



## Communication of the European Commission - Labour and Skills Shortages in the EU, an Action Plan: An ETUC assessment

While ETUC acknowledges certain positive initiatives outlined in the European Commission's communication "Labour and Skills Shortages in the EU: An Action Plan," such as the analysis of digitalization impacts and the social partners' consultation on telework and the right to disconnect, and the initiatives on addressing psychosocial risks, on other aspects of the plan appear to fall short. Unfortunately, some elements come across as superficial attempts to address pressing labour market issues. Rather than offering substantive strategies, these aspects of the plan do not include the necessary comprehensive and ambitious solutions.

### A case for quality jobs

Despite acknowledging the critical role of working conditions in driving labour shortages, the plan falls short to propose effective measures to improve the quality of jobs. Moreover, it fails to indicate effective measures to ensure full compliance by employers with national and EU legislation as well as collective agreements, thus failing to guarantee job quality.

In identifying poor working conditions as a significant factor contributing to labour shortages, the plan correctly highlights the need for improvement of working conditions in specific occupations and sectors. However, it is disappointing that the proposed actions do not match the urgency of the situation. Particularly concerning is the timid approach to addressing involuntary part-time employment, especially among women, by guaranteeing legal rights to permanent contracts and full-time work. The proposed study represents a missed opportunity to provide for a meaningful change. The plan's proposals remain vague and insufficient to tackle the problem of discriminatory practices, unpaid domestic work, caring responsibilities, the lack of affordable and quality early childhood education and other public services (including housing, transportation, etc.).

We appreciate the Commission's decision to launch the first-step social partners' consultation concerning telework and the right to disconnect. This constitutes a recognition of the growing importance of remote work arrangements and the need to safeguard workers' well-being and work-life balance and improve working conditions also in these contexts. The ETUC has called on the European Commission to initiate swift legislative action on telework and the right to disconnect following the blocking of a European social partner agreement by employers ([see here relevant press release](#)).

Furthermore, also considering the mounting prevalence of occupational diseases caused by psychosocial factors, the Commission's plan to address psychosocial risks at work is an important step forward toward ensuring safer and healthier workplaces across the EU. ETUC is committed to actively engage in this process to guarantee a preventive and

collective approach which addresses work organisation when tackling these occupational risks. The ETUC reiterates its call to address psychosocial risks and online harassment and shaming at work through a European Directive.

While the Commission calls for the implementation of the Strategy for the Rights of Persons with Disabilities (2021-2030), it is important to take in consideration that this strategy consists of non-binding rules, highlighting the need for stronger enforcement mechanisms to ensure effective protection of the rights of workers with disabilities.

While the plan touches upon challenges faced by older workers, its description of retirement rules as a driver of labour shortages is troubling. Instead of addressing access to quality retirement options, the plan appears to promote the notion of extending working lives without adequately considering the implications for the well-being of older workers and financial security in retirement. Furthermore, the suggestion to evaluate pension reforms to allow the combination of pension and work, can potentially lead to the creation of low-quality "mini jobs," raises concerns about the erosion of labour standards and the exploitation of vulnerable workers.

Another element of concern in the plan is its treatment of sick leave policies. Rather than recognizing sick leave as a fundamental right essential for workers' health and well-being, the plan reduces it to a subject for analysis and optimization. This approach fails to uphold the rights of workers and underscores a worrying trend toward commodifying essential labour social protection.

### **Investment for quality jobs**

It is positive that there is a commitment to finance new projects aimed at addressing zero long-term unemployment; however, this alone falls short of what is truly needed. The EU should strive for a comprehensive Job Guarantee program that prioritizes investment in quality jobs. Similarly, while financing new projects to activate and upskill young people not in employment, education, or training (NEETs) is a positive step, it is imperative to strengthen the Youth Guarantee by incorporating stringent quality criteria for program participants. Also, the Commission's proposal to adopt a reinforced Quality Framework for Traineeships is promising, however, this initiative must take action to ban unpaid internships, which perpetuate inequality and exploitation and this has to be delivered in a form of a binding directive, not only based on Council recommendations, as stated by ETUC in its resolution available [here](#).

Social conditionalities for quality jobs are essential for ensuring a skilled workforce, especially in industries transitioning to net-zero emissions. The communication only mentions social conditionalities in relation to the Common Agricultural Policy. While it's positive that agriculture subsidies now require adherence to social standards, similar conditions should be integrated into all EU funds and state aid, including in the context of the European Green Deal.

It is worth mentioning that the American Inflation Reduction Act (IRA) sets a noteworthy example by including meaningful conditionalities in green subsidies. It mandates firms seeking tax credits to allocate at least 15% of work to apprentices,

support unionization efforts, and ensure fair wages. This approach supports industrial competitiveness based on quality jobs. The EU Green Deal lacks comparable provisions.

The ETUC calls to apply strong conditionalities, covering social, tax and environmental criteria, to all forms of public funding and support to business. It is also of paramount importance to revise EU public procurement rules to ensure that public money goes to organisations that respect workers' and trade union rights, that negotiate with trade unions and whose workers are covered by collective agreements.

It is also of paramount importance to achieve climate targets through a just transition, including a directive for just transition in the world of work through anticipation and management of change, based on the principles of trade union involvement and collective bargaining.

