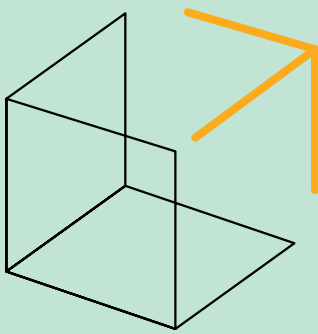


Policy brief

JULY 2024



Mobility and labour dynamics after the EU Year of Skills: Are we fit for the future?

Recommendations for addressing labour shortages and skills gaps through enhanced skills mobility

Introduction

The European Year of Skills has provided renewed impetus for the EU's efforts to tackle labour shortages and skills gaps in the EU. A [recent survey](#) underscored the timeliness of the initiative, revealing that in 2023, 75% of European employers struggled to find employees with the requisite skill sets. In the future, demographic shifts will bring additional [structural challenges](#), with the EU's working-age population expected to decrease by 27 million by 2050.

At the same time, numerous African, Asian, and Latin American countries are witnessing a rise in their [working-age populations](#). If matched with training and professional opportunities abroad, non-EU nationals can play an active role in their countries' development, while also forming part of the solution to addressing shortages in Europe. Other than responding to labour market needs in the EU, labour migration policy and skills mobility schemes should be balanced to avoid brain drain and benefit mobile persons as well as the societies they migrate from.

As part of its [Skills Agenda](#), the EU has sought to establish partnerships to train and attract skills and talent from abroad, complementing internal up- and reskilling initiatives. This includes legislative and operational measures and proposals, such as those in the 2022 [Communication on Attracting Skills and Talent to the EU](#) and the 2023 [Skills and Talents Mobility package](#). The EU's efforts also focused on skills promotion in third countries within the development and international co-operation agenda.

Following the adoption of the New Pact on Migration and Asylum, and the start of the new political cycle, an opportune moment presents itself to reinvigorate discussions on labour and skills mobility. Although the results of the June 2024 European Parliament elections have led to some political uncertainty, the structural economic and demographic challenges faced by the EU call for sustained attention on how to strengthen relevant legal and policy frameworks, while paying due consideration to national competencies and partner countries' needs.

In light of this, the below recommendations aim to foster debate on how to enhance skills mobility as a global priority, while reflecting on internal factors that can strengthen talent attraction and retention in Europe and in third countries. The first set of recommendations aims to advance a shared understanding of skills and labour market needs, laying the foundation for evidence-based policies that utilise skills intelligence to address challenges in the EU and in third countries. The second set of recommendations focuses on the EU and on existing regulatory frameworks, drawing attention to further initiatives to attract and retain foreign talent in Europe. The third set seeks to foster mutually beneficial partnerships and an environment conducive to skills mobility in the EU and in third countries, while the fourth looks at intra-EU cooperation, specifically addressing governance and funding questions.

These recommendations are addressed to the EU and national policy makers, in Europe and beyond, as well as to other key actors, including EU agencies, public employment actors, practitioners, private sector representatives and social partners.

I. Strengthen skills intelligence to effectively align policy responses with labour market needs in the EU and partner countries

