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Labour and skills shortages in the EU: an action plan

1. INTRODUCTION

For almost a decade, labour and skills shortages have been increasing in all Member States. Although this trend was temporarily interrupted by the COVID-19 pandemic, shortages rose steeply again in its aftermath driven by the economic recovery in Member States, changes in skills demand and the demographic landscape, as well as the consequences of ongoing geopolitical shifts and the EU's ambition of open strategic autonomy. Labour and skills shortages remain high despite the recent economic slowdown. Recently, the Commission identified 42 occupations that it considers as EU-wide shortage occupations ([1]). Moreover, firms increasingly report that they cannot find the specific skills needed to fill their vacancies ([2]).

Labour and skills shortages have both economic and social implications and present a challenge that needs to be tackled urgently. Unless mitigated, these shortages risk reducing the EU's capacity for innovation and attractiveness for investments, weakening its competitiveness and hampering its growth potential and the financing of its social welfare model. There is also the risk of growing inequalities and people falling behind the fast pace of change, with negative consequences for the cohesion of our societies and the health of our democracies. In addition, a shortage of workers with the required skills could hinder the green and digital transitions, as well as the competitiveness and the EU's security and open strategic autonomy at a time when we need to bolster each of them to ensure the EU's resilience. Though shortages can in some instances lead to an improvement in working conditions and a better inclusion of people from underrepresented groups due to increased competition between employers to attract workers, they may give rise to increased work intensity and job strain for workers in the sectors and occupations they affect.

Being closest to the labour market, social partners, including at sectoral level, have a good understanding of the needs of employers and workers. This is why President von der Leyen, together with the Belgian Presidency of the Council of the EU, convened a Social Partners Summit at Val Duchesse on 31 January 2024. The Val Duchesse Declaration ([3]) included a clear commitment to bring more people to the labour market, improve working conditions, facilitate the recognition of qualifications and integrate workers coming from abroad, through social dialogue and collective bargaining.

The EU is not starting from scratch. This action plan builds on the numerous initiatives, including the ongoing European Year of Skills, that the EU, Member States and social partners have already put in place. It aims at steering relevant measures for the short- to medium- term, by operationalising concrete further steps, especially at sectoral level, that the EU, Member States and social partners will or should take to tackle the challenges brought about by labour and skills shortages. In addition, it prepares the ground for potential actions or initiatives in the future.

([1]) Proposal for a Regulation of the European Parliament and of the Council establishing an EU Talent Pool (COM/2023/716) which, if agreed by co-legislators, paves the way to a strategic approach to fill-in vacancies in the shortage occupations.

([2]) Flash Eurobarometer FL529 (2023): European Year of Skills - Skills shortages, recruitment and retention strategies in small and medium-sized enterprises. For further details, see section 2.2.

([3]) Tripartite Declaration for a Thriving European Social Dialogue signed on 31 January 2024 at Val Duchesse.

2. KEY DRIVERS OF THE SHORTAGES THE ROLE OF SOCIAL DIALOGUE AND KEY POLICY AREAS FOR ACTION

The 2023 annual Employment and Social Developments in Europe (ESDE) review ([4]), on "*Addressing labour shortages and skills gaps in the EU*", provided substantial evidence and analysis on persistent labour shortages and changing skills needs in the EU. It identified the following three key drivers for labour and skills shortages across the EU:

- **Demographic change, which reduces labour supply and increases the demand for certain services.** Between 2009 and 2023**,** the working age population in the EU decreased from 272 million to 263 million ([5]), and it is expected to further decline to 236 million by 2050. In parallel, the care needs of the older population are increasing. The combined effect of a shrinking working age population and an increase in the demand for specific services, such as healthcare and long-term care, is bound to significantly contribute to labour shortages in the medium to long run ([6]).
- **The substantial job growth expected from the green and digital transitions, increased need for security and quest for open strategic autonomy and enhanced resilience, with consequences for the skillsets needed on the labour market**. Currently, skills shortages concern all qualification levels, academic and technical profiles, and are especially relevant in fields such as science, technology, engineering and mathematics.
- **Poor working conditions in certain occupations and sectors, which make it difficult to fill vacancies and/or retain workers**. Inadequate and strenuous working conditions, such as above-average job strain and low wages, are a key factor behind persistent labour shortages in some occupations and sectors.

As a follow-up to the Val Duchesse Declaration, the Commission sought the views of European social partners ([7]) **on this action plan.** It organised a hearing with them on 21 February 2024. Subsequently, social partners informed the Commission of their intention to take actions to address the issue of labour and skills shortages. Most are unilateral by either an employers' organisation or a trade union. At sectoral level some are also bilateral with both the relevant employers' organisation and the relevant trade union engaging jointly. The Commission welcomes these actions, which are presented under the sections of the key policy areas for action to which they pertain.

Because social dialogue plays a key role in tackling labour and skills shortages the Val Duchesse summit can only be the start of a sustained and results-oriented process in addressing these challenges.

To this end, the Commission:

([4]) European Commission (2023), Employment and Social Developments in Europe, Annual Review 2023.

([5]) Population on 1 January by age group and sex, source: Eurostat, demo_pjangroup.

([6]) Commission Communication on 'Demographic change in Europe: a toolbox for action' (COM(2023) 577 final), European Care Strategy (COM(2022)440), Reports on the impact of demographic change (SWD(2023)21 and COM(2020)109).

([7]) The European social partners are the EU-level employer and trade union organisations that are engaged in European social dialogue, as provided for under Articles 154 and 155 of the Treaty on the Functioning of the European Union. A 1993 Communication from the Commission laid down the criteria that European social partner organisations need to comply with (COM(93) 600 final). The Commission regularly publishes a list of the recognised European social partner organisations. As of September 2023, the list includes 88 organisations.

- Will provide funding to reinforce social partners' work to address labour and skills shortages ([8]);
- Invites social partners to submit operational projects that can address existing and anticipated shortages;
- Invites social partners to focus their social dialogue efforts on the specific sectors most in need.

Building on the aforementioned ESDE analysis and the feedback received by social partners, this action plan covers **the following key policy areas for action** at EU, national, regional and social partner level:

1. Supporting the **activation** of underrepresented people in the labour market;
2. Providing support for **skills, training** and **education;**
3. Improving **working conditions;**
4. Improving **fair intra-EU mobility for workers** and **learners;**
5. **Attracting talent** from **outside** the EU.

3. KEY POLICY AREAS FOR ACTION TO ADDRESS LABOUR AND SKILLS SHORTAGES

3.1. Supporting the activation of underrepresented people in the labour market

Increasing labour market participation is crucial to address labour shortages. Despite continuous improvements in the EU employment rate, substantial untapped potential remains outside the labour market. Altogether, 21% of today's population aged 20-64 remains inactive ([9]). Further gains in labour market participation can be achieved by focusing on those population groups that are currently underrepresented in the labour market notably in rural and coastal areas and remote and outermost regions ([10]) . These include women, low-skilled workers (i.e. people with secondary or lower education), older workers, young people, people with a migrant ([11]) or minority racial or ethnic background, and persons with disabilities. The untapped potential is the highest for the first three of these groups. If their EU-wide activity rate were to increase to that of the three Member States with the highest activity rates for these groups (Figure 1), an additional 17, 13 and 11 million people from each group, respectively, would enter the labour market by 2030 ([12]).

([8]) Through the social dialogue prerogative budget lines, the Commission supports European and national social partners' projects by launching every year two open calls for proposals on social dialogue and information and training measures for workers. The projects allow social partners to build capacities and to share knowledge in areas related to labour and skills shortages.

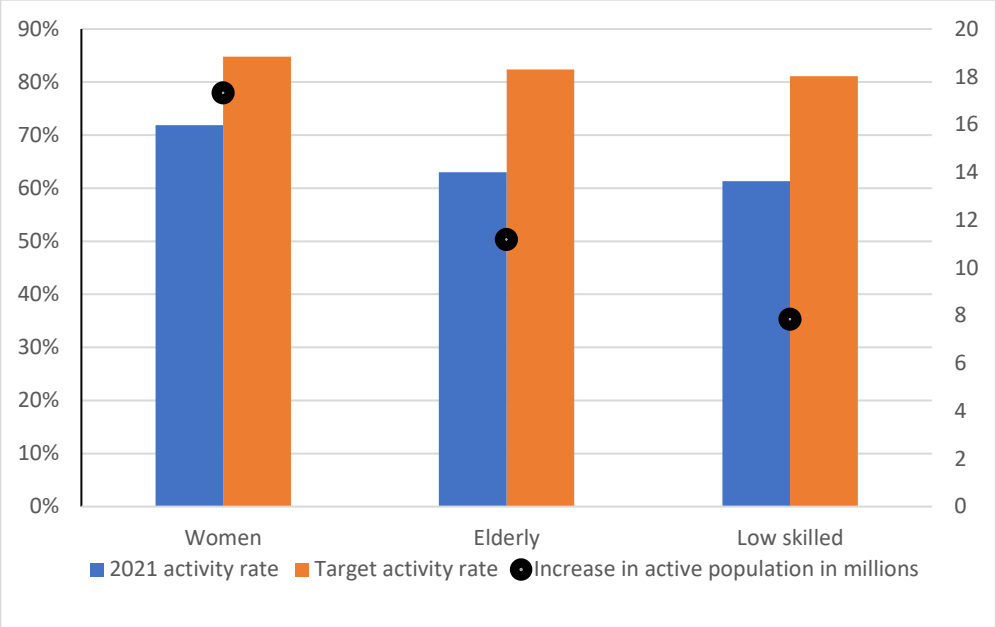
([9]) Inactive young people also comprise those in education.

([10]) The EU outermost regions suffer from the highest rates of youth unemployment in the EU and have particularly high levels of NEETs.

([11]) This covers both third-country nationals and nationals of EU Member States who had a third-country nationality and became EU citizens as well as EU citizens with foreign-born parents.

([12]) European Commission (2023), Employment and Social Developments in Europe, Annual Review 2023. These numbers are not cumulative as the three groups overlap. In the case of women and low skilled people, this potential is driven by their relatively large share in the population, while for older workers it is due to the relatively large gap in their activity rates compared to the best-performing countries.

Figure 1: Women, older people, and low-skilled workers represent the largest untapped potential workforce in the EU



Source: ESDE 2023.
Note: The target activity rate (left axis) is the average activity rate of the three Member States with the highest activity rates for each of these groups. The increase in EU-wide active population (right axis) shows the potential additional number of active people if the target activity rate were to be reached.

The main employment barriers vary for each under-represented group. Women have lower employment rates and a significantly higher proportion of part-time employment than men, mostly due to the unequal sharing of unpaid domestic work and caring responsibilities. There are also other structural obstacles, such as the lack of affordable and quality early childhood education and care ([13]) and long-term care that would enable parents and people with care responsibilities to work full-time, as well as fiscal disincentives to work more hours. In the case of individuals with secondary or lower education, employment barriers include the lack of equal opportunities in accessing quality inclusive education and the impact of rising skill requirements. Employment of older workers is often affected by rigidities of retirement rules, by rapidly changing skill requirements combined with a lower rate of training participation, and by working conditions that are not adapted to the specific needs of this group, including in terms of working practices and workplaces. Young people face labour market segmentation and are characterised by an above-average share of irregular or temporary work contracts. Persons with disabilities encounter a lack of adapted workplaces, and of inclusive recruitment processes and education. For people with a migrant, or with a minority racial or ethnic background, skills mismatches, inadequate skills, language difficulties, discrimination and weak or no access to supporting services lead to challenges to their labour market integration.

