

INCLUSIVE LABOUR MARKETS: ENSURING NO ONE IS LEFT BEHIND



CARITAS CARES!
EUROPEAN REPORT 2021

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Foreword

Caritas organisations are essential actors in the fight against poverty and social exclusion, and for social justice. They do so by assisting and providing services to people in need, as well as by presenting alternatives to address unfair structures, policies and measures.

The Caritas CARES¹ European and national reports are important instruments in this endeavour. Caritas, present at both national and EU levels, informs local, regional, national and European authorities and formulates recommendations, based on its daily work with people experiencing poverty.

This European report focuses on inclusive labour markets and social economy² as part of national social models. Caritas member organisations in Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Finland, Germany, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Portugal, Romania, Serbia, Slovakia and Slovenia have described and analysed the pre-COVID-19 as well as the post-COVID-19 challenges that should be urgently tackled in order to recover from the socio-economic fallout from the pandemic and to make labour markets more inclusive. They make use of selected sustainable development goals (SDGs) and targets on poverty and employment as reference frameworks, which are based on Caritas Europa's vision for sustainable social models as well as existing EU and Council of Europe processes, programmes and legal instruments.

Based on Caritas' national reports, the European report has been produced by the *Istituto per la Ricerca Sociale* (IRS), under the lead of Chiara Crepaldi, and with the support of the participating Caritas Europa member organisations and staff in the European secretariat, all of whom I would like to warmly thank. Together, we aim to ensure that the voices of the people in the most marginalised situations in our societies are heard by policy makers at national and European levels.



Maria Nyman, Secretary General

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- 1 The CARES (Caritas Actions Reinforce the European Social Dimension) project receives funding from the European Commission. This covers, among other expenses, the costs for producing the biennial Caritas Cares! Series of poverty reports. For more information go to Caritas Europa at www.caritas.eu/cares/.
 - 2 This publication takes its understanding of social economy from the European Commission's roadmap on the Action Plan for the Social Economy: 'The social economy encompasses a variety of businesses, organisations and legal forms. They share the objective of systematically putting people first and producing a positive impact on local communities. The social economy business model aims at reinvesting most of the profits back into the organisation and/or a social cause, and having a participatory/democratic form of governance.'. The legal form or structure of social economy actors may differ among the EU Member States.

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Executive summary



The pre-COVID socio-economic context rife with challenges needing to be tackled

Before the COVID-19 crisis, EU Member States had been experiencing a positive, though decelerating, six-year trend of economic growth which had led to increased employment. However, non-standard employment³ workers, informal workers, young people, older workers, women, persons with disabilities, Roma, migrants, and also care workers – as an example of a particularly-impacted sector, all faced many more challenges with a much higher unemployment rate. In many cases, young people, especially from disadvantaged backgrounds and those who can be classified as NEETs (not in education, employment or training), often have inadequate or poor-quality education and a lack of professional experience which makes it harder to find a job. Migrants are often concentrated in precarious jobs with lower qualifications or perform functions below the level of their qualifications, linked to discrimination, and are often at risk of exploitation. Roma people also face ethnic discrimination, often have limited work experience,

Photos: (Previous page) Young volunteer in training. **Source:** DiCV Münster/Westbeld

(This page) Social activation services for families with children OCH Kutná Hora. **Source:** Jakub Žák



³ ILO, 'Non-standard forms of employment', <https://www.ilo.org/global/topics/non-standard-employment/lang--en/index.htm>, 22/10/2021.

and do not always have access to legal documents. Women are often confined to temporary or part-time employment due to caring responsibilities and still suffer from a gender pay gap. Persons with disabilities have very low employment rates which ties them into State-dependent low-income situations. Non-standard employment and informal workers particularly suffer from low wages, precarious and unsafe working conditions, and exploitation. Care workers are often underpaid and undervalued with many working on informal contracts. Older workers face challenges particularly related to outdated skills, including a lack of digital skills, and the accessibility of workplaces.

Pandemic-induced consequences for the European economy and labour market, and mitigation measures

Since February 2020, the COVID-19 pandemic has reversed the positive socio-economic trend and changed our ways of working and living. The pandemic's labour market impact has been uneven, affecting particularly those groups of workers who were already in situations of vulnerability before the pandemic began. COVID-19 has reinforced pre-existing inequalities and gaps in European labour markets, posing additional risks and challenges to those in the most vulnerable situations in society.

Substantial use of supportive work schemes helped mitigate the consequences of the crisis. All Member States considered in this report have extended (or introduced) short-time work schemes and alternative forms of job preservation to limit job losses and to sustain the economy and residents' ability to pay their living costs despite the lockdowns. The implementation of several support measures in European countries - thanks to the EU's investments and common efforts - have helped to prevent the emergence of an employment catastrophe across the EU, but the socio-economic impacts of the pandemic have nevertheless been felt.

Since the outbreak of the pandemic, Caritas member organisations and other not-for-profit social service providers and civil society organisations have been stepping in and racing to mitigate these impacts, despite their own limited resources and a lack of state support. Caritas member organisations have been adapting their services to the new situation and have introduced new measures and services dedicated to those in the most vulnerable situations, including those not entitled to formal services. These services have varied from country to country as have the population groups seeking support. Caritas member organisations have adopted contingency and safety plans, and modified their responses, such as working from home, offering remote/online services, adapting schedules for emergency staff, distributing essential goods, and ensuring self-protection measures. Overwhelmingly, Caritas' members have

commented on the increased uptake in services and the fact that many of those in need of support believed that they never thought they would need to rely on Caritas, implying that COVID-19 has affected even those who normally feel secure and who previously regarded themselves as further from the poverty threshold than others.

EU frameworks and Semester process must fight inequalities and tackle challenges faced by people in vulnerable situations across the EU

The country specific recommendations (CSRs) delivered to most of the countries analysed in this research address access to quality social services and the need to modernise employment protection legislation, towards more flexible working arrangements, to adapt to teleworking and to the social distancing prescriptions and social protection systems, to strengthen safety nets, and to tackle the socio-economic crisis caused by the pandemic. According to more than half of the Caritas member organisations contributing to this report, the CSRs and National Reform Programmes (NRPs) dealing with policies addressing inclusive employment do adequately reflect the reforms needed to tackle the current weaknesses of the country's labour market, but the needs and challenges faced by groups in vulnerable situations should be given more attention.

The EU reaction to the crisis has been quick and Member States have received unprecedented financial support to mitigate the economic, social and health impacts of the crisis and enhance the recovery. However, it is imperative that the **National Recovery and Resilience Plans**⁴ (NRRPs) address social issues and include targeted support for the social service sector, something Caritas Europa and Social Services Europe (SSE) have been stressing throughout the pandemic.⁵ Caritas member organisations have expressed similar concerns regarding the CSRs on how resources have been targeted, in particular that more attention should have been paid to groups in vulnerable situations and to fighting inequalities present in EU countries.

4 European Commission, 2021, 'National recovery and resilience plans', https://ec.europa.eu/info/business-economy-euro/recovery-coronavirus/recovery-and-resilience-facility_en#national-recovery-and-resilience-plans, 01/12/2021

5 For instance, Caritas co-organised a webinar, calling for the strengthening of Europe's safety net, with the European Policy Centre and Social Services Europe; the video of which can be found here: <https://www.epc.eu/en/events/Strengthening-Europes-safety-net-The-Role-of-the-3dd614>.

Importance of EU policies to support labour market inclusion measures, tailored to specific people in vulnerable situations

Considering the labour market difficulties faced by many young people throughout the EU, both before and as a result of the COVID-19 pandemic, the **reinforced Youth Guarantee (rYG)** is perceived to be a positive step. If successfully implemented, the rYG would be valuable in helping young people find employment or pursue continued education, an apprenticeship, or a traineeship within four months of becoming unemployed or leaving education. But this success is contingent on the rYG reaching highly marginalised groups and being interconnected with well-functioning public employment services, education and training systems.

Most countries have specific policies in place to help migrants and refugees access the labour market, while only a minority have put in place new policies to help migrants and refugees in response to the pandemic. Effective implementation of the **EU Action plan on Integration and Inclusion 2021-2027** will contribute to improving the integration of migrants and refugees in their new countries of residence. This Action Plan is a useful tool to address the structural challenges preventing migrants from enjoying full inclusion, and which could eventually contribute to better recognition of the important contribution they make to the EU (as well as their countries of origin).

Many governments have implemented policies to help Roma communities access the labour market, but much remains to be done to overcome prejudice and discrimination by employers and employees. The implementation of the new **EU Roma Strategic Framework for equality, participation and inclusion 2020-2030** will better support Roma people and contribute to fostering their inclusion in the EU, including education and labour market inclusion. Linked to the above policy is the **EU Anti-racism Action Plan 2020-2025**. Among others measures, the Action Plan calls for better enforcement of existing EU law and closer coordination, which should be supported by regular dialogue, with stakeholders meeting at least twice a year. With the implementation of national action plans against racism, Caritas Europa is hopeful that the EU and its Member States will step up their engagement to monitor and sanction discrimination and xenophobia and to raise awareness of the need for continued anti-bias training, particularly in the field of employment, job recruitment and retention.

All countries involved in this study have gender equality policies or strategies in place with regard to the labour market. The implementation of these policies has contributed to improving equality between women and men. Nevertheless, the involvement of women in the labour market could be strengthened by reforms and investments promoting early childhood education and care, as well as long-term care services, and work-life balance policies. The implementation of the new **EU Gender Equality Strategy 2020-2025** could lower the higher risk of poverty for women and break down persistent gender stereotypes.

The pursuit of a broad-based approach to reducing discrimination against women is needed. In doing so, the experiences and suggestions coming from equality work by civil society organisations, local authorities and regional administrations should be used when implementing the strategy across all EU Member States.

The new [EU Strategy for the Rights of Persons with Disabilities 2021-2030](#) gives clear direction to the social services for persons with disabilities, and it proposes achievable and ambitious initiatives that the EU can take to contribute to the implementation of the [UN Convention on the Rights of Persons with Disabilities \(UNCRPD\)](#). Particularly important will be the upcoming package to improve the labour market outcomes of persons with disabilities (in 2022) and the impact of the EU Action Plan for the Social Economy. The grassroots experience from civil society organisations and from local authorities and regional administrations should be used when implementing this strategy across all EU Member States.

The European Commission and Member States should promote the employability of older people and, in general, tackle unemployment and improve access to job opportunities. The EU should support and promote the agenda of good working conditions for older workers who want and are able to work. Concrete measures could be considered, such as improving the skills, particularly digital skills, of older workers with adapted training courses; promoting flexible working hours and part-time working arrange-

Photo: Caritas in action – distribution of food packages to the poor and elderly. **Source:** Caritas Serbia, 2020



ments for older persons, and which does not disqualify them from full social protection (part-time pension in combination with part-time work); improving health and safety policies in the workplace, including mental health; and promoting policies that combat ageism and discrimination due to age in the workplace. Promoting access to and staying in the labour market until retirement age will also have a positive impact on the level of their retirement pension and will thus contribute to reducing old-age poverty.

Temporary employment, part-time work, as well as work on digital platforms are among the most common forms of non-standard employment across the EU. The informal economy is also a present occurrence across many countries. The characteristics of non-standard forms of work and informal work are similar, though the concepts are different, in that they expose workers to precariousness and limited social protection. Even though there are policies in place to address the informal economy, they are in most cases considered by Caritas member organisations as unsuccessful, as there is insufficient public investment in labour inspections and no judicial institutions to enforce existing regulations. Caritas Europa is eager for increased protections to address the rising phenomena of non-standard employment, informal employment, and new forms of precariousness, areas of concern that some Member States identified in their national plans.⁶ Policies and reforms are needed to ensure dignified and transparent working conditions and adequate social protection for all workers so that no one is left behind. In this regard, additional incentives could be offered to employers for hiring workers on formal contracts. Also, non-standard workers should have adequate access to social protection and eligibility for unemployment benefits as well as opportunities to engage in training and reskilling.

6 27 Member States have submitted their national plans to the EC, most of which include measures to address at least one of the four areas of the 2019 Council Recommendation on access to social protection; effective coverage for all workers and self-employed (regardless of the type of employment relationship), adequate level of protection (decent standard of living, appropriate income replacement), and transparency of the conditions and rules as well as administrative simplification. Nevertheless, considerable differences in range, scope and timing of the measures were put forth in these national plans. For instance, at least 21 plans include measures to improve access to social protection, in general, yet they do not endeavour to cover all the gaps identified in the monitoring framework or the Country-Specific Recommendations issued in the 2020 European Semester cycle. “Most measures (implemented or foreseen) relate to formal coverage of non-standard workers or the self-employed (in [at least] 15 Member States) and improving adequacy (in [at least] 13 Member States), with a focus on pensions, unemployment and sickness benefits. Fewer measures are envisaged regarding effective access, preservation and transferability of entitlements and transparency and simplification”. European Commission, 2021, “2022 European Semester: proposal for a Joint Employment Report”, https://ec.europa.eu/info/sites/default/files/economy-finance/2022_european_semester_proposal_for_a_joint_employment_report_0.pdf, pp 144, 06/12/2021.

The long-term care workforce is key in delivering a person-centred quality service. Even before the pandemic, the sector was experiencing increasing staff shortages, often largely due to low wages and precarious working conditions, which make the sector unattractive. This context and the impact of the pandemic on long-term care should make this field of work a priority in the EU's efforts to improve access to social rights and decent work.⁷ Given the fact that care-workers in general were labelled as 'relevant for the social systems' and were deemed 'system-relevant' during the pandemic, the establishment of care-worker corridors between borders would have been a pragmatic and fair solution that could have contributed to lowering the emergency nature of the pandemic. More needs to be done post-COVID-19 to build a more sustainable social care system, especially given the increasing need for care.

Truly adequate minimum wages are essential

Being employed does not always mean earning enough money to enjoy a decent living. In recent years, there has been an increase in low-wage earners and their situations have deteriorated in many countries. Consequently, in-work poverty has increased over the last decade in most EU Member States. Minimum wages, set either through statutory minimum wages or through collective bargaining, are essential for all workers, especially those in the most vulnerable situations. However, many workers in the EU are currently not guaranteed an adequate minimum wage. In some cases, it is not being implemented, or where it is implemented, it does not cover all sectors and categories of workers. Moreover, its level varies considerably across Member States. Many Caritas organisations think that the level of the minimum wage in their own country is insufficient and that the adoption and implementation of an **EU Directive on adequate minimum wages** could be a significant step in reducing in-work poverty, promoting upward social convergence, and in the longer term, promoting a more inclusive labour market. In addition, an EU-wide job guarantee could effectively set a wage floor and help tackle the triple threat of unemployment, public-health deficits and environmental neglect.

⁷ The **Action Plan for the European Pillar of Social Rights** (principle 18) acknowledges the need to better understand the challenges related to long-term care, such as the need to improve care access, affordability, and quality; and to ensure an adequate workforce while also providing clarity on the coordination of long-term care benefits in cross-border situations. The EC will publish an LTC Initiative in 2022 which will hopefully propose solutions to these challenges.

Necessary reskilling and upskilling policies to support the digital and green transitions

A quarter of young adults do not have a qualification that gives them direct access to the labour market. In addition, adults with lower qualifications are far less involved in learning and training initiatives, even though they need them the most. At the same time, the COVID-19 crisis has highlighted the importance of strengthening digital skills. New skills will be required in the future and workers will need to adapt to the rapid shift towards a climate neutral Europe and digital transformation. The Commission has recently published a new [European Skills Agenda](#) and a [Recommendation on Effective Active Support to Employment \(EASE\)](#) so as to enable everyone to have the right skills they need to undertake employment. Upskilling and reskilling training programmes ought to be adapted to the capacities and desires of individuals and to ensure tailor-made support for groups in vulnerable situations.

Importance of the social economy, backed by adequate funding and policies

Social economy enterprises are in line with the work and vision of Caritas. At the same time, they contribute to developing sustainable social services and social policies within both global and European reference frameworks. Social economy enterprises play a major role in fostering access to services for those in the most vulnerable situations, with specific attention to good working conditions, and gender and racial equality, etc. In most of the countries analysed, policies exist that promote the social economy and social economy enterprises, but they are not always successful as they are often insufficient and not adequately integrated into strategic policymaking. Nevertheless, in various countries, the number of social enterprises is increasing, and gaining importance as a tool to combat the unemployment of people in vulnerable situations. The EU Action Plan on the Social Economy will hopefully support and promote the social economy in all its forms across Europe and develop the social economy ecosystem towards a more inclusive labour market.

Lessons learned/conclusions

In most, if not all, European countries, there already are legislative and non-legislative frameworks (at both EU and national levels) that aim to address many long-term socio-economic problems and to support groups in vulnerable situations, such as their working conditions, social protection, and ensuring equality and non-discrimination in the workplace. Across Europe, however, there are still common gaps in the realisation of an inclusive labour market, increasingly brought to light by COVID-19. There are many legislative and policy initiatives that do not go far enough in tackling the deep-rooted issues attributed to the causes of vulnerability in the first place, and some measures are poorly implemented due to lack of political will.

Furthermore, whilst Caritas has been able to ease the burden of many individuals and families through the provision of practical social support, the need for social service assistance on such a scale as that witnessed during COVID-19 has revealed fragile national welfare and social protection systems. Many people continue to face major barriers to basic necessities such as food, housing, clothing, and other material resources, which are necessary prerequisites for being able to access and maintain a job.

In response, Caritas continued its innovative and promising practices that promote an inclusive labour market through social entrepreneurship, training programmes, exchanges and collaboration, all with the aim of being an inspiration for upscaling and furthering similar practices at national and European levels. Caritas also seeks to be a catalyst for positive change by reminding all stakeholders what an inclusive labour market should look like - with protected, supported and empowered workers of both sexes, all age groups, all capabilities, and from all backgrounds.

For the EU and its Member States to achieve a truly inclusive labour market and to meet the 2030 goal of decent work for everyone (SDG 8) in the context of the COVID-19 recovery, major political and financial investments need to be prioritised to help shape the future of the labour market and the welfare system in Europe, and to bring about a sustainable and inclusive recovery that can withstand the digital, demographic and ecological challenges of our time. Policy makers must invest not only in active labour market measures but also in social protection for all, ensuring individualised services to help those in the most vulnerable situations in our society.

Introduction and methodology

This report examines the topic of labour market inclusion and is based on a carefully designed questionnaire to collect data, information and analyses from the 18 participating Caritas member organisations and partners: Caritas Austria, Belgium, Cyprus, Czech Republic, Finland, Germany, Italy, Latvia, Luxembourg, Malta, Portugal, Slovakia, Slovenia as well as Social Justice Ireland. The report makes use of Eurostat data collected over the last decade as well as other grey literature. It is also founded on the experiences of Caritas Europa in the policy field, and on its partnerships with other organisations.

This publication is structured in the following way: **Section 1** identifies the current challenges in the European labour market with an assessment of the socio-economic context of the labour market pre-COVID-19 pandemic. Not only does it identify different population groups and the labour market-related challenges they experienced pre-pandemic, but it also includes insight into the additional challenges they experienced as a result of the global pandemic and the support offered by Caritas in response. **Section 2** assesses the success of national and EU level policies in addressing the challenges outlined in **Section 1**, and in improving the inclusiveness of the labour market, looking particularly at the ESF and the European Semester process. **Section 3** outlines Caritas' promising practices geared towards promoting an inclusive labour market across Europe. Finally, **Section 4**, concludes the report and presents both EU and national level policy recommendations.

However, in order to set the context, the report first outlines the various European and international frameworks for an inclusive labour market.

Frameworks for an inclusive labour market



The most prevalent international frameworks relating to the labour market are as follows: the United Nations (UN) Agenda 2030 and the Sustainable Development Goals (SDGs), the International Labour Organisation Conventions, the European Charter of Fundamental Rights, the Revised European Social Charter, and more recently, the European Pillar of Social Rights (EPSR) (2017).

The proclamation of the EPSR in April 2017 has sought to upgrade the social dimension of growth and convergence in the EU political agenda. Its 20 principles are meant to be the compass guiding the EU Member States towards a strong social Europe that is fair, inclusive, and full of opportunity. The Pillar supports a number of important legislative and non-legislative proposals at the EU level. The following are among the most relevant in terms of contributing to labour market inclusion:

Photos: (Previous page) Home of St. Lawrence and sheltered workshops for people with chronic mental illness in Meclov u Domažlic (belongs to DCH Plzeň). **Source:** Jakub Žák

(This page) CARLA - Caritas Austria second-hand clothing store. **Source:** Jakob Drews



EPSR Principles linked to labour market inclusion with reference to specific EU policies

- Principle 1:** Education, training and lifelong learning, related to the *European Skills Agenda*;⁸
- Principle 2:** Gender equality, related to the *EU Gender Equality Strategy*⁹ and the proposal for an *EU pay transparency Directive*;¹⁰
- Principle 3:** Equal opportunities, related to the *EU Anti-racism Action Plan*,¹¹ the *EU Action Plan on Integration and Inclusion*¹² and the *EU Roma Strategic Framework for equality, inclusion and participation*;¹³

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- 8 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, 'European Skills Agenda for sustainable competitiveness, social fairness and resilience', COM/2020/274 final, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52020DC0274>, 21/09/2021.
- 9 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, 'A Union of Equality: Gender Equality Strategy 2020-2025', COM/2020/152 final, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52020DC0152>, 22/09/2021.
- 10 Proposal for a Directive of the European Parliament and of the Council to strengthen the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms', COM/2021/93 final, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52021PC0093>, 22/09/2021.
- 11 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, 'A Union of equality: EU anti-racism action plan 2020-2025', COM/2020/565 final, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2020%3A0565%3AFIN>, 23/09/2021.
- 12 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, 'Action plan on Integration and Inclusion 2021-2027', COM/2020/758 final, <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=COM%3A2020%3A758%3AFIN>, 24/09/2021.
- 13 Communication from the Commission to the European Parliament and the Council, 'A Union of Equality: EU Roma strategic framework for equality, inclusion and participation', COM/2020/620 final, EUR-Lex - 52020DC0620 - EN - EUR-Lex (europa.eu), 24/09/2021.

Principle 4: Active support to employment, related to the *EU Youth Employment Support package*,¹⁴ the *Recommendation on Effective Active Support to Employment (EASE)*,¹⁵ and to the *EU Action Plan for the Social Economy*,¹⁶

Principle 5: Secure and adaptable employment, related to the *EU Directive on transparent and predictable working conditions*,¹⁷ and the proposal for an *EU Directive to improve the working conditions in platform work*,¹⁸

Principle 6: Wages, related to the *proposal for an EU Directive on Adequate Minimum Wages*,¹⁹

Principle 7: Information about employment conditions and protection in case of dismissals;

Principle 8: Social dialogue and involvement of workers;

Principle 9: Work–life balance, related to the *EU Work–life Balance Directive*,²⁰

14 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, ‘Youth Employment Support: a Bridge to Jobs for the Next Generation’, COM/2020/276 final, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020DC0276>, 25/09/2021.

15 ‘Commission Recommendation (EU) 2021/402 of 4 March 2021 on an effective active support to employment following the COVID-19 crisis (EASE)’, C/2021/1372, OJ L 80, 8.3.2021, p. 1–8 (BG, ES, CS, DA, DE, ET, EL, EN, FR, HR, IT, LV, LT, HU, MT, NL, PL, PT, RO, SK, SL, FI, SV), <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32021H0402>, 26/09/2021.

16 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions ‘Building an economy that works for people: an action plan for the social economy’, COM/2021/778 final, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52021DC0778>, 03/02/2022.

17 ‘Directive (EU) 2019/1152 of the European Parliament and of the Council of 20 June 2019 on transparent and predictable working conditions in the European Union’, PE/43/2019/REV/1, OJ L 186, 11.7.2019, p. 105–121 (BG, ES, CS, DA, DE, ET, EL, EN, FR, GA, HR, IT, LV, LT, HU, MT, NL, PL, PT, RO, SK, SL, FI, SV), <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX:32019L1152>, 26/09/2021.

18 ‘Proposal for a Directive of the European Parliament and of the Council on improving working conditions in platform work’, <https://eur-lex.europa.eu/legal-content/EN/PIN/?uri=CELEX:52021PC0762>, 03/02/2022.

19 ‘Proposal for a Directive of the European Parliament and of the Council on adequate minimum wages in the European Union’, COM/2020/682 final, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52020PC0682>, 27/09/2021.

