

WeLaR Newsletter

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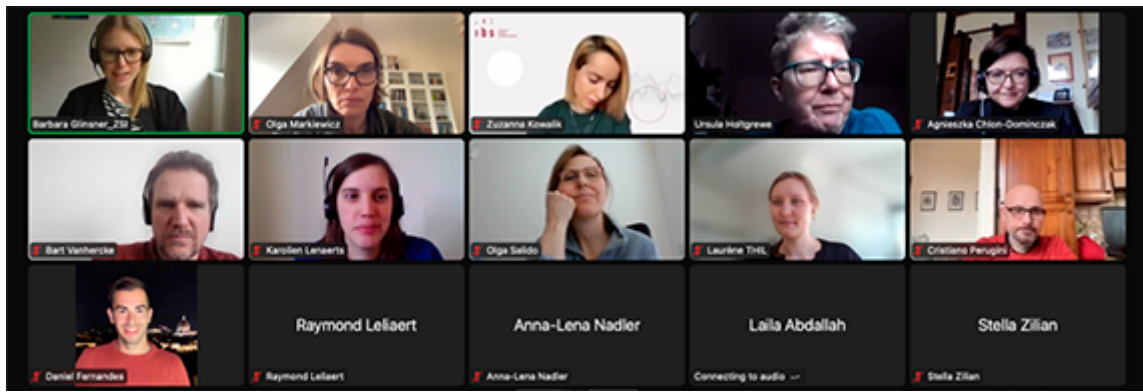
From the Editors

Welcome to the second edition of the WeLaR Newsletter, where we update you on developments in the project over the past three months. During our second quarter, we introduced ourselves to stakeholders and our researchers published a number of papers on topics related to our main themes.

The first WeLaR webinar, "European Welfare States in Crisis? Labour Markets in Flux?" brought together more than 40 participants, giving us the opportunity to present our project to stakeholders. We discussed the challenges the EU and its member states are facing as they seek to redesign social policies in the face of multiple ongoing crises. We also talked about the challenges that stem from new forms of work.

Engagement of stakeholders is key to everything we seek to accomplish at WeLaR, and we're pleased to present you with some reflections from Barbara Glinsner and Ursula Holtgrewe on that topic in this issue of the newsletter.

We also take a look at the latest research from the scholars who are participating in the project: Katrin Sommerfeld's paper on the impact of refugees on labour demand for native workers; Fabrizio Pompei's analysis of how robot adoption affects the use of flexible contracts; and Ludivine Martin and Laetitia Hauret's review of literature on the link between digitalisation and employee job quality and well-being.



The first WeLaR webinar attracted more than 40 participants

WeLaR's first webinar, "European Welfare States in Crisis? Labour Markets in Flux?" sought to introduce the project to its stakeholders. The event brought together 42 participants including labour market economists, social scientists and representatives of EU policy think-tanks as well as participants from the European and national social policy spheres.

The webinar organised on February 27, 2023 by the Centre for Social Innovation (ZSI) started with a presentation by WeLaR project coordinator Karolien Lenaerts (HIVA), who said that the purpose of this three-year research funded by the Horizon Europe programme is to investigate the impact of four megatrends – globalisation, digitalisation, demographic changes and the green economy – on labour markets and welfare states in Europe. The project will contribute to a better understanding of the trends' effects and identify policy measures that foster socio-economic resilience and inclusive, sustainable growth, as well as proposing ways to adapt welfare systems so that they can address the challenges posed by these trends and new forms of work.

Next, Bart Vanhercke (European Social Observatory) talked about how the findings of Project WeLaR can inform decision-makers on how to shape the green and digital transition of European economies in a socially fair and inclusive way. Referring to the book "[Social Policy in the European Union: State of Play 2022](#)", which he co-edited, Vanhercke emphasised that while facing challenges of green and technological transformations the EU is operating in a state of permanent crisis as health issues, the economic and financial downturn and a climate crisis unfold in parallel, while a full-scale war is back in Europe. And yet, he argued, catalysed by the Covid-19 crisis, the EU is re-invigorating its social agenda. Bart Vanhercke mentioned several areas where the EU has made progress including minimum wages, occupational health and safety, labour conditions of platform workers and gender equality. Moreover, the Recovery and Resilience Facility also includes initiatives promoting, at least to some extent, social investment.

