

Growth and Employment Monitor

Investments, quality jobs and affordable housing as key pillars for EU economic success

Based on recent research – notably from the European Trade Union Institute (ETUI) – into key employment and economic developments across Europe, the ETUC calls for investments in innovation, technology and workers as the real drivers to achieve increased productivity, a quality jobs roadmap with legislation to protect and create quality jobs in every sector and region, and an ambitious plan to deliver adequate and affordable housing.

This Special Brief outlines key evidence and actions needed to reinforce the EU to make “Europe stronger in a changing world that delivers for workers and enterprises” [Tripartite Social Summit for Growth and Employment on 22 October 2025].

Analysis and ETUC key messages on:

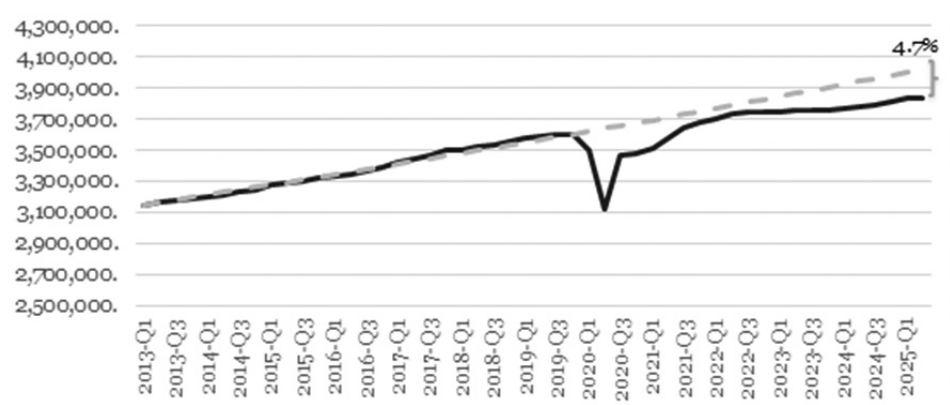
- Investments in innovation, technology and workers as the real drivers to achieve increased productivity – p. 1
- A quality jobs roadmap with legislation to protect and create quality jobs in every sector and region – p. 7
- An ambitious plan to deliver adequate and affordable housing – p. 12

Investments in innovation, technology and workers as the real drivers to achieve increased productivity

Europe is currently facing unprecedented challenges and transformations, characterised by rapid technological change and sectoral transitions in employment patterns, exacerbated by energy price shocks and geopolitical and trade tensions.

Since the final quarter of 2019, and despite the recovery from the pandemic shock in late 2020-2021, real GDP in the EU has not kept up with trend growth of 2013-2019. Real GDP growth accelerated somewhat in 2024 but remained modest and even began declining again in the second quarter of 2025. By the second quarter of 2025, real output in the EU27 was 4.7% below the level it would have reached had it kept growing at that trend rate [see Figure 1].

Figure 1 **Real GDP (mn Euros) vs. Trend GDP (2013-2019), EU 27, 2013-2025**

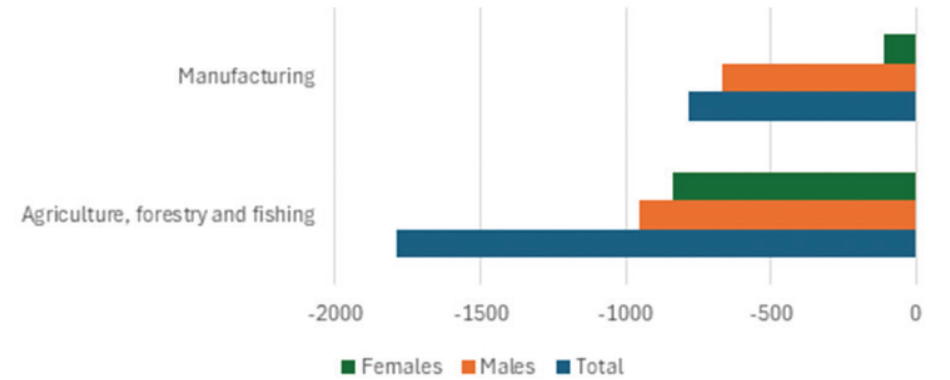


Source: Benchmarking Working Europe 2025, Brussels, ETUI and ETUC.

Europe has lost almost four million jobs in the manufacturing sector since 2000. Only last year 18,000 layoffs were announced in the steel sector, with a record 12 million tonnes of capacity closures, adding to the 100,000 job losses and 26 million tonnes of capacity closures between 2008 and 2023. In addition, there have been recent announcements of major job-shedding measures in other strategic industries such as automotive manufacturing and steel production, leading to concerns about the continued erosion of industrial employment in Europe. The employment share of the manufacturing sector in the EU has decreased from 18% in 2008 to 15.3% in 2025.

Figure 2 shows the sectoral pattern of employment change for manufacturing and agriculture, forestry and fishing between 2019 and 2024. Employment losses in manufacturing have further increased since the last Tripartite Social Summit meeting in March 2025.

