

Policy round table

the role of EU policy in shaping
inclusive labour markets

Introduction to the project

Date: 4 September 2025

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European Labour Market Under Pressure

New Knowledge on Pathways to Include Persons in Vulnerable Situations (PATHS2INCLUDE)

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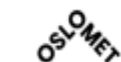
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The consortium

Financed by EU under Horizon-CL2-2022-TRANSFORMATIONS-01
Funded under: Destination, Social and Economic Transformations
Topic: Overcoming discrimination for an inclusive labour market



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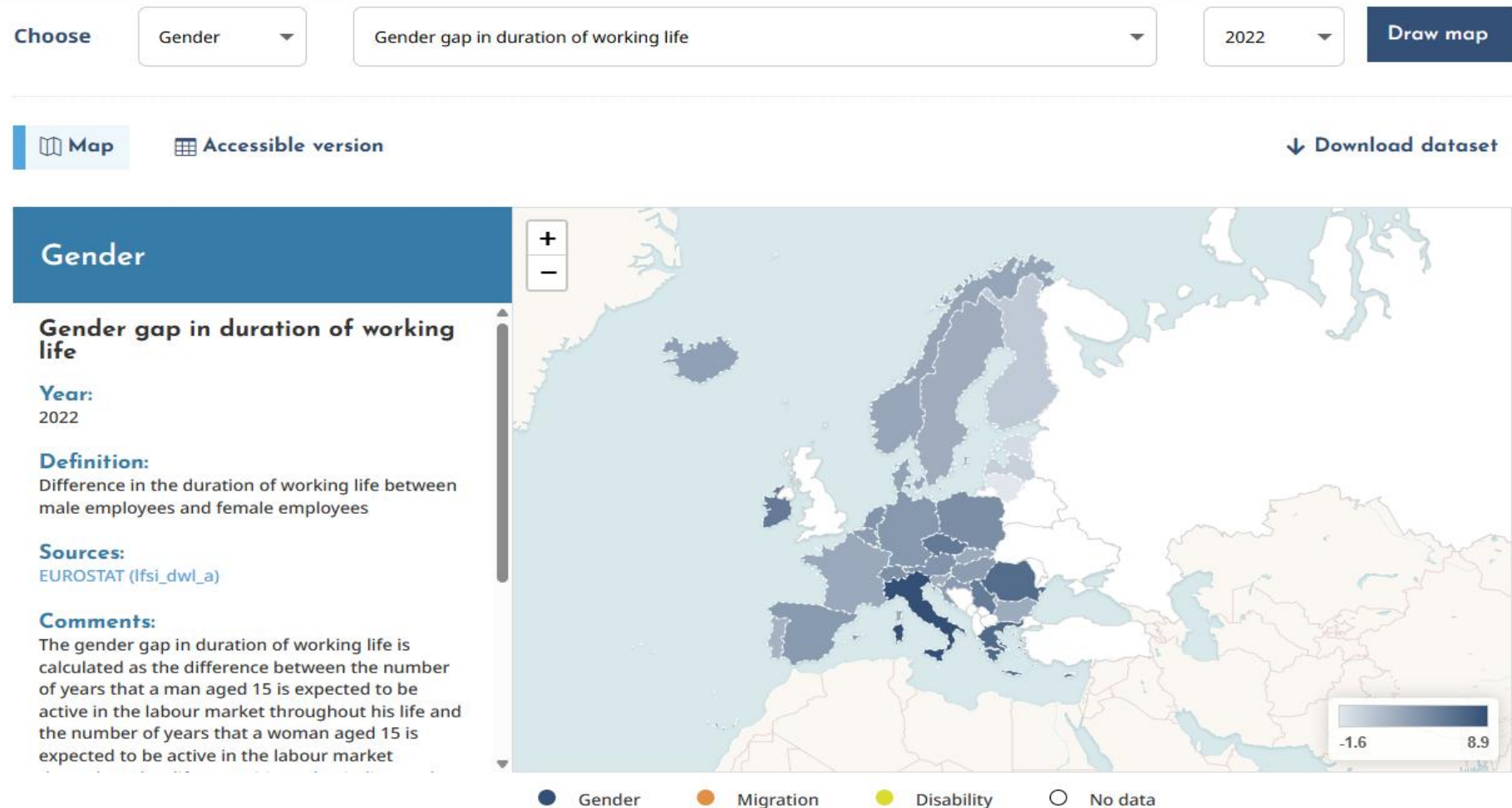
WP2: Identifying Gaps in Employment: A review of existing databases in Europe

