

# Growth and Employment Monitor

## Investment for a vibrant European economy and quality jobs

Based on recent research – notably from the European Trade Union Institute (ETUI) – into key employment and economic developments across Europe, the ETUC calls for:

- a robust European industrial policy covering all sectors
- a public investment leap of the scale necessary to meet EU challenges, including through the issuance of eurobonds
- a Made in Europe approach linked to quality jobs and with Europe's values of fair wages, strong workers' rights, collective bargaining, sustainability, fair taxation, and high standards
- crisis management tools that can be swiftly activated to protect jobs and production in strategic sectors under threat, building on the model of the SURE instrument
- stronger internal demand, through reinforced collective bargaining and higher wages, so that productivity gains translate into better living standards and sustainable growth, tackling the cost of living crisis
- a Quality Jobs Act that combats precarious work, abuses and exploitation, delivers secure employment, fair conditions and just transitions and protects workers' rights

The most recent developments connected with the conflict in the Middle-East underline further the concerning labour market and economic situation that emerges based on the

evidence presented here. All this speaks to the need to take swift and effective measures to shield and support the European economy, protect sectors in crisis and workers, counter any worsening of the cost-of-living crisis, to reinforce internal demand, to promote quality jobs, and to build Europe's strategic autonomy.

On 10–11 March 2026, the ETUC Executive Committee adopted the [Nicosia Declaration: A urgent call to Europe's leaders](#).

We call on the EU institutions to support the demands and priorities of European trade unions included in the Declaration.

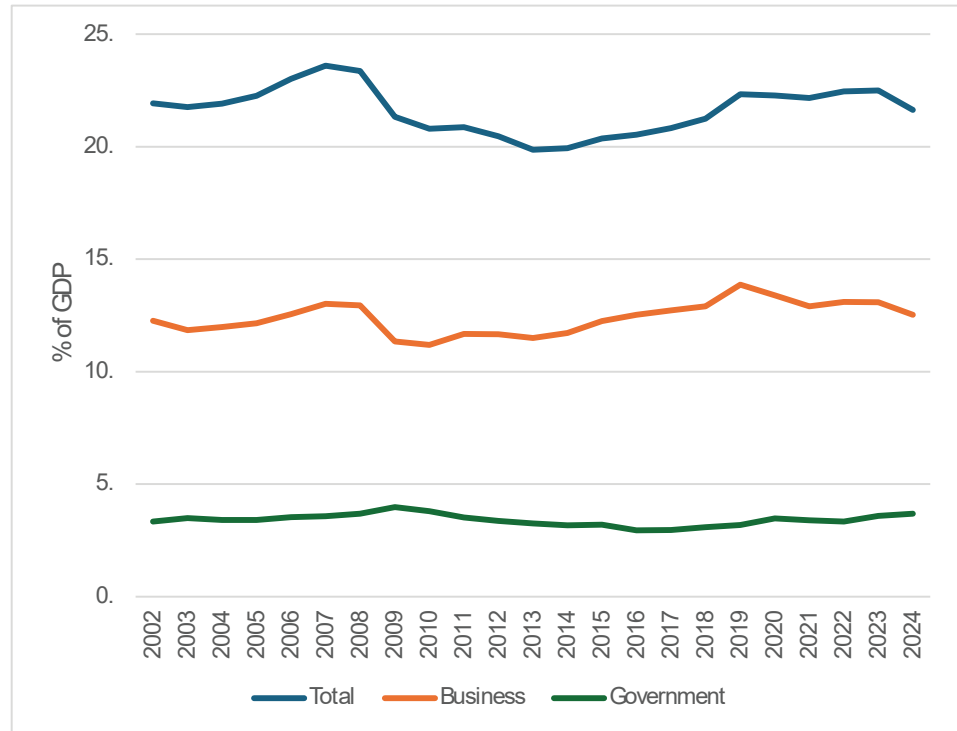
This Special Brief outlines key evidence on the economic, employment and social situation in the EU and actions needed to reinforce the EU by ensuring “Investment for a vibrant European economy and quality jobs” [Tripartite Social Summit for Growth and Employment on 18 March 2026].

