

UNTANGLED POLICY BRIEF

ENSURING THE QUALITY OF NEW AND EXISTING JOBS

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Key Messages

- Workforce well-being in changing times: Rapid digitalisation and ageing of societies impact work quality, life, and the delicate balance between them
- Adapting to work from home realities: Effective social dialogue is vital for aligning employer and employee needs concerning the optimal number of days spent outside the traditional office setting
- Navigating hyper-connectivity challenges: Tailored strategies are needed to meet diverse employee needs and address technologies used beyond standard working hours
- Adjusting the legal framework for emerging types of work: The rise of platform work necessitates new rules ensuring social protection and fair working conditions
- Addressing the growing demand for healthcare and long-term care work: Governments need to ensure adequate staffing and enhance job quality in the healthcare sector and long-term care



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Executive summary

This policy brief highlights aspects of job and life quality that must be considered to improve the well-being of workers in the context of ageing societies and technological transformation. Ensuring workforce well-being requires attention to three axes, highlighted in the figure below: (i) the quality of work, (ii) the quality of life at work, and (iii) the quality of life outside of work. This policy brief focuses on four areas where policy-makers recently proposed measures to improve one (or more) of these axes: (i) working from home, (ii) hyper-connectivity and the right to disconnect, (iii) platform work, and (iv) job creation in the health and long-term care sectors. Nevertheless, as the demands and views of employers and employees are not always aligned, we draw on a consultation with experts and a literature review to present the existing empirical evidence, the challenges involved and our policy recommendations.



Source: Authors' own elaboration on a figure kindly provided by one of the consulted experts, Marc Eric Bobillier Chaumon (CNAM — CRTD, Paris), an expert of the use of technologies in the workplace.

Background

The number of people working in the European Union (EU) has never been higher, and, importantly, the same is true for the *share* of people aged 20-64 years old. Since the COVID-19 health crisis, the number of countries and sectors reporting *labour shortages* has increased. In fact, disregarding the COVID period, many countries have had a persistent shortage of workers for the *past five years*.

While the overall EU labour market is doing well, the major societal trends of demographic ageing and technological transformation are causing changes that will affect the number and quality of jobs in the coming years.

Population ageing leads to increased demand for healthcare and long-term care services. At the same time, the shift in population from those in the labour force towards those in retirement results in pressure to extend working lives. To mitigate the adverse effects of demographic shifts on the economy and society, it is therefore crucial to *promote age-friendly workplaces, support up- and reskilling of older workers*, and encourage *employers to recognise the value of older workers' experience and expertise*.

How much and to what extent further technological transformation — e.g. AI and advanced robotics — will change the labour market is not yet clear. The *influence of artificial intelligence (AI) on employment volume* is increasingly studied. Some results suggest, contrary to the impact of earlier automation, that jobs held by *high skilled employees may be negatively affected* by the progress in automation and AI. However, other studies conclude that more recent automation advances do not affect high-skilled jobs because *these jobs require social skills*. It should be noted that all these estimates were made before the emergence of Large Language Model tools such as ChatGPT, whose *impact on the labour market is still in its infancy*. The current evidence suggests that automation, thus far, has had a relatively small impact in the EU. Moreover, a recent study finds that impacts of robotisation on household income inequality have been *mostly absorbed by tax and benefits systems*. In addition, technological transformation adds pressure on retraining needs, life-long learning requirements and public sector employment services, as shown in another [H2020 UNTANGLED Policy Brief](#). The impact of these technological developments on job quality are mixed. For instance, digitalisation and smart systems have facilitated an *increase in working-from-home practices and platform work*. These new forms of work organisation may challenge the work-life balance and team collaboration.

This policy brief zooms in on four areas, each one connected to population ageing and technological transformation, which play an increasing role in the labour market and affect job creation and job quality. First, we look at the challenges of accommodating working-from-home practices. Second, we highlight the risk of hyper-connectivity and its potential impact on the well-being of workers. Related to this, we discuss platform work and the challenges induced by this new form of work. Finally, we focus on job creation and job quality in the health and social care sector, which is severely impacted by ageing.

Working from home

What is the empirical evidence?

The COVID-19 crisis and the resulting lockdowns have accelerated the adoption of working from home (WfH). While in 2019 only 5.4% of people in employment in EU countries usually teleworked, and 9% teleworked sometimes, these figures were 10.2% and 12.2% respectively in 2022. Employees place a significant value on the opportunity to work from home for 2-3 days per week, in particular women, parents and commuters.