- Availability of data to monitor the situation of at-risk groups in the labour market

	The at risk-group can be identified
	The at-risk group can be partially identified
	The at-risk group cannot be identified

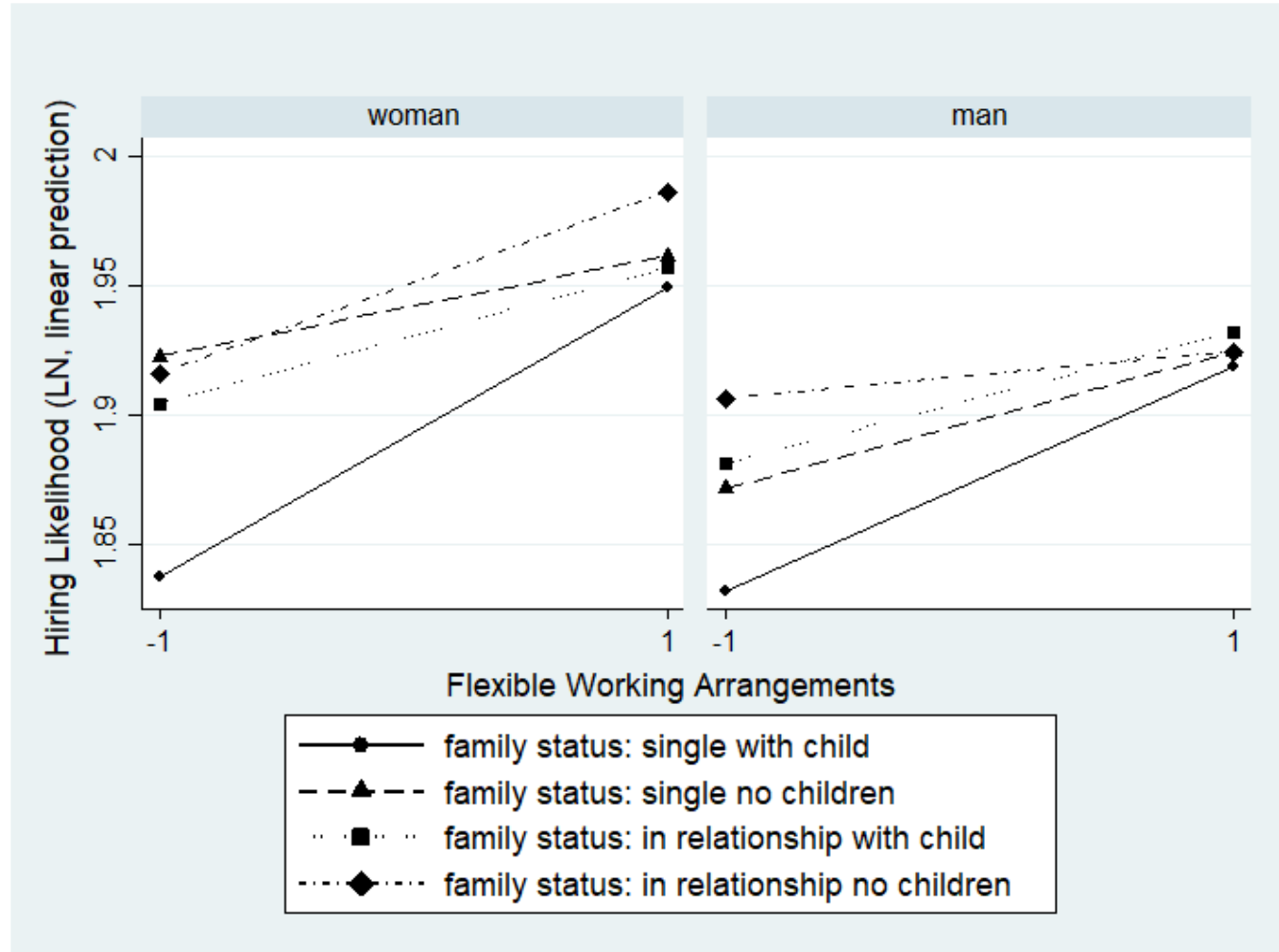
Database	At-risk groups													
	Persons with disabilities	Low SES	Low educational level	Gender identity	Sexual orientation	Mothers, lone parents	Carers	Physical appearance	Older persons (+60)	Young people (below 30)	Migration background	Race or ethnicity	Religious Affiliation	Citizenship
EU-SILC														
EU-LFS														
AES														
EHIS														
HBS														
EWCS														
EQLS														
ESS														
LIS														
EU LGBTI														
GGS														
Life in transition														
SHARE														
WVS														
ECS (enterprises)														
WBES (enterprises)														
CVTS (enterprises)														
SES (enterprises)														