20 ‘Directive (EU) 2019/1158 of the European Parliament and of the Council of 20 June 2019 on work–life balance for parents and carers’ and repealing Council Directive 2010/18/EU, PE/20/2019/REV/1, OJ L 188, 12.7.2019, p. 79–93 (BG, ES, CS, DA, DE, ET, EL, EN, FR, GA, HR, IT, LV, LT, HU, MT, NL, PL, PT, RO, SK, SL, FI, SV), <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32019L1158>, 28/09/2021.

Principle 10: Healthy, safe and well-adapted work environments and data protection, related to the *EU Strategic Framework on health and safety at work 2021-2027*²¹ and the proposal for an *EU Directive to improve the working conditions in platform work*;²²

Principle 12: Social protection, related to the *Council Recommendation on access to social protection for workers and the self-employed*,²³ and the proposal for an *EU Directive to improve the working conditions in platform work*;

Principle 17: Inclusion of persons with disabilities, related to the *EU Strategy for the Rights of Persons with Disabilities*;²⁴

Principle 18: Long-term care, related to the upcoming LTC Initiative in 2022.

21 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, 'EU strategic framework on health and safety at work 2021-2027 Occupational safety and health in a changing world of work', COM/2021/323 final, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52021DC0323&qid=1626089672913>, 27/09/2021.

22 'Proposal for a Directive of the European Parliament and of the Council on improving working conditions in platform work', <https://eur-lex.europa.eu/legal-content/EN/PIN/?uri=CELEX:52021PC0762>, 03/02/2022.

23 'Proposal for a Council Recommendation on access to social protection for workers and the self-employed', COM/2018/0132 final - 2018/059 (NLE), <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2018:0132:FIN>, 26/09/2021.

24 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, 'Union of Equality: Strategy for the Rights of Persons with Disabilities 2021-2030', COM/2021/101 final, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2021%3A101%3AFIN>, 25/09/2021.

Naturally, there are additional principles that may impact indirectly on a person's ability to access work and to achieve upward social mobility as a result of employment. The implementation of the Pillar principles is key to designing policy measures in support of workers and households, ensuring equal opportunities and access to the labour market, fair working conditions, social protection, health and inclusion for all.²⁵

At the same time, the implementation of **Agenda 2030** and the **SDGs** is the cornerstone of the EU's overarching long-term socio-economic model intended to put social, economic, and environmental sustainability on an equal footing. The 2030 Agenda for Sustainable Development has, at its core, the promotion of decent work, employment creation, social protection, rights at work and social dialogue. The key role of decent work for all in achieving sustainable development is highlighted by SDG 8, which aims to 'promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all'. Crucial aspects of decent work are also present in the targets of several of the other 16 SDGs within a comprehensive picture aimed at promoting a better future for all, toward reducing threats to the planet's sustainability, and correcting existing inequalities and imbalances in the labour market.

The **European Union's Charter of Fundamental Rights**²⁶ represents a significant contribution to the promotion of rights on employment and industrial relations in the EU. This is not only at the level of the EU institutions but, even more perhaps, at the Member State level. The EU Charter is in fact an independent source of rights and is not limited to national practice within individual Member States. The Charter introduced new social and economic rights as a first layer for the promotion of the European social model. In relation to labour rights, the EU Charter includes several provisions: of particular relevance is the promotion of more inclusive labour markets, the prohibition of child labour and protection of young people at work, fair and just working conditions, non-discrimination, and equality between men and women.²⁷

Based on Catholic Social Teaching and within Caritas' framework for action, Caritas Europa calls for the recognition that economic activities must operate within a broader moral framework of transparency and accountability, respect for human dignity, fairness, and a vision of integral and authentic development that goes beyond mere material profits. For Caritas Europa, the economy must serve people, not the other way around. Work is more than a way to make a living; it is a form of participation in society. If the dignity of work is to be protected, then the basic rights of workers must be respected – the right to productive work, to decent and fair wag-

25 See Caritas Europa's analysis of the EPSR Action Plan here: https://www.caritas.eu/wordpress/wp-content/uploads/2021/06/210622-EPSR-AP-CE-analysis-public_final.pdf.

26 The Charter was proclaimed at the Nice Summit on 7 December 2000 and then incorporated into the EU Treaties.

27 ETUI, 2003, 'European labour law and the EU Charter of Fundamental Rights', <https://www.etui.org/about-etui/networks/the-transnational-trade-union-rights-experts-network-ttur/european-labour-law-and-the-eu-charter-of-fundamental-rights>, 20/10/2021.

es, to the organisation and joining of unions, to private property, and to economic initiative. In the final statement of Pope Francis' *'Economy of Francesco'*,²⁸ it is stated that 'the right to decent work for all, family rights and all human rights [must] be respected in the life of each company, for every worker, and guaranteed by the social policies of each country.'

For Caritas, respecting the rights and dignity of every worker necessitates a human-centred economy, founded on the 2030 Agenda and the SDGs, which puts people, the environment, and climate at the centre of the economic system and is based on an understanding of how economic, environmental, climate and social rights are interlinked and interdependent. It is a sustainable and inclusive social model, which does not consider economic

growth as an end in itself, but rather as a means for social and environmental progress in combination with climate protection. Human-centred economic policies are therefore based on an assessment of social and environmental needs and boundaries, and are developed with the common good in mind in order to deliver benefits for people and for the planet.

An essential element of a human-centred economy is an inclusive labour market, one of the three pillars of **Caritas' social model**. Active inclusion, adequate income, sustainable employment, and quality services remain mandatory objectives for every economic system oriented towards justice and the common good. Inclusive labour markets, therefore, recognise the value of work and people's contributions to society.

28 Pope Francis, 2020, 'The Economy of Francesco', <https://francescoeconomy.org/final-statement-and-common-commitment/>, 21 November 2020, 05/11/2021.

SECTION 1

Current challenges in the European labour market



1.1. The labour market: pre- and post-pandemic

1.1.1. The evolution of the socio-economic context in figures

Before the COVID-19 crisis, EU Member States had been experiencing a positive, though decelerating, six-year trend of economic growth, which began in 2013 and led to employment growth and unemployment decline. At the end of 2019, the EU27 (referring to the 27 EU Member States) reached their highest level ever of people in employment (209.5 million people in the fourth quarter (Q4) of 2019, 1.9 million more than in Q4 of 2018²⁹); the overall employment rate of people aged 20–64 reached 73%, while unemployment reached a record low of 6.5%. However, even in such a positive context, considerable differences could be observed among EU countries and between men and women, as is evident by figure 1 and 2.

Photos: (Previous page) Asylum house for mothers with children in need and leisure activities for children FCH Kralupy nad Vltavou. **Source:** Lubomír Kotek

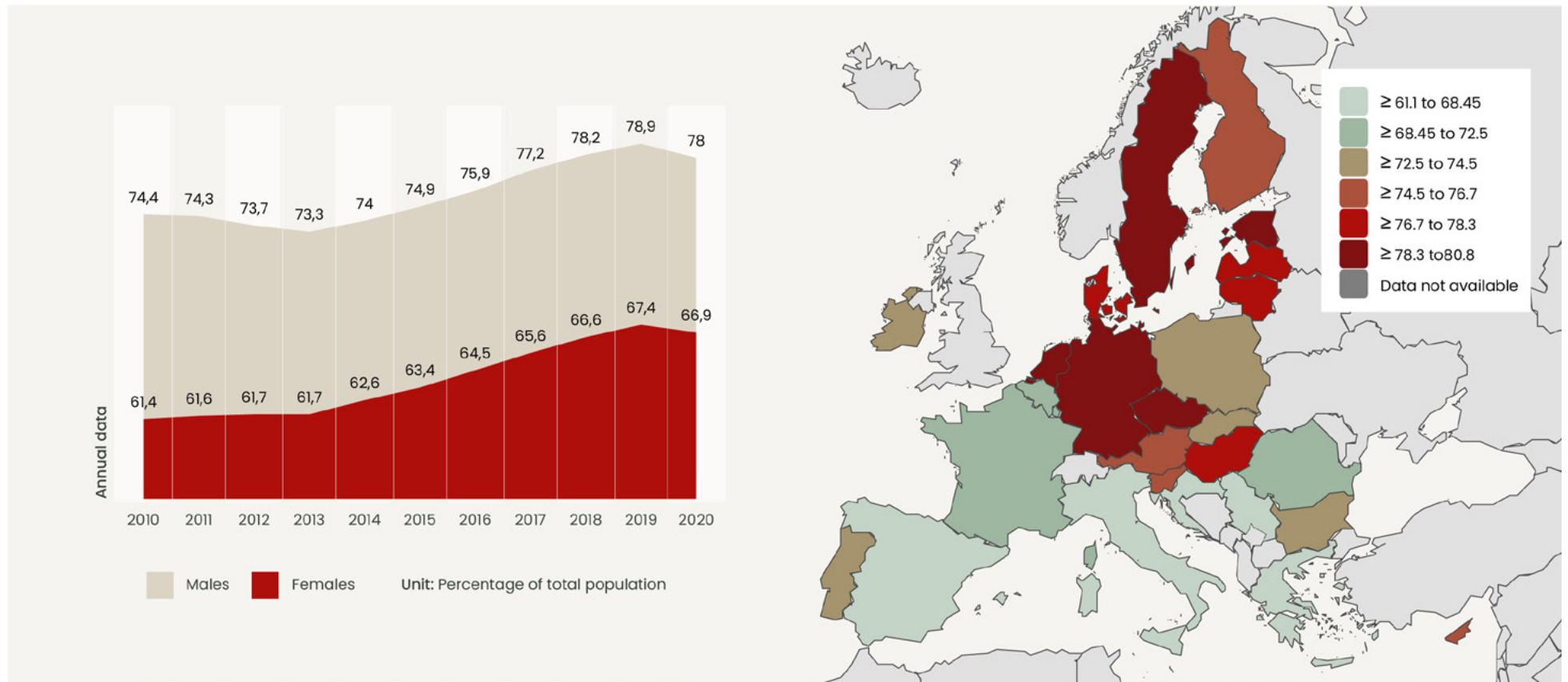
(This page) Caritas Cologne food distribution to people in need. **Source:** Andreas Sellner, Caritas Cologne



29 European Commission, 2021, 'Joint Employment Report', *Joint Employment Report 2021*, 15/10/2021.

Figure 1. Employment rate (in %), age group 20-64, 2010-2020 and 2020

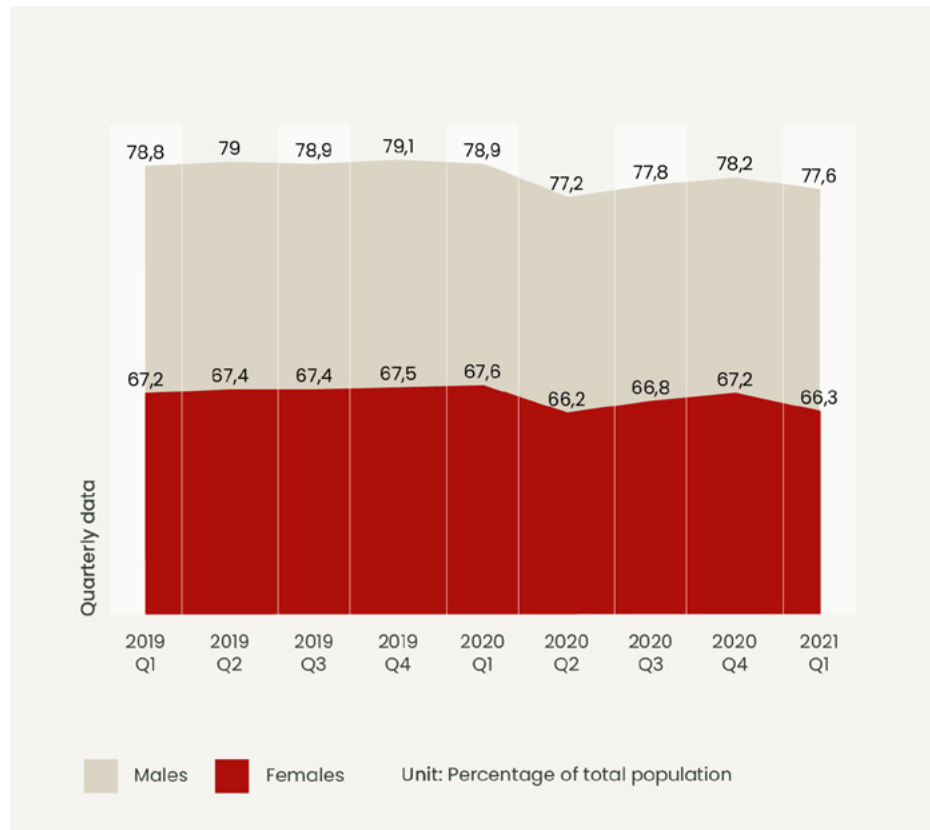
Source: Eurostat, Employment and activity by sex and age – annual data³⁰



30 Figure 1: Eurostat, 2010-2020, 'Employment and activity by sex and age – annual data', http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfisi_emp_a&lang=eng, 17/08/2021 and Eurostat, 2020, 'Employment rate by sex, age group 20-64', https://ec.europa.eu/eurostat/web/products-datasets/-/t2020_10&lang=en, 14/04/2021.

Figure 2. Employment rate (in %), age group 20–64, 2019–2021

Source: Eurostat, Employment and activity by sex, age group 20–64 – quarterly data³¹



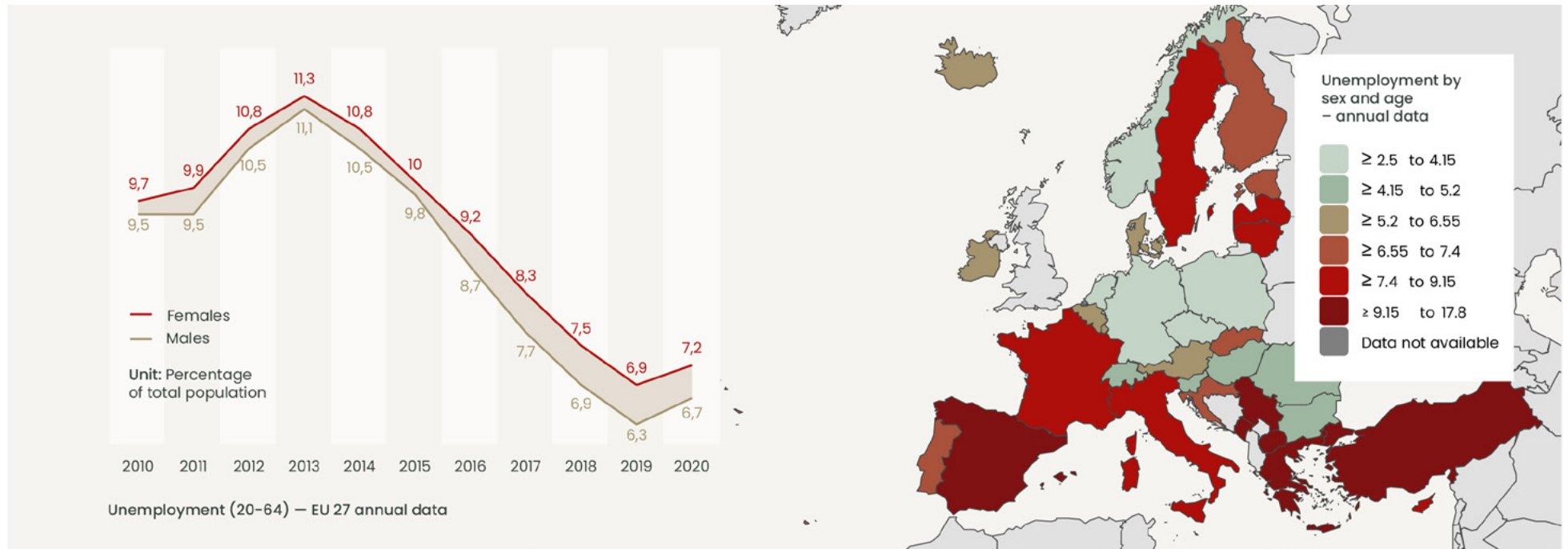
Since February 2020, the COVID-19 pandemic has reversed this trend, changing our ways of working and living.³² The **male employment** rate dropped from the highest level of the decade (79.1% in Q4 2019) to 77.2% in Q2 2020, and then regained a few percentage points in the following months to reach 77.6% in Q1 2021. Data on females have remained more stable, with a reduction from the highest level of 67.6% in Q1 2020 to 66.3% in Q1 2021.

31 Figure 2: Eurostat, 2021, 'Employment rate by sex, age group 20–64 – quarterly data', https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfsi_emp_q&lang=en, 18/08/2021..

32 European Commission, 2021, 'Joint Employment Report', *Joint Employment Report 2021*, 15/10/2021.

Figure 3. Unemployment rate in (%), age group 20–64, 2010–2020 and 2020

Source: Eurostat, Unemployment by sex and age – annual data³³



Similarly, after a long period of continuous reduction in **unemployment rates**, by April 2020 the COVID-19 crisis had resulted in a reversal of the trend for both men and women. However, the situation and the evolution occurred differently across countries, especially due to the socio-economic

conditions existent before the pandemic broke out. Ultimately, those countries that had already been tackling previous serious challenges were more exposed to the consequences of the socio-economic shocks brought on by COVID-19.

33 Figure 3: Eurostat, 2010–2020, 'Unemployment by sex and age – annual data', https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_a&lang=en, 17/08/2021 and Eurostat, 2020, 'Unemployment by sex and age – annual data', https://ec.europa.eu/eurostat/databrowser/view/UNE_RT_A__custom_1311822/default/map?lang=en, 20/09/2021.

1.1.2. Challenges in the labour market for target groups in vulnerable situations

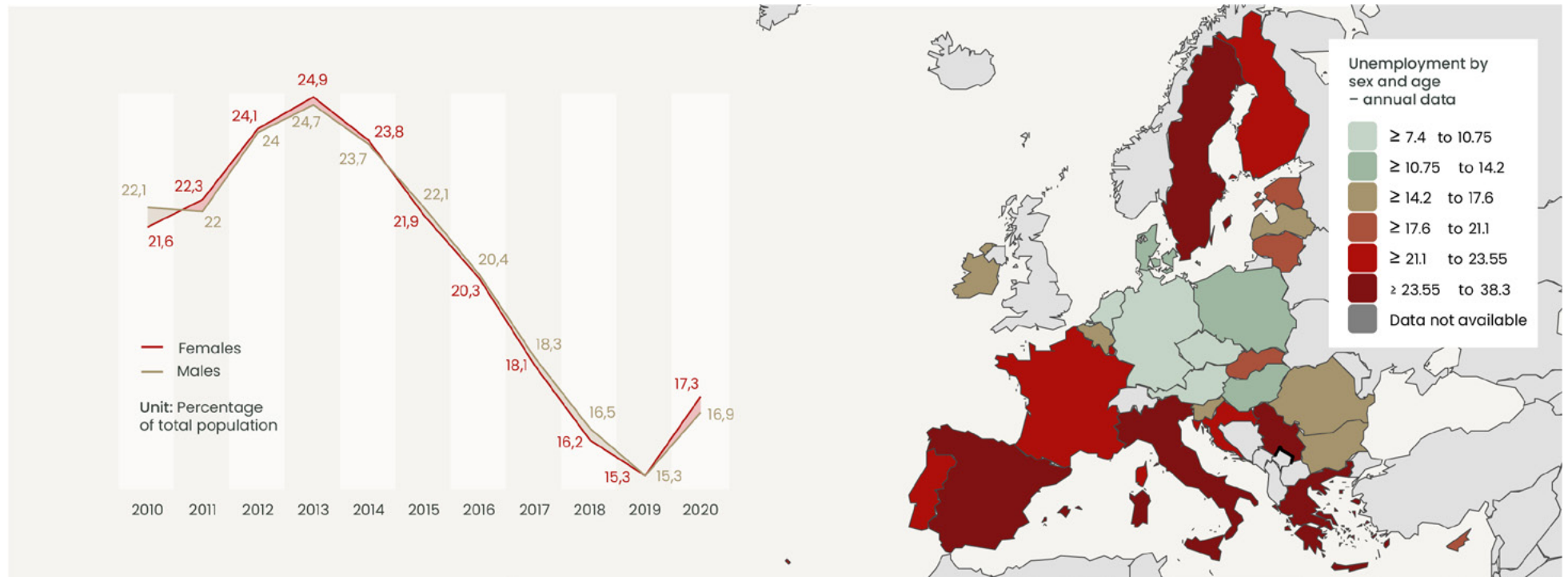
Based on the findings from Caritas poverty reports in 18 countries, specific target groups – young people, migrants, Roma, women, persons with disabilities, older age groups, non-standard employment³⁴ workers, informal workers, as well as the particular sectorial example of care workers – have been facing particular challenges in the labour market.

Young people have been experiencing one of the most vulnerable situations across Europe with a much higher unemployment rate in comparison to the overall population. This reached its peak in 2013 at 24% and then gradually decreased to 15% in 2019. However, there were strong differences between Member States, with countries such as Germany, the Netherlands and Austria having the lowest unemployment rates and countries such as Spain, Italy and Greece suffering the highest unemployment rates.

³⁴ ILO, 'Non-standard forms of employment', <https://www.ilo.org/global/topics/non-standard-employment/lang--en/index.htm>, 22/10/2021.

Figure 4. Youth unemployment rate (in %), age group 15–24, 2010–2020 and 2020

Source: Eurostat, Unemployment by sex and age – annual data³⁵



35 Figure 4: Eurostat, 2010–2020, 'Unemployment by sex and age – annual data', https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_a&lang=en, 18/08/2021 and Eurostat, 2020, 'Unemployment by sex and age – annual data', https://ec.europa.eu/eurostat/databrowser/view/UNE_RT_A__custom_1223467/default/map?lang=en, 18/08/2021.

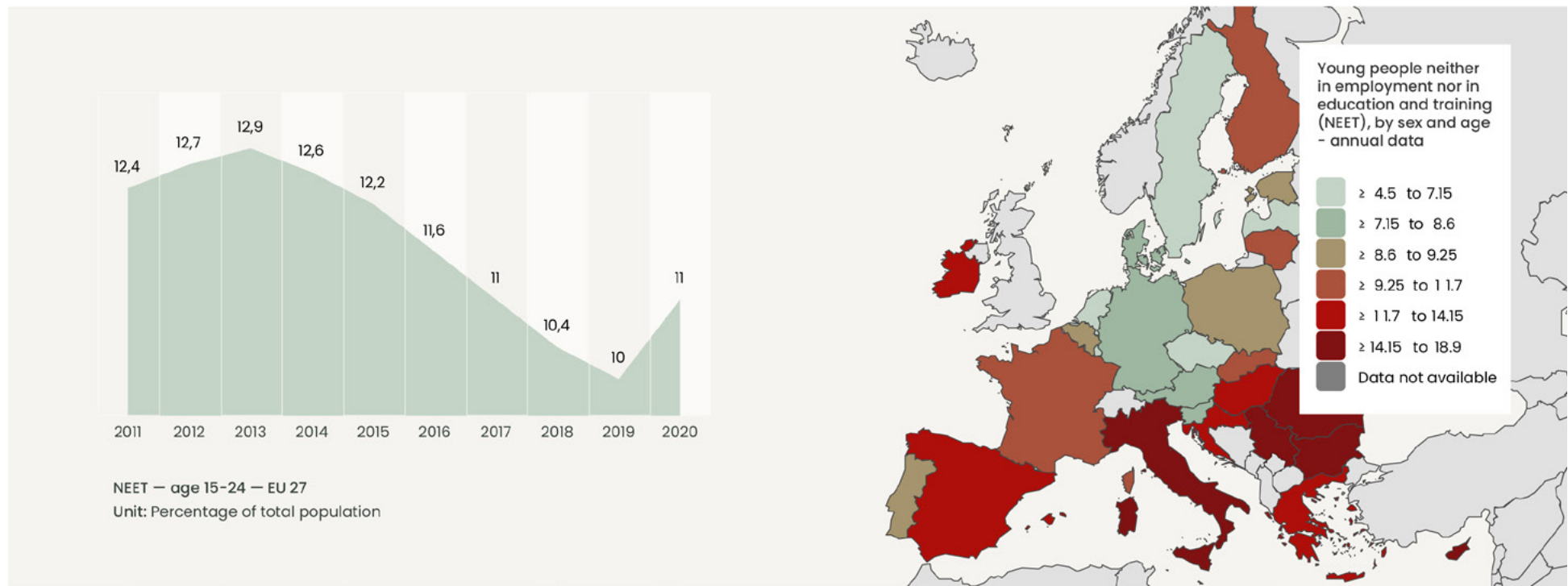
Also relevant are the differences in the number and situation of NEETs (young people neither in employment nor in education and training). This rate had also reached its peak in 2013 at 12.9% and then gradually decreased to a slightly lower rate of 10% in 2019. The differences between Member States are very similar to those for the general unemployment rate, with a much better situation in the Netherlands and a much worse situation in Bulgaria and Romania. But while Bulgaria, thanks to the contribution of EU funding

and policies addressing labour market challenges, has successfully been tackling the phenomenon of NEETs, with a decrease from 21.8% in 2011 to 13.7 in 2019 (which then increased to 14.4% in 2020), the Netherlands – over the same period – had not made any further improvements, remaining stable at 4.3% (with a slight increase to 4.5% in 2020). In Romania, over the same period, NEETs decreased from 17.5% in 2010 to 14.7% in 2019 (and then rose to 14.8% in 2020).³⁶

36 Eurostat, 'Young people neither in employment nor in education and training (NEET), by sex and age - annual data' https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfsl_neet_a&lang=en, 18/08/2021.