## **Investment leap, Made in Europe & crisis management tools**

### **Investment**

Investment has been identified as crucial for boosting EU competitiveness and strategic autonomy in critical (technology) sectors but also for maintaining and creating quality jobs in core European industries and throughout the economy. The Draghi report suggested that to digitalise and to decarbonise the economy, to support training and our productive capacity, and to ensure Europe's security , investment in Europe would have to increase by 5 percentage points of GDP per year by 2030. The evidence so far is not encouraging that this target is anywhere near being met.

**Investment (gross fixed capital investment, % of GDP), Total, Business, Government EU, 2002-2024**

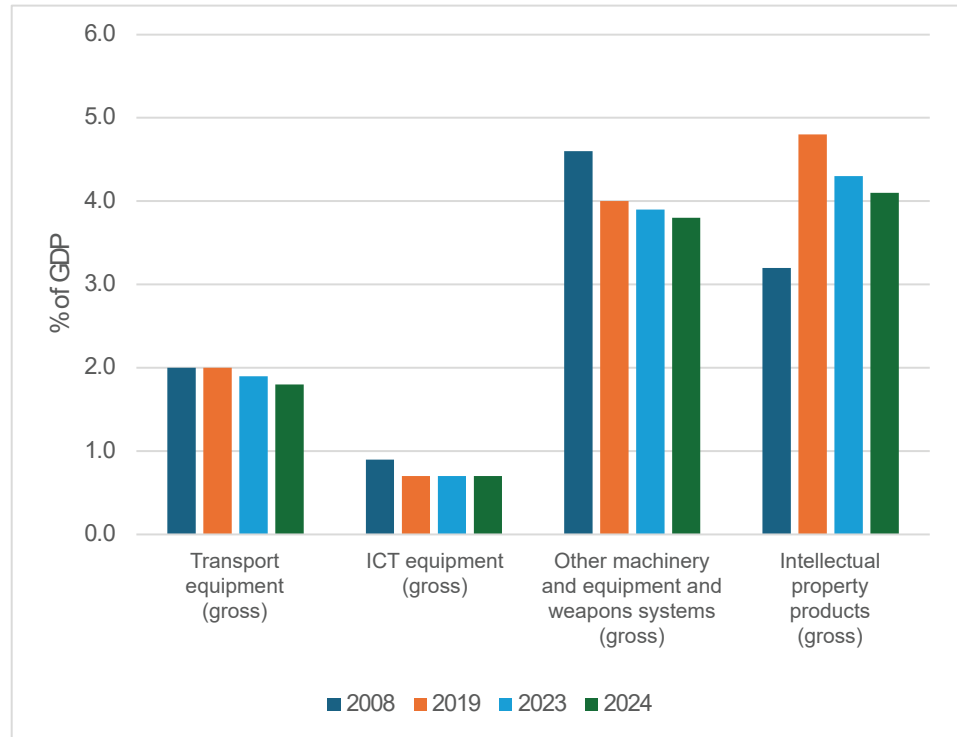


Source: Eurostat (sdg\_08\_11)

Rather, public and private investment show stagnant trajectories. In 2024, total and business EU investment as a share of GDP, at 21.6 and 12.5 percent, were lower than their most recent peak in 2019 (22.3 and 13.9 percent respectively), with that peak being lower than 2007. For 2025, 2026 and 2027, the European Commission Autumn Economic Forecasts predicted an increase in total investment by only a few decimal points. Public investment as a share of GDP was also expected to increase slightly in 2026 and remain stable in 2027.

In sectors such as transport equipment, ICT equipment, other machinery and equipment and in intellectual property products, investment as a share of GDP was lower in 2023 and 2024 compared to 2019 and in all these categories bar the intellectual property products, it was lower in the most recent years compared to 2008 as well. There is no way to overcome the identified weakness in Europe’s productivity growth without a step-change in the rate of investment. Alas this is so far nowhere to be seen.