Commenting on the presentation, Aída Ponce Del Castillo (ETUI) expressed doubts about the EU governance system's ability to pursue social goals. In her view, the digital and green economy agendas focus excessively on creating markets and are failing to achieve a balance of economic and social objectives. Aida Ponce Del Castillo also pointed out that EU policymaking lacks the integration of foresight activities that anticipate risks to society and people, assess their impacts and help prevent the unfavourable effects of current and emerging policies. Here, projects like WeLaR are important in carrying out wider analyses to see the big picture. She added that while engaging in analysis and foresight we should not focus only on numbers and indicators, but also bring in qualitative elements.

Zuzanna Kowalik (IBS) [presented](#) a snapshot of a topic that WeLaR will investigate further. Together with her colleagues, she researched the differences in job quality and working conditions between native and migrant platform workers (taxi and delivery drivers) in Poland. Their findings show that migrants take up platform jobs due to a lack of income or other job opportunities more often than natives. At the same time, migrants' job quality is noticeably lower on measures such as contractual terms of employment, working hours, work-life balance, multidimensional deprivation and job satisfaction. Migrants who started a gig job immediately after arriving in Poland are particularly deprived. The institutional context in Poland plays a part: the country has a liberal immigration regime, not least hosting many refugees from Ukraine and Belarus, but little social infrastructure to integrate migrants into the mainstream labour market. Hence, platforms take the part of an "arrival infrastructure" that prolongs social vulnerability rather than mitigating it.

Commenting on Zuzanna Kowalik's presentation, Agnieszka Chłoń-Domińczak (SGH)

confirmed these findings and noted that many migrants lack access to social protection and also information about their rights as workers. She stressed that it is important also to inform policymakers of the negative impacts of unequal conditions for native and migrant workers so that policies and administrative measures can be taken.

The webinar finished with a presentation by Ursula Holtgrewe (ZSI) of WeLaR's upcoming activities. She stressed that the WeLaR research consortium seeks to stay close to policymakers, labour market actors, social partners and other stakeholders so as to be able to ask the right questions and keep research relevant to policies ensuring social rights and protection to all the groups that are affected by the rapidly changing job market.

The webinar reached its goal of initiating a discussion between project participants and stakeholders, providing a good foundation for the ongoing sharing of knowledge and insights.

Presentations are available [here](#)

Stay tuned for more such events!



Research as a two-way street: Why involving stakeholders is key.

Barbara Glinsner, Ursula Holtgrewe

WeLaR investigates four megatrends – globalisation, technological development, demographic transformation and climate change – and how they impact and interact with labour markets, social policy and welfare states. WeLaR's research findings will inform us about hot questions such as how technological change and retirement decisions are connected, how climate policies impact income equality, and what the fiscal effects of migration are. The answers to these questions are highly relevant in societal, political and economic terms. They don't just concern researchers, but also policymakers and practitioners, and even impact our everyday lives.

Thus it is a cornerstone of WeLaR that our research and policy recommendations are not solely produced by academic researchers, but in interaction and discourse with stakeholders. These stakeholders are people with both knowledge and (some) decision-making power in the fields of the labour market, social policy and the welfare state. They include those who represent and articulate the interests of particular vulnerable groups. Such stakeholders are found on all levels of policy and social action: the European and the national level, but also the regional, sectoral and municipal level.

Stakeholders bring in a valuable perspective by confronting researchers with the realities of policymaking and policy implementation. They can challenge basic assumptions and increase our understanding of certain policy fields. Their experience is crucial to make sense of certain phenomena and developments. At the same time, research can help answer policy- or practice-related questions, and ground policy and practice more firmly in scientific evidence.

Engaging with stakeholders from the very beginning is therefore a key activity in the WeLaR project. Mutual learning and collaboration across disciplines and fields will make our research more relevant and impactful, and help us to derive policy recommendations that help reduce economic risks, inequality and vulnerability, increasing social inclusion and strengthening welfare states.

To do so, WeLaR offers a series of live workshops and webinars with inputs from the project's research and from related European and national projects and practices. Moreover, WeLaR will host four "open virtual expert cafés". This innovative format gives researchers, practitioners and stakeholders the opportunity to raise critical questions, present research findings or events, or brainstorm on an issue of interest with an interested audience. To keep the ideas flowing, presenters are limited to a single slide.

