



Commission sets out actions to tackle labour and skills shortages

Brussels, 20 March 2024

Today, the Commission has presented an action plan to tackle labour and skills shortages and proposes to work together with Member States and social partners to address these issues over the coming months and years. The action plan is part of the EU's strategy to boost its competitiveness and enhance its economic and social resilience.

For almost a decade, labour and skills shortages have been increasing in all Member States. These shortages are driven by demographic shifts, the demand for new skills linked to technological developments and the twin transitions, the drive to develop further our own industrial sectors, defence and security needs, and challenges related to working conditions in some sectors and locations. The Commission has identified 42 'shortage' occupations, with some differences across the Member States.

The action plan is also a key deliverable of the [European Year of Skills](#). It builds on the many policy and funding measures already in place at EU level, such as the [Pact for Skills](#) – which has so far provided training to 3.5 million workers –, the 2030 employment and skills targets endorsed at the Porto Social Summit, the adequate minimum wages and platform work directives, and the €65 billion in EU funds available to invest in skills.

The action plan is a follow up to the [Val Duchesse Social Partners Summit](#) of January 2024 and the Commission has come forward with it, in cooperation with social partners, whose role is crucial to implement solutions to address these challenges. The plan sets out actions in five areas to be implemented swiftly at the EU, national, and social-partners' level:

- **Supporting the activation of underrepresented people in the labour market**
- **Providing support for skills development, training and education**
- **Improving working conditions in certain sectors**
- **Improving fair intra-EU mobility for workers and learners**
- **Attracting talent from outside the EU**

Addressing labour and skills shortages is crucial in boosting sustainable economic growth in the EU, seize the opportunities of the green and digital transitions, foster the creation of quality jobs, increase our economic and social resilience in the face of geopolitical shifts, and ensure sufficient funding for employment and social policies in the EU.

Examples of actions

The Commission will:

- finance new projects on **zero long-term unemployment**
- finance new projects on activating and upskilling young people not in employment, education or training (**NEETs**)
- co-finance more **Centres of Vocational Excellence** with a target of at least 100 new ones by 2027
- set up **new skills partnerships** under the Pact for Skills
- improve **skills intelligence** – mapping what the skills needs are of today and the future – in close coordination with EU agencies
- analyse **sick leave policies** to identify best practices for workers and businesses
- evaluate the **impact of pension reforms** introducing more opportunities for flexible retirement and for combining pension income with a salary
- peer review national approaches to address **psychosocial risks** at work

Member States are invited to:

- revise **education and training curricula** to better meet the labour market needs
- pursue **benefit reforms** that address pockets of inactivity and provide sufficient support for those who can work to gradually return to the labour market
- pursue **tax reforms** that reduce the tax wedge for second wage earners and low-income earners
- further support the **digitalisation of social security** coordination to facilitate fair labour mobility
- swiftly adopt and implement **Council Recommendation 'Europe on the move – learning mobility opportunities for everyone'**
- further **engage in talent partnerships** to enhance legal migration pathways

Social partners intend to:

- address **poor working conditions through collective bargaining** in the sectors characterised by inadequate working conditions
- help to activate **underrepresented groups** and find adapted solutions to promote the **employment of older workers**
- support **apprenticeships**, and partnerships between vocational education and training (VET) providers and employers
- train **long-term care workers** on more person-centred care and digitalisation
- update the multi-sectoral guidelines to tackle violence and harassment in the **healthcare sector**
- work together towards a European framework to improve working conditions for **third-country professional drivers**
- contribute with their expertise to setting up the **EU Talent Pool** to attract talent from third countries

Next steps

The Commission will monitor progress in implementing this action plan in the framework of the [European Semester](#). In addition, the Commission will invite Member States in the Employment Committee and the Social Protection Committee to have regular tripartite exchanges on this issue, with the participation of European and national social partners.

Background

Labour and skills shortages are expected to continue rising over the coming decades, predominantly thanks to demographic change and the increase in the demand for workers with specific skills, for instance required for the digital and green transitions. Nearly two thirds (63%) of small and medium-sized businesses said in a recent [Eurobarometer survey](#) that they cannot find the talent they need. By 2030, 3.5 million new jobs are expected to be created in renewable energy sectors alone. In addition, the Commission identified [42 occupations](#) that it considers as [EU-wide shortage occupations](#). At the same time, 21% of people aged 20-64 in the EU are currently inactive and require targeted assistance to enter the labour market.

Investment in people's skills helps to tackle labour shortages, master the green and digital transitions, and ensure Europe's future competitiveness. In this light, 2024 is marked as the [European Year of Skills](#), an initiative that aims to help people to get the right skills for quality jobs and support companies in addressing skills shortages in the EU.

The action plan on skills and labour shortages is a concrete next step which contributes to this aim. It was announced at the [Val Duchesse Social Partners Summit](#), convened by President von der Leyen and the Belgian Presidency of the Council of the EU, on 31 January, following its announcement in the [2023 SOTEU address](#). The plan builds on various initiatives already in place at EU and Member States level, as well as by social partners who have been consulted on the plan. It furthermore builds on initiatives of the [European Pillar of Social Rights Action Plan](#), policy guidance in the framework of the [European Semester](#) and EU funding support. Implementing this action plan is crucial for achieving the [2030 EU headline targets](#) on skills and employment, aiming for 78% of employment and 60% adult participation in yearly training.

The EU is investing around €65 billion in skills programmes, notably via the [Recovery and Resilience Facility \(RRF\)](#) and [European Social Fund Plus \(ESF+\)](#).

For More Information

[Factsheet: Action Plan on labour and skills shortages in the EU](#)

[Communication: Action Plan on labour and skills shortages in the EU](#)

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Quotes:

"We are facing a critical shortfall of talent in Europe that we are addressing today. Nearly two-thirds of Europe's 25 million SMEs say they cannot find the right workers with the right skills. To fill this pressing need across various sectors and levels, today we are proposing to work together with Member States and social partners to bring more people into the labour market, support skills development and better working conditions, as well as attract skilled talent from outside the EU. At the same time, we want to promote greater internal mobility within the EU's labour market, while preserving workers' rights and regional development. Our ability to stay competitive and advance our economic and social resilience depends on tackling these challenges head-on."

Valdis Dombrovskis, Executive Vice-President for an Economy that Works for People - 20/03/2024

"Labour and skills shortages are becoming endemic and addressing them now is a must-do to preserve our resilience. With today's Plan, we push for concrete delivery of actions to unlock the EU's growth potential, support its competitiveness, and provide better opportunities for all. And we are not alone, this time we are joining efforts with social partners and Member States to ensure tangible results."

Margaritis Schinas, Vice-President for Promoting our European Way of Life - 20/03/2024

"Europe's labour market is at a crossroads: businesses are struggling to find workers to fill their vacancies, which is holding them back. We have an opportunity to bring more people onto the labour market, prepare them for the jobs in demand, and to boost Europe's competitiveness. This Commission has introduced several measures to increase training, improve working conditions, and empower social partners, but more can and should be done. With everybody's commitment, we can turn a corner on skills and labour shortages, and build an economy that works for people."

Nicolas Schmit, Commissioner for Jobs and Social Rights - 20/03/2024

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