



Labour and skills shortages in the EU: an action plan

Navigating the future: Challenges and opportunities of longevity in Europe

Session 3: Transforming labour markets for longevity:

Balancing participation, learning and equity

27 June 2024

Anita Halasz

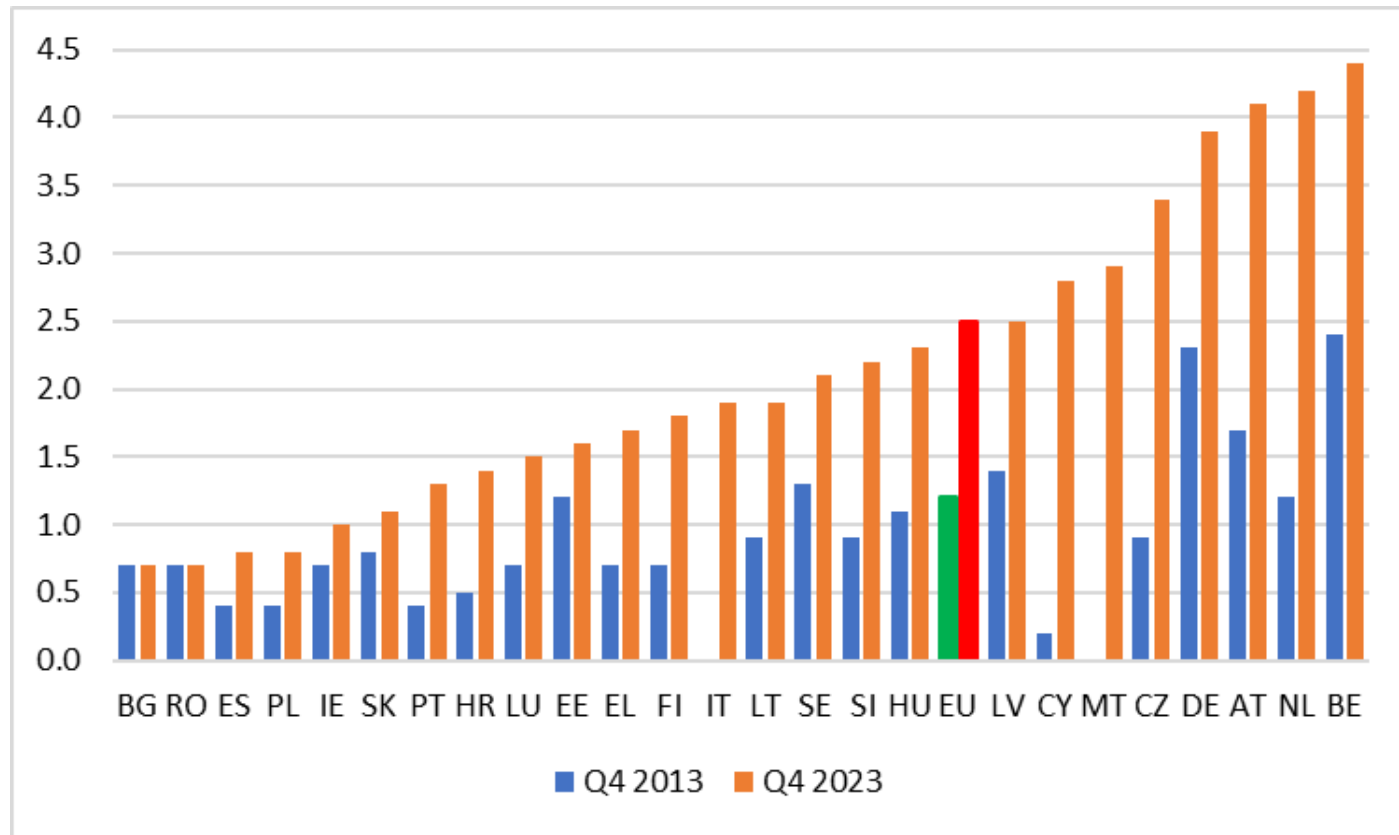
Unit F2 – Labour Market and Wages, Eurofound

European Commission, DG Employment, Social Affairs and Inclusion

Labour and skills shortages: the challenge

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

Job vacancy rate - Q4 2013 vs Q4 2023



Note: Data are not available for Denmark and France.