### **Digitalisation**

We welcome the European Commission for its initiatives to analyse the impact of digitalization and automation technologies, including Artificial Intelligence, on labour markets, as well as its commitment to assess the potential need for regulating the use of algorithms in the workplace. The ETUC calls on the EU institutions to guarantee a just digital transformation based on human-centered digitalisation and the effective regulation of AI with the 'human in control' principle incorporated into EU law.

### **Skills**

The Commission's Action plan on reducing skills shortages could be more ambitious. While ETUC welcomes the allocation of increased funds for social partners to discuss skills and labour shortages, the Action Plan falls short of ensuring that every worker has access to quality and inclusive training as a fundamental right. The right to training should be exercised during working time and should be cost-free for workers in order to make the trainings accessible for all workers, regardless of age and/or sector.

ETUC emphasizes the necessity for more information and research, commonly referred to as "skills intelligence," to establish and measure EU targets effectively. The current 60% participation rate in adult learning is challenging to apply to the analysis and monitoring of workers' participation in company-based training. Furthermore, while the Action Plan identifies inequalities in the labour market, it fails to address how to ensure more equal access to training for all workers, regardless of their contractual situation or company size. There's a notable absence of recommendations for companies to invest in their workers' training, and a failure to urge Member States to cease the liberalization of the Vocational Education and Training (VET) system and the monetization of training funds.

Moreover, the Commission's Action plan proposes adapting curricula in initial education and training to better meet the labour market needs which ETUC opposes. Education is a public good and the right to access to education goes beyond the employability and the quickly changing needs of the labour market. If employers need a highly skilled work

force for specific professions, they should invest in it, by providing trainings themselves. Education has a key role in teaching key competences which can be adapted later in life as part of lifelong learning. Most importantly, education needs to equip learners to take an active role in society as democratic citizens. This is essential in light of the upcoming elections.

The communication also overlooks the importance of green skills. The shortage of skills in the climate sector is more critical in Europe than in almost all other fields. Without this workforce, Europe will struggle to meet its legally binding climate targets, transition to low-carbon industries, and prepare for the future of work.

Regarding social dialogue and collective bargaining on skills' policy, the importance highlighted in the Action Plan is acknowledged by ETUC. However, it is key to ensure that Member States truly involve social partners in developing national skills strategies, an essential recommendation missing from the text.

Furthermore, while several proposed actions within the plan have been ongoing for years, ETUC notes that many EU initiatives, such as the Upskilling Pathways and the Validation of Informal and Non-formal Learning, have the potential to contribute to address skills shortages. However, the slow implementation by many Member States and the failure to engage social partners hinder their effectiveness.

### **Mobility and migration**

The proposed Action plan suggests solving skills and labour shortages with mobility and migration in an disproportionate way. As reiterated by the ETUC, Europe does not need to "attract talent" to address labour shortages. Instead, member states and employers must invest in improving working and employment conditions across various sectors. ETUC research has shown that sectors with labour shortages pay on average 9% less.

It is imperative to provide fair and equal treatment to all migrant workers, regardless of their migration status. Labour mobility cannot compensate for poor working conditions and pay, in countries of origin or destination. It cannot be a quick fix for employers or an easy way out for regions struggling to offer workers and their families' prospects and opportunities.

The European Labour Authority has an important role to play when it comes to ensuring fair mobility for workers, through enhanced cooperation and enforcement across borders, working together with Member States and social partners. This requires a clearer focus on cross-border inspections, but also calls for a stronger mandate with an enlarged scope in order to unleash the full potential of ELA.

The EURES network should contribute to the overall fair mobility objective of ELA by not only facilitating job-matching across borders, but also by ensuring that EURES job offers are characterised by fair recruitment, direct employment and good quality working conditions.

Social security coverage is a fundamental guarantee for free, fair and safe labour mobility. Therefore, the still ongoing revision of the EU social security coordination

regulations should be finalised in a way that delivers a fair deal for all cross-border and mobile workers, without exceptions to their protection.

Linked to this, the Commission pilot for a digital European Social Security Pass should without further delay result in a legislative proposal to facilitate the portability of workers' social security rights and entitlements, while also helping to improve the real-time verification of their social security status and contributions, so as to improve cross-border enforcement.

In the same vein, the eDeclaration on Posting cannot simply aim to reduce costs and burdens for business, but above all should contribute to better monitoring and control of the obligations of posting employers and the rights of posted workers, notably by ensuring that the information collected helps law enforcers to detect fraud and abuse, and to carry out checks and inspections.

### **Conclusion**

ETUC emphasizes the need for more ambitious and comprehensive actions at EU and national level to address labour and skills shortages effectively. A greater focus is needed on ensuring the right to training for all workers without costs and during working time and on enhancing social dialogue with trade unions on skills policies, in line with the Barcelona Tripartite Statement and the Val Duchesse Declaration. Also, more ambitious actions are needed to ensure just transition and quality jobs and to improve working conditions. They include - amongst others - reinforcing collective bargaining, a right to training, introducing strong social conditionalities for public funds, revising the public procurement directives to ensure collective bargaining, regulating artificial intelligence in the workplace with the 'human in control' principle incorporated into EU law, addressing psychosocial risks and online harassment and shaming at work through a European Directive, ending precarious work by guaranteeing legal rights to permanent contracts and full-time work, and introducing a ban on unpaid internships.