WP2: Interactive map of labour market attachment



WP3: Discrimination in Hiring – A harmonized factorial survey experiment

- Discriminatory *attitudes in recruitment* related to the intersection of gender and care responsibilities
- Flexible working arrangements reduce the caregiving penalty in hiring



WP3: Discrimination in Hiring – Qualitative interviews

HARD SKILLS are seen as flexible – a baseline that can be developed through further training to meet the demands of the position.

- It is considered reasonable to **de-emphasise hard skills in the selection process**, as these are traits that can be developed over time.

SOFT SKILLS are regarded as fixed—defining attributes perceived as enduring and immutable, effectively constituting a lifetime judgment, a sense of 'as good as it gets'.

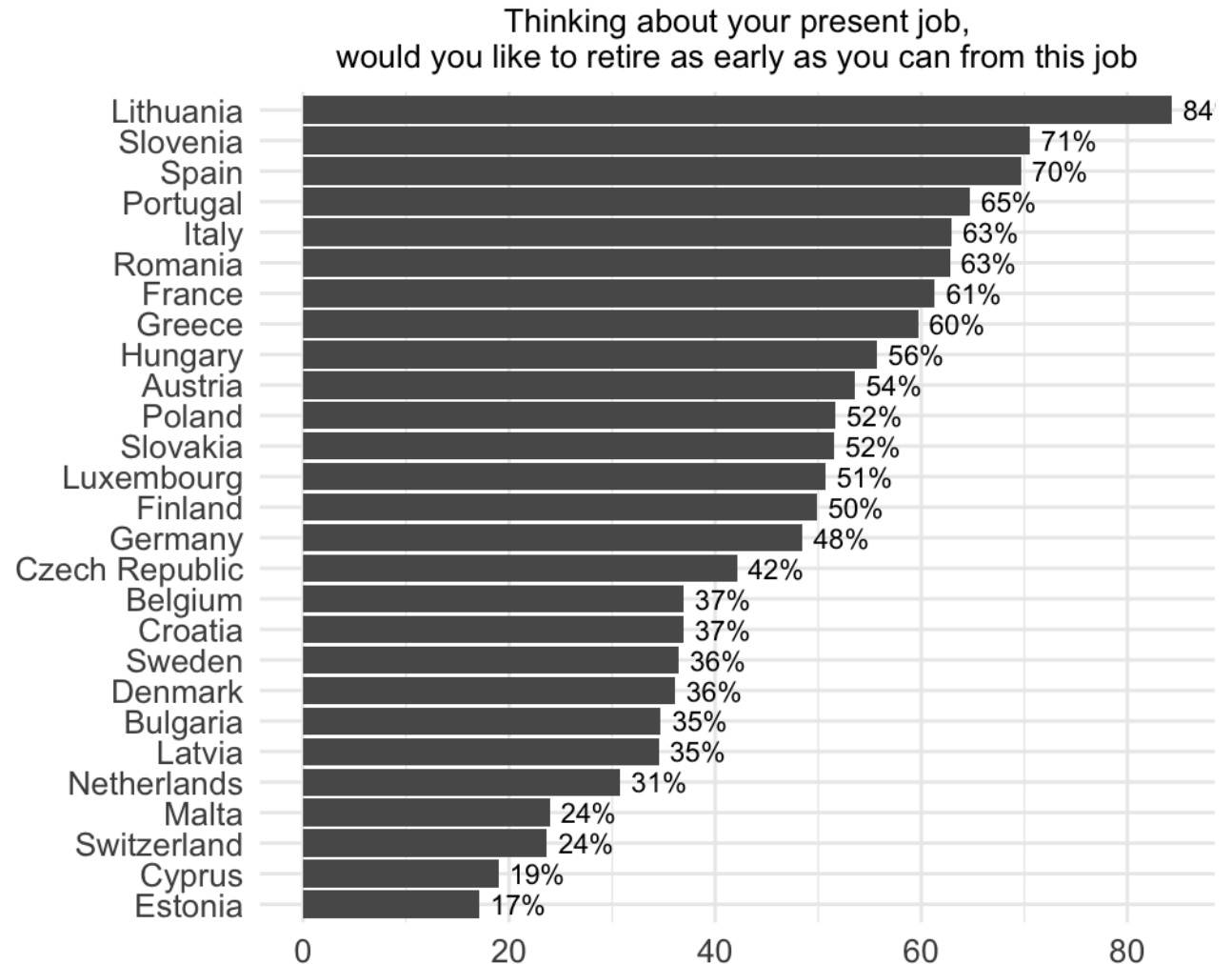
- A decisive weight is thus put on soft skills is **viewed as a form of objective differentiation**, as these are believed to reflect stable characteristics inherent to the individual.

WP4: Factors behind (un)successful labour market inclusion and career trajectories

- Gender norms and the gender employment gap
- Exposure to non-traditional gender norms
 - Fathers are less likely to work part-time, no effect on mothers (the alternative may be not working at all)
 - Remote work is more likely among both mothers and fathers
 - Fathers are less likely to hold multiple jobs, experience underemployment, or work in the public sector
 - Fathers tend to seek higher-skilled jobs, while no similar trend is observed for mothers