Improving activity rates, therefore, requires a wide range of tailored policies for each under-represented group addressing the specific root causes. These comprise measures to improve support and incentives to work, for instance reforms of active labour market

([13]) European Commission (2023), Staff shortages in early childhood education and care (ECEC), Policy brief

policies, tax reforms that reduce the tax wedge ([14]) for second wage earners and for low-income earners ([15]), benefit reforms that increase incentives for labour market integration, or reforms of pension systems ([16]). Activation policies should be complemented by enabling measures that provide effective access to quality and affordable early childhood education and care and long-term care services.

Poland has planned to create more than 100 000 new additional childcare places for children under the age of 3, combining support from the Recovery and Resilience Facility (RRF) and the ESF+.

An example of labour market activation of underrepresented groups financed by the RRF is the **Italian** *Guaranteed Employability of Workers programme (GOL)*. It is expected to support 3 000 000 beneficiaries, with a focus on women, long-term unemployed, persons with disabilities or people under 30 or over 55, who should represent at least 75% of the people supported.

Several EU initiatives have already been adopted and are being implemented. The Gender Equality Strategy ([17]) includes measures to support increasing female labour market participation, targeting areas such as the reduction of the gender pay gap, promoting equal uptake of family leaves and flexible working arrangements, as well as quality early childhood education and care and long-term care services, and combating gender stereotypes; the Youth Guarantee ([18]) and the ALMA initiative ([19]) target youth unemployment; the Disability Employment Package ([20]) focuses on supporting better labour market outcomes for persons with disabilities; and the action plan on Integration and Inclusion 2021-2027 ([21]) aims to improve employment prospects for people with a migrant background. A comprehensive overview of ongoing initiatives can be found in the Annex.

Employment and active labour market policies are also a key aspect of Member States' recovery and resilience plans and European Social Fund Plus (ESF+) programmes. The vast majority of Member States promote faster entry of young people into the labour market, as part of their commitments to implement the reinforced Youth Guarantee. Moreover, to enable greater activation of women, many Member States plan significant investment in early childhood education and care and several Member States are also supporting the labour market activation of persons with a migrant background. In addition, several Member States are strengthening the capacity of public employment

([14]) The tax wedge indicates the tax and contribution burden borne by employers and employees.

([15]) European Commission (2023), Annual Report on Taxation 2023.

([16]) 2023 European Semester: Country Specific Recommendations / Commission Recommendations, Directorate-General for Economic and Financial Affairs, 24 May 2023.

([17]) 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, which is part of the Union of Equality strategies.

([18]) Council Recommendation of 30 October 2020 on A Bridge to Jobs – Reinforcing the Youth Guarantee and replacing the Council Recommendation of 22 April 2013 on establishing a Youth Guarantee (2020/C 372/01) (OJ C 372, 4.11. 2020, p. 1-9).

([19]) See: ALMA: an active inclusion initiative for young people - Employment, Social Affairs & Inclusion - European Commission (europa.eu).

([20]) Commission Communication on a Union of Equality: Strategy for the Rights of Persons with Disabilities 2021-2030, COM/2021/101.

([21]) Commission Communication on an Action plan on Integration and Inclusion 2021-2027, COM/2020/758.

services and reforming the implementation of active labour market policies through the Technical Support Instrument ([22]).

While the EU headline target that by 2030 at least 78% of the working age population are employed is within reach, further steps are needed at all levels to activate under-represented groups, and, if possible, even exceed the target.

To this end, the Commission will:

- Finance projects under the social innovation strand of the ESF+ on **zero long-term unemployment** ([23]) and assess the strengths and weaknesses of these projects with the view to disseminate best practices across the EU.
- Finance projects under the social innovation strand of the ESF+ on **activating and upskilling** young people not in employment, education or training (NEETs).
- Finance projects under the thematic facility of the Asylum, Migration and Integration Fund (AMIF) to foster **multi-stakeholder initiatives for migrant integration** into the labour market.
- Study the **causes of involuntary part-time employment** to better understand the obstacles that prevent involuntary part-time workers, especially women, from working full-time, and explore the possibility for EU action.
- **Analyse national sick leave policies,** and study their impacts on workers' health and productivity, to identify best practices for workers and businesses, including for promoting a gradual return to activity after longer sick leaves.
- Evaluate the **impact of pension reforms** introducing more **opportunities for flexible retirement** and for combining pension income with a salary, with the view to encouraging increased labour market participation of older workers fostering a more active and healthy ageing.

The Commission calls on Member States to:

- **Fully implement the EU initiatives** aimed at activating underrepresented groups, in particular the Reinforced Youth Guarantee, the Council Recommendation on early childhood education and care ([24]), the Council Recommendation on integration of long-term unemployed into the labour market, the Strategy for the Rights of Persons with Disabilities (2021-2030) ([25]), the Council Recommendation on adequate minimum income ensuring active inclusion ([26]), the EU Action Plan on integration

([22]) The TSI is an instrument that remains available upon request by Member States. Regulation (EU) 2021/240 of the European Parliament and of the Council of 10 February 2021 establishing a Technical Support Instrument (OJ L 57, 18.2.2021, p. 1–16).

([23]) Zero Long-Term Unemployment Projects combat long-term unemployment by implementing targeted strategies including job creation, job guarantee and community support networks to ensure sustainable employment opportunities for all individuals, especially older people, within the targeted community or region.

([24]) Council Recommendation of 8 December 2022 on early childhood education and care: the Barcelona targets for 2030 (2022/C 484/01). See also the Council Recommendation of 22 May 2019 on High-Quality Early Childhood Education and Care Systems (2019/C 189/02).

([25]) Communication on Union of Equality: Strategy for the Rights of Persons with Disabilities 2021-2030 (COM/2021/101).

([26]) Council Recommendation of 30 January 2023 on adequate minimum income ensuring active inclusion (2023/C 41/01).

and inclusion, and the Council Recommendation on Roma equality, inclusion and participation ([27]).

- Ensure **better coordination between ministries and public employment services**, including improved data collection, better targeting, and preventive measures to improve the effectiveness of activation policies.
- **Pursue tax reforms** that reduce the tax wedge for second wage earners and low-income earners and, more broadly, shift taxes away from labour and towards other revenue sources.
- **Pursue benefit reforms** that address pockets of inactivity and provide sufficient support for those who can work to gradually return to the labour market.

The Commission welcomes the intention of social partners to:

- Ensure that **workplaces are tolerant, welcoming and accessible to all people**, regardless of gender, age, nationality, and other personal circumstances ([28]).
- **Promote collective bargaining** to find adapted solutions to promoting the **employment of older workers** ([29]).
- Strengthen the **collaboration of private employment services with public employment services** to improve job matching across the EU ([30]).
- Promote **entrepreneurship** ([31]), by fostering skills ([32]) and supporting future entrepreneurs in business creation, in particular, by encouraging women and people with a migrant background to become entrepreneurs ([33]).
- **Activate underrepresented groups** by supporting diversity, equality, inclusion, and non-discrimination ([34]).
- At sector level, implement and promote further the **Women in Rail** Autonomous Agreement, to address gender disparity in the railway workforce ([35]).

3.2. Providing support for skills, training and education

Skills shortages are reported by companies across all sizes and sectors in the EU economy, with particular challenges for SMEs. Responding to a Eurofound survey ([36]), many EU companies indicated that at least 60% of their new employees did not have the

([27]) Council Recommendation of 12 March 2021 on Roma equality, inclusion and participation (2021/C 93/01).

([28]) European Confederation of Woodworking Industries (CEI-Bois), Hotels, Restaurants and Cafés in Europe (HOTREC), European Trade Union Committee for Education (ETUCE), European Federation of Education Employers (EFEE).

([29]) SMEunited.

([30]) The World Employment Confederation-Europe (WEC).

([31]) The European Chemical Employers Group (ECEG).

([32]) HOTREC.

([33]) SMEunited.

([34]) Confederation of European Security Services (CoESS) and Union Network International (UNI) Europa, as stated in their Joint Statement on "Diversity, Equality, Inclusion and Non-Discrimination."

([35]) The Community of European Railway and Infrastructure Companies (CER) and the European Transport Workers' Federation (ETF).

([36]) Eurofound European Company Survey 2019.

required skills. Moreover, in a recent Eurobarometer ([37]), nearly four in five SMEs declared that it is difficult for them to find workers with the right skills, and more than half found it difficult to retain skilled workers.

Skills shortages are expected to increase with job growth and new task requirements triggered by the green and digital transitions, as well as in areas where the EU needs to build resilience and secure its open strategic autonomy. By 2030, 3.5 million ([38]) new jobs are expected to be created in renewable energy sectors ([39]). The transition to the circular economy will also affect labour markets across sectors ([40]) and skills development is key to support all sectors of the blue economy. Skills shortages in these areas can curb the growth of the clean energy technology sector ([41]). In the digital field, the increased use of advanced technologies such as artificial intelligence (AI) and big data, in addition to increasing cybersecurity risks, will increase upskilling needs ([42]). Already now, approximately 63% of EU companies trying to recruit information and communication technology (ICT) specialists experience difficulties in filling those vacancies ([43]) and demand for them is expected to more than double by 2030 ([44]). The defence industry, which is key for the EU's security and long-term prosperity, is also affected by labour and skills shortages, which may increase in the future, due to underinvestment in new defence programmes and the need to attract more young talents ([45]).

The rising share of young people with very low levels of basic skills accentuates the risk of future skills shortages. Large-scale international surveys, including the Programme for International Student Assessment (PISA), provide strong indications that young people increasingly lack basic skills in literacy, mathematics and science. At the same time, the share of young people with a top performance is declining ([46]). People with a very low level of basic skills will face major challenges when they enter the labour market, due to their limited employability. Improving the performance of education systems would help to prevent future skills shortages from arising. Tackling the growing

([37]) Flash Eurobarometer FL529 (2023): European Year of Skills - Skills shortages, recruitment and retention strategies in small and medium-sized enterprises.

([38]) Report from the Commission to the European Parliament and the Council progress on competitiveness of clean energy technologies (COM/2023/652 final).

([39]) Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions on REPowerEU Plan (COM(2022) 230 final).

([40]) Impacts of circular economy policies on the labour market - Publications Office of the EU.

([41]) Report from the Commission to the European Parliament and the Council progress on competitiveness of clean energy technologies (COM/2023/652 final).

([42]) Investment in these skills are promoted by the Commission proposal for an Artificial Intelligence Act, the Digital Decade Policy Programme 2030, the Commission Communication on closing the cybersecurity talent gap to boost the EU's competitiveness, growth and resilience, the Council Recommendation on improving the provision of digital skills and competences in education and training, the Digital Europe programme, the AI innovation package and by some of the Centres of Vocational Excellence projects.