**Gross fixed capital formation (Investment, % of GDP) in selected areas, EU, 2008, 2019, 2023, 2024**

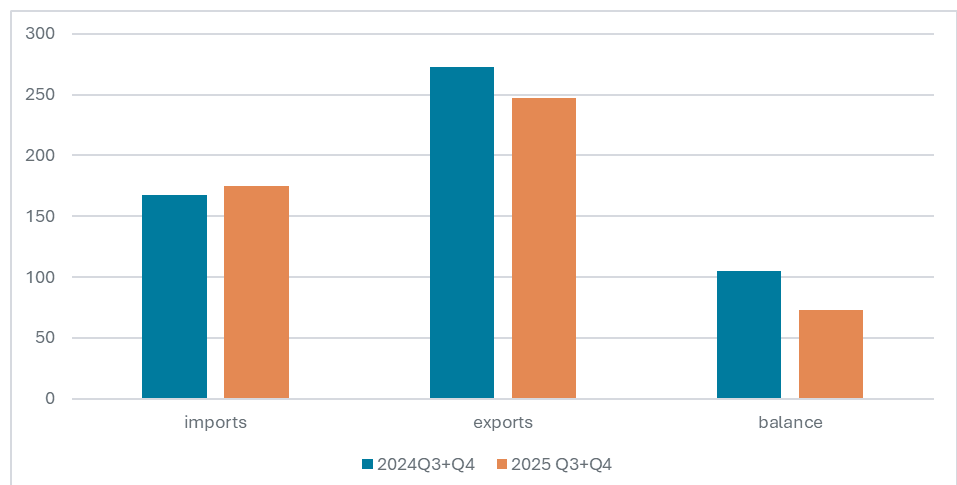


Source: own calculations using Eurostat data (nama\_10\_an6 series)

**Trade**

The substantial trade disruption caused by the aggressive and unpredictable policies of the US administration has impacted the EU economy negatively. EU exports to the US in the second half of 2025 were 14% down on the second half of 2024, while the EU trade surplus in goods with the USA shrank by 31% in this period.

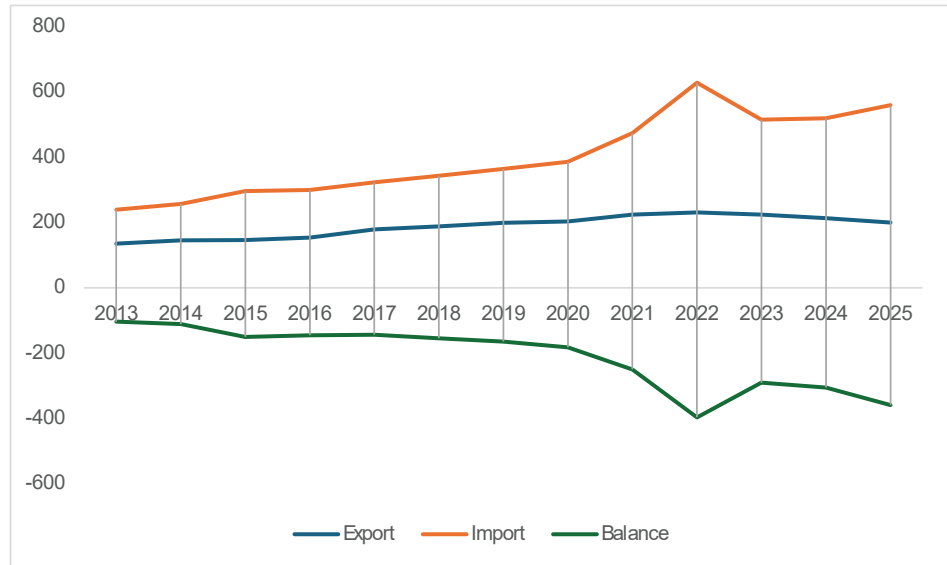
**EU trade in goods with the US – second half of 2024 vs. second half of 2025, billion euros**



Source: Eurostat [ext\_st\_eu27\_2020sitc].

