

FIXING LABOUR SHORTAGES: Skills and Talents for Europe

The European Year of Skills



EUROPE'S FUTURE RELIES ON SKILLED MINDS AND HANDS.

However, we currently face significant labour and skills shortages. The shortage is **one of the biggest constraints** on the European economy and demographic change is a challenge for society as a whole. To maintain Europe's prosperity and attractiveness in the future, securing skilled workers must be a **top priority**.

We as **German Employers** support a **holistic and skilled labour strategy** that is sustainable, supportive in the medium term, makes sense in the long term and is in line with reality. This strategy should have two dimensions: the **European workforce and talent from abroad**.

01

HOW CAN WE SECURE A SKILLED EUROPEAN WORKFORCE?

A skilled domestic workforce is a key driver of **growth, innovation and competitiveness** in our social market economy. It is a **joint responsibility** of governments, education and training systems, public employment services, companies and workers to **master the ongoing transition** for the benefit of all. We can only succeed in **turning structural change into opportunities** with the right skills and learning mindsets.

Involve social partners in VET to ensure labour market relevance

- If we want learning outcomes to match the actual potential of the individual in the world of work, education and training need to be **relevant to the labour market**.
- Member States should ensure the quality and effectiveness of Vocational Education and Training (VET) provisions by involving employers in **updating curricula and qualifications** in a timely manner to better take into account changing labour market needs, also given the need to improve sustainability and given the digital transition.
- This includes promoting the **role of employers** in the design and delivery of VET – also through appropriate support and incentives (financial and non-financial).

Base skills strategies on skills intelligence

- Continuing education is not a foregone conclusion. Companies and employees can only take appropriate measures and invest in training when **current and future skills needs** are well known.
- Effective skills' strategies need to be based on quality data on **skills forecasts**, skills adaptation and skills development with the support of relevant research and education institutions.

Turn change into opportunity: Foster a culture of learning

- For adults, **continuous learning** can be tough and cannot be forced. People have to experience the need to learn and need to be motivated and inspired to do so.
- The potential and success of continuing education and training rely more on **culture and psychology** than on law and legislation. Learning needs to become part of every stage of people's lives.
- More and more new instruments, quantitative indicators and legal claims create a lot of **bureaucracy and costs** for education and training providers and companies but miss the core issue and may become a financial burden.
- The **motivation of workers** and a **corporate culture** that promotes further learning are at the centre of this effort.
- First and foremost, this requires **tailored support** for companies (especially SMEs) and those people with a difficult learning history.

Improve the attainment of STEM and sustainability-promoting skills

- We need to arouse learners' interest for STEM early on and increase **female participation** in tertiary level STEM subjects and VET as well as their subsequent job/career choice.
- Addressing **gender stereotypes** in STEM is a priority to attract more young women into STEM studies and jobs. Factors such as accessible and affordable **childcare provision** are crucial if we are to increase women's employment in STEM.
- The field of STEM flourishes on the basis of **curiosity** and its **solution orientation**. It is predestined to be strengthened in communities of people. The work of the EU STEM Coalition should be revived and better synergies achieved between the different initiatives in the Member States and regions.
- Companies play a crucial role in re- and upskilling their workers to obtain the competences needed for a more **environmentally sustainable economy**. However, higher education and VET also need to be equipped to meet the challenges of a greening economy. There are many inspiring practices across the EU that should be widely disseminated and harnessed.



Promote working and learning in the digital age: digital skills and e-learning

- **Learning outcomes:** The digital transformation continues to demand comprehensive digital skills from the workforce. **Basic digital literacy** needs to be the new normal while the provision and attainment of **advanced digital skills** needs to become a cornerstone of our education and training systems.
- **Learning design:** A key question in the digital realm is not only “what should be learned?” but also “**how should learning take place?**”: A digitalising world of work depends on new learning and training concepts. Learners expect modern learning formats that fit into their new working and training environment and the reality of their lives. E-learning forms a crucial part of new ways of learning.
- **Learning tools:** Only the provision of modern infrastructure and equipment allows for digital learning methods. It is essential that priority is given to **investments** that support governments (national/local), the education system, social partners and companies to make the best possible use of new technologies – including AI – in education and training.