Figure 2 **Sectoral employment change (net, thousands) by gender, EU27, 2019Q2-2025Q2**



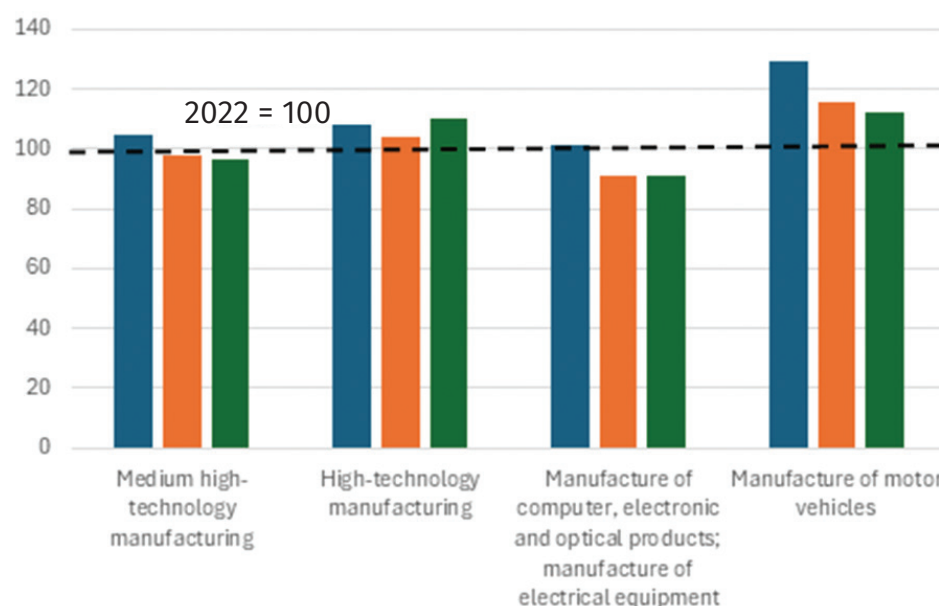
Source: EU-LFS (lfsq_egan 2 series).

Restructuring processes are not confined to the manufacturing sector. Other sectors face the risk of forced redundancies and closures, that would weaken the European economy and entail the loss of thousands of jobs.

It is vital that EU economic capacity is maintained, and quality jobs are protected and created.

The Draghi report and much commentary have rightly focused on the need for Europe to maintain and strengthen its position in advanced technology. Production in high-tech manufacturing and in particular manufacturing of computer, electronic and optical products, as well as of electrical equipment, has expanded in the EU27 since 2008. However, as Figure 3 shows, production has first declined and then stagnated between 2022 and 2025 in manufacturing of computer, electronic and optical products. Production in medium-high tech manufacturing and manufacturing of motor vehicles declined significantly between 2022 and 2024, in the latter sector substantially so – and continued its decline in 2025. Production in high technology manufacturing finally increased in 2025, after a decline in 2023 – 2024.

Figure 3 Production in high-technology manufacturing, in medium high-technology manufacturing, in manufacture of computer, electronic and optical products and motor vehicles (index 2022=100, average of Q1-Q2), EU27, 2023-2025



Source: ETUI calculations, based on Eurostat data (sts_inpr_q series).

Faced with weak demand growth, and with price shocks and geopolitical uncertainty, the European Union must help kickstart growth and stop the bleeding of jobs in manufacturing and other sectors by stimulating internal demand through a new wave of investments with strong social conditionalities and wage increases.

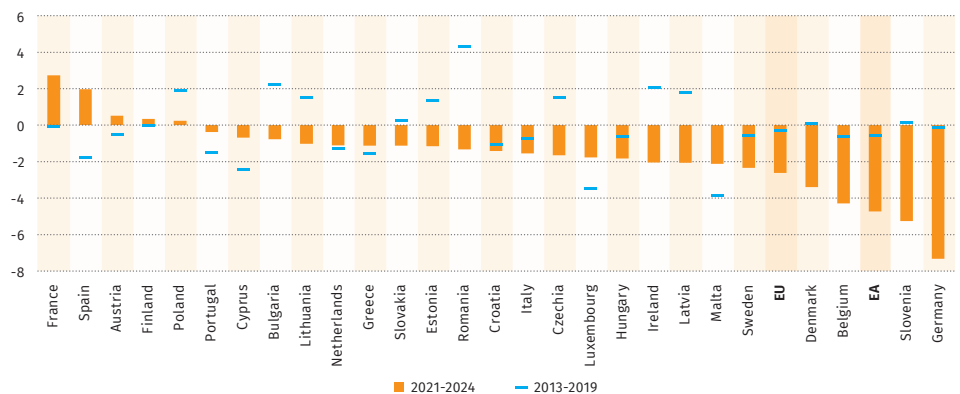
Such new wave of investments is necessary also to address the worryingly low increase in productivity in Europe [see Figures 4 and 5] – much lower than for example in the United States.

Figure 4 **Labour productivity per hour worked (% change from previous year), EU27, 2008-2024**



Source: Eurostat (nama_10_lp_ulc series).

Figure 5 **Average annual real hourly labour productivity growth rate (%) – EU, euro area and Member States, 2013-2019 and 2021-2024**



Note: The year 2020 was excluded from the calculation of the average annual real hourly productivity growth rate due to the extraordinary economic conditions.

