

PES Network Memorandum for the next European leadership

European Network of Public
Employment Services

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After showing resilience throughout recent crises, European labour markets are now under pressure. Labour and skills shortages have become structural. The EU risks having insufficient workers to live up to its commitments: reach climate neutrality by 2050, and use new technology to its benefit. Aging population and growing labour demands will aggravate this problem. Yet many potential workers are long-term unemployed or remain out of the labour force. Inequalities regarding access to training and decent jobs have become more visible, and many workers are now at risk of becoming unemployed as their jobs disappear and their skills become obsolete.

Public Employment Services' (PES) daily experience supporting jobseekers and employers has shown that without adequate policies and investments to manage the triple – green, demographic and digital – transitions, Europe's labour markets could face more shortages and unemployment. Thus, to reach the EU 2030 targets – to have at least 60% of adults in training every year, and at least 78% in employment – more new and interconnected efforts are key. Through the following proposals, PES Network members are sharing their experiences and calling the next EU leadership into action.

Tackle skills and labour shortages upfront and include all talents in the labour market:

- **Declare the European Decade of Skills:** Develop new initiatives, strengthen coordination and partnerships between education and labour market actors. Launch an awareness raising campaign to highlight how crucial a skilled workforce is, and call upon all actors to contribute to upskilling and reskilling. Accelerate the shift towards “skills-first” approaches to facilitate recruitment of job seekers who have useful skills for the labour market but lack certification proving them.
- **Step-up collection and analysis of labour market intelligence:** Build on the work done by the PES Network to harmonise definitions and develop a common EU standard for measuring shortages and a common definition of skills for the green transition. Further stimulate and improve cooperation and synergies between Member States as well as relevant EU actors working on shortages.
- **Further investigate a ‘right to training for all’** with attention to young people in a NEET² situation, low skilled workers, older workers and other vulnerable or inactive groups. Focus on life-long learning, career guidance, PES-employer cooperation and flexible, personalised training pathways to meet different client needs and address the green, demographic and digital transitions.
- **Support PES’ involvement in fair recruitment of EU and third-country nationals:** When vacancies can't be filled by national and EU citizens only, recruiting third-country nationals is a solution. Involve PES in the creation and implementation of the Talent Pool³ to ensure it meets their needs and is complementary to existing mobility instruments such as EURES. Support Member States that want to set up joint partnerships to recruit third-country nationals and develop mechanisms to avoid brain drain. Establish close cooperation with other services and governmental bodies for sustainable integration into society. To improve access to quality jobs for both EU and third-country nationals, further simplify and, where possible, automate recognition of qualifications.

Make full use of EU instruments to manage the triple transitions in a fair way:

- **Ensure a strong commitment to employment and skills in the future multi-annual financial framework** through dedicated funds. To achieve a fair green, demographic and digital transition, focus on measures that prevent shortages in key sectors, that temporarily protect employment during forced and unplannable work interruptions, and that support work-to-work transitions and employment of vulnerable workers or job seekers.
- **Provide a clear framework for skills, employment and active labour market policies** that builds on existing Council Recommendations and guidelines to enhance coherence of policy instruments, and their coordination, effective implementation, and evaluation.

² NEETS are young persons who are “Not in Education, Employment, or Training”.

³ See further information at: https://ec.europa.eu/commission/presscorner/detail/en/ip_23_5740

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- **Endorse testing of new ways to support activation and employment of groups currently underrepresented in the labour market**, including older workers, third country nationals, single parents, and persons with disability. For instance, support programs that allow them to acquire new skills and work experience, alleviate barriers via holistic approaches⁴ and intergovernmental coordination and create more job opportunities by involving employers. Provide funding, stimulate stakeholders and cross-country cooperation, mutual learning and identification of good practices.

Use data and technology for more inclusive labour markets and services:

- **Set common European quality and ethical standards on the use of Artificial Intelligence for labour market purposes**, following the principles of the AI Act and the GDPR.
- **Pilot an open-source digital space for PES** who wish to exchange expertise, pool resources, cooperate on digital (profiling and matching) tools, or share reusable components of IT solutions in a safe way such as data sets, API's⁵ and algorithms. Support partnerships with tech companies, research institutes, universities and international organisations.
- **Enhance applied research to use technology for the inclusion of vulnerable groups in the labour market**, for instance to remove barriers and make jobs more accessible for persons with low (digital) literacy, with disability, learning difficulty, etc. Also launch a foresight study to understand how specific groups wish to interact with PES, using digital and other channels.

How the PES Network can further support EU employment policies:

Since 2014 the PES Network has been contributing to the implementation of EU employment policies and the improvement of PES service delivery. With the upcoming evaluation of the Decision⁶ establishing the network, its members are looking forward to pursuing their work on the long term and further develop the cooperation between PES, with EU institutions and relevant stakeholders.

Continuing on the long-term perspective, the network anticipates that labour market challenges will become increasingly interconnected with other policy domains such as environmental, health, social and foreign affairs. Developing effective policies at the crossroads of those different challenges will be an important task for future governments and PES. Therefore, we also want to encourage the EU to continue promoting high level research into complex labour market issues. As the PES Network, we are eager to learn from their results and use them to help PES become even more future proofed.

4 Addressing all the barriers to employment that the person encounters, including for instance housing, health, and childcare.

5 API = Application Programming Interface.

6 Decision No 573/2014/EU of the European Parliament and of the Council of 15 May 2014 on enhanced cooperation between Public Employment Services (PES); amended in 2020. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014D0573-20210101>