Make entrepreneurial education a cornerstone of our education systems

- A **European Educational Strategy for Entrepreneurship** is needed, covering all levels of the education system.
- We need to connect existing, regional and local **entrepreneurial skills hubs** and networks to support aspiring entrepreneurs. In the future, we will need both business innovation centres and start-up ecosystems nationwide, with a focus on economically weaker regions. This would also allow all students to get to know entrepreneurial work as teenagers and be inspired.
- **Career counsellors** in our education systems should also include business incubators in their advice.
- **Universities** have to strengthen employability and entrepreneurship in their study courses – in all subjects.
- In addition, a **‘BECOME AN EMPLOYER’** information campaign together with the EU Business Community could be a major opportunity to raise awareness about the topic.
- **‘EU entrepreneur heroes’** could highlight and celebrate role models, including underrepresented profiles, and emphasise female entrepreneurs.

Achieve an attractive and globally competitive European Education Area by 2025

- Europe continues to have considerable potential to boost its global reputation for **excellence in higher education**.
- The European universities initiative as well as the European strategy for universities can enhance the quality of **transnational cooperation** and the European dimension in the area of higher education – leading to better results for learners and teachers.

Fully utilise financial EU resources and make use of the European Semester

- The European Commission should advocate for, and monitor, the meaningful **involvement of national social partners** in the programming, monitoring and implementation of EU funding streams that aim to support the up- and re-skilling of workers. This particularly concerns the European Social Fund+, the Recovery and Resilience Facility, Erasmus+ and Horizon Europe.
- Investments, necessary reforms and effective **social dialogue** aiming to foster skills development need to be embedded in the context of the European Semester.

02

HOW CAN WE BETTER ATTRACT AND RETAIN TALENT FROM ABROAD?

To counter the labour and skills shortages, we also need more **workers from abroad**. The necessary efforts to invest in and activate our domestic potential continue to be a key priority. **Labour migration** forms another central pillar for securing skilled labour. After all, **domestic and foreign potentials** complement each other when it comes to securing skilled workers. They must not be played off against each other. The guiding principle for labour migration must be **fair migration that benefits all parties involved** – the migrants, the host company and the national economy.

Make migration into employment much easier, faster and more efficient

- Anyone who wants to come to work in Europe today is faced with a **bureaucratic jungle**. We need to make the administrative procedures as well as the legal framework more attractive and customer-oriented.
- **Administrative procedures** must be simplified, digitalised, accelerated and thus made predictable and manageable for employers and foreign workers. Also, the long waiting times for visa appointments must come to an end.
- The **legal framework** must be further developed in a targeted manner and legal channels for arriving in Europe for the purpose of work must be strengthened. Member States should aim for an ambitious national transposition of the well-revised **Blue Card Directive**, including expanded opportunities for career starters. The recast of the **Single Permit Directive** needs to simplify and speed up the procedures for obtaining a single permit, including guaranteed processing times for applicants.
- The **EU Family Reunification Directive** should be modernised, especially with regard to simplifying the requirements for and examination of an application for family reunification, faster notification periods of the competent authorities' decision and less bureaucratic procedures.

Match supply and demand through a well-designed EU Talent Pool

- A key way to enhance Europe's attractiveness for economic migration is by increasing the **visibility** of the potential that Europe's world of work can offer to interested third country nationals.
- An EU Talent Pool that allows EU-wide employers and public employment services to post vacancies, allows third country job seekers to view them and facilitates matching in one place is a **novelty worth exploring**.
- This can only be successful when the Talent Pool **focuses on its added value**.
- It should be simple for all involved actors, avoid parallel structures and allow for technical **inter-operationality** with national systems and tools as well as elements of the EURES network.
- To start with, the EU Talent Pool could **address labour shortages in sectors and occupations** identified as of strategic relevance for the EU and those part of the EU Talent Partnerships with third countries.

