



**GETTING
BACK
TO
BUSINESS**

**SKILLS PRIORITIES
FOR THE 2024-2029
EU TERM**

**EUROCHAMBRES**

Eurochambres Skills Priorities for the 2024-2029 EU term

Human capital stands as one of Europe's primary competitive advantages. However, skills shortages rank among the main concerns for the business community, hindering growth, innovation, and adaptation to technological and environmental changes. The combined impacts of the twin transition and the pace of the changes they have brought call for more ambitious and reactive skills policies. As we approach the 2024-2029 legislative period, Eurochambres calls upon EU policymakers to address the skills gap crucial for both growth and navigating the twin transition. The EU has a pivotal role to play in developing the skills needed for the future of work.

1. Summary:

For the next legislative period 2024-2029, Eurochambres urges EU policymakers to:

- ❖ Invest in skills development, upskilling, and reskilling while improving the use and coordination of skills forecasts and skills intelligence to meet labour market needs.
- ❖ Follow the EU Labour and Skills Shortages Action Plan to address current and future workforce challenges.
- ❖ Encourage lifelong learning initiatives and reduce barriers to entering the labour market.
- ❖ Focus on deepening the European Education Area while not calling into question Member States competences in the field of education.
- ❖ Enhance coordination among various stakeholders, including involving chambers of commerce and industry in education and training programme design and delivery.
- ❖ Incorporate entrepreneurship as well as green and digital skills into education.
- ❖ Promote vocational education and training and dual study systems for apprentices; support the mobility of apprentices, through the strengthening of Erasmus+, as proposed in the Von der Leyen's political guidelines for the new Commission.
- ❖ Support a European Strategy for Vocational Education and Training (VET) as proposed in the political guidelines for the new Commission.
- ❖ Promote higher mobility of skilled workers and improve the recognition of skills and qualifications across the EU.
- ❖ Recognise the importance of legal migration and ensure the EU remains an attractive destination for skilled international workers.

2. State of play:

a) Labour and Skills Shortages in the EU

Labour and skills shortages are increasingly evident across EU member states and business sectors, impacting their competitiveness, innovation capabilities, and growth potential. According to the annual Eurochambres Economic Survey, skills shortages constantly rank among the top concerns for the business community, underscoring their chronic and

persistent nature. This issue is expected to remain a critical challenge for businesses in the foreseeable future.

This shortage is notably challenging for SMEs, which encounter difficulties in recruiting specialized profiles across various areas, including those crucial for supporting their transition towards greener and more digital business practices mandated by ESG standards and other regulatory requirements.

b) Demographic Trends

The recovery from COVID-19 led to a significant increase in the demand for workers, driven by increased consumer spending and employers expanding their recruitment. This trend is still evident today, as reflected in the record EU employment rate of 75.7% in the first quarter of 2024.

Simultaneously, the EU faces a demographic challenge: the working population is expected to decrease by around 1 million people annually until 2050. This trend poses an additional hurdle for companies already struggling to secure a sufficiently skilled workforce.

c) Importance of Skills for Competitiveness and Innovation

Skills play a pivotal role in enhancing a company's competitiveness, productivity, and capacity for innovation. This importance is particularly pronounced amidst current labour and skills shortages, which are stifling growth across the EU. Concerns over declining learning outcomes, as highlighted by the OECD's latest PISA results and various national assessments, underscore the critical need to strengthen foundational skills in reading, mathematics, and science. These skills are crucial for future learning and workforce participation, essential for maintaining Europe's global competitiveness.

d) The Role of Mobility

The relationship between mobility, migration, and skills is becoming increasingly significant, especially in how mobility and migration can aid in effective job matching. This dynamic helps employers meet their skills requirements more efficiently. By facilitating the movement of skilled workers across regions and countries, migration and mobility contribute to filling gaps in the labour market, ensuring that businesses can find the talent they need.

3. Recommendations

a. Skills

It is crucial to:

Invest more effectively in **skills development**. In the recent editions of the annual Eurochambres Economic Survey, skills shortages have constantly ranked among the main concerns for the business, reflecting their persistent and chronic nature. In the face of the digital and green transitions and ageing populations, these challenges are likely to persist.