There are both positive and negative impacts associated with working from home for employees. WfH has been shown to enhance autonomy, alleviate work pressure, and potentially increase work effort. However, WfH can hinder collaboration within teams, lead to feelings of isolation, and create role ambiguity. Furthermore, WfH also has an impact on the duration and organisation of working time. Teleworkers often tend to work longer hours than their counterparts and extend their work beyond regular working hours, including evenings, weekends, and holidays, which can affect their work-life balance.

How are policy-makers responding to this challenge?

In the context of WfH, one of the most crucial issues is the regulation of working time. In this regard, the European Framework Agreement on Telework of 2002 concluded by the EU social partners only states that the teleworker is responsible for managing his or her working time, within the framework of the applicable legislation, collective agreements or company rules (Article 9). This provision offers a degree of flexibility in terms of working hours, within the maximum limits set by law. According to the ETUC interpretation guide, it means that the general rules on working time and rest time are the same, but that teleworkers can decide when to start, pause and stop working. The main instrument for regulating working time in the EU is the Working Time Directive of 2003 (Article 2). There is an ongoing discussion on the need to update the 2002 Framework Agreement on Telework in light of recent digitalisation.

The issue of WfH frequency per week requires attention within companies. Employers and employees often have divergent expectations, with employers typically aiming to offer fewer teleworking days than employees desire. These discussions should consider insights from existing evidence, which indicates an inverted U-shaped relationship between the number of WfH days per week and job satisfaction. For instance, a study recommends WfH less than 2.5 days per week to guarantee the quality of workplace relationships.

That quality could also be affected by certain inequalities between employees who have a teleworkable job (who tend to be male, older, high-educated and high-paid employees) and others. Moreover, it is important to consider the presence of inequalities in cross-border areas between resident workers and others. WfH by cross-border workers can be constrained by social and tax regulations. In response to this issue, the EU Member States have developed a new framework agreement in the field of social security which permits an increased number of teleworking days, up to a maximum of 50% of the worker's total working time, without necessitating a change in affiliation. Before this agreement, European Regulation 883/2004 concerning the coordination of social security systems in Europe, which entered into application in 2010 and 2012, foresaw that employees who work more than 25% of their working time outside the State in which they have their employment contract will be disaffiliated from the social security of that State in favour of the State of residence.

Lastly, it is worth noting that tax regulations implemented by different EU Member States have implications for the remuneration of certain teleworkers, the so-called 'digital nomads'. Several European countries are actively trying to attract digital nomads by introducing tax incentives.

For instance, in [Spain](#), there is no income tax for stays up to 183 days, and above that threshold, a reduced tax rate is applied. [Portugal](#) is recognized as one of the most tax-friendly countries for digital nomads within the EU. It offers preferential tax rates through non-habitual residence status, exempting foreign sources of income from taxation, applying a 20% rate on domestic income, and imposing a 10% social security rate.

Main recommendation

Effective social dialogue is essential to facilitate a mutual agreement between employers and employees regarding the optimal number of WfH days to ensure employees' well-being and the quality of workplace relationships. Companies should actively consider the risks of inequalities between employees who can telework and others, to ensure they do not negatively impact the working climate. They should be mindful of such disparities to prevent any detrimental effects on the working atmosphere and make concerted efforts to create an inclusive working environment that accommodates all employees.

Hyper-connectivity and right to disconnect

What is the empirical evidence?

Digitalisation brings numerous benefits to both companies and employees, yet it also entails certain drawbacks, most notably the [escalation of hyper-connectivity](#), i.e. overreliance on digital technology, which can impact teleworkers as well as other professionals. [Technology has blurred the boundaries](#) between work and private life by providing individuals with the spatial and temporal freedom to work from any location and at any time. This can have negative consequences for employees' work-life balance and induce work-life conflict.

Companies need to be vigilant about the practices they put in place to reduce issues with work-life balance and work-life conflicts. Current evidence on the impact of the use of digital tools outside work hours is mixed. Comparing employees who do not use e-communication tools outside work hours with those who do, a study reveals that the latter have a [better work-family balance](#). On the other hand, another study supports the rationale that those not using company digital tools outside working hours experience [more work/family conflicts](#). Companies should also consider the type of technology they employ. [Distinguishing between two types of technologies](#), i.e. e-communication and remote access to the companies' networks, it is shown that regular e-communication outside office hours has a negative impact on life satisfaction, but no link with job stress. Conversely, using remote access to a company's networks is positively correlated with life satisfaction and negatively correlated with job stress, particularly for women in the case of the latter.