The high US tariffs on China raised concerns of a diversion of Chinese products from the US towards the EU, the EU being flooded by cheaper Chinese goods. In 2025, EU imports from China grew by 7.5% compared to 2024 while exports shrank by 6.4%, resulting in a widening EU trade deficit of as much as 17%. While the 2022 peaks in the Chinese trade surplus and exports were not reached, the trend is worrisome. This is particularly the case in certain sectors, for example machinery and vehicles.

#### EU-China trade, 2013-2025, billion euros



Source: Eurostat [ext\_st\_eu27\_2020sitc].

### **KEY ETUC messages**

The ETUC is calling for:

- also in light of 27.000 manufacturing jobs lost each month in the last two years, a robust European industrial policy to protect and create quality jobs in every region and in every sector;
- a public investment leap of the scale necessary to meet EU challenges, by developing permanent common investment tools, including through the issuance of common eurobonds, with a view to developing a European fiscal capacity;
- suspension and revision of the economic governance framework to provide Member States with the fiscal space required to invest in shared objectives, including to safeguard social protection systems and public services and to reinforce social infrastructures;
- a substantive increase in the MFF in line with the EU's investment needs and for the European Social Fund to remain a stand-alone programme, with ringfenced resources and an increased budget;
- stronger internal demand, through reinforced collective bargaining and higher wages, so that productivity gains translate into better living standards and sustainable growth, tackling the cost-of-living crisis;
- a well-balanced Made in Europe approach linked with quality jobs. It must cover all sectors and be a guarantee of Europe's values: fair wages, strong workers' rights, collective bargaining, sustainability, fair taxation, and standards. It should secure and strengthen European value chains and apply also to EFTA countries, candidate countries and the UK;
- strong social conditionalities to apply to any public funds / state aid / support to companies, in order to ensure quality jobs and promote collective bargaining, as well as environmental and tax conditionalities. These objectives are of high importance also in view of the revision of the public procurement directives and of the state aid framework;
- crisis management tools that can be swiftly activated to protect jobs and production in strategic sectors under threat, building on the model of the SURE instrument. The EU must also address vulnerabilities and dependencies and ensure strategic autonomy.

## **Ensuring quality jobs in every sector and in every region**

### **Unemployment and gender gaps in employment**

Overall, the past year (figures up to January 2026) saw an increase in unemployment in 14 of the 27 EU Member States while the overall number of unemployed workers was down by 274,000. Substantial increases in

unemployment compared to the previous year, include 196,000 in Germany, 173,000 in France and 40,000 in Czechia.

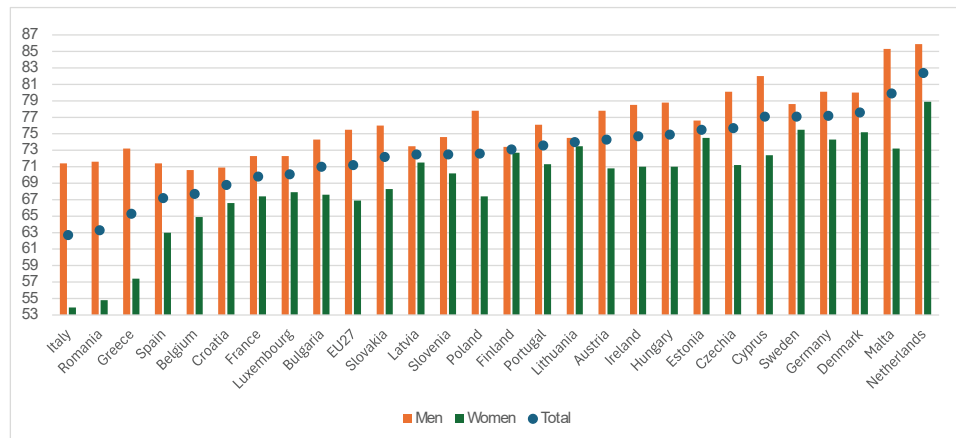
### Year-on-year change in unemployment across EU countries, 2025-2026 (January)



Note: Total.  
Source: Eurostat EU-LFS une\_rt\_m].

