



Labour and skills shortages in the EU

Policy panel “Labour shortages a problem everywhere?”

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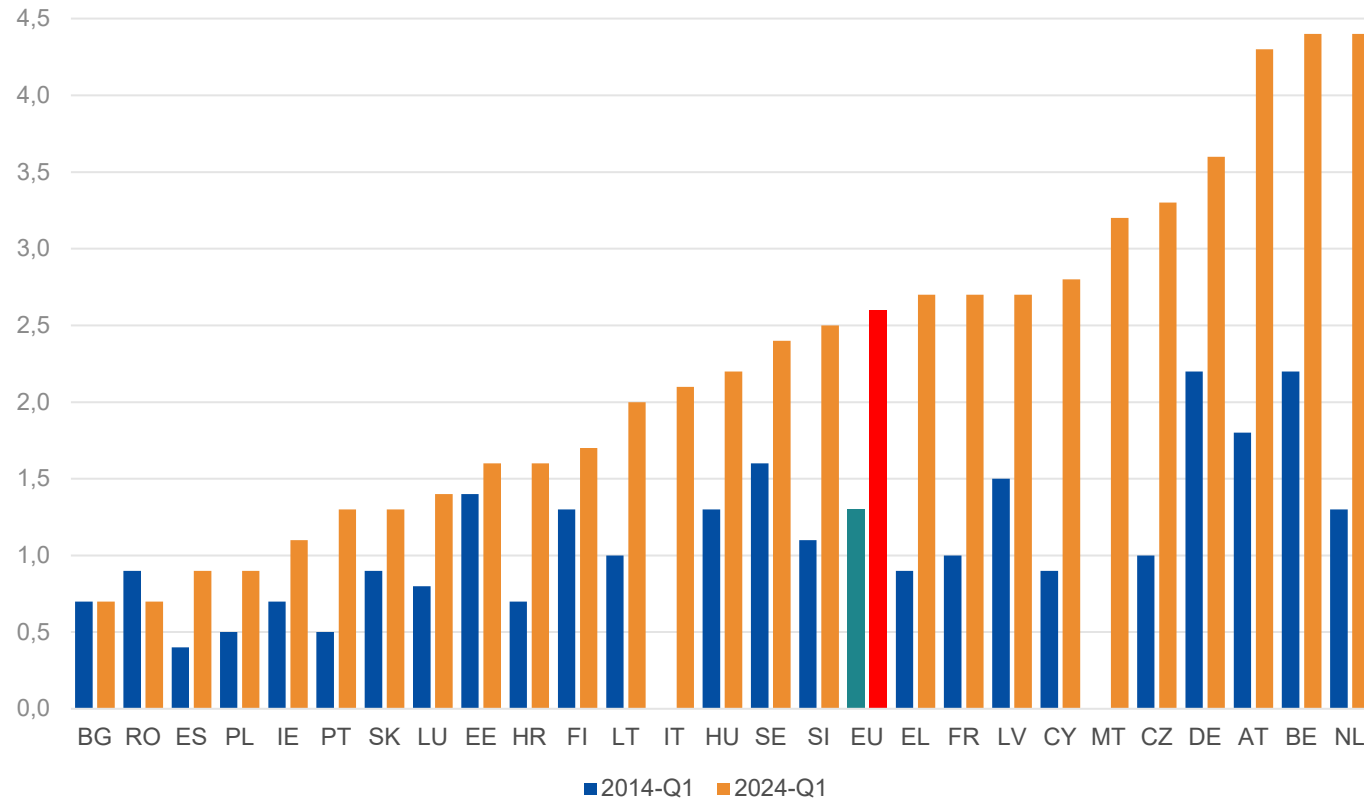
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Labour and skills shortages: the challenge

Decade-long rise in labour shortages in almost all Member States

Job vacancy rate – Q1 2014 vs Q1 2024



Note: Data missing for Denmark and for Q1 2014 for IT and MT.