WP5: Early and Late Exit among Older Workers

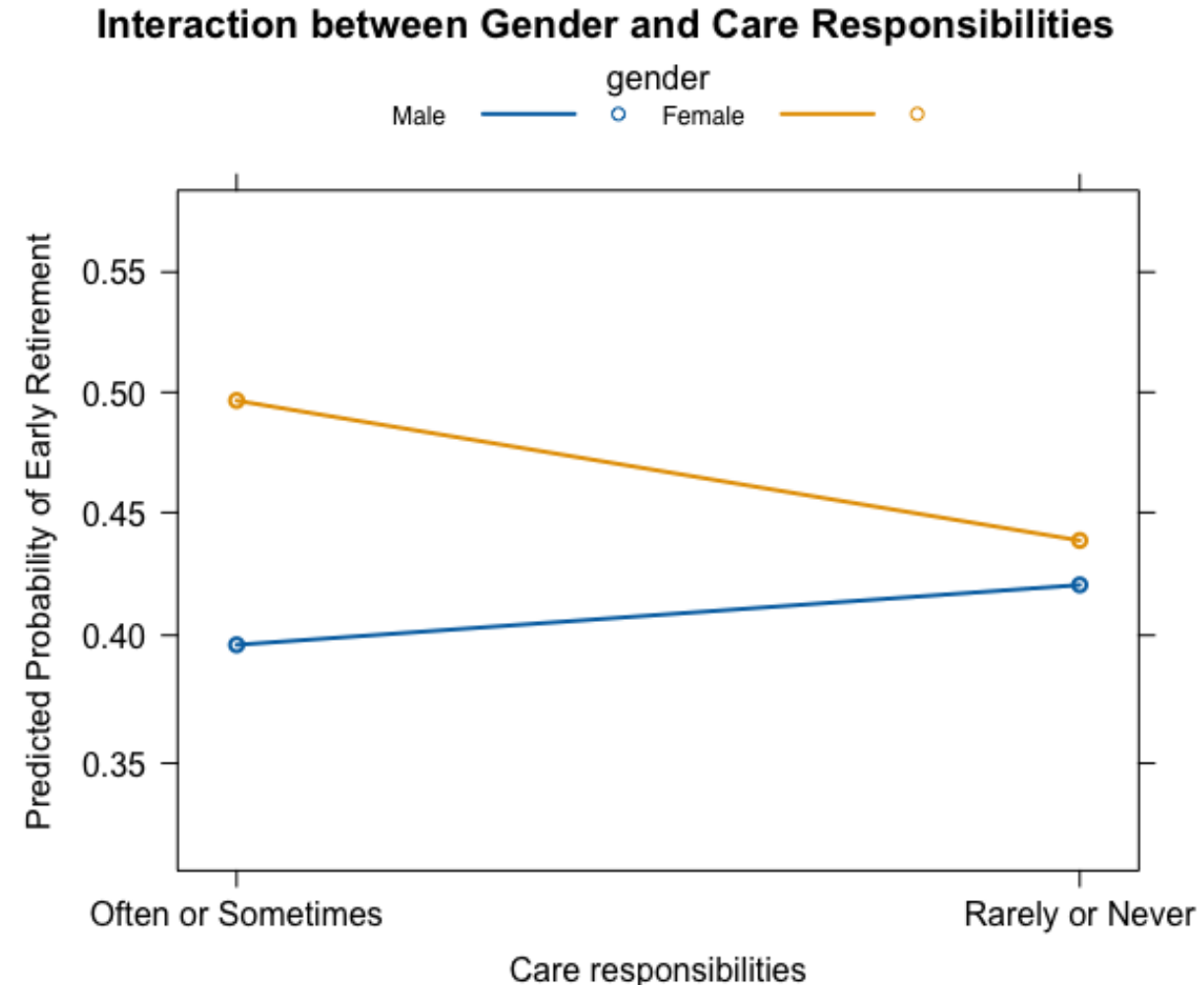
- Intention to retire early
- Exit routes:
 - Public pension route (79%)
 - Own health (6%)
 - Enjoy life (4%)



WP5: Early and Late Exit among Older Workers with care responsibilities

- Intention to retire early – influencing factors:
 - Women with care responsibilities are 50% more likely than men to intend early retirement
 - Healthy older workers are 28% less likely to plan early retirement compared to those with health limitations (GALI)
 - Older workers in financially secure households are less likely to intend early retirement than those experiencing financial hardship