Harness the potential of foreign founders more successfully

- Start-up founders with a history of migration represent **considerable potential for economic innovation and growth**.
- Immigration for the purpose of **founding new companies**, especially start-ups, should be given greater attention across Europe.
- An **'EU Blue Card' equivalent for start-up founders** could create a legal pathway across the EU for interested foreign founders.
- The duration of the stay or residence status of potential founders should also not prevent them from **obtaining financing through loans or subsidy programmes**, for example.

Make the recognition of foreign qualifications less burdensome

- The recognition of foreign qualifications can be an important building block for professional development and gives professionals and employers **transparency with regard to the comparability of qualifications**.
- However, in many cases, the **hurdles to formal recognition of foreign professional qualifications** are very rigid and the procedures are too time-consuming: responsibilities are distributed among a large number of authorities, numerous documents have to be translated and submitted as originals and often lengthy adaptation qualifications have to be completed.
- These **complex recognition procedures** are difficult for professionals to navigate without guidance and counselling. They represent a major obstacle to labour migration and need to be simplified at the national level.
- Formal recognition of qualifications should not be mandatory, particularly in the case of unregulated occupations. It often makes more sense to carry out **qualification measures in the company** wherever possible and to organise them in a way that is close to the company and geared to its needs.
- In addition to improved recognition procedures, we need a **greater range of tailor-made qualification modules** for regulated professions.

Promote the migration into initial vocational education and training (IVET)

- Many companies are **unable to fill their IVET positions** with domestic applicants.
- If no domestic applicants can be found, companies are very interested in **attracting candidates** from within Europe and even from third countries.
- Up to now, the **migration into IVET has too often failed** due to a lack of support schemes, knowledge about the national training system, bureaucratic hurdles or a lack of language skills.
- **Financial support programmes** for companies and young people in the countries of origin can help to reduce unnecessary barriers.
- It is equally important to **ease the high requirements** for third country nationals to take up IVET in Europe by focusing on those requirements that are actually needed by the individual companies instead of blanket approaches.

Simplify mobility of third country nationals within the EU

- Promoting the **mobility of foreign workers** within the EU is another priority area that could contribute to better attracting talent at all skill levels from abroad.
- The recast of the **EU Long-Term Residents Directive** has not only the potential to have a positive impact on the integration of third country nationals but also to ensure greater flexibility for our EU labour markets; especially through easing the requirements for obtaining the long-term resident status, the ability to accumulate residence periods across the EU, enhanced intra-EU mobility provisions, stronger family members' rights as well as a level playing field with national schemes.

Expand language support at home and abroad in line with demand

- The **language of the host country** is essential for many professional activities. Especially in regulated professions, it is often a prerequisite for practising the profession.
- **Targeted expansion of language courses abroad** is also necessary in the main countries of origin. Existing structures often fail to meet the demand for courses. Digital offers of courses and tests should be expanded to make language acquisition abroad easier and more cost-effective.
- At the same time, there are more and more employers, where English is sufficient as a working language. National systems for labour migration must therefore **better differentiate what is really required** and when language acquisition in the host country oriented to the practical needs of the company is sufficient.
- For non-regulated professions, the **employer's assessment** of whether the existing language level is sufficient for employment should be decisive. Language acquisition in the host country can often be organised much more efficiently and supplemented by informal language practice.

Promote a welcoming mindset and lead a differentiated debate

- For good reasons, **asylum and economic migration** are regulated differently. A clear distinction between these two policy areas is necessary and appropriate. It must be maintained, although the issues are often discussed in the same breath and linked for argumentative purposes. While the key question in asylum law is "who needs us?"; the question in labour migration is "whom do we need?"
- To successfully counter the shortage of labour and skilled workers, we must not only take technical and legal steps but also cultural ones. As a society, we must be more **open to foreign workers and develop a culture of integration and participation**.
- A **welcome culture** begins in the administration – at the visa offices of the foreign missions as well as after immigration – and extends into our entire social life; it must be the guiding principle in our public debates.

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