- **Develop skills mobility partnerships based on labour market dynamics, as well as training and skills development needs.** Mobility schemes such as the Talent Partnerships, as well as other forms of bilateral and multilateral agreements, should be designed and expanded with labour market dynamics, as well as training and skills needs at their centre. Due attention should be paid to both existing and future needs.
- **Consider migration and demographic trends in needs assessments.** To comprehensively and accurately capture labour market dynamics in the EU and in third countries, demographic trends should strongly feed into skills shortages forecasts. Immigration and emigration should be recognised as significant factors contributing to labour market dynamics.
- **Strengthen capacities for data collection and information-sharing.** For labour mobility schemes to be designed, implemented and evaluated in an evidence-based way, it is essential to improve data collection, including through the use of digital tools. To this end, national authorities and Public Employment Services must be supported financially, operationally and through capacity-building. Looking at the EU specifically, strengthened collaboration between statistical offices and labour market observatories of the EU and in partner countries should be integrated into the functioning of Talent Partnerships to optimise data sharing and analysis. EU agencies such as the European Labour Authority and Eurostat could facilitate such a collaborative approach. Private employment agencies could share insights on innovative skills assessment methods and tools. Data management and information systems as well as foresight capacity should be developed in this context.
- **Review shortage occupations regularly to enhance labour market responsiveness.** For example, this could include a regular revision of the list of shortage occupations that will determine which vacancies can be included in the EU Talent Pool. Considering rapidly evolving skills needs, the list could, for example, be updated every three months. Particular attention should be paid to sectors facing structural challenges and to needs connected to the green and digital transitions.
- **Increase cooperation with the private sector and social partners.** To ensure that future policies are responsive to labour market dynamics, stronger collaboration with the private sector and social partners is essential. Regarding mobility to the EU, the [Labour Migration Platform](#), led by the Commission's Directorate General for Migration and Home Affairs (DG HOME), can play an important role. The

DG HOME-funded [Labour Mobility Practitioners Network](#) provides another valuable forum for cooperation with operational actors from EU Member States, private sector associations, think tanks and academia. In addition, the European Commission should consider reviving the European Sector Skills Councils to enhance dialogue with stakeholders in sectors facing labour shortages and address sector-specific challenges. In partner countries, EU Delegations and Chambers of Commerce could help establish or strengthen links with key private sector actors.

II. Promote skills-first responses to ensure talent attraction and retention

Measures to strengthen the EU regulatory frameworks

- **Ensure transposition and effective implementation of the Blue Card Directive.** Where Member States have faced delays in transposing the Directive, they should complete the process as soon as possible. Other than ensuring transposition, it is also of the essence to promote the Directive's effective implementation through strong monitoring and evaluation.
- **Ensure transposition and effective implementation of the recast Single Permit Directive.** As transposition of the newly adopted Single Permit Directive begins, Member States should use the flexibility provided by the recast to promote the international recruitment of talent and address persistent labour shortages in a variety of sectors and at all skill levels. Effective implementation of the recast should be encouraged, including through the monitoring and evaluation of transposition and then implementation.
- **Strengthen and expand mid-to-low-skilled mobility opportunities.** Considering that skills gaps and labour shortages are evident across all skill levels, existing pathways to the EU for the mid-to-low skilled should be strengthened, within the bounds of national competencies. Opportunities for additional, dedicated mid-to-low-skilled mobility schemes should also be further explored in the new policy cycle, based on evolving needs.
- **Encourage participation in and effective use of the EU Talent Pool.** The EU Talent Pool offers an additional EU-level tool to facilitate international recruitment for employers established in participating Member States. Its negotiation and swift adoption should be prioritised in the new political cycle, allowing Member States, employers and prospective employees to benefit from the platform as soon as possible. To that end, to maximise the impact and reach of the tool, Member States must be actively encouraged and supported by the Commission to participate. To make recruitment easier, faster and more effective, it will be essential to develop tools to ensure clear 'quality control'

procedures. These could include practical initiatives such as virtual interviews or skills testing centres. In addition, foreign workers already in the EU should be fully supported by Public Employment Services and other relevant authorities in Member States to ensure their effective integration into the labour market.

- **Enhance the validation and recognition of skills and qualifications.** Procedures should be strengthened to enhance the recognition of qualifications as well as the skills validation of foreign workers. The introduction and feasibility of common qualification and mutual recognition frameworks should be explored further. In the shorter-term, a sectoral approach and focus on shortage occupations could be adopted toward this end. Collaboration with agencies, such as Cedefop and the European Training Foundation (ETF), should be encouraged to promote the greater harmonisation of procedures across Member States.
- **Carry forward discussions on the Long-Term Residents Directive (LTRD).** The EU's attractiveness as well as retention prospects for third-country nationals can be enhanced through a framework that further strengthens intra-EU mobility. In this context, negotiations on the LTRD should be carried forward in the new legislative cycle.