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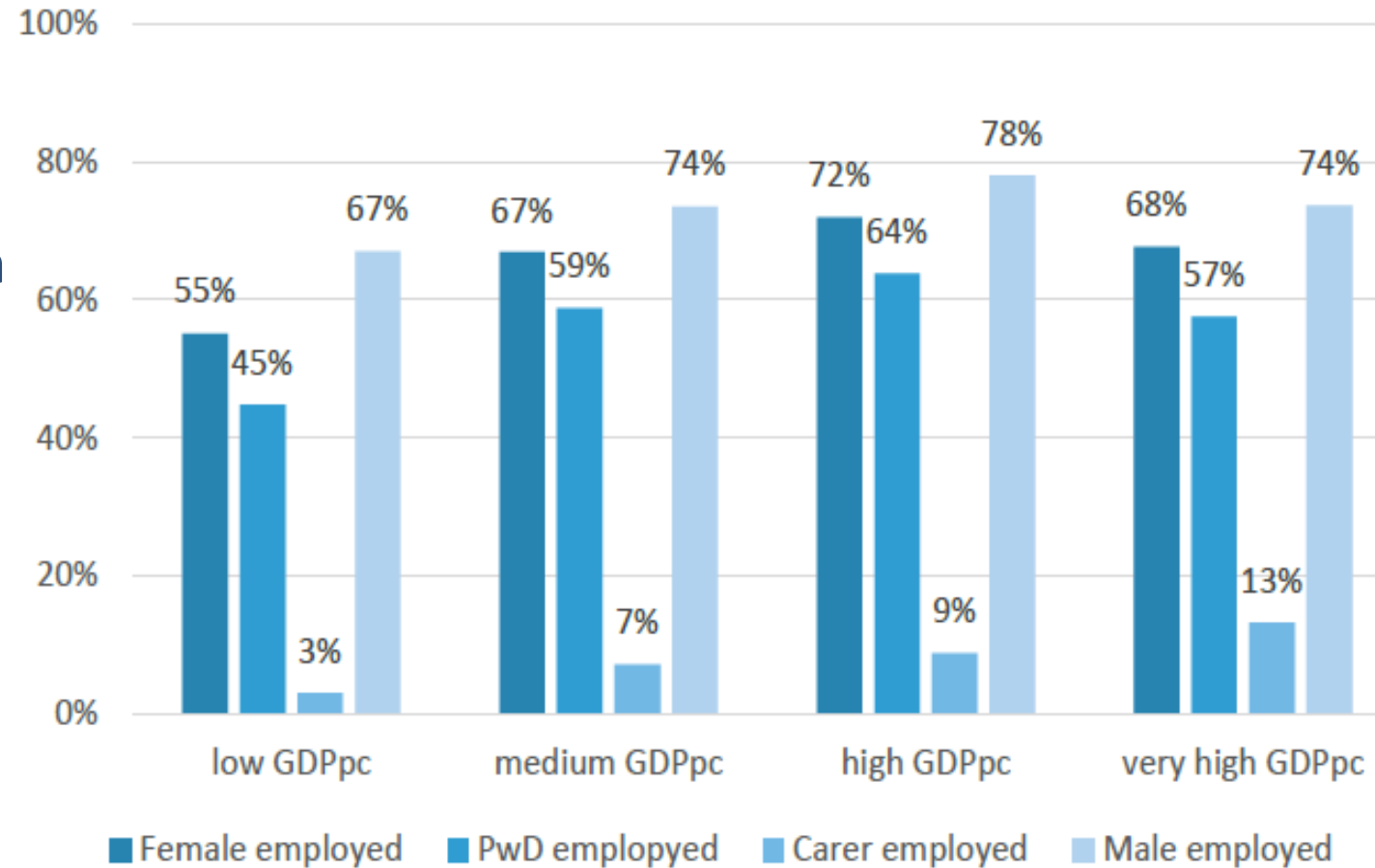


WP6: Mapping risk factors in labour market attachment and in the future of work

- The impact of health and skills on the risk of weak labour market attachment
- Digital and social skills moderate the influence of health limitations on inactivity.
 - Digital skills may enable access to more flexibility and remote work opportunities
 - Social skills may improve the ability to negotiate flexible work arrangements, which can be essential for entering or remaining in employment for individuals with health limitations

WP7: Understanding labour market inclusion: key determinants and plausible scenarios

- Employment rates across regions
 - Activity rates for females, people with long-lasting illness, and caregivers are lowest in regions with low GDPpc
 - Carers appear to be the most vulnerable in all regions
 - The gap between males and other categories narrows in regions with higher GDPpc.