([43]) EU survey on ICT usage and e-commerce in enterprises.

([44]) European Commission (2023), Employment and Social Developments in Europe, Annual Review 2023.

([45]) Joint Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions on a new European Defence Industrial Strategy (JOIN(2024) 10 final).

([46]) According to the most recent data on PISA, the share of young people (aged 15) who have a very low level of these basic skills went up in mathematics from 22.9% in 2018 to 29.5% in 2022 (https://www.oecd.org/publication/pisa-2022-results/).

lack of qualified teachers will be key, even to preserve basic skills and educational outcomes.

Under the European Education Area ([47]) the EU promotes the development of quality and inclusive education, offering equal opportunities from an early age, in line with the first principle of the European Pillar of Social Rights. Education expenditure is associated with high rates of return, particularly when combined with reforms that make educations systems more agile and responsive to labour market needs ([48]). Initial education and training should provide the necessary skills for a changing world of work amid technological change and automation – including digital, entrepreneurial, social, green and civic competences. Enhancing collaboration between upper secondary and tertiary education and training, including vocational education and training, and labour market actors increases the labour market relevance of education.

Throughout professional careers, continuing training for the workforce is key to addressing evolving skills needs. To this end, Member States have committed to taking actions to achieve the headline target on adult learning of the European Pillar of Social Rights Action Plan ([49]), under which at least 60% of all adults participate in training every year by 2030.

Several EU initiatives already help to address skills shortages, but their implementation, including with a sectoral approach, needs to be bolstered. The European Skills Agenda ([50]) is the strategic EU framework for addressing the need for upskilling and reskilling. It launched 12 actions to advance the digital and green transitions, promote a fair recovery, ensure competitiveness and strengthen resilience. They are all already in place, including the initiatives on individual learning accounts ([51]), on microcredentials ([52]), on upskilling pathways for low-qualified adults ([53]), and on vocational education and training ([54]). The Communication on 'Harnessing Talent in Europe's Regions' ([55]) proposes a policy framework aimed at making all regions attractive including through up and re-skilling. It thus addresses the challenging phenomenon of 'brain drain' affecting some of Europe's regions. The focus now should be on their implementation, to ensure they can address existing skills shortages. In the Pact for Skills, 20 sectoral partnerships have been set up with the pledge to upskill more than 10 million people. It is necessary to ensure that the existing commitments are effectively delivered upon, including through allocating sufficient financial resources to these programmes,

([47]) Commission Communication on 'achieving the European Education Area by 2025' (COM(2020) 625 final) and Council Resolution of 26 February 2021 on a strategic framework for European cooperation in education and training towards the European Education Area and beyond (2021-2030), 2021/C 66/01.

([48]) European Commission, Directorate-General for Education, Youth, Sport and Culture, European Expert Network on Economics of Education, Algan, Y., Brunello, G., Goreichy, E., Hristova, A., (2021), Boosting social and economic resilience in Europe by investing in education. EENEE Analytical Report No. 42, Publications Office of the European Union, Luxembourg.

([49]) Commission Communication, The European Pillar of Social Rights Action Plan (COM(2021) 102).

([50]) Commission Communication of 1 July 2020, European Skills Agenda for sustainable competitiveness, social fairness and resilience (COM(2020)0274).

([51]) Council Recommendation of 16 June 2022 on individual learning accounts (2022/C 243/03).

([52]) Council Recommendation of 16 June 2022 on a European approach to micro-credentials for lifelong learning and employability (2022/C 243/02).

([53]) Council Recommendation of 19 December 2016 on Upskilling Pathways: New Opportunities for Adults (2016/C 484/01).

([54]) Council Recommendation of 24 November 2020 on vocational education and training (VET) for sustainable competitiveness, social fairness and resilience (2020/C 417/01).

([55]) Commission Communication, Harnessing talent in Europe's regions (COM/2023/32 final).

while continuing to foster further engagement. Several EU Skills Academies have been established to address specific skills shortages in key sectors. The European Battery Alliance Academy ([56]), seed-financed by the ESF+, has already provided training directly to some 50 000 workers, with more than 100 000 benefiting indirectly. Additional skills academies, such as the one for cyber-skills, the New European Bauhaus Academy for the construction sector and those established as a result of the Net-Zero Industry Act ([57]), will support large-scale training efforts to support the twin transitions especially in fields related to, among others, hydrogen, solar energy, raw materials and wind. The ongoing European Year of Skills is highlighting how all of these actions can contribute to addressing labour and skills shortages.

Upskilling measures financed by the Recovery and Resilience Facility and the ESF+ in **Greece** will promote, among other things, digital and green skills for over half a million beneficiaries. The investment has been preceded by a reform of the life-long learning system, to ensure labour market relevance of the training offered.

In its Recovery and Resilience Plan, **Latvia** launched individual learning accounts that are already supporting 3 500 adults.

Portugal supported at least 100 000 adults to raise their qualification levels relying on RRF support.

Improving data collection on labour and skills shortages is vital for better policies. The main sources of data on labour and skills shortages at the EU level are the job vacancy statistics of Eurostat and survey-based sources, such as the EU Business and consumer surveys, European employment services (EURES) surveys, surveys on skills shortages and forecasts by Cedefop and new data sources, such as the Web Intelligence Hub of Eurostat ([58]). Yet, more efforts are needed to engage in concerted action to improve the availability and coverage of data, including on demographic change.

Member State policies and investments to tackle labour and skills shortages benefit from substantial support from the EU budget (EUR 65 billion). The ESF+, notably supports vocational education and training, apprenticeships, lifelong learning and career transitions. The RRF supports Member States' reforms and investments in the domain of education and skills in a broad sense, for example through reforms to improve skills intelligence, development and governance, including qualification recognition. Moreover, technical support is available for national reforms to improve the quality and the funding of adult education and training.

Despite the numerous initiatives by the EU, Member States and social partners, implementation needs to be stepped up and the potential of EU funding better leveraged in order to achieve the EU target of at least 60% of all adults participating

([56]) The European Battery Alliance (EBA) was launched in October 2017 by the European Commission with the aim to make the EU the global leader in sustainable battery technology. The alliance, coordinated by the European Institute of Innovation and Technology (EIT) includes 700 industrial members. The European Battery Alliance Academy was created under the framework of the EBA to address the skills shortages in the European battery value chain and it is expected to train 800 000 workers by 2025. The EIT will also manage the European Solar PV Academy, to be launched in 2024. The EIT Campus consolidates the portfolio of education and training initiatives into a one-stop-shop, offering flexible learning pathways for upskilling to learners and companies.

([57]) Proposal for a Regulation of the European Parliament and of the Council on establishing a framework of measures for strengthening Europe's net zero technology products manufacturing ecosystem (Net Zero Industry Act)(COM/2023/161 final)

([58]) Eurostat Job vacancy statistics, the Web Intelligence Hub and skills OVATE.

in training every year by 2030 and to make Principle 1 of the Pillar of Social Rights on education, training and life-long learning a reality.

To this end, the Commission will:

- **Promote the setting up and implementation of new sectoral and regional skills partnerships** under the Pact for Skills ([59]) and support the launch and boost the work of all the **Skills Academies** in net zero technologies and cyber skills, including via the **Blueprint Alliances**. The Commission will also provide support services to Pact members, with information on available funding for up-skilling and re-skilling.
- Co-finance **more Centres of Vocational Excellence** ([60]), with a target of at least 100 projects by 2027, to support European and regional development, innovation and smart specialisation strategies.
- Work together with Member States and social partners to adopt in 2025 a **new declaration on vocational education and training** (VET) in the context of the Copenhagen Process ([61]), to further align policy actions and reforms in VET to new developments in the labour market and the impact of technological development such as artificial intelligence.
- **Improve skills intelligence and data gathering** in close coordination with EU agencies (Eurofound, European Labour Authority and Cedefop), to broaden the scope of harmonised and comparable information available on labour and skills shortages at the EU level.

The Commission calls on Member States to:

- Fully **implement the initiatives of the European Skills Agenda** with the involvement of social partners and relevant stakeholders, pushing for a sectoral approach that addressed the EU's most pressing shortages. In particular, Member States should set up schemes to provide adults with individual learning accounts, support the development, implementation and recognition of micro-credentials, put into action the national implementation plans following up on the 2020 Council Recommendation on vocational education and training, address the gaps highlighted by the evaluation report ([62]) on the Council Recommendation on Upskilling Pathways, and implement the Council recommendations on digital education and training.
- Support the implementation of **skills partnerships** under the Pact for Skills and the roll-out of the Net-Zero Industry **Skills Academies**, including by making available sufficient funding.

([59]) In this context, Member States are invited to launch national or regional agri-food pacts for skills to promote the implementation of the EU-level upskilling and re-skilling strategy developed by the large-scale partnership, to best target tools and adapt them to the local specificities of the agricultural sector.

([60]) Centres of Vocational Excellence (CoVEs) are formed by networks of partners that develop local "skills ecosystems" to provide high quality vocational skills to young people and adults, and contribute to regional development, innovation, industrial clusters, smart specialisation strategies and social inclusion.

([61]) The 2002 Copenhagen Declaration launched the European strategy for enhanced cooperation in VET, commonly referred to as the 'Copenhagen Process'. The Copenhagen Process provides a tripartite platform to intensify, complement and operationalise the EU VET policy through a series of declarations. The current one, the Osnabrück Declaration, expires at the end of 2025.

([62]) Report from the Commission to the Council: Evaluation of the Council Recommendation of 19 December 2016 on Upskilling Pathways: New Opportunities for adults, (COM(2023) 439).

- Develop and implement comprehensive and tailor-made **national skills strategies** involving relevant stakeholders, including social partners, tailored to national circumstances.
- **Develop labour market analysis**, skills intelligence and forecasting and use the insights they provide to revise training curricula, with a focus on sectors with skills shortages.
- **Adapt curricula** in initial education and training to strengthen the skills and competences that empower students to better **meet the labour market needs**, with support from the Commission in facilitating the exchange and the dissemination of good practices, graduate tracking and, in agreement with Member States, monitoring national reforms ([63]).

The Commission welcomes the intention of social partners to:

- **Develop and implement actions to promote up-skilling and re-skilling in the context of social dialogue** ([64]), support skills recognition, and help identify shortage skills ([65]) by relying on their information and skills intelligence.
- Contribute to **updating VET curricula and qualifications** and aligning training provision with the skills needs of the labour market, with the help of skills intelligence and information at their disposal ([66]).
- Support **apprenticeships** ([67]), partnerships between VET providers and employers ([68]), **strengthen VET frameworks** through the establishment of sectoral training centres ([69]), support coaching, mentoring, peer-learning and, entrepreneurship skills ([70]) and foster the development of future-proof, green and digital skills ([71]).
- At sectoral level, collaborate further on micro-credentials and **train long-term care service workers** on the delivery of more person-centred care and on the skills needed to digitalise services relying on the "Care4Skills" project ([72]).
- Come forward with a **joint statement** to **address skills and labour shortages** and to use the European Network of Public Employment Services as a forum for dialogue, mutual learning and benchmarking of policies to address skills and labour market mismatches by the end of the first quarter of 2024 ([73]).
- Use social dialogue and collective bargaining to address the lack of skills and workforce in the hospitality sector, by negotiating employment conditions, promoting

([63]) For example in the context of the Learning Lab.