In every Member State the employment rate among men is higher than among women. The gaps are widest in the three countries with the lowest employment participation of women, well below 60%: Italy (where the gender gap is 17.5 pp); Romania (16.8 pp); and Greece (15.8 pp). Accounting for differences in part-time work (i.e. using full-time equivalents) reveals that the Netherlands and Germany have some of the widest gender gaps in employment, ranking right next to Italy and Greece.

### Employment rate by EU country and gender, 2025 Q2



Note: age 15-64.  
Source: Eurostat EU-LFS [lfsq\_ergaed].

## **Manufacturing jobs**

The EU's manufacturing sector is a key part of its economic fabric. It provides over 31 million jobs, drives innovation and productivity, and generates significant value. However, challenges related to lack of investment, energy supply and global competition are putting manufacturing under severe pressure. The EU lost almost four million jobs in manufacturing since 2000. Whereas in 2014 manufacturing accounted for 16.5% of EU employment, this dropped to 15.5% in 2024. Recent job losses in branches which have been emblematic of the EU's export competitiveness, and crucial for taking forward a just transition to a climate neutral model, have raised concerns about progressive deindustrialisation and the displacement of masses of workers.

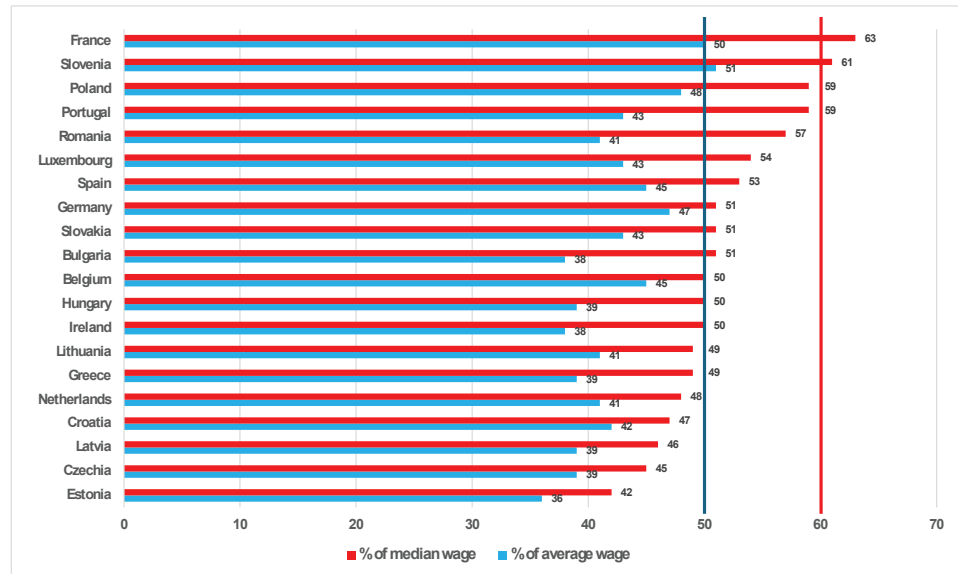
Analysis of employment change in manufacturing over the past year shows that the destruction of jobs has not unfolded uniformly across Member States, nor along a steady downward trajectory. Manufacturing employment shrunk in 13 of 27 EU countries, the largest relative decline being in Lithuania (10.9%), Bulgaria (8.5%) and Romania (8.3%). In terms of the numbers of jobs lost, the largest employment destruction was experienced in Romania (128,100 jobs), Austria (50,600 jobs) and Bulgaria (44,000).

In addition to safeguarding existing quality jobs, a key concern is ensuring that newly created jobs are of good quality and that workers receive adequate support in finding and taking them up, thus fulfilling the promise of a socially just transition. However, recent OECD research shows that workers who lose (usually well-paid) jobs in a high emitting industry experience a 36% drop in earnings over the next six years. This is one quarter higher than for someone who loses a job in a less polluting industry. This suggests an insufficient supply of comparably high-quality and well-paid jobs ('green' jobs include not only highly skilled and good quality roles in the knowledge economy, but also in sectors which are facing job quality challenges). Action should therefore be taken to defend quality jobs and to ensure that newly created jobs provide good wages, working and employment conditions.

