

## TOWARDS AN EU ACTION PLAN ON LABOUR AND SKILLS SHORTAGES

## AD-HOC SOCIAL PARTNER CONSULTATION CONTRIBUTION

*The European Confederation of Independent Trade Unions (CESI) is a confederation of more than 40 national and European trade union organisations from over 20 European countries, with a total of more than 6 million individual members. Founded in 1990, CESI advocates improved employment conditions for workers in Europe and a strong social dimension in the EU. Most of CESI's affiliates are employed in the different fields of the European, national, regional and local public services, as well as in privatised services of general interest. CESI also represents private sector workers. This consultation contribution was elaborated also in close consultation of CESI Youth, the voice of young workers affiliated in CESI's member organisations.*

CESI welcomes the initiative of the European Commission to present an action plan to address existing labour and skills shortages in the EU, announced in its consultation background note *Ref. Ares(2024)916028* of February 7 2024.

In substantial terms, CESI agrees with the European Commission that labour and skills shortages are critical challenges facing the EU's economy and labour market in the short- and medium-term. According to CESI, the shortages pose significant obstacles to growth, sustainability, innovation, and competitiveness across various economic sectors as well as the public sector. As the EU strives to navigate through demographic shifts, technological advancements, climate change and global economic transformations, it becomes imperative to adopt effective strategies to mitigate shortages and ensure a skilled and adaptable workforce of the future.

In procedural terms, CESI regrets that it was not given an opportunity to provide additional input through a dedicated hearing, as was done for the European Trade Union Confederation (ETUC). CESI requests that in the future the European Commission implements a "balanced support" for all concerned actors, as specifically prescribed in TFEU Art. 154(1). CESI also notes that hearings should take place in time for a consultation to still make a meaningful exercise – As such, hearings should take place during the planning and drafting phase of an initiative, and not just as a box-ticking exercise just few weeks before its adoption and publication by the European Commission.

## **Answers to questions put forward in the consultation document**

**1. *Do you share the analysis of the challenges and the proposed policy goals? Do you have additional elements to bring in?***

CESI generally agrees with the analysis of the challenges and the proposed policy goals. Labour and skills shortages are multifaceted issues influenced by several factors. Demographic trends, driven by an ageing population and declining birth rates, contribute to a shrinking workforce in many EU countries. Rapid technological advancements and evolving job requirements constantly require adjusted or new skill sets, leading to gaps between the skills that workers possess and those demanded by employers.

CESI agrees that shortages are particularly acute in sectors such as health care, and emphasises that public services and public administrations are affected across the board.

The ramifications of labour and skills shortages can hinder productivity, innovation, and overall economic growth, undermining the EU's competitiveness on the global stage, but they extend beyond the economy, affecting societal well-being and future prospects, too.

Importantly, in the case of essential (public) services, inadequate availability of skilled labour can impede the quality and speed of their delivery – which can bring adverse effects not only to business activities but also further exacerbate social inequalities.

**As such, any envisaged action plan should imperatively not only take a private sector approach, but explicitly also span to public services and administrations at large.**

**2. *Which measures (at EU, national or social partner level) have been the most and least effective so far in tackling labour shortages in your opinion?***

To tackle labour and skills shortages effectively, the EU and its Member States should adopt a comprehensive approach encompassing various policy measures and initiatives, in cooperation, consultation and coordination with trade unions and social partners:

- **Improving working conditions:** Making working conditions in sectors with shortages better for employees is paramount for enhancing staff recruitment and retention. A supportive work environment, characterised by safe working conditions, fair wages, access to social protection and social security rights, opportunities for career advancement, work-life balance initiatives, and a culture of continuous learning fosters employee loyalty and commitment and supports a boosted attractiveness of employment.

Moreover, in many high-performing professions such as in health care or emergency and security forces, working conditions can be extremely challenging, with high risks that may be life-threatening too. In these professions, an important part of improved working conditions relates to a specific need to better recognise, manage and prevent mental health challenges such as excessive stress and burn-out.