Source: Eurostat dataset jvs_q_nace2.

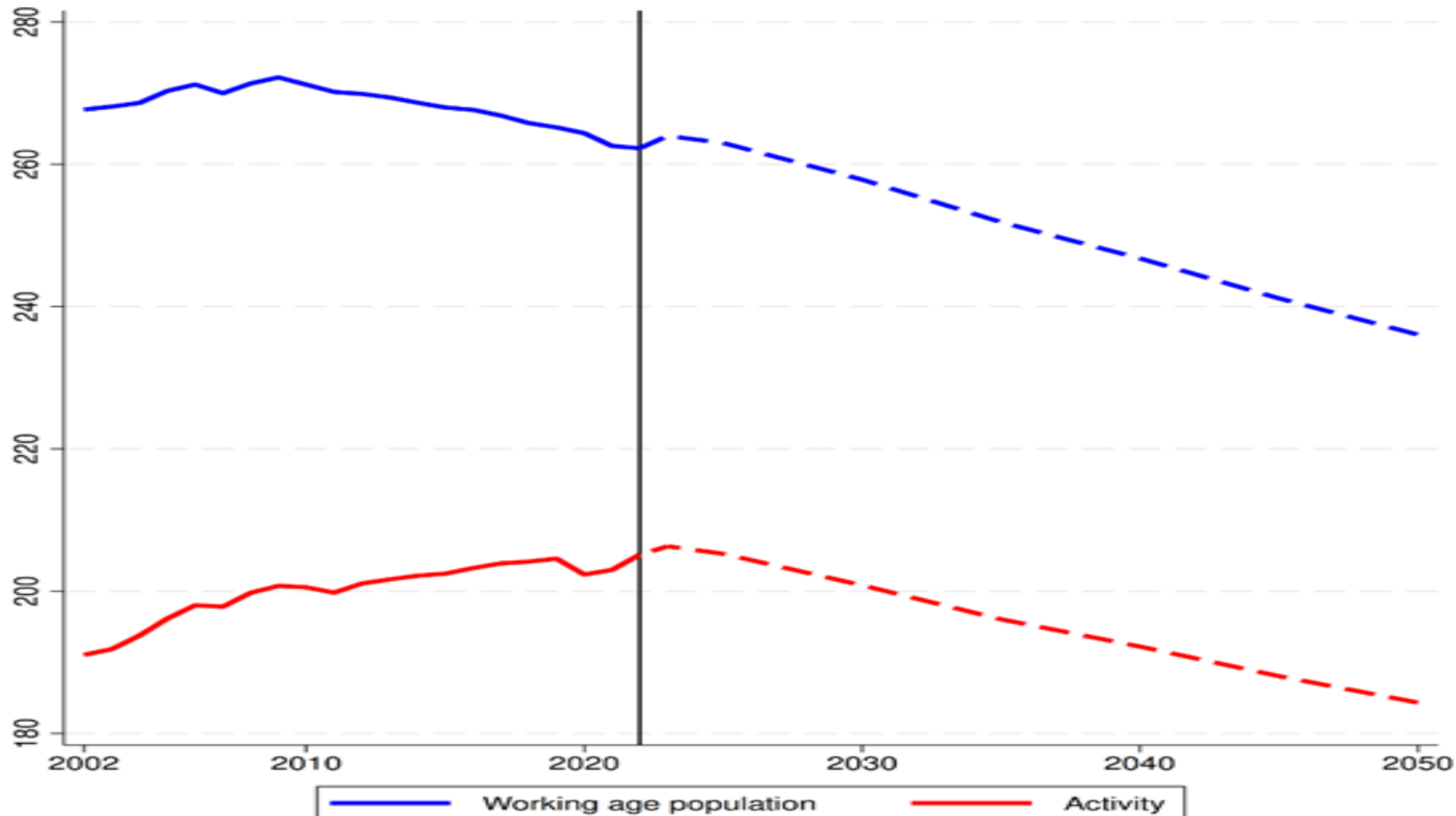
Major risk for:

- EU growth and competitiveness
- twin transition
- social cohesion and democracies' health
- EU security and open strategic autonomy

