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NOTE

From:	The Employment Committee
To:	Permanent Representatives Committee/Council
Subject:	Opinion of the Employment Committee on the dimentions of job quality
	- Presentation by the Chair of the Employment Committee

Delegations will find attached the above-mentioned Opinion with a view to its presentation at the Council (EPSCO) session on 19 June 2025.

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The Employment Committee



5 June 2025

Opinion of the Employment Committee on the dimensions of job quality

1. Context

The Employment Committee (EMCO) is looking forward to the forthcoming initiative for a *Quality Jobs Roadmap* to be presented by the European Commission at the end of 2025. In line with the 2024-2029 Strategic Agenda, the European Council called in April 2024 for ensuring an integrated approach across all policy areas to increase productivity and sustainable and inclusive growth throughout Europe. This should include fostering high-quality jobs, by stepping up the pursuit of the 2030 headline targets through reinforced social dialogue, increased participation in the labour market, as well as reskilling/upskilling and lifelong learning, and with a view to tackling skills and labour gaps in the context of the current demographic trends. The Budapest Declaration signed by the EU Leaders in November 2024² welcomed the Draghi Report on the future of European competitiveness, which identified creating high quality jobs and addressing skills shortages as key enabling actions to improve the EU innovation model. In the context of the European Semester, the latest Employment Guidelines adopted by the Council in December 2024 already stress that Member States should facilitate and support investment in the creation of quality jobs. 4

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European Council conclusions, 18 April 2024.

Budapest Declaration on the New European Competitiveness Deal, 8 November 2024.

See, in particular, <u>Chapters 1 and 2 of Part A</u> and <u>Sections 2.1 and 2.2 of Part B</u> of the Draghi Report, 9 September 2024.

^{4 &}lt;u>Council Decision (EU) 2024/3134</u> of 2 December 2024 on guidelines for the employment policies of the Member States.

Fostering job quality is key to fulfil the EU's commitment to a highly competitive social market economy, aiming at full employment and social progress (Article 3 TEU). The creation of quality jobs and development of a highly skilled workforce are also key drivers to EU competitiveness and growth via increasing the productivity and resilience potential of the Union and strengthening specialisation in high value-added sectors. The principles of the European Pillar of Social Rights emphasise the need to ensure fair wages and working conditions while promoting equal opportunities and shielding people from social risks. A skilled and motivated workforce throughout the working life is better placed to meet the demands of a rapidly changing labour market shaped by the green and digital transitions, which require workers to have the skills needed in the green economy and to support the continuous adoption of new technologies. Furthermore, with population ageing set to reduce the EU working-age population in the coming decades, increasing the quality of jobs can enhance job transition and labour market participation and contribute to longer working lives, thereby ensuring that businesses can access the talent they need to remain competitive on a global scale, also benefitting workers and society as a whole. Initiatives on all levels – from local to national and European level – can contribute to ensuring quality jobs. With a view to the commitment to EU competitiveness, the proportionality and subsidiarity of new initiatives should be duly considered. Moreover, any initiative on EU-level should take due account of the diversity of national systems and the role and autonomy of the social partners.

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In early 2025, building on previous work conducted by EMCO and its Indicators Group (IG), the Committee reflected on the need to better conceptualise the dimensions of 'job quality' in light of the current socioeconomic context.⁵ On the basis of the policy dimensions identified in this Opinion and summarised in the Annex, the IG is invited to update the existing monitoring framework by the first quarter of 2026 in order to identify the most appropriate indicators to measure the policy dimensions of job quality, in cooperation with the Indicators Sub-Group (ISG) of the Social Protection Committee (SPC) regarding the dimension on social protection. The Commission is invited to take into account this Opinion in the preparation of the forthcoming *Quality Jobs Roadmap* and the new *European Pillar of Social Rights Action Plan* to be presented by the end of the year.

2. The key dimensions of job quality

Job quality is a multidimensional concept encompassing various factors that shape individuals' well-being and rights in the workplace with an impact on economic and societal outcomes in terms of productivity, competitiveness, incomes and social cohesion. It is influenced by structural shifts in the labour market, including the increasing digitalisation of work, the greening of the economy, the evolution of employment contracts and forms of work, evolving workplace cultures, and broader societal values and goals such as non-discrimination and equal opportunities. These dynamics affect traditional aspects of job quality, such as wages, working conditions, job security, and access to social protection, but also considerations like work-life balance, stress and psychosocial risks, autonomy, access to training and professional development opportunities as well as collective bargaining dynamics. Most recently, technological advancements have altered the nature of work by introducing new forms of task automation, remote and hybrid working models, artificial intelligence and algorithmic management, all of which also impact working time patterns, the autonomy of workers, and the skills needed in performing their tasks, adding this further aspect to job quality considerations. At the same time, advanced digital technologies, such as artificial intelligence, can also enable workers and thus increase individuals' well-being and job quality.