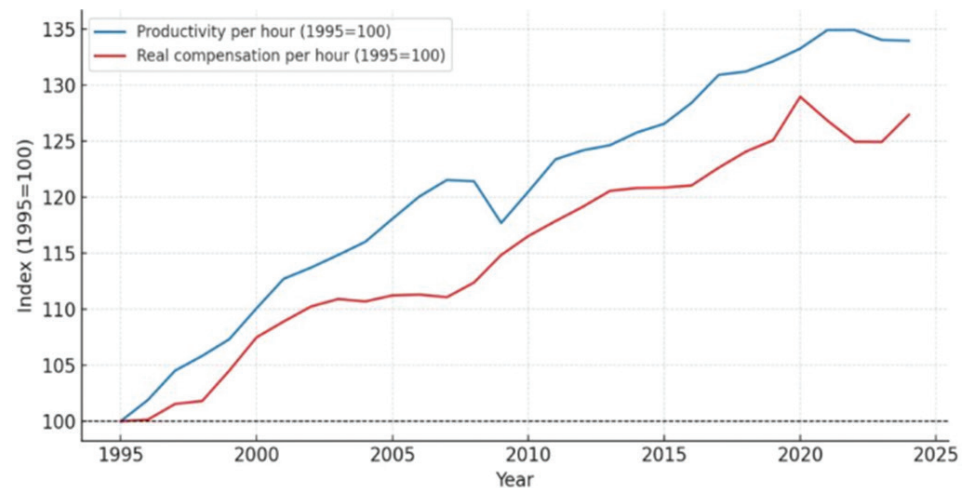
Source: ETUI calculations using AMECO data (RVGDE and NLHT series), Benchmarking Working Europe 2025, Brussels, ETUI-ETUC.

Europe's persistent productivity gap with the US reflects chronic underinvestment, not excessive wages or employment protections. As Mario Draghi pointed out in a speech in December 2024, since 2008, real wage growth in the US has been nearly four times higher than in the euro area. Fiscal rules that privilege deficit ceilings over productive outlays amplify the problem, keeping public investment below the level needed to modernise infrastructure and crowd in private spending.

Increases in productivity depend on investments in a strong industrial policy, in innovation, quality jobs, training, public services and infrastructures – they will not be delivered by compressing wages or undermining employment protection measures.

Also, increases in productivity must be accompanied by increases in wages for working people. This has not been the case in Europe, where wage increases have chronically lagged behind increases in productivity [see Figure 6]. For this reason, wage increases must also compensate for past productivity (and inflation) developments.

Figure 6 **Average labour productivity per hour (APL) and real hourly wages in the EU-27, 1995=100**

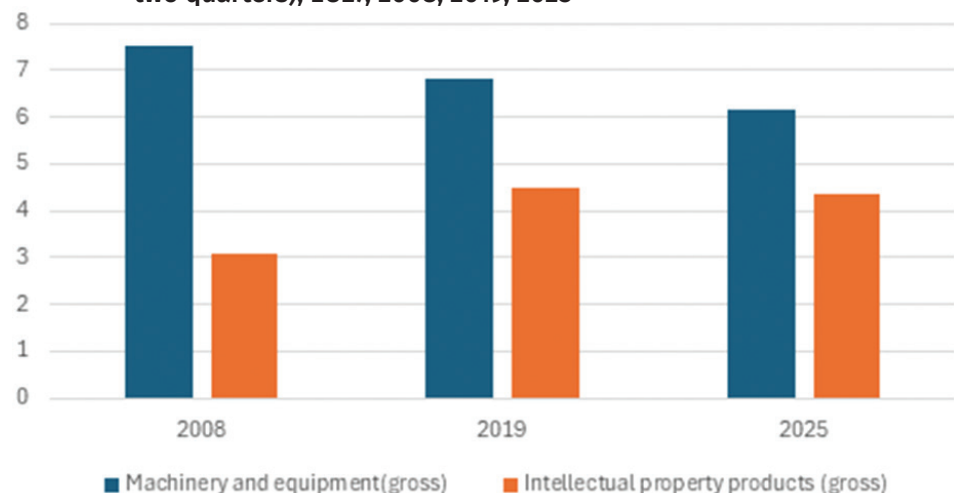


Source: Eurostat data (tipsna70).

The crucial issue to solve to strengthen the European economy, to defend production and quality jobs in Europe, and to increase productivity, is the persistent insufficient level of investments in Europe.

Figure 7 shows how gross investment in the broad category ‘machinery and equipment’ has steadily declined in Europe between 2008 and 2025 as a share of GDP. Between 2008 and 2019 this was somewhat offset by investment in intellectual property products. However, between 2019 and 2025, investment declined in this area too.

Figure 7 **Gross fixed capital formation (investment) in machinery, equipment, ... and in intellectual property products (% of GDP, average of first two quarters), EU27, 2008, 2019, 2025**

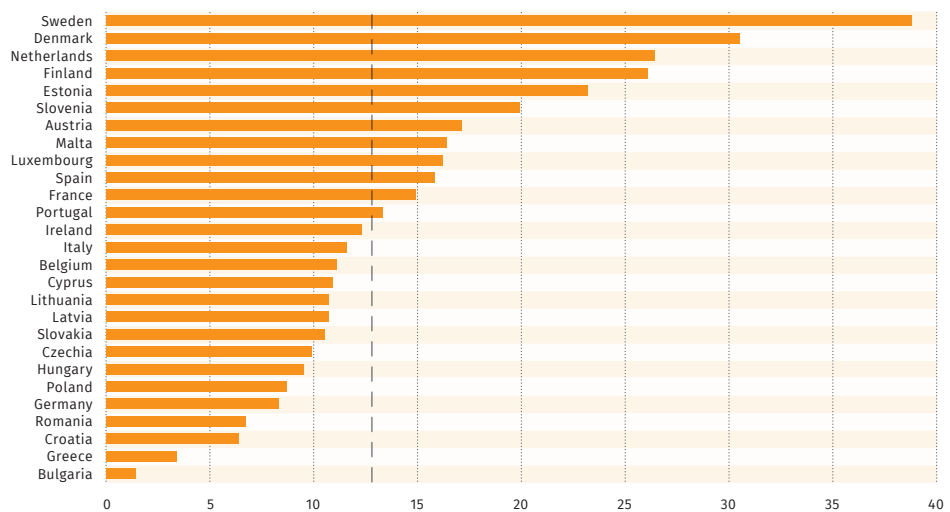


Source: ETUI calculations based on Eurostat data (namq_10_an6 series).