Ensure continued and reinforced **investment in skills, education, and training** through the multiannual financial framework and key funds like Erasmus+, Digital Europe, RRF,

InvestEU, ERDF, and Horizon. Additionally, prioritize the Single Market Programme to provide crucial funding and support, enabling SMEs to grow, innovate, and compete globally, with a focus on fostering innovation and entrepreneurial skills. Continued policy and financial support should specifically be provided to women for them to become entrepreneurs. Given the disruptive impact of AI, conduct a thorough analysis and consultation of its potential implications for Vocational Education and Training, including the preparation of guidelines for education and training providers. The STEM Education Strategic Plan, announced in the new Commission political guidelines, should be supported to improve the quality, uptake and gender balance in STEM education.

Improve the quality and uptake of skills forecasts and skills intelligence. It is crucial for policymakers and organisations to anticipate evolving skills needs. In order to do so, larger and more accurate sets of data are needed. We would encourage all stakeholders – the Commission, Member States and business organisations – to continue their joined efforts in making the provision of the relevant data a reality. This joined approach goes beyond short-term specific needs, it involves identifying areas where upskilling and reskilling are essential to address shortages and proactively develop targeted education and training programs.

With the publication of the EU Labour and Skills Shortages Action Plan, the European Commission has identified the need to work on providing support for skills development, training and education, supporting mobility within the EU, and improving the EU's attractiveness for skilled workers from third countries. All stakeholders at the different levels should **effectively implement the measures outlined in the EU Labour and Skills Shortages Action Plan.**

Promote lifelong learning both at the European and at the national level by encouraging continuous education and adaptation to new technologies, industry changes, and evolving ways of working, especially in an era of continuous and rapid digitalisation. For employers, this is crucial as productivity will depend on it. Additionally, it is essential to ensure that individuals have access to lifelong learning opportunities, both on the job and off the job. Governments should monitor and facilitate access to these opportunities, as the ability to retain jobs and achieve career growth will largely depend on the capacity to adapt. Extensive **upskilling and reskilling programs** will be necessary to help workers transition to new roles and industries, alongside upgrading public and private employment services to facilitate skills matching. Re- and upskilling should complement initial qualifications at the beginning of a career cycle.

Reduce barriers to labour market entry for various groups currently facing long-term unemployment or inactivity. This includes prioritising NEETs as a key target group for VET while improving access to care services to help overcome barriers to labour market entry caused by health challenges or other personal issues. Such initiatives can significantly expand the pool of available talent, thereby helping businesses to tap into a broader range of skills and expertise while mitigating labour shortages.

Deepen the European Education Area. In accordance with the principle of subsidiarity, initiatives under the European Education Area must not call into question the competences of the Member States in the management of their training systems. They must be implemented in a complementary manner and remain voluntary. Furthermore, they should not generate administrative burden for companies. Tools such as micro-credentials or

individual learning accounts can help foster lifelong learning and improve transparency and portability of skills and qualifications, ultimately addressing skills gaps and boosting employability. Crucially, these tools must be aligned with current and future labour market needs to ensure skills are relevant to the labour market and meet the changing needs of employers.

Strengthen coordination between different stakeholders within Member States as well as via trans-European territorial networks and cross-border cooperation. These territorial networks help foster competitiveness and better address skills mismatches by improving reactivity and adaptation to the needs of rapidly evolving labour markets.

Involve **chambers of commerce and industry** more closely in the **design and delivery of education and training programs**, given their strong linkage with the business community. This involvement helps address skills mismatches by ensuring that training programs are responsive to the needs of the labour market, thereby benefiting both the workforce and the business community. EntreComp4Transition, which aims to develop innovative and multidisciplinary approaches to teaching and learning for future Green Transition Facilitators, exemplifies well how chambers are supporting the development of new training methodologies.

Continue to press for the **integration of entrepreneurship into curricula** from school to higher education and vocational education and training (VET), emphasizing the importance of lifelong learning opportunities.