Measures to streamline procedures and improve access to information

- **Enhance the efficiency of procedures, including through digitalisation.** Member States should make immigration procedures and the provision of residence permits for work purposes swifter and easier to navigate. To this end, they are encouraged to ensure adequate human and financial resources and to digitalise procedures. Finland and the Netherlands stand out as good examples for significantly shortening processing times and easing the bureaucratic burden for employers in the recruitment of highly skilled migrants.
- **Ensure and strengthen access to information.** Providing access to reliable information about job opportunities, available legal pathways and socio-economic support is critical for the uptake of foreign workers and the use of labour mobility schemes. This information should be gathered and made publicly available on a centralised online EU platform. The EU Talent Pool could play this role. To increase visibility in partner countries, the role of public employment actors as well as EU Delegations in promoting access to information could be explored. Creating the position of an EU Labour Information Officer in the Delegations could support this effort. Additionally, organising EU Labour Market Fairs in strategic third countries could facilitate information exchange, networking and matching opportunities.
- **Strengthen support for small and medium-sized enterprises (SMEs).** Adequate financial and operational support

should be provided for SMEs to develop capacities and navigate the international recruitment landscape, while complying with relevant procedures.

Measures to enhance attraction, integration and retention

- **Enhance attraction by promoting favourable working and living conditions.** A work-life balance conducive to well-being is a key consideration for global talents and can weigh heavier than salary when choosing a country of destination and deciding on a job offer. With its generally decent working conditions, relatively short working hours and generous holiday policies, the EU has a competitive advantage over other high-income countries such as the US, Canada, and Australia.
- **Engage private and public sector stakeholders for lasting retention.** Strengthened collaboration between private, public and civil society actors can boost attraction and drive retention, as national policies, administrative procedures and local integration practices can be designed and implemented to achieve a common vision (as shown in [Finland](#)). A national strategy on talent attraction and retention such as that of the [Netherlands](#) can further ensure long-term political commitment and unlock funding towards this objective. In addition, targeted guidance on best practices, ranging from diversity management to legal advice, should be made available to enterprises.
- **Ensure adequate pre-departure and post-arrival support.** The successful retention of talents requires operational and financial investment in pre-departure and post-arrival support programmes. A good example is the liaison offices of Business Finland, a specialised agency under Finland's Ministry of the Economy that shares a common mandate with the Finnish Employment Services. This was established in some partner countries to improve talent attraction and retention. Public employment agencies providing the necessary pre-departure support to local talents in partner countries should be further developed and financed.
- **Provide specialised services in support of the integration of medium-skilled and technical workers.** Institutions that help newcomers settle in the EU, such as international welcome centres, mainly cater to those with a higher income and education. Blue-collar workers are increasingly recruited from non-European countries and require a different outreach strategy. As piloted in the Dutch region of North Brabant or the International Houses in Flanders (BE), Migration Information Points constitute best practices that should be considered for replication elsewhere.
- **Strengthen support and improve integration outcomes for family members.** Providing access to practical information in multilingual formats, for example, on family support, health support and other public services, can ensure better

integration outcomes as well as stronger support for foreign workers and their family members. ‘Soft landing measures’, including those provided by international welcome centres, should be systematically considered and promoted in this context. Access to the labour market for family members should be facilitated. Especially for working-age spouses, an enabling environment for finding employment in line with their skills and qualifications carries significant weight in the decision to move to the EU.