Figure 5. Percentage of young people neither in employment nor in education and training (NEET), 2010–2020 and 2020

Source: Eurostat, Young people neither in employment nor in education and training (NEET), by sex and age – annual data³⁷



37 Figure 5: Eurostat, 2010–2020, ‘Young people neither in employment nor in education and training (NEET), by sex and age – annual data’, https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfsi_neet_a&lang=en, 18/08/2021 and Eurostat, 2020, ‘Young people neither in employment nor in education and training (NEET), by sex and age – annual data’, https://ec.europa.eu/eurostat/databrowser/view/LFSI_NEET_A__custom_1222903/default/map?lang=en, 18/08/2021.

There is a strong link between education, success in the labour market and participation in society.³⁸ Inclusive education is commonly known to ensure better working outcomes. Nevertheless, a lack of education and suitable jobs are among the main reasons, based on the Caritas national reports, accounting for the difficulties **young people** have been facing in accessing the labour market and finding an adequate job, evident in the following findings:

- Inadequate or poor-quality education leads to early school-leaving or school dropouts, and a lack of professional experience makes finding a job especially difficult where the labour market has high entry barriers for careers. This is, for example, the case in **Malta, Romania, and Austria**.
- General exclusion from formal education for children and youth from disadvantaged backgrounds, in countries such as **Malta**, also often perpetuates a cycle of poverty from which it is difficult to escape. In **Romania** a considerable share of young people (for example, from Roma communities) still do not finish the obligatory level/years of school education and the quality of vocational schools is still rather low and often not correlated with labour market needs.
- For highly-educated, especially tertiary-educated, young people, it is a challenge to find adequate employment in their home countries

and many decide to emigrate as a result. This is often the case in **Slovenia, Cyprus, and Portugal**.

- Regional disparities are an issue in many countries, such as **Austria** and **Romania**, where finding a job for young people is much more difficult in rural areas, especially if far away from economic centres and residing in small villages or towns.
- There is also a tendency for young people to be engaged part-time, as self-employed, or to be underemployed with temporary contracts. In a recent report describing labour market conditions in the Irish situation,³⁹ almost every indicator of precarious work available showed high levels of precariousness among young workers.

Migrants are another target group who have been in particularly vulnerable situations in many European countries. They generally have much lower employment rates and much higher unemployment rates than workers born in the EU countries. The employment rate for migrants in some countries depends on their countries of origin and the communities to which they belong. This is the case in Italy where some communities (Filipino, Moldovan, Peruvian, Ukrainian, Chinese and Sri Lankan), have a high employment rate. For other communities (Moroccan, Albanian, Pakistani, Indian, Tunisian and Ghanaian), their employment rates in Italy are well below average, particularly for women.

38 European Commission, 2021, 'Joint Employment Report', [Joint Employment Report 2021](#), 15/10/2021.

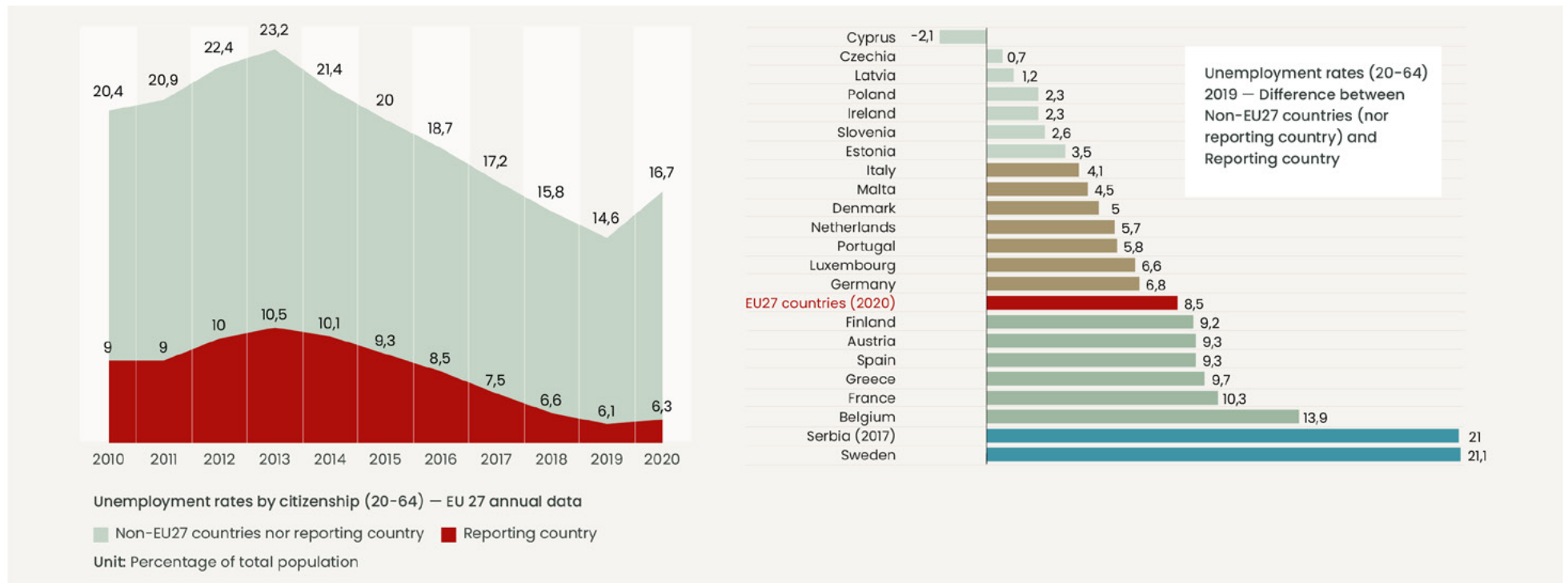
39 Ciarán Nugent, 2020, 'Trends in the Irish Labour market - Special Focus: Young People', NERI Report Series, No. 2, <https://www.neri.institute.net/sites/default/files/research/2020/NERI-Report-Series-no-2-special-focus-young-people-June-20.pdf>, 10/09/2021.

As the following table shows, in 2019 across the EU, unemployment rates for migrants were eight percentage points (pp) higher than among native workers. The difference between countries is particularly relevant, as

evident in the table on the right below. While the difference in pale green countries is limited to a maximum of 3.5 pp, for countries in blue the difference is above 20 pp.

Figure 6. Unemployment rate by Citizenship (in %), 2010-2020 and 2019 (in pp)

Source: Eurostat, Unemployment rates by sex, age and citizenship (%)⁴⁰



40 Figure 6: Eurostat, 2010-2020, 'Unemployment rates by sex, age and citizenship (%)', https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfsa_urgaed&lang=en, 18/08/2021 and Eurostat, 2019, 'Unemployment rates by sex, age and citizenship' (in pp), https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfsa_ergan&lang=en, 18/08/2021.

The main challenges in the labour market for migrants consist of bureaucratic procedures relating to the asylum process or in terms of obtaining the right to work and possessing the necessary documents; precarious working conditions; low wages; inadequate language skills; discrimination; past training in other sectors than for the job being sought; and difficulties in gaining recognition of previous qualifications and education, especially professional education.

In many European countries, as evidenced in these reports, employment conditions are largely determined by residence status, showing an obvious form of hierarchy among migrants and residents. Skilled EU workers hired directly by companies are usually highly paid; while many others may not always be formally employed, which is often the case for migrants with limited legal channels to enter the territory for purposes of work. In consequence, many are often concentrated in more precarious jobs with lower qualification requirements. An example of this can be observed among migrant care workers who are involved in formalised exchanges with sending agencies versus independent, undeclared care workers. The latter is often more exposed to instability in their employment relationship, with lower wages and a higher risk of exploitation. As a result, they are more exposed to poverty and social exclusion and are more likely to have limited or no access to social insurance, the national healthcare system, or a pension.

Recognised refugees and beneficiaries of subsidiary protection, in some countries, have access to the labour market and are entitled to social rights. However, in many cases, asylum seekers are much more limited in their right to access work.

In addition to legal obstacles, many migrants share common challenges, such as bureaucratic and lengthy procedures before procuring all the necessary documents to be able to work, and undergoing multiple legal hurdles, sometimes not even having the possibility (i.e. asylum seekers) to work regularly. In some countries, such as Germany and Lithuania, the prerequisites for obtaining access to the formal labour market are quite high as applicants need to demonstrate proficient language skills, relevant work experience and, ideally, have been trained in occupations that suffer from labour shortages (among other criteria), all in response to the labour market's needs. There is also a low propensity among national employers to hire asylum seekers and migrants, due to discrimination, bias, and uncertainties about work permit rules and asylum application outcomes. Furthermore, many migrants are performing functions below the level of their qualifications and are frequently employed in jobs for which they are overqualified, all due to difficulties linked to the non-recognition of diplomas/degrees and/or prior work experience.

The Roma people are also among those who have been facing great difficulty in accessing and remaining in the labour market. Employment rates of all age groups of Roma are well below general employment rates and also show a considerable gender gap. In almost all countries analysed, Roma people face discrimination both from employers and from employees, indicative of **racial and ethnic prejudices and discrimination**.

Various additional factors account for further differentiated treatment, some of which may be linked to a **lack in certain skills and educational degrees**,⁴¹ **limited work experience** or experience acquired in less relevant fields (i.e. sharpening knives, repairing pots), inability to produce required documents such as **birth certificates**, and difficulties associated with the **distance between their living accommodation and employment possibil-**

ities, often exacerbated by insufficient public transportation connections. These are among the main obstacles identified in the Caritas national reports that Roma people experience when searching for employment. For Roma who work in informal jobs, often as day labourers or seasonal workers, they face further difficulties with more **limited access to social protection**, especially in terms of health and retirement insurance.

Discrimination is also a labour market challenge for other groups, such as **women**. In all countries, to a higher or lower extent, a **pay gap**⁴² still persists between men and women, as is shown in the following Eurostat table.⁴³ Across the EU, the average difference in the pay gap is 14.1%, but there are seven countries where the difference is below 10% and two where it is over 20%, evident in figure 7 below.

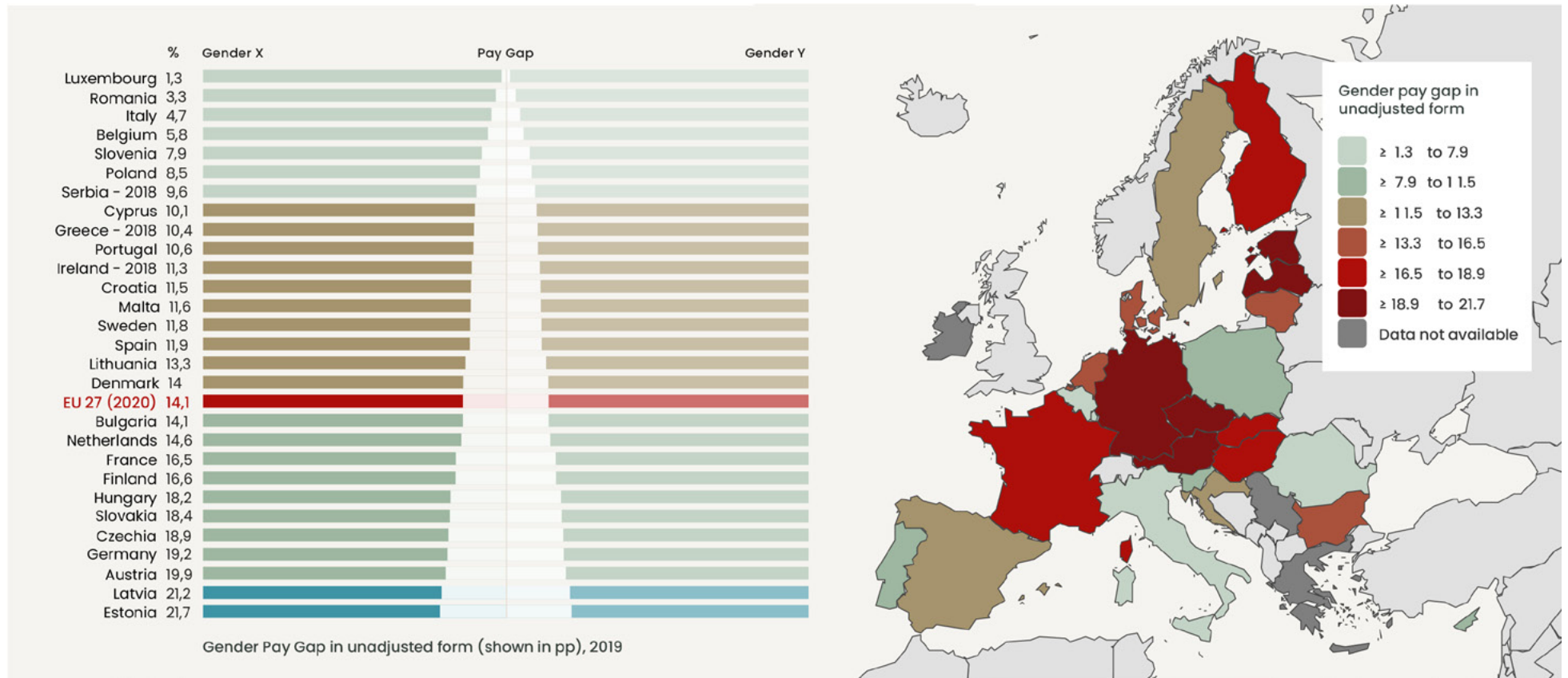
41 Accessing and completing education and training opportunities is difficult for some Roma children and youth due to cultural differences, discrimination (with sometimes still segregated classes), poverty and challenges procuring school supplies or even getting to the schools. This effectively results in significantly lower future employment opportunities.

42 This indicator measures the difference between average gross hourly earnings of male paid employees and female paid employees as a percentage of average gross hourly earnings of male paid employees. It gives an overall picture of gender inequalities in terms of pay.

43 Following the Eurostat definition, this indicator includes all employees working in firms with ten or more employees, without restrictions for age and hours worked.

Figure 7. Gender Pay Gap in unadjusted form (shown in pp), 2019 and 2019 (in %)

Source: Eurostat, gender pay gap in unadjusted form⁴⁴



44 Figure 7: Eurostat, 2019, 'Gender pay gap in unadjusted form', http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=sdg_05_20&lang=en, 19/08/2021 and Eurostat, 2019, 'Gender pay gap in unadjusted form', https://ec.europa.eu/eurostat/databrowser/view/sdg_05_20/settings_1/map?lang=en, 19/8/2021.

In the Belgian context, these differences reflect to a large extent, historic tendencies, such as greater part-time work for women or broken careers due to childcaring. In Italy, for example, part-time work affected 32.9% of women (20–64 year-olds) in 2019 (compared with 8.1% of men), which was involuntary in 61.1% of the cases.⁴⁵ The main reason for this is related to the caring of children, dependent elderly people, and persons with severe disabilities, which typically weighs heavily on the shoulders of women, thus highlighting the disproportionate role in care work between genders. Yet, these tendencies are changing. At the EU level, after reaching a peak of 16.4% in 2012, the Gender Pay Gap indicator gradually decreased to 14.1% at the end of 2019.

Persons with disabilities compose another group particularly affected by workplace discrimination. All European countries have very low employment rates among persons with a disability. According to ANED,⁴⁶ at EU level only 50.6% of persons with disabilities are employed (58.2% among persons with a moderate disability and 30.7% among those with a severe disability), compared to 74.8% of persons without disabilities. Apart from restricting their participation in society, the lack of an employment contract also ties them into State-dependent low-income situations.

Non-standard employment workers, who, based on the Caritas national reports, are largely composed of young people, women and migrants, have also been experiencing vulnerability in the labour market, although the prevalence of non-standard employment differs significantly across countries. Non-standard employment contracts often entail precarious working conditions, and insufficient access to social protection, such as unemployment benefits and opportunities to train and reskill.

Informal workers have also been in vulnerable situations in the labour market. These workers are mostly undocumented migrants as well as asylum seekers waiting on the processing of their asylum applications. They are often workers employed in labour-intensive jobs with very low incomes (such as in agriculture, construction, or care work). Working informally exposes them to exploitation and workplace risks, such as extremely long working hours; low, if any, pay; and unsafe working conditions. Working in the informal economy also affects women in roles such as childminding, caring and cleaning. For some marginalised groups, such as Roma, reliance on day labour, especially in rural areas is common as the main source of income. In such cases, the workers do not have a trade union to represent them nor benefit from wage legislation and social protection due to the informality of their work.

45 Eurostat, 'Part-time employment as percentage of the total employment, by sex, age and country of birth (%)', Involuntary part-time employment as percentage of the total part-time employment, by sex and age (%), https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfsa_eppgai&lang=en, 19/08/2021.

46 ANED, 2017, 'Statistics on Persons with Disabilities', <https://www.disability-europe.net/downloads/1045-europe-2020-data-people-with-disabilities-tables-eu-silc-2017>, 25/10/2021.

Many long-term care workers, who work in the informal labour market (in Italy and Portugal, for example) or those with non-standard employment contracts, are typically underpaid (if paid at all, since this remains a domain that is often not recognised or remunerated), undervalued by comparison with the great social value their professions bring to families and whole communities, and they also tend to be unqualified. Care workers are composed typically of women, often EU mobile migrants or migrants from non-EU countries, and with an increasing proportion of older care workers

as well. For many home care workers, especially those working informally, their working conditions are frequently far less than ideal, with many having no access to social protection.

Europe is rapidly ageing, and the working age population is decreasing. **Older workers** are an underexploited labour force potential, necessary in a European labour market characterised by work shortages, in particular as far as skilled workers are concerned. However, they have been facing important challenges in terms of digital skills gaps, and of the adaptability and physical accessibility of workplaces.

1.1.3. The impact of the pandemic on the European economy and the labour market

An important consequence of COVID-19 has been its strong impact on the labour market as the EU rightly prioritised health and sanitary concerns over economic threats. But in a context already characterised by a slowdown in employment growth that began in the second half of 2019,⁴⁷ the result has proved highly problematic for certain labour market sectors and types of workers. Most labour market indicators have registered the socio-economic impact of the pandemic, with the **total number of those employed across the EU decreasing by 4.6 million people** between the fourth quarter of 2019 and the first quarter of 2021, and by more than 1 million in the 15–24 age group.⁴⁸

The pandemic has also brought some **important changes to labour markets** across Europe, some positive and some negative; whether they will be temporary or permanent remains to be seen. The crisis has accelerated some existing trends such as job polarisation, that is, when jobs that traditionally require a moderate level of skills seem to disappear relative to those jobs at the bottom that require few skills, and those at the top that require greater skill levels. Needs have thus increased for appropriate retraining, for instance, in the fields of digitisation and automation, while the number of those teleworking has increased, as has the frequency of non-standard work. Teleworking has proved to be very important for ensur-

47 European Commission, 2021, 'Joint Employment Report', *Joint Employment Report 2021*, 15/10/2021.

48 Eurostat, 2021, 'Employment and activity by sex and age - quarterly data', https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ifsi_emp_q&lang=en, 03/02/2022.

ing work continuity, while helping families to cope with new care needs related to the closure of schools. Although in many cases, it has also caused a double burden for parents who struggled to work whilst caring for their children. Teleworking is already leading to a rethinking of the future organisation of workplaces and work–life balance since it saves time and reduces stress by avoiding daily commutes, while at the same time reducing carbon emissions. However, permanent teleworking can impact physical and mental well-being due to a lack of clear boundaries between private and professional life.⁴⁹

Many Caritas member organisations have found that the pandemic's labour market impact has been uneven, particularly when judged across age groups, genders and employment sectors. In addition to the health care sector, the hospitality, tourism, cultural and entertainment sectors are those that have been most affected. In general, COVID-19 has had a more negative impact on **groups of workers in vulnerable situations**: those working in non-standard forms of employment; those in the informal economy; young workers; older workers; women; persons with disabilities; Roma people; migrants; and care workers, as an example of a particularly impacted sector. These groups have endured the greatest consequences, though, with strong differences between and across countries.

Informal workers and workers in non-standard employment have faced considerable challenges, since they are often the first to lose their jobs and cannot, in many cases, access government support mechanisms such as temporary employment schemes, nor health and social services. This has resulted in significant financial difficulties for these workers during the pandemic, exacerbating the inequalities between formal and protected workers and those in the informal sector.

Many **care workers** have been unable to work due to the social distancing requirements and for those working informally, they have not been able to benefit from health insurance coverage or unemployment compensation. Some, however, have decided to live permanently within the homes where they are doing the care work in order to reduce the risk of spreading COVID-19. This has resulted in many working around the clock, 24/7, which is more than is legally permitted. Some care workers, without viable alternatives, found themselves unable to say 'no' to unsafe and/or abusive working conditions. This has also meant that those home care workers, who are also parents, have been unable to spend time with their own children or families during the lockdowns, as many have felt compelled to continue working rather than risk losing their family income. At the same time, many home care workers have also chosen to work extra hours and opted to stay away from their families in order to better support those they care for and to further protect their families. Nevertheless, in most situations, home care workers have faced unprec-

49 European Parliament, 2021, 'The impact of teleworking and digital work on workers and society', [https://www.europarl.europa.eu/RegData/etudes/STUD/2021/662904/IPOL_STU\(2021\)662904_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2021/662904/IPOL_STU(2021)662904_EN.pdf), p. 39, 10/11/2021.

edented stress with health, personal and professional difficulties. In the first period of lockdown, among the foreign domestic workers who lost their jobs in countries such as Italy, Malta, Austria and Romania, many found themselves in the difficult situation of no longer having housing and, at the same time, of not being able to return home, given the closure of the borders.

For young people, after a decade of significant decrease, the unemployment rate has increased significantly as a result of the pandemic. Similar to the pre-pandemic period, strong differences across Member States also remained evident in 2020, with a group of countries having below 10% unemployment (Germany 7.4%; Czech Republic 8%; Netherlands 9.1%) and others above 25% unemployment (Serbia 26.6%; Italy 29.4%; Greece 35%; Spain 38.3%). Young people from disadvantaged backgrounds have also suffered greatly from the distance learning introduced during lockdowns due to their limited access to IT technology and stable internet connections. In addition, young people, have faced difficulties due to the pandemic since they often have precarious contracts, which afforded little to no social security once the pandemic meant that they lost their jobs. With little professional experience, it has then been difficult to compete for jobs with other workers who have been laid-off.

Many Caritas member organisations reported that **older workers and workers with physical and intellectual disabilities** have also been seriously affected. In some cases, remote working through digital devices has increased their social exclusion and many, as for example in Lithuania and Latvia, have lost their jobs because of reduced working oppor-

tunities in sectors involving low-skilled workers. For people with intellectual disabilities, additional psychological problems have arisen and, for many, their return to the labour market will be particularly difficult.

Women have generally been among those most affected by the consequences of the economic shock. After a period of narrowing the gap between men and women, with a progressive increase in female employment rates and a slight reduction in the gender pay gap, the COVID-19 pandemic has created new and immediate risks. Women's over-representation in sectors and occupations particularly hard hit, such as health and home care, food/catering, hospitality and services where distance work is not possible, and in lower paid as well as in part-time employment, has put them in a particularly vulnerable position.

Most of the Caritas national reports identified additional challenges for **migrants and refugees** as they are often largely employed in the sectors that have been hardest hit by the pandemic, such as tourism and construction. Benefits, designed by the government to soften the negative effects of the pandemic, often did not include some categories of jobs in which migrants worked or were unavailable to them due to their residence status. They have also been negatively affected by the limited access to public services (medical, social support and administrative services), especially evident among asylum seekers hoping to have their applications processed, or those dependent on the labour authorities who, due to the lockdowns, were not carrying out their usual services. For children and young migrants living in the reception centres, home schooling and distance learning represented important challeng-

es too. These structures have often been deemed inadequate for home schooling in terms of space, internet connection, connectivity speed, and digital equipment.