Incorporate **green and digital skills** into high-quality and inclusive education and training. To support businesses in navigating the rapidly changing digital transformation and green landscape, it is crucial to implement robust educational programs, skills enhancement initiatives, and awareness campaigns. National regulatory bodies and authorities should lead in coordinating these efforts, with active engagement from stakeholders across multiple sectors.

Promote VET as a crucial learning path to meet the challenges of the green and digital transitions at the EU level. To that end, we welcome the announcement of an upcoming European Strategy for Vocational Education and Training and underline that comprehensive VET needs to build up upon solid professional knowledge and experience. Chambers can and are playing an active role in this. For instance, the EULEP project brings together twenty organisations from eight countries to make continuing VET (C-VET) more attractive and will offer businesses new and tailor-made training modules that address their skills needs in innovation-oriented subjects (artificial intelligence, virtual reality, and social innovation). According to the recent EULEP survey, respondents consider that there is a clear need for employee training in both AI and VR subjects, with a particular need for basic digital training.

Promote dual study systems for apprentices following an alternate system between school and work-based trainings. Chambers of commerce and industry can offer their experience in this area.

Connect the evolving virtual European labour related platforms (incl. Europass, EURES and Talent Pool) with national efforts. The infrastructures should be as interoperable as possible. EU level platforms should assist the needs of Member States skills strategies and the HR needs of businesses.

b. Mobility

Policies should also focus on increasing occupational mobility in sectors with growing demand, thereby boosting productivity. At the same time, efforts for attracting skills talents from third countries, such as the talent pool or the talent partnerships, should be pursued.

The Commission should collaborate closely with member states to identify ways to promote **higher mobility of skilled workers** across the EU. This involves identifying barriers to mobility, and devising policies to streamline recognition processes for professional qualifications. By facilitating easier movement of skilled workers, the EU can harness a broader talent pool, strengthen economic integration, and foster cross-cultural exchange of knowledge and expertise.

In anticipation of the upcoming **ERASMUS+ budget negotiations post-2027**, it is vital to secure increased funding specifically for apprentices to meet the **mobility targets** under *Europe on the Move*, aiming for at least **12% of VET learners** to gain mobility abroad. Achieving this requires adequate financial resources from both the **European Commission** and **Member States**. Key measures include expanding **regional contact points** for company support, envisaging **short-term mobilities** (2-8 weeks), and promoting **language and intercultural skills** beyond the **Online Linguistic Support (OLS)**. Additionally, it is essential to improve the application of the European credit system for apprenticeships and introduce a European status for apprentices to enhance recognition and mobility. An **information campaign** should also effectively raise awareness of Erasmus+ opportunities for VET.

Recognizing the **importance of legal migration** as a solution to workforce deficits is imperative to **address key shortcomings** that hinder the European Union's attractiveness. The EU Talent Pool and its emphasis on facilitating international recruitment is a significant stride in the right direction. These efforts must continue, focusing on enhancing legal pathways to the EU to attract skilled workers from third countries. Emphasizing not only legal but also "smart" migration is crucial to drawing real brainpower to EU countries. One effective strategy to attract smart and talented individuals is through universities, by allowing graduate students easy access to the labour market. In addition, it is essential to **strengthen the socio-professional inclusion of refugees and migrants**, facilitating their integration into European labour markets by improving organisations' **access to European funds** tackling this issue.

The **mutual recognition of skills and qualifications** needs to be carried forward and enhanced to allow for increased labour and learning mobility. At the same time, shared expertise and exchanges of best practices should be enhanced. The recognition of diplomas, study periods, and traineeship opportunities across EU Member States, supported by a robust network of European universities, is essential for the completion of the single market.

The New Pact on Migration and Asylum and its accompanying legal proposals need to be implemented, to **ensure the EU is an attractive destination for skilled international workers**, make it easier for global talent to come to Europe and for businesses to hire third country migrants.



Eurochambres – the association of European chambers of commerce and industry – represents more than 20 million businesses through its members and a network of 1700 regional and local chambers across Europe. Eurochambres is the leading voice for the broad business community at EU level, building on chambers’ strong connections with the grass roots economy and their hands-on support to entrepreneurs. Chambers’ member businesses – over 93% of which are SMEs – employ over 120 million people.

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