## **Statutory minimum wage adequacy**

Increases in statutory minimum wages are necessary to ensure their adequacy, in particular to tackle the cost-of-living crisis. Almost all member states still fall below the reference values included in the Directive on Adequate Minimum Wages of 60% of the median wage and 50% of the average wage.

## Statutory minimum wage as % of full-time median and average wages, EU countries with minimum wages, 2024

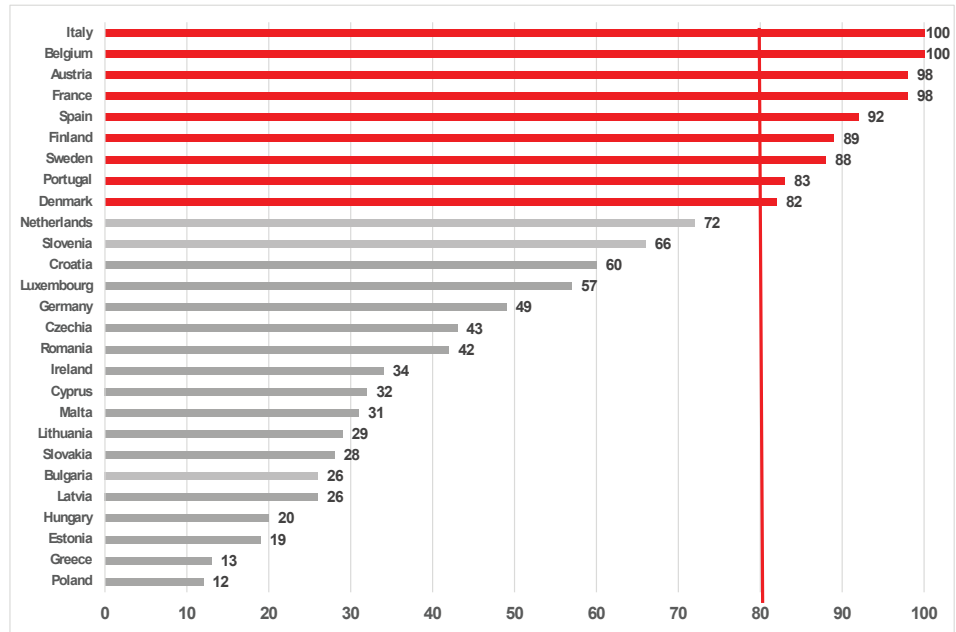


Note: no data available for Cyprus. The OECD database provides data only up to 2024. This means that the substantial increases which, for instance, have taken place in Bulgaria in the last two years are not reflected in the figure.  
Source: OECD (2025).

## Collective bargaining

Collective bargaining is essential to secure better wages and working conditions, but also to contribute to sustainable growth. The Directive on Adequate Minimum Wages in the EU provides important measures to ensure the respect for the right to collective bargaining and to increase collective bargaining coverage. Article 4.2 obliges those Member States in which collective bargaining coverage is below 80% to establish an action plan to increase it. Currently only nine countries meet this threshold which, in turn, means that 18 countries need to have established an action plan by the end of 2025 to ensure progress towards that target.