A right-to-disconnect policy can be a solution to limit the flow of information, communication and workload outside regular working hours.

How are policy-makers responding to this challenge?

There is currently no European legal framework directly defining and regulating a right to disconnect, even though the [Working Time Directive](#) of 2003 refers to several rights that indirectly relate to similar concepts, in particular the minimum daily and weekly rest periods that are required to safeguard workers' health and safety. Moreover, the [European Framework Agreement on Digitalisation](#) seeks to maximise the benefits and meet the challenges induced for employees. This agreement was signed in 2020 by European cross-sectoral social partners: BusinessEurope, SMEUnited, Central Europe Energy Partners (CEEP), and the European Trade Union Confederation (ETUC).

More and more EU Member States are introducing a right to disconnect in their labour law. The pioneering country is France, with the El Khomri Law of 8 August 2016, which adapts the Labour Law to the Digital Age (Article L. 2242-8 of the French Labour Code; the article 55(1) on the right to disconnect entered into force on January 1, 2017). This law, which concerns only the private sector, lets companies reach an agreement with their employees to define the terms and conditions of the right to disconnect. The French case has inspired other EU countries. In 2018, with an amendment in 2022, the private sector of [Belgium](#) introduced a right to disconnect that obliges employers to discuss disconnection at regular intervals within the Committee for Prevention and Protection at Work — but without any penalties for noncompliance. The right to disconnect also exists for the public sector since 1 February 2022 (arrêté royal du 2 décembre 2021, Moniteur belge). In Portugal, a new law (Law [83/2021](#) of 6 December 2021 which entered into force on 1 January 2022) amended the Teleworking Framework set forth in the Portuguese Labour Code. Restrictions include a ban on companies soliciting employees by e-mail, messaging or telephone outside regular working hours. In [Luxembourg](#), in 2023, the right to disconnect will be enshrined in the Labour Code, according to the bill passed by Parliament on Tuesday 13 June followed by the new [Law](#) of 28 June 2023 amending the Labour Code. Companies will be free to decide on measures to ensure that employees' right to disconnect is respected.

Main recommendation

Except for Portugal, regulations regarding the right to disconnect are generally non-binding and do not impose specific practices to ensure implementation. Consequently, companies may choose between various degrees of restrictions. These can range from a non-obligation for employees to respond to emails after working hours, or promoting awareness about responsible use of digital tools, to more stringent measures such as blocking server access or restricting email usage during evenings and weekends. Regulations also often seem to target specific companies and sectors in particular, for example larger organisations.

The degree of restriction adopted is therefore mainly at the discretion of companies, and a one-size-fits-all approach to mitigating hyper-connectivity is not ideal. It is crucial to consider the specific types of employees and technologies that can be used outside working hours. Tailoring strategies based on these factors is essential for effective implementation.

Platform work

What is the empirical evidence?

Platform work is a distinct form of non-traditional work where individuals perform specific tasks for clients mediated through online platforms such as Uber, Deliveroo or Upwork. There are two main types of labour platforms: those that provide services requiring a physical presence, such as delivery services, and those that offer services performed online, such as professional services. Workers using platforms typically have **non-standard employment arrangements** and are classified as independent contractors. As a result, they **do not have access to the usual labour protections** such as social insurance, fixed working hours, minimum wages, or the right to organise. They are also not covered by European and national **legislation and frameworks on occupational safety and health**. Platform workers **differ vastly** in terms of their skills and previous work experience, orientations towards platform work, and motivations underlying it.

Platform work is characterised by several challenges as regards the quality of work. First, platform workers are usually classified as independent contractors by default, which **means they lack many labour protections**. Second, their **income is often low, irregular and unpredictable**, which can lead to financial difficulties, especially for those solely reliant on platform work. Recent studies suggest that this group is growing, and that an increasing number of platform workers **is combining this type of work with other non-standard forms of work**, such as zero-hours contracts. Third, despite being considered independent contractors, platform workers in general have **limited control over their working conditions**, including pay rates.

While platform work currently represents a small percentage of overall employment (**around 5% in countries with available data**), the risks associated with the shift from traditional employment to (often exploitative) self-employment through platforms are significant. In addition, despite growing interest in the potential stepping stone function of platform work, in most cases it is clear that such work becomes **a trap rather than a springboard** to sustainable employment. Many researchers emphasise the prevalence of these problems and the need for regulation.