The goal of each of these activities is to bring together experts and practitioners from various fields with economists and social scientists who can deliver first-hand research insight. Our aim is to foster an international exchange of views and perspectives, and to challenge researchers to make their results more relevant to various fields of practice and policy.

If you want to join WeLaR's stakeholder community, please subscribe to the newsletter or write us a short email (glinster@zsi.at).



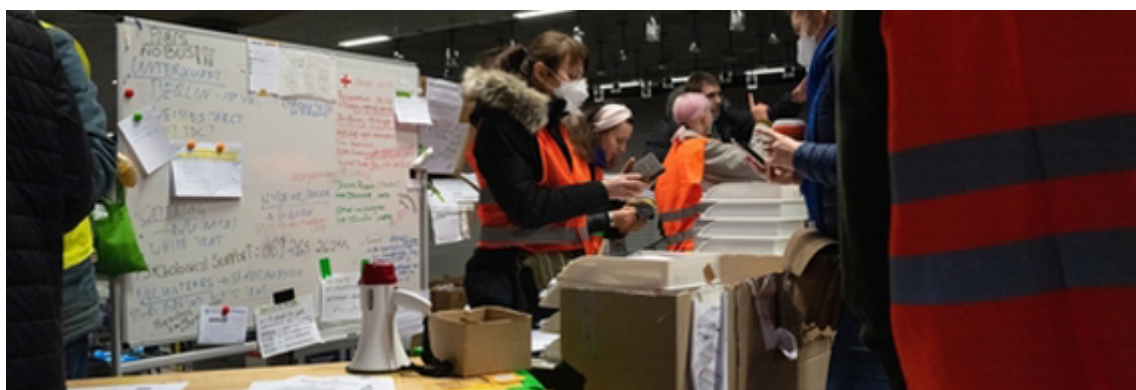
Barbara Glinster

Barbara is a sociologist and researcher at the Work and Equal Opportunities Unit at the Centre for Social Innovation GmbH (ZSI).



Ursula Holtgrewe

Ursula is a sociologist and the senior researcher at the Work and Equal Opportunities Unit at the Centre for Social Innovation GmbH (ZSI). Her main areas of expertise are service work and service organisation, social innovation, comparative institutionalism and digitalisation.



Katrin Sommerfeld paper finds refugees boost labour demand in Germany

The inflow of refugees to Germany in 2015-2016 increased demand for labour from native workers, creating one new job for every 2.4 newcomers, a discussion paper co-authored by WeLaR researcher Katrin Sommerfeld from ZEW – Leibniz Centre for European Economic Research found.

"The Labor Demand Effects of Refugee Immigration: Evidence from a Natural Experiment", which Katrin Sommerfeld co-authored with Paul Berbée, Herbert Brücker and Alfred Garloff, shows that the accommodation of refugees benefited not only the migrants but also the host regions. Migration created new employment opportunities for the native population, especially in services such as accommodation, social support and assistance with asylum applications.

The study demonstrates that migration had a more positive effect on women's employment than men's. Furthermore, while employment among men grew at about the same rate as unemployment fell, unemployment among women decreased much less. This can be explained by the engagement of women entering (or re-entering) the workforce in response to the demand. Moreover, locals with a low level of education and former migrants benefited significantly.

The positive employment effects weakened over the long term. Three years after refugees' arrival, almost 50% of the initial increase in employment had disappeared. This occurred as migrants' behaviour as consumers changed over time: many no longer received all the support they initially relied on, as they may have found jobs and begun paying for accommodation and everyday goods on their own.

The paper is available [here](#).



Katrin Sommerfeld

Katrin is an economist and the head of the ZEW's Junior Research Group on [Integration of Migrants and Attitudes towards the Welfare State](#). Her research interests include labour economics, economics of migration and applied micro-econometrics. She studies the effect of migration on employment and wages.



Fabrizio Pompei article published in Industry and Innovation

A paper co-authored by WeLaR researcher Fabrizio Pompei has been published in Industry and Innovation Journal.

