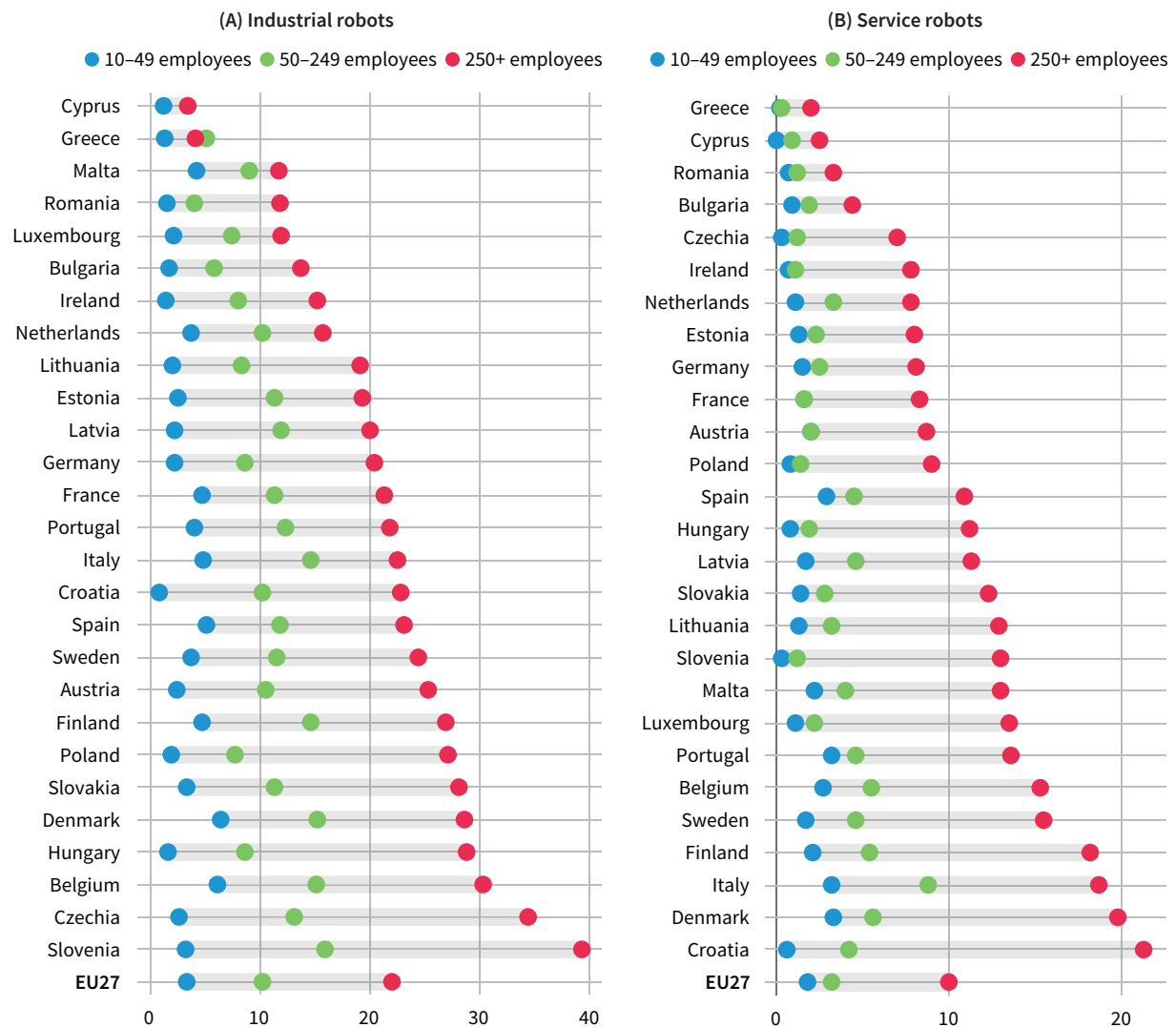
Industrial and service robots

An industrial robot (such as a robot used for welding, laser cutting or spray painting) is an automatically controlled, reprogrammable, multipurpose manipulator that can be programmed on three or more axes. Most industrial robots comprise a robotic arm and a series of links and joints, with an end effector that carries out the task at hand.

A service robot (such as a robot used for surveillance, cleaning or transport) has a degree of autonomy and can operate in complex and dynamic environments. It may require interaction with people, objects or other devices. Service robots use wheels or legs to achieve mobility and are often used in inspection, transport or maintenance tasks.

Industrial robots primarily perform repetitive tasks with minimal human interaction, while service robots have greater sensing, motion and decision-making capabilities.

Figure 15: Share of enterprises using industrial (A) and service (B) robots, by size of enterprise, EU, 2022 (%)



Source: Eurostat [isoc_eb_p3d]

Large enterprises dominate in use of robotics

The use of industrial and service robots is correlated with company size. As Figure 15 shows, in all Member States (except Greece in the case of industrial robots), larger companies are more likely than smaller ones to use both types of robots, with wide variation across countries in terms of prevalence.

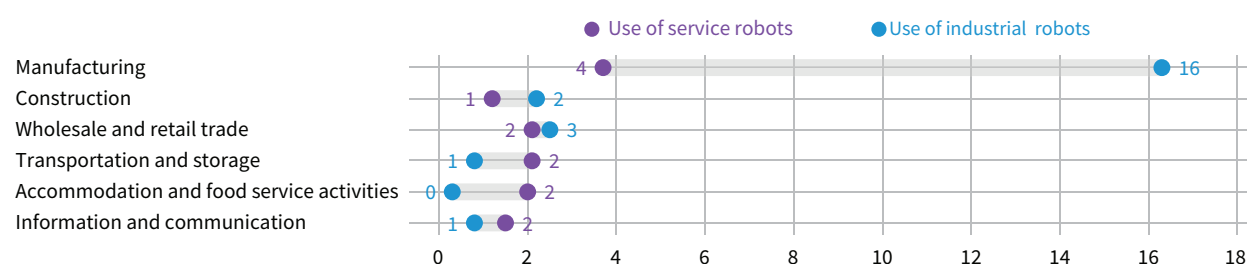
More than 1 in 3 large companies in Czechia and Slovenia use industrial robots, while the same is true for

fewer than 5% of large companies in Cyprus and Greece. On average, around 1 in 5 large companies in the EU use industrial robots and only 1 in 10 use service robots.

Manufacturing sector leads robot adoption

The manufacturing sector is the main industry in which both industrial and service robots are used. More than 16% of EU enterprises in the manufacturing sector use industrial robots and around 4% use service robots (Figure 16).

Figure 16: Share of enterprises using industrial and service robots, by sector, EU, 2022 (%)



Source: Eurostat [isoc_eb_p3dn2]

What can AI-embedded robotics do?

While robot adoption varies across sectors and enterprise sizes, the capabilities of robots themselves are rapidly evolving, especially when powered by AI. This raises the question: what can AI-embedded robotics actually do?

Integrating AI applications and sensor technologies into robots equips them with additional competencies, such as machine vision, speech recognition and force (touch) sensing. For instance, integrating AI into a robot's physical structure allows it to navigate autonomously without requiring continuous human input. Tactile sensing, enhanced by AI and sensors, allows robots to 'feel' and respond to different levels of force or pressure, making it possible for them to handle fragile materials, such as those in laboratory settings. General-purpose AI, including generative AI, has the potential to further enhance human-robot interaction by allowing robots to perform a diverse range of tasks.

Advanced robotic applications are also emerging in the health and services sectors. One example is Buddy, a social robot with integrated AI capabilities, currently used as a telepresence robot in classrooms, enabling children in hospitals or long-term care to attend school remotely. Buddy becomes the avatar of the child, allowing them to interact with other students and teachers by adding movements and emotions to their messages. The child controls the robot remotely using a tablet.

Embedding AI: Gradual but fundamental shift

It is important to note that having AI embedded in robotics, especially in manufacturing, is not about making marginal improvements. Rather, it enables fundamentally different ways of doing things. However, this kind of transformation does not happen overnight, generative AI or not. When embedded in robotic

applications, AI must be highly precise, significantly increasing both the complexity of deployment and the level of required investment.

In practice, many establishments that have implemented the most advanced robotic systems have followed an incremental approach, implementing automation technologies gradually and in stages, rather than through large-scale overhauls. In such complex systems, AI technologies are often integrated into hardware and control systems, adding an extra layer to existing production processes, with the aim of optimising efficiency. This integration makes it challenging – particularly for external observers – to identify AI components without having a detailed knowledge of a system's architecture.

High precision drives robotics

The most important factor driving the adoption of robots within enterprises is the need to ensure high-precision outputs and processes, followed by the need to increase safety at work (Table 3). However, the EU average hides a large variation between Member States. The need to ensure the high precision of outputs and services is the most frequently identified reason for robot adoption in Belgium, Denmark and Italy. These are also countries where the need to increase safety at work and the need to expand the range of goods and services are cited by many enterprises as key reasons for robot adoption. This indicates that the choices that enterprises make with regard to introducing robots in workplaces are often driven by several reasons.

Broader labour market trends such as increasing labour costs and labour shortages also drive enterprises to invest in robots. As discussed in Chapter 1, these shortages have become a structural issue across many sectors. On average, 2.2% of EU enterprises cited labour shortages as a driver of robot adoption in 2022.

Table 3: Main reasons enterprises use robots, EU Member States, 2022 (%)

	High cost of labour	Difficulties in recruiting personnel	To enhance safety at work	To ensure high precision of outputs and processes	To expand the range of goods or services
Austria	2.3	2.0	2.6	4.1	2.3
Belgium	5.1	4.0	6.7	8.4	4.8
Bulgaria	1.6	1.5	1.9	2.6	1.7
Croatia	0.3	1.5	1.7	2.4	2.6
Cyprus	0.6	0.7	1.2	1.5	1.3
Czechia	3.8	2.9	3.4	5.0	2.4
Denmark	5.8	3.9	4.9	8.8	3.8
Estonia	2.8	2.1	2.4	4.8	2.4
EU27	2.9	2.2	3.8	5.1	3.1
Finland	4.4	2.8	4.8	7.5	4.1
France	2.6	2.9	4.0	5.4	4.0
Germany	3.6	2.3	3.0	4.1	2.2
Greece	0.8	0.5	1.0	1.7	1.3
Hungary	1.5	1.6	2.1	3.2	1.9
Ireland	1.1	0.6	2.1	2.5	1.1
Italy	3.4	2.4	6.2	7.8	4.9
Latvia	2.1	2.0	3.4	3.9	3.1
Lithuania	3.0	2.2	2.7	3.9	2.3
Luxembourg	2.0	1.7	2.6	3.5	2.4
Malta	2.4	2.7	3.5	5.8	5.6
Netherlands	4.1	3.2	3.3	5.1	3.0
Poland	1.9	1.7	2.4	3.6	2.3
Portugal	1.6	2.3	5.8	6.0	4.4
Romania	1.0	0.9	1.6	1.8	1.4
Slovakia	2.7	2.2	4.0	5.5	3.3
Slovenia	3.9	3.1	4.9	6.2	3.9
Spain	2.9	1.6	5.5	7.0	5.0
Sweden	3.3	1.7	3.7	5.0	2.2

Note: Table is colour-coded to reflect response frequency – darker shades indicate a higher percentage of companies selecting that reason.

Source: Eurostat [isoc_eb_p3d]

Will robots take my job?

While factors like the need for high precision and labour shortages drive adoption, many workers are left with worries that these robots will take over their jobs. Case studies conducted by Eurofound found no evidence of redundancies due to automation. Rather, they are gradually redefining how work is organised and executed.

In reality, organisations tend to take a cautious approach to technology adoption, relying on proven business cases. Eurofound's case studies show that while robotic technologies primarily automated manual and repetitive tasks, they did not cause entire job profiles to disappear. By taking over repetitive or physically demanding tasks, they help reduce physical

strain and lower the risks of injuries or accidents. Automation has reconfigured work tasks, requiring workers to shift towards supervisory and maintenance roles. Other case studies show how robotics can actually lead to the creation of new technical jobs, such as in an Italian warehouse, where automation has increased demand for hardware engineers, software engineers and safety experts.

Despite no evidence of redundancies due to automation, concerns about future job losses persist. These fears are not unfounded. Eurofound's case studies show that future plans for many businesses indicate an intention to automate as many tasks as possible.

A double-edged sword for job quality

Beyond employment, the integration of robotics and AI is reshaping the nature of work itself, bringing both opportunities and challenges for job quality.

On the one hand, automation can eliminate physically strenuous, repetitive or monotonous tasks, helping to reduce the risk of workplace accidents and improving working conditions. For instance, in one Italian hospital, automating the preparation and distribution of medication enabled nursing staff to dedicate more time to patient care – a more meaningful but also more demanding aspect of their work.

On the other hand, however, automation is also reshaping the nature and intensity of work. Many systems, particularly in warehouse settings, incorporate algorithmic management features that direct workers step by step, specifying what items to pick, where to move them and how to execute each action. These systems, such as mobile shelving robots, enhance efficiency and standardise job routines but limit workers' autonomy. This was observed in a Lithuanian manufacturing plant, where automation led to a profound transformation in shop-floor work. Instead of physically assembling products, workers now use digital workstations to monitor machine performance and intervene when issues arise. While this shift has made the work less repetitive and more focused on problem-solving, it also places greater demands on workers, who must be able to interpret system feedback and ensure production continuity.

Ultimately, the impact of robotics on job quality is not determined by the technology itself, but by how it is integrated into workflows, how much autonomy and control workers retain, and the level of training and support provided during implementation.

Impact of robots on working conditions

Survey data from the OSH Pulse survey, commissioned by the European Agency for Safety and Health at Work (EU-OSHA), were analysed by Eurofound, to shed further light on the impact of robots on working conditions. While only around 3% of survey respondents reported using such robots in their main job, the findings highlight significant differences in job experiences. As shown in Figure 17, workers using robots that interact with humans were:

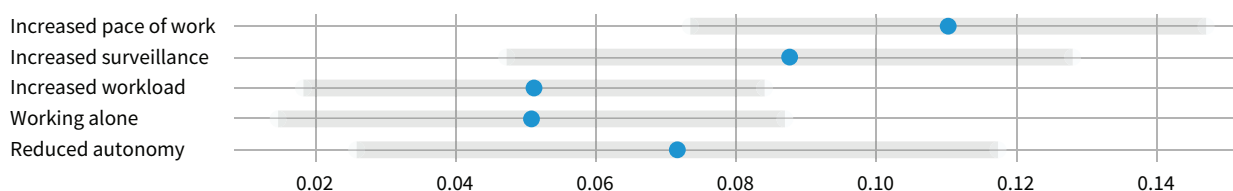
- 11% more likely to report an increased pace of work
- 8.7% more likely to experience increased surveillance
- 7% more likely to report reduced autonomy
- 5% more likely to report a heavier workload and a higher likelihood of working alone

These findings suggest that the occupational safety and health (OSH) gains typically associated with robotics – such as reduced exposure to physical risks – need to be weighed against potential negative impacts on working time, workload, autonomy and social interaction. This underscores the importance of preventing and managing psychosocial risks when introducing robotic technologies in the workplace.

Human–robot interaction and the new world of work

As advanced robotics and AI systems become more embedded in the workplace, new forms of human–machine collaboration have emerged. These technologies are not only changing how work is carried out, but also how it is managed and experienced. Two key developments in this transformation are the growing use of collaborative robots (cobots) in manufacturing (see the case study below on the Finnish medical device factory) and the expansion of algorithmic management systems across sectors.

Figure 17: Average marginal effect of robot use on working conditions



Source: Eurofound, 2024

Cobots on the assembly line: Case study from a Finnish medical device factory

Collaborative robotics in manufacturing

Human–robot interaction is most developed in manufacturing, particularly along assembly lines, where collaborative robotic applications – known as cobots – support workers with specific tasks, such as precision work, welding and gluing. The use of cobots helps to improve production quality while easing ergonomic burdens for workers.

In a Finnish medical device factory, cobots were deployed to assist workers in assembling products, especially tasks that require accuracy and steadiness – such as gluing small components. The use of cobots was aimed at both improving output quality and reducing physical strain on the shop floor.

Integrating multiple robotic systems

The case study also highlights how different types of robotic technologies can be combined. Alongside cobots, the factory had introduced advanced guided vehicles (AGVs) and autonomous mobile robots (AMRs), which typically involve lower levels of human–robot interaction and are mainly used for monitoring, maintenance and exception handling.

At the time of the field visit, the factory was prototyping a mobile robot designed to move cobots between production lines, depending on current demands. This robot uses sensors, algorithms and navigation systems to move autonomously, adapting in real time to the factory environment. Once in position, the cobot automatically downloads the relevant software and adjusts its tools to suit the assembly line's needs.

Changes to work organisation and conditions

The introduction of cobots impacted working conditions, particularly in terms of autonomy and pace of work. Workers reported some frustration with the slower pace introduced by the cobots, as they had to wait for the robot to complete its programmed task before they could begin theirs.

Algorithmic management: The invisible layer of automation

While cobots represent the physical side of automation, algorithmic management systems increasingly shape the organisational and managerial dimension of work. These systems use computer-programmed procedures, sometimes enhanced by AI, to automate a broad range of traditional management functions from hiring and shift allocation to monitoring performance and evaluating outcomes.

Although initially used in the platform economy, algorithmic systems are increasingly used in other sectors such as warehousing, logistics, manufacturing and customer service. These systems allocate tasks, monitor output and evaluate performance, reshaping the world of work. In warehouses, for example, algorithmic management is embedded in machine vision and robotic shelving systems, which dictate what items workers should pick, move or store.

The growing presence of algorithmic tools in traditional workplaces highlights the urgency of creating comprehensive, anticipatory regulation.

Regulatory responses: Evolving but fragmented

The regulatory response to algorithmic management remains uneven. While general safeguards exist under the General Data Protection Regulation (GDPR), there is no comprehensive EU framework governing its use across sectors. A notable step was the provisional agreement on the Platform Work Directive (2024), which introduces rights to human oversight and transparency in automated decision-making. Although designed for platform workers, this legislation may serve as a reference for managing algorithmic systems more broadly as they become embedded across the economy.

Shaping the future: A human-centric approach is needed

Given the complexities described above, a human-centric approach is essential to ensure that technological change delivers good outcomes for workers. In the context of advanced robotics, this means ensuring that systems are designed and deployed in a manner that respects human values and fundamental rights. Rather than simply replacing human labour, robots and AI-powered technologies should complement human capabilities, supporting workers in performing tasks and adapting to changing roles.

Eurofound's ongoing research supports this transformation by providing evidence-based insights to policymakers. Monitoring instruments such as the European Working Conditions Survey (EWCS) are critical in capturing how new technologies are reshaping the workplace. The latest wave of the EWCS, with fieldwork conducted in 2024, includes new indicators on the use of digital tools, such as technologies used to allocate

tasks, schedule working time and monitor performance. These data will be instrumental in tracking the real-world impact of digitalisation and ensuring that the shift towards AI and other emerging technologies remains anchored in human-centric values.

Discover more

Report: [Human-robot interaction: What changes in the workplace?](#)

Blog post: [Future of work: Are we ready for tomorrow?](#)

Article: [Regulatory responses to algorithmic management in the EU](#)

AskTheExpert: [Are robots revolutionising work in Europe?](#)

Eurofound LIVE: [How is AI changing the world of work in Europe?](#)



Telework in transition: Flexibility and risks in the evolving workplace

4

Key insights

- **Hybrid work remains the dominant telework model.** The share of respondents to Eurofound's e-survey in teleworkable jobs working in hybrid arrangements increased from 35% in 2022 to 45% in 2023, before slightly declining to 44% in 2024. Fully remote work decreased more sharply over the same period, falling from 24% to 14%, while workplace-only arrangements rose from 36% in 2023 to 41% in 2024 – nearly returning to their 2022 level of 42%
- **Gender disparities are apparent in telework opportunities.** While fully remote work declined similarly for women (14% to 10%) and men (10% to 7%) between 2022 and 2024, men remain more likely to access hybrid arrangements (27% vs 22% in 2024). For the first time in the e-survey series, a higher share of women (68%) than men (66%) reported working entirely on site.
- **Telework is characterised by a rural-urban divide.** Urban areas benefit more from telework due to better infrastructure and job types, although rural internet access has improved. Coworking hubs are growing in rural areas to bridge the gap.
- **Surveillance concerns are on the rise.** The growing use of digital tools in remote work has led to increased employee monitoring, raising significant concerns over privacy and data use.
- **Remote work may change the nature of harassment.** While teleworkers may face fewer instances of verbal abuse or threats, isolation and disconnection from colleagues can enable more subtle or hidden forms of harassment.

