



# 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

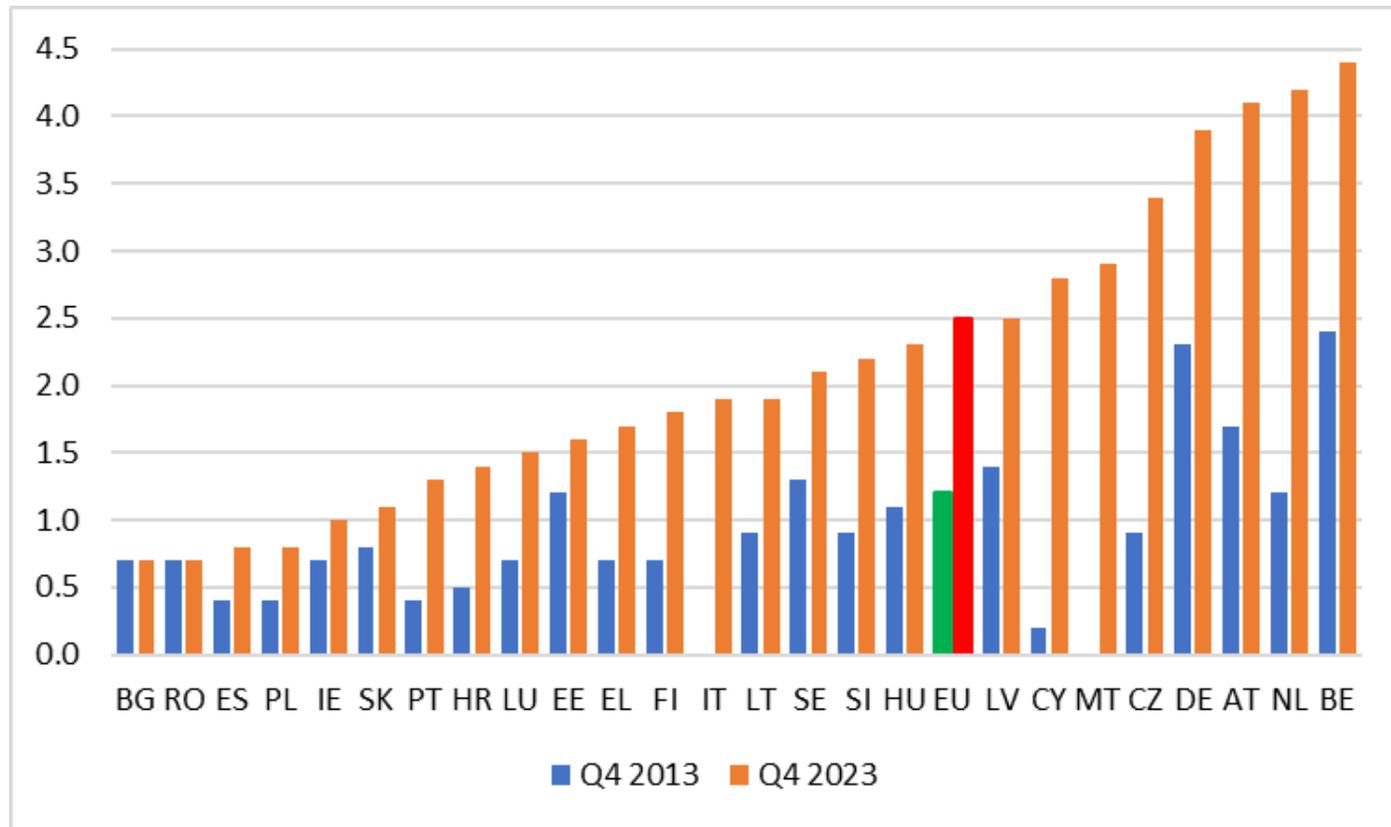
*Unit F2 – Labour Market and Wages, Eurofound*

*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.