Follow-up to the commitment taken in the Val Duchesse Declaration

Structural drivers – demographic change

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

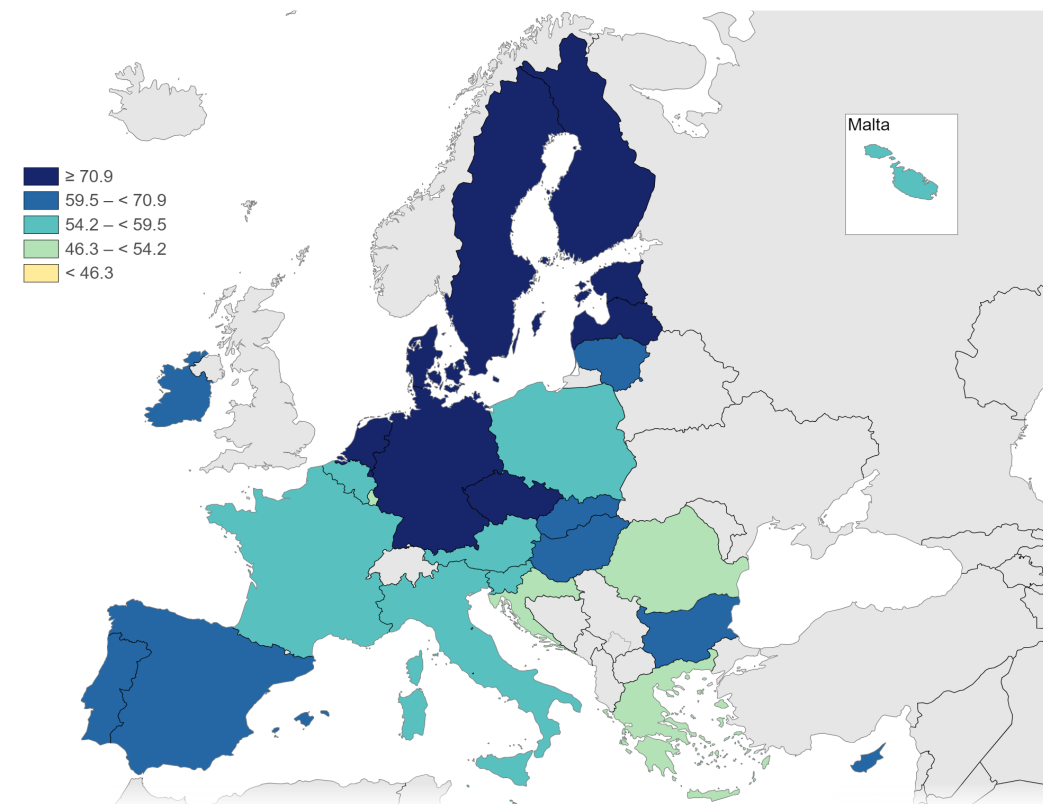


Source: DG EMPL calculations, based on Eurostat and OECD data, and EUROPOP2023 population projections.

Untapped potential for employment among older workers

- 67% activity rate
- 63.9% employment rate
 - (2023, EU, age group 55-64)
- Important differences across Member States
- Large gender gaps:
 - 12% in activity rates (2023)
 - 12.5% in employment rates (2023)
 - Gender pension gap: 26.1% (2022)

Employment rates of older workers by Member States (2023)