5 What does the future of telework look like?

Over 40 million people teleworked across the EU in 2021 – double the number compared with 2019 – as COVID-19 restrictions and changes in work culture significantly altered work organisation. For many workers, the transition to telework was an overnight change but – due to efficiency gains in many areas and the flexibility that telework provides – the return to the office, until recently, had been a slow one. Since 2023, several signs suggest that opportunities for remote work are decreasing.

As telework became widespread, so too did concerns about its downsides – particularly the blurring of boundaries between work and personal life, increased pressure to be available outside normal hours, and potential effects on mental well-being. In response to this growing ‘always on’ culture, a number of Member States have introduced the right to disconnect. While implementation varies, the aim is to help workers maintain clear boundaries and encourage a shift in workplace culture around constant availability.

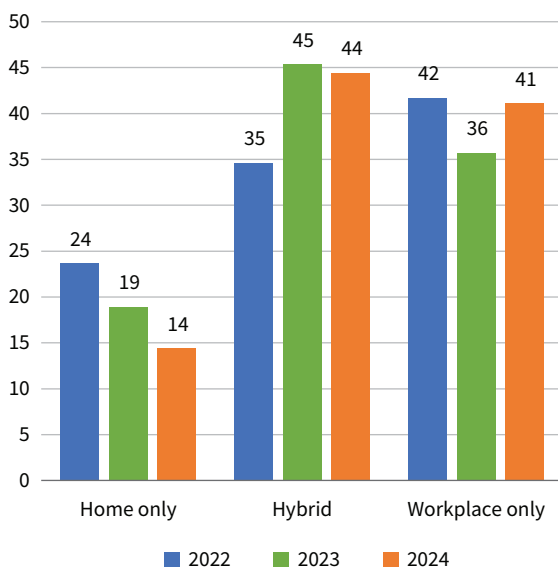
Since 2023, several signs suggest that opportunities for remote work are decreasing. According to LinkedIn data, the number of remote positions advertised has decreased significantly, despite continued high demand for such roles, indicating a supply–demand mismatch. Eurofound’s 2024 e-survey findings appear to confirm these global trends within EU Member States. In 2024, debates continued over the permanency of telework, with an overall majority of employees pushing for hybrid work arrangements, while the trend of large companies demanding a full-scale return to the office gained momentum.

For now, this tug of war between the old and new way of working continues – against the broader backdrop of the digital transition.

Decline in remote work despite employee preferences

Despite findings from Eurofound’s 2024 Living and Working in the EU e-survey showing that the desire to work exclusively from home has increased since the pandemic, the share of e-survey respondents working fully remotely has steadily declined – from 24% in 2022 to 14% in 2024 (Figure 18).

Figure 18: Place of work in teleworkable jobs, EU, 2022–2024 (%)



Source: Living and Working in the EU e-survey series

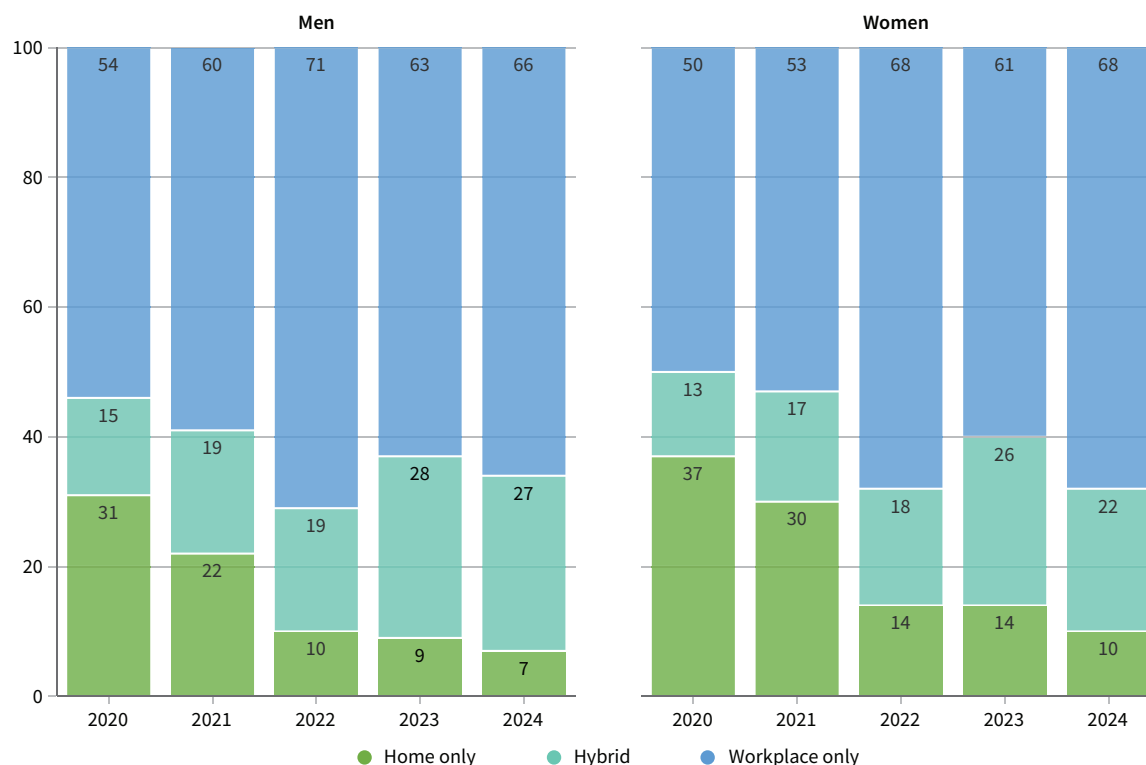
Among respondents, hybrid working arrangements increased from 35% in 2022 to 45% in 2023, before declining slightly to 44% in 2024. At the same time, the share working only at their employer’s premises increased from 36% in 2023 to 41% in 2024.

Fewer remote work opportunities for both women and men

Among respondents to Eurofound’s e-survey, the proportion working exclusively from home has declined for both women and men – from 14% to 10% for women and from 10% to 7% for men between 2022 and 2024 (Figure 19). Hybrid work remains more common, with 27% of men and 22% of women working in hybrid arrangements in 2024.

For the first time in the e-survey series, a slightly higher proportion of female than male respondents (68% vs 66%) reported working entirely at their employer’s premises.

Figure 19: Place of work, by gender, EU, 2020–2024 (%)



Source: *Living and Working in the EU e-survey series*

Overall preference for hybrid approach

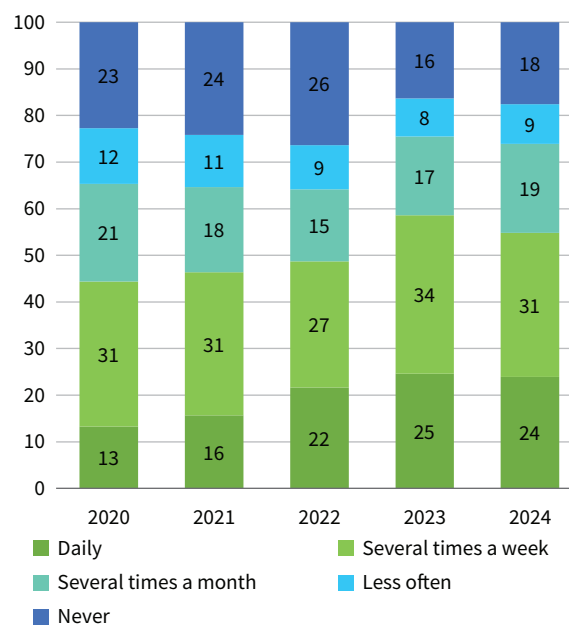
There appears to be a mismatch between the proportion of e-survey respondents who are able to work from home and those who would like to. The desire to work from home multiple times a week remains high, with over 50% expressing this preference in 2024 (Figure 20). Among respondents, 56% of women and 54% of men reported preferring to work from home at least several times per week.

However, the reality of teleworking varies widely depending on geography. Across Member States, e-survey findings show that access to remote work differs significantly – not just by sector or role, but also by country and gender.

National differences in teleworking

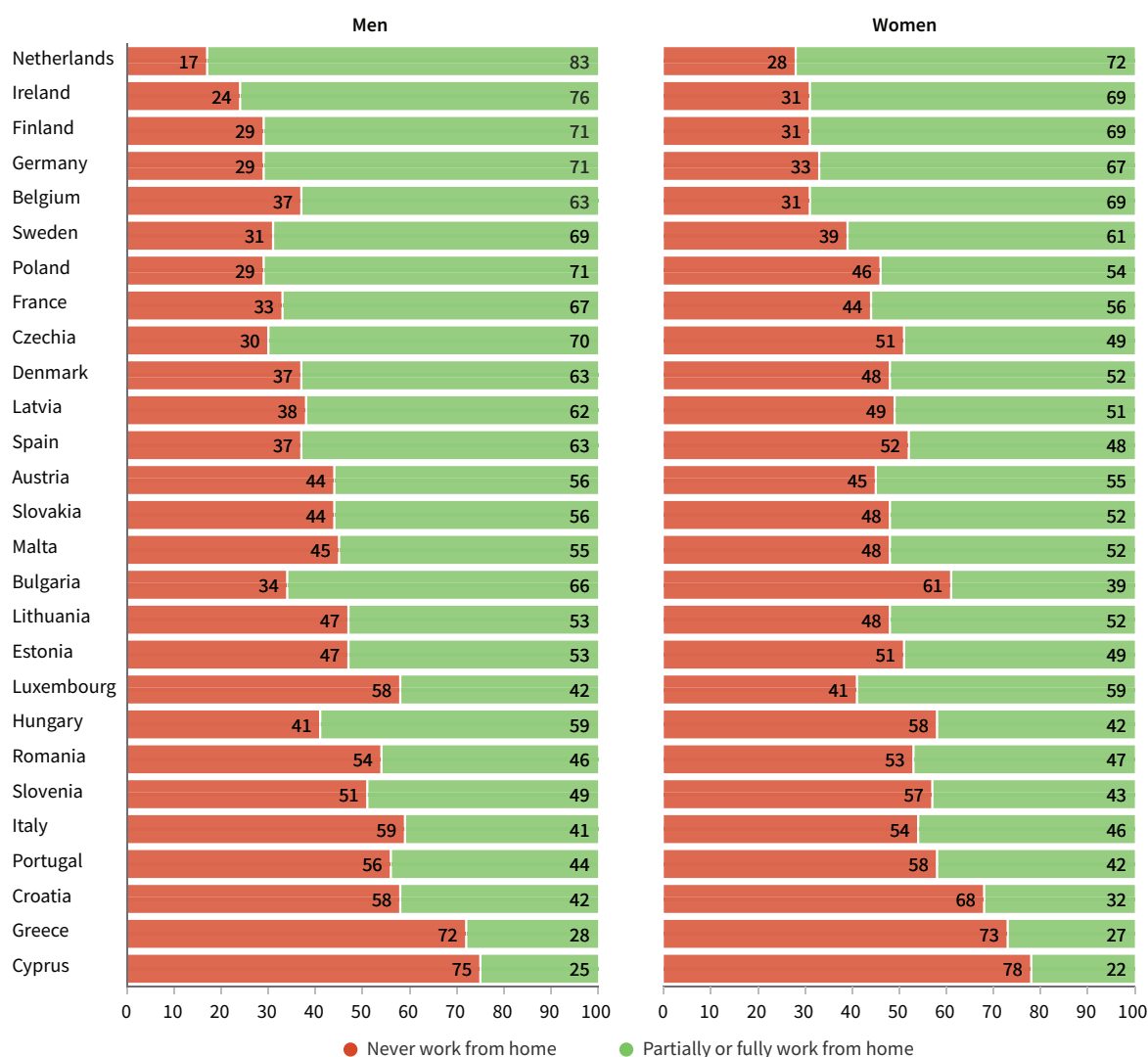
Large differences remain between Member States regarding the ability to work from home. When looking at the proportion of respondents who never work from home, and considering only those in teleworkable jobs by gender, the differences are striking. In the Netherlands, only 17% of men in teleworkable jobs work exclusively from the workplace, while in Cyprus, this rate is 78% among women (Figure 21).

Figure 20: Work from home preferences, EU, 2020–2024 (%)



Source: *Living and Working in the EU e-survey series*

Figure 21: Frequency of working from home among those in teleworkable jobs, by EU Member State and gender, 2024 (%)



In nearly all countries, men in teleworkable jobs are more likely to work partially or fully from home compared with women. This contrasts with pre-pandemic findings that showed that women were more likely than men to work in teleworkable occupations (45% compared with 30%) (JRC, 2020). One possible explanation for this discrepancy is that the e-survey may overrepresent men working in sectors or roles where telework is more common. Other contributing factors could include differences in occupation types and job seniority. These disparities are further reinforced by a rural–urban divide, as geography within countries also plays a role in determining access to telework opportunities.

Rural–urban divide in telework capacity and connectivity

In 2022, almost 90% of EU regions had employment rates that were above their pre-COVID-19 levels. More than two-fifths of all regions had an employment rate equal to or above 78% – the EU employment rate target for 2030. However, this overall positive performance conceals sharp geographical differences. Urban and capital regions, which are characterised by a higher concentration of knowledge-intensive jobs that can be performed remotely, are clearly reaping greater benefits. In capital cities, 1 in 4 workers is employed in knowledge-intensive services in the private sector, compared with 1 in 10 in mainly rural regions.

Furthermore, among the 20 EU regions with the largest shares of people working from home in 2022, the majority are either capital regions or areas surrounding them.

Internet connectivity is the essential enabling technology for telework. When the COVID-19 crisis began, most residents of cities, towns and suburbs had sufficient internet access to work from home, but many in rural areas did not. Internet speeds in rural areas have improved to a remarkable extent since the pandemic: rural areas in 2022 had higher average speeds than cities did in 2019. However, progress on connectivity in cities was still faster during the period analysed, and therefore the rural–urban gap in internet connectivity widened slightly.

Urban and capital areas of Europe benefit disproportionately from the capacity to telework, leaving rural areas at a disadvantage in terms of telework capacity and digital infrastructure. This might pose a risk of territorial divergence, with urban and capital areas disproportionately reaping the benefits of the digital revolution.

Coworking spaces in rural areas

To address the disadvantages faced by rural communities, a range of innovative policy and grassroots responses have emerged – particularly in the form of coworking hubs.

The recent widespread adoption of remote and hybrid working arrangements has increased interest in workspaces outside city locations.

Since the pandemic, various initiatives have been launched across Europe to support remote work in rural or marginalised areas by establishing coworking spaces (see the case study below on Ireland). Table 4 outlines the types of coworking spaces popping up across Europe. These spaces provide an alternative to home-based work and offer a professional environment with access to a high-quality internet connection and office facilities, such as rooms for meetings and printers.

They can also prevent isolation and a lack of social and professional contacts, and avoid distractions related to family and household responsibilities.

Employers may also see advantages in coworking spaces outside urban areas, as they can potentially reduce costs associated with office buildings and provide access to a broader pool of workers.

Table 4: Types of coworking spaces

The space's purpose	
Coworking	100% workspace, with an open area and private spaces such as meeting and training rooms
Co-living	Workspace plus housing, either for long-term rental or holidays. Coworkers share a workspace, housing and experiences
Third place	Workspace plus socialisation and social inclusion activities
The space's location	
Fixed	This is the most common. Located in a permanent space with fixed equipment
Pop-up coworking	Sporadic, ephemeral or mobile. Usually located in different space. May take the form of an office on wheels
Virtual space	Offers online services and is mostly meant to supplement a physical space
Additional services offered by the space	
Fablab	A fabrication laboratory, or digital manufacturing workshop. Coworkers can use the machinery and managers are there to help or offer training
Café coworking	Café serving as a space in which coworkers can work and meet. The cost is usually per day or hour and includes consumption
Accelerator	Supports the growth of projects developed in the coworking location
Incubator	Supports the creation of projects in the coworking area and their introduction to the market

Source: Eurofound and JRC, 2024

Coworking in rural Ireland

Name: National Connected Hubs Network

Aims: As part of Ireland's National Remote Work Strategy, this initiative aims to make remote working a reality throughout rural Ireland. It maps and invests in a network of remote working hubs, providing Ireland's first ever digital hub network through the ConnectedHubs.ie platform.

Financial support: The Irish government has invested approximately €13 million in hubs all over Ireland to assist them with upgrades to their facilities. Another €1.2 million has been invested in resourcing the ConnectedHubs.ie platform and team.

Users: The remote working hubs provide services and facilities to support SMEs, startups, remote workers, community groups and digital nomads.

Number of coworking spaces: In January 2024, there were 346 hubs live on the platform and an estimated 22,000 desks available nationwide. Hubs are located throughout Ireland, but not all of them are thriving; many of them need support to market and promote their facilities. Some 81% of hubs are located in rural areas, which corresponds to 8,140 desks in rural hubs.

With policy support, targeted funding and diverse service offerings, it is clear that coworking spaces in rural areas can contribute to the regeneration of rural areas.

Telework risks: Surveillance and harassment

The benefits of telework are well known – improvements in work–life balance, lower commuting times and increased task autonomy. However, there are concerns as it has also blurred the boundaries between professional and personal life, introducing new challenges for workers.

The increased use of digital technologies has led to a rise in employee monitoring technologies, raising concerns over data privacy and surveillance. At the same time, remote work has altered workplace social dynamics, with some studies pointing to new risks of workplace exclusion, cyberbullying and harassment.

Hybrid work arrangements and employee monitoring

The rise of hybrid work has brought the issue of employee monitoring to the forefront. During the pandemic, the use of monitoring software increased, as some employers looked for ways to maintain oversight of employees now working from home. Post-pandemic, major software producers continue to release new productivity tracking solutions.

Spyware, which gathers data from a computer without the user's knowledge, and keylogger software, which records every keystroke made on a computer or mobile device, are explicitly outlawed only in a few countries.

Some Member States have introduced new provisions regulating employee monitoring within telework settings.

- **Greece (Law 4808/2021):** Prohibits the use of webcams to monitor remote workers
- **Portugal (Law 83/2021):** Requires employers to inform workers about monitoring tools
- **Cyprus:** Restricts the use of tracking technology solely for performance evaluation, to avoid misuse

As digital tools increasingly shape workplace management, the line between legitimate employee monitoring and intrusive surveillance is becoming a key regulatory concern. While companies argue that monitoring enhances productivity, security and compliance, regulators question whether such practices infringe on workers' rights and privacy.

Remote work: New risks for harassment and bullying?

Beyond surveillance concerns, telework has given rise to new social risks, particularly around exclusion and inappropriate behaviour.

There is no strong evidence that remote work increases exposure to bullying or harassment; in fact, some evidence suggests it may reduce it. Eurofound's EWCTS 2021 found that teleworkers were less likely to experience verbal abuse, threats, unwanted sexual attention, bullying, harassment or violence.

However, teleworking may lead to new risks of antisocial behaviours. Factors such as isolation, disconnection from colleagues and blurred professional boundaries may enable new forms of harassment and inappropriate behaviours. A Portuguese study found that 24% of surveyed teleworkers believed that remote work heightened the risk of bullying and harassment. Similarly, a Greek survey reported that remote workers faced issues such as being excluded from work-related discussions (19%).

As digital communication becomes central to work life, ensuring protection from harassment and social isolation in remote and hybrid settings remains a key challenge for employers. Further research is needed to better understand when remote work mitigates – or magnifies – these risks.