In many countries, including Belgium, Slovenia, Slovakia and Romania, Caritas has reported that **Roma people**, given the often-precarious nature of their work, have been particularly affected by the pandemic. Lockdown regulations and COVID-19 restrictions over the last two years have prevented them from doing their daily jobs (they cannot justify leaving their homes without proper documents as a result of the imposed lockdowns). Furthermore, many have not benefited from government support mechanisms as a result of their informal employment conditions. Roma have also had additional challenges regarding distance working and learning, due to limited technology and connectivity.

The **long-term unemployed** have also been particularly impacted by the pandemic as the few jobs vacancies that did exist in the initial months of the pandemic became even more scarce, with ever rising competition among applicants when compared to the period before the crisis, and job centres became overwhelmed so there were also fewer personnel available to support them in finding a job.

The pandemic therefore has reinforced pre-existing inequalities and gaps in European labour markets, posing additional risks and challenges to the most vulnerable groups in society.

There has been a substantial growth in the number of people who have had to rely on reduced wages, as well as an increase in people turning to public centres of social welfare who previously had a labour contract. Meanwhile, many of these same centres have had reduced hours of operation and limited in-person contacts during the lockdowns. The same has been true for authorities processing asylum applications and issuing residence and labour market permits, so the needs of those without access to technology and internet connectivity have often simply been put on hold.

Nevertheless, substantial use of support work schemes have helped mitigate the consequences of the crisis. Based on the Caritas poverty reports, all Member States analysed for this research extended (or introduced, where not previously available) short-time work schemes and alternative forms of job preservation in order to limit job losses, and sustain the economy and citizen's ability to pay their living costs during the lockdowns. The implementation of several support measures in European countries, such as the EU's emergency response investments have certainly helped.⁵⁰ However, this alone has not been sufficient. The common efforts of many people and organisations, including social service providers, have proved essential in responding to these immediate economic and health care needs brought on by the spread of COVID-19.

50 For more information, see: https://ec.europa.eu/info/live-work-travel-eu/coronavirus-response_en.

1.2. Support offered by Caritas' services during the pandemic

Since the outbreak of the pandemic, Caritas member organisations have adapted their services to the new situation. In the initial months they introduced several new measures and services dedicated to those in the most vulnerable situations and to those, such as undocumented migrants, who are not entitled to access formal services. These services have varied from country to country, as did the population groups seeking support. Nevertheless, based on the Caritas national reports, their supportive services have generally targeted people with physical and mental health problems and/or disabilities, homeless people, undocumented sex workers, the elderly who cannot leave the homes due to the health threat, families with children, young people, women/single mothers, victims of domestic violence, migrants and Roma people, unemployed persons and people working in the sectors most affected by the crisis, short-term employees and self-employed workers.

Caritas member organisations adapted their services to be able to continue responding to the needs of their beneficiaries, adopting contingency and safety plans, and modifying responses, such as working from home, offering remote/online services, adapting schedules for emergency staff, distributing essential goods, and ensuring self-protection measures.

In this regard, it is important to highlight that tending to people's basic needs, such as ensuring access to food, water, and housing, just to name a few, has taken precedence for Caritas as the lockdowns have evolved and an increasing number of people have lost their jobs and incomes, and found themselves in new situations of vulnerability and poverty. As a result, many Caritas organisations have primarily responded to these most basic needs.

Testimonies of people experiencing poverty, and relying on Caritas

<p>Caritas Austria</p>	<p><i>I am an artist and got my income by selling my art at exhibitions. I only receive a small pension because of an illness. I am married but my wife has been in a persistent vegetative state in the hospital for the last seven years. Due to COVID-19, I was not allowed to organise any exhibitions in the last year, so I did not have any income. With the pension, I could only pay the monthly fixed costs, but I was not able to pay the rent in recent months. I am always worried about my wife and now also about losing my apartment. – Mr. H., 65 years of age</i></p>
<p>Caritas Cyprus</p>	<p><i>Due to the impact the COVID-19 pandemic has had on the labour market, I have become increasingly reliant on government support to cover my subsistence expenses. However, due to late cheques and limited funds, I find myself in a position where supplementing money from the allocated budget for food becomes essential for me to pay the rent. This creates yet another challenge for my family and we are now dependent on organisations like Caritas for humanitarian aid, especially food, each month. – An asylum seeker from Cameroon⁵¹</i></p>
<p>Caritas Czech Republic Diocesan Caritas České Budějovice</p>	<p><i>They fired me at work because I didn't come for four days. I took care of my sick husband at home, and I didn't know that when he was hospitalised, I could no longer receive long-term financial support. I've already found a job, but there are so few commissions that I can't feed myself and my daughter. Due to a pandemic, I can't get another part-time job. After COVID-19 took my husband, I was horrified to find out that I was not entitled to any help from the state. My daughter is just yearning to have a chance at another life. – Mother Anna (49) and daughter Lada (15)⁵²</i></p>

51 Kyritsi, T., Pashia, E. and Andreou, M. (2020). 'The Consequences of the COVID-19 Pandemic to the Young Migrant Women Living in Cyprus'. Centre for Gender Equality and History, Nicosia.

52 Names have been changed for the purposes of this report.

Testimonies of people experiencing poverty, and relying on Caritas

Caritas Malta	<p><i>Accessing food and paying rent has been difficult for our family during times of COVID-19. This is because both myself and my partner work in the tourism industry and we have both been stopped from working, as tourism has decreased substantially. Problems started to emerge when, two months into COVID-19 restrictions, our household savings began to decrease. This resulted in problems paying rent and buying food. Therefore, we had to make a decision which we did not think that we were ever going to have to do. That is, to be very humble and to ask for help from NGOs and food banks to provide us with some food. This could help us through some months with our child and to have slightly less pressure and stress. It has not been easy and if not for the government COVID-19 grant that was given, we would not be able to pay our rent.</i></p>
Caritas Romania	<p><i>There is no work anymore. And we do not dare go out of the settlement. Somebody else tried to get to his land to work there. He was stopped by police and fined, since he had no papers. When we asked the mayor for help, he said that we should get along by ourselves. During the summer we usually work in Germany, harvesting cucumbers. We still hope that it will be possible also this year, but nobody knows. They say we can get to Germany only by plane. And we know already that those, who organise everything, will ask for much more money. — Kati, a young mother in a Roma community in north-western Romania, visited by a Caritas team during the lockdown in spring 2020</i></p>
Caritas Serbia	<p><i>It was a big change in my life because after a long time I started hanging out with people again, going out of the house, having obligations. But when I got the job, it really changed my life completely. I have my colleagues with whom I feel good, I feel good at work, I like it when they praise me for doing something well, then I try even harder. My disease (schizophrenia) is under control, now I control my life and I feel good about it. — Testimony of an employee of the Sustainable Development Farm, a former beneficiary of the Caritas Day Care Centre.</i></p>

Examples of adapted support offered by Caritas during the pandemic

Caritas Austria	Adapted its night accommodation facilities for homeless people as a result of the lockdowns to enable 24-hour accommodation and safe, sanitary measures. The demand for food packages increased dramatically, especially during the first lockdown when many food distribution facilities had shut down. Food supply offerings were adapted and, as far as possible, moved to outdoor locations to ensure enough safe spaces for everyone to collect their emergency food supplies.
Caritas Belgium	Invested in extra support for local partner organisations working with homeless people who were in great need of additional capacity and hygienic support during the first lockdown.
Caritas Bulgaria	Found a way to provide remuneration, albeit minimal, to those groups in vulnerable situations, who were employed in small projects toward self-development and empowerment, so they could continue to receive income even in the difficult months when social enterprises were severely limited or had to be closed.
Caritas Czech Republic	Collaborated with volunteers to support the continued provision of social services that would have otherwise been cancelled due to the increasing number of employees who were quarantined or ill with COVID-19.
Caritas Cyprus	Instituted home deliveries of emergency food and medicines in cooperation with other NGOs; and also diverted funds earmarked for activities that were not possible due to COVID-19 emergency needs.
Caritas Italy	Organised outdoor counselling and psychological assistance and delivered meals to homes directly or by providing takeaway meals. Caritas also provided support for online education and distant learning and activated specific economic support through dedicated diocesan funds to support the most urgent expenses of beneficiaries.
Caritas Lithuania	Reorganised the operation of its charity canteens to enable take-away food options.

Examples of adapted support offered by Caritas during the pandemic

Caritas Luxembourg	Put in place a helpline funded with donations to offer support where it was most needed, namely, to respond to the increased requests for accommodation services and housing in the LogIS department (<i>Logement pour l'Inclusion Sociale</i>) and increased demand for homeless shelters. The national winter homeless shelter was thus extended beyond the cold weather season until June 2020 and its opening hours shifted from just night-time accommodation (previously from 6 p.m. – 9 a.m.) to be open non-stop, 24/7.
Caritas Malta	Promoted the Emergency Aid Food Bank, thanks to the generosity of local suppliers, which was consistently well stocked to be able to assist families until their <i>Lifeline Food Bank</i> aid application was processed.
Caritas Portugal	Created a national programme: <i>Programa Intermédio de Apoio Social</i> (PIAS) to provide vouchers to purchase food and essential goods, and urgent one-off financial support upon request to pay for essential expenses; and a fundraising campaign called <i>Vamos Inverter a Curva da Pobreza em Portugal</i> to fund first-line support, support for an inclusive socio-economic recovery, and to promote the capacity of the Caritas network.
Caritas Romania	Responded to the increased demand for homecare services, homeless shelters, emergency centres for mothers and children, and centres for victims of domestic violence.
Caritas Serbia	Intensified its homecare service visits, relying on a large number of volunteers to support and maintain the sanitary requirements.
Caritas Slovakia	Established at diocesan level a new shopping assistance project for seniors since many people in need felt ashamed to seek help. For this reason, Caritas Slovakia actively sought them out under the pretence of helping them grocery shop.
Caritas Slovenia	Adapted its services of visits to older people, due to the lockdowns and social distancing requirements, and instead made phone calls, shared posts on Facebook, and sent personalised letters to continue to support elderly and lonely people who would have likely otherwise remained very isolated. Over time, door-to-door assistance increased, and new forms of aid were introduced, such as quarantine packages and clothes distribution packages.

CHALLENGES

Caritas support

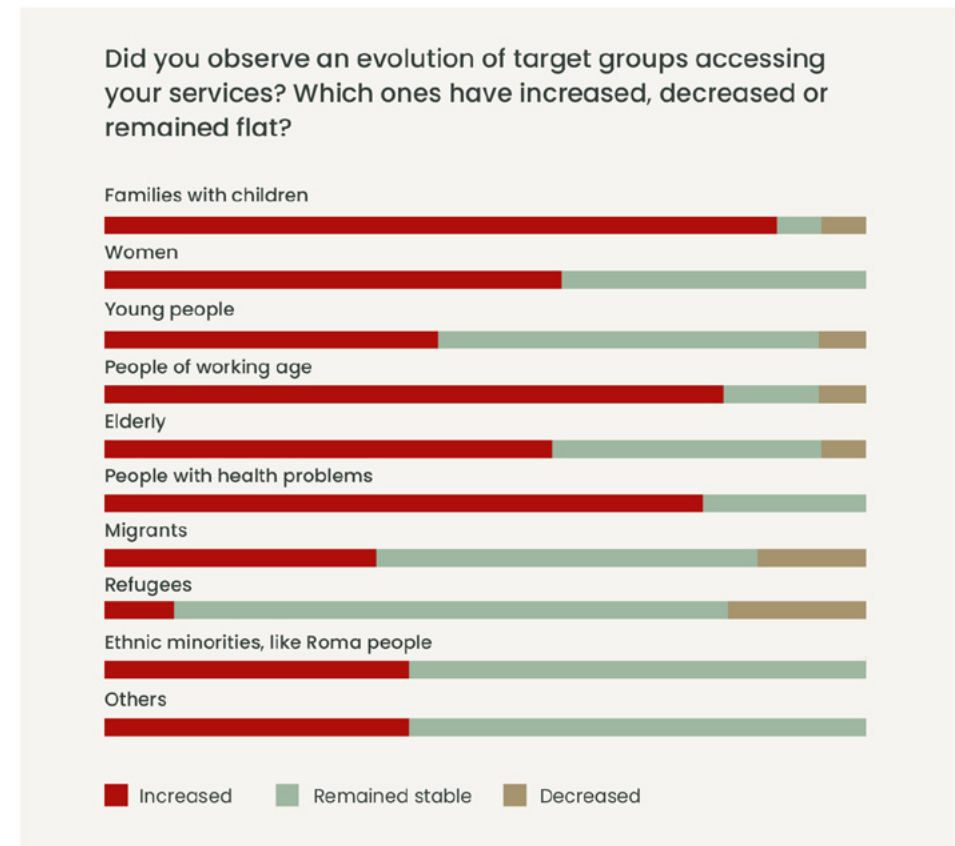
Almost all Caritas organisations surveyed highlighted an increase in the number of requests for assistance during COVID-19, particularly during the lockdown periods. The typology of Caritas beneficiaries shifted during the pandemic as people who previously never thought they would rely on Caritas' services for support suddenly became desperate for help. Due to insufficient state support and financing of national welfare and social protection systems, Caritas and other not-for-profit social service providers had to bridge the gap to help those most in need, despite their own limited resources. Caritas member organisations strove to respond quickly, flexibly, and appropriately to the quickly changing situation so as to meet essential needs.

Without a healthy physical and mental state of wellbeing, it is not possible to begin thinking about finding a job and even more challenging to maintain employment. Once people's immediate needs had been addressed, some Caritas offices were able to continue offering their usual services to help people access the labour market and achieve upward social mobility.

Despite Caritas' mission to respond to those in need, some Caritas organisations likewise found themselves in financial difficulty as well, as they attempted to respond to the increased needs while being understaffed due to COVID-19-infected employees and volunteers, and also due to funding cuts linked to the postponement of certain projects and activities.

Figure 8. Evolution of the target groups accessing Caritas' services

Source: Caritas CARES survey, 2021⁵³



53 Figure 8: Caritas CARES survey 2021.

SECTION 2

Assessing national and EU level policies and their impact at national level



Section 2 builds on from Section 1 in which young people, Roma, migrants, women, persons with disabilities, older workers, non-standard employment workers, informal workers, and care workers – as an example of one specific sector, were identified and described as in more ‘vulnerable’ situations due to the on-going labour market challenges they tend to face over time. Following the outbreak of COVID-19, these workers have faced greater vulnerability and have been at risk of poverty due to the socio-economic consequences of the pandemic. Taking these realities on the ground into consideration, different EU and national policy initiatives have been proposed and/or implemented to try and respond to these labour market inclusion challenges. Section 2 presents different policy responses, as well as the perspective of the Caritas member organisations involved in this research, plus that of Caritas Europa, especially relating to the EU level policies.

Photos: (Previous page) Caritas volunteer makes purchases for an elderly person as part of home care services during the COVID-19 pandemic. **Source:** Imago mundi

(This page) Volunteer supporting school children online during the lockdown. **Source:** filmfalt media



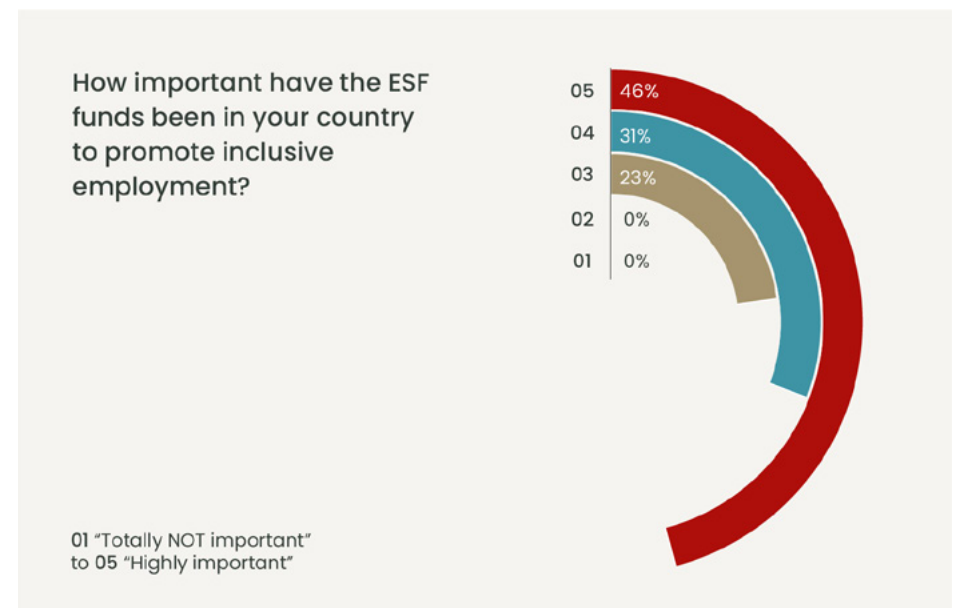
2.1. The European Social Fund

According to Caritas member organisations involved in this research, the **European Social Fund (ESF/ESF+)**⁵⁴ is and has been highly important for the progress of social inclusion in their own countries.

- The total amount of ESF resources dedicated to employment support has been very high in **Italy**, for instance. However, the investment and expenditure capacity of the country has been low and with large geographical differences. Notwithstanding these limitations, the ESF resources have been a driving force for stimulating the development and innovation of labour, education, vocational training, inclusion and social protection measures in the country.
- The ESF was deemed crucial for the **Czech Republic**, as it supported important progress in social inclusion, securing funding for children, helping unemployed and disadvantaged workers enter the labour market, supporting lifelong learning and combating various forms of discrimination and inequalities. Special programmes for persons with disabilities, children, young people, older workers, long-term unemployed, ethnic minorities and other disadvantaged groups were also developed, thanks to this EU funding.

Figure 9. Importance of ESF funds to promote inclusive employment

Source: Caritas CARES survey, 2021



54 The **ESF+** is the main EU financial instrument for improving workers' mobility and employment opportunities, strengthening social cohesion, improving social fairness and increasing competitiveness across Europe for the 2021–2027 period. It merges the following funding instruments: the existing European Social Fund (ESF), the Youth Employment Initiative (YEI), the Fund for European Aid to the most Deprived (FEAD), the Employment and Social Innovation Programme (EaSI) and the EU Health Programme. The new fund, ESF+, will concentrate its investment in three main areas: education, employment and social inclusion. 'Proposal for a Regulation of the European Parliament and of the Council on the European Social Fund Plus (ESF+)', COM/2018/382 final, 28/09/2021.

- The ESF in **Germany** has been used through different programmes to promote inclusive labour markets. At the federal level, several programmes have been dedicated to promoting inclusive labour markets, for example, by funding projects for the long-term unemployed and underprivileged young people, as well as the labour market inclusion of migrants, asylum seekers and refugees, plus migrant mothers.
- In **Slovakia**, ESF resources have been funding the implementation of national projects to increase the quality of education, its interconnection with the needs of the labour market and inclusion support, and for increasing Slovak residents' higher participation rates in lifelong learning.
- In **Romania**, ESF funds have been one of the major funding sources for programmes concerning skills development, labour market inclusion improvements and the development of social economy enterprises and social services.
- ESF funds have been central in **Cyprus** for implementing programmes to promote inclusiveness in the labour market, in particular concerning young people and migrants.

2.2. Assessing the EU Framework and semester process towards a more inclusive labour market

The 2021 country-specific recommendations (CSRs) take into account the specific context of the COVID-19 pandemic and the activation of the general escape clause under the Stability and Growth Pact of 20 March 2020. The CSRs are more focused, and less prescriptive than in previous years.

In a transversal analysis produced by ETUI,⁵⁵ the countries involved, with the exception of Germany, were recommended to take action in 2020 and 2021 in the following areas of labour market policies:

- **Training in digital literacy:** the social CSRs address the importance of enabling workers to develop digital skills and to reduce the negative impact of new technologies and automation on the labour markets (in AT, BE, BG, CY, CZ, IE, IT, LT, LV, MT, PT, RO, SI, SK).
- **Labour market participation of marginalised workers:** the 2020 CSRs focus quite intensively on the necessity to reduce marginalisation and inequalities by actively targeting the inclusion of people in vulnerable situations (for example, persons with disabilities, minorities and migrants) into the labour market (in BE, CY, CZ, FI, IT, LT, LU, LV, PT, RO), youth employment (in AT, BG, CY, MT), and women (in AT, CY, CZ, IT and RO).

- **Income support:** the 2020 CSRs dedicate specific attention to the adequacy of income support mechanisms concerning unemployment benefits, minimum income and, more generally, income support (in particular in BG, CY, IT, LV, MT, PT, RO, SI, SK).

The CSRs delivered to most of the countries analysed in this research address **access to quality social services** and the need to modernise **employment protection legislation** towards more flexible working arrangements, to adapt to teleworking and to the social distancing prescriptions, and to enhance the **social protection systems**, to strengthen safety nets in order to tackle the socio-economic crisis caused by the pandemic.

According to more than half of the Caritas member organisations contributing to this report, the CSRs and National Reform Programmes (NRPs) dealing with policies addressing inclusive employment do adequately reflect the reforms needed to tackle the current weaknesses of the countries' labour markets, but a number of issues nonetheless remain, as shown in the table below.

⁵⁵ ETUI, 2020, 'An overview of the 2020–2021 country-specific recommendations (CSRs) in the social field', [https://www.etui.org/sites/default/files/2020-10/An overview of the 2020-2021 country-specific recommendations %28CSRs%29 in the social field-2020.pdf](https://www.etui.org/sites/default/files/2020-10/An%20overview%20of%20the%2020-2021%20country-specific%20recommendations%20in%20the%20social%20field-2020.pdf), 12/10/2021. Index of country acronyms: AT (Austria), BE (Belgium), BG (Bulgaria), CY (Cyprus), CZ (Czech Republic), DE (Germany), FI (Finland), IE (Ireland), IT (Italy), LT (Lithuania), LU (Luxembourg), LV (Latvia), MT (Malta), PT (Portugal), RO (Romania), RS (Serbia), SI (Slovenia), SK (Slovakia).

Caritas' assessment of the CSRs and NRPs	
Caritas Belgium	Some of the national reforms result in developing a 'grey' labour market with significant negative side effects. They do not address two main issues: the low employment rate of migrants and the important interregional disparities, since employment is a regional competence.
Caritas Cyprus	Though the reforms mentioned are relevant and pertinent to development and growth, they do not take into full consideration the needs and challenges faced by groups in marginal or vulnerable situations.
Caritas Malta	The national reforms foreseen are very positive, but more attention needs to be given to those groups in vulnerable situations, such as persons with disabilities, refugees, and single parents.
Caritas Latvia	The initiatives for young people could be supported more selectively and more attention could be paid to persons with disabilities.
Caritas Lithuania	More attention should be paid to the groups which are more likely to experience poverty – the unemployed, people with disabilities and the inactive population, as well as the strengthening of the provision of social services to all groups in vulnerable situations.
Caritas Romania	The National Reform Programme 2020 reflects some of the essential needs for reforms regarding inclusive employment. On the other hand, the programme omits some essential issues like the negative impact of emigration on the labour market, i.e., the brain-drain, and the needs of groups, such as persons with disabilities. The chapter on 'fighting undeclared work', which is a major issue in Romania, does not describe a comprehensive strategy to reduce this widespread phenomenon.
Social Justice Ireland	Progress towards Ireland's social targets on employment, education and poverty must be detailed in order to ascertain whether or not the current policies are contributing to progress in meeting targets. Social Justice Ireland has made specific recommendations for changes to the targets set, in relation to long-term unemployment, the working poor, youth unemployment and the adoption of the Living Wage. ⁵⁶

56 Caritas Europa, 2021, 'Ireland, Inclusive Labour Markets: Ensuring No One is Left Behind', [Ireland_CountryReport_Digital_single.pdf \(caritas.eu\)](#), 05/11/2011.

The EU's reaction to the COVID-19 pandemic has been quick. All of the Caritas organisations have noted in their national reports the importance of EU funding support through SURE⁵⁷ and the **Coronavirus Response Investment Initiative**⁵⁸ in response to the outbreak of the pandemic.

Caritas members are eagerly waiting to see the impact of the **Recovery and Resilience Facility (RRF)**,⁵⁹ since Member States have received unprecedented financial support through this to mitigate the economic, social and health impacts of the crisis and enhance the recovery. Caritas members involved in this research provided early assessments in mid-2021 based on the prioritised areas in the draft plans and how resources have been allocated.

- According to Caritas Italy, the **Italian** plan gives considerable attention to labour and inclusion measures, having a specific mission dedicated to this, in particular with regard to young people, women, adults without secondary-education qualifications

and the long-term unemployed. However, more attention should be paid to fighting the inequalities present in the country, which have dramatically increased in these last years.

