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European labour markets under pressure: New knowledge on pathways to include persons in vulnerable situation

Final Conference Report

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PATHS2INCLUDE



PATHS 2 INCLUDE

European Labour Markets Under Pressure –
New knowledge on pathways to include persons
in vulnerable situations

Title: Final Conference Report

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Responsible organisation: COFACE Families Europe

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Background

On 3 February 2026, the closing conference of the PATHS2INCLUDE project “European labour markets under pressure – new knowledge on pathways to include persons in vulnerable situations” took place in Brussels, Belgium. This conference concluded the three-year Horizon Europe research project and aimed to be a key tool for dissemination and incubator for new partnerships for the take-up of research findings in policy and practice.

The conference welcomed around 70 participants, representing the European Commission, civil society organisations, social partners, national policy makers, academia and other stakeholders working on inclusive labour markets. It was co-moderated by Cloë Rossenbacker and Elizabeth Gosme from the COFACE Families Europe team.

Welcome

Carolina Ibañez-Vila, who has guided the PATHS2INCLUDE project across its three years, from her position as project officer at the European Commission Research Executive Agency was invited to start the conference with some key reflections. Due to last-minute commitments, she was no longer able to join the event, and her speech was delivered by Elizabeth Gosme. Some points that were highlighted:

- This conference responds to one of Europe’s most pressing priorities: reducing poverty and supporting people who face the highest risks of exclusion.
- By focusing on pathways into work for underrepresented and vulnerable groups, the project contributes to something very concrete: preventing and reducing poverty through inclusion in quality employment.
- These contributions connect closely to broader EU priorities, including the European Pillar of Social Rights and the Union of Skills. They also resonate strongly with the upcoming EU Anti-Poverty Strategy, which will need to be built on exactly this kind of evidence: what works, for whom, and under which conditions—so that measures reach those who are most exposed to poverty and exclusion.
- That is why today should not be the end of the story. The real challenge and opportunity is follow-up and upscaling. We should ask: how do we ensure the project’s findings are taken forward into policy design and implementation? How do we embed the lessons into mainstream labour market and social inclusion policies, and scale promising approaches across countries, regions and sectors? And how do we keep improving our data and monitoring so that progress is measurable and sustained?

Elizabeth Gosme concluded with an invitation for all the stakeholders in the room to stay focused on the practical applications of the PATHS2INCLUDE insights. Namely, turning knowledge into action, and action into better outcomes for people in vulnerable situations.

Introduction to the project

Dr Elisabeth Ugreninov, Associate Professor at Oslo Metropolitan University started the day's discussions by introducing the PATHS2INCLUDE project which has been active since 2022 with its skilled consortium across 8 organisations.

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Topic: Overcoming discrimination for an inclusive labour market

	Oslo Metropolitan University	Norway
	Université du Luxembourg	Luxembourg
	Universitatea Din Bucuresti	Romania
	PIN S.c.r.l./ ARCO Action Research for Co-Development	Italy
	Universitat de Girona	Spain
	Leibniz University Hannover	Germany
	Institute for Structural Research	Poland
	Confederation des Organisations Familiales De L'Union Europeenne (COFACE)	Belgium

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Elisabeth Ugreninov highlighted four key areas which show why this research has been crucial in understanding European labour markets under pressure:

There are persistent inequalities and discrimination remain which:

- Affect ethnic minorities, women, older workers, and people with health limitations
- Increase inequality in earnings and widening disparities in job quality

Vulnerabilities are shaped by structural and contextual factors, whereby:

- Disadvantages accumulate over the life course
- Patterns are embedded in national, regional and sectoral labour market contexts

Demographic change intensifies labour market vulnerability since:

- Europe's population is ageing
- Immigration and forced displacement is triggered by wars

Digitalisation and automation pose new risk leading to :

- Risks of unequal impact on low-skilled and those in precarious employment

Taking this on board, the PATHS2INCLUDE project sought to disentangle the dimensions of discrimination and unequal opportunities in the labour market over the working life, in order to

generate new knowledge for developing more inclusive labour market for persons in vulnerable situations.

The project aimed to understand how and why certain groups become vulnerable in the labour market by examining:

- The mechanisms behind discrimination and unequal opportunities
- How contextual and structural conditions create and reinforce vulnerability
- How intersectionality shape risks and prospects

The target groups identified were vulnerabilities related to gender, immigration background, family status, care responsibilities, health, and age.

Together, the project mapped risk factors in labour market attachment and in the future of work, gained greater understanding about the key determinants to labour market inclusion, and generated new evidence with clear policy impact to support more effective decision making.