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Following discussions in previous years, in 2013, the IG agreed on adding a module on job quality in the Joint Assessment Framework (JAF) containing a set of relevant indicators. The module was reflected in the 2017 edition of the Employment Performance Monitor (EPM).

Job quality might also be affected by difficulties in ensuring the enforcement of labour law, also in the context of labour mobility. The ability to detect non-compliance, fraud and abuse, as well as increasing the capacity and enhancing the cross-border cooperation of national labour inspectorates, especially in the areas of sub-contracting, intermediaries and agency work, are key to improving working and living conditions, for EU and third-country nationals, including eliminating undeclared and underdeclared work. It is important to provide employees, including EU mobile workers as well as third-country nationals, with advice and support to effectively assert their rights. Job quality may also be under pressure during restructuring processes, where anticipation and management of change, as well as social dialogue and collective bargaining, are essential to ensure just transitions and that quality jobs are safeguarded and created.

In this context, conceptualising job quality requires a framework that captures both longstanding and emerging factors. On the basis of the recent discussions held in EMCO, the following policy dimensions should be particularly relevant for assessing job quality in today's labour market:

- Adequate earnings, fair wages and working conditions, skills development, career progression and job security are interdependent elements that, when combined, create a virtuous cycle of personal empowerment, productivity and economic growth.
 - i. When workers receive adequate earnings and fair wages that reflect the value of their labour, they achieve a stronger sense of self-worth but also more incentives to further develop their skills and to take part in quality training, including during working time, which has further positive impacts on their productivity and career progression, particularly for the low-skilled. Fair pay structures, recognition and reward systems enhance motivation and job satisfaction. Having skilled workers can also enable firms to enhance their productivity by strengthening innovation (e.g. by investing in new equipment and technology) instead of reducing labour costs. Workers' skill development is a key factor for productive use of advanced digital technologies such as artificial intelligence. In turn, sustained productivity growth supports sustainable wage growth.

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- ii. Secure employment including against the risk of involuntary part-time and to ensure the transition towards open-ended contracts and adequate social protection reinforce this cycle by reducing the workers' risk of unemployment and income uncertainty/variability. This also may provide stronger motivation to engage in training and skills development due to greater prospects for career advancement and less anxiety for economic vulnerability.
- iii. This cycle where adequate earnings and fair wages, quality training opportunities and job security boost skills development, enhancing employability and career progression fosters individual satisfaction and can contribute to more inclusive and sustainable economic growth. It does so notably by rendering the workforce more motivated, productive and dynamic, in line with the need to facilitate labour reallocation towards rapidly expanding sectors and keep pace with the adoption of emerging technologies in a highly competitive economy.
- A safe and healthy work environment, combined with workplace wellbeing, optimal working time arrangements, work-life balance, and job autonomy, form the foundation for both personal and professional development, as well as organisational success.
 - i. The rigorous implementation of health and safety at work rules protects individuals all through the working life cycle from occupational hazards, accidents at work and long-term health risks (such as exposure to harmful substances or extreme weather conditions), while comprehensive measures to prevent harassment and manage psychosocial risks further safeguard mental health at work.

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- ii. When working time is structured to allow for predictable schedules, adequate flexibility for workers, and a right to disconnect, workers are better able to maintain equilibrium between professional responsibilities and personal life. Additionally, granting employees autonomy and flexibility in how they manage their tasks nurtures creativity and accountability, which can further enhance their job satisfaction and productivity via lower levels of stress. In light of technological developments, including in the context of algorithmic management, it is essential to continue ensuring that monitoring and surveillance fully respect workers' rights.
- iii. These intertwined factors contribute to reduced absenteeism, accidents at work and incidence of burnout, which in turn may decrease public health expenditures and cultivate working environments all through the working life cycle more conducive to innovation and productivity growth.
- Collective interest representation, gender equality and equal opportunities, and the transition from undeclared and underdeclared work to formal employment are crucial horizontal enablers for creating a just and inclusive labour market that recognises and rewards the contribution of all.
 - i. Collective bargaining and social dialogue require strong and independent social partners. Workers' and their representatives' rights to information, consultation and participation are essential for supporting an inclusive adaptation to the present and upcoming challenges in the European labour market, to enable them to have an active role in anticipating and managing the digital and green transitions and to contribute to a fair distribution of economic benefits stemming from higher productivity via collective bargaining. Effective collective representation of employees' interests and employees' involvement is key in facilitating all aspects of quality jobs.

