

Narrowing the skills gap

FIEC recently joined European employers associations to call on policymakers to prioritise measures to reduce labour shortages by improving the process of matching skills to available jobs

European employers are concerned about the growing skills mismatches and labour force shortages in a majority of Member States. If left unaddressed, this worrying trend will have a negative impact on innovation and productivity, both in highly innovative industry sectors and other services sectors, such as the construction industry, which is already confronted with the challenge of attracting motivated and competent workers.

Around **13 million new jobs** have been created since 2014, but many vacancies are left unfilled and many employers are facing difficulties finding the people with the skills they need. This trend has exacerbated the pre-existing structural labour market challenges caused by population ageing, and skills provision that is not sufficiently connected with labour market needs. Overall, skills mismatches are the major determinants of labour shortages.

TECHNOLOGY POSTS

In particular, skills in new technologies (ie digitalisation), as well as specialised professional skills are required by companies in a number of sectors that are

facing a scarcity of qualified workers.

In their joint statement, employers focused on the following priorities:

- Reform education and training systems to increase their structural capacity to provide basic skills to the whole workforce, as well as to facilitate the faster updating of curricula and qualifications in response to new and rapidly changing occupations. In addition, the introduction of new curricula based on digital job profiles, should be encouraged. These elements should form part of an overall approach to lifelong learning through various education and training pathways. Vocational Education and Training – VET, both initial (I-VET) and continuing (C-VET), has a prominent role to play in helping to reducing skills mismatches, in particular through setting up quality and effective apprenticeship policy frameworks across Europe.

- Putting in place a new EU VET strategy for 2030. There is no time to waste to respond to the growing challenge of re-skilling and up-skilling the workforce. The reduction of the half-life of knowledge, driven by rapid technological change, requires more than ever that societies, employers and workers co-invest in lifelong learning to improve and sustain our workforce's employability. To make progress, EU Member States and social partners also need to improve the effectiveness of active labour market policies throughout Europe, including the need to encourage the cooperation between public and private employment services.

- Strengthen cooperation

between business, schools, vocational schools, professional colleges and universities. A key challenge in many countries is to introduce more vocational training elements into high school and university courses as well as a stronger focus on learning outcomes in higher education. It is also important to consider introducing a dual element at all levels of education. Each country should develop and promote Higher Vocational Education and Training pathways and do so in a way that makes sense in the context of its education and training system. Learning pathways in the EU should also become more permeable to make it easier for students to combine and/or move between different forms of education and training.

- Foster the role of sectoral social dialogue to ensure a more relevant use of the available resources in the interest of employers and workers. Financial incentives and other forms of investment pooling can also play a positive role, particularly for SMEs, which struggle to find the resources and expertise needed to embrace digitalisation. Employers need to be better involved in the design and delivery of education and training curricula so as to better align them with the real needs of industry. Sectoral social partners can also play an important role in changing mindsets in society and campaign to promote the benefits of a "life-long-learning culture", in the shared interest and responsibility of employers and workers.

- Promote labour mobility across Europe and within the Member States: Freedom of movement of workers plays a positive role

in addressing growing labour shortages. Mobility of workers, researchers and talent, in full respect of Directive 2005/36/EC on the recognition of professional qualifications, as revised by Directive 2013/55/EC, is crucial for the future of industry by ensuring a better match between people and job vacancies. This should be accompanied by measures to encourage circular mobility to maximise the benefits of mobility for countries of origin and destination.

- Develop a renewed EU policy framework for third-country legal migration: Legal migration can play an important role to reduce the impact of labour shortages on businesses. Employers call on the European Commission and on Member States to renew the European policy framework for legal migration. In the current context, a broad-based approach to third-country economic migration is needed, across skills levels. To be supported, the EU's future legal migration framework needs to respect national competences when it comes to the terms and volume of admission of the third country nationals. The Commission should also consider ways in which a better understanding of third country qualifications could be achieved for Member States and employers, including, inter alia, in relation to the European Qualifications Framework.

Finally, employers called on European policy initiatives to be better coordinated with social partners in order to meet the real needs and EU financial resources to be better targeted at education and training.

See the joint statement on the FIEC website: www.fiec.eu **ce**



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