- For Caritas **Czech Republic**, its national plan addresses the social area only marginally, although after repeated warnings, made together with other partners and organisations, the area of development and modernisation of the material-technical base of social services has been included.
- The **German** government plans to use these resources to refinance the national Corona aid package, which has already been decided, as well as to fund digital equipment for schools. Caritas Germany criticises the fact that this additional EU money is not being used for further investments necessary for overcoming the crisis. More emphasis should also be put on groups in vulnerable situations. The RRF should support young people and children from poor households and non-formal education, and invest in inclusive labour markets.

57 'Council Regulation (EU) 2020/672 of 19 May 2020 on the establishment of a European instrument for temporary support to mitigate unemployment risks in an emergency (SURE) following the COVID-19 outbreak', ST/7917/2020/INIT, OJ L 159, 20.5.2020, p. 1–7 (BG, ES, CS, DA, DE, ET, EL, EN, FR, GA, HR, IT, LV, LT, HU, MT, NL, PL, PT, RO, SK, SL, FI, SV), <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:32020R0672>, 25/09/20.

58 'Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 1303/2013, Regulation (EU) No 1301/2013 and Regulation (EU) No 508/2014 as regards specific measures to mobilise investments in the health care systems of the Member States and in other sectors of their economies in response to the COVID-19 outbreak' [Coronavirus Response Investment Initiative], COM/2020/113 final, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52020PC0113>, 23/09/2021.

59 'Proposal for a Regulation of the European Parliament and of the Council establishing a Recovery and Resilience Facility', COM/2020/408 final, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52020PC0408>, 24/09/2021.

- In **Latvia**, the distribution of funds was the result of a political decision coordinated by the Ministry of Finance. NGOs were formally consulted, but in practice their feedback was not properly taken into consideration.
- Several Caritas organisations (for example, **Lithuania** and **Romania**) worry that the focus on social concerns of particular groups of people in vulnerable situations will not be adequately addressed and that there is a lack of integrated vision for social development. However, for Social Justice **Ireland**, the seven flagship

areas identified by the European Commission and the six pillars outlined in the consultation offer the government significant scope and opportunity to address those challenges that existed prior to COVID-19 (such as housing, healthcare, inequality and childcare), which have been exacerbated by the pandemic.

Some Caritas member organisations are more hopeful than others, depending on their national contexts and the extent of the attention paid by national governments in the different countries to their social concerns.

2.2.1. Supporting youth labour market inclusion

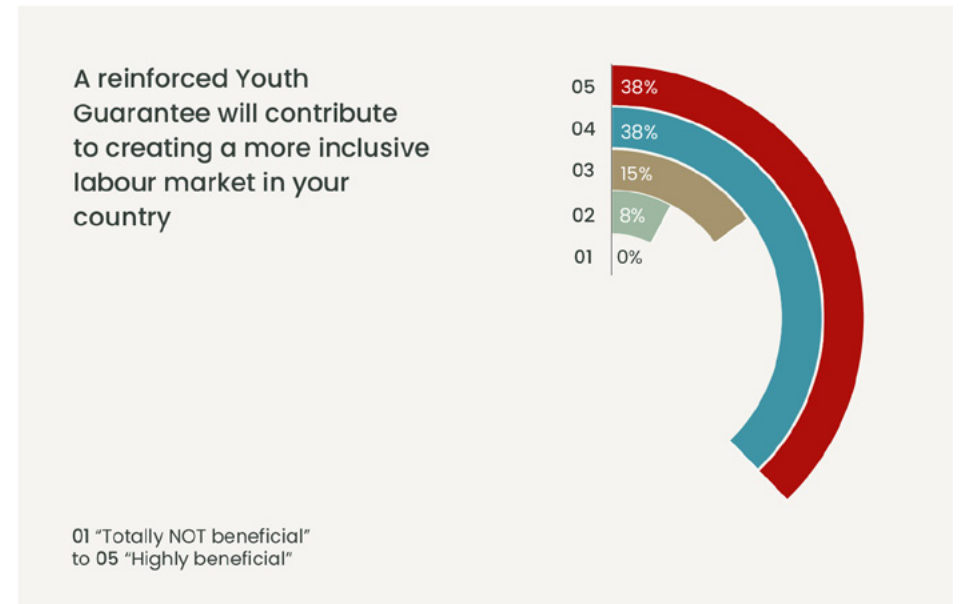
The Caritas organisations involved in this research assessed the specific policies in place to help young people enter the labour market. During the pandemic, more than half (58%) of the countries analysed have introduced new policies or improved existing apprenticeship programmes. In Austria, for instance, the government announced additional funds for the Supra-Company Training (*Überbetriebliche Lehre*), a specific apprenticeship programme that granted companies a bonus of €2,000 for each apprentice hired between March and October 2020. Similarly, the Serbian government approved the 'My First Salary' programme, envisioning in-

ternships for 10,000 first-time jobseekers registered with the National Employment Service. In Luxembourg, the Ministry of Labour, Employment and the Social and Solidarity Economy put in place a soft-skills training programme for secondary school dropouts in the summer of 2020. In Cyprus, the government committed to paying up to €850, plus social insurance costs, to employers who hire youth under the age of 29.

However, the level of NEET rates across Europe (10% in 2019), begs for continual reforms that support job creation, education and skills, and generally create a more inclusive labour market. Considering the labour market difficulties faced by many young people throughout the EU, both before and as a result of the COVID-19 pandemic, the **reinforced Youth Guarantee (rYG)** is perceived to be a positive step. If successfully implemented, the rYG would be valuable in helping young people find employment or pursue continued education, an apprenticeship, or a traineeship within just four months of becoming unemployed or leaving education. But success is contingent on the rYG reaching highly marginalised groups and being interconnected with well-functioning public employment services, education and training systems.

Figure 10. The contribution of rYG to creating a more inclusive labour market

Source: Caritas CARES survey, 2021



2.2.2. Filling skills and labour gaps through reskilling and upskilling policies

COVID-19 has led to widespread teleworking, highlighting the importance of strengthening digital skills, which have proved essential for the continuity of business, education and training activities, as well as for ensuring access to services. Meanwhile, further changes will be needed to adapt to the rapid shift towards a climate-neutral Europe and the digital transformation that is changing the way people work, learn, take part in society, and lead their everyday lives. Upskilling and reskilling policies are therefore needed to help people gain the skills necessary to access the labour market or move upward within their careers. Adults with lower qualifications are far less involved in learning and training initiatives, although their need for such training is high. Moreover, a quarter of young adults do not have a qualification that gives direct access to the labour market⁶⁰ and some sectors, such as ICT, show gaps in the skills profiles required. Young people would also benefit greatly from specific training after leaving formal education.⁶¹

In most of the countries analysed, training and retraining programmes for the unemployed or for those far from the labour market have been considered as priorities. However, much remains to be done, in particular, to **reach target groups in vulnerable and particularly disadvantaged situations**, with very low education levels or those living in remote areas. There is

also a need to support migrant workers, asylum seekers and refugees, who are more limited due to structural constraints in their ability to access the labour market.

The European Commission has proposed 12 actions in the **European Skills Agenda**, which aim to help respond to the upskilling and reskilling needs in Europe. Based on the findings from the national reports, there are different perspectives regarding Caritas members' hopes and expectations of the European Skills Agenda as it relates to the various initiatives in the different countries.

- For **Caritas Italy**, access to up- and reskilling opportunities is vital for young people, especially NEETs, who have suffered most from the consequences of COVID-19; to promote labour market reintegration of women; and for other groups in vulnerable situations, considering the increased number of families who have fallen into poverty as a result of the pandemic-induced job losses. The Pact for Skills will mobilise a concerted effort for quality investment in skills for all working-age people across the Union, sharing the objective of up- and reskilling Europe's workforce.

60 European Commission, 2021, 'Joint Employment Report', **Joint Employment Report 2021**, 15/10/2021.

61 In this regard, there is a clear interlink to the benefits of training and upskilling linked to social economy initiatives as well, regardless of the target audience.

- For **Social Justice Ireland**, lifelong learning is essential to meet the challenges that automation and adaptation pose to the future of work. Comprehensive investment strategies in education and training, which cover all stages of life, bring the highest social and economic returns. Resourcing the upskilling of those who are unemployed or at risk of becoming unemployed, and adopting policies to address youth unemployment, will be vital to delivering a more inclusive labour market.
- All the provisions of the European Skills Agenda are expected to be beneficial for **Lithuania** and will help to build a more inclusive labour market. However, implementation of the skills agenda is currently limited due to the reluctance of employers to invest in the improved quality of the labour force, the low motivation of employees to invest in their lifelong learning, and the passive state policy in this area as well as a lack of financial resources.
- This agenda and its 12 actions could serve as a framework for **Serbia and other non-EU countries** to tackle the low participation rates of adults in education and training, the low vocational training costs paid by employers, the lack of information about skills needs, labour market supply and demand, and the low quality of educational achievements.

- While the development of skills among the **Romanian** workforce is key, the measures described target only those who have already participated in education of some kind. An important challenge for Romania is to reach considerable parts of the population who did not finish any kind of education or vocational training.

Caritas members therefore have hopes for the potential of the European Skills Agenda. However, any upskilling and reskilling training, as part of the European Skills Agenda, should be adapted to the capacity and desires of individuals in order to ensure tailor-made support for specific groups in vulnerable situations. Ensuring that everyone has the skills needed to undertake employment is a crucial part of building an inclusive labour market. Caritas members did not delve into assessing the extent to which reskilling and upskilling measures may contribute to adapting educational systems to support digital skills, and educational and vocational training for all ages, but the **European Education Area**⁶² to be achieved by 2025 and the **Digital Education Action Plan (2021-2027)**⁶³ will likely tackle this in an effort to promote inclusiveness and quality education.

62 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on achieving the European Education Area by 2025, COM/2020/625 final, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52020DC0625>, 01/12/2021.

63 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions Digital Education Action Plan 2021-2027 Resetting education and training for the digital age, COM/2020/624, final, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52020DC0624>, 01/12/2021.

The European Commission has also published a **Recommendation on Effective Active Support to Employment (EASE)**, which addresses the need for upskilling and reskilling. Caritas Europa welcomes the EASE Recommendation, especially for its focus on tailored support for groups furthest from the labour market and at risk of social exclusion (including young people, older workers, women, workers in rural or remote areas, and those with an ethnic or migrant background). EASE specifies different types of training for different age groups, with vocational education and training for young workers and short training courses aligned with the needs of working professionals for those already in a career and for older workers, all of whom are expected to benefit from this support. Emphasis is also placed on 'quality

jobs', mentioned seven times in the recommendation, and on the mention of finding such jobs in social economy enterprises and in the health and care sectors, both of which are still to be developed to their full potential and which will need financial and other assistance to do so. Particularly important is the 'individualised approach' to upskilling, reskilling and training courses; and when implementing the recommendation, Member States should ensure that all training programmes are inclusive and accessible to all workers, along with digital equipment and technical assistance. Caritas Europa encourages Member States to design and implement measures promoting EASE so as to foster job creation and job-to-job transitions in the social and care sector as well in the expanding digital and green sectors.

2.2.3. The importance of adequate minimum wages

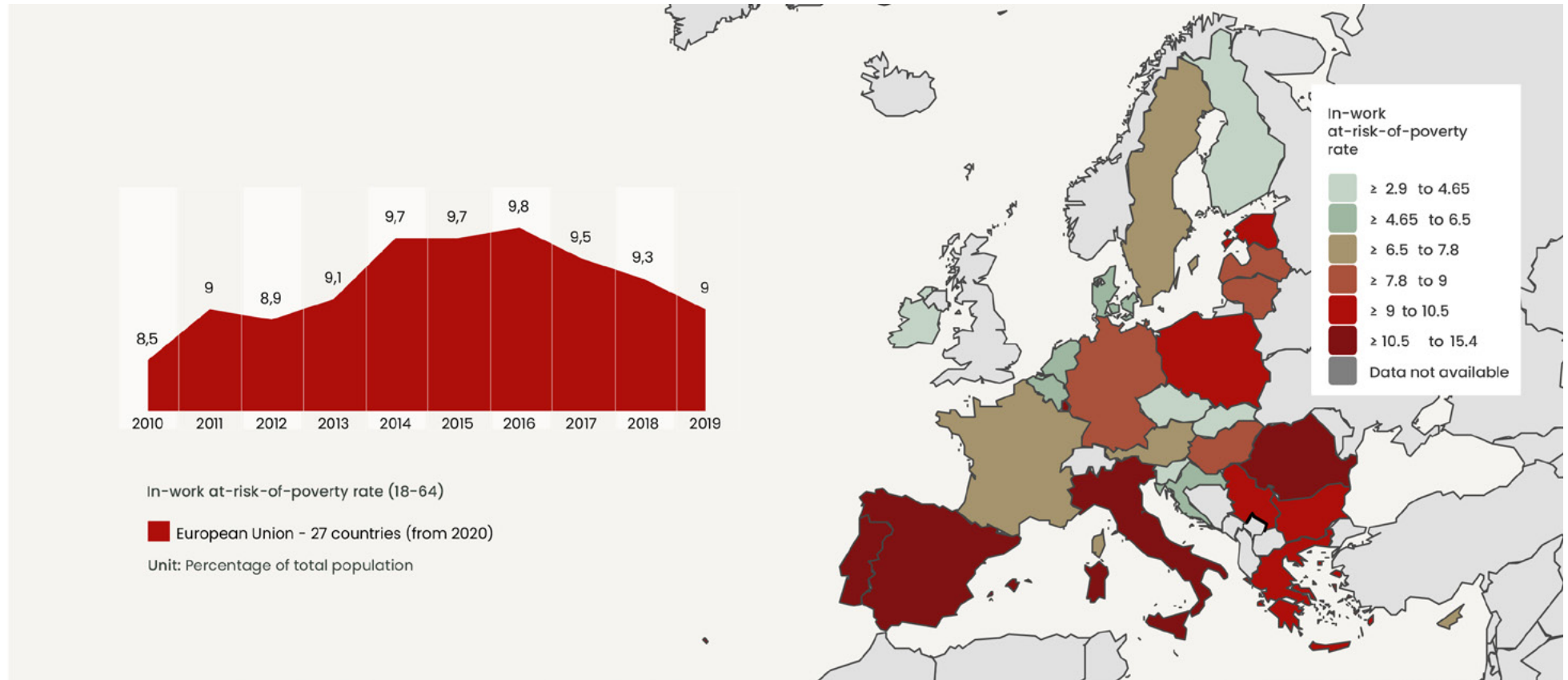
Being employed does not always mean earning enough money to enjoy a decent living. In recent years, there has been an increase in low-wage earners and their situations have deteriorated in many countries. Among the reasons accounting for this decline are structural changes within labour markets, such as digitalisation and the rise in non-standard forms of work. These structural changes have led to a polarisation of wages, with an increase in both low and high-paid occupations. Consequently, **in-work poverty**⁶⁴ has increased over the last decade in most EU Member States. In 2016, the highest figure across Europe was registered (9.8% of employed people had an income that was

below the risk-of-poverty threshold), but this then declined in the majority of countries as a result of economic growth. Among the thirteen countries that have already published data for 2020, six registered a positive trend with a relevant decrease of in-work poverty, six showed a negative trend, and one remained stable. There are nevertheless relevant differences across Europe, with six countries where in-work poverty affects less than 5% of workers (Finland 2.9%; Czech Republic 3.5%; Slovakia 4.4%; Ireland 4.4%; Slovenia 4.5% and Belgium 4.8%) and seven where it affects more than 10% (Romania 15.4%; Spain 12.8%; Luxembourg 12%; Italy 11.8%; Portugal 10.7%; Estonia 10.3%; and Greece 10.1%).

64 This indicator measures the share of people who are employed and have an equivalised disposable income below the risk-of-poverty threshold, which is set at 60% of the national median equivalised disposable income (after social transfers).

Figure 11. In-work at-risk-of poverty rate (in %) among employed persons (18-64), 2010-2019 and 2019

Source: Eurostat, In-work at-risk-of-poverty rate⁶⁵



65 Figure 11: Eurostat, 2010-2019, 'In-work at-risk-of-poverty rate', <http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=tespm070&lang=en>, 18/08/2021 and Eurostat, 2019, 'In-work at-risk-of-poverty rate', <https://ec.europa.eu/eurostat/databrowser/view/tespm070/default/map?lang=en>, 18/8/2021.

Minimum wages, set either through statutory minimum wages or through collective bargaining, are essential for all workers, especially those in the most vulnerable situations. When set at adequate levels, minimum wages help guarantee decent working and living conditions, help prevent in-work poverty, reduce precarious employment and strengthen incentives to work. They also support gender equality, since more women than men are earning wages at or around the minimum wage.⁶⁶ However, many workers in the EU are currently not guaranteed an adequate minimum wage. In some cases, it is not being implemented, or where it is implemented, it does not cover all sectors and categories of workers. Moreover, its level varies considerably across Member States.

Eurostat⁶⁷ reports that on 1 July 2021, 21 out of the 27 EU Member States had a national minimum wage, and the six EU countries without a national minimum wage were: Denmark, Italy, Cyprus, Austria, Finland and Sweden. The monthly minimum wage varies widely across the Member States, from €332 in Bulgaria to €2,202 in Luxembourg, indicating wide discrepancies based on the countries' costs of living.

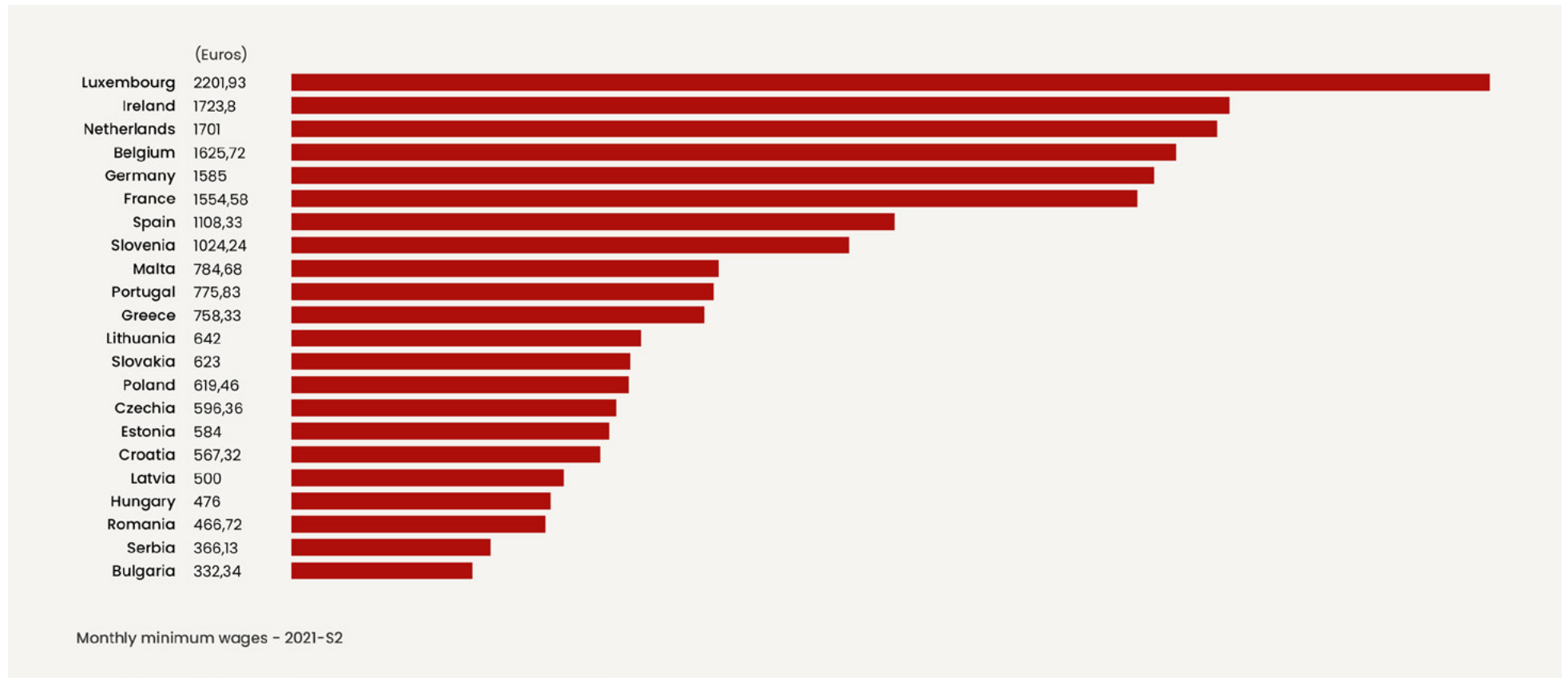
In the majority of Member States with minimum wages, the amounts are too low to provide a decent living. In almost all Member States, based on Eurostat data, the statutory minimum wage is below 60% of the median wage and 50% of the average wage.

66 European Commission, 2021, 'Joint Employment Report', *Joint Employment Report 2021*, 15/10/2021.

67 Eurostat, 2021, 'Minimum Wage Statistics', https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Minimum_wage_statistics#General_overview, 17/09/2021.

Figure 12. Monthly minimum wages, 2021 second semester

Source: Eurostat, Monthly minimum wages - bi-annual data⁶⁸



68 Figure 12: Eurostat, 2021 second semester, 'Monthly minimum wages - bi-annual data', https://ec.europa.eu/eurostat/databrowser/view/earn_mw_cur/default/table?lang=en, 23/08/2021.

Women, young and low-skilled workers, as well as those with non-standard forms of employment have a higher probability of earning the minimum wage than other workers. In particular, young workers are three times more likely to earn the minimum wage than older workers, while women are almost twice as likely as men. Similarly, temporary work increases the probability of earning the minimum wage by a factor of three, with part-time work by a factor of two.⁶⁹

Many Caritas organisations think that the level of the minimum wage in their own countries is inadequate.

- In **Slovenia**, the level of the minimum wage is adequate in terms of survival, but it is too low in relation to social benefits. As a consequence, many people fall into the unemployment or inactivity trap.
- **Ireland** has the second highest minimum wage in terms of purchasing power in the Eurostat survey. It provides a sufficient floor to purchase necessities in relation to the cost of goods and services. To this end, Social Justice Ireland advocates that the National Minimum Wage be replaced by a National *Living Wage*, a wage which makes possible a minimum acceptable standard of living which goes beyond providing affordability of mere necessities. It reflects a belief that individuals working full-time should be able to earn enough income to enjoy a decent standard of living.
- In **Lithuania**, the minimum wage is only paid for unskilled labour (employees who do not require any special qualifications or professional skills in their job). In practice, it is sufficient to meet minimum personal needs, but for Caritas Lithuania, it should be increased in order to ensure decent living conditions for families (and not just meet their minimum needs). As it is now, the level of the minimum wage is not adequate.
- In countries where statutory minimum wages do not exist, for example in **Italy and Cyprus**, pay rates are agreed upon through collective bargaining or directly with the employer through other means of negotiation. According to Caritas Italy, the data show that when a guaranteed minimum wage is introduced, the average amount of income increases. However, it is necessary to ensure that the compulsory minimum wage does not produce new situations of undeclared work. Collaboration with trade unions is fundamental in this regard.
- In **Austria**, minimum wages are regulated within the collective agreements and are set at €1,500 gross per month, 14 times a year. However, the minimum wage depends on two factors: first, if the relevant industry has entered into a collective agreement, and second, the amount of the salary depends on the negotiations between the social partners and the industry. In some cases, there are industries without any collective agreement and 306,000 people (or 8% of all employed persons) count as ‘working poor’.⁷⁰

69 European Commission, 2021, ‘Joint Employment Report’, *Joint Employment Report 2021*, 15/10/2021.

70 Statistik Austria, 2021, “Working poor” according to Eurostat definition 2008 to 2020’, http://www.statistik.at/web_de/statistiken/menschen_und_gesellschaft/soziales/armut_und_soziale_eingliederung/080919.html, 21/10/2021.