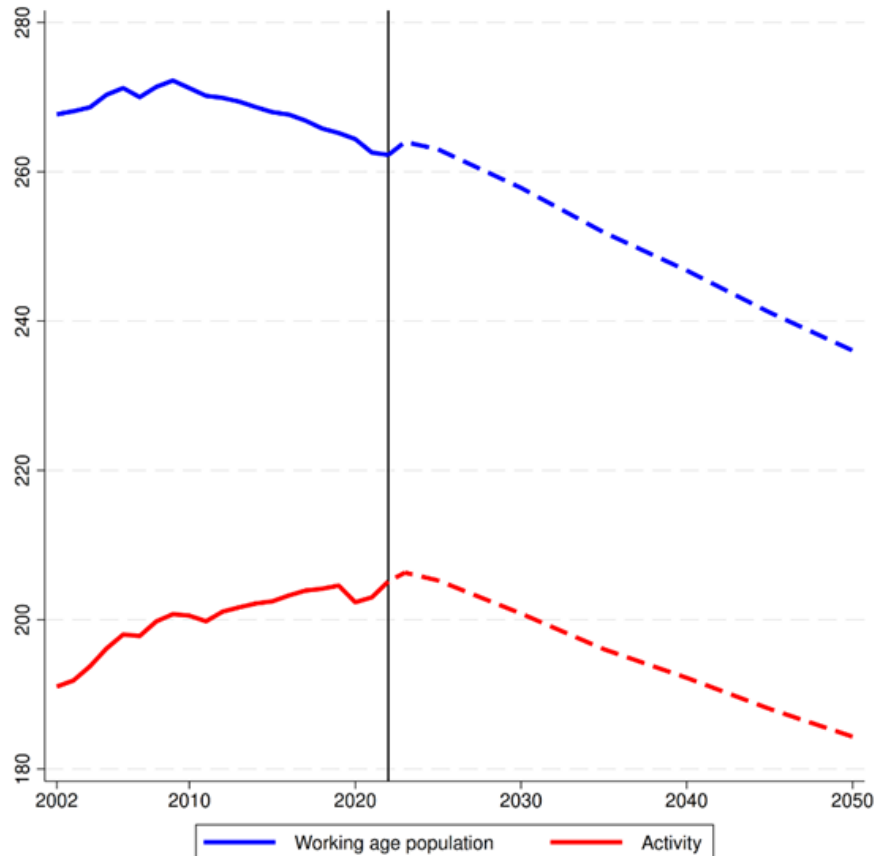
Source: Eurostat dataset jvs_q_nace2.

Entails risks for:

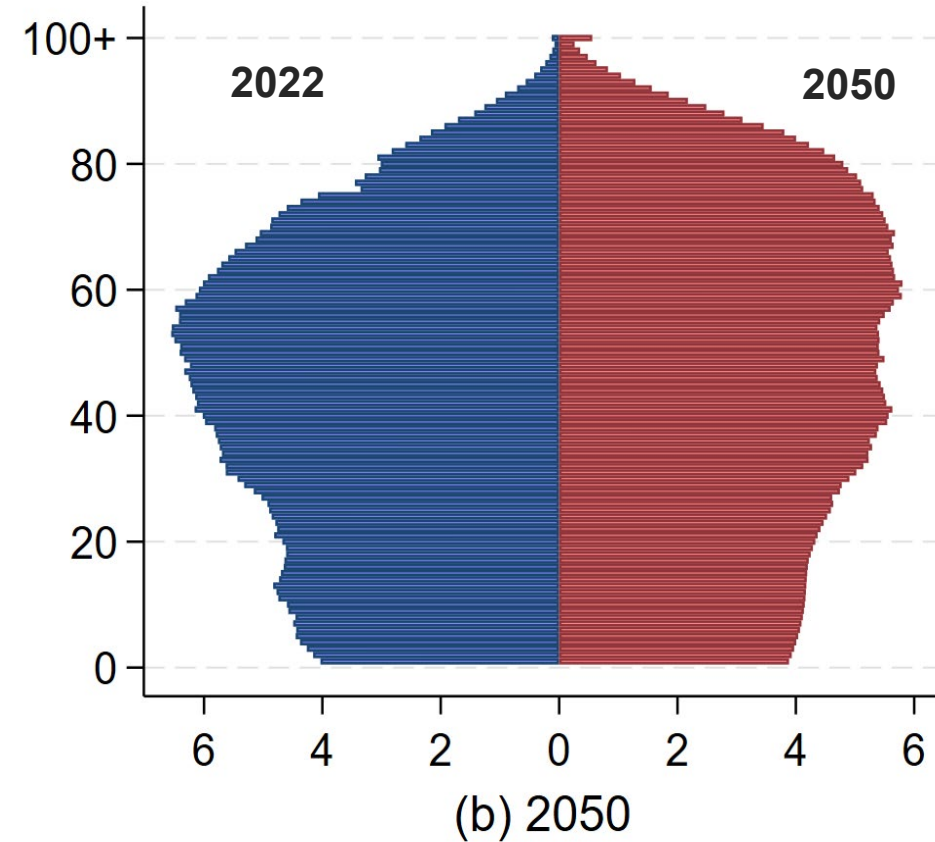
- Business activity and investments of companies
- EU growth and competitiveness
- The green and digital transition
- Job strain

(1) Demographic change is a key driver of labour shortages

Working age population and activity are expected to decrease in the coming decades