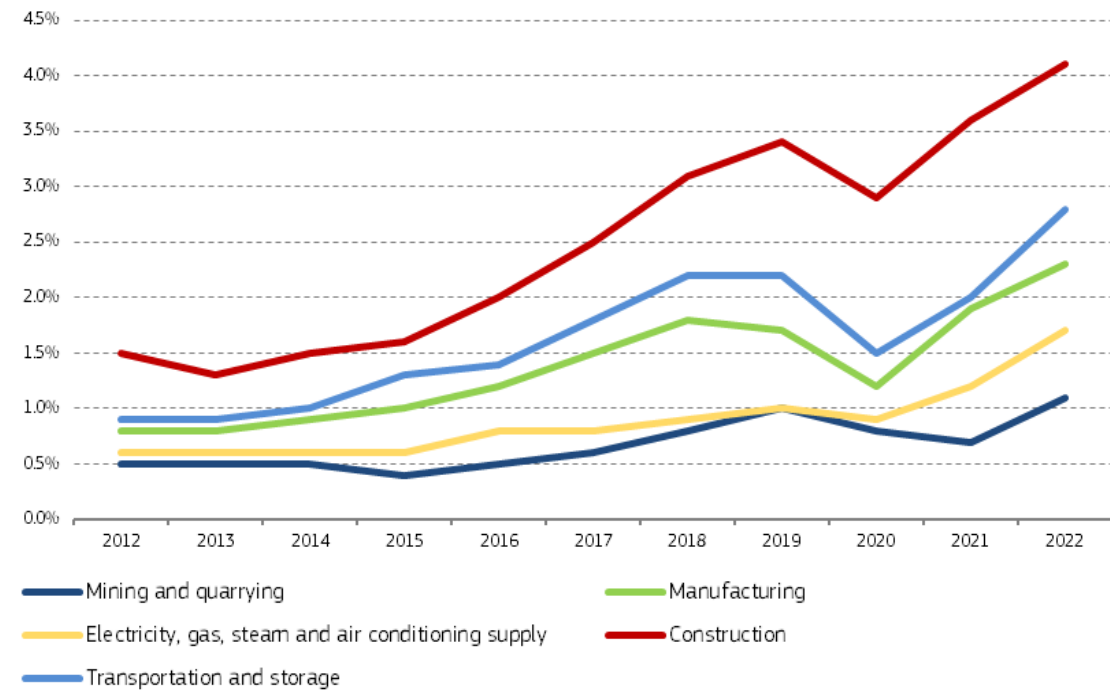
Eurostat, EU Labour Force Survey

Administrative boundaries: © EuroGeographics © UN-FAO © Turkstat
Cartography: Eurostat – IMAGE, 06/2024

Structural drivers – changes in skills needs

Labour shortages are growing in sectors relevant for the green transition and decreasing in polluting activities

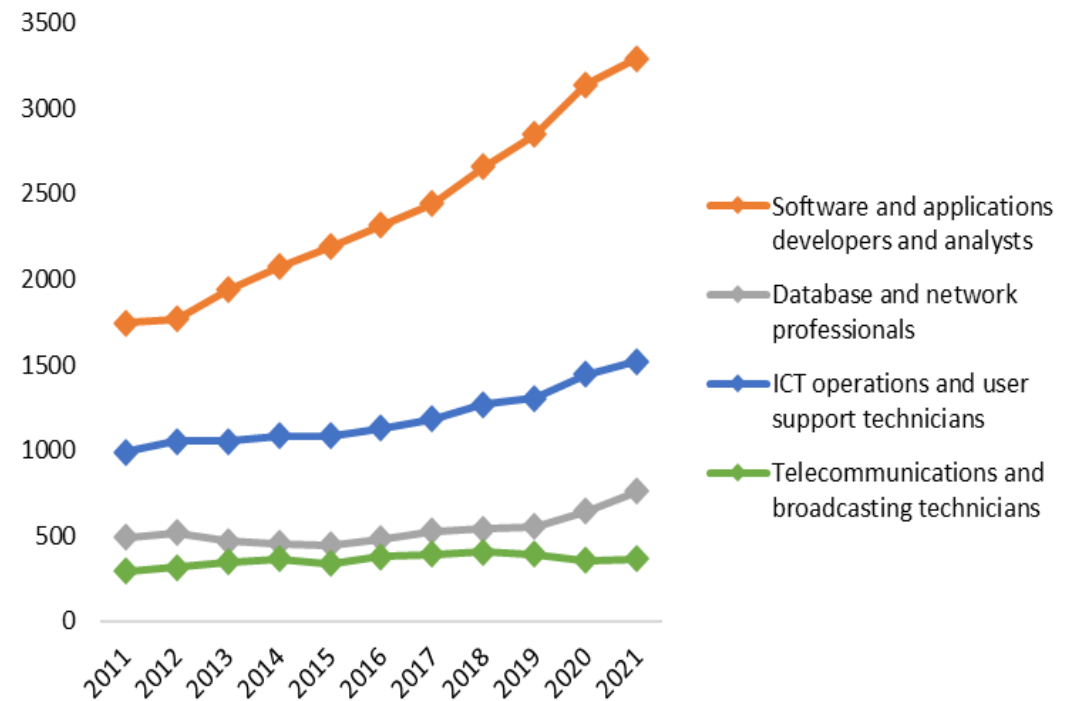
Job vacancy rate in transformation sectors (NACE 1-digit), 2012-2022, EU-27