However, regulating platform work is challenging. There is **a lack of clarity regarding the legal status** of platform workers, and **establishing a level playing field is difficult** because platform companies operate under different rules and regulations in different countries. Additionally, striking a balance between flexibility (which attracts many to platform work) and social protection is crucial. This is especially important in the context of the heterogeneity of platform work and the variety of motivations and orientations towards it. Studies have shown that while most workers prefer employee status, **their preferences for working hour flexibility vary** depending on their economic attachment to the platform. Therefore, the benefits of platform work's flexibility **are not uniformly distributed**. The current regulatory framework at the level of the Member States is a **patchwork of different approaches**, and very few measures directly target platform work, include all forms of such work and all such workers, and only a few measures consider job quality.

How are policy-makers responding to this challenge?

Certain EU Member States, including France, Italy, and Spain, have already implemented protective legislation for specific categories of platform workers. In addition, employment tribunals in several countries, including those three, have dealt with the matter by **reclassifying platform workers** who were incorrectly categorised as self-employed as “workers” in accordance with the national labour and social laws. Other countries, such as Estonia, have established national frameworks for self-employment that include platform workers. However, in other EU countries, the issue of working conditions of platform workers has not been addressed by any regulation yet.

In 2021, the European Commission proposed a [new directive](#) with the aim of enhancing platform workers' working conditions. In contrast to the existing national legislation, the directive should cover platform workers in all sectors, including online and offline platforms. At the heart of the proposal is a legal presumption of an employment relationship between digital platforms and platform workers. The directive sets criteria to determine employment status based on the level of control exerted by the platform over the work process (see [Article 4](#) for details). This includes factors such as rate-setting, work specifications, and limitations on the worker's ability to build their own customer base. The proposed directive estimates that approximately 5.5 million workers are at risk of being misclassified in terms of their employment status. Besides this focus on the employment relationship, the proposed directive contains provisions on algorithmic transparency and increased enforcement, transparency and traceability, for example by obliging platforms to share data with the public authorities. Negotiators from the European Parliament and Council reached a provisional [agreement on the proposed directive on 13 December 2023](#). The agreed text still needs to be formally adopted by both European Parliament and Council to enter into force.

The inclusion of platform workers in collective agreements is also of interest. There [are three types of collective bargaining agreement](#) covering platform workers:

- Extending the scope of established collective agreements to cover platform workers. Nevertheless, the extent to which digital platforms have actually adhered to these agreements remains uncertain.
- Specific collective agreements covering platform workers. This approach was used in Denmark, first for the Just Eat platform and extended afterwards. In France, the government implemented in 2021 specific regulations parallel to collective labour law for "social dialogue in the platform employment sector", covering ride-hailing services and delivery of goods. Within this framework, two collective agreements were concluded on 18 January 2023 establishing negotiation methods and setting minimum tariffs.
- Company agreements by trade unions. These agreements allowed workers who were previously self-employed to automatically obtain the status of employee if they exceeded a certain threshold of hours worked through the platform. The 3F union in Denmark followed this approach in 2018 for a digital platform providing household cleaning services.

An additional approach to regulate platform work is to establish codes of conduct as a collection of "voluntary guidelines for large crowdsourcing platforms". In 2017, eight crowdsourcing platforms developed a code of conduct, which received support from the main German union IG Metall.

Main recommendation

The main challenge arising from the discussions regarding the legal status of platform workers is the question of whether they should be classified as employees or independent workers. Digital platform companies often position themselves as mere "intermediaries" between service providers and clients, aiming to evade the responsibilities of an employer. This issue constitutes a central concern that the forthcoming EU legislation on digital platform work needs to address. Furthermore, ensuring collective bargaining rights is crucial to complement labour law and enhance social protection and working conditions for platform workers. The Commission's guidelines on collective agreements for solo self-employed people are also particularly relevant here, as most platform workers are classified as independent contractors, which limits their opportunities for inclusion in social dialogue.

Higher demand for health and long-term care workers

What is the evidence?

Population ageing will increasingly strengthen job demand for care and health occupations. The number of people above the age of 80 years (the most care-intensive group) will increase by 88% towards 2050, and potential care recipients will have fewer children able to provide informal care. This pressure from population ageing comes on top of an existing need for upgrading both sectors in many member states.

Occupations in the health and long-term care sectors are therefore likely to be a source of job creation in the coming years. While robots will find their way into health and caregiving, core tasks are difficult to automate, or may not be preferable to automate. One estimate implies up to 7 million job openings by 2030 in the long-term care sector alone. Health and long-term care occupations are already faced with shortages and high turnover of staff in many countries, due in some measure to unfavourable working conditions. Part-time work is prevalent and many of those working part-time would like to work more hours if the option was available. Temporary contracts and shift work are also important factors. On the other hand, most employees (71%) indicate that they find they are doing useful work, and due to shortages, job security is often good. However, further policy attention to the health and care sector is needed.