Population pyramid, EU, 2022 and 2050

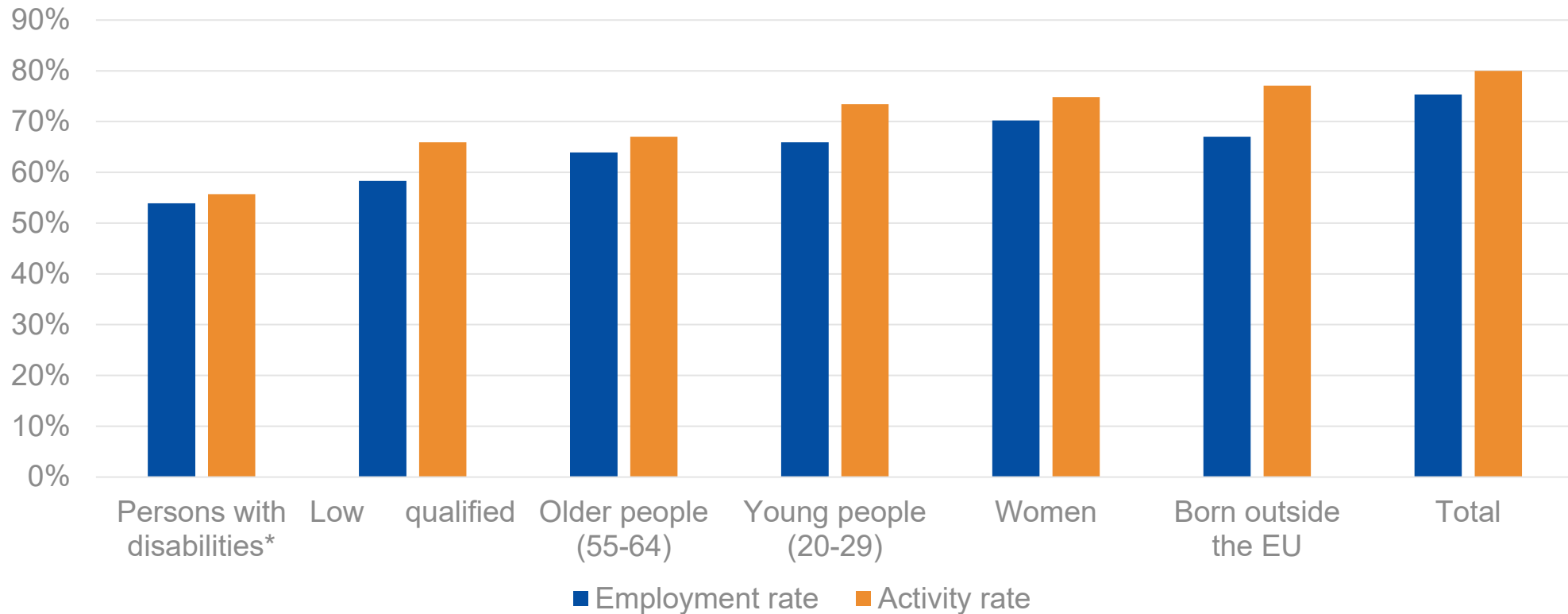


3 Source: DG EMPL calculations, based on Eurostat and OECD data, and EUROPOP2023 population projections.

Source: Eurostat, EUROPOP2023 population projections

(2) Some groups underrepresented in the EU labour market

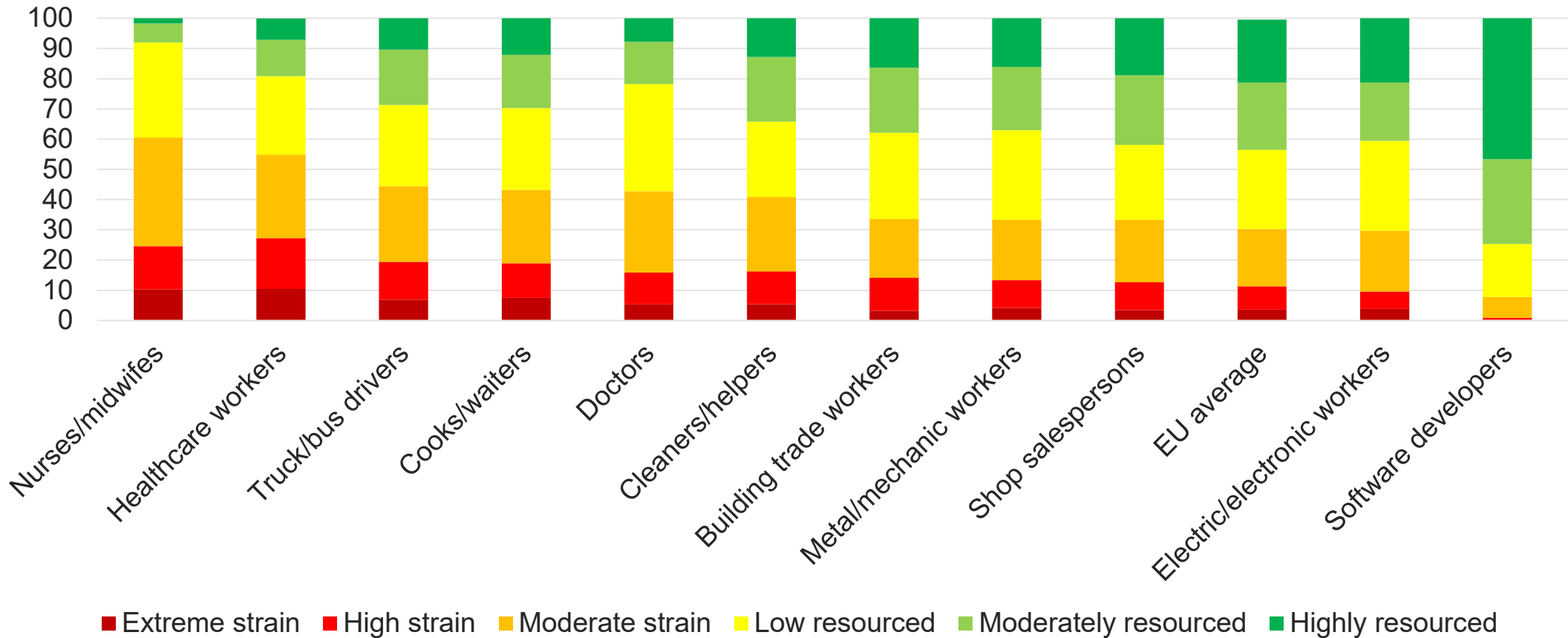
Employment and activity rates by population group in the EU
(2023, age 20-64)