Also, investments in quality jobs and training have not been sufficient to meet the challenges that Europe is facing. It should also be noted that at an economy-wide level, widespread precarious work leads to weaker aggregate demand, lower innovation, and reduced long-term competitiveness. In addition, productivity is lower as employers rarely invest in training temporary workers, and precarious workers cannot plan their own upskilling. This creates a low-skill, low-productivity trap, especially in sectors that depend on short-term labour.

Significant efforts are needed also to boost training opportunities and ensure the respect of the right to training – without costs and during working time. Adult participation rates in learning vary significantly across countries, as illustrated in Figure 8 (adult participation in learning in the past four weeks). Given the importance of adult participation in education and training – as underlined also in the Draghi report, genuine and quality training opportunities must be provided and be accessible for working people, particularly in those Member States where participation rates remain significantly low, most of which also tend to lie at the lower end of the income distribution scale within the EU. Although many other contextual factors are likely to be relevant, the boosting of skills development would nevertheless help to improve labour market opportunities for individuals. In that respect, the minimum 60% target set by the European Pillar of Social Rights (EPSR) Action Plan for all adults participating in training every year provides a useful compass.

Figure 8 Adult participation in learning in the past four weeks by country (age 25-64, 2023)



Note: The vertical line is the EU average (12.8%) in 2023.

Source : Eurostat (sdg_04_60 series), Benchmarking Working Europe (2025), ETUI and ETUC.

KEY ETUC messages

The ETUC is calling for:

- Investments in innovation, technology and workers as the real drivers to achieve increased productivity;
- A strong industrial policy to protect and create quality jobs in every sector and in every region and to deliver genuinely just transformations;
- Full suspension and urgent reform of the economic governance rules in order to allow for the necessary investments;
- The introduction of an EU investment facility financed through common debt and/or new EU own resources, as well as permanent crisis response measures to protect jobs and production in Europe from shocks;
- Strong social conditionalities to apply to any public funds / state aid / support to companies, in order to ensure quality jobs and promote collective bargaining;
- EU and national investments should support the development of European industry and ensure that quality jobs in Europe are being protected and created; A joint foresight with social partners with focus on jobs, economic sectors and regions to anticipate changes and guide policy.

In this context, the ETUC also reiterates its demand that resources for initiatives on security must not come from a reduction of resources for social objectives.

A quality jobs roadmap with legislation to protect and create quality jobs in every sector and region

In 2024, 93.3 million people in the EU (21.0% of the population) were at risk of poverty or social exclusion. Over one-fifth of the EU population living in households with dependent children was at risk of poverty or social exclusion.

More than 10% of working people in Europe were at risk of poverty or social exclusion.

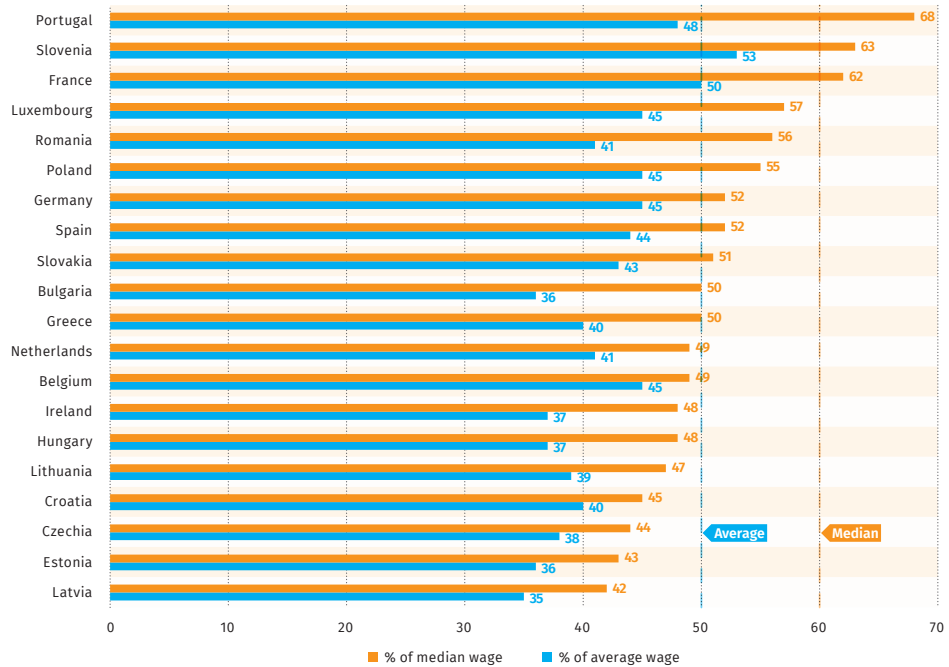
Workers need fair pay and conditions underpinned by collective agreements, secure contracts, safe workplaces, quality training and real prospects. Yet, today there is a quality jobs crisis in Europe.

Commission President von der Leyen has recognised in the State of the Union address “how hard times have been for so many families” as a result of the rocketing cost-of-living and that it is a matter of “basic social justice” to bring forward legislation to meet the needs of working people.