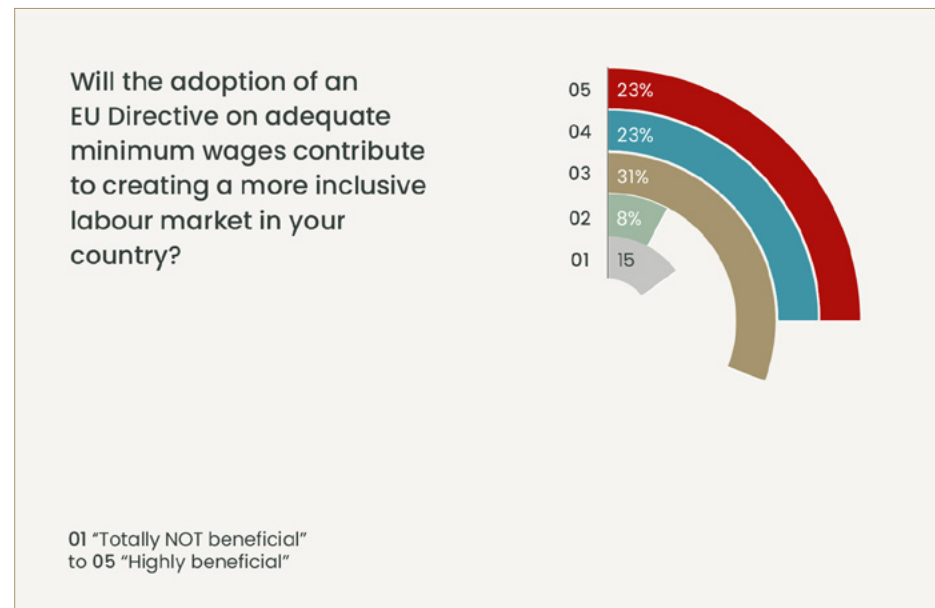
- The minimum wage in **Romania** is grossly insufficient to satisfy at least the most basic needs. About 25% of those working officially in Romania earn exactly the minimum salary (€283). Even the Romanian government considers that a single person needs about €530 for a decent life, and a family with two adults and two children requires €1,430 for a decent living.
- In **Belgium**, minimum wages are quite high compared to the situation in many other European countries, but it is generally recognised that they need to be raised in order to ensure part-time workers a more decent income.

The COVID-19 pandemic has emphasised the importance of having fair minimum wages and contribution-based social benefits so as to ensure social stability across Europe. Due to the far-reaching social

impact of the pandemic, it is essential to direct attention to the social situation of those in vulnerable circumstances in Europe and to ensure adequate support. In response, following a consultation with social partners, the European Commission proposed, in October 2020, an **EU directive on adequate minimum wages** in the European Union. The proposal, in accordance with Principle 6 of the European Pillar of Social Rights, would help to ensure the setting of adequate minimum wages in a coordinated manner across the EU. According to Caritas member organisations involved in this research, the adoption and then implementation of an EU directive on adequate minimum wages could be, if drafted and implemented well, a significant step in reducing in-work poverty, promoting upward social convergence, and in the longer term, promoting a more inclusive labour market, as the following figure shows.

Figure 13. The importance of an EU Directive on adequate minimum wages

Source: Caritas CARES survey, 2021



Moreover, the revision of minimum wage levels should be linked to the revision of benefits and pensions levels, in order to ensure efficiency, fairness, and people's confidence in the sustainability of public policy. While increas-

ing minimum wages, it is also necessary to support the adequate financing of social enterprises and social service providers so that they can increase wages of their staff adequately and sustainably, without financial difficulties.

The adoption of an EU-wide job guarantee, in which the government offers a fixed-wage job to anyone willing and able to work, could also reduce in-work poverty and indirectly ensure, or even raise, the minimum wage across the EU. A job guarantee would effectively set a wage floor; anyone with worse remuneration would switch to the government programme, thus introducing a non-bureaucratic minimum wage.⁷¹ The programme would also provide sustainable employment and high-quality jobs with adequate income, as well as help communities in disadvantaged areas to maintain a certain level of income without relying on welfare benefits or employment in the informal economy. The jobs could then be used to repair and restore the environment and for other social purposes, where the workers would (re)gain personal dignity, and society would benefit from the increased provision of sustainable goods and services. A properly designed job guarantee could help previously unemployed persons to make transitions into careers in the public and private sectors, and also incentivise employers to modify their recruitment processes. An EU-wide job guarantee could tackle the triple threat of unemployment, public-health deficits and environmental neglect, as well as be a significant element of an inclusive labour market.⁷²

⁷¹ Jan Zygmuntowski, 2020, 'Work for all', Social Europe, <https://socialeurope.eu/work-for-all>, 12/09/2021.

⁷² Ibid.

2.2.4. The role played by the social economy across Europe

Social economy enterprises put people before profits and promote inclusive labour markets. They innovatively tackle social, economic and ecological challenges in society that have been inadequately addressed by the private or public sector. At the same time, social economy enterprises are meant to generate profits. They operate according to the logic of the market, providing needed goods and services and they aim for customer satisfaction. The main difference between social economy enterprises and regular enterprises is that they invest their profits into social objectives, rather than generating individual wealth.⁷³

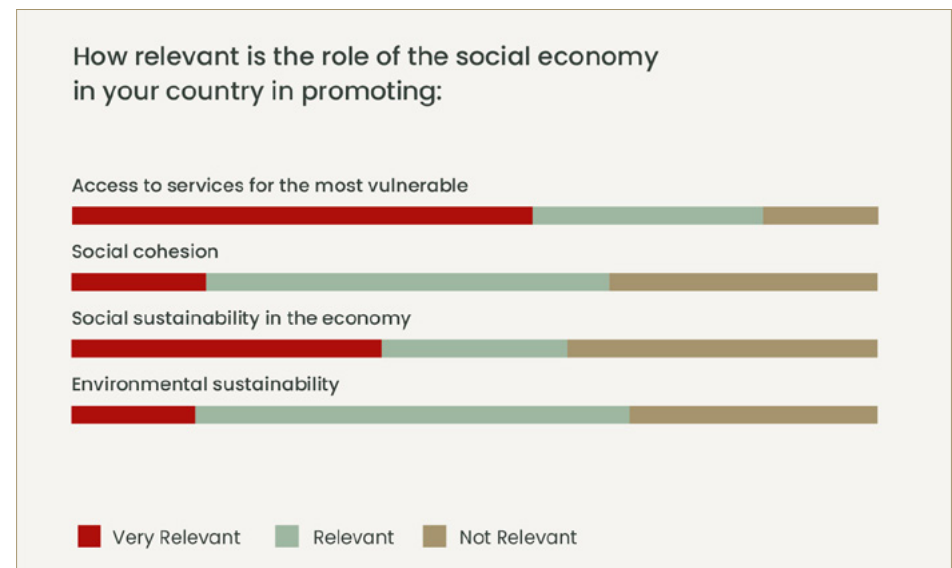
Social economy enterprises are in line with the work and vision of Caritas within *Catholic Social Teaching*⁷⁴ and the Caritas Social Model and principles. At the same time, they contribute to developing sustainable social services and social policies within both global and European reference frameworks, such as the UN Sustainable Development Goals and the European Pillar of Social Rights.

According to Caritas member organisations, social economy enterprises play a major role in favouring access to services of those in the most vulnerable situations, as well as in promoting social sustainability in the economy with specific attention to good working conditions and gender and ra-

cial equality, among others benefits. A number of examples are described below, which already provide a solution-oriented approach to some of the existing labour market challenges.

Figure 14. The role of the social economy in own country

Source: Caritas CARES survey, 2021



73 Caritas Europa, 2018, 'Putting People Before Profits, Social Economy Handbook', https://www.caritas.eu/wordpress/wp-content/uploads/2019/01/social_economy_handbook_web.pdf, 20/10/2021.

74 Caritas Internationalis, 'Caritas and Catholic Social Teaching', <https://www.caritas.org/who-we-are/catholic-social-teaching/>, 10/11/2021.

The role of the social economy in different countries, based on Caritas perspectives

Austria	Caritas dioceses promote more than 100 projects with social economy enterprises in different sectors, which include restaurants, recycling companies and the crafting industry, as well as hotels and supermarkets. The target groups vary from persons with disabilities, migrants and refugees, to long-term unemployed persons.
Czech Republic	Social entrepreneurship is associated mainly with the employment of people with a disadvantage in the labour market as well as with activating the long-term unemployed. The focus of social enterprises in the country is very diverse: gastronomy, hospitality, cleaning, forestry, gardening, retail, construction, etc.
Germany	There is a long tradition of not-for-profit social enterprises, dedicated to solving societal or social problems within the framework of non-statutory welfare work and organised civil society. Caritas social economy organisations have a not-for-profit status. The role that Caritas in Germany plays is essential to the functioning of the overall German welfare system and the provision of services. Caritas Germany supports around 13 million people every year, in 25,000 centres and institutions nationwide, in overcoming different social problems and difficult situations. The three sectors in which Caritas in Germany is most present are health care, child and youth services, and care for the elderly.
Italy	The social economy is an expression of the vitality of civil society, where it enjoys one of the most advanced social economy ecosystems in Europe. ⁷⁵ It has historically played an important role in providing services to the most disadvantaged, while also strengthening social cohesion and a culture of solidarity. At national level, social economy enterprises account for 5% of GDP, with 8% of the total employed and 17% of those in the private sector (over 1.5 million workers and 5.5 million volunteers). The main sectors are culture, sport and recreation, social assistance, and civil protection.
Ireland	Social enterprises by their nature are aligned to the ethos of the community and voluntary sector; this goes beyond merely being a not-for-profit entity and instead encompasses a set of shared core values. They are intended to meet an identified need within a community.

⁷⁵ Italy, along with France and Belgium, enjoys some of the most advanced social economy ecosystems in Europe, while Spain has a long tradition of social economy organisations and an emerging social enterprise ecosystem. Social Economy News, 'Towards a European action plan for the social economy', <https://www.socialeconomynews.eu/en/towards-a-european-action-plan-for-the-social-economy/>, 15/09/2021.

Latvia	This type of entrepreneurship is still relatively new and there is no wide understanding of social entrepreneurship and its importance in society. It is evolving as a horizontal priority, as different sectors are beginning to use social enterprises as a tool to achieve their defined goals.
Lithuania	The main role of social enterprises is to promote the employment of disabled people and their social integration. The first Law on Social Enterprises was adopted in 2004, and in 2020 an obligation for social enterprises to employ a larger share of disabled workers was introduced, together with stronger incentives to employ more severely-disabled people. The majority of social enterprises are operating in the services sector in Lithuania, but so far Caritas is only minimally involved.
Romania	Social economy plays a marginal role in the general economy: only 1.7% of the employed workforce works in social economy enterprises; entailing mainly people from population groups in vulnerable situations, such as persons with disabilities, long-term unemployed, young people who have not finished their education, among others. Romanian diocesan Caritas organisations have been developing programmes to offer jobs to people in the most vulnerable situations, to support people to re-integrate into the labour market and to generate income needed to run Caritas' social programmes. Most of these enterprises are more or less isolated initiatives and many started through European funding programmes.
Serbia	Caritas organisations started promoting social entrepreneurship as a way of reaching social objectives and social values through creating job and training opportunities for people belonging to groups in vulnerable situations. Over the past two decades, Caritas in Serbia has created different social services to respond to the needs of marginalised people, with the aim of empowering them and enabling them to live independent lives. For them, Caritas has created inclusive job opportunities to achieve, at the same time, sustainability for its services by putting the profits back into the services. The main sector of activities are education and training, tourism, food-related services and catering, and culture and arts.
Slovakia	Social economy is a suitable tool for the development of an inclusive labour market. An important milestone in the development of the social economy was the recognition, in 2008, of the legitimacy of social entrepreneurship as an instrument of active labour market policy. Since 2018, the law has opened new opportunities for the promotion of social inclusion, quality of life, and a better living environment.

In most of the countries analysed, policies exist that promote the social economy and social economy enterprises, but they are not always successful, as they seem to be insufficient and not adequately integrated into strategic policymaking.⁷⁶ In Italy, for example, social economy was almost completely ignored in the National Recovery and Resilience Plan, revealing a heavily centralistic approach. Despite being described as a political priority, the third sector continues to be considered marginal.

Nevertheless, in various countries, the number of social economy actors is increasing, gaining importance as a tool to combat the long-term unemployment of marginalised groups. New services as well as new jobs for various target groups are being created, which promote the inclusion of people in vulnerable situations in the labour market. They offer stability and trust, allow the beneficiaries to choose between different suppliers of assistance, and the 'competition' between suppliers leads to engagement and the improvement of the assistance offered, within a legal frame set by the state.

Caritas Europa continues to promote and support social economy enterprises as a strategy for integrating people who would otherwise remain far from the labour market. Thanks to this effort and to the collaboration at EU level with other partners, national Caritas organisations are

increasingly developing new and innovative social economy enterprises that are tackling some of the local social needs they see, and in some cases, even contributing to funding their own social services. The EU Action Plan for the Social Economy aims to support and promote the social economy and social economy enterprises across Europe. Caritas is hoping that the Action Plan will help in overcoming the obstacles to the social economy ecosystem, such as the lack of awareness and recognition of the social economy business models, the varying degrees of public and private, political and legal recognition, improving the appetite for social entrepreneurship among those from underrepresented groups such as young people, women and migrants by providing them with the right skills and education, ensuring access to social economy-related finance and social investments that foster start-ups and scale up the impact of social economy enterprises, especially since they prioritise social rather than financial returns, which often results in them being less appealing to traditional investors. This could likewise be reinforced through the promotion of social criteria in public procurement, encouraging public authorities and others to engage in socially-responsible public procurement by buying ethical products and services, and by using public tenders to create job opportunities, decent work, social and professional inclusion, and better conditions for disabled and disadvantaged people.⁷⁷

76 'A significant number of social enterprises are also operating, and developing, in countries such as Austria, Estonia, Germany, the Netherlands and Sweden, although they have not introduced specific legislation. In many countries where there is no political or legal framework, the concept of social enterprise is not well known and understood. This leads to a number of difficulties for social enterprises, such as more difficult access to finance and public procurement.' Source: Ibid.

77 European Commission, 'Social procurement - Updated guidance and awareness-raising to make socially-responsible purchases', https://ec.europa.eu/info/policies/public-procurement/tools-public-buyers/social-procurement_en, 09/09/2021.

2.2.5. Policies contributing to the labour market inclusion of Roma people

In most of the countries analysed, governments have implemented policies to help Roma communities with improved access to education and the labour market, but much remains to be done to overcome prejudice, discrimination and other structural barriers that hinder the full participation of Roma in society and the regular labour market. A few interesting examples are cited below.

- In **Belgium**, some cities such as Ghent have set up specific multidisciplinary programmes to foster labour market access for Roma people previously living in very poor conditions. Yet reluctance among the Roma people to use these programmes remains equally high.
- In **Latvia**, help is provided by agents who act as intermediaries between service providers and Roma workers. If this mediator manages to establish a positive relationship with Roma families, then it becomes possible to involve and assist them. Roma children are currently being helped with online learning.
- In **Romania**, from time to time some local labour agencies have organised job fairs especially for Roma communities.

According to most of the Caritas organisations involved in this research, there is hope that the [EU Roma Strategic Framework for equality, inclusion and participation 2020-2030](#) will better support Roma people and contribute to fostering their inclusion in the EU, including education and labour market inclusion. Considering the limited progress made by certain Member States in the past with the National Roma Integration Strategies however, Caritas members remain cautious. Nevertheless, Caritas

believes the seven key areas of focus: equality, inclusion, participation, education, employment, health, and housing are all highly relevant in an effort to meet the 2030 targets and the recommendations for Member States to better support the Roma. Roma people should also be involved in the implementation of proposed measures and targets. Caritas Europa welcomes the targets to increase effective equal access to quality and sustainable employment, cut the employment gap by at least half to ensure that, by 2030, at least 60% of Roma are in paid work. Additional objectives to consider the particular situation of Roma women are likewise significant, with goals to cut the gender employment gap for Roma by at least half, to ensure that, by 2030, at least 45% of Roma women are in paid work.

Linked to the above policy (as well as the subsequent one) is the [EU Anti-racism Action Plan 2020-2025](#), which was launched in September 2020, and sets out a series of measures to combat racism and ethnic discrimination. Among other goals, the Action Plan calls for better enforcement of existing EU laws and closer coordination, which should be supported by regular dialogue with all stakeholders.

Caritas Europa is pleased with these action plans and the European Commission's commitment to implementing existing equality legislation on the grounds of racial and ethnic discrimination, including in the area of employment. But the EU and its Member States need to go beyond this action plan, to adopt anti-discrimination legislation that ensures comprehensive protec-

tion against discrimination in all key areas of life, including housing. With the implementation of national action plans against racism, Caritas Europa is hopeful that the EU and its Member States will step up their engagement to

monitor and sanction discrimination and xenophobia, and to raise awareness of the need for continued anti-bias training, particularly in the fields of employment, job recruitment and retention.

2.2.6. Policies contributing to the labour market inclusion of migrants

Most of the countries analysed for this research have specific policies in place to help migrants access the labour market, while only a minority (23%) have put in place new policies to help migrants and refugees in response to the pandemic.

- In the **Czech Republic**, the government operates several special programmes through which employers can quickly and easily find and employ workers from selected countries outside the EU (Ukraine, Mongolia, Philippines, Serbia and others). Yet, there are no programmes supporting the employment of migrants who are already in the Czech Republic. Migrants with free access to the labour market can benefit from social services support (counselling, social rehabilitation) just like Czech citizens.
- In 2020, the **Italian** legislation laid out procedures for the regularisation of Italian or foreign citizens involved in certain labour sectors, such as agriculture, farming, care and domestic work. Similarly, the **Portuguese** government regularised all migrants who were waiting for their legal residence permits at the start of COVID-19. This meant the migrants could access the public health system, social security and banking services, and be able to enter regularised job contracts.

- The **Cypriot** government developed several policies to support those unemployed or who had lost their jobs as a result of the pandemic. This included migrant groups, such as recognised refugees and beneficiaries of subsidiary protection, enabling them to benefit from the same labour rights as national and EU citizens.

Effective implementation of the EU [Action Plan on Integration and Inclusion 2021-2027](#) will contribute to improving the integration of migrants and refugees in their countries of residence with a focus on education, employment, health and housing. Caritas Europa views this Action Plan as a useful tool to address some of the many structural challenges negatively affecting migrants from enjoying full inclusion, which could eventually contribute to better recognition of the important contributions that migrants are making to the EU (as well as to their countries of origin). Success in this area also interconnects with progress made on the [EU Anti-racism Action Plan 2020-2025](#). At a time of widespread misinformation, it is also important to establish a fact-based and responsible public discourse on migrants and refugees, as well as on Roma people and other particularly marginalised groups. Hence, addressing institutional discrimination is vital, whether in the field of journalism/media, in policing/security, or even just within the staff of the EU institutions.

2.2.7. Toward ensuring equality between men and women

Gender employment and pay gaps are common features in many national labour markets across Europe.

All countries represented in this study have gender equality policies or strategies in place with regard to the labour market. According to 60% of the Caritas organisations, the implementation of these policies has contributed to improving equality between women and men. Nevertheless, the involvement of women in the labour market could be further strengthened by reforms and investments that promote early and affordable childhood education and care, as well as long-term care services, and work-life balance policies. Moreover, if more is not done now to address the gaps that negatively impact on women, their financial situations will be even more precarious when they reach retirement age, as research suggests that many elderly women are expected to struggle to cover their living costs after retirement.⁷⁸

On 5 March 2020, the European Commission presented the **EU Gender Equality Strategy 2020-2025**, which focuses not only on the principle of wage transparency, but also on good working conditions. It covers the breakdown of persistent gender stereotypes and the effective prevention of violence against women, a phenomenon which has come under more public scrutiny during the COVID-19 pandemic. Caritas Europa welcomes this strategy as a policy strategy applicable to the entire European Union and one to be implemented in a committed fashion by the EU and its Member States. 'Equal pay for equal work' is a key aspect to lower the higher risk of poverty for women and to break down persistent gender stereotypes. What is needed is the pursuit of a broad-based approach to reducing discrimination against women. In doing so, the experiences and suggestions coming from equality work by civil society organisations and by local authority and regional administrations should be used when implementing the strategy across all EU Member States.

2.2.8. Policies to address the labour market inclusion of persons with disabilities

On 3 March 2021, the European Commission launched a new **Strategy for the Rights of Persons with Disabilities 2021-2030**, which builds on the results of the previous European Disability Strategy 2010-2020, gives clear direction

to social services for persons with disabilities, and proposes achievable and ambitious initiatives that the EU can take to contribute to the implementation of the UN Convention on the Rights of Persons with Disabilities. The

78 See European Commission, 2021 'Pension Adequacy Report', Publications Office of the European Union, <https://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=8397&preview=cHJldkVtcGxQb3J0YWwhMjAxMjAyMTVwcmV2aWV3>, 15/10/2021.

Strategy focuses on EU rights, independent living and autonomy, non-discrimination and equal opportunities including decent jobs in the labour market and in social enterprises and towards inclusive lifelong learning, essential for a more inclusive labour market.⁷⁹ Particularly important will be the upcoming package to improve the labour market outcomes of persons

with disabilities (in 2022) and the impact of the EU Action Plan for the Social Economy. The grassroots experience from civil society organisations and from local authority and regional administrations should be used when implementing the strategy across all EU Member States.

2.2.9. Policies to address the labour market inclusion of older workers

The EU should support and promote the agenda of good working conditions for older workers, the so-called silver economy, who want and are able to work. Concrete measures should be considered, such as improving the skills, particularly digital skills, of older workers with adapted training courses; promoting flexible working hours and part-time working arrangements for older persons that do not disqualify them from full social protection (a part-time pension in combination with part-time work); improving health and safety policies in the workplace, including mental health; and promoting policies that combat ageism and discrimination due to age in the workplace. Promoting access to and staying in the labour market until retirement age will also have a positive impact on the level of their retirement pension and will thus contribute to reducing old-age poverty.

Based on input from Caritas member organisations, the European Commission and Member States should promote the employability of older people, and more generally, tackle unemployment and improve access to job opportunities through the **InvestEU Programme**.⁸⁰ Particular focus should be directed especially towards the sectors of the green economy and social enterprises, capable of producing new jobs, and by expanding lifelong learning opportunities currently offered by public administrations. It is necessary to build good foundations based on relevant data in order for institutions to be able to formulate effective policy measures, and as such, the EU institutions and Member States should support the sharing of experience and good practice when creating employment programmes.

79 EASPD, 2021, 'EASPD is ready to help implement promising new Disability Strategy', <https://easpd.eu/press-releases-detail/easpd-is-ready-to-help-implement-promising-new-disability-strategy/>, 20/10/2021.

80 'Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation' (EU) 2015/1017, PE/74/2020/REV/1, OJ L 107, 26.3.2021, p. 30–89 (BG, ES, CS, DA, DE, ET, EL, EN, FR, GA, HR, IT, LV, LT, HU, MT, NL, PL, PT, RO, SK, SL, FI, SV), <https://eur-lex.europa.eu/eli/reg/2021/523/oj>, 22/09/2021.

2.2.10. Policies to address non-standard employment and informal work

Workers in non-standard forms of employment are those most at risk of in-work poverty and are among the categories of people who have been most affected by the employment crisis during the pandemic, since they have faced more difficulties in accessing government support mechanisms and little social protection coverage. This has especially been the case for self-employed workers, who have been excluded from most social protection measures, especially during COVID-19, or have only benefitted from extraordinary measures, and also workers in agriculture, construction, childminding, caring and cleaning.

The [Council recommendation on access to social protection for workers and the self-employed](#), and the [Directive on transparent and predictable working conditions](#) are recent steps in the direction of the inclusion of new forms of employment into the national social security systems in the EU. However, social security measures should be further extended to other workers in non-standard work forms (such as part-time workers and workers with fixed-term contracts). This could be achieved through separate directives or guidelines for the individual groups concerned (for instance, regulating the social benefits of platform workers). Of most immediate relevance will be the implementation of the national plans on accessing social protection and adapting social protection systems to respond to the quickly evolving labour markets, since most of the na-

tional plans include measures that address at least one of the four areas of the Council Recommendation: 1) access to social protection; 2) effective coverage for all workers and self-employed regardless of the type of employment relationship; 3) adequate level of protection (decent standard of living, appropriate income replacement); and 4) transparency of the conditions and rules as well as administrative simplification. But considering the considerable differences in range, scope, timing and prioritisation on all four areas of the Council Recommendation, further gaps will need to be monitored and addressed in the Country-Specific Recommendations. The coordination of Member States' social security systems must also be pursued with greater attention on effective access, preservation and transferability of entitlements and transparency and simplification.⁸¹

However, there has been a specific development to improve the working conditions in the so-called platform economy, considered as a non-standard form of employment and which refers to online platforms that enable individuals or organisations to contact other organisations or individuals to solve specific concerns or offer specific products or services in exchange for payment. In December 2021, the European Commission published the proposal for an [EU Directive on improving the working conditions of platform work](#).