([64]) Retail, Wholesale and International Trade Representation to the EU (EuroCommerce), Council of European Employers of the Metal, Engineering and Technology-Based Industries (CEEMET).

([65]) HOTREC.

([66]) ECEG.

([67]) HOTREC.

([68]) SMEunited, CEI-Bois.

([69]) CoESS.

([70]) HOTREC, SMEunited.

([71]) SGI Europe, ECEG, European Barge Union and European Skippers Organisation, ETF in Maritime and Inland Waterways.

([72]) Project included in the Pact for Skills. Joint commitment by the Federation of European Social Employers (FESE) and the European Public Service Union (EPSU).

([73]) UNI-Europa and WEC.

education and training and providing a protective framework for the mobility of third country migrant workers ([74]).

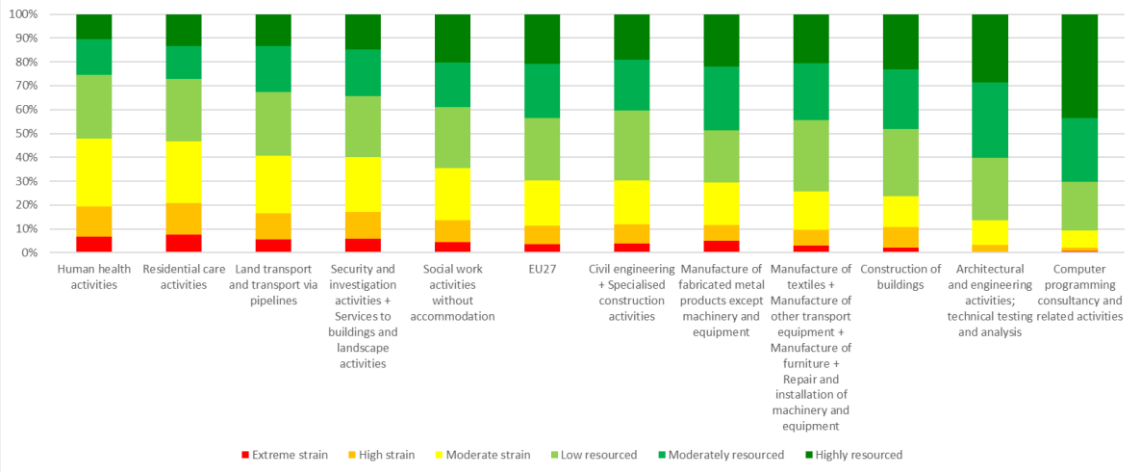
- **Further leverage EU funding opportunities** to support upskilling and reskilling activities ([75]).

3.3. Improving working conditions

Promoting fair working conditions can help address labour shortages in certain sectors or occupations. This is especially true in some occupations requiring more manual skills and lower education levels, or those with higher health and safety hazards, which are characterised by high job strain ([76]) and/or low wages ([77]).

Adequate wages, including minimum wages, can help to reduce labour shortages in certain sectors, taking also into account living costs and the balance between supply and demand for labour across geographical locations. **Health and safety** at work, adapted workplaces, the provision of **training and career development opportunities**, access to adequate social protection, an adequate work-life balance, including **the right to disconnect** and the adoption of flexible working arrangements, all play a role in improving job quality, and, thus, can help to reduce labour shortages. Reductions in **job strain** could also contribute to attracting and retaining workers in some sectors (Figure 2).

Figure 2 - Job strain was highest for health, residential care, and transport workers
Job quality index (%), by subsector, EU-27



Source: Employment and Social Developments in Europe 2023, European Commission (2023) on the basis of Eurofound's European Working Conditions Telephone Survey 2021.

The impact of working conditions on labour shortages varies per sector and location, thereby requiring an approach that corresponds to the challenges faced. According to Eurofound, more than 40% of cleaners, cooks, and carers, and over 30% of construction

([74]) HOTREC and the European Federation of Food, Agriculture, and Tourism Trade Unions (EFFAT).

([75]) ECEG, joint commitment of FESE and the EPSU.

([76]) Job strain is a form of psychosocial stress that occurs in the workplace, when workers have more demands than resources (see Job strain index of the OECD).

([77]) European Commission (2023), Employment and Social Developments in Europe, Annual Review 2023 and Eurofound's 2021 European Working Conditions Survey. More than 40% of cleaners, cooks, and carers, and over 30% of construction workers and drivers report high difficulties in making ends meet. Almost half of the workers in healthcare, residential care and transport report high levels of job strain.

workers and drivers report high difficulties in making ends meet ([78]). Almost half of the workers in healthcare, residential care and transport report high levels of job strain ([79]). Shortages in the healthcare and residential care sectors, especially of nurses and primary care professionals, are primarily due to high job strain, and inadequate health and safety conditions, including the risk of violence at work ([80]). The COVID-19 crisis amplified this further ([81]). In rural areas, low attractiveness of living conditions and poor access to services can make these shortages more acute ([82]). Agricultural workers also report high job strain, health and safety risks, and financial concerns ([83]). In this sector, some occupation shortages are also caused by precarious work, low compliance with basic occupational, health and safety standards ([84]). The transport sector is facing a lack of drivers, in part due to long working hours ([85]) and poor enforcement of occupational and safety standards ([86]).

Spain's Recovery and Resilience Plan contains a reform to improve working conditions in the healthcare sector. To address shortages of nurses and doctors, this reform will reduce the use of temporary contracts, foster the deployment of professionals in remote regions and improve their working environment and conditions.

In **Slovenia**, a re-negotiated collective agreement in the paper industry has set a higher basic wage, making employment in the sector more attractive.

To boost the provision of training in sectors affected by labour shortages, the **Slovak** Recovery and Resilience Plan contains a measure that aims to provide training to at least 60% of teachers in primary and lower secondary education, while, in the **Netherlands**, collective bargaining in the motor vehicle manufacturing sector is helping to retain workers by offering them the possibility to learn new skills.

Collective bargaining plays a key role in ensuring fair working conditions. Well-functioning social dialogue and collective bargaining are the most effective means to improve working conditions thereby helping to mitigate labour shortages. Similarly, social partners should be consulted on new or enhanced legislation on working conditions to maximise its impact.

In recent years, the EU has put in place many initiatives to promote fair working conditions and adequate wages. They include the Directive on adequate minimum wages in the EU ([87]), the Directive on transparent and predictable working conditions ([88]), the Strategic Framework on Health and

([78]) Eurofound's 2021 European Working Conditions Survey

([79]) Eurofound's 2021 European Working Conditions Survey

([80]) European Commission (2023),: Employment and Social Developments in Europe, Annual Review 2023.

([81]) European Commission (2023),: Employment and Social Developments in Europe, Annual Review 2023.

([82]) European care strategy (COM(2022)440).

([83]) "The future of agriculture in Europe and its Impact on Occupational Safety and Health (OSH)", report of the European Agency for Safety and Health at Work, 2021.

([84]) 'The future of agriculture in Europe and its Impact on Occupational Safety and Health (OSH)', report of the European Agency for Safety and Health at Work, 2021.

([85]) 2023 World Employment and Social Outlook by ILO on 'the value of essential work'.

([86]) European Commission (2023),: Employment and Social Developments in Europe, Annual Review 2023.

([87]) Directive (EU) 2022/2041 of the European Parliament and of the Council on adequate minimum wages in the European Union.

([88]) 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.

Safety at Work 2021-2027 ([89]), as well as the proposal for a Directive to improve working conditions in platform work (see Annex).

To further improve working conditions, additional actions are needed to reinforce and fully enforce EU labour law and to strengthen collective bargaining.

To this end, the Commission will:

- Adopt a proposal for a **reinforced Quality Framework for Traineeships** to improve pathways for young people to gain professional experience, improve their skills and access to the labour market.
- As a follow-up to the European Parliament's legislative own-initiative report on the right to disconnect and telework ([90]), launch the first-step social partners' consultation in view of proposing an **initiative on telework and the right to disconnect** to ensure workers' work-life balance in the context of increased digitalisation of the world of work, as well as their physical and mental health, and, in turn, their overall job quality.
- Adopt a proposal, in the third quarter of 2024, for the **sixth amendment of the Carcinogens, Mutagens and Reprotoxic Substances Directive** ([91]) to improve health and safety of workers by addressing five relevant substances or groups of substances.
- **Analyse the impact of digitalisation and automation technologies, including Artificial Intelligence**, on labour markets and assess the potential future need to regulate the use of algorithms in the world of work ([92]).
- Conduct a survey on **mental health of health workforce** and present some guidelines to protect their mental health ([93]), under the EU4 Health programme.
- Conduct a peer review with Member States on their legislative and enforcement approaches to address **psychosocial risks** at work in the Member States with a view to considering a possible EU-level initiative in the medium term, subject to its findings and the input of social partners.
- At sectoral level, follow-up on the European Parliament's legislative own-initiative report on the **social and professional situation of artists and workers in the cultural and creative sectors**. In this context, the Commission intends to launch several initiatives such as reinforcing the implementation and enforcement of existing rules and identifying any regulatory gaps that would need further follow-up through other initiatives and proposals.

([89]) European Parliament resolution of 10 March 2022 on a new EU strategic framework on health and safety at work post 2020 (including better protection of workers from exposure to harmful substances, stress at work and repetitive motion injuries) (2021/2165(INI)).

([90]) European Parliament resolution of 21 January 2021 with recommendations to the Commission on the right to disconnect (2019/2181(INL)).

([91]) Directive (EU) 2022/431 of the European Parliament and of the Council of 9 March 2022 amending Directive 2004/37/EC on the protection of workers from the risks related to exposure to carcinogens or mutagens at work (OJ L 88, 16.3.2022, p. 1-14).

([92]) As a follow-up to the commitment taken in the Commission Communication on 'Better working conditions for a stronger social Europe: harnessing the full benefits of digitalisation for the future of work'(COM(2021) 761 final).

([93]) 2023 Communication on Comprehensive approach to mental health.

- Propose a **Council Recommendation on attractive and sustainable careers in higher education**, to promote more attractive working conditions in the higher education sector and improved governance.
- Organise a participatory **Labour Market Conference on 23 April 2024 with relevant stakeholders in the transport sector** – which is particularly affected by labour shortages – and exchange good practices and solutions.

The Commission calls on Member States to:

- **Fully implement the EU initiatives** aimed at improving working conditions, in particular, ensure the correct and timely transposition of the Directive on adequate minimum wages, and of the EU health and safety at work directives concerning the updates of Asbestos at Work Directive ([94]), Carcinogens, Mutagens and Reprotoxic Substances Directive (5th amendment) and Chemical Agents Directive ([95]).
- Ensure the **effective enforcement of labour law**, and therefore facilitate the process of labour inspections, by shortening the procedures for workers to identify and report abuses, stepping up sanctions and preventing companies from evading penalties, while seeking to minimise unnecessary administrative burdens, in particular for SMEs.
- Deliver on the Council Recommendation on **ensuring a fair transition towards climate-neutrality**, also in the context of the future Just Transition Observatory, and follow-up with relevant measures including on how to **create attractive working conditions in green sectors**.
- At sectoral level, develop policies to **attract and retain nurses** through improving working conditions and mentoring young professionals, with the support of the EU4Health Programme.