Discover more

Data story: [Quality of life in the EU in 2024](#)

Report: [Workplace bullying, harassment and cyberbullying: Are regulations and policies fit for purpose?](#)

Report: [Regional employment change and the geography of telework in Europe](#)

Article: [Employee monitoring: A moving target for regulation](#)

Eurofound Talks: [How can we effectively tackle cyberbullying at work?](#)



Has Europe failed its youth?

5

Key insights

- **Youth employment has recovered, but job quality remains mixed.** While youth unemployment has declined to 14%, it is still over twice the EU average (6%). Many young people hold non-standard jobs such as temporary or part-time roles – some of which may reflect limited opportunities, while others are linked to education or personal choice.
- **NEET rates remain relatively high, especially for women.** Despite a decline since 2014, over 8 million young people are not in employment, education or training (NEET), with young women, particularly mothers, disproportionately affected.
- **Mental ill-health is an ongoing crisis.** Young people continue to report poorer mental well-being, with rising anxiety, loneliness and depression, which appear to be linked to economic uncertainty and job insecurity.
- **The housing crisis is delaying independence.** Around 75% of 15–29-year-olds in the EU still live with their parents, with many feeling trapped by high housing costs and limited affordable options.

6 Lost milestones: Young people struggle in work and life

Young people in Europe experienced a rough set of years during the COVID-19 pandemic and were disproportionately affected by job loss, housing insecurity and mental health struggles. These challenges have often led to setbacks and frustrations, forcing many to delay major life milestones once considered rites of passage – leaving the parental home, starting a family or securing a stable, good-quality job.

The path towards independence remains uncertain for young people. While headline youth employment figures have improved, barriers to independence and well-being persist. Precarious work, unaffordable housing and mental health struggles continue to shape young people's futures.

Eurofound research investigates how young people are experiencing their emerging adulthood in the wake of a pandemic that created massive social, political and economic challenges.

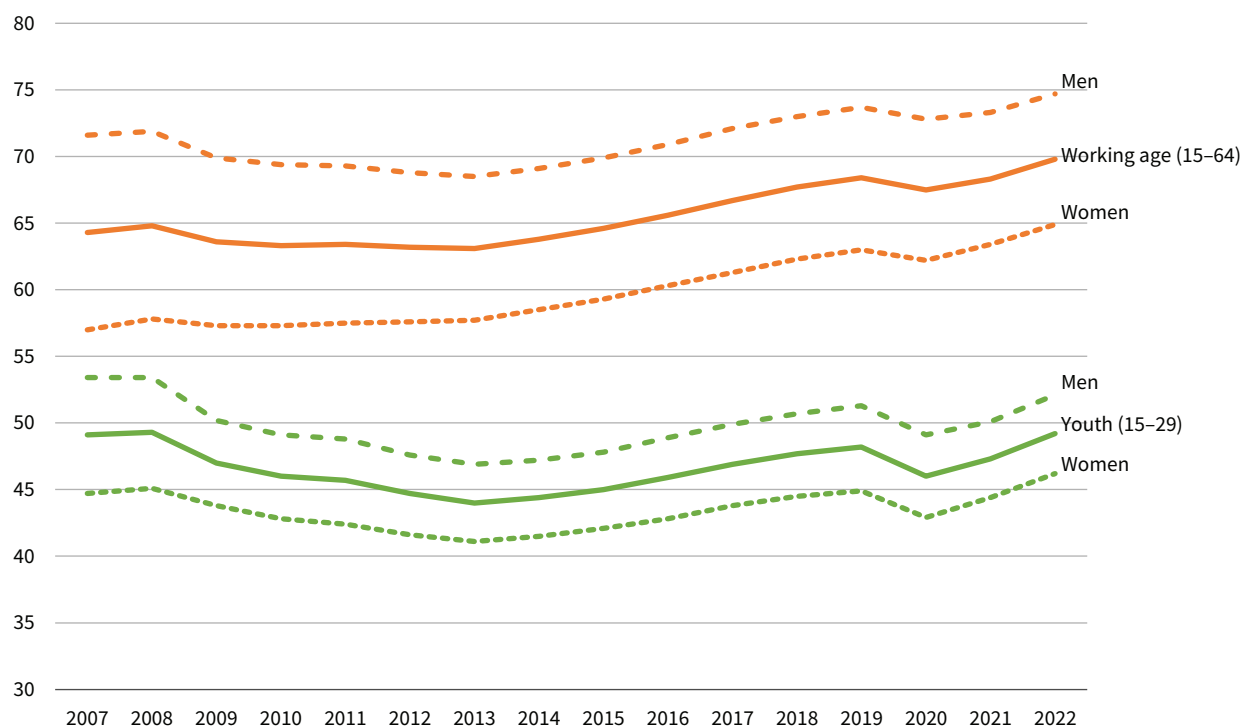
A strong recovery but challenges remain

The news is definitely not all bad for younger workers. In contrast to the global financial crisis of 2007–2008, the COVID-19 pandemic did not trigger a prolonged youth unemployment crisis. Youth employment fell by two percentage points in 2020, more than for older age groups (Figure 22), but rebounded quickly and surpassed pre-recession levels by 2022.

By 2023, the employment rate for young people aged 15–29 reached 49.7%, an increase of 3.6 percentage points compared with 2020, when the COVID-19 crisis began, with more than 35 million young people employed across Europe. This highlights the resilience of young workers and the impact of policy initiatives such as the reinforced Youth Guarantee, which aims to support youth employment and improve job quality.

Despite encouraging headline employment figures, challenges remain. While youth unemployment decreased from 19% in the third quarter of 2020 to 14% by the end of 2023, it is still notably higher than the EU's overall unemployment rate of 6%.

Figure 22: Employment rate, by age group and sex, EU27, 2007–2022 (%)



Sources: Eurostat, *Employment by sex, age and citizenship (1 000)* [lfsa_egan]; *Employment rates by sex, age and citizenship (%)* [lfsa_egan]

Young people not in employment, education or training

More than 8 million people aged between 15 and 29 (11.2% of this age group) are outside the labour market and education (not in employment, education or training, NEET) and are at risk of further disengagement. While this is a large share, it also reflects a sharp decrease compared with the share recorded in 2014, at the start of the economic recovery, when 15.7% of young people were NEET.

There is a big difference in the NEET rates recorded among young men (10.1%) compared with young women (12.5%) (Figure 23). However, the gap (2.4 percentage points) has decreased since 2014, when it was 3.2 percentage points.

The Youth Guarantee aims to reduce the proportion of NEETs by connecting young people with employment and education services. However, as young women (particularly young mothers) are disproportionately NEET, these programmes must integrate with family, housing and childcare policies to be truly effective.

Precarious employment

Job stability for young people has shown some signs of improvement since the beginning of the pandemic, with job insecurity and involuntary temporary contracts on the decline.

However, even for those in work, employment does not always translate into stability. Many young people continue to hold temporary or part-time contracts, some as a result of voluntary choices linked to

education or training, and others due to limited access to secure employment.

In 2023, 34.4% of young workers were temporary employees in the EU27, more than twice the rate among the general workforce (14%). Additionally, 43% of young people in temporary employment had contracts of 12 months or less, which could indicate career insecurity.

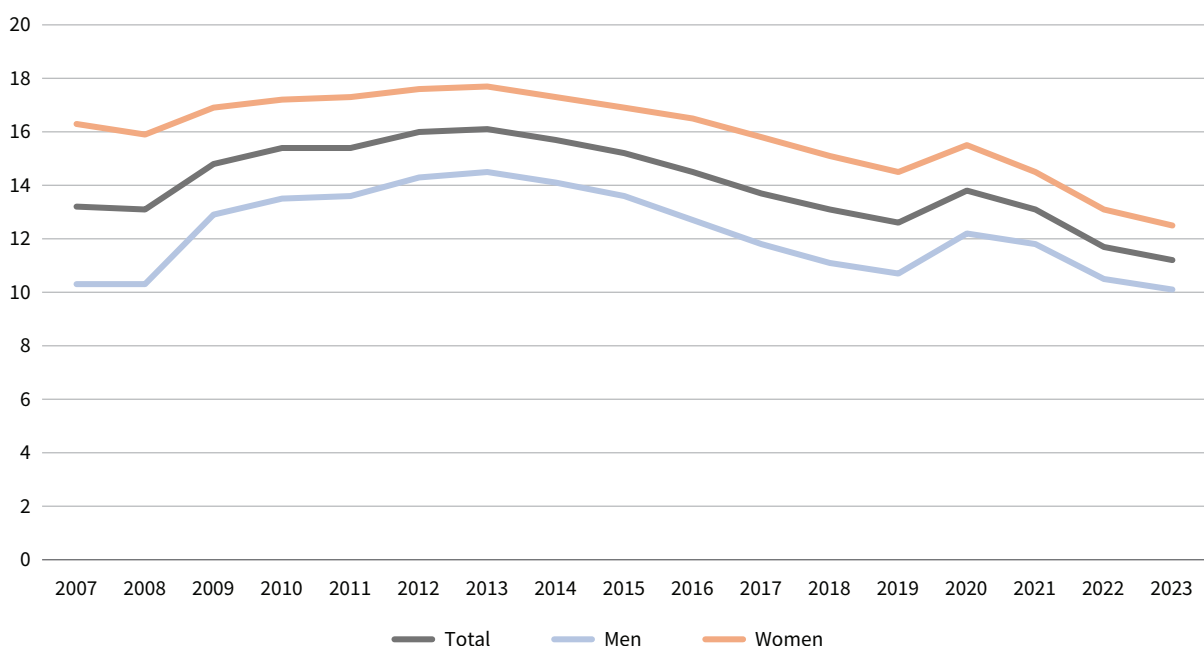
Compared with the overall population, a larger share of part-time workers are recorded among the youth population. In 2023, 23% of young workers were working part-time compared with 17.8% of the general workforce. Furthermore, a significant gender gap remains in youth employment, as 37.6% of young women are on temporary contracts compared with 35.5% of young men.

Progress on the reinforced Youth Guarantee

The reinforced Youth Guarantee aims to improve young people's access to good-quality employment, education, an apprenticeship or a traineeship within four months of becoming unemployed or leaving education, with a stronger focus on young people in longer-term NEET situations. This guarantee has been positively assessed internationally: findings have shown that it has had a stabilising effect, supporting youth employment and providing an important fiscal contribution to job creation for the young (Eurofound, 2015).

Eurofound research finds that so far little information is available on its progress, highlighting a need for a mechanism to improve data collection and monitoring.

Figure 23: NEET rates, by gender, 15–29 age group, EU27, 2007–2023 (%)



Source: Eurostat

However, implementation of the reinforced Youth Guarantee varies across the EU: while countries such as Estonia, Finland and Sweden closely follow the reinforced Youth Guarantee framework, others, particularly in southern Europe, face greater challenges due to high NEET rates, regional disparities and limited institutional capacity. This raises concerns about the programme's ability to deliver in the most deprived regions. Many have called for regional or local decision-making structures to be involved in the implementation of the reinforced Youth Guarantee.

Research highlights the need for greater focus on the gender aspect of NEET rates. In many countries, young mothers are now more likely to be NEET than unemployed young men, with family responsibilities being the main cause. While the reinforced Youth Guarantee is often viewed as an economic policy – partly due to the ease of measuring employment compared with social outcomes – its success relies heavily on broader policies in areas like family, housing, childcare, gender and intersectional discrimination, sexual education and mental health.

While the reinforced Youth Guarantee has boosted youth employment overall, job quality remains a concern. Young people continue to face a higher likelihood of entering non-standard or insecure employment, as the labour market remains precarious for many of them. While jobs are available, they are often unattractive or poorly paid and do not offer a decent standard of living – particularly in light of rising cost-of-living and housing pressures.

Ongoing mental health crisis

Beyond employment and skills, many young people are facing a deeper, more personal crisis: poor mental health. A generation shaped by instability – job insecurity, unaffordable housing and disrupted life plans – continues to report lower levels of well-being.

Findings from Eurofound's 2024 Living and Working in the EU e-survey show that young respondents consistently report poorer mental well-being than older age groups. Between 2023 and 2024, the proportion of young people frequently feeling tense or anxious, lonely, or downhearted and depressed increased (Figure 24). Those struggling to find work are especially vulnerable, with unemployment associated with a greater risk of reporting depressive feelings.

Given the consistently low rates of mental well-being among young people, Eurofound research explores the possibility that this may be linked to the uncertainty they feel about their futures. One source of stress for young people could also be the lack of access to affordable housing.

Digital skills gap: A barrier to youth employment

Beyond initiatives like the reinforced Youth Guarantee, a major obstacle to youth employment is the growing mismatch between young people's skills and labour market needs – particularly in terms of digital skills. While the extent of labour shortages across the EU could spark optimism for young workers and imply an easy entry into the labour market, the reality is quite the opposite. The persistent issue of skills mismatch means that young people lack the specific technical or vocational skills demanded by sectors facing shortages.

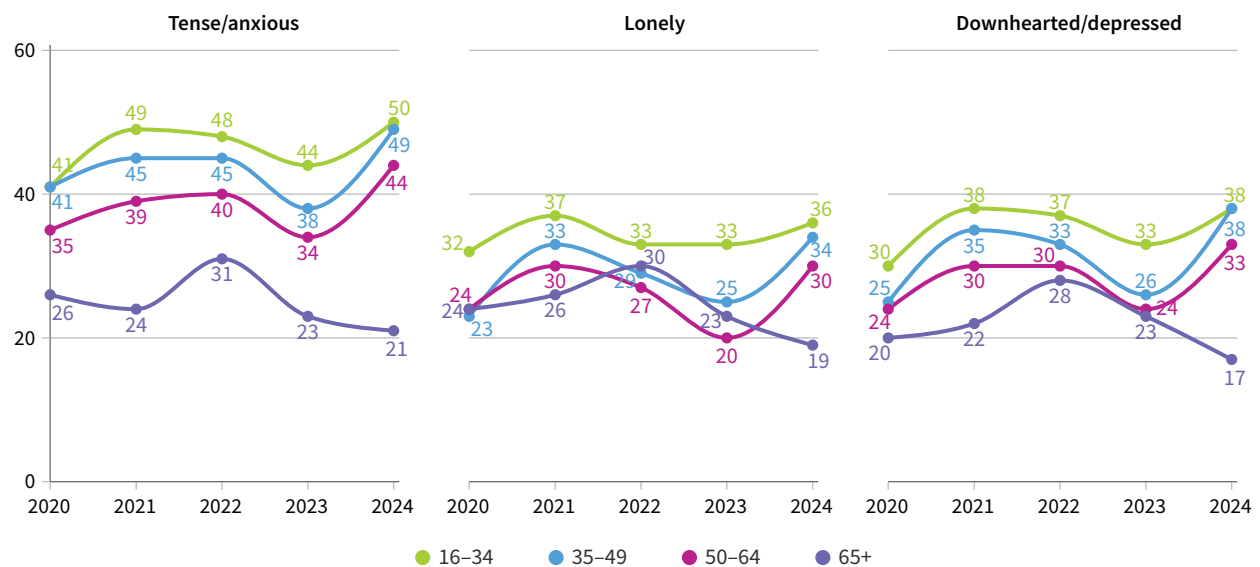
Young people in the EU are much more proficient in the area of digital skills than older generations. According to Eurostat, at least 70% of young people aged between 16 and 29 were equipped with at least basic digital skills in 2023. Slightly more women than men had at least these basic skills. This is considerably higher than the level recorded among the prime age group (30- to 64-year-olds) (64%) and older people (44%).

However, the rapid pace of digital transformation complicates labour market entry. Digital skills that have developed even in the past few years may not be relevant in the next 5 to 10 years. High-level digital skills – like coding, data analysis and cybersecurity – are increasingly in demand. Yet only 39% of young people had such advanced skills in 2023, a level that remains too low for the EU to fully benefit from the digital transformation.

The digital skills gap is especially pronounced for young people from disadvantaged backgrounds or rural areas, who often face barriers when trying to access training and education. The link between digital proficiency and formal education is stark: nearly half of those with a high level of education have above-basic digital skills, but this drops to just 12% among those with a low level of formal education.

To fully harness the potential of digitalisation, more young people need access to high-quality, advanced digital training. Providing that access will help reduce inequality and support smoother school-to-work transitions.

Figure 24: Respondents with frequent negative feelings over the previous two weeks, by age group, EU, 2020–2024 (%)



Source: *Living and Working in the EU e-survey series*

Housing crisis delays independence

Europe's housing crisis is forcing many young people to delay key life milestones like moving out or starting a family – decisions with long-term effects on demographics and social stability.

The crisis also deepens intergenerational inequality: many retirees own their homes and are mortgage-free, while younger generations increasingly see homeownership as out of reach. This may lead to future retirees who are still burdened by rent or mortgage payments.

Locked out: Young people living at home for longer

On average, 75% of young people aged 15–29 in the EU live with their parents – rising to 86% for those aged 15–24 and 42% for those aged 25–29 (Figure 25). The share is higher in less populated areas (82%) than in cities (67%).

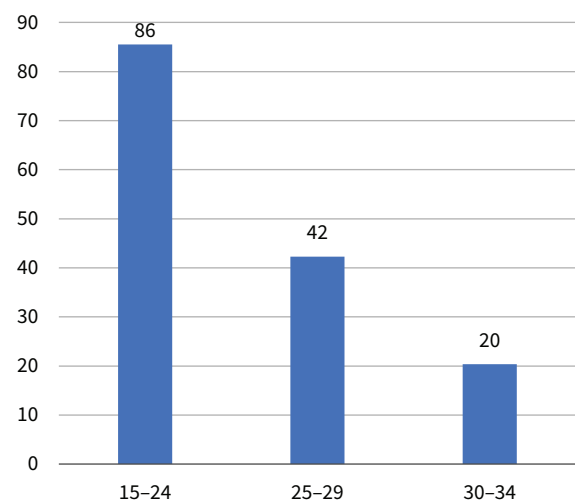
Many do not live at home by choice. Surveys show that housing costs are the main barrier to moving out. In Finland, 48% of 18–29-year-olds living with parents said they could not afford to leave – up 12 percentage points since 2014. In Croatia, nearly 80% of young people cited high housing costs as the reason for remaining in the parental home.

Overall, young people feel trapped living with their parents: one-third feel excluded from society and almost half would move out within a year if they could.

Employment no longer guarantees independence

In the past, securing a job often meant gaining independence. Today, that link is far less certain.