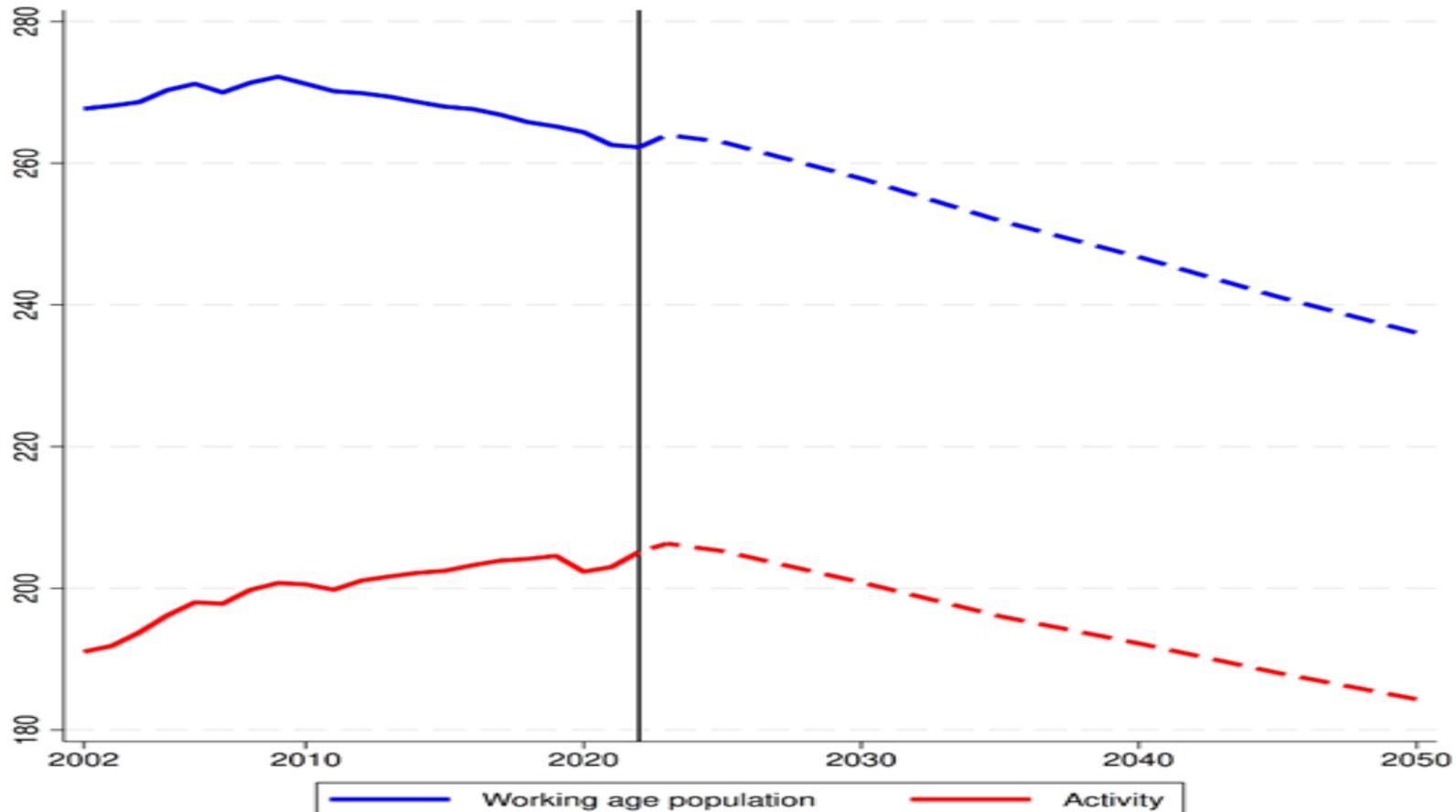
### Major risk for:

- 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

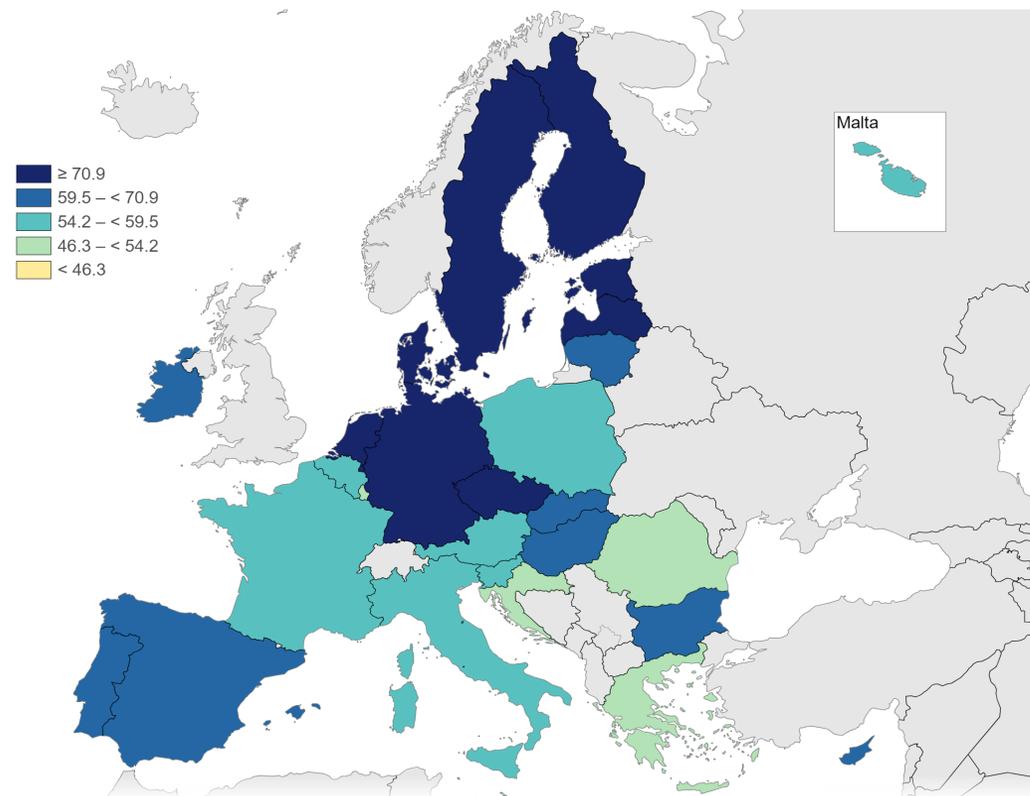


Source: DG EMPL calculations, based on Eurostat and OECD data, and EUROPOP2023 population projections.

# 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)



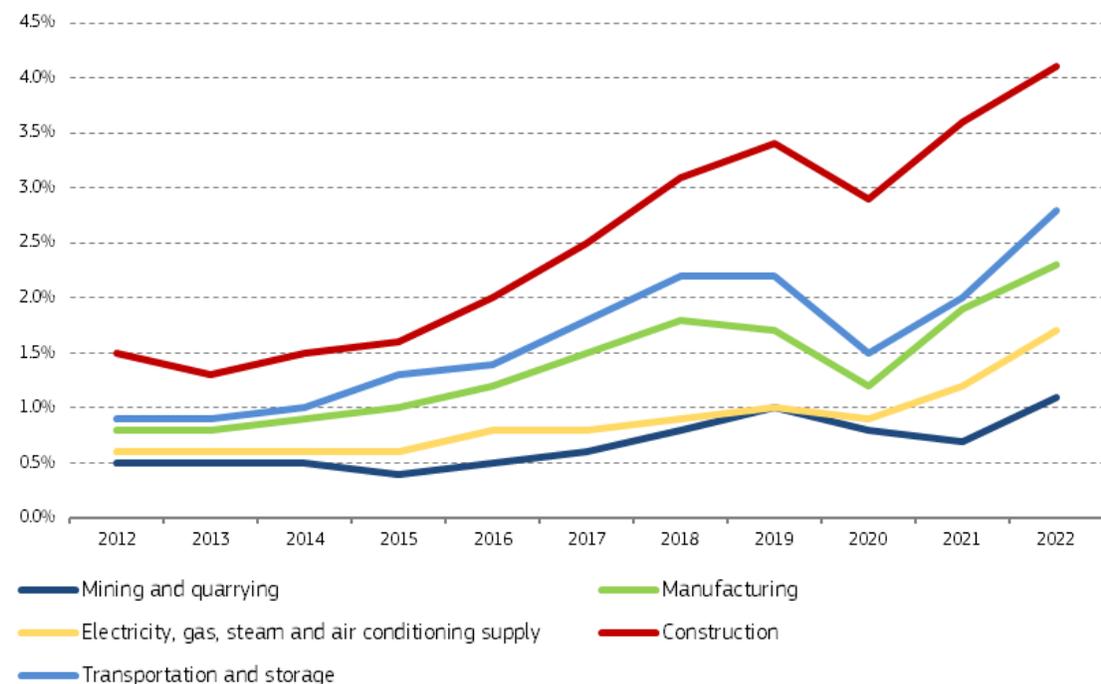
Eurostat, EU Labour Force Survey

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# Structural drivers – changes in skills needs