Research findings

Date: 4 September 2025

Author: Dr Arianna Vivoli, Dr Federico Ciani



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How do we get more people to work?

- 1950s–70s → Job creation by the State
- 1980s → Employability, skills, flexicurity
- 2000s → Multilevel governance
- Today → Cohesion + sustainability challenges



How do we get more people to work?

- Relevant success: enlargement of the EU
- Problematic outcomes: working poors + divergence after 2008 (within and between countries)
- Current challenges: manage territorial cohesion with sustainability transition + complex geo-strategic scenarios.

Period	EU context	Policy shifts and narratives
1989-93	Budget crisis, Single Market's programme "1992", EU9-12	Common objectives and principles for different funds, multi-annual
1994-99	EMU preparation, Maastricht Treaty, EU12-15	Cohesion Fund
2000-06	"Agenda 2000", EU15-25	Effectiveness, decentralisation, concentration, capping, "audit explosion"
2007-13	"Lisbon Strategy", "Sapir threat", EU25-28, financial crisis	Alignment with broader EU strategy, evidence-based, academic debate
2014-20	"Europe 2020", economic crisis, European Semester	Place-based approach, conditionality (ex-ante, macro-economic)
2021-27	Brexit, White Paper, pandemic, rule of law, Next Generation EU (NGEU), war in Ukraine	Results-orientation, simplification, differentiation, JFT

Source: Hunter 2023

Not just more people, but more inclusive labour markets

- From the 1960-1970: increased collective action and activism for rights among marginalized groups (e.g., women, persons with disabilities)
 - Eco-systemic and intersectional approaches to discrimination
- Vulnerability doesn't come only from who you are (gender, age, disability) but also from life events: parenthood, health interruptions, retirement transitions. And these interact with context: welfare systems, labour regulations, social norms, regional economic development.

Beyond inclusiveness: it's also about competitiveness

Nussbaum (2011) identifies decent work as a basic human need, but inclusive LM are also an economic necessity: a non inclusive LM, that systematically excludes individuals or fails to guarantee fair working conditions, undermines its own productivity potential.

Inclusive LM are a way to keep cohesion strong on the home front at a time of particular turbulence and growing detachment from pro-European sentiments.

How to make EU labour market more inclusive?

- We need to work at **three** levels:
 - 1) Individual level
 - 2) Contextual level
 - 3) Interaction between individual characteristics and the context

How to make the labour market more inclusive?

- Individual characteristics – Old age
- The elder where one of the most at-risk group during the **pandemic**
- **Voluntary and non-voluntary** work exit toward retirement: Poor health status increases involuntary labour market exit, while for women, having a partner increases voluntary exit. Lower-educated workers facing higher risks of both, as well as carers.

How to make the labour market more inclusive?

- Individual characteristics – Old age
- Before the pandemic, **loneliness** increased the risk of labour market exit. During COVID-19, as social isolation became widespread, this effect diminished.
- For women, post-pandemic, involuntary exit risk increased.

→ ageing in the labour market is not just a matter of years, it's shaped by health, education, gender, and family responsibilities.

The role of education and economic class

- **Education** is perhaps the strongest buffer against vulnerability. Highly educated workers were better able to adapt to remote work and digitalization.
- **Wealth** also matters: older individuals with health limitations are less likely to be excluded if they belong to wealthier groups. And wealthier women, in particular, face significantly lower risks of exclusion.