In almost all Member States statutory minimum wages still fall below the double threshold of decency of 60% of the median wage and 50% of the average wage – see Figure 9. Nearly 50% of minimum-wage earners under 35 cannot afford to live independently.

Collective bargaining coverage across the EU has fallen significantly in the last twenty years, weakening workers' share of productivity gains and fuelling insecurity and inequality. Currently 19 Member States fall below the threshold of 80% collective bargaining coverage – see Figure 10.

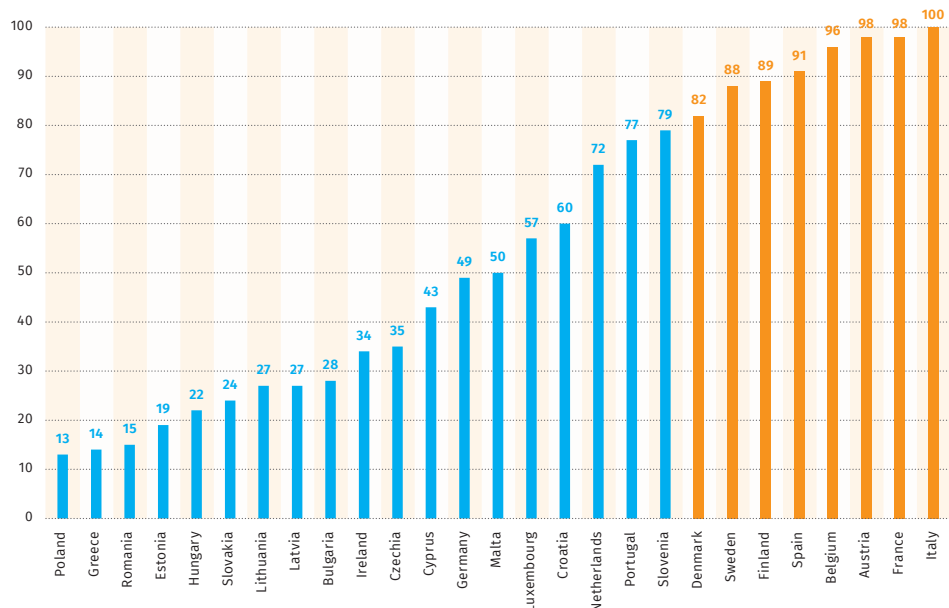
Figure 9 Minimum wage as a % of full-time median and average wages – Kaitz index (2023)



Note: No data available for Cyprus.

Source: Data from OECD (2024) Data explorer - minimum relative to average wages of full-time workers, cited in Benchmarking Working Europe 2025, Brussels, ETUI and ETUC.

Figure 10 Collective bargaining coverage in EU Member States (in %; 2024 or most recent year available)



Source: Data from OECD-AIAS (2024) OECD-AIAS ICTWSS database, Data Version 1.1 (September 2023, Benchmarking Working Europe (2025), ETUI and ETUC.

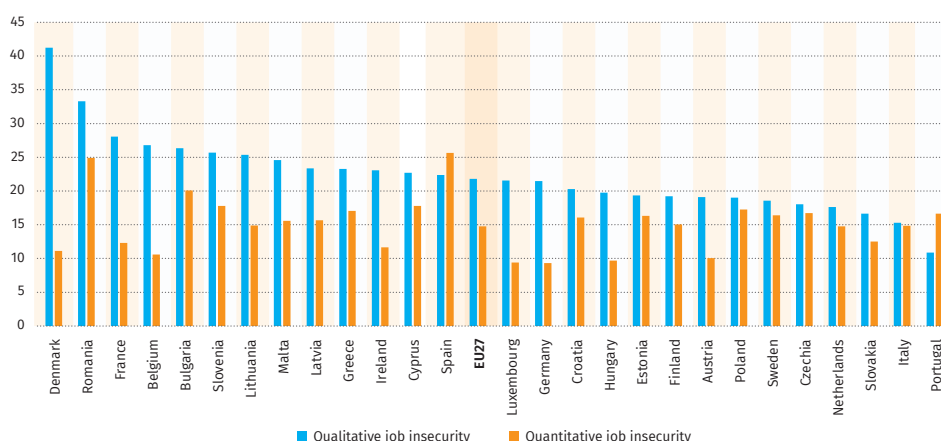
The Directive on Adequate Minimum Wages in the EU is an instrument of paramount importance to promote collective bargaining and to ensure pay rises and adequate minimum wages.

KEY ETUC messages

Strong EU-level measures are needed to promote collective bargaining to reach the level of 80 collective bargaining coverage in all Member States and to ensure pay rises and adequate statutory minimum wages.

Low pay is not the only challenge to quality jobs in Europe. Feelings of insecurity at work remain a persistent concern among the EU workforce. Job insecurity or, in other words, a fear of losing one's job in the near future, was reported by nearly 15% of EU27 workers in 2021 [see Figure 11] – and the situation has worsened significantly since. What is more, over one in five (21.8%) EU workers expressed as 'qualitative job insecurity', namely the expectation of an undesirable change in their work situation. Research consistently suggests that qualitative job insecurity (i.e. undesirable changes to the working situation) is equally harmful to employees' mental and physical health than quantitative job insecurity.

Figure 11 Perceptions of insecurity at work, by type and by country, 2021



Note: Share of workers expressing qualitative job insecurity (agreeing or strongly agreeing that they are expecting an undesirable change in their work situation) and quantitative job insecurity (agreeing or strongly agreeing that they may lose their job in the next six months).
Source : ETUI calculations with data from EWCTS 2021, Benchmarking Working Europe (2025), ETUI and ETUC.