Figure 25: Young people living with their parents by age group, EU27, 2022 (%)

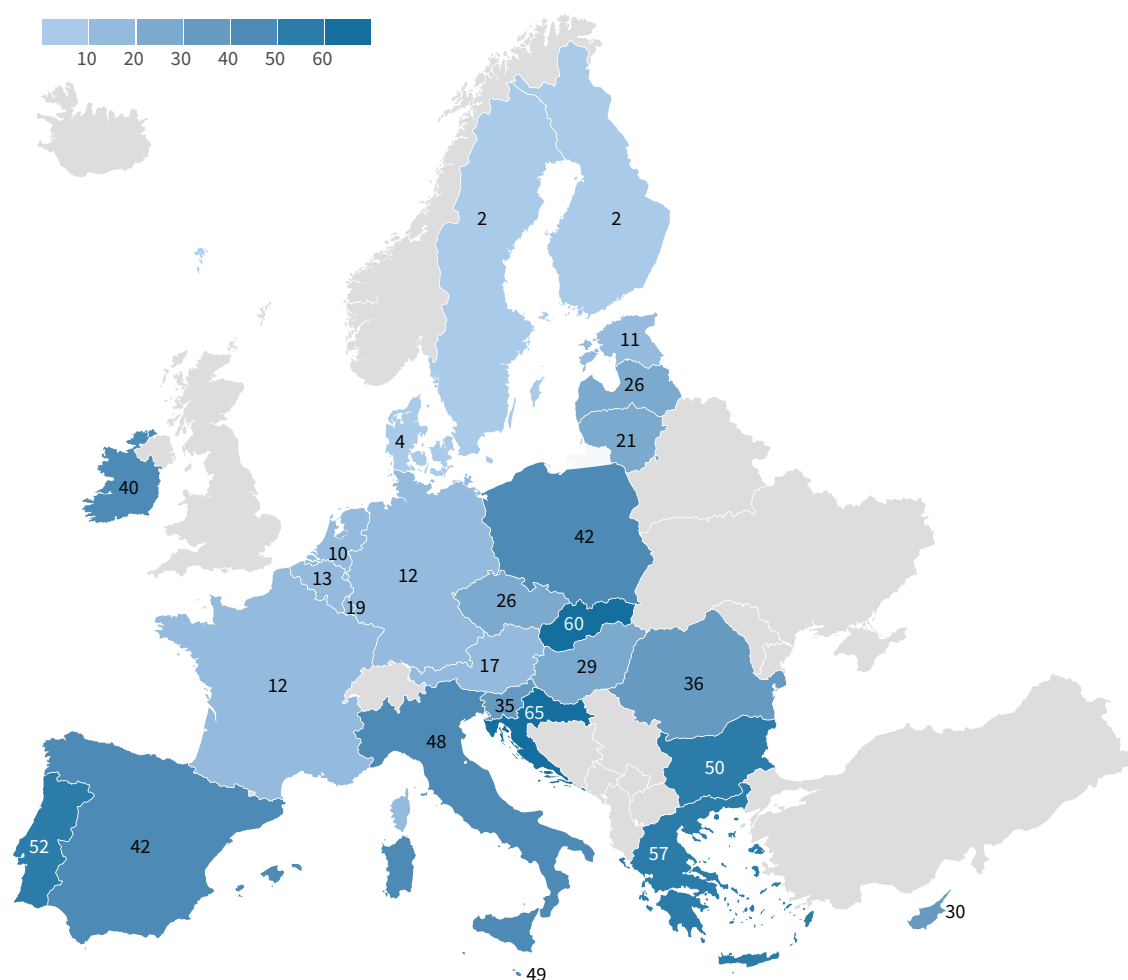


Source: Eurofound calculations using EU-SILC microdata

Eurofound research shows that more young people are employed yet still living with their parents, a trend that has grown over the last decade. Among 30- to 34-year-olds, 73% of those living at home are employed – only slightly below the 78% of those not living in the parental home who are employed (Figure 26). This suggests that factors beyond employment are keeping young adults at home. Additional analysis shows that, on average, the proportion of 25- to 34-year-olds in employment living in the parental home had risen from 24% to 27% between 2017 and 2022.

There are striking differences between Member States. In Nordic countries, it is much less common for people in their 20s and 30s to live with their parents than in southern Europe. This is partly cultural but can also be

Figure 26: Young people aged 25–34 in employment and living in the parental home by EU Member State, 2022 (%)



attributed to the labour market precarity of temporary workers in southern Europe. Young people are more likely to be in temporary employment, and this can prevent them from securing accommodation outside the family home. Just 2% of 25- to 34-year-olds in employment in Finland and Sweden live with their parents, while the figure is 65% in Croatia, 57% in Greece and 52% in Portugal.

Supporting young people into adulthood

Despite the recent rebound in youth employment, young people across Europe continue to face persistent barriers to independence and well-being – including precarious jobs, unaffordable housing and poor mental well-being. These barriers delay key life milestones and risk leaving long-term scars.

Continued support for the implementation of the reinforced Youth Guarantee is crucial, especially as youth-targeted policies remain underemphasised in national recovery efforts. However, the success of this initiative depends on more than labour market access. Its impact is closely linked to other areas, such as family, housing, childcare and mental health, and to policies combating gender and intersectional discrimination.

To deliver lasting improvements, national and regional strategies must prioritise disengaged and vulnerable young people, particularly in rural or deprived areas, and ensure that institutions are well resourced to meet these challenges. Crucially, the focus must shift from employment alone to decent work – jobs that provide income, security and a sense of identity and stability.

Discover more

Report: [Becoming adults: Young people in a post-pandemic world](#)

Background paper: [Youth integration in the EU: Navigating digitalisation and labour shortages](#)

Data story: [Quality of life in the EU in 2024](#)

Eurofound Talks: [Has Europe failed its youth?](#)



Housing crisis: What can the EU do?

6

Key insights

- **Private renters face the greatest housing insecurity.** Their housing costs increased by 23% between 2010 and 2019, while 46% of private renters reported feeling at risk of losing their home due to unaffordability.
- **The green transition can improve housing quality.** EU initiatives like the Affordable Housing Initiative, which aims to renovate 35 million buildings by 2030, could significantly improve housing adequacy. However, without safeguards, these efforts risk raising rents instead of benefiting low-income tenants.
- **Eviction prevention must start early.** Early intervention support measures are most effective when triggered proactively, rather than after an eviction notice is issued.
- **Middle-income earners are being excluded from support.** Strict eligibility rules leave many just above income thresholds without access to social housing or benefits.
- **Homelessness remains a challenge despite some progress.** While three-quarters of Member States have implemented Housing First initiatives, many are small scale, often housing less than 1% of the homeless population.

7 Can the EU turn the tide on the housing crisis?

Spiralling housing costs and lack of availability of affordable housing are causing anxiety and frustration across the EU. House prices and rent have been rising faster than incomes. Renters are worried about evictions, and younger people are having to live longer in their parental homes, while others can afford little else after paying their housing costs or are confined to low-quality housing. Even homeowners are not spared, as the cost of keeping a house warm has escalated, and many face higher mortgage payments than they had before the interest rate increases earlier this decade.

In the run-up to the 2024 European elections, the housing crisis emerged as a key issue across the whole of the EU and the entire political spectrum. Commission President Ursula von der Leyen has responded with promises to do more. She is pushing for a coordinated approach and has already outlined ambitious proposals for 2024 to 2029 that give housing policy visibility and weight. These include the appointment of the first Commission member whose responsibilities include housing, as well as the first-ever European Affordable Housing Plan and a pan-European investment platform for affordable and sustainable housing.

As policy attention intensifies, Eurofound's EU-wide research mapping unaffordable and inadequate housing and policies to address it becomes even more salient, offering insights into the multifaceted nature of the housing crisis and potential strategies to address it effectively.

Breaking down the housing crisis

When we talk about the housing crisis, it is important to recognise that it is a complex, multifaceted issue with far-reaching consequences for individuals and families across different socioeconomic backgrounds, age groups and regions. It affects everyone, including renters, homeowners and those experiencing homelessness; its impact is felt across society, creating ripple effects that influence everything from employment stability to mental health, family formation and social mobility.

The crisis has many tentacles, extending beyond just affordability concerns. It encompasses a range of structural issues, including the lack of access to social housing, the growing divide between wages and property prices and rents, precarious rental conditions, challenges related to rising housing costs, household over-indebtedness, properties left vacant, lack of access to services and amenities, and poor-quality housing and neighbourhoods. Some homeowners are affected by increasing mortgage interest rates or struggle with high energy and maintenance costs. In several countries, poor housing conditions and lack of adequate infrastructure or access to services are also key concerns.

While low-income earners and vulnerable groups are often hit the hardest, even middle-income households increasingly struggle to secure affordable and stable

housing, particularly in urban centres where demand far outstrips supply.

Research by Eurofound identifies unaffordability in relation to four types of housing problems:

1. **Housing exclusion:** People who are excluded from housing. This includes both young people who cannot afford to leave the parental home and people who are homeless.
2. **Housing insecurity:** People who consider it likely that they will need to leave their home within the next three months. Unsurprisingly, tenants renting from private lessors are hit the hardest by this.
3. **Problematic housing costs:** High housing costs can compromise a household's ability to afford non-housing goods and services, depending on its financial resources (income and wealth) and non-housing needs.
4. **Housing inadequacy:** Improving the quality of housing is a big concern and cannot be seen as a separate issue from the quality of the surrounding area.

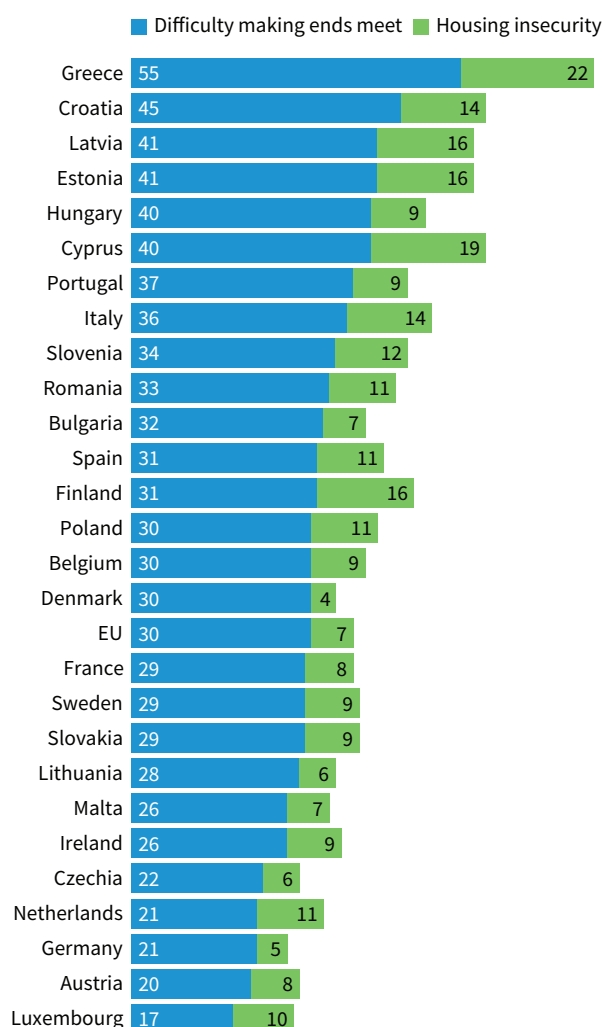
Among those most exposed to the housing crisis are private renters – particularly those with lower incomes – who face a unique combination of all these various housing problems.

Private renters in vulnerable situations

In the EU overall, housing costs increased dramatically between 2010 and 2019 for tenants (by 23%), while for homeowners they went up by 8%. The highest percentage increases among tenants (exceeding 40%) were recorded in Portugal, Poland, Greece, Bulgaria, Estonia and Latvia.

Housing insecurity is by far the largest among renters on the private market. Eurofound research shows that 46% of private rental market tenants feel that there is some risk that they will have to leave their home in the next three months because they can no longer afford it. Greece had the highest proportion of respondents (of any tenure status) saying that they might need to leave their accommodation in the coming months because they can no longer afford it (22%), followed by Cyprus (19%), and Estonia, Finland and Latvia (16%) (Figure 27).

Figure 27: Difficulty making ends meet and housing insecurity, EU Member States and the EU, 2024 (%)



Source: *Living and Working in the EU e-survey series*

Squeezed middle locked out of housing

Low-income households are not the only ones struggling. Increasingly, middle-income earners are also finding themselves priced out of decent, secure housing.

Often referred to as the ‘squeezed middle’, these households are caught between income thresholds for support and rising housing costs. They earn too much to qualify for social housing, rent subsidies or ownership support, but too little to afford stable, quality housing.

Despite falling interest rates benefiting mortgage holders in recent years, rising energy costs and inflation have further squeezed disposable incomes, making it harder for middle-class households to maintain housing stability.

Rigid income thresholds exclude the squeezed middle

One key challenge for the squeezed middle is the rigid income thresholds that determine eligibility for social housing, rent subsidies and ownership support. In many EU Member States, these thresholds are fixed, meaning that even a small increase in income can render households ineligible for any support. Which means, if you earn even a bit too much, you are not entitled to anything.

However, some Member States have found flexible solutions. Germany and the Netherlands use gradual income thresholds, preventing sudden exclusion from support when incomes rise slightly. Italy’s *Edilizia Residenziale Sociale* (ERS) offers public housing for those who earn too much to qualify for traditional social housing but too little to afford private market rents.

Without such mechanisms, many middle-income households may remain locked out of parts of the housing market, forced into the private rental market, where rising rents and unstable tenancy conditions exacerbate their financial strain.

Homeowners under pressure

Even homeowners do not escape unscathed from the impacts of the housing crisis. While renters face severe housing insecurity, homeowners are also experiencing financial strain. House prices have increased, the cost of keeping a home warm has escalated, and flexible-rate mortgage payments have increased, reducing the disposable income of many households. High housing costs can compromise a household’s ability to afford non-housing goods and services, depending on its financial resources and non-housing needs.

Many of the homeowners struggling are older people living in rural areas, whose incomes are often low, and people who live in energy-inefficient homes. They find themselves unable to maintain their homes at a suitable temperature due to poor energy performance and financial strain: this is true of at least 15% of outright owners in Bulgaria, Cyprus, Greece, Lithuania and Portugal. In 2023, 9% of all rural dwellers owned their home outright but could not keep it at an adequate temperature. The cost-of-living crisis has further disturbed the delicate balance of housing costs and other household outgoings.

Complexities of housing support

While financial housing support is important for those receiving it, it can drive up prices and, in the case of ownership support, fuel over-indebtedness. It can also trigger inequalities – due to fixed income or age entitlement thresholds – and groups of people entitled to these benefits may not receive them. Social housing is more or less absent in many Member States, and where it is present, it comes with long waiting lists, even in Member States with larger social housing stocks.

The most obvious answer may simply be to increase the housing supply, by building and renovating. Supply can also be increased by bringing vacant dwellings to the market and by ensuring better connections between areas where there is a sufficient supply of housing and jobs and services, ideally by public and active modes of transport. This would reduce non-housing costs for inhabitants, while decreasing the EU's energy dependence (in line with the Green Deal and RePowerEU).

Preventing evictions

One of the most visible and distressing outcomes of housing insecurity is eviction. Tackling this issue is critical – not just for protecting individuals, but also for preventing deeper social exclusion.

Policy actions aligned with the European Pillar of Social Rights are crucial in addressing housing insecurity and protecting people against forced evictions. The Pillar emphasises access to quality social housing, shelter and services for homelessness and safeguards against evictions, underscoring the importance of housing security.

Eurofound research maps out many initiatives by EU Member States to prevent evictions. Evidence suggests that early intervention is key – support should be triggered automatically when payment issues arise, rather than waiting for an eviction notice.

Some Member States have proactive eviction prevention strategies. In Sweden, lessors and housing companies must inform the state debt collection agency, Kronofogden, when issuing an eviction notice. Tenants have three weeks to pay arrears, while the agency puts them in contact with social services for income support, advice on budgeting and help addressing the causes of the arrears. If needed, the municipality takes over rent payment, with the tenant repaying it later. Between 2018 and 2022, this initiative prevented between 55% and 62% of eviction notices from leading to actual evictions.

Initiatives in other Member States intervene at an even earlier stage, offering support as soon as tenants fall into arrears on rent or utility bills. For instance, in Amsterdam, the Vroeg Eropaf initiative reaches out to households in financial distress, offering debt advice and assistance before eviction proceedings begin.

Improving housing adequacy through RePowerEU and the green transition

Beyond housing insecurity, many households struggle with poor housing conditions. The EU's green agenda offers a valuable opportunity to improve housing quality while addressing climate goals.

Although housing is a national competence, the EU supports improvements through funding and strategic guidance. As part of the Renovation Wave Strategy, the Affordable Housing Initiative aims to renovate 35 million buildings by 2030, while the Social Climate Fund supports energy-efficient renovations across Member States.

The green transition is set to reshape Europe's housing situation through long-term changes in energy consumption and production. Eurofound research indicates that more can be done to ensure that Green Deal resources effectively address housing challenges.

Major EU investments in energy efficiency and household solar energy generation can lower emissions and reduce household energy dependence, and contribute to the EU's broader goal of reducing dependence on imported energy. This is central to the RePowerEU initiative, which aims to accelerate the shift away from fossil fuel imports through domestic renewable energy production and improved energy performance in buildings. To address housing affordability and energy resilience effectively, these benefits must reach low-income groups, especially private and social tenants, who are more likely to report problems with poor energy efficiency.

Is Europe failing homeless people?

At the sharpest end of the housing crisis are those with no housing at all. Despite policy efforts, homelessness remains a persistent challenge across the EU.

Eurofound research examines the success of Housing First programmes. Unlike traditional models that require engagement with services before offering housing, Housing First prioritises stable accommodation upfront. Around three-quarters of EU countries are experimenting with or have implemented initiatives inspired by the Housing First approach.

Eurofound's mapping of Housing First policies shows that these policies have been largely successful in keeping people out of homelessness. Finland's success is a standout example: from 2008 to 2019, the number of homeless people fell by approximately 1,800, with 75% of programme participants transitioning to supported or independent living.

Yet, in most countries, these programmes remain small scale, reaching fewer than 1% of homeless populations. Some still require participation in services, limiting access. For Housing First to truly deliver, housing must be independent, stable and truly unconditional on engagement with support services.

Stabilising and reshaping EU housing

Tackling housing exclusion, insecurity and inadequacy and addressing problems making ends meet due to high housing costs requires more than standalone housing policies. A broader, joined-up strategy is needed – one that integrates housing with social protection, public services and the quality of the home's surrounding area.

Increasing housing supply – through new construction, renovation and better use of vacant dwellings – could play a role in addressing the crisis, particularly when aligned with goals to green housing and improve local areas. But tackling the housing crisis also means investing in surrounding infrastructure and public services.

Access to good-quality public services such as healthcare, childcare, education and transport could prove significant in preventing high housing costs from reducing standards of living. All else being equal, spending 40% of their income on housing is likely to be more problematic for someone with significant healthcare and transport needs – unless these services are accessible and available at low or no cost.

Improving the quality of the local area in neighbourhoods that are currently disconnected from jobs and services, are unsafe or lack green areas could help alleviate the housing crisis. In particular, high-quality public transport and cycling infrastructure would connect these areas with education and employment centres at a low cost (or free) for users. This has the potential to improve the situation for the many people pushed out of expensive city centres into apartments in the suburbs.

Addressing the housing crisis is not just a matter of increasing supply, it also calls for a reform of the support systems. Housing benefits and mortgage relief must be designed to avoid exclusion, ensure take-up, and complement wider investments in social infrastructure and public services.

The housing crisis affects demographics, mobility and work–life balance. A coordinated EU-level approach – rooted in the European Pillar of Social Rights – is essential to ensure stable labour markets, fair social protection and access to affordable, quality homes.

Discover more

Blog post: [Housing cracks: Multi-pronged policy approach required](#)

Report: [Unaffordable and inadequate housing in Europe](#)

Report: [Developments in income inequality and the middle class in the EU](#)

Eurofound Talks: [Can the EU help turn the tide on housing in Europe?](#)



Trust in crisis: A challenge to social cohesion in the EU

7

Key insights

- **Political social cohesion remains stable.** Despite concerns about declining trust, there is no evidence of an overall decline in political social cohesion in Europe over the past 20 years.
- **Trust in institutions has declined.** Trust in the EU has decreased slightly since 2023 but remains higher than pre-pandemic levels. However, trust in national governments remains lower.
- **Economic hardship erodes trust in institutions.** Those struggling to make ends meet report significantly lower levels of trust in both national governments and the EU.
- **Unemployment weakens political engagement and institutional trust.** Unemployed individuals are less likely to vote and to have trust in national governments and the EU, although in some regions this lack of trust drives protest activity.
- **The rural-urban divide is deepening,** fuelling political disengagement and protest. Rural communities report feeling ignored and perceive a lack of political recognition, contributing to growing discontent.

8 Trust matters: Cornerstone to democracy and social cohesion

In recent years, the EU has confronted a series of overlapping crises that have collectively strained public trust in both the EU and national institutions. This erosion of trust poses significant risks to social cohesion and democratic stability, as diminished trust can lead to social fragmentation, reduced cooperation and the rise of populist movements.