81 Monika Kiss, 2021, 'The future of work', European Parliamentary Research Service (EPRS) Briefing Paper, pp 8-9.

The characteristics of non-standard work also often reflect the typical conditions of informal work,⁸² notably precariousness and limited social protection. In many of the countries analysed, informal employment⁸³ is quite significant, particularly for Cyprus, Portugal, Serbia, Lithuania, Romania, Italy, and in part also Belgium. The economic consequence of informal employment is not only harmful for the workers themselves, but also for the countries in which they are working. This is because health, education, pensions, and social support systems depend on the contributions made by employers and employees to the national insurance fund. Even though there are policies in place to address the informal economy and undeclared work, they are, in most cases regarded, by Caritas member organisations, as unsuccessful and without teeth, as there is insufficient public investment in labour inspections and judicial institutions to enforce existing rules and regulations. Some examples are worth highlighting:

- After years of few national initiatives, at the end of 1998, the Committee for the emergence of informal work was established in **Italy** at the Presidency of the Council of Ministers,⁸⁴ which is a technical body

Photo: Charity nursing service Mladá Boleslav.
Source: Jakub Žák



82 Informal work is the term used in this report, also meaning undeclared or irregular work.

83 According to the ILO, 'non-standard forms of employment' is an umbrella term for different employment arrangements that deviate from standard employment. They include temporary employment; part-time and on-call work; temporary agency work, and other multiparty employment relationships. Non-standard employment features prominently on digital labour platforms.

84 Article 78 of Law No. 448 of 23 December 1998. (A URL link for this?)

framed in analysis, elaboration, proposal, promotion, implementation, and coordination of initiatives regarding the emergence of informal work, with regional and provincial commissions. The National Committee and its network is an example of a good practice at community level in the fight against informal work.⁸⁵

- In the **Czech Republic**, there are specific legislative measures aimed at eliminating the informal economy, with financial sanctions for both the worker and the employer. However, these sanctions do not address the causes that lead people to engage in undeclared work and do not create the conditions for the transfer of this workforce to the formal labour market.
- In **Austria**, there are different laws that tackle the informal economy and undeclared work (for example, the Social Fraud Prevention Act (*Sozialbetrugsbekämpfungsgesetz*)), but these often punish the worker more than the employer, so assessing the success of this policy depends on one's perspective. Unfortunately, undeclared work is, in some cases, the only way for people in vulnerable situations, namely, those who face greater obstacles accessing the regular labour market, to earn some money. Success would be when these same people could access a decent job and salary and benefit from fair working conditions and social protection.

- In **Serbia**, the first National Programme for Countering the Shadow Economy was approved in 2015, while the **Lithuanian** government adopted a set of measures in June 2019 to reduce the shadow economy in the construction, meat and car sectors, and in **Malta**, existing employment legislation already provides tools for government employment agencies to take effective action against employers who do not abide by the law. Yet, despite these measures, their impact has been questionable, in part due to a lack of political will to ensure that employment laws are respected, but also because key aspects of the problem (for example, informal employment in agriculture) are not being tackled either.
- In **Slovakia**, plans are under way to create a tool to better detect workers who are working informally, whereas the main instrument currently used by **Romanian** authorities to reduce undeclared work is through checks and sanctions, which does not represent a coherent approach to tackling the matter. The National Recovery and Resilience Plan proposes a programme aimed at 'Encouraging the formalisation of work and introducing a minimum inclusion income', which is supposed to facilitate the transition into formal employment.

At European level, there has been some gradual progress since the rollout of the European Pillar of Social Rights (EPSR) and its objectives to address some of the challenges associated with the informal economy. This led,

85 Further information about the importance of fighting undeclared work can be found here: Caritas Europa, 2021, 'Demystifying the regularisation of migrants', <https://www.caritas.eu/demystifying-the-regularisation/>, 03/11/2021.

for instance, to the establishment of the **European Labour Authority (ELA)**⁸⁶ in July 2019 with the expectation of reaching full operational capacity by 2024. This is important because the ELA was set up to help ensure that EU rules on labour mobility and social security coordination are being enforced fairly, simply, and effectively. Considering that nearly 17 million European citizens currently live or work in another Member State – twice as many as a decade ago, and this number is increased by thousands, possibly millions, of people working informally – this authority is expected to increase in significance.⁸⁷

Caritas Europa is eager for increased protections to address the rising phenomena of non-standard employment, informal employment, and new forms of precariousness, whether due to poor working conditions, lack of transparency and predictability in contractual arrangements and employment status, health and safety challenges, inadequate access to social protection, lack of income stability, or undignified salaries that are too low to cover living costs. For all these and additional reasons identified in the Council Recommendation on access to social protection for workers and the self-employed, policies and reforms are needed in practice, to ensure dignified and adequate social protection to all workers so that no one is left

behind. A comprehensive approach should be taken regarding the prevention of informal work that penalises employers who employ workers informally whilst at the same time ensuring that the workers themselves are not harmed and have opportunities to work in the formal labour market. In this regard, more needs to be done to sanction employers who violate the law, to offer incentives to employers to hire workers on formal contracts, and to grant secure and sustainable residence status and expand regularisation possibilities for undocumented workers.

The over-reliance in Europe on informal work should be addressed. Driven by labour demand for a workforce, which the local population in Europe does not or cannot provide, several economic sectors – like the agricultural, construction, hospitality or domestic care sectors – structurally depend on an undeclared workforce, primarily consisting of undocumented migrants, who are often exploited by employers. The COVID-19 pandemic has brought into focus, in European public debate, the issue of essential workers, exploitative conditions, and the importance of granting residence rights to those working without papers, through what is known as regularisation. Calls for regularisation schemes have been voiced by different actors due to economic, humanitarian, and public health reasons,

86 Regulation (EU) 2019/1149 of the European Parliament and of the Council of 20 June 2019 establishing a European Labour Authority, amending Regulations (EC) No 883/2004, (EU) No 492/2011, and (EU) 2016/589 and repealing Decision (EU) 2016/344 (Text with relevance for the EEA and for Switzerland), PE/49/2019/REV/1, OJ L 186, 11.7.2019, p. 21–56 (BG, ES, CS, DA, DE, ET, EL, EN, FR, GA, HR, IT, LV, LT, HU, MT, NL, PL, PT, RO, SK, SL, FI, SV), <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32019R1149>, 24/09/2021.

87 While there is free movement for EU citizens as well as options with social security coordination for the posting of workers, this does not apply to people in irregular situations. It is also not always easy to enforce EU rules across the Member States effectively, so the ELA could assume an important role in facilitating cooperation and exchange between relevant national authorities and organising common activities, such as joint inspections or training national staff. The aim is to ensure there are no second-class workers. 'Workers should earn the same pay for the same work in the same place' – European Labour Authority, 'ELA's mission', <https://www.ela.europa.eu/en/elas-mission>, 10/10/2021.

in order to bring undocumented migrants ‘into the system’. Furthermore, more regular pathways for labour migration should be enabled.⁸⁸ The recent adoption of the blue card directive⁸⁹ is a good step in enabling more regular pathways since, with the new rules, the conditions of entry and residence for highly-qualified workers are being harmonised to increase attractiveness among highly skilled workers, by establishing more inclusive admission criteria, facilitating intra-EU mobility and family re-

unification, simplifying procedures for recognised employers, granting a very high level of access to the labour market and extending the scope to include non-EU family members of EU citizens and beneficiaries of international protection.⁹⁰ Despite this, however, there is still a desperate need for the EU to enhance more regular pathways, also for lower skilled workers. This becomes acutely obvious when considering Europe’s long-term healthcare labour market needs, so leading to the next policy concern.

2.2.11. Need for policies to reform long-term care and recognise home care workers

People in the EU are living longer and while they are generally healthier, long-term care (LTC) needs are growing, whether in home care or in institutional care facilities. According to Eurostat data, ‘in 2019, more than one fifth (20.3%) of the EU27 population was aged 65 and over’, and ‘the share of people aged 80 years or above in the EU27’s population is projected to nearly triple between 2019 and 2100, from 5.8% to 14.6%’.⁹¹

The LTC workforce is key in delivering a person-centred quality service. Even before the pandemic, the sector was experiencing increasing staff shortages, largely due to low wages and precarious working conditions, which was making the sector unattractive. This context, and the impact of the pandemic on long-term care, should make this field of work a priority in the EU’s efforts to improve access to social rights and decent work.⁹² Given the

88 Further information about the importance of regular pathways for labour migration can be found here: Caritas Europa, 2021, “Demystifying the regularisation of migrants”, <https://www.caritas.eu/demystifying-the-regularisation/>, 03/11/2021.

89 European Council, 2021, ‘Legal migration: Council adopts blue card directive to attract highly-qualified workers’, <https://www.consilium.europa.eu/en/press/press-releases/2021/10/07/legal-migration-council-adopts-blue-card-directive-to-attract-highly-qualified-workers>, 10/10/2021.

90 Ibid.

91 Pfohman, Shannon, 2021, ‘The carers in our own homes are essential workers, too’, Caritas Europa, <https://www.euractiv.com/section/economy-jobs/opinion/the-carers-in-our-own-homes-are-essential-workers-too/>, 12/10/2021.

92 The Action Plan for the European Pillar of Social Rights (principle 18) acknowledges the need to better understand the challenges related to long-term care, such as the need to improve care access, affordability, and quality; and to ensure an adequate workforce while also providing clarity on the coordination of long-term care benefits in cross-border situations. The EC will publish a LTC Initiative in 2022 which will hopefully propose solutions to these challenges.

fact that care-workers in general were labelled as 'relevant for the social systems' and were deemed 'system-relevant' during the pandemic, the establishment of care-worker corridors between borders would have been a pragmatic and fair solution that could have contributed to lowering the emergency nature of the pandemic.

But such solutions alone will not be adequate for solving the omnipresent challenges of the fragile care sector. More needs to be done post-COVID-19, to build a more sustainable social care system, especially given the increasing need for care. It is vital to ensure fair and dignified wages in accordance with local standards, training and professional nursing-services support, as well as decent working conditions and the respect of labour rights. In addition, home care workers should be able to obtain an official permanent status in the nursing sector with a recognised job title, such as 'nursing assistant living in the household', which could be reflected in all future relevant

nursing agenda policymaking. Countries employing home care workers through employment placement agencies abroad, or from neighbouring EU Member States, should also recognise the negative impact of 'care drain' – when care workers are imported from other countries – on the communities left behind. Leaders should look for more sustainable solutions, such as investing in training, and in home care opportunity in the sending countries, while making strides in achieving greater upward social convergence between European countries. Moreover, investment in the social care sector is greatly needed, with a particular focus on post-communist EU countries, where little funding has been allocated until now. And finally, considering the migratory component of ensuring fair care work in Europe, it is also vital to provide European solutions, not just national ones. Some standardisation of care work, based on the International Standard Classification of Occupations (ISCO) would likewise be beneficial – namely, qualification requirements, for example, diplomas that recognised in all EU countries.

SECTION 3

Caritas' promising practices promoting an inclusive labour market



Caritas' innovative and promising practices, that promote an inclusive labour market, aim to be an inspiration for furthering such practices at national and European levels. They aim to support the labour market inclusion of different population groups: migrants, long term unemployed, young people, minorities in vulnerable situations, homeless people, and persons with disabilities. In such a way, Caritas promotes an inclusive labour market with protected, supported and empowered workers of both sexes, all age groups, all capabilities, and from all backgrounds.

A few examples of these practices are presented below, some of which include testimonies of service users who have been benefitting from the measures, whereas many others can be found in the [18 national reports](#).

Photos: (Previous page) Inauguration of the Caritas Solidarity Boutique in Rome for tailoring work by immigrant women. **Source:** Imago mundi

(This page) Sustainable Development Farm. **Source:** Caritas Šabac, 2020



3.1. Labour market inclusion support of young people

ESF project 'PROTI un DARI!' ('KNOW and DO!')⁹³ – Caritas Latvia

This programme, implemented by Caritas Latvia in the municipality of Riga, aims to help lower youth unemployment, under-education, and limited engagement in society. It promotes activities that seek to involve young people not in education, employment, or training (NEETs) (aged 18-29 years old) in employment and education activities provided by NGOs and the State Employment Agency. Until the end of August 2021, Caritas Latvia had worked with 39 young people, 15 of whom have since been hired into a formal workplace, and 10 are still active in the project. Despite the pandemic, the project continues, and young people are still acquiring new knowledge and skills.

'Marija is a well-educated young woman with a degree in architecture and with international work experience. At the beginning of the pandemic, she returned home, where she is living with her mother. She found herself without employment and income. Thanks to the Caritas project, she acquired driving skills and took part in a prominent project competition for architects. Although she didn't win a prize, Marija gained new contacts and at the end of the project, she got a job offer at an excellent architectural firm.'

93 Caritas Latvia, 'PROTI un DARI!', <https://www.caritas.lv/2019/08/01/projekts-proti-un-dari-2/>, 20/10/2021.

'Your Job - Youth Overcoming Unemployment Regionally through Job Opportunities in the Balkans'⁹⁴ - Caritas Serbia [↗](#)

The 'Your Job' project aims at empowering young people (15-30 years of age) and increasing their competitiveness on the labour market, by participating in core sessions, such as counselling and training. The entire empowerment process is carried out by guidance counsellors who work in Caritas' youth incubators in Aleksinac, Zrenjanin and Ruma. One part of the activities is dedicated to the development of (social) entrepreneurship and the promotion of self-employment for young people who want to become (social) entrepreneurs. The project pays particular attention to gender equality and the inclusion of persons with disabilities, as well as other groups in vulnerable situations. 'Your Job' offers a unique person-centred approach where the proposed individual plan is designed based on background, needs, and aspirations of the young people involved. The individual counselling sessions within the 'Your Job' project is not only about informing and advising young people; it is about guiding them, constantly supporting them, and following their progress towards employment. Beneficiaries involved stress the importance of the individual counselling as their most favoured activity. They pointed out the friendliness, constant availability and dedication of the project guidance counsellors as the most important aspects of the project. It is this friendly, person-centred approach that makes the difference, especially when compared with other similar projects or public employment services.



94 Available at: <https://www.facebook.com/YourJobSrbija>, https://www.instagram.com/your_job_srbija.

3.2. Labour market inclusion support of persons with disabilities

'Training café Rígrovka'⁹⁵ – Caritas Czech Republic [↗](#)

Café Rígrovka is a training café, which was established to respond to the needs of the clients of the Parish Caritas *Kralupy nad Vltavou* and to offer job opportunities to people with various disabilities, not only health or mental disabilities, but also other aspects that result in their disadvantages in accessing the labour market. The café thus gives everyone who wants to work a chance to do so. The café employees bake desserts, savoury pastries, make lemonade, cook a lunch menu and sell an assortment of Czech beverages. The intention is to cook healthier food, from scratch, ranging from one's own production or based on products from local producers, and to foster the autonomy of the employees. Thanks to the café, the Parish Caritas is able to work with the public and inform them

Photos: (Previous page) YourJob 2nd boot camp – young future entrepreneurs from Ruma and Irig, October 2020. Source: Caritas Serbia

(This page) Café Rígrovka. Source: Caritas Czech Republic



95 For more information, go to: <https://www.rigrovka.cz>.



about the problems and challenges of people living in the neighbourhood. The customer can contribute directly to improving the well-being of society through their café interactions and consumption. Every purchase in the café provides help not only to a specific person but also support to other projects in the Parish Caritas.

‘Sustainable Development Farm’⁹⁶ – Caritas Serbia

The Sustainable Development Farm, a social enterprise for the professional rehabilitation and employment of persons with disabilities, employs ten people: five persons with disabilities, and five people from what are considered to be ‘hard-to-employ’ categories. Caritas Šabac’s goal is to train as many persons with disabilities as possible (through eight accredited vocational training programmes) and thus enable them to find jobs anywhere. The enterprise is situated in the municipality of Bogatic, where the unemployment rate is high, especially for persons with disabilities. Among the five persons with disabilities, three suffer from mental health problems, and are former beneficiaries of a Caritas Day care centre for adults with mental

| Photo: Sustainable Development Farm. Source: Caritas Šabac, 2020

96 Available at: <https://www.avlijabogatic.rs> Facebook: Avlija Bogatić Instagram: avlija_bogatic.

disorders and intellectual disabilities. The activities of the company concern primary and secondary agricultural production, catering and tourism, pottery workshops, and maintenance of green areas. People are employed under excellent working conditions, and their contribution to the workplace is extremely high, thanks to professional workers for workplace integration and the training they undergo before engaging in employment. In addition, the enterprise pays a lot of attention to the visibility of disability issues, in order to raise awareness about this in the community.

For now, the profitability of the social enterprise is a clear indicator of success that enables further work on the development of social entrepreneurship and labour inclusion. In addition, the satisfaction of the beneficiaries, that is, the employees, is even more important.

'It was a big change in my life because after a long time I started hanging out with people again, going out of the house, having obligations to meet. But when I got the job, it really changed my life completely. I have my colleagues with whom I feel good, I feel good at work, I like it when they praise me for doing something well, then I try even harder. My disease (schizophrenia) is under control; now I control my life and I feel good about it.'

— Testimony of an employee of the Sustainable Development Farm,
a former beneficiary of the Caritas Day care centre.

'In good hands – cared for by Caritas at home' - Caritas Romania

Care migration from Romania to western European countries has resulted in a weakening of Romanian care systems and a constant transfer of resources (trained human resources) from Romania to countries abroad. In Romania, it is becoming increasingly more difficult for service providers to find qualified staff to offer even basic care services due to such mass emigration. So, while the care situation for the elderly has improved in certain European countries, in Romania (and some other countries) it is becoming increasingly more difficult for those in need to access appropriate services, due to a lack of skilled personnel.

'In good hands', implemented by Caritas Alba Iulia in Romania and Caritas Switzerland, aims to offer home care services for elderly people in Switzerland, provided by care workers from Romania, without having a negative impact on the local home care system in Romania. All the care workers involved are employees of the homecare programme of Caritas Alba Iulia. They work for certain periods in Switzerland (which helps them to improve their income), and after their return to Romania, they continue their activity in the local care programme. Besides the salary for the care worker and the organisation of the deployment, Caritas Switzerland also pays monthly fees for a capacity-building fund and a so-called 'team fund' for the home care team in Romania.

Photo: Many people leave Romania in search for better jobs and higher incomes. Care workers from Romania play an important role in offering care for the elderly in many European countries. **Source:** Alba Iulia



The approach developed by Caritas Alba Iulia and Caritas Switzerland succeeds in finding a balance between the needs of the elderly beneficiaries in Switzerland, who receive professional care by well-trained care workers (in most cases nurses), the interests of the care workers, who have the opportunity to increase their income and language skills, to work in a safe environment⁹⁷ and yet remain part of their work team at home in Romania. Finally, Caritas Alba Iulia, as a home care provider in Romania that facilitates the deployment of the organisation's care workers, is able to maintain its qualified workforce and is supported in the training of the care workers and the further development of their home care programme in Romania. As such, this is a win-win situation for all involved.

3.3. Labour market inclusion support of socially excluded people

'SPAR Caritas'⁹⁸ – Caritas Austria

Caritas Austria, in cooperation with the supermarket chain SPAR, runs several SPAR branches in which long-term unemployed persons are trained by professionals and supported by social workers. After completing a job training programme, participants can work in a temporary employment relationship. Participants get professional training in food retailing and SPAR gets highly skilled workers that are trained on the ground. During the job-training, Caritas Austria's coaches and social workers offer counselling and support.

97 More information about the training and working conditions endorsed through this initiative can be found in Caritas Europa's home care conference declaration of 2019: <https://www.caritas.eu/wordpress/wp-content/uploads/2019/11/191129-Fair-Care-final-declaration.pdf>.

98 For more information, go to one or more of these sites:
<https://www.caritas-wien.at/hilfe-angebote/arbeitsbeschaeftigung/beschaefigungsprojekte/supermarkt/>
<https://www.perspektive-handel.at/standorte/niederoesterreich/>
<https://www.caritas-steiermark.at/carla/spar-markt-der-caritas/>

'Pater Paulus Farm – Centre for the social-professional reintegration of homeless people' – Caritas Romania

For homeless people from Timișoara, it is almost impossible to return to a decent and self-reliant life. The Caritas hostel for the homeless of Timișoara offers shelter but only as a temporary solution. Most of the homeless hope to regain their economic independence and to develop their capacities to provide for their livelihoods. But many face prejudices from potential employers and bureaucratic obstacles when trying to find employment and enter the labour market, which can be damaging to their self-confidence.

To provide a more permanent solution, beneficiaries are often relocated to the village of the Pater Paulus farm, located in Bacova, to acquire work in a Caritas social enterprise (agriculture and carpentry) and to return to a self-reliant life. The farm offers them shelter, social services and employment in a social enterprise. By working in this enterprise, the formerly homeless adults and/or families become more accustomed to a regular routine and a more organised way of life, as they participate in vocational training on-site and (re)gain the skills required to enter into the general labour market. Most of the products of the enterprise (especially from agriculture) are used in other Caritas centres (the night hostel, social canteens, etc.).

Photo: The Pater Paulus Farm in Bacova, some kilometers from the Romanian city of Timișoara, offers former homeless people a place to stay and to work in agriculture as a first step back to an independent life. **Source:** Caritas Timișoara



Some succeed, after a period on the farm, to find employment on the general labour market and to leave the farm. Others, facing more serious difficulties, stay for longer at the farm. The innovative character of the project, at least for Romania, is the combination of the night-hostel in Timișoara, which offers homeless people the opportunity to leave the street and find shelter in a safer place, and the farm, which supports these people to make the next step towards a decent and economically self-reliant life.⁹⁹ It's the interconnection of the two, that is, providing shelter and employment support that makes this so successful.

'Work funds'¹⁰⁰ - Caritas Italy [↗](#)

This project aims at tackling the difficulty in finding employment for people on the fringes of the labour market. Supported and funded by the Italian Council of Bishops, and implemented by about half of diocesan Caritas, these funds aim to promote job inclusion in favour of marginalised people, those commonly excluded from the ordinary labour market (single mothers, undocumented migrants, unemployed young people with family burdens, former traders who have lost their business, people with drug problems, etc.). In general, the work funds do not provide an income but guarantee the payment of social security and social security contributions for local entrepreneurs. It also provides professional retraining, internships and apprenticeship contracts.

On the basis of the qualitative assessments available, the work funds are successful at reactivating people who have been away from the labour market for a long time. An important key to the project's success is the ability to connect work with the social dimension of collective good or to establish contacts with for-profit organisations, who contribute to their recruitment.

99 <https://federatia-caritas.ro/servicii/economie-sociala/>

100 The project is developed on a local basis. Here is an example of diocesan Labour Fund: https://caritasdiocesifermo.it/wp-content/uploads/2021/03/progetto_lavoro_caritas_2021.pdf

'National Microcredit Agreement'¹⁰¹ – Caritas Italy

This project aims at helping people and families in vulnerable situations, but also small entrepreneurs, to access microcredit, to start work and access economic paths towards autonomy. It tackles the difficult access to legal credit by individuals without guarantees or small businesses in economic difficulty. The new agreement, signed 21 October 2021 between Italian Caritas, Banca Etica and the microcredit company, PerMicro, is a partnership that contributes to financial inclusion and is available to all dioceses and diocesan Caritas, to meet the needs of the 'nonbankable', that is, those who are unable to get guarantees to access credit. With an initial ceiling of 5 million euros - made available by Banca Etica and PerMicro - the agreement focuses on microfinance to implement educational and financial inclusion measures for groups in the most vulnerable situations. The diocesan Caritas that adhere to the initiative identify the beneficiaries, which may entail individuals, families or micro-entrepreneurs. They then grant small loans for self-employment initiatives and micro-enterprises (from 5,000 to 25,000 euros), of up to 72 months in duration. The project also provides financial training courses, for Caritas operators and volunteers, with the aim of helping the beneficiaries of the loans to prepare business plans and develop ideas for getting credit. In the future, collaboration with Banca Etica will also be extended abroad, with a micro-credit programme in ten African countries. The project is new but is based on the many years of experience of Banca Etica, which has provided support to micro credit beneficiaries for years for the Italian diocesan Caritas.

The Policoro Project accompanied young people even during the pandemic. Three young beneficiaries of the project in the diocese of Abruzzo - Anna (psychologist), Francesco (small agricultural entrepreneur), and Emanuele (maintenance technician -) told us about their experiences of employment difficulties during the crisis and about the future appearing uncertain. Certainly, the labour market has changed, in some cases they had to 'reinvent themselves', and to accept layoffs and a reduction in working hours. Emanuele explains how it is difficult to find work due to the fear of COVID-19 contagion, and also the fact that some parents cannot leave the house as they have to help the young children in distance learning activities. Anna, the young psychologist, is no longer able to work because her job is in a small cooperative that involves personal contact. Francesco works in a supermarket, but he is not hired directly but by an interim company, with contracts renewed every three months. Thanks to the Policoro Project, they are all supervised by a tutor and are planning new job perspectives, in which their three sectors of experience can intertwine. A different and new job enriched by values that they had not considered before: flexibility, versatility, cooperation and above all, humanity.