The Commission welcomes the intention of social partners to:

- Address **poor working conditions through collective bargaining** in the sectors characterised by inadequate working conditions, such as healthcare, long-term care, transport, construction, agriculture (e.g. seasonal workers), and education ([96]).
- Engage in the negotiations of updating the multi-sectoral guidelines **to tackle third-party violence and harassment** related to work in the **healthcare sector** ([97]).
- Improve **working conditions in the education sector**, through collective bargaining at all levels, ensuring competitive salaries, promoting well-being, risk reduction, and work-life balance, as well as investing in professional development ([98]).

([94]) Directive 2009/148/EC of the European Parliament and of the Council of 30 November 2009 on the protection of workers from the risks related to exposure to asbestos at work (OJ L 330, 16.12.2009, p. 28-36).

([95]) Council Directive 98/24/EC of 7 April 1998 on the protection of the health and safety of workers from the risks related to chemical agents at work (OJ L 131, 5.5.1998, p. 11-23).

([96]) CoESS, EPSU, ETF, European Trade Union Confederation (ETUC), ETUCE, EFEE, FESE, and IndustriAll Europe.

([97]) EPSU and the European Hospital and Healthcare Employers' Association (HOSPEEM).

([98]) ETUCE and EFEE.

- Work on recommendations to **improve working conditions in social services**, including in the **long-term care sector** as part of the IWorCon ([99]) project ([100]).
- Work together towards a **European framework for improved working conditions for third-country drivers** ([101]).
- Promote the **Global Drivers' Charter** on improving the **treatment of drivers at delivery sites**, and improving **health and safety standards for truck drivers,** including at the time of loading and unloading ([102]).

3.4. Improving fair intra-EU mobility of workers and learners

Fair labour mobility can help address shortages that are particularly acute in some countries or regions, while being less prevalent in others. In 2023, close to 10.7 million EU citizens aged between 15 and 64 were living in an EU Member State other than that of origin ([103]). More than 7.5 million were active on the labour market, which corresponds to about 3.6% of the total EU labour force ([104]). The European Labour Authority (ELA) has been set up to ensure that the right to free movement of workers is fairly and effectively enforced by facilitating access to information, capacity building and cooperation between Member States and an effective application and enforcement of EU law in the field. Since 2021, the ELA also manages the European employment services (EURES) network, to facilitate job-matching across borders. However, this transition encountered a number of challenges and, so far, the number of EURES users is lower than in past years.

In this context, EU social security coordination ensures that people continue to be covered by social security when moving to another Member State. A move towards more digitally integrated social security systems can facilitate the mobility of workers and learners. This can help reduce barriers to labour and learning mobility and make it easier for workers and learners to exercise their social security rights in other EU countries. It could also enable EU citizens to have easier access to job opportunities across the whole EU. Steps taken so far for the digitalisation of social security coordination include the establishment of the Electronic Exchange of Social Security Information (EESSI) and the launch of the European Social Security Pass (ESSPASS) initiative, which explores digital solutions for verifying people's social security entitlement documents in other EU countries ([105]). Companies have identified the declaration needed in the context of the posting of workers cross-border as a significant administrative burden. The Commission has responded by facilitating the agreement of a common form for the declaration of posted workers for interested Member States and by exploring options to create a common electronic portal for such declarations.

Cross-border access to regulated professions is governed by an EU Directive supporting the mutual recognition of professional qualifications by Member States

([99]) IWorCon aims to improve the working conditions in the social services sector to reinforce its attractiveness.

([100]) FESE and EPSU.

([101]) The International Road Transport Union (IRU) and ETF.

([102]) IRU.

([103]) Population on 1 January 2022. Source: Eurostat, population and migration statistics.

([104]) Source: Eurostat, labour force survey. Moreover, there were 1.7 million cross-border workers and 3.6 million posted workers in the EU in 2021 (Annual Report on Intra-EU Labour Mobility 2022).

([105]) Commission Communication of 6 September 2023 on 'Digitalisation in social security coordination: facilitating free movement in the Single Market', COM(2023) 501.

([106]).The Directive currently provides for a mechanism that enables citizens to pursue a regulated profession in another Member State but experience shows that the recognition procedures can be improved to make them simpler and faster in support of mobility in the EU.

Greater learning mobility has the potential to decrease skills shortages by improving the employability of participants, including by developing their language and transversal skills or acting as a steppingstone towards a work experience in another country ([107]). Achieving greater learning mobility requires removing obstacles such as administrative burden, language barriers, the sometimes insufficient financial support and the lack of automatic recognition of qualifications ([108]). These obstacles can be particularly important for learners with fewer opportunities or less advantaged socio-economic backgrounds.

The proposal for a Council Recommendation on 'Europe on the move' ([109]) **contains ambitious targets for learning mobility by 2030.** These include the share of graduates participating in learning mobility in higher education (25%) and vocational education (15%). In particular, the mobility of apprentices and other learners in vocational education and training requires reinforced efforts. Further embedding learning mobility in education and training curricula, awareness raising, enhanced language learning and the automatic recognition of learning outcomes should pave the way for achieving these targets. The proposal also contains a quota for the participation of underprivileged students (20%) and dedicated principles to support the mobility of apprentices who face specific barriers.

All these steps are also in line with the Commission's efforts at simplifying existing rules and reduce the administrative burden for businesses ([110]).

To further improve fair intra-EU mobility of workers and learners, additional actions are needed.

To this end, the Commission will:

- In cooperation with ELA, implement additional synergies between EURES and EUROPASS for better services to Member States, job-seekers and employers, to make full use of EURES' potential and increase the number of cross-border placements.
- Promote the timely agreement and widespread implementation of a common form of **electronic format for posted worker declarations**, complemented by the development of a digital multilingual portal through which companies can submit posting declarations for Member States that decide to make use of this tool, which will help reduce the administrative burden.

([106]) Directive 2005/36/EC of the European Parliament and of the Council of 7 September 2005 on the recognition of professional qualifications (OJ L 255, 30.9.2005, p. 22-142).

([107]) Commission staff working document accompanying the proposal for a Council Recommendation 'Europe on the move' – learning mobility opportunities for everyone, (SWD(2023) 719).

([108]) As the 2023 Report on the implementation of the 2018 Council Recommendation on automatic recognition points out, further effort is needed to achieve automatic recognition of qualifications and learning periods abroad for both higher education and secondary education level.

([109]) Proposal for a Council Recommendation of 17 November 2023 on 'Europe on the move – learning opportunities for everyone'(COM(2023) 719 final).

([110]) As announced in the 2024 Commission Work Programme, available online.

- Encourage the ELA to work in close cooperation with Member States and social partners on a **tool to facilitate the calculation of the remuneration of posted workers**.
- Update the recommendations for Member States on how to reform the **access to regulated professions** ([111]).
- Explore the possibility of a broader reform of the EU system on **recognition of qualifications and validation of skills**, to ensure that the existing legal framework, tools and systems are future-proof, ambitious and contribute to a well-functioning Single Market.
- Further **promote apprentice mobility** through the European Alliance for Apprenticeships and the **Toolkit** for apprentice mobility ([112]), as well as dedicated transnational **experimentation projects** under Erasmus+ on this topic ([113]).
- Propose a **higher education package** that includes an initiative on a blueprint towards a European degree and a proposal for a Council recommendation on a European quality assurance and recognition system in higher education, with the aim of further facilitating student mobility by removing the remaining barriers to automatic recognition of qualifications and learning periods abroad.

The Commission calls on Member States to:

- Swiftly adopt, and subsequently deliver on, the proposal for a **Council Recommendation 'Europe on the move** – learning mobility opportunities for everyone'.
- Increase the number of **concerted and joint inspections with ELA** and ensure the necessary follow-up.
- Further **support the digitalisation of social security coordination**, notably by finalising the implementation of EESSI by December 2024 at the latest and fully engaging in the ESSPASS pilot activities.
- **Make use of the common form for the electronic declaration** of the posting of workers in the Single Market.
- **Make progress on the implementation of the Council Recommendations adopted in the context of the European Education Area** and work together with the European Commission and stakeholders for the future integration of the European degree in the national qualification frameworks.
- In line with the 2023 Council Conclusions on further steps to **make automatic mutual recognition in academic education and training a reality**, take steps to remove the remaining barriers to automatic recognition.

The Commission welcomes social partners' intention to:

- Identify, together with the Commission and Member States, a number of **priority regulated professions where shortages are strongest** to support the mobility of workers in these professions ([114]).

([111]) To update the previous guidance in the Commission Staff Working Document on 'reform recommendations for regulation in professional services', COM/2021/385 final.

([112]) EafA Toolkit for apprentice mobility.

([113]) Erasmus+ Policy experimentation call on support structures and networks for apprentice mobility.

([114]) BusinessEurope.

- Foster **transnational mobility for apprentices** and **young professionals** through creating partnerships between VET providers and SMEs based on the skills needs of companies ([115]).
- Support the **elimination of obstacles for skilled workers' mobility** such as non-competition clauses in workers' contracts. ([116])
- At sectoral level, work with the Commission on a **future EU Council Recommendation on cross-border background checks of security personnel** ([117]).
- Encourage **learning mobility** within the umbrella of **traditional school settings** ([118]).

3.5. Attracting talent from outside the EU

Complementing efforts to harnessing talents from within the Union, orderly mobility from third countries also has an important role to play in addressing labour and skills shortages. Yet, the EU is punching below its weight in terms of its attractiveness as a destination for global talent. Facilitating job matching and ensuring equal and fair working conditions for third-country nationals can help attract talent from non-EU countries. As part of the Skills and Talent Mobility package ([119]), the recently proposed EU Talent Pool ([120]) aims to facilitate the recruitment of jobseekers from non-EU countries in EU-wide shortage occupations at all skills levels. Once established, this will be the first EU-wide online platform open to any third-country national wishing to work legally in the Union, and where participating Member States will register job vacancies of employers established in their territories. It can thereby complement the provisions on movement of natural persons in the EU's Free Trade Agreements which also facilitate the supply of services by third country professionals with high skill levels. Moreover, in addition to the protections for migrant workers included in the Single Permit Recast Directive ([121]) such as procedural guarantees or specific rights granted on the basis of this permit, the EU Talent Pool will include built-in safeguards to avoid exploitative and unfair practices, recalling that third-country nationals recruited through the EU Talent Pool will have the same rights and obligations as EU workers once they are in employment, including regarding the respect of EU laws and principles to ensure smooth integration into the local communities.

([115]) SMEunited.

([116]) Eurocadres.

([117]) Confederation of European Security Services.

([118]) HOTREC.

([119]) Commission Communication of 15 November 2023 on Skills and Talent Mobility(COM(2023) 715 final).

([120]) Proposal for a Regulation of the European Parliament and of the Council establishing an EU Talent Pool (COM/2023/716).