(3) Poor working conditions

Job strain is highest for health, residential care, and transport workers

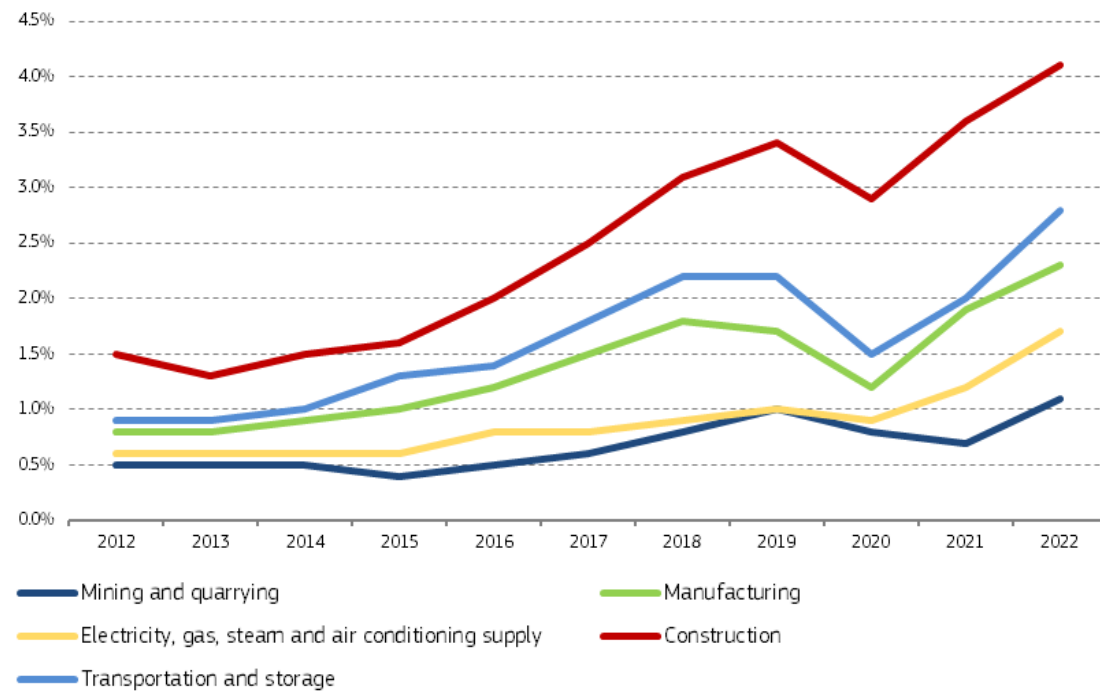
Job quality index (%), by subsector, EU-27