In the paper, "Robots, skills and temporary jobs: evidence from six European countries," Pompei, together with Mirella Damiani and Alfred Kleinknecht, analyses the impact of robot adoption on the use of flexible contracts in Belgium, France, Germany, Italy, Spain and the UK.

The authors found that in a "high knowledge cumulativeness" innovation regime, robot adoption reduces the probability that high-skilled workers will receive temporary contracts. At the same time, automatisisation did not significantly impact the situation of low and medium-skilled workers.

The research shows that the situation is different in "low-cumulativeness" regimes. Such companies mainly use externally acquired knowledge in their innovation process. That makes workers more easily interchangeable, and robot adoption increases the probability of temporary contracts for both medium- and high-skilled workers but leaves low-skilled workers unaffected. These findings contribute to understanding the increasing share in Europe of temporary workers with tertiary education working as technicians and professionals, as observed by Eurofound.

Mirella Damiani, Fabrizio Pompei & Alfred Kleinknecht (2022): "Robots, skills and



Fabrizio Pompei

Fabrizio is an associate professor of Applied Economics in the Department of Economics, University of Perugia. His main research interests are focused on the relationships among labour, productivity and innovation, and their effects on wage and income inequalities. He is also interested in the interplay between the market for corporate control and the innovative capacity of firms.



WeLaR researchers' findings published as a book chapter

Ludivine Martin and Laetitia Hauret's review of literature on the link between digitalisation and employee job quality and well-being was just published as a chapter of the Handbook of Labor, Human Resources and Population Economics edited by Klaus F. Zimmermann.

In the chapter, “Digitalization, Job Quality, and Subjective Well-being”, Martin and Hauret examine several facets of job quality studied in the literature: labour income; safety at work; working time and work-life balance; job security; skills development and training; employment-related relationships; and work motivation.

The authors also review the literature on the impacts of digitalisation on subjective well-being, captured by employees' self-reported feelings at work, such as job satisfaction, occupational stress and life satisfaction. Martin and Hauret highlight the key findings in the literature and identify relevant knowledge.

Martin and Hauret find that there is substantial literature on the links between digitalisation and job quality in terms of labour income and work-life balance. However, studies on the link between digitalisation and safety at work, job security, skills development, relationships at work, work motivation and self-reported feelings remain scarce, and this calls for further empirical research. Regardless of the outcome variable, studies report mixed results. Differences in how digitalization and outcome variables are measured and conceptualised, as well as the national and time context and employees' characteristics, may explain these divergent results and conclusions.

Martin, L., Hauret, L. (2022). “Digitalization, Job Quality, and Subjective Well-being”. In: Zimmermann, K.F. (eds) Handbook of Labor, Human Resources and Population Economics. Springer, Cham. https://doi.org/10.1007/978-3-319-57365-6_388-1.



WeLaR's Vanhercke co-edits book on social policy during the permacrisis

WeLaR researcher Bart Vanhercke (European Social Observatory) co-edited the book *Social policy in the European Union: state of play 2022. Policymaking in a permacrisis*, published in January 2023 by the European Trade Union Institute (ETUI).

The volume, co-edited by Sebastiano Sabato and Slavina Spasova, analyses key developments in the European social agenda and how EU and domestic policies have evolved during a time of permanent crisis, as health issues, the economic downturn and the climate crisis unfold in parallel while full-scale war had returned to the continent.

In eight chapters, contributors discuss such issues as platform work, the EU Gender Equality Strategy and the Recovery and Resilience Facility. They find that despite headwinds, important progress has been made in areas including minimum wages, occupational health and safety, labour conditions for platform workers and gender equality. Furthermore, many new social initiatives have been launched under the umbrella of the Recovery and Resilience Facility, promoting social investment, performance-based financing and a just green transition. Last but not least, the pandemic and the war in Ukraine have furthered European integration by highlighting the need to stand together in the face of a common foe.

The book is an important read for anyone interested in recent developments in EU social policy and can be downloaded [here](#).



Bart Vanhercke

Bart is the head of the OSE and a senior researcher. He also works as an associate academic staff member at the University of Leuven's Research Institute for Work and Society (HIVA) and its Centre for Sociological Research (CESO). His interests focus on the European Pillar of Social Rights and the social dimension of the new European economic governance.



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