([121]) Proposal for a Directive of the European Parliament and of the Council on a single application procedure for a single permit for third-country nationals to reside and work in the territory of a Member State and on a common set of rights for third-country workers legally residing in a Member State (recast) COM/2022/655 final.

In November 2023, **Estonia, Latvia** and **Lithuania** have launched the project 'Digital Explorers 2', supported by the Commission via the Migration Partnership Facility. The project facilitates talent and knowledge exchange between the EU and non-EU countries. During the next two and a half years, ICT professionals from Nigeria, Kenya and Armenia will work in Baltic companies and start-ups.

Talent Partnerships can also enhance legal pathways to the EU while engaging partners countries strategically on migration management, in particular by helping to reduce irregular migration and incentivising partners to cooperate on return and readmission. So far, talent partnerships have been established with Morocco, Tunisia, Egypt, Pakistan, and Bangladesh ([122]). These partnerships provide a policy and funding framework to strengthen cooperation between the European Union, Member States and key partner countries on mobility and skill development in a mutually beneficial way. The Commission programmes and initiatives ([123]) focusing on the mobility of migrants from partner countries to study, work or train in the EU contribute to talent partnerships, based on the principle of mutual benefits for both origin and destination countries. Moreover, as part of the comprehensive Global Gateway, the EU supports technical and vocational education and training and skill building in partner countries. ([124])

The validation of skills and recognition of qualifications also plays a key role in the context of recruiting talent from non-EU countries. Slow or complex processes for the recognition of skills and qualifications can restrict employment opportunities for third-country nationals, and act as a disincentive for employers. As indicated in the Skills and Talent Mobility package ([125]), the reality of labour markets calls for skills-first approaches. The Commission Recommendation on the recognition of qualifications of third-country nationals ([126]), also adopted as part of the Skills and Talent Mobility package, provides guidance to Member States on how to simplify and accelerate the validation of skills and recognition of qualifications gained outside the EU, to ease access to regulated professions and to learning programmes, as well as to visa or work and residence permits.

To further attract talent from outside the EU to fill in EU shortages, additional actions are needed to ensure effective job matching and integration policies as well as equal and fair working conditions.

To this end, the Commission will:

- Explore how to **further support non-EU countries in developing curricula and training modules**, including within the framework of talent partnerships and through the support of the EU funding programmes.

([122]) Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions Attracting skills and talent to the EU COM/2022/657.

([123]) The Commission initiative "Towards a holistic approach to labour migration and mobility in North of Africa" (THAMM) is an example of a programme that supports the setting up of the Talent Partnerships, by strengthening labour migration governance in the region and setting-up mobility schemes from Morocco, Tunisia and Egypt to Europe.

([124]) Joint Communication to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank on The Global Gateway, JOIN(2021) 30.

([125]) Commission Communication of 15 November 2023 on Skills and Talent Mobility, COM(2023) 715.

([126]) Commission Recommendation of 15 November 2023 on the recognition of qualifications of third-country nationals (COM(2023)7700).

- **Establish the EU Talent Pool**, once adopted by the co-legislators, to facilitate international recruitment of third-country nationals residing outside the EU.
- **Step up cooperation on skills and legal pathways** with non-EU partner countries including through reinforcing and exploring new talent partnerships as part of strategic and comprehensive migration management cooperation and other relevant cooperation initiatives**,,** while averting 'brain drain' and turning it into 'brain gain' in partner countries.
- Step up its **engagement with Member States and social partners** on issues bringing together legal migration and employment through the **Labour Migration Platform.**

The Commission calls on Member States to:

- Further **engage in talent partnerships** to enhance legal migration pathways by launching new mobility schemes with the support of EU funding, where relevant, and through jointly agreed roadmaps for talent partnerships.
- **Build a welcoming culture** and provide for an effective integration policy for the workers – and their families – encompassing, education and training, employment, health and housing in line with the EU action plan on integration and inclusion ([127]); and respecting common European values.
- Swiftly complete the full transposition of the revised **EU Blue Card Directive** ([128]), and make full use of the additional flexibility provided in the recast **Single Permit Recast Directive** to simplify the immigration procedures once it enters into force.
- Consistently **enforce national and EU legislation** to tackle labour exploitation of migrant workers and guarantee them equal treatment in line with the Employers Sanctions Directive ([129]) and the reinforced protection included in the recast Single Permit Recast Directive.

The Commission welcomes the intention of social partners to:

- Further contribute with their expertise to the **establishment of the EU Talent Pool** ([130]).
- Ensure that **migrant workers are guaranteed fair and decent conditions** to access employment, avoiding discrimination and ensuring equal treatment with EU nationals and fair working conditions at work ([131]).
- Pursue joint work aiming at fair **treatment of professional third-country drivers**, and contributing to the creation of an EU transparent and harmonised framework to facilitate the recognition of professional third-country skills and qualifications ([132]).

([127]) 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.

([128]) Directive (EU) 2021/1883 of the European Parliament and of the Council of 20 October 2021 on the conditions of entry and residence of third-country nationals for the purpose of highly qualified employment, and repealing Council Directive 2009/50/EC (OJ L 382, 28.10.2021, p. 1-38).

([129]) Directive 2009/52/EC of the European Parliament and of the Council of 18 June 2009 providing for minimum standards on sanctions and measures against employers of illegally staying third-country nationals (OJ L 168, 30.6.2009, p. 24-32).

([130]) BusinessEurope, ECEG, HOTREC, and SMEunited.

([131]) European Confederation of Independent Trade Unions (CESI), ETUC and IndustriAll.

([132]) IRU.

4. CONCLUSIONS

Effective implementation of this Action Plan requires a whole-of government approach – at EU level and by Member States in close cooperation with social partners. Labour and skills shortages are a serious bottleneck for the EU's sustainable and inclusive growth, competitiveness, green and digital transitions. They can also hamper EU's overall resilience and its quest to improve its open strategic autonomy and its security. They are driven by demographic change, changes in skills needs on the labour market and sometimes poor working conditions. They differ by sector, occupation and region, hence requiring different policy responses. Many activities are already ongoing and for many EU initiatives the challenge lies in their effective implementation on the ground and at sectoral level. The Commission is committed to support Member States and social partners in effectively using the available funds and instruments to this end.

Further concerted action by the Commission, Member States and social partners is necessary to tackle labour and skills shortages. This is in line with the Val Duchesse Declaration, where the Commission, the Belgian Presidency of the Council of the EU and social partners committed to take action to address the root causes of labour and skills shortages, each in their remit of their competences but in close cooperation. Hence, this action plan has laid out a number of actions that the Commission will take and that Member States are invited to implement. It also highlights a number of key actions that social partners intend to take as a follow-up to the Val Duchesse Summit to address labour and skill shortages.

Comprehensive action will be central to unlocking the EU's growth potential and advancing its policy priorities. By reducing labour and skills shortages, it will boost the EU's attractiveness for innovation and investments, foster its industrial base, and ensure its competitiveness. This will also contribute to preserving the EU's social protection systems and overall social cohesion. Progress in the implementation of this action plan will be monitored in the framework of the European Semester, most notably by feeding into the Employment Guidelines and relevant country-specific recommendations. The Commission will invite the Employment Committee and the Social Protection Committee to have regular tripartite exchanges on this issue, with the participation of European and national social partners. Thereby, the Commission will continue to promote a collective effort to address labour and skills shortages in the EU.

Annex A Mapping of recent and forthcoming initiatives

Over the past five years, the Commission has put in place a broad range of policies and instruments to tackle labour and skills shortages, most of them under the European Pillar of Social Rights Action Plan and the European Semester.

1. ACTIVATION POLICIES

- The **Work-Life-Balance Directive** ([133])modernises the existing EU legal and policy frameworks to better support work-life balance for parents and carers, encourage a more equal sharing of parental leave between men and women, and address women's underrepresentation in the labour market.
- The **Reinforced Youth Guarantee** ([134]) is a commitment by all Member States to ensure that all **young people under the age of 30** receive a good quality offer of employment, continued education, apprenticeship or traineeship within a period of four months of becoming unemployed or leaving education.
- The **Recommendation on the integration of the long-term unemployed in the labour market** ([135]) encourages Member States to ensure that long-term unemployed are registered with an employment service, are provided with an individual in-dept assessment to identify their needs and are offered a job integration agreement at the very latest at 18 months after becoming unemployed.
- The **Council Recommendation on adequate minimum income ensuring active inclusion** aims at pursuing high levels of employment by promoting adequate income support, effective access to services and fostering labour market integration of those who can work, in line with the active inclusion approach.
- The **European Care Strategy** ([136]) aims to ensure quality, affordable and accessible care services across the EU and to improve the situation for both carers (either professional or informal) and care receivers. The Strategy is accompanied by a **Council Recommendation on access to high-quality affordable long-term care**, setting a framework for policy reforms and investments in the Member States, and the Council **Recommendation on early childhood education and care** ([137]), which encourages Member States to increase participation in these services. It follows on from the original "Barcelona targets" that were established by the European Council in 2002 and completes the **Council Recommendation on high quality early childhood education and care systems** ([138]).

([133]) 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.

([134]) Council Recommendation of 30 October 2020 on A Bridge to Jobs – Reinforcing the Youth Guarantee and replacing the Council Recommendation of 22 April 2013 on establishing a Youth Guarantee (2020/C 372/01).

([135]) Council Recommendation of 15 February 2016 on the integration of the long-term unemployed into the labour market OJ C 67.

([136]) Commission Communication on the European care strategy, COM(2022) 440 final.

([137]) Council Recommendation of 8 December 2022 on Early Childhood Education and Care: the Barcelona targets for 2030 (2022/C 484/01).

([138]) Council Recommendation of 22 May 2019 on High-Quality Early Childhood Education and Care Systems (2019/C 189/02).

- The **Disability Employment Package**, which is part of the Strategy for the Rights of Persons with Disabilities 2021-2030 ([139]), aims to promote the employment of persons with disabilities in the fair green and digital transition.
- The **ALMA** (Aim, Learn, Master, Achieve) initiative is designed as a social empowerment initiative for disadvantaged young people aged 18 to 29 not in employment, education or training (NEETs).
- The **Demography Toolbox** ([140]) sets out a comprehensive approach to demographic change structured around four pillars: facilitating the reconciliation of work and private life for parents, enabling youth to realise their potential, supporting healthy and active ageing, and attracting talent from outside the EU.
- The **action plan for the social economy** ([141]) outlines specific measures aimed at reinforcing the social economy, including entities such as work integration social enterprises which provide social and professional integration for disadvantaged groups. This commitment is further underscored by the **Council recommendation on developing framework conditions for the social economy** ([142]).
- The **Union of Equality strategies** adopted by the Commission in 2020 and 2021 ([143]) aim to create the conditions for everyone to live, thrive and lead in society regardless of gender, racial or ethnic origin, religion or belief, disability, age or sexual orientation. All strategies include concrete measures to support labour market activation.
- The **European Citizen Panels** aim to give a voice to citizens, building on the Conference on the Future of Europe.
- The EU's **Gender Equality Strategy 2020-2025** ([144]) presents policy objectives and actions to make significant progress by 2025 towards a gender-equal Europe. The goal is a Union where women and men, girls and boys, in all their diversity, are free to pursue their chosen path in life, have equal opportunities to thrive, participate in and lead our European society. Relevant on-going initiatives include: the implementation of pay transparency rules ([145]), the Barcelona targets for 2030 on early childhood education and care ([146]), and rules on work-life balance ([147]).

