



TOGETHER FOR A FAIR DEAL FOR WORKERS

ETUC comments to draft Council Conclusions on "Labour and Skills Shortages in the EU: Mobilising Untapped Labour Potential in the European Union"

The ETUC acknowledges that the note recognizes how low-quality jobs are more affected by shortages, in line with the 2023 Annual Employment and Social Developments in Europe review. It rightly emphasizes that well-functioning labour markets offer good quality job opportunities. Moreover, there is a focus on the need for research into the reasons behind the inactivity of different groups to develop tailored strategies. Most importantly, there is a call for relevant measures to address involuntary part-time work and reach out to underrepresented groups in the labour market.

However, the document's approach is predominantly business-oriented, identifying the issue as employers' difficulty in finding workers and subsequently suggesting the activation of inactive workers as the solution. This is particularly concerning as the document emphasizes keeping older workers in the labour market longer, without any consideration of their right to access quality retirement pensions.

Point 18 highlights the role of employers in identifying the skills and competences needed for employment. ETUC regrets that social partners are not considered in this context, especially given the extensive cooperation between ETUC and European employers' organisations on matters related to skills and competencies.

The references to the role of quality employment in addressing labour shortages in points 19 and 20 are welcomed. According to ETUC, quality jobs encompass good wages, work security through standard employment and access to social protection, lifelong learning opportunities, good working conditions in safe and healthy workplaces, reasonable working hours with a good work-life balance, and trade union representation and bargaining rights.

It is also important that the document considers job quality within outreach strategies aimed at bringing vulnerable, underrepresented groups into the labour market. In this regard, the recommendations should underscore the key role that Public Employment Services play in developing active labour market policies, which are crucial for addressing the needs of these groups. Public Employment Services should receive financial support to enhance their capacity in performing outreach strategies and delivering quality services to its users.

Point 23 addresses the specific situation of young workers in the European labour market and refers to the application of the Reinforced Youth Guarantee. ETUC calls for a binding quality criteria framework, jointly designed and implemented by social partners, for all offers under the Youth Guarantee scheme.

The reference to addressing psychosocial risks under point 28 is positive. Occupational stress has become a pandemic, an issue that has only intensified since the Covid-19 pandemic due to the significant rise in involuntary telework, which has impacted



musculoskeletal disorders. Additionally, labour shortages place a strain on workers in sectors with vacancies — especially in care and health — requiring them to manage increased workloads with fewer resources. Therefore, ETUC calls on the European Commission to propose a Directive to tackle this issue from the perspectives of occupational safety and health, collective action, work organisation, preventive measures, and employers' responsibilities.

Lastly, the ETUC assessment of the Commission's action plan on labour shortages remains a valid document that can contribute significantly to these Council recommendations, and therefore it is included in the annex.



Annex: ETUC assessment of communication of the European Commission - Labour and Skills Shortages in the EU, an Action Plan

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 seem to prioritize cosmetic approaches over comprehensive and ambitious solutions.

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 unequivocally mandate employer compliance with both national and EU regulations, including collective bargaining agreements, thus falling 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 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. The proposed study lacks ambition and fails to adequately address the structural barriers preventing involuntary part-time workers from securing full-time employment, which represents a missed opportunity to provide for a meaningful change. Rather than offering substantive solutions to address this issue, 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.).

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.

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. These efforts demonstrate a proactive approach to 2



understanding and addressing emerging challenges in the evolving world of work. We believe they hold promise for enhancing rights and protections for workers providing that workers and their trade unions are significantly informed and consulted when these technologies are implemented at the workplace.

Additionally, we appreciate the Commission's decision to launch the first-step social partners' consultation concerning telework and the right to disconnect. In the light of the withdrawal of one of the European employer's organisations from the negotiations towards an agreed legislative initiative at this regard, this signifies a recognition of the growing importance of remote work arrangements and the need to safeguard workers' well-being and work-life balance in these contexts. We look forward to engaging in this consultation process to contribute our insights and advocate for meaningful protections for workers' time and well-being in telework settings.

Furthermore, considering the mounting prevalence of occupational diseases caused by psychosocial factors, the Commission's plan to address psychosocial risks at work is a commendable step 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.

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.

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 3 monitoring of workers' participation in company-based trainings. 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.

Even more, the Commission's Action plan propose to adapt curricula in initial education and training to better meet the labour market needs which ETUC oppose. Education is a public good and right to access to education goes beyond the employability and the quickly changing needs of the labour market. If employers need highly skilled work force for specific professions, they should invest in it, by providing trainings themselves. Education has a key role to teach key competences which can be adapted later in life as part of lifelong learning. Most importantly, education needs to equip learners to take active role in the society as democratic citizens. This is essential in light of the upcoming elections.

Regarding social dialogue and collective bargaining, the importance highlighted in the Action Plan is acknowledged by ETUC. However, the responsibility lies with the European Commission to compel Member States to 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 address skills shortages. However, the slow implementation by many Member States and the failure to engage social partners hinder their effectiveness.

The proposed Action plans in an unproportionate way suggest solving skills and labour shortages with mobility and migration. 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. 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.

In light of these shortcomings, ETUC emphasizes the need for a more ambitious and comprehensive action plan to address labour and skills shortages effectively. ETUC expected a greater focus on enhancing social dialogue with trade unions on skills policies, in line with the Barcelona Tripartite Statement and the Val Duchesse



Declaration, emphasizing the linkage between just transition and the right to training to ensure quality jobs, good working conditions, and environments conducive to innovation. This plan must prioritize quality jobs, ensure equitable access to training and education for all workers, and foster robust social dialogue with trade unions.