Without trust, societies fall victim to social fragmentation, which cripples cooperation and can empower populism, thereby undermining the stability and full functioning of our societies during periods of geopolitical tension. Disparities in trust levels extend beyond generational and socioeconomic divides, with growing inequalities between rural and urban areas further exacerbating political discontent. Rural communities, facing lower employment growth and declining public service provision, increasingly feel overlooked by decision-makers, reinforcing their sense of political exclusion. However, while trust in institutions has come under pressure, this has not necessarily translated into widespread political disengagement. In fact, political participation has remained relatively resilient in many parts of Europe.

No widespread decline in political social cohesion

Political social cohesion refers to citizens' engagement and trust in democratic institutions, as well as their participation in political processes, such as voting and civic activism. In 2024, Eurofound looked at trends and regional variations in political participation across Europe, alongside levels of institutional distrust and discontent. While political disaffection exists in parts of Europe, the data indicate that participation in the democratic process – including voting and protest activity – has remained stable over the past two decades in most regions. Engagement has tended to increase during times of crisis, such as the 2007–2008 financial crisis, the 2010–2012 European debt crisis and the COVID-19 pandemic, suggesting that citizens continue to participate in the democratic process even during challenging periods. During these times, both voting and protest activity rose, particularly in countries where dissatisfaction with government responses was high.

Despite country variations, there has been a convergence between regions with higher and lower levels of political participation in Europe. Regions in southern and eastern Europe, which historically had lower electoral participation rates, are increasingly aligning with those in northern and western Europe, where participation has been stronger. The type of political participation observed includes voting in elections, protesting and petitioning.

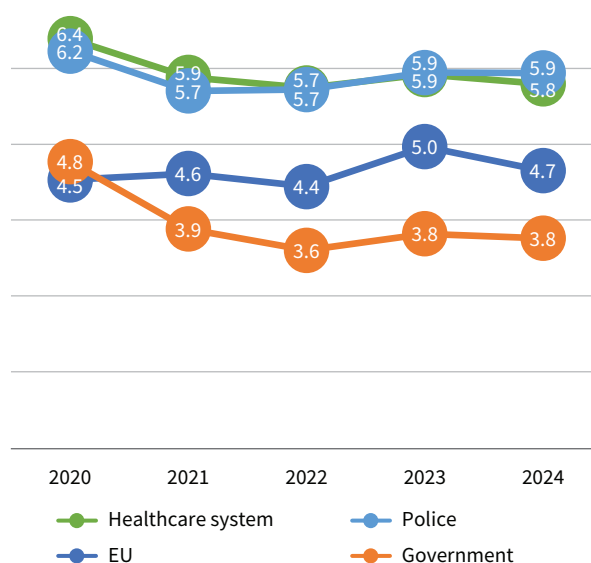
Protest participation has risen during periods of crisis, indicating that citizens remain politically engaged even when they disagree with traditional institutions. However, participation alone does not always signal trust. Even as citizens continue to vote or protest,

their underlying trust in the institutions they engage with is showing signs of strain.

Declining trust in institutions

In recent years, trust in institutions within the EU has declined due to the rising cost of living and the spread of unreliable news sources (Eurofound, 2022). In the 2024 Living and Working in the EU e-survey, respondents rated their trust in institutions on a scale of 1 to 10. Trust in the EU fell slightly from 5.0 in 2023 to 4.7 in 2024 but remains above pre-pandemic levels (4.5 in 2020) (Figure 28).

Figure 28: Trust in institutions, EU, 2020–2024 (scale 1–10)



Source: Living and Working in the EU e-survey series

Trust in national governments remains significantly lower than trust in the EU, and has seen little change since 2023.

There are notable national differences in trust levels, often influenced by recent elections and political developments. Some countries have seen widening distrust, particularly in parts of central and eastern Europe, where concerns over governance and political shifts have intensified public discontent. In contrast, other Member States, particularly in western and northern Europe, have maintained more stable levels of trust, reflecting consistent institutional performance.

Trust in the healthcare system (5.8) and the police (5.9) remained stable at EU level between 2023 and 2024 but

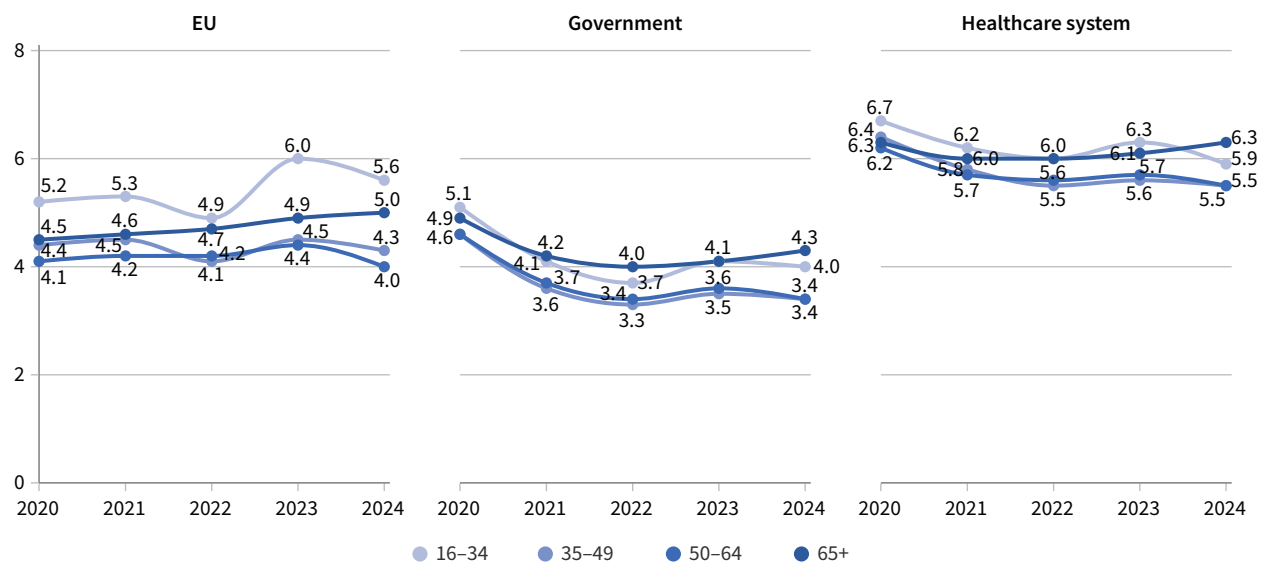
has yet to return to early-pandemic highs (6.2 and 6.4, respectively, in 2020).

Generational differences in institutional trust

Trust is not evenly distributed across the population. Age, in particular, plays a significant role in shaping how citizens perceive institutions.

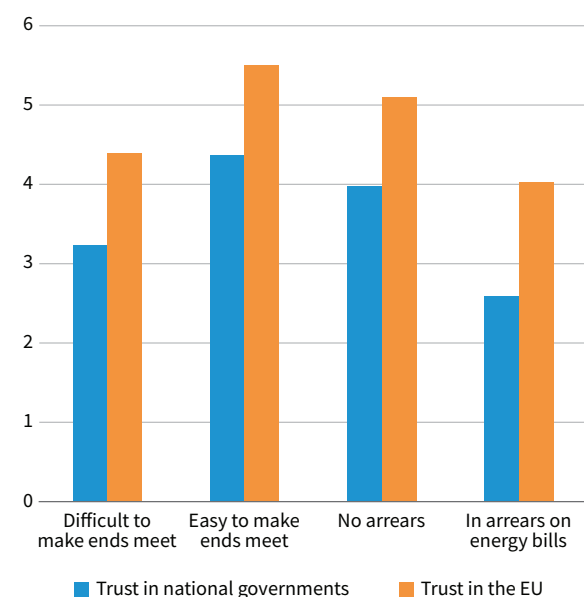
Among e-survey respondents, young people trust the EU more than older groups, although the decrease in trust was higher among them than among older groups. When it comes to the government and the healthcare system, respondents aged 65 or over had the highest level of trust across the age groups (Figure 29).

Figure 29: Trust in institutions, by age group, EU, 2020–2024 (scale 1–10)



Source: *Living and Working in the EU e-survey series*

Figure 30: Economic hardship and trust in institutions, EU, 2023 (scale 1–10)



Source: *Living and Working in the EU e-survey series*

Low levels of trust linked to financial insecurity

Just as age shapes trust, so too does people's financial situation and their ability to make ends meet. Eurofound research shows that those more affected by the cost-of-living crisis have a much lower level of trust, particularly those who struggle to make ends meet or are behind in their energy bills.

Figure 30 highlights this disparity: trust in government and the EU is notably lower among individuals who report difficulties making ends meet, whereas those who find it easy to make ends meet exhibit significantly higher trust levels. Similarly, individuals with arrears on energy bills report substantially lower levels of trust in government and EU institutions than those without arrears.

The cost-of-living crisis currently gripping Europe chips away at people's broader belief that governing bodies have the ability – or even the intention – to act in the best interests of their citizens. Escalating issues such as rising inflation, stagnant wages and increased financial strain all serve to gradually unravel trust in institutions.

This affects some more than others. Low-income families, rural communities, unemployed people and low-wage earners feel the burden more acutely and perceive a lack of targeted support from institutions, leading to a sense of unfairness and neglect. This can result in feelings of alienation and a decline in trust towards institutions seen as unresponsive to the plight of vulnerable groups.

Employment is key for democracy

Employment plays a vital role in shaping institutional trust and political engagement.

Eurofound's e-survey findings show that unemployed people are generally less likely to vote and tend to report lower levels of trust in government and the EU. This reinforces a cycle of disengagement and dissatisfaction, where political exclusion and institutional distrust go hand in hand.

However, there are notable differences across Europe. In continental Europe and Ireland, higher unemployment has at times resulted in stronger political participation, including increased voter turnout and protest activity. In contrast, in Nordic, western Mediterranean, and central and eastern European regions, unemployment does not result in stronger political participation.

Similarly, Eurofound research shows that unemployment is important for political engagement through protesting: the higher the unemployment rate, the higher the levels of protest.

These differences highlight the complex relationship between employment, protest and trust in institutions.

Rural–urban divide deepens

The growing divide between urban and rural communities is one of the clearest expressions of social and political inequality in the EU. In many rural areas, economic decline and reduced access to public services have fuelled a sense of being left behind – not just economically, but politically and socially.

Low voter turnout in rural areas

The farmers' protests across Member States, particularly in Brussels in 2024, have placed rural–urban differences in sharp focus, highlighting grievances over economic disparities, regulatory burdens and a perceived lack of representation in policymaking. These protests have raised broader questions about inequalities in this area, as the EU is witnessing deepening inequalities and a rural–urban gap that has increased by almost 20% in the previous 10 years. The employment rate has increased faster in urban areas than in rural areas, and median incomes are higher in urban areas in almost every Member State. Such inequalities have a hard-hitting impact on social cohesion.

Eurofound findings show that the increasing income gap between rural and urban areas, alongside the employment gap and the relatively poorer provision of public services, has contributed to a rise in feelings of being mistreated, disrespected or ignored by the government. This is more likely to manifest itself in protests, rather than at the ballot box, as discontented citizens are shown to be more likely to engage in protest and less likely to vote.

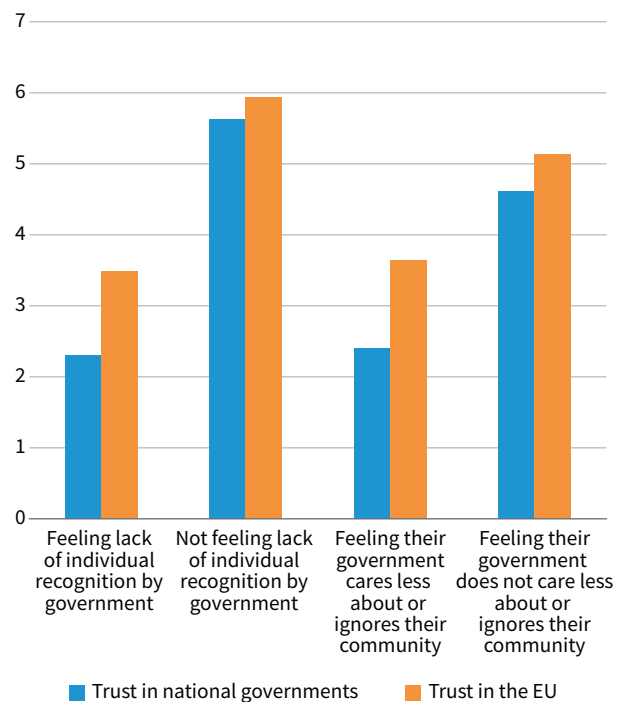
Lack of recognition and feeling unheard

A crucial component of institutional trust hinges on the belief that citizens' voices are heard and that their concerns are acknowledged.

However, recent analysis indicates that many people in rural areas, particularly those with lower income levels and limited employment opportunities, feel a lack of political recognition. These communities feel their concerns and grievances are not being adequately addressed by the EU. They feel ignored by policymakers. All of this serves to highlight rural–urban disparities.

This sense of invisibility fosters resentment and can lead to public discontent, including protests and demonstrations. Figure 31 illustrates this divide, showing that individuals who do not feel a lack of recognition by their government report significantly higher trust levels in both national governments and the EU. In contrast, those who feel ignored by their government or believe it cares less about their community exhibit markedly lower trust levels.

Figure 31: Lack of recognition and trust, EU, 2023 (scale 1–10)



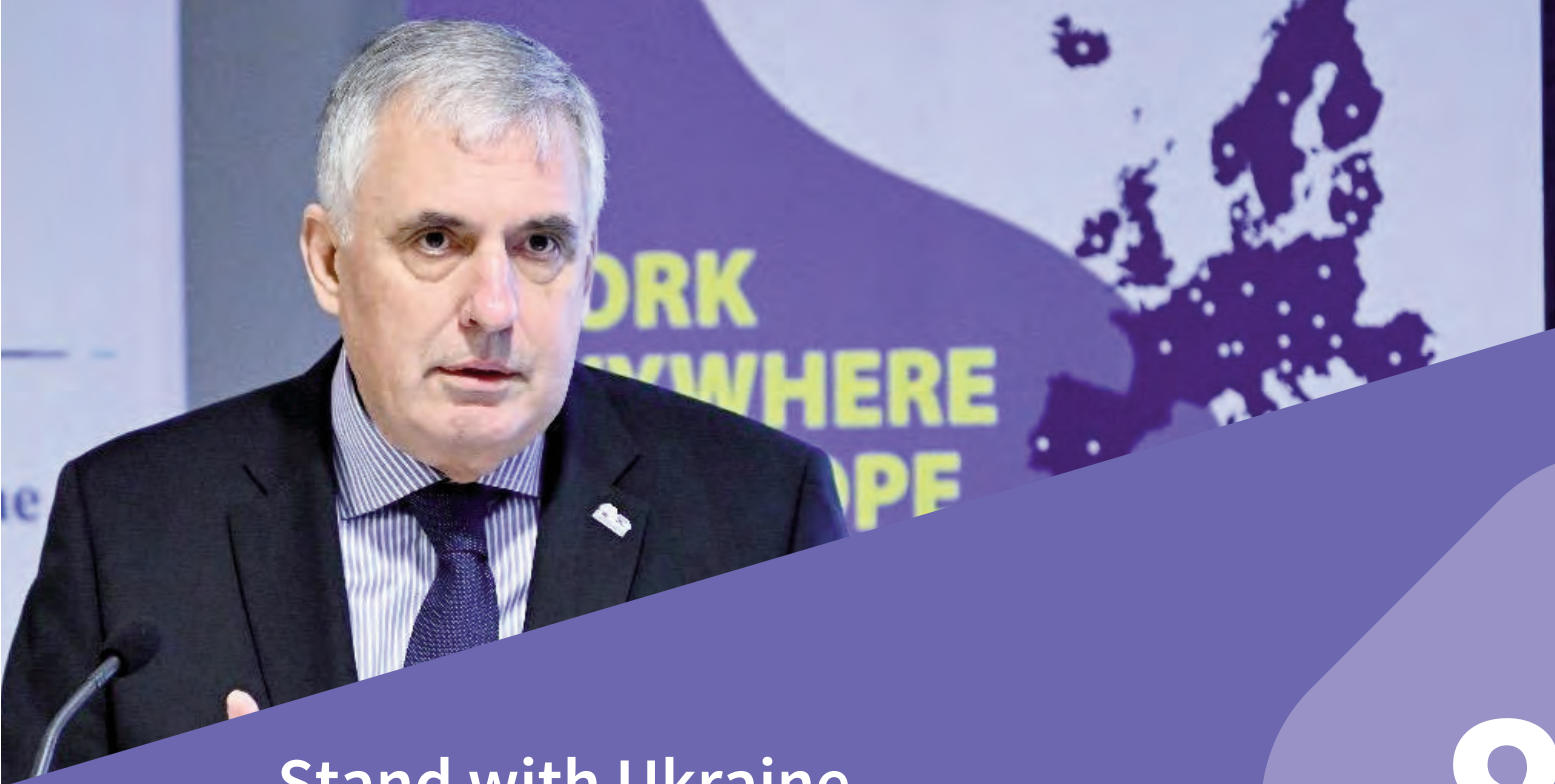
Source: *Living and Working in the EU e-survey series*

Discover more

Report: [The political dimension of social cohesion in Europe](#)

Data story: [Quality of life in the EU in 2024](#)

Blog post: [Trust in crisis: Europe's social contract under threat](#)



Stand with Ukraine

8

Key insights

- **Ukrainian refugees' labour market integration has been generally positive.** Employment rates reached between 10% and over 50% across EU Member States, supported by the Temporary Protection Directive and community goodwill.
- **Language barriers and job quality remain key challenges.** Insufficient language knowledge is the most commonly reported barrier, followed by irregular work and overqualification, which contribute to income instability and reliance on social assistance.
- **Limited access to childcare constrains employment, especially for women.** Enrolment rates range between 42% and 71%, posing a significant obstacle for the many women with children among the refugee population.
- **Mental health issues are widespread, but access to services is limited.** Displaced Ukrainians report PTSD, depression and anxiety, but face barriers such as stigma, language difficulties and lack of awareness of available support.

9 Stand with Ukraine

As the Russian war of aggression in Ukraine entered its third year in 2024, Eurofound continued its engagement with the impacts of the war on both refugees and host communities.

In 2024, Eurofound published research on the integration of Ukrainian refugees in EU Member States, focusing on labour market access, housing, healthcare and essential services.

The research also examined the mental health toll of the war on displaced Ukrainians, shedding light on the psychological challenges they face and the availability of support services across the EU.

From displacement to employment

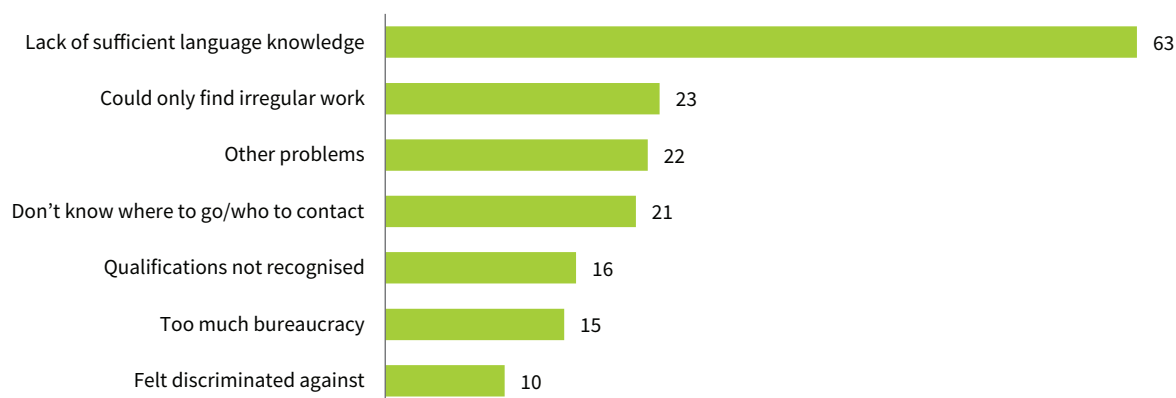
By November 2023, in the wake of Russia's war of aggression against Ukraine, 4.2 million displaced Ukrainians had registered under the EU's Temporary Protection Directive. This provided them with residence permits, access to the labour market and housing, medical assistance, and access to education for children. Eurofound research shows that Ukrainian refugees' integration into the labour market has been generally positive. In a short space of time, employment rates reached between 10% and over 50% across EU Member States. Since their arrival, there has been considerable anecdotal evidence of goodwill towards Ukrainians in local communities.