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

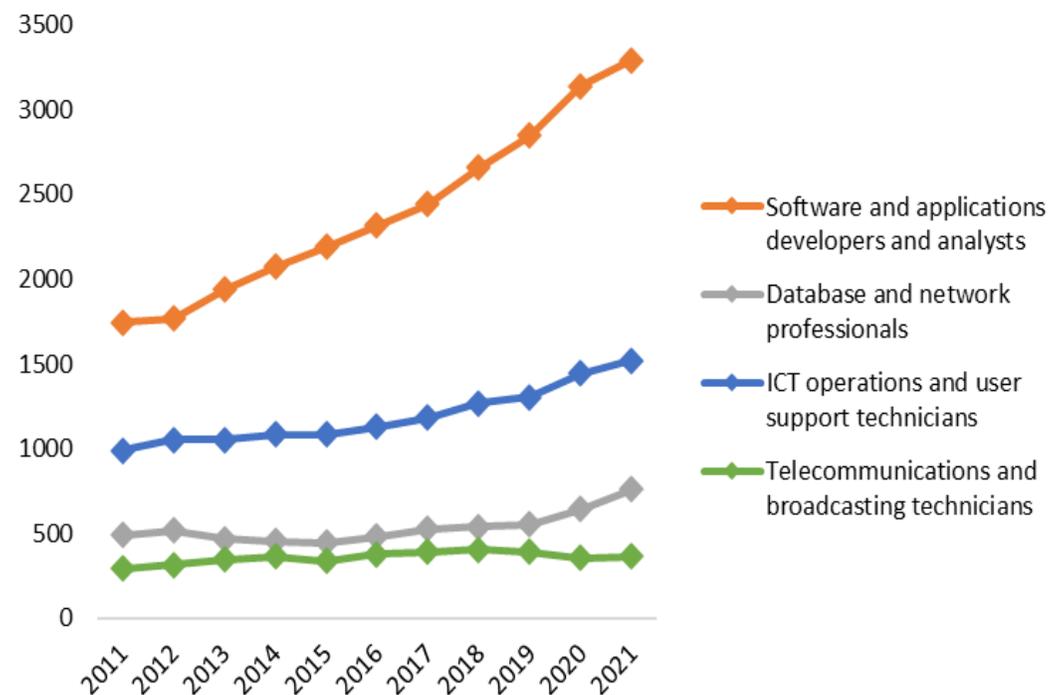
Job vacancy rate in transformation sectors (NACE 1-digit), 2012-2022, EU-27