The role of education and economic class

Figure 1. CART 2019

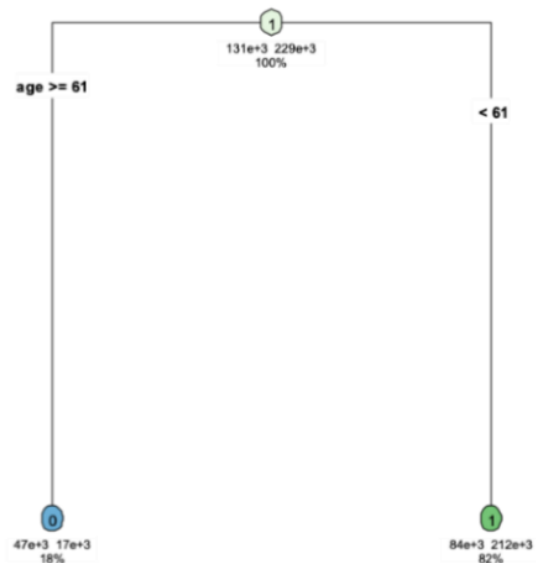
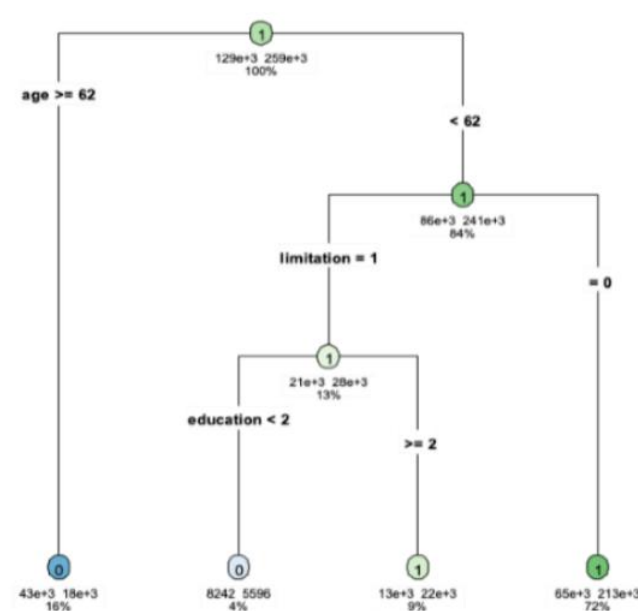


Figure 2. CART 2022



Our CART analysis shows that age is still the strongest predictor of participation. But in 2022, health and education also became key, showing how COVID-19 has deepened disparities.

Activation vs. employment

Being inactive can mean many things: health limitations, discouragement, or social roles. Unemployment is different: people want to work but cannot find a suitable job.

- **Young people**, for example, are often active but still fail to secure employment.
- **Women** are less likely to be active, but once active, they have similar chances as men.
- **Single parents** show higher activation but significantly lower employment probabilities, likely due to caregiving constraints

One-size-fits-all does not work

Context matters, and not only at the national level:

- Living in regions with **higher activity and lower unemployment rates** increases both participation and employment chances, *ceteris paribus*.
- **Economic diversification** supports better labour market outcomes. But **competition in highly educated regions** can also make it harder to find a job.
- However, regional differences between and within countries continue **to be big**.

How individual effects change with context

- Individuals with health-related limitations in richer regions are more likely to be active, but less likely to be employed → wealthier regions may create better conditions for them. However, **a stronger exposure to job related risks can increase unemployment.**
- Wealthier regions may offer better conditions for **carers** to participate, but this does not necessarily translate into higher employment rates.

Conclusions

- Labour market inclusion is not about one factor, or one policy. It is about the complex interaction of individual characteristics, structural inequalities, and territorial contexts.
- The challenge, as policymakers, researchers, and civil society, is to translate these findings into concrete, tailored, and effective solutions that make European labour markets both more inclusive and more competitive.

Thank you!
Questions?

Consortium members

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Discussion questions

- Which EU policies can help shape inclusive labour markets?
- What good practices already exist?
- Do you have any specific recommendations moving forward?

Thank you for your participation.



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