

EU funds for inclusive labour markets



PATHS2INCLUDE



Why inclusion matters

- Labour market exclusion increases risks of long-term unemployment, skills waste, and lower economic growth.
- Discrimination affects productivity, workers' mental health, and skills allocation.
- Demographic ageing intensifies labour shortages; without action, EU GDP per capita growth may slow dramatically.
- Activation policies alone are insufficient: systemic issues (such as discrimination) must be addressed.

Key research findings

- Labour market exclusion is the result of both individual characteristics, (such as gender, age, and migrant status) and contextual factors (such as caregiving responsibilities, organisational features, and health-related work interruptions) and their intersections throughout the life course of people
→ **ESF+**
- Important gender disparities in European labour markets
- (Single) mothers face significant disadvantages in recruitment
→ **CERV**
- The aftermath of the COVID-19 pandemic and digitalisation exacerbate existing inequalities for at-risk groups → **RRF**
- Disadvantages experienced over the working life are embedded in national and regional contexts → **ERDF**
- Ethnic discrimination remains prevalent across Europe limiting access to equal employment opportunities
- Organisational-level measures can reduce ethnic discrimination in hiring and integrate migrants in workplaces
→ **AMIF**

EU funding programmes for inclusive labour markets

European Social Fund Plus (ESF+)

- Aims to implement the European Pillar of Social Rights Action Plan by fighting poverty and exclusion, combating discrimination, and promoting access to the labour market
- Supports hiring incentives, anti-discrimination, gender equality, care access, disability inclusion, and transnational cooperation

Citizens, Equality, Rights and Values Programme (CERV)

- Aims to support rights-based, democratic, equal and inclusive societies
- Four pillars, including 'Equality, Rights and Gender Equality'
- Addresses care barriers, workplace discrimination and diversity management

Recovery and Resilience Facility (RRF)

- Temporary fund enabling reforms for green and digital transitions
- Supports upskilling, labour market reforms, permanent job creation, and resilience during crises

European Regional Development Fund (ERDF)

- Aims to reduce economic, social and territorial disparities across EU regions
- Supports effective and inclusive employment, education, skills and social inclusion to correct imbalances between regions

Asylum, Migration and Integration Fund (AMIF)

- Aims to strengthen national capacities for migration management and promote solidarity
- Supports integration measures such as professional guidance, language courses, skills assessments and orientation programmes

Recommendations for the 2028-2034 EU budget (MFF)

1. Align **ESF+** with the European Care Strategy: invest in childcare, long-term care, and support for informal carers, and strengthen Public Employment Services enabling them to provide tailored support to employers and workers;
2. Continue and expand **CERV** initiatives to promote diversity in the workplace, with a specific focus on facilitating the labour market access of mothers;
3. Use remaining **RRF** resources to promote inclusive digital and green transitions in the workplace, with targeted upskilling for workers in vulnerable situations;
4. Increase **ERDF** investment in accessible care and education infrastructure, and local civil-society partnerships supporting labour market inclusion of at-risk communities;
5. Sustain **AMIF** with continued investments in inclusive recruitment, mentoring programmes, and diversity management training to engage managers in diversity efforts.

PATHS2INCLUDE is a 3-year research project funded by Horizon Europe that investigates the multi-dimensional aspects of discrimination, policies that could reduce inequalities and promote social inclusion in European labour markets and risk factors of vulnerability that may arise in the future of work. The research focuses on three key labour-market processes: recruitment; career paths; and early exit from working life, giving particular attention to labour-market participation at the intersection of gender, ethnicity, age, health, disability and care responsibilities.



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