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

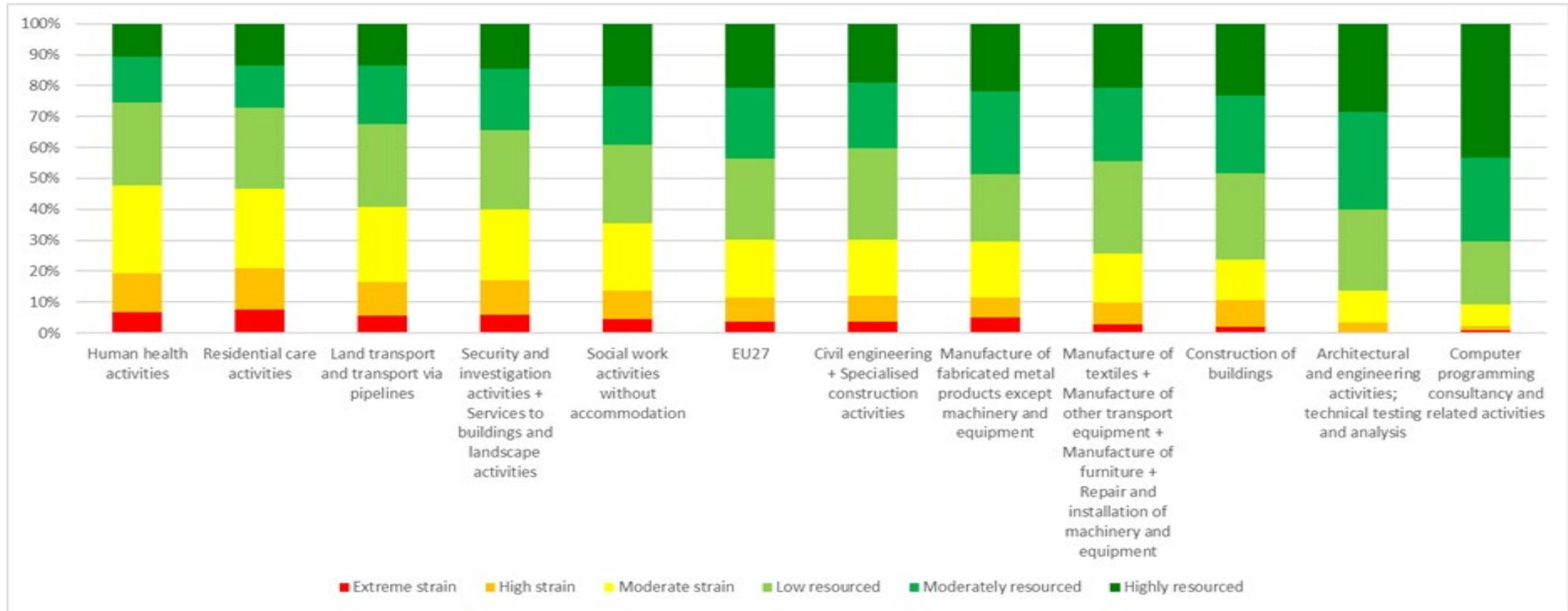


Source: DG EMPL calculations, based on Eurostat and OECD data, and EUROPOP2023 population projections.

# 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

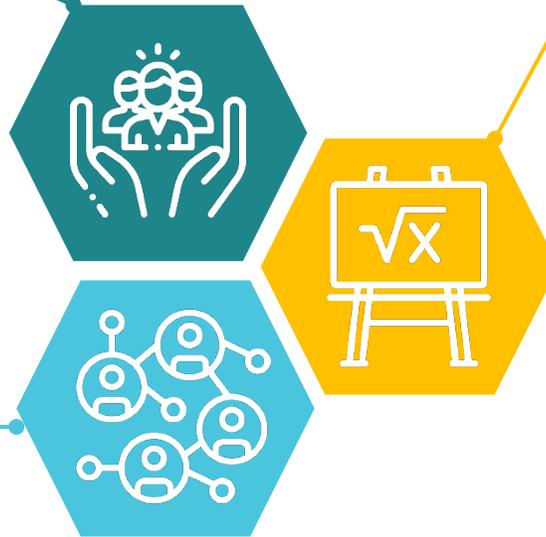
- Analyze the impact of national sick leave policies
- Evaluate the impact of flexible retirement reforms

## 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

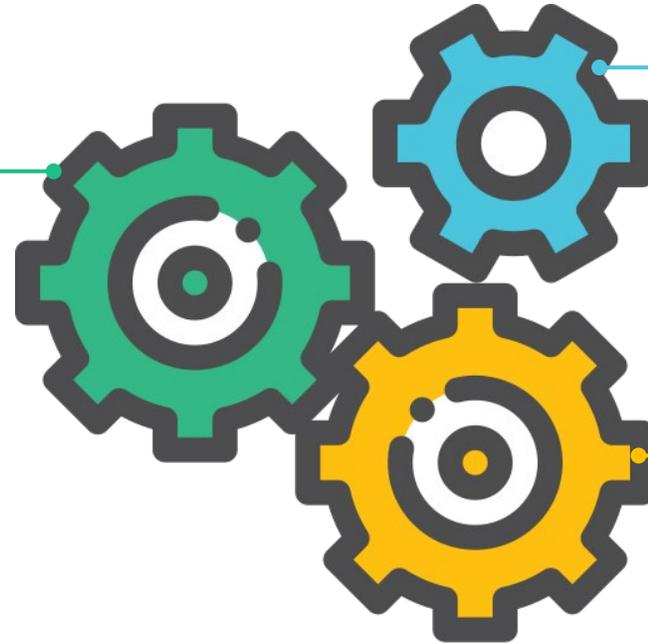
- Promote collective bargaining to find adapted solutions to promoting the employment of older workers
- Ensure that workplaces are tolerant, welcoming and accessible to all people
- Fully implement relevant EU initiatives



# 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



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