Also, ongoing technological transformation or, in other words, the increasing digitalisation of work processes and the workplace is increasing pressure on workers. The changes have not only been found to affect workers' autonomy negatively, but are also linked to an increase in workload and work pace. For instance, the digital transition might be a factor in the increase in job intensity and workload, since 52% of respondents to the EU-OSHA OSH Pulse survey (carried out across the EU in 2022) answered that the use of digital technologies in their workplace determined the speed or pace of their work, and 33% replied

that these technologies increased their workload [see Figure 12]. Moreover, 19% considered that the use of digital technologies in general reduced their autonomy at work, and 37% had experienced increased surveillance of their work. And digitalisation has picked up speed, not slowed down since 2022.

Recent evidence from the 2024-2025 AIM-WORK survey by the JRC of the European Commission indicates already a third of workers in the EU 27 using AI tools for work-related purposes, and digital monitoring being increasingly common with algorithmic management on the rise. 24% of EU workers have their work schedules automatically allocated through an algorithmic system and 10-13% of workers work under automated systems of rewards, benchmarking, or receive instructions for their work. These studies further indicate that algorithmic management is associated with reduced autonomy at work and with long working hours and unsocial schedules.

Figure 12 **Share of workers reporting having experienced the impact of the use of digital technologies on working conditions, EU27 (% , 2022)**

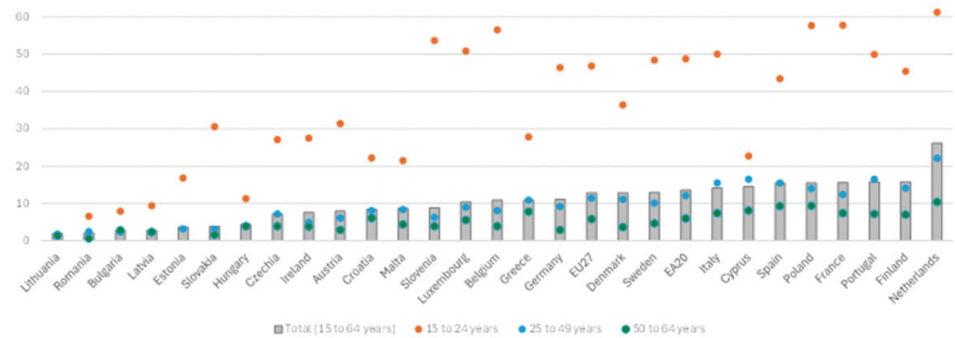
	Determines the speed or pace of your work	Results in you working alone	Increases surveillance of you at work	Increases your workload	Reduces your autonomy at work
EU27	52	44	37	33	19
Belgium	55	34	37	39	14
Bulgaria	56	48	48	35	25
Czechia	48	46	33	26	41
Denmark	72	31	26	23	16
Germany	48	47	26	36	23
Estonia	67	46	42	17	17
Ireland	64	50	52	37	36
Greece	72	44	41	33	16
Spain	49	38	36	36	17
France	54	37	40	33	11
Croatia	58	53	42	31	16
Italy	57	46	38	32	16
Cyprus	74	46	42	27	16
Latvia	57	44	43	23	18
Lithuania	66	32	50	26	42
Luxembourg	52	41	47	34	23
Hungary	69	52	63	25	11
Malta	54	50	55	35	49
Netherlands	53	42	45	35	24
Austria	55	48	36	39	22
Poland	43	53	41	23	30
Portugal	53	40	46	30	16
Romania	49	42	36	43	24
Slovenia	53	69	43	45	16
Slovakia	52	40	53	26	12
Finland	46	35	44	39	12
Sweden	48	34	33	28	8
Iceland	33	21	37	22	8
Norway	58	36	33	40	14

Source : Data from EU-OSHA OSH Pulse survey, cited in Benchmarking Working Europe 2025, Brussels, ETUI and ETUC

More than one in eight (13%) employees in the EU27 do not have a stable, permanent contract. This is a staggering 23.2 million contracts. The prevalence of temporary employment is highest in the Netherlands (25.9% in the third quarter of 2024), generally high in the Southern European countries (e.g., 16.5%

in Spain, 15.7% in Portugal), Finland (16.9%) and Poland (15%), while it is 5% or less in most CEE countries [see Figure 13].

Figure 13 Temporary employment rate, 2025Q2

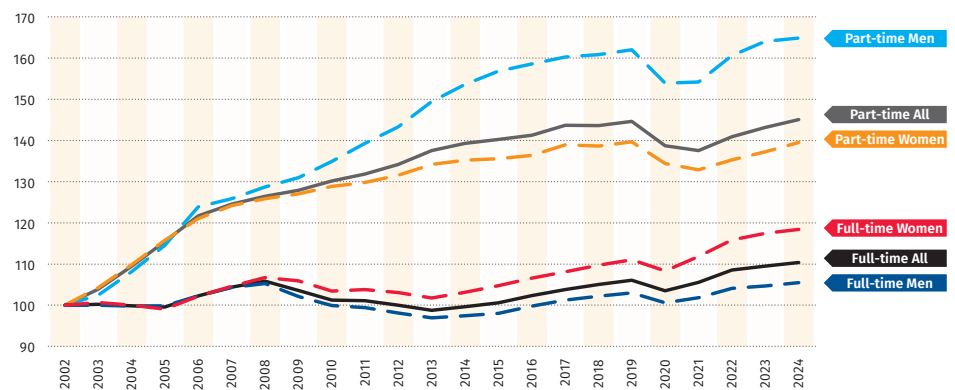


Source: Benchmarking Working Europe 2025, Brussels, ETUI and ETUC.