Setting the scene: Panel debate on equal opportunities in the labour market

Dr Jon Rogstad, Oslo Metropolitan University, presented research findings on 'Soft skills and soft spots: Unpacking structural opportunities for discrimination'. Rogstad shared data from

interviews with 60 employers in Norway, Germany, Romania, and Poland. The interviews highlighted that employers see a 'wrong hire' as the greatest risk, with social skills being heavily valued. Job candidates can learn skills to fit into the specific role, but fitting in is seen as something that is fixed. This leads to labour market exclusions based on social skills and homosocial reproduction: something not regulated by anti-discrimination laws.

Dr Sara Ayllón, University of Girona, shared new insights on why parenthood continues to generate large gender gaps in labour market inclusion and job characteristics across Europe: particularly concerning gender norms and cultural expectations and whether the expansion of working from home has helped improve the position of women in the labour market. Key findings centre around the fact that progressive gender norms for women mainly relate to an increase of women engaging in part time work and/or remote work. Whereas for men, progressive gender norms are associated with having a supervisor role, working remotely, and having a high skill job. Thus for mothers progressively serves to make them feel more comfortable using greater flexibility margins, for fathers the influence of gender norms extends to a broader set of job quality and attachment indicators. Concerning remote work, Ayllón noted how this flexibility does have the potential to help women to better reconcile work and family life.

Dr Iuliana Precupetu, University of Bucharest, shared key conclusions on 'Extended working lives: individual, organisation, and institutional drivers of vulnerability'. Precupetu stated that European reforms have been successful in extending working lives, but despite the progress, vulnerability is increasingly concentrated amongst specific groups. Health limitations are a central push factor out of employment before statutory pension age. The intersection of gender, health limitations, and caregiving responsibilities substantially increases vulnerability in later working life and financial resources are decisive in translating this risk factor. Organisational contextual factors are at play such as barriers to inclusion based on age-based stereotypes, presence of inclusive practices and retention that value the experience and knowledge of older workers, and leadership and organisational capacity is key in whether inclusion practices are active. There is country variation which shapes labour market exists and integration of older workers varies across countries. To conclude, extending working lives without addressing inequality increases vulnerability and it should be stressed that organisations and institutions can act as key enablers of sustainable working lives.

Dr Robin Samuel, University of Luxembourg, presented on why data gaps matter for labour market inclusion. Samuel noted how current European and national sources under-measure intersectional vulnerability and as a result evidence-informed policy is weakened. Many groups at risk of labour market exclusion suffer from 'statistical invisibility' where there are missing identifiers for at risk groups in the data infrastructure. These gaps limit our understanding of labour market inclusion by underestimating exclusion, preventing researchers from identifying the groups most at-risk in the labour market. Surveys do include variables relevant to vulnerability, yet intersectional groups are often too small for robust analysis which limits our ability to estimate compounded disadvantage. There are also gaps in observing labour market

exclusions at the point where it happens e.g., recruitment stage. To improve, we need to strengthen inclusive measurement, increase sample sizes, and build longitudinal infrastructures.

Insights from stakeholders

- Addressing identified gaps are associated with sizeable cost issues. It would require, for example, increased sample sizes in existing surveys to enable identification of intersectional vulnerabilities. How to prioritise? Suggestion: Where there are EU policy frameworks (strategies, etc.), this should drive prioritisation in survey design and data collection.
- A possible solution to long surveys is to present different subsamples with different questions, for example the KODEM project in Norway which employs a similar survey infrastructure (<https://www4.uib.no/en/research/research-projects/kodem>).
- The employment gap between mothers and father must be addressed. One strategy is to ensure provision of affordable childcare, enabling women to return to the labour market after having a child. Another is to normalise fathers as caregivers through parental/paternity leave policies: the more fathers are involved during the first period of the child's life, the more they will be involved in the future.
- Remote work should be promoted as it allows for flexibility that supports reconciliation of work and family life. Importantly, however, it is not possible in all types of jobs and may disproportionately benefit the better off with jobs that can be performed from home, thus requiring caution.
- As with childcare, long-term care provision for the elderly is also important considering that caring for elderly parents is related to early exit among women.
- How can workplaces create more inclusive labour markets? Change legislation to send out a signal: proactive diversity duties for employers and individual protection against discrimination for applicants. Employers must be made responsible for working towards diversity and non-discrimination through legislation.
- Some firms are successful in creating inclusive workplaces. For instance, diversity in the board of different workplaces may create a role model effect, which sends out a signal that it is possible for underrepresented groups to work there and apply for a job.