Barriers to employment remain

Despite this, challenges remain. Ukrainian refugees' employment rates vary by country, and insufficient language knowledge is the most commonly reported labour market barrier (Figure 32). The second most cited obstacle is that they could only find what they perceived as irregular work (23%), with many Ukrainians working in sectors where temporary jobs dominate, such as tourism, hospitality and construction. A further challenge is overqualification, with many taking up roles that do not match their skills, leading to income instability and reliance on social assistance. Lack of accessible childcare, reflected in low enrolment rates (ranging between 42% and 71%), is another major obstacle, especially considering the predominance of women with children among Ukrainian refugees.

Housing also remains a chief concern, given the pre-existing housing problems faced across the EU. These include an insufficient housing supply, rising costs, the financial strain for low-income tenants and owners with high mortgages, housing inadequacy and homelessness.

Figure 32: Barriers to employment reported by Ukrainian refugees, EU, 2023 (% , weighted)



Source: Eurofound and FRA, 2023

Trauma and displacement: The mental health impact of war

Research suggests that displaced Ukrainians suffer from a range of mental health problems, including post-traumatic stress disorder (PTSD), depression and anxiety disorders, following their traumatic war experiences. Added to this is the trauma of displacement and resettlement in a foreign environment and the separation from loved ones.

Displaced Ukrainians also face specific challenges in accessing mental health services. These include language difficulties, stigma surrounding mental health issues, lack of awareness of available services and limited knowledge of how to access them.

A survey by the Fundamental Rights Agency (FRA) (2023) showed that about one in five Ukrainian respondents perceived their own health as bad (19%) or very bad (2%). Among those out of work, a relatively high share (15%) identified their physical or mental health issues as at least one of the reasons why they could not work.

Low levels of trust are undermining EU support for Ukraine

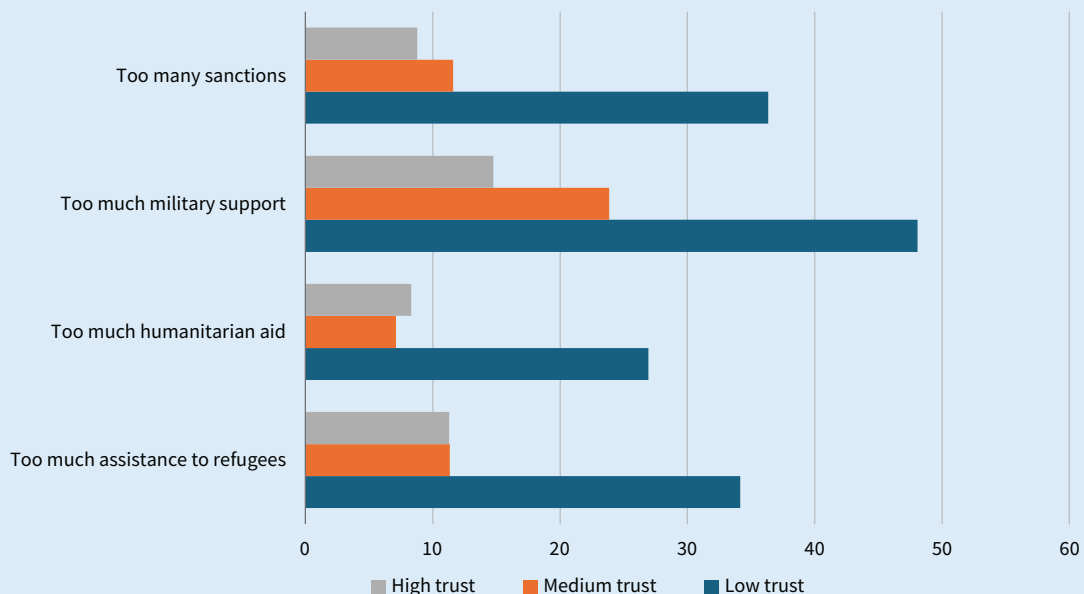
Trust in institutions plays an important role in shaping public attitudes toward EU support for Ukraine.

Eurofound research shows that those with low levels of trust in institutions are up to five times more likely to believe that EU support for Ukraine – whether military or humanitarian – has been too much.

Among those with low levels of institutional trust, nearly 50% believe that too much military support has been provided, and around 33% believe that refugees have received too much assistance (Figure 33).

These findings suggest that institutional trust may be a key factor influencing public support for the EU's actions in the context of the war in Ukraine.

Figure 33: Public support for measures to aid Ukraine, by level of trust in national government, EU, 2023 (%)



Source: *Living and Working in the EU e-survey series*

Discover more

Report: [Social impact of migration: Addressing the challenges of receiving and integrating Ukrainian refugees](#)

Eurofound research paper: [Barriers to employment of displaced Ukrainians](#)

Data story: [Quality of life in the EU in 2024](#)

Working paper: [The Ukraine crisis: The mental health toll of the war](#)



Europe in 2024: Are people better off?

9

Key insights

- **Inflation has slowed, but Europeans are still experiencing financial strain.** Despite real wage growth, 30% of respondents to Eurofound's e-survey struggle to make ends meet, and 15% report arrears on utility bills.
- **Income inequality trends vary across the EU.** While EU-wide income inequality has declined over the past 15 years, it has risen in 13 countries, including Sweden and Bulgaria, and fallen in 14 countries, most significantly in Slovakia, Poland, Romania and Portugal.
- **Minimum wages are rising, but financial struggles remain.** Despite improvements in real wage growth, 23% of minimum wage earners still report difficulties in making ends meet, 10 percentage points higher than other workers.
- **Single-person minimum wage households are particularly vulnerable.** Across the EU, 28% of single-person minimum wage households struggle to make ends meet, double the average for all workers.
- **The middle class remains stable but is shrinking in many countries.** Although 64% of EU citizens are middle class, this group is contracting in nearly two-thirds of Member States, particularly in Sweden, Luxembourg and Germany.

10 Rising wages, persistent struggles: Can workers make ends meet?

After years of economic upheaval, 2024 brought some signs of relief for workers in the EU, with inflation beginning to ease and nominal wages continuing to rise. Yet for millions of people across the EU, making ends meet remains a daily struggle. From soaring housing costs to unaffordable everyday essentials, the reality on the ground often paints a bleaker picture than the macroeconomic indicators suggest. The financial pressures once thought to primarily affect low-income groups are increasingly being felt by middle-income households.

There appears to be a disconnect between rising wages and the difficulties faced by certain people in making ends meet. Income inequality, despite some EU-wide convergence, is rising in several Member States. Minimum wages do not appear to be enough to shield all workers from poverty, particularly for those in single-person households.

Adequate minimum wages are a core element of the European Commission's upcoming Anti-Poverty Strategy and the European Pillar of Social Rights, aimed at ensuring decent living standards and reducing in-work poverty. Eurofound's findings contribute to assessing whether these goals are being met across Member States.

Income inequality returns to the spotlight

As Europe moves further away from the economic shocks of the Great Recession, the COVID-19 pandemic and the cost-of-living crisis, questions remain about whether living standards have truly improved. While headline economic indicators suggest recovery, financial strain remains a reality for many Europeans.

Income inequality has re-emerged as a significant concern in Europe. While public perception often suggests that income inequality is on the rise, recent research by Eurofound points to a more nuanced picture. Over the past 15 years, EU-wide income inequality has declined significantly, largely due to a strong process of income convergence driven by robust growth in the Member States that joined since 2004. However, at national level, the picture is more mixed.

Income inequality has increased in 13 countries, including Sweden, Denmark, Bulgaria and Malta, but declined in 14 countries, and quite significantly so in Slovakia, Poland, Romania and Portugal.

This 50–50 split indicates that once the lid is lifted on the general decline in inequality in the EU, different inequality dynamics are at play in individual countries. The extent to which Europeans feel better off in 2024 depends not just on economic growth, but also on how wealth and wages are distributed within countries.

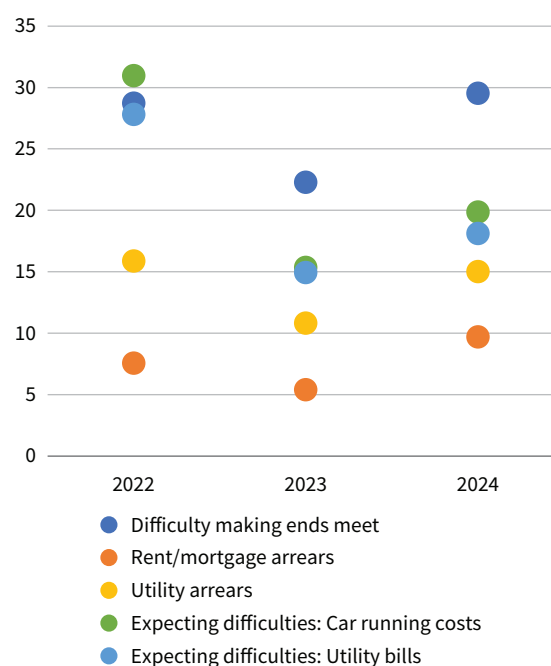
Despite declining levels of income inequality, many people feel worse off. Inequality tells only part of the story – persistent inflation and affordability pressures are reshaping what it means to 'get by' in today's Europe.

Cost-of-living pressures remain widespread

Households suffer from sustained inflation

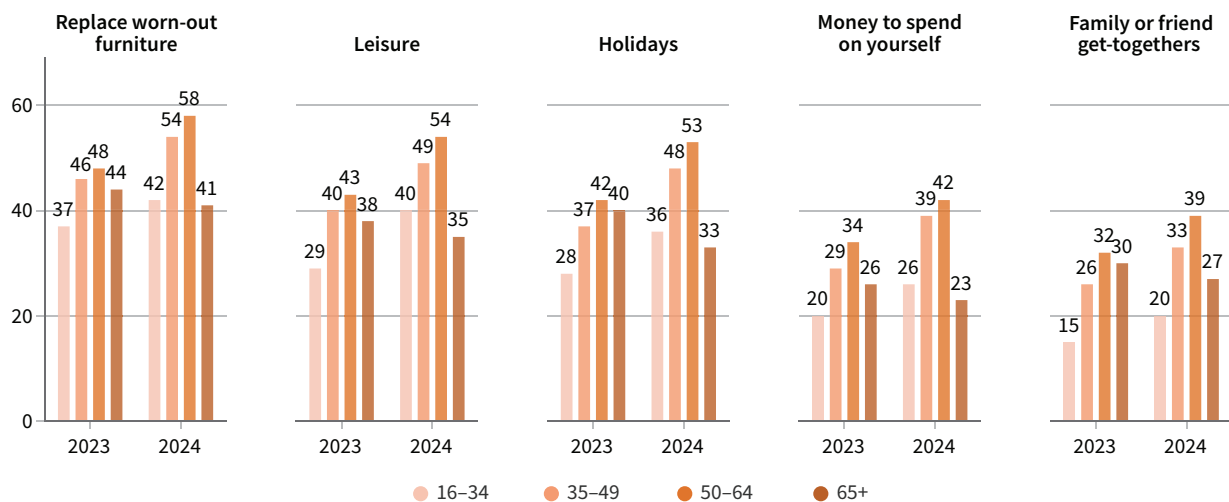
Despite real increases in minimum wages in most EU Member States and a decline in headline inflation across the EU by 2024, cost-of-living pressures remain significant, particularly for low- and middle-income households. In Eurofound's 2024 Living and Working in the EU e-survey, 30% of respondents struggled to make ends meet, up from 22% in 2023. Additionally, 10% of respondents had missed rent or mortgage payments, while 15% reported arrears in utility bills – both figures reflecting increases from the previous year (Figure 34).

Figure 34: Proportion of respondents with cost-of-living difficulties, EU, 2022–2024 (%)



Source: Living and Working in the EU e-survey series

Figure 35: Inability to afford selected items or activities, by age group, EU, 2023–2024 (%)



Source: *Living and Working in the EU e-survey series*

These rates reflect the increased challenges for households, despite improvements in macro-level economic indicators. Sustained inflation has depleted financial resilience, meaning that large numbers of people in the EU are struggling with everyday life. Women, particularly in middle-aged groups, and households in countries like Croatia, Estonia and Greece are among the most affected.

Unaffordable everyday expenses

As making ends meet became more difficult, more respondents in 2024 reported being unable to afford certain items or activities compared with 2023. The most common unaffordable expenses included new furniture, leisure activities, holidays, having a small amount of money to spend on oneself each week and getting together with family or friends at least once a month. Among these, the largest increases in unaffordability were seen in leisure activities and holidays, particularly among middle-aged groups (35–49 and 50–64), who already had the highest proportion of people unable to afford these activities (Figure 35).

Minimum wages: A key policy lever in uncertain times

As of 2024, 22 out of 27 Member States had a national minimum wage. Based on EU-SILC 2019 data, Eurofound previously estimated that around 4% of the EU’s working population earned around the minimum wage. More recent data from EU-SILC 2022 (referring to 2021 incomes) provides a more up-to-date basis for

assessing minimum wage developments, although variations in national wage-setting systems and data availability continue to limit cross-country comparability. The recent period has also been shaped by major shocks such as the COVID-19 pandemic and the energy crisis, which have likely influenced both minimum wage coverage and relevance.

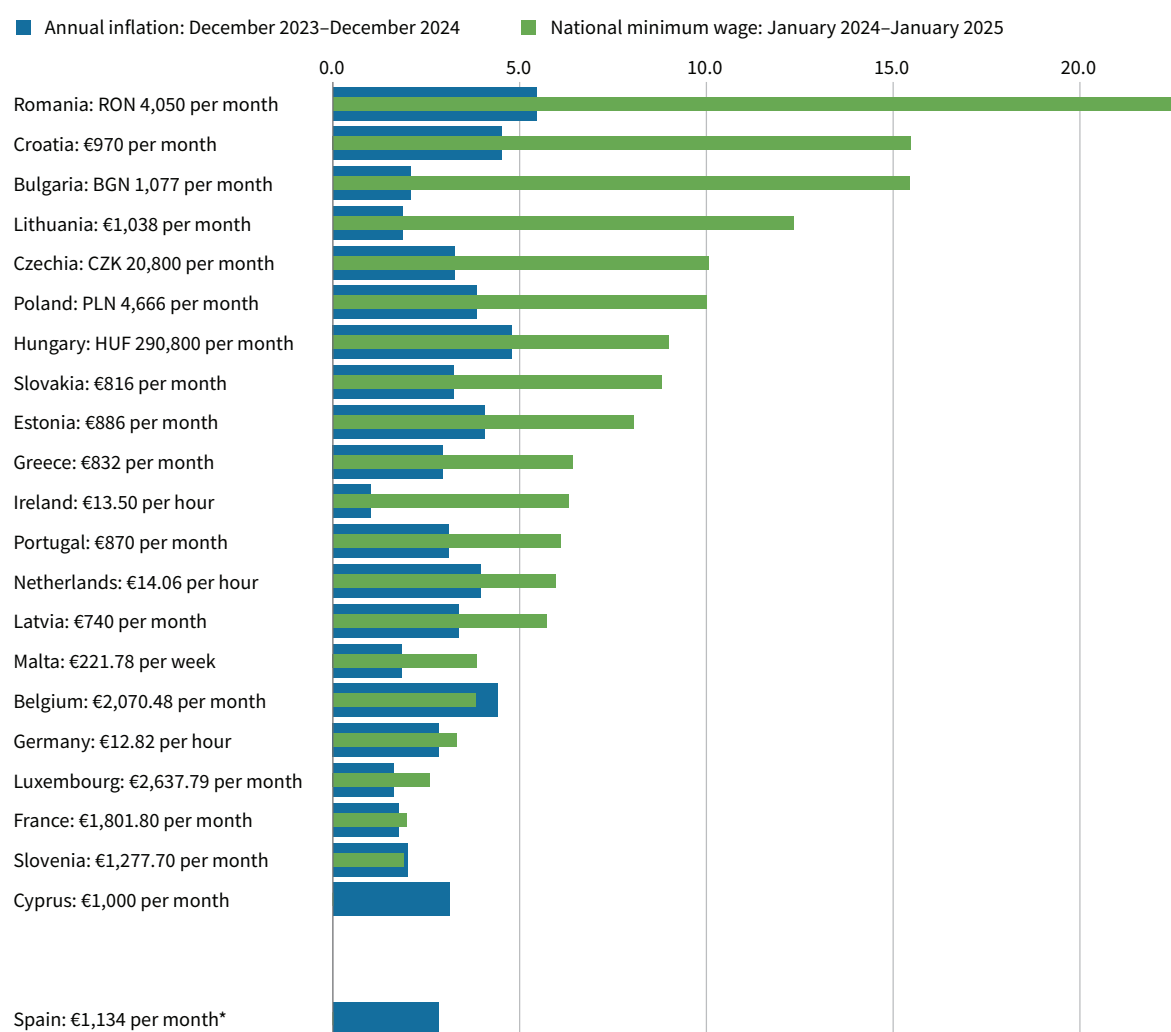
While implementation of the Minimum Wage Directive varies across Member States, the directive seems to have already influenced wage-setting processes. More countries are now referring to the reference values mentioned in the directive (such as 50% of the gross average wage or 60% of the median wage). This has contributed to notable increases in nominal minimum wage rates, improving the outlook for real wage growth.

The directive, one of the EU’s most significant pieces of social legislation, had a transposition date of 15 November 2024. Despite a recent opinion from the Advocate General recommending the annulment of the directive, the legal status of the directive remains unchanged.

Minimum wages are rising across the EU

The national minimum wage nominal rates were subject to remarkable hikes in January 2024, almost to the same extent as in 2023 (Figure 36). These increases, in several Member States, translated into real-term rises in purchasing power, due to lower inflation. When compared with January 2020, almost all countries now have higher national minimum wages in real terms, with the exceptions of France and Slovakia, where they remain at similar levels, and Czechia, the only country showing a decline.

Figure 36: Nominal changes to national minimum wages, January 2024 to January 2025, and annual inflation, selected Member States, December 2023 to December 2024 (%)



* In Spain, the new rate for 2025 is being currently discussed (the current rate is indicated in the label).

Notes: The monthly rates are the basic rates and are not converted for those Member States where more than 12 monthly payments are made per year (Greece, Portugal, Slovenia and Spain). The measure of inflation is based on Eurostat's Harmonised Index of Consumer Prices (HICP), which can differ from the national consumer price indices that wage setters refer to. It is expressed as annual inflation between December 2023 and December 2024.