([139]) Commission Communication on a Union of Equality: Strategy for the Rights of Persons with Disabilities 2021-2030, COM/2021/101.

([140]) Commission Communication on Demographic change in Europe: a toolbox for action, COM/2023/577.

([141]) Commission Communication on 'Building an economy that works for people: an action plan for the social economy' (COM(2021) 778).

([142]) Council recommendation of 27 November 2023 on developing social economy framework conditions (C/2023/1344).

([143]) These include Gender Equality Strategy 2020-2025; LGBTIQ Equality Strategy 2020-2025; EU Roma Strategic Framework 2020-2030; EU Anti-racism Action Plan 2020-2025; Strategy for the rights of persons with disabilities 2021-2030.

([144]) 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.

([145]) Directive (EU) 2023/970 of the European Parliament and of the Council of 10 May 2023 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.

([146]) Council Recommendation of 22 May 2019 on High-Quality Early Childhood Education and Care Systems, ST/9014/2019/INIT.

([147]) 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.

- The **EU Platform of Diversity Charters** promotes diversity and inclusion in the workplace.

- In the **Council Recommendation on Roma equality, inclusion and participation (**[148]), Member States commit to fighting antigypsyism and improve the situation of Roma people, inter alia in employment and education.

- The **Technical Support Instrument** supports Member States, upon demand, in further increasing the supply of labour by strengthening the capacity of public employment services and reforming the implementation of active labour market policies (ALMPs), for example under the TSI 2023 flagship initiative Youth FIRST, or better coordinating and integrating social care and health care, under the TSI 2023 flagship on Person centred integrated care.

- The **Communication on putting people first, securing sustainable and inclusive growth, unlocking the potential of the EU's outermost regions** ([149]) calls on Member States and outermost regions to identify skill needs, reskill workers in the tourism sector, as well as promote green and digital skills.

2. SKILLS POLICIES

- The 2020 **European Skills Agenda** ([150]) is the Commission's strategy for education and training, with 12 actions to advance the digital and green transitions, promote a fair recovery, ensure competitiveness, and strengthen resilience. It encompasses:

  – The **Council recommendation on vocational education and training**, which defines key principles for ensuring that vocational education and training adapts swiftly to labour market needs and provides quality learning opportunities for young people and adults.

  – The **Pact for Skills**, which brings together public and private organisations, including employers and trade unions, to take concrete action to upskill and reskill people in Europe.

  – The **Blueprint sectoral skills alliances**, which gather key stakeholders from industrial ecosystems, to use skills intelligence and a sector skills strategy to address skills shortages.

  – The **Council Resolution on a new European agenda for adult learning 2021-2030** which highlights the need to significantly increase adult participation in formal, non-formal and informal learning.

  – The **Council recommendation on individual learning accounts**, which recommends that Member States consider establishing individual learning accounts as a means for enabling and empowering individuals to participate in labour-market

([148]) Council Recommendation of 12 March 2021 on Roma equality, inclusion and participation 2021/C 93/01 ST/6070/2021/INIT.

([149]) Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on 'Putting people first, securing sustainable and inclusive growth, unlocking the potential of the EU's outermost regions' COM (2022) 198 final.

([150]) Commission Communication of 1 July 2020, European Skills Agenda for sustainable competitiveness, social fairness and resilience, COM(2020)0274.

relevant training and facilitate their access to or retention in employment, along with putting in place an enabling framework.

  - The **Council recommendation on micro-credentials,** which recommends that Member States adopt a European approach to micro-credentials and in particular to apply a common EU definition, EU standards and key principles for the design and issuance of micro-credentials. Micro-credentials document the learning outcomes that a learner has acquired following a small volume of learning.

- The main aim of the **European Year of Skills** (May 2023-May 2024) is to raise awareness and mobilise a wide range of actors to give a fresh impetus to upskilling and reskilling around four key objectives: investment; skills relevance; matching people's aspirations and skill sets with opportunities on the job market and attracting talent from third countries. The Communication on Harnessing talent in Europe's regions ([151]) (which includes the Talent Booster Mechanism) and the Commission proposals for Council Recommendations providing high-quality, inclusive and accessible digital education and training have been put forward under the European Year of Skills.
- The 2023 **Council Recommendation on the key enabling factors for successful digital education and training** calls on EU countries to ensure universal access to inclusive and high-quality digital education and training; the 2023 **Council Recommendation on improving the provision of digital skills and competences in education and training** calls on EU countries to provide digital skills in a coherent way through all sectors of education and training.

  - The 2022 **Council Recommendation on 'Pathways to School Success**' aims at promoting better educational outcomes for all learners, regardless of their socio-economic, cultural, or personal backgrounds, thereby enhancing the inclusive dimension of education.

  - Development of key competences in line with the **2018 Council Recommendation on key competences for lifelong learning**. Nowadays, competence requirements have changed with more jobs being subject to automation, technologies playing a bigger role in all areas of work and life, and entrepreneurial, social and civic competences becoming more relevant in order to ensure resilience and ability to adapt to change.

  - The **2022 Council Recommendation on learning for the green transition and sustainable development** supports EU Member States in their efforts to equip learners and educators with the knowledge, skills and attitudes needed for a greener and more sustainable economy and society.

- The 2022 Council Recommendation on learning for the green transition and sustainable development supports EU Member States in their efforts to equip learners and educators with the knowledge, skills and attitudes needed for a greener and more sustainable economy and society. The **Net-Zero Industry Academies**, under the Net-Zero Industry Act ([152]) aim to roll out upskilling and reskilling programmes in strategic industries for the clean energy transition like raw materials, hydrogen, solar and wind technologies.

([151]) Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on Harnessing talent in Europe's regions COM(2023) 32 final.

([152]) Proposal for a regulation of the European Parliament and of the Council on establishing a framework of measures for strengthening Europe's net-zero technology products manufacturing ecosystem (Net Zero Industry Act) COM(2023) 161.

- The **Digital Europe Programme** supports the development of education and training programmes (e.g., Bachelor and Master's programmes) in cutting-edge technologies in order to support excellence in higher education institutions, making them world leaders in training of digital specialists, to increase the capacity of the training offer for advanced technologies and to nurture and attract digital talent (both students and teaching staff).
- The **Digital Education Action Plan 2021-2027**, which has a set of actions dedicated to supporting the development of digital skills.
- The Commission adopted **New European Innovation Agenda,** which seeks to propel Europe to the forefront of the emerging deep technology innovation and start-up scene. Its goal is to assist Europe in creating novel technologies to tackle urgent societal issues and to make them available on the market. One of the five flagships focuses on talent and skills, promoting, attracting, and retaining talent, which will guarantee the growth and movement of crucial deep tech skills within and into the EU through a range of initiatives.
- The **European strategy for universities** stresses the relevance of re-skilling and upskilling, including for the twin transition. It fosters cooperation among universities and with industrial ecosystems.
- The **European Globalisation Adjustment Fund for Displaced Workers** (EGF) 2021-2027 that is special EU instrument to express EU solidarity with European workers or the self-employed that were displaced due to restructuring, and to help them find new jobs, also with up-skilling and re-skilling measures.
- The **Talent Booster Mechanism** supports EU regions to attract, develop and retain talent and to address the impact of the demographic transition. In this context, the Harnessing Talent Platform is a catalyst for collaboration, enabling the exchange of ideas, knowledge and resources.
- The **Cybersecurity Skills Academy**, launched by the Commission in April 2023, aims to bring together existing initiatives on cyber skills and improve their coordination, in view of closing the cybersecurity talent gap. Its four pillars aim to: i) establish a common European approach to cybersecurity training, ii) ensure a better channelling of funding opportunities for skills-related activities, iii) boost stakeholder involvement to tackle the cybersecurity skills gap, including measures to improve gender balance; and iv) develop a methodology to monitor the progress achieved.
- The **Technical Support Instrument** supports Member States, upon demand, in designing and implementing structural reforms to promote up- and reskilling of the population for example through the Technical Support Instrument 2024 flagship on Skillsand the TSI 2023 flagship on Digital skills for the health workforce. In 2025, the Technical Support Instrument will continue to support active labour market policies and skills reforms in the context of demographic, socio-economic and technological challenges.
- The Commission has announced two new pilot initiatives aimed at nurturing talent and interest in the space sector: a **job placement scheme** for university students and graduates, and the **CASSINI Space Summer Camp**, targeting 14–18-year-old students. These initiatives complement the **SpaceSUITE project** underpinned by the **Space4GEO large-scale skills partnership**, aimed at fostering competitiveness of the EU space industry through skills development and life-long learning.

- In the recently published **European Defence Industrial Strategy**, the Commission announced that it will explore actions with the aim of improving workforce mobility and supporting defence-related education, notably through the opportunities provided by the EU defence industrial programmes, cooperation between education providers, including the **European Security and Defence College**.Member States can also draw on the European competence framework on sustainability GreenComp, which sets out the competences that all learners need to develop related to the environment and sustainability, as well as the joint EU/OECD financial competence framework for adults, and for children and youth which sets out the skills and attitudes needed to enable people to make informed decisions about their finances.
- Additionally, the European Institute for Innovation and Technology (EIT) is actively carrying out **The Deep Tech Talent Initiative** with the goal of upskilling one million individuals in deep technology fields by 2025. It focuses on advancing cutting-edge technologies and fostering a sustainable culture of entrepreneurship and innovation in education and training.
- The **New European Bauhaus Academy** will accelerate up-skilling and re-skilling in the construction ecosystem to support the transition from an extractive, mineral-based and fossil hydrocarbon-fuelled construction economy to a regenerative bio-economy and circular system of material reuse.

3. POLICIES TO IMPROVE WORKING CONDITIONS

- The **Directive on adequate minimum wages in the EU** ([153]) establishes a common European framework to ensure adequate minimum wage protection and promote collective bargaining on wage setting.
- The Commission proposal for a **Directive on improving working conditions in platform work** ([154]) aims at improving working conditions of platform workers.
- The **Directive on transparent and predictable working conditions (**[155]) provides new substantive rights for all European workers, and especially for those in precarious forms of employment, while reinforcing the information they shall receive on their work relationship and putting them into a better position to defend their rights.
- The **Strategic Framework on Health and Safety at Work 2021-2027** ([156]) defines the key priorities and actions for improving workers' health and safety at work.
- A key element of the **European Care Strategy** ([157]), the **Council Recommendation on access to high-quality long-term care** and the **Council Recommendation on early childhood education and care** is the improvement of working conditions for carers.

([153]) Directive (EU) 2022/2041 of the European Parliament and of the Council on adequate minimum wages in the European Union.

([154]) Proposal for a Directive of the European Parliament and of the Council on improving working conditions in platform work (COM/2021/762).

([155]) 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.

([156]) European Parliament resolution of 10 March 2022 on a new EU strategic framework on health and safety at work post 2020 (including better protection of workers from exposure to harmful substances, stress at work and repetitive motion injuries) (2021/2165(INI)).