11.00 Coffee poster session

During the coffee breaks, participants had the opportunity to delve further into the various research findings by interacting with the displayed conference posters. Each poster reflects one of the PATHS2INCLUDE policy briefs, summarising the project's research findings and providing policy recommendations. The posters are available on our dedicated website page, in the different consortium languages as well as easy-to-read English.



11.30 Study session 1. The role of workplace dynamics for shaping inclusive labour markets

Dr Dominik Buttler, Leibniz University Hannover, presented on the role that workplace dynamics play in shaping inclusive labour markets. The research's objective was to develop new knowledge on organisational factors linked to discrimination and labour market inclusion of vulnerable groups (defined by gender, ethnicity, and care responsibilities). A factorial survey experiment, survey questionnaire, and in-depth interviews with employers/recruiters was undertaken. The factorial survey experiment allowed researchers to send fictitious applications with fictitious applicants to real job adverts to then be rated by real recruiters. This was married with an assessment of recruiter and firm characteristics to understand how these impact labour market inclusivity. Key conclusions and recommendations relate to the need for flexible working

arrangements, recruitment processes that include collective recruitment panels, fair assessment of soft skills, and clear evaluation criteria for organisational fit. Concerning diversity policy measures, the research shows that diversity policy aims alone are not sufficient. Mentoring and inclusive hiring practices are key, including support systems for immigrant workers, greater awareness of anti-discrimination law, and prioritisation of training.

Discussant Kinga Józ, Member of the Civil Society Organisations' Group of the European Economic and Social Committee, shared a relevant study conducted by the EESC encompassing topics such as job security, work-life balance, and inclusive labour markets, emphasising the importance of working conditions. It particularly addresses how underrepresented groups can be included in the labour market. The study highlights that achieving inclusive labour markets requires institutional support. Notably, the findings indicate that the Roma community faces notable discrimination during the hiring process.

Discussant Dr Iga Magda, Institute for Structural Research, shared insights on how to design inclusive labour market measures. Magda noted how technology and demographic transitions are shaping the future labour market and increase the need to ensure inclusivity for underrepresented groups. Addressing current data limitations is key in making invisible labour market exclusions visible, so we can better understand what an inclusive future labour market can look like. Magda highlighted how early labour market exits often are tied to the nature of the job and factors such as physical demands, meaning that job quality and how to navigate physically demanding jobs needs to be taken into account.

Insights from stakeholders

- Flexible working can be a double-edged sword: people can benefit from the flexible environment but also be exploited via them in 'greedy jobs'.
- Companies need to be made aware that they can influence the labour market by implementing inclusive measures in their own organisation.
- Attention needs to be paid to how smaller companies can design and implement labour market inclusion measures. Capacity and resources can be a block.
- A key issue to tackle is ensuring skills portability, allowing people to bring their skills and qualifications with them to their new country without administrative burden leading to taking jobs under their skill level/in a different field. For example, the European Commission's Skills Portability Initiative under the Union of Skills can play a role here.
- An initiative was also shared from the local level where newcomers are able to take short courses in the host country to attain comparable qualifications to facilitate smoother integration into the labour market.

Study session 2. The future of work: new risk factors associated with changing labour markets

Mateusz Krząkała, Institute for Structural Research, presented PATHS2INCLUDE findings on the topic of how artificial intelligence (AI) redefines labour market vulnerability in Europe: from historical risks to future resilience. Krząkała questions new vulnerabilities in the new world of work, such as why previously 'safe' office jobs are now the frontline of disruption. AI is not just automating routine physical tasks, but cognitive tasks related to jobs centred on analysis, writing, and strategy and interpersonal tasks key to communication, sales, and teaching. The research developed a new framework to measure AI adaptability risk, with high risk occurring when high exposure to AI meets low digital skills. Around 14% of the EU workforce is affected: workers whose jobs are highly exposed to AI, but who currently lack the digital skills needed to adapt. This risk disproportionately affects women and late-career workers. It also brings new groups into focus, such as tertiary-educated and white-collar employees who have not traditionally been seen as vulnerable. To build resilience, policy must evolve with the risks. This means putting emphasis on occupational specific upskilling, supporting gender equality and ageing workforce, and improving access to support systems for new at-risk groups. For example, shifting from digital literacy to occupational AI fluency.