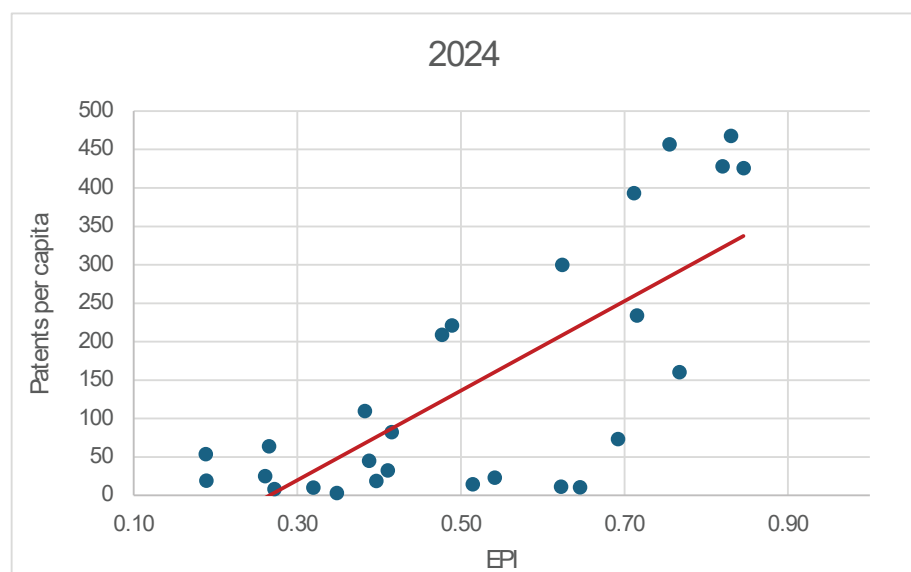
## Collective bargaining coverage across EU countries, %, 2025 (or most recent year available)



Source: OECD/AIAS (2025).

To measure the extent of worker participation in different European countries, researchers at the European Trade Union Institute (ETUI) have developed the European Participation Index (EPI), based on collective bargaining and union density, workplace representation, and board-level employee representation. There is a strong correlation between the EPI and productivity and innovation, as measured by patent applications. Competitiveness comes from quality jobs with collective bargaining and democracy at work.

## Relationship between the European Participation Index (EPI) and innovation, EU27 countries and the UK, 2024



Note: innovation measured as patent applications per capita.

Source: data on patents from Eurostat [sdg\_09\_40]; own elaboration.

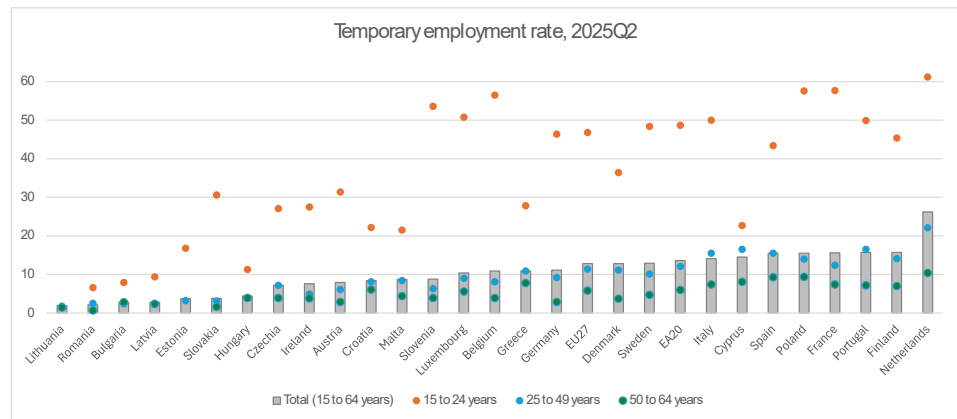
## Temporary employment

The type of employment contract is an important element of job quality, determining the extent of the security and stability afforded by a job, with non-standard employment – such as temporary work – also correlating with other indicators of poor job quality.

At EU level, 12.8% of employees had contracts of limited duration in 2025. This share is by far the highest in the Netherlands, where more than a quarter (26.2%) of all jobs are temporary.

In most EU countries, temporary employment is much more common among young people, with its share thereafter decreasing with age. On average, nearly half (46.7%) of those aged 15-24 are employed in non-permanent positions in the EU27.