([157]) Commission Communication on the European care strategy SWD(2022) 440.

- The **Recommendation on access to social protection for workers and the self-employed** ([158]) aims at ensuring access to social protection for all, in particular non-standard workers and the self-employed.
- The **Common Agricultural Policy (CAP) 2023-2027 has introduced a social conditionality mechanism** through which farmers' payments are linked to the compliance with EU labour law provisions on transparent and predictable working conditions, occupational safety, and health, as well as the obligation for Member States to support the provision of farm advisory services in the field of working conditions, and the possibility to support sectoral investments for the improvement of working conditions.
- The Commission **Recommendation on means to address the impact of automation and digitalisation on the transport workforce** ([159]).
- The **Commission Communication on a comprehensive approach to mental health** ([160]) includes a flagship initiative that addresses the skills of health professionals, and a flagship that addresses the mental health of the health workforce.
- The **Mobility Package I** includes a wide-ranging set of initiatives to address key challenges affecting European transport and mobility. Amongst other benefits, the Package significantly improves working conditions in the road transport sector.
- The **Council Recommendation on a European framework to attract and retain research**, innovation and entrepreneurial talents in Europe underpins work to attract and retain research, innovation and entrepreneurial talents in Europe and supports the newly created European Competence Framework for Researchers (ResearchComp).
- The **Net-Zero Industry Platform**, a **Net-Zero Industry Act instrument**, aims to promote career prospects and quality working conditions in jobs in net-zero technology industries.

4. POLICIES TO IMPROVE INTRA-EU MOBILITY

- Established in 2019, the **European Labour Authority** aim to ensure that labour mobility is fairly and effectively enforced by facilitating access to information, capacity building and cooperation between Member States and support to effective application and enforcement of Union law in the field.
- The introduction and implementation of a **common form for the declaration of the posting of workers** and the building of a common electronic portal for such declarations.
- **EURES** facilitates job-matching across borders and operationalises cooperation between employment services in different Member States. Under the **'EURES Targeted Mobility Schemes'**, the Commission supports partnerships which help targeted groups of workers, to decide for labour mobility.
- **Europass** as a platform helps users to manage their careers. It allows to document skills and work experiences, to create a personal profile (including CVs and cover letters), to

([158]) Council Recommendation of 8 November 2019 on access to social protection for workers and the self-employed (2019/C 387/01).

([159]) EUR-Lex - 32024H0236 - EN - EUR-Lex (europa.eu).

([160]) Commission Communication on a comprehensive approach to mental health COM/2023/298.

manage skills and store digital credentials in order to apply for trainings or jobs across the EU.

- The **European classification of Skills, Competences, and Occupations** (**ESCO**) is a multilingual classification that provides standardised descriptions of 3 008 occupations and 13 890 skills and knowledge concepts. It is used by public and private organisations across the EU for job matching, curricula development, career guidance, skills intelligence and labour market analysis.
- The **European Qualifications Framework (EQF)** is a tool for transparency and comparability of qualifications.
- **European Digital Credentials** are being increasingly used in Europe. They can be verified instantaneously and facilitate the matching of skilled workers with jobs, as well as recruitment and recognition processes.
- The Proposal for a Council Recommendation **'Europe on the Move' - learning mobility for everyone,** adopted in November 2023, sets concrete targets for the share of graduates that should have experienced learning mobility.
- The **revision of Regulation 883/2004 and Regulation 987/2009 on social security coordination rules** (pending).

5. POLICIES TO ATTRACT TALENT FROM ABROAD

- **Talent Partnerships** provide a framework to strengthen cooperation between the European Union, Member States and key partner countries on mobility and skills development in a mutually beneficial way, in line with the Pact on Migration and Asylum. They have been established with Morocco, Tunisia, Egypt, Pakistan, and Bangladesh. EU funding from the NDICI-Global Europe instrument and the Asylum, Migration and Integration Fund can support initiatives to facilitate employment or learning mobility in the EU as part of Talent Partnerships, based on the principle of circular benefits. European Commission programmes and initiatives focusing on the mobility of nationals from partner countries to study, work or train in the EU contribute to Talent Partnerships, including by providing capacity-building assistance to partner countries in areas such as labour market and skills intelligence, vocational education and training, integration of returning migrants and diaspora mobilisation.

- The **Labour Migration Platform** facilitates collaboration between the Commission and representatives from Member States with expertise in migration and employment policy, to discuss common challenges such as labour shortages and enhance information exchange. It will be needed to support the effective operationalisation of EU-level initiatives on legal migration and employment. This will also ensure continued and regular exchanges with social partners, who are represented in the Platform.

- The **Skills and Talent Mobility package**, which follows up on President von der Leyen's 2022 State of the Union address, presents a set of initiatives that aim at making the EU more attractive to talent from outside the EU. In addition to the **EU Talent Pool** and the **Recommendation 'Europe on the Move' on learning mobility**, it includes the Commission **Recommendation on the recognition of qualifications of third-country nationals**, which encourages member states to simplify and speed up the recognition of skills and qualifications of third-country nationals.

- The **Action Plan on Integration and Inclusion 2021-2027** proposes concrete actions to support Member States and other relevant stakeholders in overcoming integration-related challenges for migrants and EU citizens with a migrant background.
- The **Revised Blue Card Directive** will facilitate the recruitment of highly qualified workers in the EU, by introducing more efficient rules, including more flexible admission conditions, enhanced rights and the possibility to move and work more easily between EU Member State.
- The **proposal for a recast of the Long-Term Residents Directive**, once adopted, will contribute to create a more effective, coherent and fair system to acquire EU long-term resident status.
- The **recast of the Single Permit Directive**, on which the co-legislators reached a political agreement in December 2023, will contribute to facilitate the recruitment of third-country nationals by streamlining the single permit procedure, while making it more effective for non-EU workers and employers.
- The Technical Support Instrument 2023 flagship on Migrant integration and Talent attraction can also support Member States reforms to attract and integrate migrants to fill labour market shortages.
- Assessing the qualifications and skills of **bus and lorry drivers** from several third countries and compare them with the corresponding requirements in the EU in order to support Member States in streamlining the necessary complementary qualification in the EU.

6. FUNDS ADDRESSING LABOUR AND SKILLS SHORTAGES

The EU budget and NextGenerationEU provide a sizeable budget in **skilling, re-skilling and upskilling**, including:

- the **European Social Fund Plus (ESF+)** is the EU's main instrument for investing in people which contributes to employment, social, education and skills policies in the EU as well as structural reforms in these areas. With EUR 43.3 billion budget (almost one third of entire ESF+) dedicated to skills over the 2021-2027 period, it is providing an important support to skilling, re-skilling and upskilling ([161]).
- the **Recovery and Resilience Facility (RRF)** which contributes, amongst others, to eight key areas: adult learning; green skills and jobs; human capital in digitalisation, non-youth employment support and job creation; youth employment support and job creation; modernisation of labour market institutions; early childhood education and care, as well as general, vocational and higher education (these eight areas altogether have an estimated cost of EUR 94.4 billion for reforms and investments combined, i.e. approximately 15% of the total RRF financial envelope in 2022 prices). These measures aim to address some of the challenges for the quality, equity and labour market relevance of education and training systems across the EU, including with a view to tackling skills shortages ([162]).

([161]) More information on https://commission.europa.eu/strategy-and-policy/eu-budget/performance-and-reporting/programme-performance-statements/european-social-fund-performance_en.

([162]) Measures include inter alia the creation of additional study places in higher education in study fields in high demand on the labour market, revision of curricula in school and higher education, support for

- **Erasmus+** (EUR 26.2 billion), which also supports the development of learners, staff and institutions in adult learning and vocational education and training.
- **InvestEU** (EUR 4.9 billion), a financial instrument that aims to mobilise public and private investment over the period 2021-27 through guarantees, its social investment and skills window covering both the demand and supply side of skills.
- The **social dialogue prerogative budget lines** provide funding to support social partners' work on labour and skills shortages through two social dialogue calls for proposals - Training and information measures for workers' organizations and Social dialogue calls for proposals.

As far as ESF+ is concerned, it is one of the key funding instruments for delivering on the Union's political priorities, including the green and digital transitions, resilience and the implementation of the European Pillar of Social Rights. In the context of labour and skills shortages, it is important to both invest in the people already on the labour market, and also to bring the people on the sideline of the labour market, the untapped potential, into the workforce. Using as a compass the 20 principles of the European Pillar of Social Rights, ESF+ funding focuses therefore on the following objectives ([163]):

- social inclusion; active inclusion, equal access to quality services and modernising social protection systems, socio-economic integration of third-country nationals, socio-economic integration of marginalised communities, such as Roma people, social integration of people at risk of poverty and social exclusion, addressing material deprivation.
- education and skills; better education and training systems at all levels, equal access to quality education and training, upskilling, reskilling and lifelong learning for all.
- employment: access to quality employment for all, including youth employment, modernising labour market institutions and services, gender-balanced labour market participation, adaptation of workers, enterprises and entrepreneurs to change.

Other programmes that can support education, training and skills development include the European Globalisation Adjustment Fund for displaced workers, the European Regional Development Fund ([164]), the Just Transition Fund, the European Solidarity Corps, the Programme for environment and climate action (LIFE), the European Maritime, Fisheries and Aquaculture Fund (EMFAF), the Modernisation Fund, the EU4health programme, the Technical Support Instrument, and the Neighbourhood, Development and International Cooperation Instrument. Sectoral policies and programmes also add to the EU upskilling and reskilling effort ([165]).

The schemes referred to above also support **activation measures** and measures related to the **improvement of working conditions**. The ESF+ for instance provides critical support towards removing barriers to employment, including promoting accessible, affordable,

vocational education and training, as well as adult learning measures to facilitate the green and digital transitions.

([163]) More data on cohesion funds: https://cohesiondata.ec.europa.eu/cohesion_overview/21-27.

([164]) In the 2021-2027 period, the European Regional Development Fund (ERDF) provides around 8.4 billion euros to support skills development, education and training with a view to enhancing employability and competences to better address labour market needs, particularly linked to smart specialisation strategies, industrial transition and entrepreneurship.

([165]) In the agricultural sector, for example around EUR 2 billion will be spent under the CAP 2023-2027 to upskill and reskill farmers, foresters, and farm advisors through dedicated support to knowledge exchange, advice and training.

high-quality early childhood education and care that implements the European Care Strategy and the EU's Work-Life Balance Directive. National ESF+ programmes address the gender employment gap and include youth employment as a priority. Member States with above-average rates of young people not in employment, education, or training should invest at least 12.5% of their ESF+ resources in targeted actions for supporting young people. ESF+ investments bring increased job opportunities to young people, older people, people with a migrant background, and people with lower educational attainment to tackle labour shortages.

Over recent years substantial financial support has also been made available to foster jobs and skills for the **green transition** under different EU funding instruments, such as the European Social Fund+ (EUR 9.6 billion have been programmed in total, including an EU contribution of EUR 5,8 billion), Cohesion Policy, the Just Transition mechanism, Recovery and Resilience Facility (EUR 1.5 billion), but also the REPowerEU programme.