Insights from stakeholders

- Panellists stressed the importance of involving workers and their representatives in AI-related decisions at the company level from the very beginning, in order to prevent AI from being perceived as a threat.
- Concerns were raised about young workers as AI increasingly replaces entry-level tasks, limiting opportunities to gain initial work experience and potentially leading to a long-term loss of talent.
- To strengthen labour-market resilience, policy priorities must shift toward targeted, occupation-specific digital upskilling for highly exposed workers, alongside tailored support for late-career employees. At the same time, support measures need to extend beyond traditional at-risk groups to include highly educated workers facing new adaptability challenges.
- There was an agreement on the need to maintain human control over algorithmic decision-making, particularly in recruitment, social services, and employee monitoring. Panellists emphasised that social scoring must be tightly controlled and that GDPR and data protection rules must be strictly enforced. AI should support, not replace, public and social services, with human oversight remaining essential.
- The panel also highlighted that productivity gains must not come at the expense of well-being or fundamental rights. Competitiveness cannot be achieved without investing in people. Without training and skills development, long-term competitiveness is not

possible. AI should be used to address societal challenges and be supported by strong regulation. Participants underlined the importance of EU-level regulation, complemented by national regulators and employers' self-regulation. Initiatives such as the EU AI Act and the Quality Jobs Roadmap were seen as important and necessary steps in the right direction.



Study session 3. Benefits of inclusive labour markets

Arianna Vivoli, ARCO, presented new insights on the cost of inaction on gender equality in EU labour markets. Vivoli acknowledged how persistent gender employment gaps undermine fiscal sustainability, poverty reduction efforts, and social cohesion. Labour shortages and population ageing increase the cost of underutilised female labour. PATHS2INCLUDE has simulated the fiscal and distributional impacts of reducing or closing the gender employment gap with a focus on government revenues and expenditures, poverty rates, and income inequality with the objective of making the cost of inaction visible and informing policy design, not only evaluation. Key findings are that closing the gender employment gap pays off. Across all countries, narrowing the gap increases government revenues and slightly reduces social expenditure. Effects are strongest in countries where the gender employment gap is bigger. Employment gains are systematically larger when it comes to women with higher employability, with women facing the greatest barriers the fiscal effects are smaller but more redistributive. We see that revenue gains are mainly tax driven with higher employment leading to substantial increases in income taxes and social insurance. It is also clear that social spending declines due to reductions in social benefit allocation. Across the board income inequality and poverty risk decline in all countries with household composition playing a large role in shaping outcomes. This stresses the importance of targeting measures in policy design.

Discussant, Tina Weber from Eurofound, added that the PATHS2INCLUDE findings mirror closely what Eurofound has found. Weber emphasized the huge gap facing women in managing unpaid household work and mental load which affects their ability to engage in paid work. Societies need to share the care. Working time reforms such as the four-day working week could aid women's labour market participation to this cause.

Discussant, Laura de Bonfils from Social Platform, spoke of the millions of women outside the labour market and called for political action. For example, by changing micro-economic policies to support women's inclusion in the labour market and improving access to childcare and public services to support families with children.

Insights from stakeholders

- Questions were raised on specific sectors such as the domestic and homecare sector where 90% of workers are women.
- An increase in social spending on care services is key if countries want to make progress on closing gender employment gaps.
- Labour market inclusion should have a social focus, centring on boosting people's wellbeing.
- The research shows a clear need for policy design to take into account family realities such as the situation of single parents who are often excluded from policies.
- Resolving gender employment gaps can also have impact on the household level, family is teamwork.
- Work needs to be done on engaging men in care and improving the working conditions in the care sector.

16.00 Closing panel debate: The role of the European Union in shaping inclusive labour markets

The closing panel debate brought together three key stakeholders to discuss the role of the EU in shaping inclusive labour markets: Dr Federico Ciani, Action Research for Co-Development, Elodie Fazi, European Commission-PES Network, and Caroline Meyers, ESF+ Flanders.

Key insights are as follows:

- PATHS2INCLUDE provides overarching perspectives on employment and employability in ecosystemic terms. Being active and employed are two interlinked but different issues, there is a real need for tailored active labour market policies. We need to strengthen coordination between different types of policies, each context with its own characteristics created different vulnerabilities. It is also key to foster social and cultural dialogue, for example with companies.
- There is a high unemployment rate and it is necessary to have in mind the future demographic changes and competition in labour market. As a result, we need a more inclusive labour market. We can do better at this by reaching out to job seekers and making sure they know all the services they have available to them like public employment services and access to training.
- It is important to create partnerships between local partners and NGOs.

- Inclusive labour markets should not be lost in pursuit of competitiveness, it is actually at its core.
- Results from the PATHS2INCLUDE project show that it is possible to reduce the budget constraints we have, through labour market inclusion of vulnerable groups.
- This is a good time to tap into political momentum concerning labour market policies, inclusion of persons with disabilities, EU anti-poverty strategy, union of skills.
- There was a recommendation to recognise the importance of transnational cooperation and knowledge exchange so that companies, local authorities, and governments can learn how to implement inclusion practices.



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