How are policy-makers responding to this challenge?

The European Pillar of Social Rights (EPSR) emphasises everyone's right to affordable and high-quality long-term care, particularly home care and community-based services. The implementation of these rights is supported by the EPSR Action Plan and by the European Care Strategy, which strives to deliver high-quality, affordable and accessible care services (including early childhood education and care, and long-term care) while improving working conditions and training for care staff and attracting and retaining more workers to the health and care sector. For member states to deliver on these social rights, adequate staffing is indeed important. The European Commission has set up a technical support project to assist ministries in designing and implementing reforms in the health and long-term care sectors. The Commission has also established a funding instrument to increase research in transforming and improving health and care systems. Efforts to improve working conditions, career development, skills, and job attractiveness in social services are also included in this initiative.

While efforts at the EU level are important, it is member states that are responsible for their health and long-term care systems, and member states' governments that have to ensure adequate funding and personnel. Member states are putting forward a number of policies to secure an adequate long-term care work force. To improve career perspectives within the care sector, several countries (e.g. Bulgaria, Germany, Estonia, Malta, the Netherlands, and Sweden) are supporting measures to increase upskilling opportunities for long-term care workers. This includes increased training (Bulgaria), certification (Malta), and upward career mobility (Sweden).

There are also efforts to improve the public perception of the health and care sectors. In Belgium and the Netherlands, there are initiatives of using long-term care (LTC) workers as 'Care ambassadors' to inform others about the nature of LTC work, while in Denmark there has been a public campaign to promote care professions.

An important obstacle to recruitment is low pay. However, several countries have increased wages significantly in the wake of the COVID-19 pandemic. Prominent examples are Hungary and Slovenia, with increases of 20% and 16% percent. Under the European Care Strategy, attention is also devoted to improving occupational safety and health and work-life balance, reducing discrimination, and promoting collective bargaining and social dialogue.

Main recommendation

Some steps have been taken to improve working conditions for long-term care and health workers in EU member states. To ensure adequate staffing — i.e. to replace coming retirees, recruit additional staff to upgrade long-term care systems and expand staffing to follow the rapid trend of population ageing — continues to be a challenge. Detailed policies and solutions will differ among member states but will involve higher pay and better working conditions overall. This is particularly the case if current tight labour market conditions continue. Immigration of workers into the health and care sectors may offer some relief, but for many countries the language barriers will limit the scale of immigrant workers.

Governments can enhance job quality in long-term care (LTC) by setting high standards that also influence the private sector. This includes raising wages in public LTC facilities and increasing staffing ratios to lessen workloads. Additionally, they can mandate that LTC institutions receiving public funds comply with collective bargaining agreements or higher job-quality standards, such as minimum wages. Collective bargaining, crucial for determining wages and working conditions, offers protection to workers with limited bargaining power. It complements statutory wage and working condition rules, giving workers a voice and allowing employers and employees to jointly tackle challenges.

Conclusions

The policy brief underscores the vital role of collective bargaining in enhancing the quality of new and existing jobs in the face of demographic aging and technological transformation. It emphasises the need for robust collective bargaining mechanisms in various sectors, such as platform work, health, and long-term care, and when it comes to arrangements around working-from-home and hyper-connectivity. Collective bargaining emerges as a crucial tool for aligning the interests of employers and employees, particularly in areas like work-from-home arrangements and platform work, where traditional labour protections are often lacking or inadequate. In the health and long-term care sectors, collective bargaining is essential to address challenges such as staff shortages, low pay, and high turnover, ensuring better working conditions and pay. By facilitating dialogue and agreement between employers and employees, collective bargaining can address inequalities and ensure fair working conditions across different job types and sectors. This approach is especially critical in adapting to the changing nature of work, where flexibility, technological advances, and evolving worker demographics necessitate dynamic and inclusive labour policies.

Further Reading

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About UNTANGLED

UNTANGLED is a three-year interdisciplinary Horizon 2020 research project that seeks to examine the interconnected trends of globalisation, demographic change and technological transformation, and their effects on labour markets in the European Union and beyond. By engaging a broad range of stakeholders, including companies and civil society organisations, we will develop practical policy proposals to help governments cushion the negative impacts of these trends and ensure their benefits are enjoyed fairly across regions and sectors.

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