- **Flexible working arrangements and access to care:** As foreseen in the EU Care Strategy, flexible working arrangements and available, affordable and high-quality care services are a key complement to better working conditions and are needed especially by working parents to resolve professional work and domestic and care responsibilities. This is in many cases especially true for women, that currently often only manage to work part-time, in sectors particularly affected by labour shortages (such as health care), and that require better opportunities to return to full-time work.
- **Improved public recognition of professions:** In the care sector specifically, a better perception of professions in the public eye is essential to increase their valorisation and attractiveness. In the past, in Germany, attempts to oblige recipients of citizens' benefits to enter the nursing profession have proven to be extremely counterproductive. The resulting impression that “anyone can do nursing” has clearly damaged the public reputation and valorisation of the profession.
- **Investing in training on the job:** Investing in training on the job and development programmes tailored to employees' evolving skills needs not only boosts productivity but also equips workers with the competencies required to adapt to changing job roles and emerging technologies in the green-digital twin transition. By prioritising the well-being and professional growth of employees, employers and organisations can benefit from a motivated and skilled workforce, thereby enhancing retention rates and ensuring long-term success in increasingly competitive and dynamic business landscapes. Skills intelligence should be used in job centres, with more individualised counselling and qualification offers.
- **Promoting research on skills needs:** Member States should invest in and set up regular sector-specific assessments/studies of the number of professionals needed on the labour market and to use that data for education and training-related planning and forecasting.
- **Enhancing labour mobility:** Facilitating labour mobility within the EU can help alleviate regional disparities and match workers with job opportunities across borders.

This requires a removal of remaining barriers to mobility and a better promotion of job-matching instruments such as the European job mobility portal EURES.

It also requires an adjusted recognition of relevant professional qualifications obtained in different Member States. The EU's Directive on the Recognition of Professional Qualifications should be revisited and updated in light of the current changes on the labour market. By streamlining procedures for the recognition of qualifications obtained in different EU countries, barriers to labour mobility would be reduced and professionals could in many cases more easily seek employment opportunities in other Member States. As a flanking measure, the EU should work to foster further cooperation among national competent authorities to maintain high standards of education and training, thus ensuring that recognised qualifications continue to meet common quality criteria.

However, fostered labour mobility – within the EU and from third countries – must remain fair and mitigate brain drains as much as possible. In this regard, leveraging talent migration through targeted *circular* migration policies can supplement domestic labour supplies and fill critical skill gaps. EU cohesion policy must also play an important role to enable disadvantaged regions to become more attractive vis-à-vis more prosperous ones with higher numbers of jobs.

**3. How could social partners (at EU, national and sectoral level) further contribute to tackling labour shortages in each of the policy domains?**

Social partners have a crucial role to play in identifying skills needs and addressing labour shortages across various policy domains. Through collaboration and dialogue at the EU, national, sectoral as well as company/ authority level, they can devise holistic as well as targeted solutions to enhance workforce development, promote fair labour practices, and drive economic prosperity. In the future, continued engagement, collective agreements, bi- and tripartite negotiations and partnerships among social partners are essential to effectively tackle the complex challenges posed by labour shortages in the evolving global landscape.

Establishing concrete agreements by social partners – with employees and their representatives – preferably through regular discussions such as annual performance reviews or dedicated development meetings, can improve job satisfaction, employee satisfaction and ultimately staff retention and recruitment. Creating a more structured approach to professional learning and development is indeed essential, as current practices are often perceived as too discretionary, leading to limited employee engagement.

A key to a successful mitigation of labour shortages will be pluralistic and inclusive social dialogue. It will be key to reach out to and take on board all actors. Social dialogue restricted to only the established biggest and most representative social partners will leave aside and thus exclude a significant portion of the European workforce.

**As such, the envisaged action plan should explicitly spell out the need for pluralist and inclusive social dialogue to address labour and skills shortages in the most comprehensive and effective manner.**

**4. What concrete commitments could social partners take on in the context of the Action Plan in each of the policy domains? Do you believe an initiative at EU level such as the EU Talent Pool could bring an added value in addressing labour shortages and facilitating international recruitment? What should be its key characteristics to achieve such facilitation?**

In the context of a forthcoming action plan, social partners should be prepared to undertake concrete commitments across various policy domains to address labour shortages effectively and addressing all of the points outlined above, in particular on education and training, labour mobility, work-life balance, mental health at work, innovation and research, and use of digital technology on the job.

Prior to active recruitment in and bringing brain drain to third countries, the action plan should put an emphasis on a better exploitation of available workforce potential within the EU and its Member States, e.g. through reduced school drop-out rates, more effective job placements by public employment services and an improved activation of underrepresented groups in the labour markets, as well as adjusted VET programmes and lifelong learning opportunities.

In this context EU Talent Pool initiative could effectively address labour shortages and contribute to the EU's broader objectives of economic growth and social cohesion – but internal EU measures should take precedence.

If pursued, migration from third countries should always be based on frameworks that can ensure fairness for all concerned actors and parties – including the country of emigration. A best practice of how this can be achieved is the UN's guidance on bilateral labour migration agreements of February 2022.<sup>1</sup>

<sup>1</sup> [https://migrationnetwork.un.org/sites/g/files/tmzbd416/files/resources\\_files/blma\\_guidance\\_final.pdf](https://migrationnetwork.un.org/sites/g/files/tmzbd416/files/resources_files/blma_guidance_final.pdf), esp. pp 61-62.