Sources: Network of Eurofound Correspondents, based on legislation or similar regulations (for minimum wage rates) and Eurostat, HICP monthly data (annual rate of change, euro area annual inflation) [PRC_HICP_MANR]

The reality behind rising minimum wages

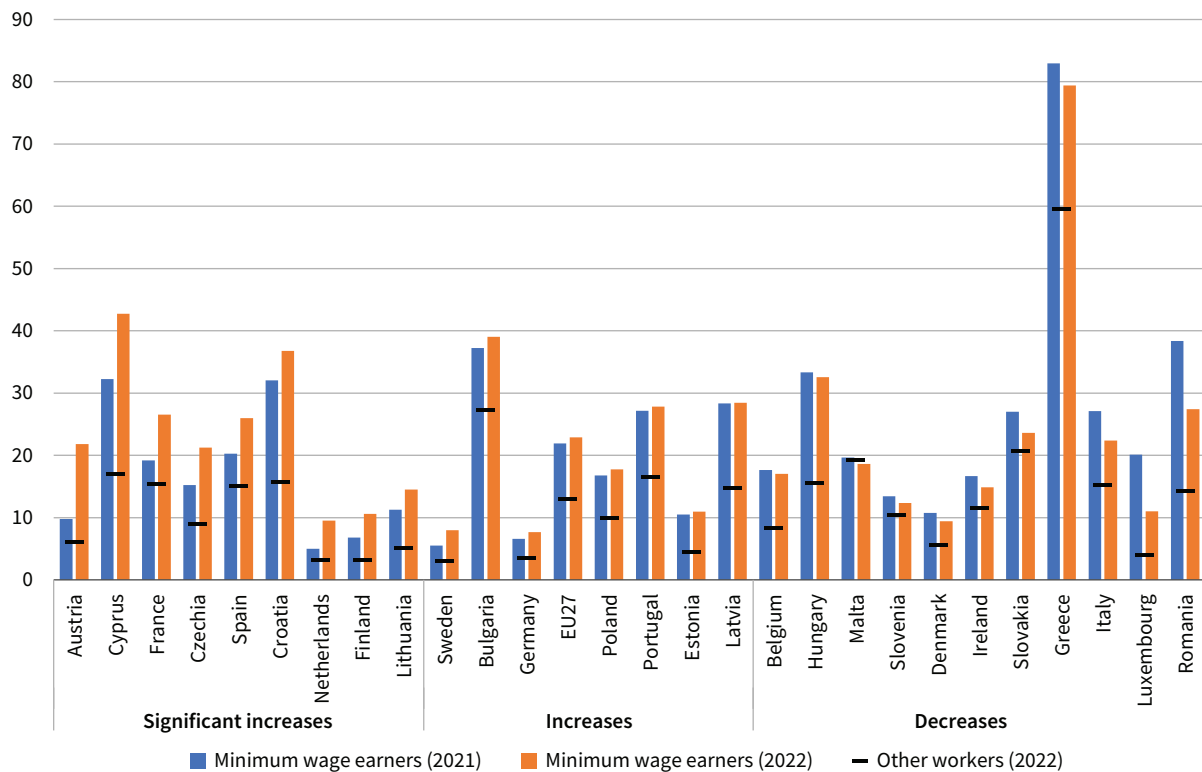
Minimum wage earners have more difficulties in making ends meet. Among all minimum wage earners, 23% reported difficulties in making ends meet in 2022 on average across EU Member States, which is 10 percentage points higher than for other workers (Figure 37). Additionally, 10% of minimum wage workers in the EU reported difficulties keeping their homes adequately warm (compared with 6% of others).

While only 22 of the EU's 27 Member States have a statutory national minimum wage, this section refers to all 27 Member States. In the remaining countries – such as Denmark, Sweden, Finland, Italy, and Austria – minimum wages are typically set through sectoral collective agreements with high worker coverage, allowing for meaningful comparison.

While the extent of these difficulties varies across EU Member States, minimum wage earners in Greece experience the highest financial strain, with 80% reporting challenges in making ends meet. Other countries where minimum wage earners face heightened financial pressure include Cyprus, Bulgaria, Croatia, Hungary, Latvia, Portugal and Romania.

In contrast, minimum wage workers in Germany, Sweden, Denmark, the Netherlands and Finland are less likely to experience financial hardship. However, minimum wage earners are more affected by such financial difficulties than other employees earning above minimum wage levels in all EU Member States except Malta.

Figure 37: Difficulties in making ends meet among minimum wage earners, EU Member States, 2021–2022 (%)



Notes: Data refer to the share of people reporting living in a household with ‘difficulties’ or ‘great difficulties’ (‘some difficulties’ is not enough) in making ends meet, by country. Countries are ranked by the change in shares (in percentage points) between 2021 and 2022, from higher (increases) to lower (declines), while EU27 refers to average cross-country data.

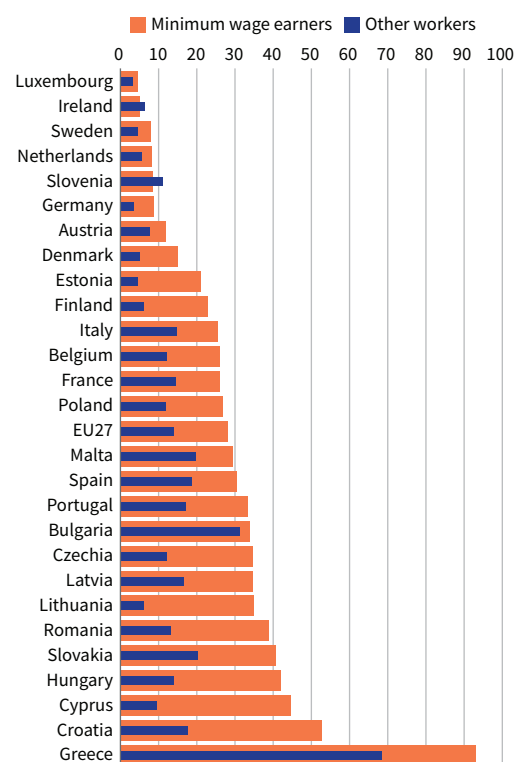
Source: EU-SILC, 2021 and 2022

Living alone on the minimum wage: A harder road

Minimum wage earners in single-person households are particularly vulnerable. Some 28% of single-person minimum wage households struggle to make ends meet – double the average (14%) across all workers (Figure 38).

The notable cross-country disparities seem related to average income levels: the share of minimum wage earners in single-person households facing difficulties in making ends meet is highest (above 30%) in several countries characterised by relatively low income levels – particularly in Member States that joined the EU after 2004 and Mediterranean countries. It is lowest (below 10%) in several higher-income countries that were EU members before the 2004 enlargement.

Figure 38: Difficulties making ends meet, minimum wage and other workers compared, EU Member States, 2022 (%)



Note: Data refer to the share of people reporting living in a household with ‘difficulties’ or ‘great difficulties’ (‘some difficulties’ is not enough) in making ends meet.

Source: EU-SILC, 2022 (wages referring to 2021)

Is Europe's middle class disappearing?

Financial pressure is not limited to those on the lowest incomes. Middle-income families – once considered relatively secure – are also feeling the squeeze.

The general perception seems to be that the middle class, defined as households earning between 75% and 200% of the national median income, is shrinking. Eurofound data rule this out, finding that on average, around 64% of people across the EU Member States belong to the middle class. This proportion remained more or less stable between 2006 and 2022.

However, when we dig down to country-level data for that period, it can be seen that the middle class shrank in almost two-thirds of Member States, albeit to varying degrees. The contraction was more significant in a mix of pre-2004 Member States (especially Sweden and Luxembourg, and also the Netherlands, Germany, Austria and Denmark) and post-2004 Member States (especially Bulgaria and Malta, and also Lithuania, Czechia, Hungary and Estonia). Conversely, the middle class expanded in 10 countries, and to a very significant extent in some of the central and eastern European countries, such as Romania, Poland and Croatia, as well as Portugal and Ireland.

The middle-class squeeze

The cost-of-living crisis clearly has had an impact. Other factors that have widened income inequality – and the squeeze on the middle class – are the weakening of income redistribution at the family level, largely due to a decline in average household size, and the widening of wage disparities in labour markets, which has occurred in about half of the countries.

Conversely, the two main factors that have tended to reduce income inequality (and increase the size of the middle class) are the higher employment and activity rates in most countries and the robust income redistribution measures carried out by welfare states in more than half of EU Member States.

The welfare state in particular has a strong impact in moderating income inequality, reducing it by an average of around 42% across Member States once social benefits and taxes are taken into account. This was particularly evident during the COVID-19 pandemic when widespread job retention schemes helped prevent a sharper decline in household incomes.

Discover more

Report: [Minimum wages in 2024: Annual review](#)

Report: [Developments in income inequality and the middle class in the EU](#)

Article: [Towards adequate minimum wages: Fairness and a decent standard of living](#)

Article: [A snapshot of income inequality and middle class across the EU](#)

Eurofound Talks: [Is Europe's middle class disappearing?](#)

Eurofound Talks: [Are minimum wages in Europe adequate and effective?](#)



10

Tackling poverty through inclusive social protection

Key insights

- **Widespread gaps exist in social protection coverage.** Some 66% of unemployed individuals in the EU do not receive any unemployment benefits or assistance, often due to strict eligibility criteria, administrative hurdles or lack of awareness.
- **Access barriers persist despite eligibility.** At least 10%, and in some cases over 30%, of unemployment and minimum income benefit applications are rejected, often due to strict eligibility requirements or incomplete documentation. While digitalisation has improved efficiency, it also risks excluding those with limited digital access or skills.
- **Self-employed workers have insufficient coverage.** More than 16.8 million self-employed workers lack unemployment benefits, and large gaps remain in sickness benefits (5.3 million uncovered) and workplace accident insurance (4.2 million uncovered).
- **Platform workers are in the grey area.** Many are classified as self-employed, leaving them without rights to paid leave or unemployment benefit, for example. Some Member States, however, are starting to address this through reclassification and new agreements.

11 Rethinking social protection: Who is left behind?

Social protection systems play a crucial role in reducing poverty and ensuring economic stability across Europe. They reduce the at-risk-of-poverty rate for people aged 16 to 64 in the EU from 31% (after taxes but before transfers) to 15.5% (after taxes and transfers). Despite this, around two-thirds of unemployed people in the EU do not receive benefits or assistance, with wide variations across Member States.

Targets set by the European Pillar of Social Rights Action Plan aim to reduce poverty by 15 million people by 2030, but many are still left behind.

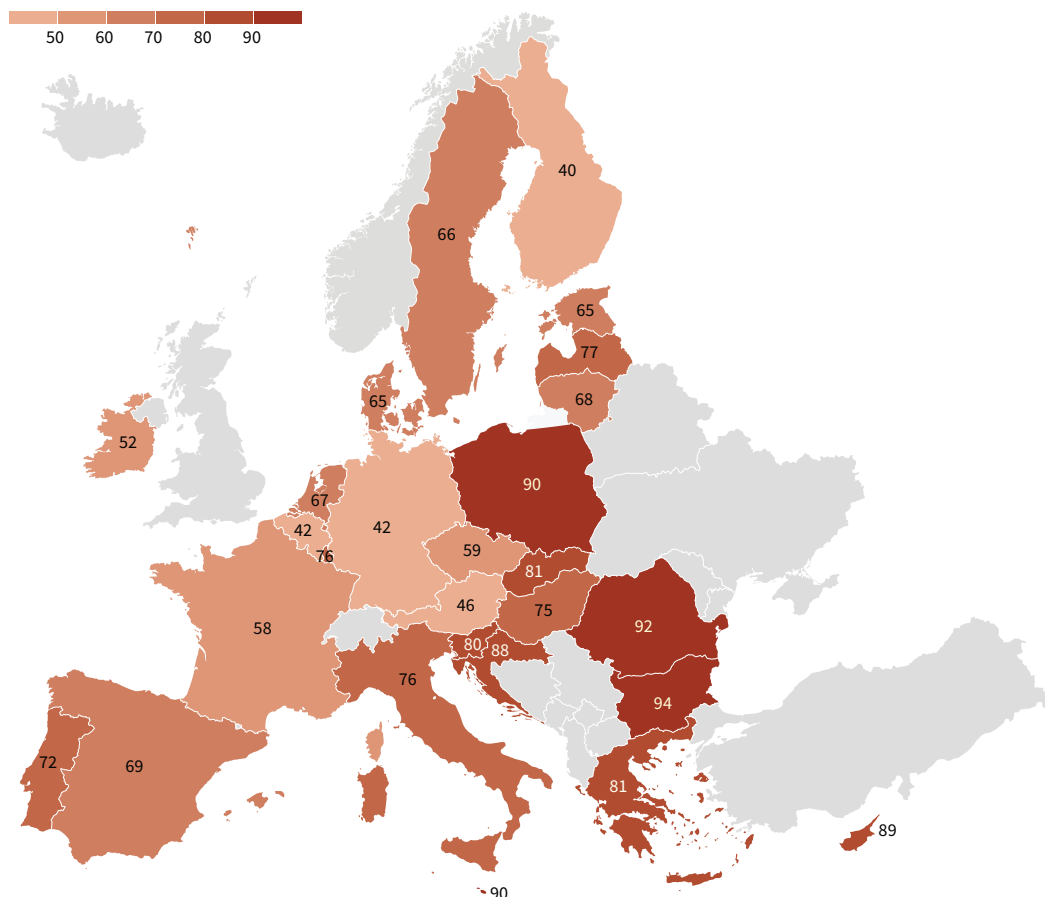
As the EU seeks to modernise social protection, simplifying administrative procedures, enhancing transparency and reducing bureaucratic hurdles will be essential to ensuring that benefits reach those most in need.

Unequal access to social protection

The coverage of unemployment and minimum income benefits is highly uneven across Member States. Overall, 66% of unemployed people report that they do not receive any unemployment benefits or assistance, with proportions ranging from 42% or lower (in Belgium, Finland and Germany) to at least 90% (in Bulgaria, Malta, Poland and Romania) (Figure 39). While this suggests a high rate of non-receipt, administrative barriers, strict eligibility requirements and underreporting may contribute to the figures.

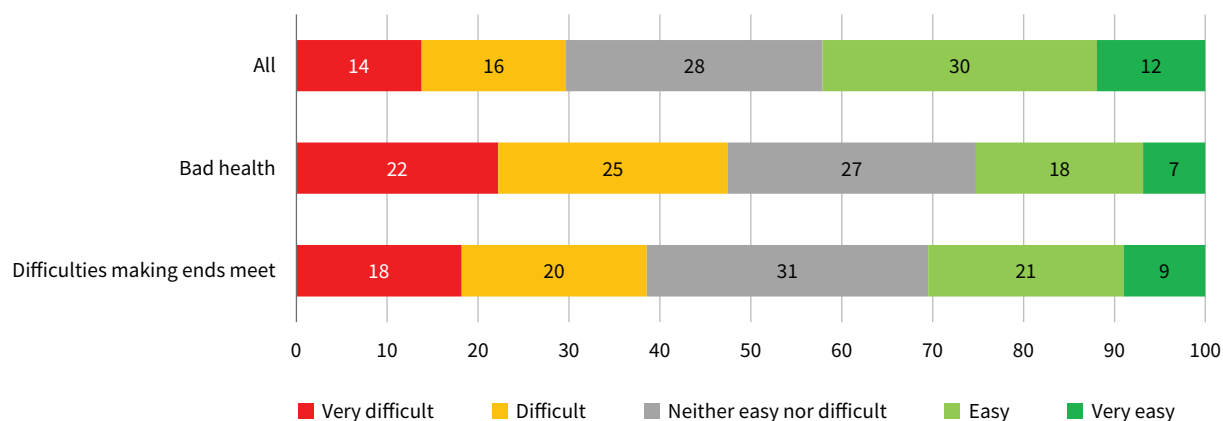
When benefits are available, their adequacy is often insufficient to raise people out of poverty. For example, in almost half of EU countries, the amount of unemployment benefit is capped at below 60% of the national average wage. The proportion of previous earnings paid as unemployment benefit ranges from 50% to 90%, and in 15 Member States, the amount decreases over time. Several countries have accelerated such decreases since 2023. Automatic indexation is applied only in 15 Member States for minimum income benefit and in 8 Member States for unemployment benefit.

Figure 39: Unemployed people not receiving benefits or assistance, EU Member States, 2022 (%)



Source: Eurofound calculations, based on EU-LFS microdata

Figure 40: Difficulties receiving online social benefits during the pandemic, EU, 2022 (%)



Source: Eurofound calculations, based on Eurofound's Living, working and COVID-19 e-survey microdata

Rejections and non-take-up

At least 10%, and frequently over 30%, of minimum income benefit and unemployment benefit applications were rejected for almost all schemes for which data were identified. This was usually because the applicant did not fulfil asset or income requirements, or they submitted inadequate documentation. Rejections point to lack of clarity and inefficiency in systems. If application processes are streamlined and targeted at eligible individuals, the administrative workload can be reduced. However, when applicants' expectations are unmet, it can lead to disappointment and erode trust in governmental institutions.

Even when individuals are eligible, many do not receive benefits due to bureaucratic hurdles, lack of awareness or digital barriers. No Member State was identified where more than 80% of those entitled to minimum income benefits receive them. Non-take-up seems less severe for higher-tier unemployment schemes.

In recent years, efforts have been made to improve access to benefits, particularly through digitalisation. Several Member States have introduced online application portals, allowing for faster processing and greater convenience for users. In countries such as Germany and Ireland, digital access has expanded significantly, with millions of people now using online identity verification systems to apply for benefits.

However, while these measures have streamlined applications for many, they have also created new challenges, particularly for older adults, people with disabilities and those with low digital literacy. Inequalities are created for those unable to reap the benefits. Problems seem worse for people entitled to minimum income benefits than for those entitled to

unemployment benefits, as the former tend to be in more vulnerable situations (for example, lacking access to electronic devices).

With regard to receiving online social benefits during the pandemic, an EU-wide online survey showed that about one-third of people experienced difficulties, with higher rates for people with difficulties making ends meet or with bad health (Figure 40).

Self-employed workers: Progress and persistent gaps

Certain groups of workers – particularly self-employed and platform workers – face additional challenges in accessing adequate benefits. The next sections explore these issues in greater depth, beginning with the self-employed and then focusing on platform workers, who often fall into a grey area between self-employment and dependent employment.

Although social protection systems in the EU were largely designed with dependent employment in mind, the increasing blurring of boundaries between employment and self-employment has resulted in adjustments to social protection coverage.

Despite this, in 2022, gaps in social protection persisted for some groups of self-employed workers in at least one branch of social protection in 19 Member States. More than half (16.8 million) of self-employed workers in the EU lack unemployment benefit coverage, and large gaps also exist for sickness benefits (5.3 million not covered) and workplace accident insurance (4.2 million not covered). Even where formal access is granted, many self-employed individuals struggle with effective access and inadequate benefit levels.

Of particular concern are dependent self-employed individuals. Such workers are self-employed but their conditions of work are similar to those of dependent employees. In 2021, 9% of self-employed individuals (without employees) were dependent on just one or a few clients and had little or no autonomy over the running of their business. As such, they could be classified as economically dependent. More than half of the economically dependent self-employed stated that they could not predict their earnings over the next three months (compared with 12% of employees). Self-employed women without employees were more than twice as likely to be economically dependent than their male counterparts.

National social protection for the self-employed

Despite ongoing gaps, some progress has been made in improving access to social protection for self-employed workers. Over the past six years, around half of EU Member States have introduced legislation or guidance aimed at expanding coverage. For example, in Ireland, the distinction between employees and the self-employed was clarified, and jobseeker's benefit was introduced for the self-employed.

At least 11 countries have extended access to unemployment benefits for the self-employed: Croatia, Denmark, Finland, France, Ireland, Lithuania, Luxembourg, Poland, Slovakia, Slovenia and Spain. Additionally, 15 Member States have opened up or extended access to sickness benefits: Austria, Cyprus, Denmark, Finland, France, Germany, Hungary, Latvia, Malta, Poland, Portugal, Romania, Slovakia, Slovenia and Sweden. In Portugal, all self-employed workers are formally covered by the general compulsory insurance scheme for sickness cash benefits.

Since the pandemic, Cyprus, Estonia, France, Luxembourg, Portugal, and Sweden have begun to improve social protection for the self-employed or plan to do so in the years to come. The issue remains high on the policy agenda in Germany and Malta. In Belgium, Croatia, Finland, Ireland, Italy, Malta and Spain, improving social protection for the self-employed is considered of medium importance. Meanwhile, trade unions or organisations representing the self-employed support action in Czechia, Denmark, Latvia, Poland, Portugal, Romania and Slovenia.

However, these reforms have primarily focused on extending formal coverage, with less emphasis on ensuring effective access or adequate benefit levels. Many self-employed workers – particularly those with irregular or intermittent incomes – continue to face challenges in qualifying for benefits or receiving adequate support.

Social protection for platform workers

Platform workers often find themselves in the grey zone between dependent employees and self-employed.