III. Promote skills development as a basis for balanced international partnerships

- **Strengthen the training and employment ecosystems in partner countries, following a sectoral approach.** To be of mutual benefit, mobility schemes should not only address labour market needs in destination countries, but also strengthen training and employment systems as well as qualification procedures in partner countries to enhance employability prospects. This can be especially effective when carried out at a sectoral level, as shown, for example, by the positive results of the [PALIM](#) project. To this end, the curricula of vocational training providers should be regularly updated and aligned with labour market needs. Training opportunities must be made available for upskilling purposes. These can occur in pre- or on-the-job training, as well as part of learning mobility schemes, as under the [MOBILISE](#) project. Employers should be incentivised to finance relevant programmes. Alternatively, such programmes should be accessible through public training or educational institutions.
- **Support and empower local and regional employment actors as key actors for skills development.** Considering their knowledge of labour market needs, public employment actors should play a key role in the design and implementation of mobility schemes. This could be prioritised at regional and local levels. Employer and workers’ associations, including private sector federations, associations and enterprises, must also be consulted and involved in their design and operationalisation from an early stage.
- **Work with trusted intermediaries.** For example, recruitment agencies should be systematically vetted and should only include those recognised by public employment actors. In Europe, an EU-wide list of trusted agencies could be established to this end.
- **Support schemes that prioritise the protection of fundamental rights.** Skills mobility schemes should foster a Human Rights Based Approach (HRBA), respect anti-exploitation measures and enhance the Decent Work Agenda. Existing projects, which demonstrate the positive effect of this approach, such as [WAFIRA](#) or [THAMM](#), should continue to receive support.

- **Expand EU vocational training programmes to additional partner countries, including in the context of new mobility partnerships.** To better address labour market needs in the EU and partner countries, the implementation of vocational training programmes should be pursued in new partner countries. This could happen with Talent Partnerships or Global Skill Partnerships. Skills Verification and Validation Offices could be tested as pilot projects in countries with a high potential to meet EU labour market demands. Extending the geographical scope and the budget of the ETF beyond neighbourhood countries could enable more support for the development of such schemes. To prevent and mitigate brain drain, new programmes could incorporate mobility opportunities only at a later stage of the partnership, after the training phase and a period of employment is complete in the partner country. Alternatively, where they are in short supply in partner countries, certain skills could be exempt from mobility schemes altogether.

IV. Strengthen the skills agenda and labour mobility schemes through a stronger governance system and targeted financing

- **Ensure a strong and coherent governance system to effectively manage labour mobility schemes.** This should include the involvement of relevant EU institutions and Member States, as well as partner countries, in line with competencies and expertise. To this end, coordination with and between labour, interior, foreign affairs, and migration ministries remains indispensable and should be strengthened. A pre-condition for the effectiveness of a strong governance system is the involvement of domestic actors, at regional and local levels, including employment actors and workers’ associations. The active participation of all key stakeholders in existing EU-wide coordination mechanisms such as the Labour Migration Platform or the Labour Mobility Practitioners Network should also be considered in this context. Given the multidimensional nature of the challenges the EU and partner countries face, however, strengthening policy coherence and overcoming institutional siloes will also be key to enhancing the development and implementation of labour mobility schemes.
- **Ensure a coherent financing framework to develop, implement and scale up labour mobility schemes.** EU social, integration and development funding should be pooled and coherently disbursed to address the multiple objectives of labour mobility schemes and skills partnerships. The European Commission and relevant national authorities need to collaborate to comprehensively assess the financial requirements of implementing labour mobility schemes. These include the Directorate-Generals for Employment,

Social Affairs and Inclusion (DG EMPL); International Partnerships (DG INTPA); Neighbourhood and Enlargement Negotiations (DG NEAR); DG HOME and Member States. Development funding should reflect partner needs as a matter of priority. It should, in particular, be targeted to strengthen their training and employment systems, as well as qualification procedures, complemented by funds that support fair and equitable international recruitment processes in Member States.

These recommendations draw insights from the activities of the [project](#), 'Fit for the future? The European Skills Agenda between migration and labour dynamics', launched by the European Policy Centre (EPC), the International Centre for Migration Policy Development (ICMPD), the Egmont Institute and the Belgian Development Agency, Enabel. These included a series of expert workshops and a final [conference](#) that brought together practitioners, policymakers, the private sector and social partners from the EU and beyond.

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