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

Employment in ICT occupations grew since 2011

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

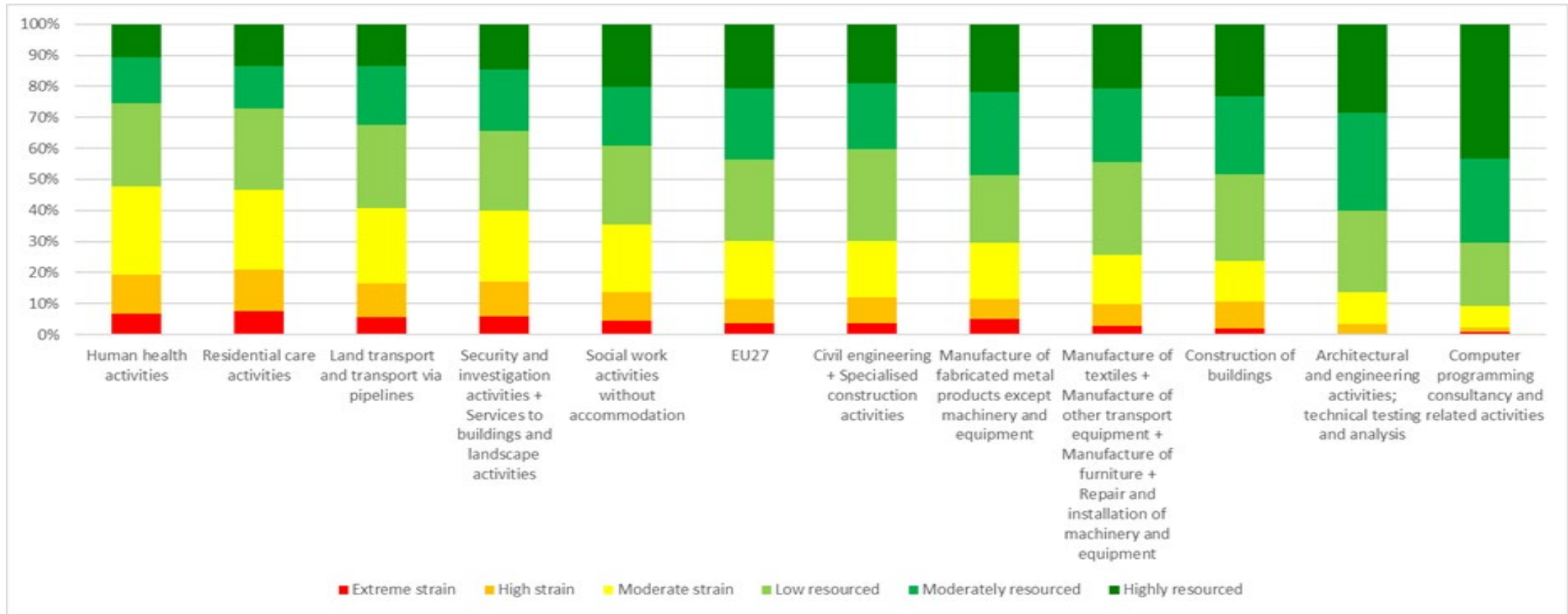


Source: DG EMPL calculations, based on Eurostat and OECD data, and EUROPOP2023 population projections.