Also, the dynamic in part-time job growth has far outpaced that in full-time employment over the recent two decades. While the Covid-19 pandemic took a much bigger toll on part-time workers, who in many cases fell through the cracks of employment retention schemes and other policies which mainly safeguarded standard (full-time) employment, the growth in part-time jobs accelerated again after the pandemic, and by 2024 again outstripped the rate of growth in full-time employment.

As shown in Figure 14, part-time employment has increased by 45% since 2002 in the EU-27, while full-time employment grew by just 10% in the same period. By 2024, part-time jobs accounted for 17.9% of employment in the EU, ranging from 1.5% in Bulgaria up to 43% in the Netherlands.

Figure 14 Employment growth by full-time and part-time employment, by gender, in the EU27, 2002-2024, second quarter (indexed 2002=100)



Note: Age 15-64.

Source: EU-LFS data (lfsq_epgraed series), Benchmarking Working Europe 2025, Brussels, ETUI and ETUC.

One-in-five (20.1%) workers in the EU-27 (aged 25-64) works part-time because they cannot find a full-time job. In the context of labour market

shortages in some regions and sectors, this potential needs to be tapped, which implies the need for higher pay and better working conditions.

According to 2025 ETUI research, these types of non-standard jobs – short term temporary contracts, involuntary part-time work, and temporary employment agency work – are more likely to be done by vulnerable workers and are associated with worse wages and lower job quality.

High-quality jobs, good working conditions and social dialogue and collective bargaining are at the heart of competitiveness and essential for delivering higher productivity growth. Being serious about competitiveness means being serious about delivering quality jobs in every sector and in every region, improving working conditions, reinforcing social dialogue and collective bargaining, and democracy at work. Social cohesion is also a key element for competitiveness.

KEY ETUC messages

The ETUC welcomes the announcement of a Quality Jobs Act.

Legislation to ensure quality jobs must be introduced as a matter of urgency and must include directives to:

- Ensure just transition and anticipation and management of change;
- Regulate AI in the workplace on the basis of the “human-in-control” principle;
- Prevent psychosocial risks and tackle the epidemic of stress at work;
- Ensure the respect of the right to disconnect and protect the rights of workers teleworking;
- Tackle abuses in subcontracting and labour intermediation.

See [here](#) the ETUC proposals for the Quality Jobs Roadmap.

An ambitious plan to deliver adequate and affordable housing

Europe is facing a housing emergency. Too many people in Europe struggle to find adequate, decent and affordable accommodation. Rent and house prices have increased at a faster pace than wages and incomes, affecting disproportionately the budget of working people, pensioners and their families. The quality of accommodation is too often inadequate, with severe consequences for living conditions and health. The conditions of thousands of farm workers living in informal settlements without running water or electricity are extreme and inhumane.

At the same time, housing is a sector of staggering profits for speculation, very wealthy individuals, investment funds... The few get bigger and bigger profits out of the housing market, while the many struggle to find adequate accommodation and to make ends meet.

Comparing rents and housing costs to the statutory minimum wages outlines the pressure placed by housing costs on working people and their families [see Table 1]. In five countries rent itself, without further costs, already

make up half or more of a full-time monthly minimum wage – namely in Spain, the Netherlands, Estonia, Luxembourg, and Malta. When looking at the full housing cost for tenants (which consist of rent payments, plus structural insurance if paid by tenant, services and charges, regular maintenance and utilities) this is over half and up to 81% (Czechia) of a full-time monthly wage in 16 Member States: Croatia, Slovakia, Lithuania, Romania, Cyprus, Ireland, Latvia, Luxembourg, Spain, Portugal, the Netherlands, Greece (60-70%), and Estonia, Malta, Bulgaria, and Czechia.

Table 1 The cost of rent and housing contrasted with minimum wage

Country	Current rent	Total housing cost	Monthly minimum wage	share of rent	share of cost
DE	501.99	764.93	2115.3	23.7%	36.2%
SI	368.73	603.15	1277.72	28.9%	47.2%
CZ	246.13	671.55	828.03	29.7%	81.1%
LV	223.35	424.36	740	30.2%	57.3%
PL	335.75	455.66	1083.65	31.0%	42.0%
FR	626.60	829.63	1801.8	34.8%	46.0%
RO	286.59	429.88	814.14	35.2%	52.8%
LT	377.60	539.42	1038	36.4%	52.0%
HR	357.72	495.22	970	36.9%	51.1%
SK	304.50	422.15	816	37.3%	51.7%
BE	792.55	1,024.05	2070.48	38.3%	49.5%
EL	342.65	571.31	830	41.3%	68.8%
CY	431.24	540.67	1000	43.1%	54.1%
BG	261.85	430.60	550.67	47.6%	78.2%
IE	1,094.04	1,290.96	2281.5	48.0%	56.6%
PT	428.38	564.46	870	49.2%	64.9%
ES	622.22	758.08	1184	52.6%	64.0%
NL	1,217.76	1,533.51	2312.87	52.7%	66.3%
EE	466.72	647.19	886	52.7%	73.0%
LU	1,441.28	1,652.33	2637.79	54.6%	62.6%
MT	634.74	719.37	961.05	66.0%	74.9%

Source: ETUI calculations based on EU-SILC 2024 for the cost of rent and housing, updated to 2025 using the HICP for renting costs, and contrasted with minimum wage from WSI for 2025 – all in euros.