(4) Structural drivers – changes in skills needs

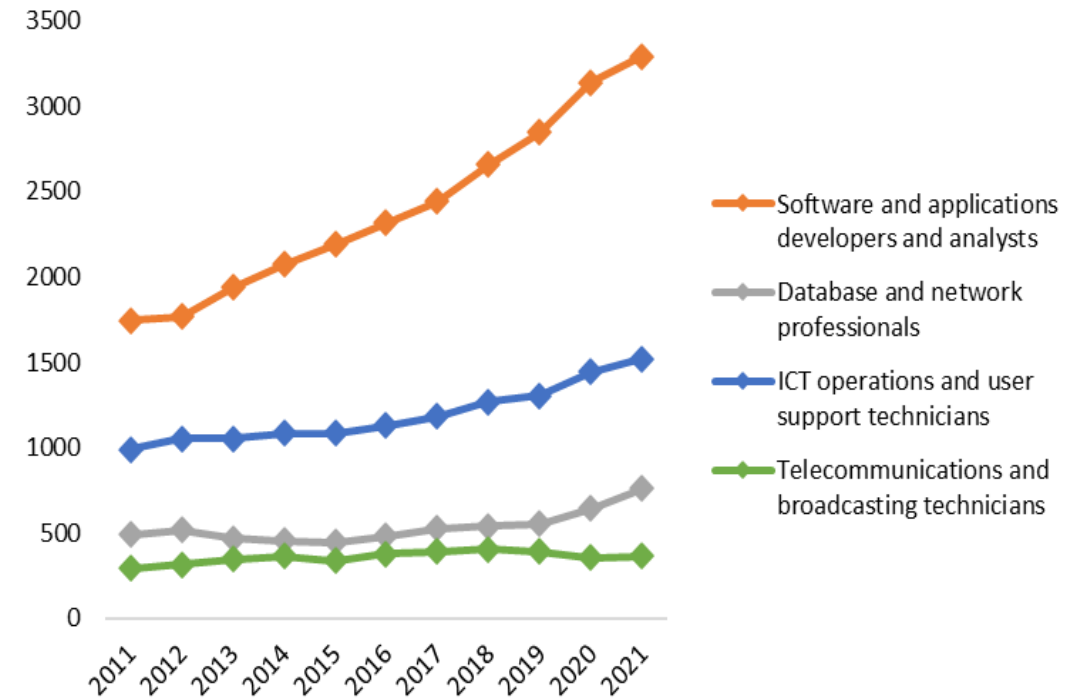
Labour shortages are growing in green transition sectors

Job vacancy rate in transformation sectors (NACE 1-digit), 2012-2022, EU-27



Rising employment in ICT occupations since 2011

Number of workers employed in ICT occupations over time (thousands), EU



6 Source: DG EMPL calculations, based on Eurostat dataset jvs_a_rate_r2.

Source: DG EMPL calculations, based on Eurostat and OECD data, and EUROPOP2023 population projections.

Further information:

Action Plan on labour and skills shortages in the EU

Employment and Social Developments in the EU 2023



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Policies to address labour and skills shortages

Ongoing and future actions in **five policy areas**:



Support the activation for under-represented people



Provide support for skills, training and education



Improve working conditions



Improve fair intra-EU mobility for workers and learners



Attract talent from outside the EU

Selected EU initiatives address labour and skills shortages

Activation:

- Reinforced Youth Guarantee
- ALMA initiative
- Gender Equality Strategy
- Recommendation on early childhood education and care
- European Care Strategy

Skills:

- 2020 European Skills Agenda
- Pact for Skills
- Blueprint Skills Alliances
- Net Zero Industry Academies

Working conditions:

- Directive on minimum wages
- EU strategic framework on OSH 21-27
- Directive on platform work
- Recommendation on minimum income

Labour mobility:

- European Labour Authority
- EURES and Europass

Legal migration:

- Skills and Talent Mobility package, EU Talent Pool

Examples of further EU actions

(Action Plan on labour and skills shortages in the EU)

Activation:

- New projects under ESF+ on activating NEETs and zero long-term unemployment
- Studies on pension reforms, sick leave policies and involuntary part-time work

Skills:

- New sectoral and regional skills partnerships, Centres of Vocational Excellence
- New declaration on VET
- Improving skills intelligence and data availability on labour shortages

Working conditions:

- Initiative on telework and the right to disconnect
- Studies on the impact of digitalisation, automation and AI

Labour mobility:

- Posted workers (electronic declarations and remuneration)
- Work on recognition of qualification and validation of skills in the EU

Legal migration:

- Establishment of the EU Talent Pool