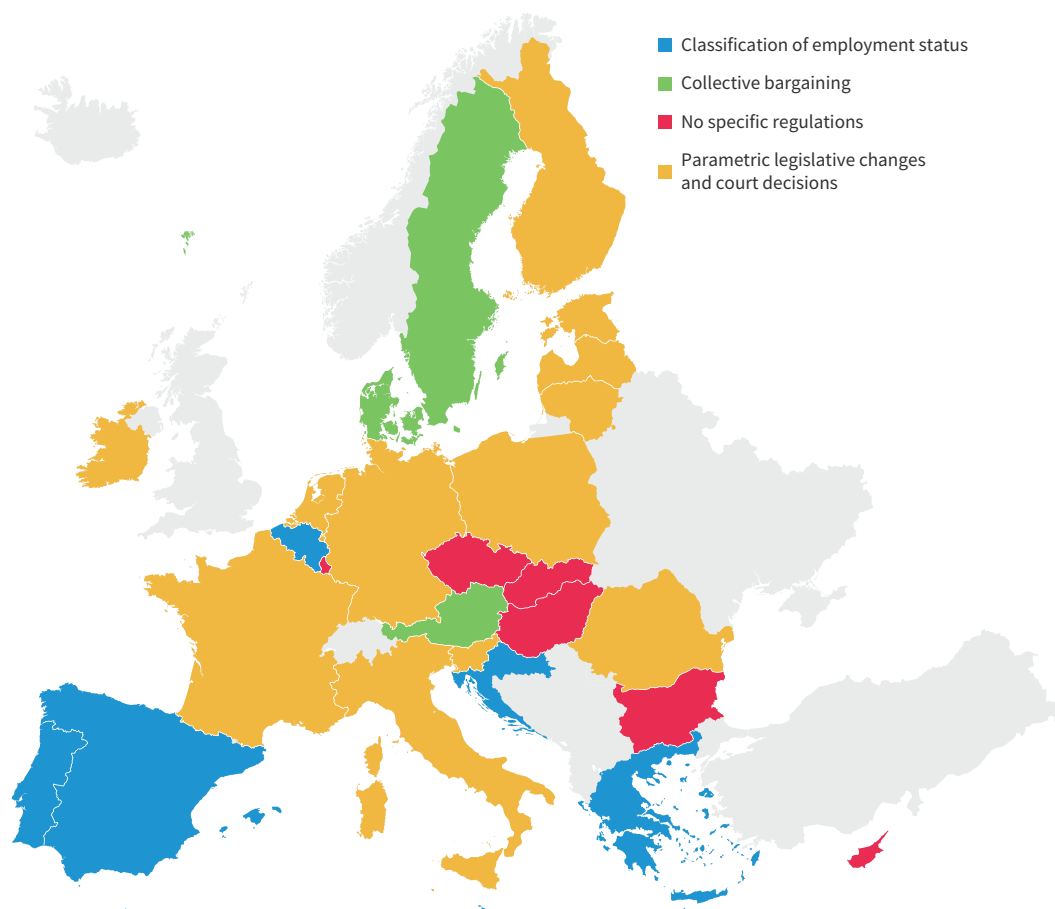
Platform workers: Between self-employment and employment

Platform workers are often classified as self-employed, yet many work under conditions making them effectively dependent on a single platform for income. As highlighted in the previous section, economically dependent self-employed workers – those with limited autonomy and high income insecurity – face significant gaps in social protection, and platform workers are no exception.

In 2020, there were around 520 platform operators in the EU, with 11% of workers indicating that they have worked for platforms at some point. However, only 1.4% of workers derive more than 50% of their income from platform work; 4.1% obtain between 25% and 50% and 3.1% earn less than 25% of their income from this source.

As Figure 41 shows, there is no common approach in the EU with respect to the initiatives used by Member States to regulate platform work. Rather, countries diverge in terms of the policy tools used to address social security and employment rights issues raised by it. With the exception of six countries (Bulgaria, Cyprus, Czechia, Hungary, Luxembourg and Slovakia), in all Member States legislative changes, court decisions and collective bargaining agreements have sought to address some of the gaps in the social protection coverage of platform workers.

Figure 41: Voluntary and legal initiatives regulating platform work, EU Member States, 2023



Sources: Eurofound, Platform Economy Database and Network of Eurofound Correspondents

Why classification matters for social protection

A Eurostat pilot survey found that about a quarter of platform workers obtain unemployment, sickness and accident insurance through another job. Only around 6% receive unemployment insurance through a platform employer, indicating that they hold employee status.

How platform workers are classified – as employees or self-employed – directly affects their access to social protection, highlighting the risks of misclassification. In recent years, access to social protection for platform workers has been created in four main ways.

- Reclassification through court cases:** Some courts have ruled that platform workers should be classified as employees, granting them rights to paid leave, unemployment benefits and social security.
- Presumption of employment:** Countries like Belgium and Spain assume that platform workers are employees unless proven otherwise, shifting the burden of proof onto companies.
- Third-worker status:** A few countries have introduced an intermediate employment category, offering some protections without full employee status – though critics argue it risks normalising precarious work.
- Collective agreements:** In some Member States, platform companies and trade unions have negotiated agreements to improve wages, working conditions and social security access.

Ensuring adequate, effective and accessible social protection remains a key challenge. As work patterns evolve, gaps in coverage and benefit adequacy persist – particularly for the self-employed, platform workers and

those in non-standard employment. Addressing these disparities is essential to support social inclusion and reduce poverty, in line with the principles of the European Pillar of Social Rights.

Discover more

Report: [Social protection 2.0: Unemployment and minimum income benefits](#)

Report: [Self-employment in the EU: Job quality and developments in social protection](#)

Background paper: [Social protection for the unemployed](#)



Beyond the research: Collaboration and community

11

12 Beyond the research: Collaboration and community

In 2024, Eurofound's work extended beyond research and policy to building a strong culture of collaboration with the local community, with partners across Europe and within the organisation itself. From environmental sustainability efforts in our offices in Dublin to public engagement across the EU, 2024 was a year of connection and commitment. Whether planting trees, hosting conferences, welcoming visitors or creating spaces for dialogue, these initiatives reflect Eurofound's ongoing commitment to meaningful collaboration and to making a positive, lasting impact – within and beyond the world of work.



Working in partnership to shape policy

Collaboration with other EU bodies and institutions remains a vital part of Eurofound's work, helping to align research with EU priorities and amplify its policy impact. In 2024, Eurofound strengthened strategic partnerships across several key areas.

Throughout the year, Eurofound engaged widely with stakeholders across the EU, hosting expert webinars, Eurofound Talks podcasts, and Dublin and Brussels Briefings, while also welcoming numerous delegation visits to its Dublin offices. These interactions provided vital opportunities to exchange ideas, communicate research findings, and foster closer ties with EU institutions, national governments and social partners.

Eurofound also deepened its collaboration with other EU agencies. Notable examples include the joint report with the European Commission's Joint Research Centre (JRC) on [regional employment change and the geography of telework in Europe](#), and a [joint action plan](#)

signed with the European Environment Agency (EEA). Together with the European Labour Authority (ELA), Eurofound co-hosted a [joint event](#) in Brussels on tackling labour shortages. These are just a few examples of the many joint initiatives carried out in 2024.

Eurofound has now established itself as a key provider of information to the [EU Presidencies](#), and 2024 was no exception. Throughout the year, Eurofound contributed to the Belgian and Hungarian Presidencies, providing background papers, steering notes and input for high-level meetings of the Employment, Social Policy, Health and Consumer Affairs Council (EPSCO) and the Employment Committee (EMCO), and engaging in strategic dialogue with ministers and policymakers. Areas covered included [social protection](#), [occupational safety and health](#), the [Child Guarantee](#), [employment and people with disabilities](#), [youth integration](#) and labour and skills shortages. These contributions helped shape the agendas of the Belgian and Hungarian Presidencies and strengthened Eurofound's role as a trusted source of evidence at the highest levels of policy debate.





Eurofound takes centre stage at the European Parliament

Eurofound made a powerful impact at the European Parliament with its exhibition, *The Future of Living and Working in Europe*. Over the course of a week, more than 200 visitors explored the exhibition, taking part in interactive activities and discussions that highlighted key insights into Eurofound's work.

Eurofound met with several key EU stakeholders, including Members of the European Parliament (MEPs) and representatives from the European Commission, laying the foundation for future collaboration as the new parliamentary mandate takes shape. The exhibition also served as a timely occasion to raise awareness around Eurofound's forthcoming 50th anniversary in 2025.



#UseYourVote campaign at Eurofound

To mark the European Parliament elections in June, Director Ivailo Kalfin published a data story to motivate voters to take part in the second largest democratic exercise in the world. The data story outlines [10 reasons to vote](#) based on the major achievements of the EU over the previous five years. In addition, Eurofound published five blog posts presenting a deep dive into some of the most important issues to voters – [housing](#), [inequalities](#), [the future of work](#), [the just transition](#) and [trust](#).

Eurofound and ELA on labour shortages

In October, Eurofound and the European Labour Authority (ELA), held a joint event in Brussels, to discuss the challenges that employers must deal with when encountering labour shortages.



Eurofound's Annual Lecture 2024

Eurofound's 2024 annual lecture, co-hosted with the Irish Department of Foreign Affairs, was delivered by guest speaker Ivan Krastev, Chair of the Centre for Liberal Strategies in Sofia.

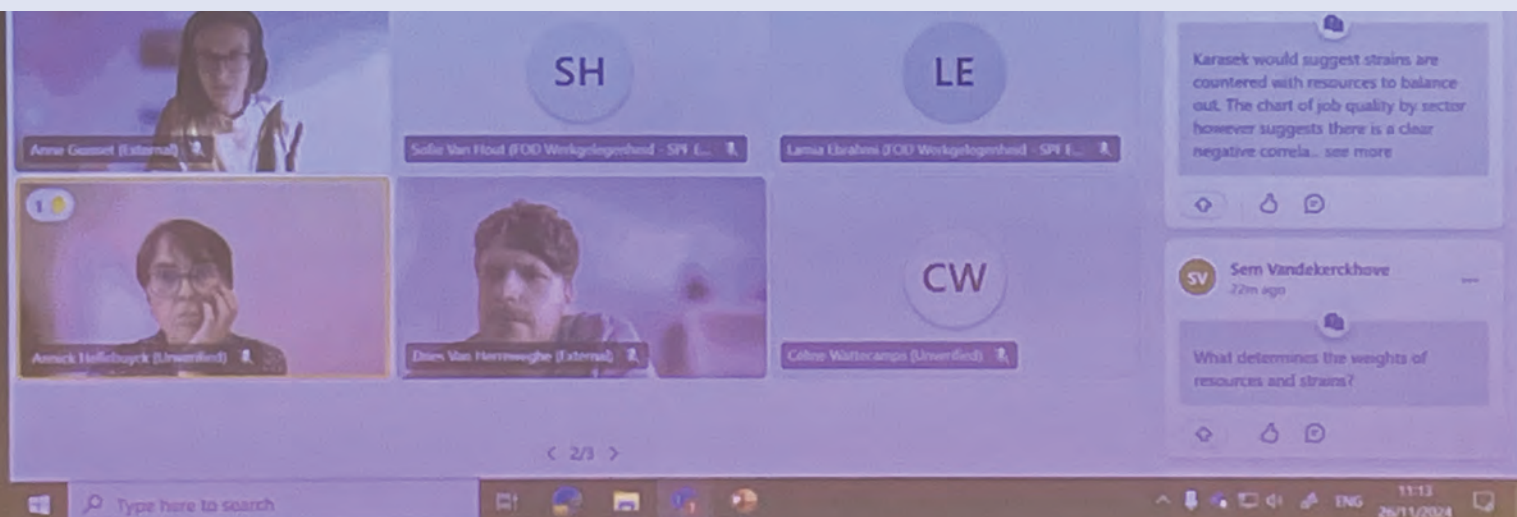
Mr Krastev discussed political, social and economic drivers in Europe and how they might influence voters at the ballot box in the European Parliament elections.



Virtual Visits

As part of our Virtual Visits initiative, Eurofound organises exclusive online events with its experts as part of our ongoing efforts to reach out to the national-level stakeholders and ensure widespread dissemination and dialogue with respect to its research findings.

Eight virtual visits of national stakeholders took place in 2024. The highly topical theme of labour shortages and job quality figured prominently in the line-up, being the focus for the visits to Portugal, Belgium, Germany, Austria. Labour shortages more generally were the focus for Luxembourg and Cyprus, while Romania's visit looked at minimum wages and collective bargaining and Croatia looked at housing.



From trees to bees: Eurofound's sustainability in action



Eurofound continues to strengthen its environmental sustainability efforts as part of the EU's broader Green Deal ambitions. From on-site initiatives to EU-wide pledges, the Agency is actively contributing to a greener future. These activities build on Eurofound's long-standing commitment to sustainability, which includes accreditation under the Eco-Management and Audit Scheme (EMAS), the installation of solar panels and the establishment of an on-site apiary that supports biodiversity and pollination.

Tree planting with Commissioner McGuinness

In 2024, Eurofound staff took part in the European Commission's pledge to plant 3 billion additional trees by 2030, joining Commissioner Mairead McGuinness and pupils from a local primary school to plant over 1,000 trees. As part of Irish National Tree Week, staff also planted an additional 100 native trees – including silver birch, Scots pine, rowan and hazel – on the Loughlinstown campus.



Eurofound in Bloom

In a celebration of sustainable design and green innovation, Eurofound collaborated with the European Commission Representation in Ireland on the prize-winning 'In Perspective' garden at the Bloom garden festival in Dublin. The garden won a gold medal, as well as awards for Best Concept Garden and Best Planting.

Promoting the EU in local communities

Eurofound Open Day 2024

Eurofound threw open its doors to its neighbours and the local community for its annual Open Day. The event was an opportunity to showcase our work on living and working in Europe, show guests around our premises, and provide participants with an opportunity to meet and talk to the team.



Open House Dublin

Eurofound proudly participated with the Irish Architecture Foundation in Open House Dublin, part of a wider EU project, Open House Europe, hosting free architecture-led guided tours of Loughlinstown House, the conference centre and the exterior of the 'new' main building.



13 | Looking ahead

Eurofound at 50: Building on the past – Shaping the future

Eurofound celebrates its [50th anniversary in 2025](#), marking half a century of dedicated research and contributions to improving living and working conditions in Europe. Over the past five decades, Eurofound has played a pivotal role in shaping policies and fostering social dialogue across the European Union. To mark its 50th year, Eurofound is organising a wide range of activities, which will underscore the Agency's ongoing commitment to its mission and its role in shaping a socially cohesive Europe. Director Ivailo Kalfin's blog post on [50 years supporting better policies for a strong social Europe](#) provides a good overview of what has been achieved over that time.

Research priorities for 2025

In 2025, Eurofound launched its new multiannual work programme for the period 2025–2028, *Supporting better policies for a strong social Europe*. Introduced at a key political moment following the 2024 European Parliament elections and the appointment of a new European Commission, the programme supports EU priorities by addressing urgent social and labour market challenges. It aligns with the Commission's focus on affordable housing, high-quality jobs, fair working conditions and strengthened social protection – essential to building resilient, inclusive societies.

Eurofound's work also reflects the Commission's commitments to the EU's Anti-Poverty Strategy and the Child Guarantee, with a focus on vulnerable groups, income adequacy and housing affordability. Eurofound's evidence base will contribute to shaping policies that leave no one behind – a key principle of the European Pillar of Social Rights.

Working conditions and sustainable work

The focus for 2025 will be the **2024 European Working Conditions Survey overview report**, which will offer insights into job quality and working conditions across seven dimensions: earnings, prospects, skills and discretion, working time, work intensity, social environment and physical environment. The findings will contribute to ongoing policy discussions on quality jobs, work–life balance, employment security, health and well-being, competitiveness and sustainability of work.

Research will also explore the **challenges associated with managing hybrid work** and examine how **digitalisation, digital skills, innovation and training strategies** influence job quality in European SMEs.

Additionally, new evidence will be presented on the **working conditions of online platform workers**, providing insights into the profile of workers providing services through online marketplaces.

Industrial relations and social dialogue

Eurofound will continue its regular reporting on **minimum wages**, assessing how Member States have adapted their systems following the transposition of the Minimum Wages Directive. This includes analysing the latest developments in wage-setting mechanisms and the relationship between **changes in national minimum wages and collective bargaining agreements**, particularly in low-wage sectors.

Research will also examine **collective bargaining trends** apart from pay bargaining, by analysing 98 agreements across 3 low-wage sectors in 12 EU Member States. Another focus will be the role of national social dialogue in shaping policy, particularly in the context of the **European Semester and the Recovery and Resilience Facility**.

In support of fair and inclusive labour markets, Eurofound will publish new research on pay transparency, including a dedicated study on how the principle of 'work of equal value' is being defined and implemented under the EU Pay Transparency Directive.

Eurofound will continue to support social dialogue by conducting studies on the representativeness of the European social partners in specific sectors, including agriculture, maritime transport, ports, and tanning and leather.

Employment and labour markets

In 2025, Eurofound will publish research on **gender pay disparities**, examining why the gender pay gap persists despite women's higher levels of educational attainment.

Additional research will analyse **how tasks differ in various occupations** in the EU. Data from the EU-LFS 2022 ad hoc module shed light on what people do in their job and how their work is organised, using 11 task indicators, highlighting the implications for job mobility.

A series of reports will explore how the **green and digital transitions are reshaping employment**, skills, working conditions and industrial relations in key sectors – specifically automotive, construction and tourism – driven by sustainability policies and technological change.

Eurofound will issue its annual **European Jobs Monitor** report, offering an overview of structural changes in the labour market from 1995 to date. Key monitoring tools such as the European Jobs Monitor (EJM) and the **European Restructuring Monitor** (ERM) will continue to be updated to provide policymakers with data on evolving labour market trends.

Living conditions and quality of life

Eurofound will publish findings on **mental health problems in Europe**, examining the impact of digital work environments, climate change, inequality and people's concerns about their economic situation.

The 2025 report on **upward convergence** will assess whether economic and social disparities between sociodemographic groups are narrowing or widening, with a focus on social fragmentation across the EU.

Research on the **digital transformation of social protection systems** will explore how digitalisation can improve service delivery while ensuring inclusivity and accessibility.

Public services will be another key area of focus, particularly **care services and the role of informal carers**. A study aligned with the European Care Strategy will assess new care models and their impact on both professional and informal caregivers.

Eurofound's upcoming report on the **dynamics of wealth inequality in Europe** will investigate trends of wealth distribution across Member States.

In response to the green transition, Eurofound will launch a new project to monitor **the social impact of the green transition on the cost of living, housing and transport**. The research will also explore how these changes shape public attitudes and behaviours around sustainability, including the uptake of renewable energy and electrified transport.



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All Eurofound publications are available at www.eurofound.europa.eu

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Getting in touch with the EU

In person

All over the European Union there are hundreds of Europe Direct centres. You can find the address of the centre nearest you online (https://european-union.europa.eu/contact-eu/meet-us_en).

On the phone or in writing

Europe Direct is a service that answers your questions about the European Union. You can contact this service:

- by freephone: 00 800 6 7 8 9 10 11 (certain operators may charge for these calls),
- at the following standard number: +32 22999696,
- via the following form: https://european-union.europa.eu/contact-eu/write-us_en.

Finding information about the EU

Online

Information about the European Union in all the official languages of the EU is available on the Europa website (<https://europa.eu>).

EU publications

You can view or order EU publications at <https://op.europa.eu/en/publications>. Multiple copies of free publications can be obtained by contacting Europe Direct or your local documentation centre (https://europeanunion.europa.eu/contact-eu/meet-us_en).

EU law and related documents

For access to legal information from the EU, including all EU law since 1951 in all the official language versions, go to EUR-Lex (<https://eur-lex.europa.eu>).

Open data from the EU

The portal <https://data.europa.eu> provides access to open datasets from the EU institutions, bodies and agencies. These can be downloaded and reused for free, for both commercial and non-commercial purposes. The portal also provides access to a wealth of datasets from European countries.

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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