Also, costs will generally be substantially higher in the big cities. Using data from a private sector real estate analyst of the median rental price of a 1-bedroom apartment in European capitals, an indicative picture can be drawn which shows (see Table 2) how impossible it is becoming for a low-wage worker to live in some capital cities – at the minimum it costs over half of a full-time minimum wage. In Prague, Madrid, and Lisbon the median price for a 1-bedroom apartment is estimated to be well above the minimum wage. Further, in Amsterdam, Athens, Bucharest, Warsaw, Ljubljana, Dublin, Riga, Budapest, Paris, Bratislava, and Sofia rent for a 1-bedroom apartment would be estimated to

be more than three quarters of a monthly minimum wage. This highlights how much the housing crisis is putting real pressure on workers.

Table 2 National minimum wage and rental prices

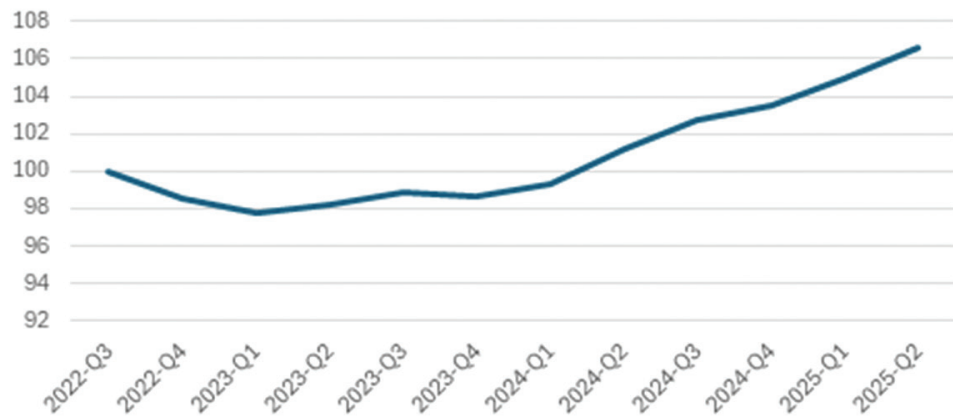
Country	Monthly minimum wage	Estimated rent of 1 bedroom	Share
BE	2070.48	1100	53.1%
DE	2115.3	1220	57.7%
HR	970	570	58.8%
LU	2637.79	1650	62.6%
LT	1038	650	62.6%
CY	1000	650	65.0%
EE	886	600	67.7%
NL	2312.87	1795	77.6%
EL	830	650	78.3%
RO	814.14	650	79.8%
PL	1083.65	880	81.2%
SI	1277.72	1100	86.1%
IE	2281.5	1997	87.5%
LV	740	700	94.6%
HU	735.64	700	95.2%
FR	1801.8	1720	95.5%
SK	816	780	95.6%
BG	550.67	550	99.9%
CZ	828.03	922	111.3%
ES	1184	1450	122.5%
PT	870	1500	172.4%

Note: this table compares the national minimum wage with indicative rental prices for a 1-bedroom apartment in different capital cities as put together by global property guide. Source: ETUI calculation based on WSI minimum wages and global property guide for rental prices (<https://www.globalpropertyguide.com/europe/rent>)

This increased pressure on working people is evident also looking at the number of workers across the EU reported having missed at least once payment on their rent or mortgage payment. This number rose to 4.3% during the covid-19 pandemic and further to 4.5%, its currently highest point, in 2024. In total there was an increase from 8.8 million workers in 2019 to 9.2 million workers in 2024, which is a 4.2% increase or an extra 374 thousand workers who could not make their mortgage or rent payment.

It should also be noted that the situation has not improved recently. Since late 2023, housing prices are again on a steep rise [see Figure 15].

Figure 15 House price index (2022Q3=100), EU27, 2022Q3-2025Q2



Source: ETUI calculations using Eurostat data (teicp270 series).

KEY ETUC messages

Action is necessary and urgent at European and at national level to ensure that the right to adequate, decent and affordable housing is fully respected for everyone across Europe.

We welcome the Commission's announcement of the upcoming European Affordable Housing Plan, confirmed in the State of the Union Address.

The ETUC reiterates its call on the Commission to fully involve social partners in the development of the plan. We call on the Commission to take action in the following areas - amongst others:

- Promoting wage increases through support for collective bargaining. Ensuring higher statutory minimum wages, that take into consideration all housing-related costs for working people;
- Ensuring higher wages and better working conditions in the construction sector, including through the regulation and limitation of subcontracting;
- Actions to tackle speculation, increasing taxes on profits and wealth, ensuring fair and more progressive taxation for real estate, and enforcing and strengthening EU regulation on short-term rentals;
- Increasing investments in not-for-profit / limited profit / public / social affordable and adequate housing, including through EU investment tools, flexibility in the application of the economic governance rules;
- Public funding, including state aid, for housing projects (including support from the EIB) should be linked with social conditionalities;
- Tackling the injustice of "shantytowns" in Europe and ensuring that people residing in those informal settlements have access to decent accommodation with minimum quality standards;
- Guaranteeing that the revision of the state aid rules provide stronger support and investments in not-for-profit / limited profit / public / social affordable and adequate housing.

See [here](#) the ETUC proposals for adequate and affordable housing.