### Temporary employment rate by age and EU country, 2025 (Q2)

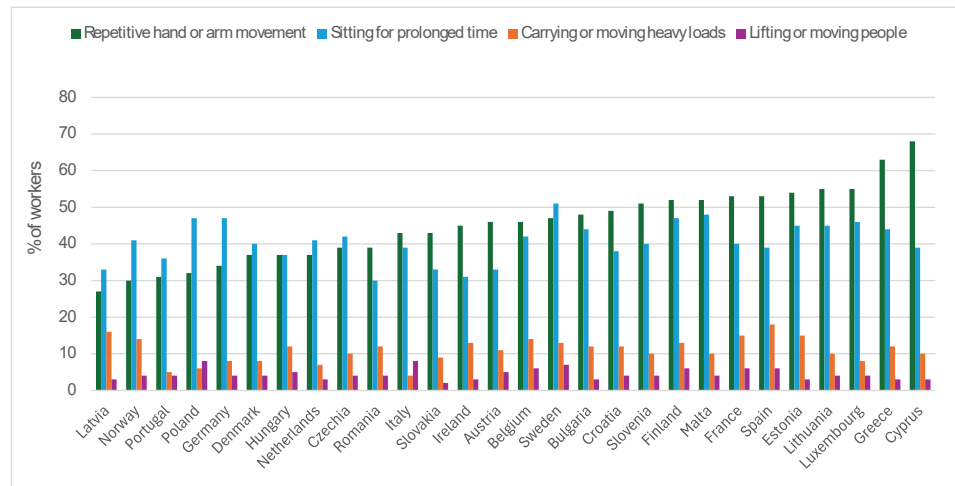


Source: Eurostat EU-LFS [lfsq\_etpga].

Digitalisation, automation and the growth of office-based and platform work are transforming how tasks are carried out, often reducing some traditional physical risks while introducing new ones such as prolonged sitting/standing, repetitive movements and intensified work pace. At the same time, physically demanding tasks remain prevalent in sectors such as healthcare, construction, manufacturing, logistics and the service sector. These aspects of job quality raise important questions for prevention and for ensuring that working lives are sustainable, especially in an ageing workforce.

Across the EU, exposure to physical work demands remains widespread, though the type and intensity of exposure vary considerably by task and country.

## Share of workers exposed to physical demands at work, by EU country, 2024



Note: share of workers reporting being exposed to each factor 'frequently'. All those in employment.

Source: European Working Conditions Survey 2024; retrieved from the online data tool.

Physical work demands remain a central OSH concern across Europe, even as work becomes increasingly digitalised and automated. The data suggest a clear shift in physical exposure: while lifting and carrying heavy loads are reported relatively infrequently, making repetitive hand/arm movements and prolonged sitting affect a much larger share of workers, as well as tasks being performed alongside algorithmically driven, or digitally controlled, work processes. These results emphasise the need to integrate ergonomic risk prevention into broader labour market and digital transition policies, thus ensuring that technological change contributes to healthier, safer and more sustainable work rather than merely shifting or intensifying physical strain.

### KEY ETUC messages

For a job to be a quality job, the following pillars have to be present:

- collective bargaining
- full respect for workers and trade union rights
- fair wages
- job security and career progression
- social protection
- training without costs and during working time
- good working conditions
- health and safety at the workplace
- work-life balance
- equality and non-discrimination

The ETUC is calling for:

- stronger domestic demand, through reinforced collective bargaining and higher wages, so that productivity gains translate into better living standards and sustainable growth, tackling the cost-of-living crisis;
  - strong EU-level measures to promote collective bargaining to reach the level of 80% collective bargaining coverage in all Member States and to ensure pay rises and adequate minimum wages;
  - a Quality Jobs Act that combats precarious work, abuses and exploitation, deliver secure employment, fair conditions and just transitions and protect workers' rights, including binding legislation on:
    - o AI at work
    - o Subcontracting and labour intermediation
    - o Just transition
    - o Psychosocial risks, as well as musculoskeletal disorders and occupational heat risks, gender-based violence and harassment
    - o Telework and the right to disconnect
    - o Enforcement
- The ETUC demands for the Quality Jobs Act are outlined in our [reply to the first stage consultation of social partners](#).
- a reform of the Directives on public procurement that promotes collective bargaining and quality jobs – [building upon recent case law](#).



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