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- ii. Ensuring gender equality and equal opportunities regardless of background and personal characteristics allows all individuals to access, remain in quality jobs and advance their careers without fear of discrimination (for example, on grounds of gender, age, disability, ethnic origin, religion and sexual orientation) and with equal pay for equal work, as well as equal chances for professional and personal growth. This also includes adapting workplaces to be accessible and inclusive for persons with disabilities, ensuring that all workers can fully participate and contribute, ultimately fostering a more dynamic and inclusive workplace and society.
- iii. Furthermore, when workers affected by undeclared or underdeclared work transition from the informal to the formal economy, they gain access to legal certainty, right to representation, social protection benefits, and adequate earnings and fair wages, thereby enhancing their personal financial security and dignity. At the societal level, this shift ensures improved legal working arrangements and tax revenues, fostering a more equitable society.
- iv. These dimensions can also build trust in both employers and public institutions, fostering stronger social cohesion on top of a resilient labour market.
- The degree and type of social protection available to different forms of employment are integral components of job quality. Quality jobs also help prevent in-work poverty, including through the provision of in-work benefits where appropriate.
 - Social protection ensures income security and access to services in cases of involuntary unemployment, sickness, care leave, work-related accidents, occupational diseases, and disability, as well as for retired workers and survivors later in life.

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- ii. Everyone requires social protection at some point during or after their working life. However, in practice, not all economically active people can contribute to and access social protection, as entitlements may have been traditionally designed for standard employment relationships. The self-employed or people in non-standard forms of employment may lack adequate coverage, depending on the country-specific context. Access to adequate and sustainable pension systems is key to maintaining living standards and preventing poverty in old age, and as such is also a dimension of job quality. In earnings-related pension systems, it is therefore essential that all workers — including the self-employed — are able to accrue sufficient entitlements throughout their careers. To support those not sufficiently covered by social security schemes and exposed to greater income insecurity, it is important to close formal coverage gaps and ensure they can build up and access social protection entitlements. Schemes should provide an adequate level of support in a timely manner and in accordance with national circumstances, ensuring a decent standard of living and appropriate income replacement. In addition, transparency, simplification, and the facilitation of the preservation, accumulation, and transferability of rights should be promoted.
- iii. Where needed, supporting people in low work-intensity jobs via in-work benefits can also make work more attractive by temporarily complementing earnings with income support, especially during short employment periods.
- iv. In addition to accumulation of social protection entitlements and the availability of income support, having access to adequate and affordable enabling services is crucial for promoting labour market participation. Services such as preventive health care including mental health childcare, long-term care, and well-being programmes are important dimensions of job quality, which can also be supported through employee benefits.

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3. Way forward

Promoting job quality can strengthen the EU social market economy both by supporting the implementation of the European Pillar of Social Rights and by boosting productivity, thereby enabling both workers and firms to thrive in a competitive global economy. Further enhancing quality employment along the policy dimensions outlined in this Opinion would benefit workers and society as a whole and could also make the EU labour market more attractive to talent from within and outside the Union, which is key in the context of demographic change, labour shortages, and a global competition for skills. As a new *Action Plan for the European Pillar of Social Rights* and a *Quality Job Roadmap* will be launched in the coming months, EMCO looks forward to discussing future EU initiatives promoting job quality and stands ready – together with its subgroups – to support the Council and the Commission in coordinating these efforts, including by finalising a robust monitoring framework on job quality in the European Semester context. At the same time, new initiatives and actions should be designed in an integrated manner, with a view to maximising their value added, considering the complementarity with existing EU policies, and minimising unnecessary administrative burden.

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Annex - Updated framework on the dimensions of job qualityy

[Updates to the existing 2017 EMCO framework are <u>underlined</u>]

- i. Adequate earnings and fair wages
- ii. Job and career security
- iii. Skills development and career progression
- iv. Employability
- v. Safety and health at work
- vi. Workplace wellbeing
- vii. Working time
- viii. Autonomy
 - ix. Collective interest representation and organisation
 - x. Work-life balance
 - xi. Gender equality and equal opportunities
- xii. Social protection
- xiii. Undeclared or underdeclared work as work to be eliminated

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