Structural drivers – Poor working conditions

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

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



Source: Eurofound, EWCTS 2021

A comprehensive policy framework

- The **Action Plan** provides a comprehensive policy framework, which:
 - builds on existing initiatives
 - announces new EU actions
 - calls on Member States to take further action
 - welcomes social partners' commitments for action
- It covers action in **five policy areas**:



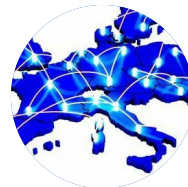
Support the
activation for
underrepresented
people



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



Activation measures for older workers

Commission actions

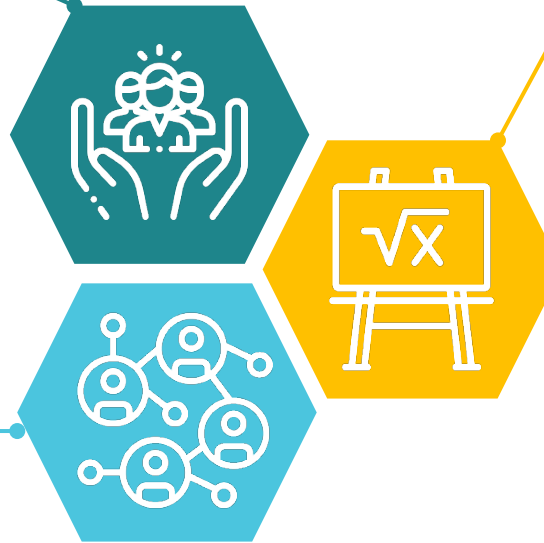
- Analyze the impact of national sick leave policies
- Evaluate the impact of flexible retirement reforms

Calls on Member States

- Ensure better coordination between ministries and public employment services
- Pursue tax and benefit reforms to improve work incentives
- Fully implement relevant EU initiatives

Social partner commitments

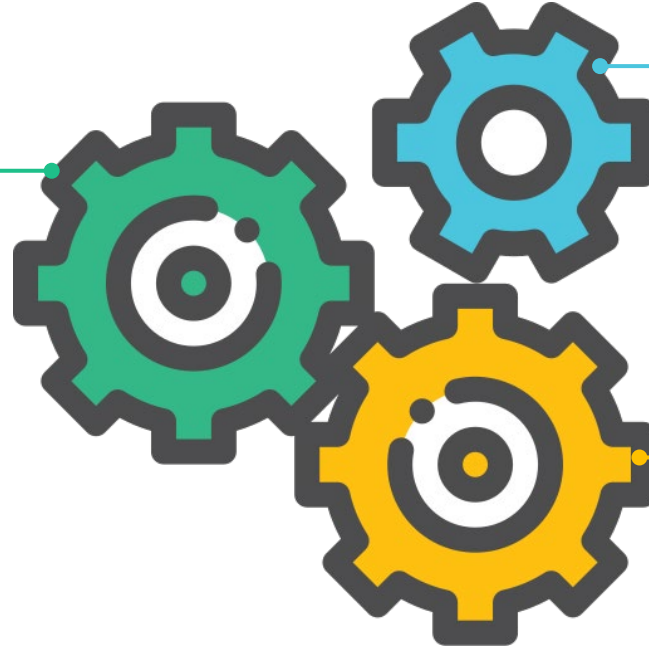
- Promote collective bargaining to find adapted solutions to promoting the employment of older workers
- Ensure that workplaces are tolerant, welcoming and accessible to all people
- Fully implement relevant EU initiatives



Monitoring the implementation of the Action Plan

Tripartite exchanges at EMCO and SPC

- To discuss progress by all actors (COM, MS and SPs)
- With the involvement of EU social partners
- In SPC, focusing on vulnerable groups and their inclusion and activation



European Semester:

- MS actions will be monitored via the Employment Guidelines, the JER and country reports
 - This will feed into relevant CSRs
-
- **Regular exchanges with the EU cross-industry and sectoral social partners** to receive updates on the implementation

Policies for the employment of older workers

- Reward longer working lives and later retirement
 - Phasing out of early retirement
 - Flexible retirement pathways
- Improve employability over the life course
 - Sustainable work practices promoting physical and mental health
 - Care policies
 - Rehabilitation after long-term sick leave and for chronic health conditions
- Encourage employers to hire and retain older workers
 - Targeted and adapted training policies an effective tool
 - Digital skills

Thank you



© European Union 2023

Unless otherwise noted the reuse of this presentation is authorised under the [CC BY 4.0](#) license. For any use or reproduction of elements that are not owned by the EU, permission may need to be sought directly from the respective right holders.

Slide **xx: element concerned**, source: [e.g. Fotolia.com](#); Slide **xx: element concerned**, source: [e.g. iStock.com](#)