101 For more information, go to https://www.caritas.it/pls/caritasitaliana/v3_s2ew_consultazione.mostra_pagina?id_pagina=9108.

‘People Support People’¹⁰² – Caritas Germany

This project, initiated by the *Bundesministerium für Familie, Senioren, Frauen und Jugend*, Germany’s Federal Ministry for Family Affairs, Senior Citizens, Women and Youth, aims to connect people in need with volunteers who act as mentors. The aim is to integrate people from disadvantaged backgrounds into the community and give them the opportunity to participate more equally. Caritas takes part in this project in many towns, amongst others in *Haltern am See*, where the project aims at the inclusion of refugees. One aim in Haltern is to support labour market integration.

One of the honorary helpers in Haltern am See is Ellen Gart ‘Ellen G.’ (81). Only recently, she helped Ragheb (31), who fled from Iraq to Germany, to find an apprenticeship as a retail salesman. ‘It’s hard to orient oneself to Germany’s demanding labour market’, says Ragheb. Ellen helped him to learn German and encouraged him to attend several training programmes. In return, she learned a lot about Iraqi culture. Ellen and Ragheb met as strangers. Today, like many other project participants, they consider themselves friends.

3.4. Labour market inclusion support of migrants

‘Migrants Care’¹⁰³ – Caritas Austria

The project’s objective is to integrate migrants into the labour market. Migrants Care promotes the professions of carer and social worker, tackling the lack of workforce in this field. As the programme is aimed at non-German native speakers, it comprises a training period and preparation courses for the improvement of the individual’s level of German. After this period, the project partner supports the participants in finding a training place and facilitates participants’

¹⁰² „Menschen Stärken Menschen“, <https://www.caritas.de/spendeundengagement/engagieren/ehrenamt/fluechtlinge/patenschaften/patenschaften>

¹⁰³ For more information go to: https://www.freiewohlfahrt.at/migrants_care or <https://www.caritas-wien.at/hilfe-angebote/asyl-integration/ausbildung-arbeit/beratung-begleitung/migrants-care/>.

entry into work. The programme has been implemented in Vienna and Graz. Due to its success rates, the project will be extended to Upper Austria this year. To participate, people should respect the following requirements: be a third country national; be a non-German native speaker; have intermediate-level German skills (up to level B1); have a valid work permit; be at least 21 years old; and have a school leaving certificate (of at least the 9th grade).

'Sipla Project'¹⁰⁴ - Caritas Italy

The Sipla Project (Integrated Protection System for Agricultural Workers) is a national project, involving over 50 third-sector organisations spread across 14 regions, including the Farsi Prossimo Association, that aims to combat the illegal hiring of migrants in the agricultural sector, mainly in the southern regions of Italy. Another aim of the project is to promote a culture of formal and ethical work, enhancing the experience of diocesan Caritas engaged in recent years in assisting and guiding migrant workers employed in the sector. The project entails the creation of an integrated national system capable of acting at multiple levels: at the national level through advocacy actions and the promotion of agreements and memoranda of understanding with companies and large retailers; and the local level through the construction of integrated guidance, assistance, training and reception interventions for the protection of workers' rights at regional and multi-regional levels. One success factor is that the project is based on a wide network, born in continuity with the Presidium project of Caritas Italy, and thanks to the participation of staff employed in the Migration and Asylum Policies Office of Caritas Italy.

'Bistro Karlsto'¹⁰⁵ - Caritas Bulgaria

This is a small restaurant preparing Lebanese and European cuisine in Sofia. The team consists of two refugees and two Bulgarian citizens. The funds that the restaurant earns from the sold and delivered food are reinvested in the social activities of Caritas. The project aims at giving a chance for a working engagement in a kitchen for the preparation of Lebanese and European food. In this way, working in a protected environment gives them a chance to gain

104 SIPLA, 'Integrated Protection System for Agricultural Workers', <https://www.retesipla.it/>, 20/10/2021.

105 For more information, go to <https://www.facebook.com/pg/bistrocaristo/posts/>.

experience and facilitates their integration into the labour market, serving and delivering food to people from the refugee community. During the pandemic, in addition to its normal activities, the restaurant prepared and delivered hot food to elderly people in difficulty and children from poor families. The social enterprise prepares food for people from various social services, on a daily basis.

School of entrepreneurship for third-country nationals – Caritas Bulgaria

Caritas Sofia started the first school of entrepreneurship for third-country nationals at the end of 2020, known as ‘Mission Possible’, which is a comprehensive programme for developing business ideas and the skills of people who have chosen Bulgaria as their second home. The first edition of the programme involved 20 people, who were expected to develop within six months, their innovative solutions in areas such as ecology, education and technology, with the support of mentors and specialists from various fields. In this, participants are offered separate modules for business processes, business modelling, marketing, human resources and finance, where they are supported at conceptualising innovative solutions and contributing to important labour market changes. The programme also includes various mentors from the Bulgarian and migrant communities who support and encourage the aspirant entrepreneurs in the development of their projects. At the end of the programme there will be an event to present all the innovative ideas to potential investors. This support is implemented under the project ‘Comprehensive integration support for legally residing third-country nationals’ with funding from the Asylum Migration and Integration Fund (AMIF).

‘Info Facebook Group’¹⁰⁶ – Caritas Cyprus

Having accurate and reliable information is essential to navigating the asylum, welfare, and health systems as well as Cypriot society in general. Indeed, during the pandemic, information on public health guidance, lockdown measures and even the virus itself was critical to survival. Created in 2019, Caritas Cyprus’ Info Facebook Group was designed to provide beneficiaries with up-to-date information on a variety of issues relevant to the migrant experience. It serves to keep people informed about local issues and current events as well as to relay updates in policies and procedures. It does so on a daily basis and in multiple languages, as appropriate. It answers questions such as: has a particular government office moved to a new location or changed its hours; is

¹⁰⁶ For additional information, go to: <https://www.facebook.com/groups/1434037316761447>.

there an event of interest happening or a new service available; has there been, or will there be a change in a policy or regulation that affects a category of migrants. During the pandemic, Caritas Cyprus' Info Facebook Group became an invaluable tool in disseminating public health messages, including about the virus and how to get help; where to get tested for COVID-19 and how to get vaccinated. With the Labour Offices closed, it also helped communicate information about unemployment-card renewal and other matters quickly and effectively, thus reducing misinformation, confusion and panic as people worried about complying with the rules in order to avoid losing their benefits. Caritas Cyprus' Info Facebook Group had almost 3,000 followers at the beginning of 2021.

'Vulnerable Refugees: transition to autonomy'¹⁰⁷ – Caritas Belgium [↗](#)

Refugees who obtain asylum after a positive review of their application have only two months by which to leave their temporary lodgings, find accommodation, and undertake the administrative procedures that grant social rights' access. Often, they face many barriers in this process, such as difficulties in accessing private housing due to discrimination as well as language barriers, and a lack of knowledge on the steps to be taken or the type of institutions that could provide support, among others. This transition is all the more difficult for refugees in vulnerable situations (persons with disabilities, those with a significant medical problem, a psychosocial problem, illiteracy, etc.) because of the subsequent additional problems to overcome. This pilot project is being carried out with the support of Fedasil, as part of its transition programme for end-of-stay residents. The project targets asylum seekers who have obtained a residence permit and must leave the reception facilities, but whose transition to autonomy and labour market entry could be deemed problematic due to their vulnerability. 160 people (about 50 families) will be able to benefit from such transitional housing, and support towards greater autonomy, at the end of their asylum procedure.

¹⁰⁷ Caritas International Belgium, 'Vulnerable Refugees: transition to autonomy', <https://www.caritasinternational.be/en/projects/asylum-migration-en/vulnerable-refugees-transition-to-autonomy/>, 01/12/2021.

'Work and Training for Refugees – Project Network Baden'¹⁰⁸ – Caritas Germany [↗](#)

This project supports refugees, potential employers and relevant institutions, all with the objective of assisting refugees in finding jobs or training by answering any questions and addressing problems regarding legal status, qualifications, language courses, job searching, etc. Implemented by eight providers (Caritas Freiburg, Caritas Breisgau-Hochschwarzwald, Caritas Rastatt along with Diakonie, German Red Cross, City of Freiburg, adult education centre Freiburg (VHS)), the project is carried out in various locations in the Baden region, offering individual counselling and support for refugees who are struggling to access the labour market. The project targets all refugees who have secondary access to the German labour market (with different residence status). The project has been running for twelve years. Over 3,100 migrants have benefitted, more than 1,200 jobs or vocational training positions have been matched, and more than 3,000 people have been reached via events, workshops, training, etc. The project 'Work and Training for Refugees – Project Network Baden' is supported by the Federal Ministry of Labour and Social Affairs and the European Social Fund.

Photo: Young refugee in training.
Source: DiCV Münster, Harald Westbeld



108 Caritas Germany, 'Arbeit und Ausbildung für Flüchtlinge – Projektverbund Baden – Über', <https://www.projektverbund-baden.de>.

SECTION 4

Conclusions and recommendations



4.1. Conclusions

Pre-COVID-19, EU Member States had been experiencing a positive, though decelerating, six-year trend of economic growth, which began in 2013 and which led to employment growth and unemployment decline. At the same time, however, recent years have seen a gradual erosion in the general quality and security of employment across Europe, due to new developments in the labour market such as new and increasing forms of non-standard employment not covered by collective bargaining.

Since February 2020, the COVID-19 pandemic has radically changed Europe's ways of working and living, and for many people, mostly not for the better. The effects of the pandemic have been experienced differently across countries, as those already tackling previous challenges were more exposed to the consequences of the socio-economic shock COVID-19 brought about. Similarly, workers in already vulnerable situations in the labour market, such as young people, Roma people, migrants, women, persons with disabilities, older workers, non-standard employment work-

Photos: (Previous page) Caritas organisations in Romania are close to the most vulnerable communities. Children living at the risk of poverty are one of the main target groups of Caritas services. **Source:** Alba Iulia

(This page) Young volunteer engaging in canine therapy in nursing home. **Source:** Caritas Latvia



ers, informal workers, and care workers – as an example of a particularly impacted sector, have all faced even more vulnerable circumstances and are at greater risk of poverty due to the impact of COVID-19.

These workers had already been experiencing considerable challenges in the labour market before the COVID-19 pandemic erupted. Many young people and some people from Roma communities, for example, were already disadvantaged as a result of inadequate or poor-quality education, resulting in a lack of sufficient skills and limited professional experience. In addition, migrants, including refugees and people with a migrant background, as well as persons with disabilities and Roma people, all faced and continue to experience discrimination and prejudice with insufficient reporting and sanctions, creating barriers to their employment. Many migrants have struggled to get formal recognition of their qualifications obtained abroad, are often unable to get certificates or official documents, especially if they had to flee their countries of origin, and encounter language difficulties, often resulting in precarious working conditions, exploitation, and low wages, and in some cases informal work. For many women, a lack of quality and affordable care facilities for children and the elderly has long impaired full-time work. Involuntary part-time or temporary work, common among younger and older workers, with a higher impact on women, can lead to lower social protection, especially in terms of pension adequacy. A lack of skills, especially digital skills, and a lack of flexible working conditions also hinders the full participation of older workers in the labour market. Care workers, too, face challenges, often being underpaid and undervalued and facing poor working conditions. A lack of legislation on new forms of non-standard employment, such as platform work, particularly affects younger workers and migrants. For informal workers, often including undocumented migrants, a lack of regularisation schemes, a lack of social inclusion programmes, and a lack of language skills is known to hamper their inclusion in the labour market.

Between the fourth quarter of 2019 and the first quarter of 2021, total employment fell by 4.6 million people, of whom more than 1 million were young workers aged 15-24. The socio-economic fallout of the pandemic has hit Europe's economies hard, and exacerbated the challenges for workers in vulnerable situations, many of whom have lost their jobs and their social protection. For older workers and workers with disabilities, the pandemic has led to reduced working opportunities. For many migrant workers, such as care workers, the initial lockdown restrictions meant that the closure of borders left them stranded and the health risks associated with front-line care jobs meant they couldn't continue working, had to live full-time with the families where they did care work, or had to suffer abusive working conditions. Many younger workers lost their jobs and for those recently graduated, they struggled to find new jobs with increased competition from all those who had been laid-off. Many Roma were unable to continue their day jobs or carry out their usual seasonal work due to border closures, with the implication that it was difficult for many to make a living. For women, their over-representation in sectors hit by the pandemic, and in lower-paid and part-time employment, has also placed them in more vulnerable situations. Those working in non-standard employment and the informal economy were often the first to lose their jobs and struggled to access social services.



To try and boost their national economies, the Member States have been implementing temporary support measures to mitigate the consequences of the crisis, and to support businesses and workers, funded largely through SURE and the Coronavirus Response Investment Initiative. All Member States have extended (or introduced, where not previously available) short-term work schemes and other forms of job preservation to limit job losses and sustain the economy. The implementation of these support measures have helped to prevent a massive employment catastrophe across the EU, but the socio-economic impact of the pandemic has still left many scars. In addition, the consequences would have been felt much more deeply had it not been for the solidarity and tireless contributions of the health care sector, social service providers, religious entities, and other civil society actors who (have) intervened to provide support to people in situations of vulnerability.

Since the outbreak of the pandemic, Caritas member organisations and other not-for-profit social service providers, among others, have been stepping in and racing to mitigate the impact, despite their own limited resources and a lack of state support. They have been continuing to support those who were already relying on their services and those, who due to the pandemic, were forced to lean on Caritas for the first time. Caritas organisations have been adapting their services to the new health and safety measures, and have introduced new services dedicated to those

Photo: Humanamente Ativos' (Humanly Active). The main objective is the prevention of mental health problems in the elderly population, through teletherapy and occupational therapy. **Source:** Cáritas Diocesana de Beja/Andresson Sousa

in the most vulnerable situations and to those unable to access public services. Many have developed new forms of online support, distributed essential items, such as food, financially supported their beneficiaries, helped to find new housing, organised counselling and psychological assistance services, and created helplines to provide information to people in need of assistance and care, among other services.

In most, if not all, European countries, there are already legislative and non-legislative frameworks (at both EU and national level) that aim to address many long-term socio-economic problems and support groups in vulnerable situations, such as their working conditions, social protection, and equality and non-discrimination in the workplace. Across Europe, however, there are still common gaps in the realisation of an inclusive labour market, increasingly brought to light by COVID-19, with many legislative and policy initiatives that do not go far enough in tackling the deep-rooted issues attributed to the causes of vulnerability in the first place, and some measures which are poorly implemented due to lack of political will.

Furthermore, whilst Caritas has been able to ease the burden of many individuals and families through the provision of practical social support, the need for social service assistance at such a scale has revealed fragile national welfare and social protection systems. Many people continue to face major barriers to basic necessities, such as food, housing, clothing, and other material resources which are necessary prerequisites for being able to access and maintain a job.

Photo: Sheltered housing for the elderly and people with disabilities OCH Česká Kamenice. **Source:** Jakub Žák



Caritas' continued innovative and promising practices, which promote an inclusive labour market through social entrepreneurship, training programmes, exchanges and collaboration, aim to be an inspiration for upscaling and furthering such practices at national and European levels, serving as an inspiration for what an inclusive labour market should look like – with protected, supported and empowered workers of both sexes, all age groups, all capabilities, and from all backgrounds.

For the EU and its Member States to achieve a truly inclusive labour market and the 2030 goal of decent work for everyone (SDG 8) in the context of the COVID-19 recovery, major political and financial investments need to be prioritised when shaping the future of the labour market and the welfare system in Europe, so as to bring about a sustainable and inclusive recovery that can withstand the digital, demographic and ecological challenges of our time. Policy makers must invest not only in active labour market measures, but also in social protection for all, ensuring individualised services to help those in the most vulnerable situations in our society.

Member States should implement the EU's recent policy initiatives in the European Pillar of Social Rights Action Plan, in cooperation with social partners and civil society organisations, based on a comprehensive 2030 strategy with overarching social, economic and ecological goals. This strategy must reflect the overlapping nature and interdependence of these goals, ensuring that their respective targets are monitored and analysed together, for a fuller understanding of how social, economic and ecological wellbeing are interlinked and mutually fulfilling. Member States must also apply all international standards and ratify all provisions of the Revised European Social Charter.

Caritas Europa proposes a series of recommendations below, aimed at both the European Commission and European Member States, specifically to address the challenges in this report and to present solutions for a more inclusive labour market.

4.2. Caritas' EU and national level recommendations

On the basis of our analysis of the labour market realities on the ground and the active labour market inclusion policies in place pre- and post-pandemic, Caritas Europa calls upon the European Union and its Member States to effectively address the challenges faced by workers in vulnerable situations and to proactively make the labour market more inclusive, with a particular focus on young people, women, older workers, Roma, migrants, persons with disabilities, those working in non-standard employment, informal workers, and care workers – as one example of a particularly impacted sector.

Recommendations for European Union Institutions

1. **Adopt an EU-wide job guarantee** to help mitigate the impact of an uneven recovery across the EU as well as the impact of digitalisation on workers and employment, and progress towards a just transition by supporting those communities and sectors most affected by job losses.
2. **Accede to the Revised European Social Charter**, encourage Member States to ratify the Charter, and support Member States in the process of accepting and respecting all of its provisions in order to **improve upward social convergence**.
3. **Develop**, through the Action Plan for the Social Economy, **stronger models of cooperation**, by consolidating and strengthening a regular, permanent and structured dialogue **with social economy organisations** to promote them, monitor their progress, and remove the barriers to their development. Under the European Skills Agenda, social economy actors should also be supported in their provision of training, upskilling and reskilling of staff, especially those at risk of social exclusion.
4. **Draft Country Specific Recommendations related to social issues for every Member State** with at least one CSR on active labour market policy measure aiming at an inclusive labour market in 2022. That CSR should contribute to addressing the labour market needs and challenges faced by groups in marginalised and vulnerable situations. At least two more CSRs should focus on social protection linked to minimum income, and to revamping the care system.
5. **Introduce an EU framework directive on minimum income** that can guarantee a decent life for all citizens. It is essential to set European standards for minimum income systems so as to achieve upward social convergence and which focus on at least three main criteria: Eligibility, Adequacy, and Enablement.

Recommendations for Member States

6. **Continue to support all workers in vulnerable situations, social economy organisations, and under-represented social entrepreneurs throughout the duration of the COVID-19 pandemic and recovery period, for instance, via the National Recovery and Resilience Plans.** The emergency measures should gradually transition to measures for quality job creation and adequate social protection.
7. **Recognise civil society organisations as official providers of tailored and inclusive employment services** so they can benefit from sustainable government funding and institutional support.
8. **Increase investment through the European Social Fund Plus (ESF+) to support measures aimed at integrating disadvantaged youth and those not in education, employment, or training (NEETs) into the labour market as well as reducing school dropouts.** Improve the inclusiveness of apprenticeships to support school/training-to-work transitions, particularly in countries with weaker Vocational Education and Training systems. Start-ups, aimed at helping young people start their careers and acquire competence, should be promoted by local authorities with the support of public and EU funding (such as ESF+ and Horizon Europe).
9. **Recognise the educational and professional qualifications of migrants, refugees, and asylum seekers, and simplify bureaucratic procedures to encourage them to start working as soon as possible.** Facilitate new labour migration schemes and permits to further harmonise labour migration policies. Establish additional safe and legal channels to enable migrant workers, even if low-skilled, to enter the EU and quickly access the labour market. Ensure asylum seekers can access the labour market within, at most, nine months of arrival and identify the skills, job, and language training needs of newcomers.
10. **Tackle discrimination and prejudice in vocational training and employment** relating to the recruitment and retention of employees and respond to gaps where adequate support is still not provided, for instance, for persons with disabilities, for Roma, or for migrants. Collaborate with the private sector and support social economy enterprises to employ more people in vulnerable situations.

11. **Promote the employability of older people** by providing specific digital skills trainings, supporting social economy enterprises employing older workers, and awareness-raising aimed at changing the perceptions of companies and encouraging them to employ older people.
12. **Ensure that a person-centred and dignified approach is applied in care provision for the elderly, for persons with disabilities and for children.** Allocate ample investment in the social care sector, particularly among post-communist EU countries. Provide affordable day-care for all children, regardless of residence status, in order to facilitate parents' labour market inclusion, particularly of women. Safeguard options for people in need of care to remain at home. Recognise and remunerate family members performing care tasks. Recognise the value of home care workers through decent wages, access to social benefits and quality job training.
13. **Extend social security measures to all workers in non-standard employment through separate directives or through guidelines for the individual groups concerned.**¹⁰⁹ Increase coverage of social protection systems and tackle inequalities within the present systems, ensuring equal access to services and to strengthen social cohesion for all workers.
14. **Increase political will and public investment in labour inspections and judicial institutions to enforce existing rules and regulations around informal work.** Sanction employers who violate the law, offer incentives to employers to hire workers on formal contracts, grant secure and sustainable residence status, and expand regularisation possibilities for undocumented workers. Simplify options for employers to regularise the situation of their employees and ensure that the European Labour Authority plays a fully functional and decisive role in this, and is equipped with the necessary personnel and funding.

¹⁰⁹ Monika Kiss, 2021, European Parliamentary Research Service (EPRS) Briefing Paper "The future of work", pp 8-9.

- 15. Adopt legislation and national strategies on social entrepreneurship¹¹⁰ so as to promote the development of the social economy ecosystem, in line with the EU Action Plan for the Social Economy.** Prioritise criteria and procedures to ease the registration and accreditation of social enterprises. Provide financial support and an appropriate legal framework for social enterprises through grant schemes, subsidies for remuneration of employees, affordable and guaranteed interest-free loans, and tax relief.
- 16. Prioritise the educational training, qualifications, and skilling of people in situations of vulnerability in order to improve their active participation in the labour market.** Adapt the upskilling and reskilling training to the capacities and desires of individuals and ensure tailor-made support for groups in vulnerable situations, such as NEETs and older workers. Training should also provide skills for the green and digital economy.
- 17. Ensure that statutory minimum wages, for all relevant countries, are set at an adequate level** and revise these levels annually, in consideration of national living costs, for the purpose of tackling in-work poverty. Support the adequate financing of social enterprises and not-for-profit social service providers so that they can increase staff wages adequately and sustainably without financial difficulties. **For countries relying on collective bargaining, further expand this to all areas of employment** and improve employer-employee dialogues.
- 18. Revise and set the current level of social and unemployment benefits** to ensure consistency within an integrated support system for those who can work and those who cannot.

¹¹⁰ This publication takes its understanding of social economy from the European Commission's roadmap on the Action Plan for the Social Economy: 'The social economy encompasses a variety of businesses, organisations and legal forms. They share the objective of systematically putting people first and producing a positive impact on local communities. The social economy business model aims at reinvesting most of the profits back into the organisation and/or a social cause, and having a participatory/democratic form of governance.' The legal form or structure of social economy actors may differ among the EU Member States.

Given the multiple labour market challenges for those in vulnerable situations described in this report and to achieve these recommendations, Member States should dedicate time and resources to implementing: the EASE policies; the reinforced Youth Guarantee (rYG), with mechanisms to ensure more effective monitoring of national YG schemes;¹¹¹ the EU Strategy on the Rights of Persons with Disabilities 2021–2030 and the UNCRPD, through the adoption of national strategies; the European Skills Agenda, through updated national skilling strategies; the EU Roma Strategic Framework for equality, inclusion and participation 2020–2030, through national strategies; the EU Action Plan on Integration and Inclusion; and the EU Anti-racism Action Plan 2020–2025, through the adoption of national action plans by the end of 2022. Member States should also conclude negotiations on the proposed EU Directive on adequate minimum wages and implement this legislation at national level.

¹¹¹ European Parliament, 2021, 'Youth in Europe: Effects of COVID-19 on their economic and social situation', [https://www.europarl.europa.eu/RegData/etudes/STUD/2021/662942/IPOL_STU\(2021\)662942_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2021/662942/IPOL_STU(2021)662942_EN.pdf), 09/2021.

'Let us look for solutions that will help us build a new future of work based on decent and dignified working conditions, that originate in collective negotiation, and that promote the common good, a phrase that will make work an essential component of our care for society and Creation.'

— Pope Francis, 2021, Message at the 109th ILO meeting



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