



Understanding shortage occupations and the potential of third country migration in helping to address employers' needs

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Introduction

The EU's migration policy needs to be situated within the wider context of Europe's macro-economic circumstances as well as national labour market diversity so as to ensure a more coherent, consistent and effective approach towards the development of a demand-driven migration framework. Currently, there are a number of inter-linked challenges affecting the functioning of labour markets across Europe. These include labour and skills shortages; demographic change; high rates of inactivity; and relatively low levels of intra-EU mobility. These challenges demonstrate the complementary role that economic migration can play in helping to address employers' skills needs. Despite the ongoing situation in Ukraine and the inflow of refugees that will need to be managed for some time to come, it is vital that we do not lose sight of our medium to long-term objectives for the EU's economic migration policy.

With this in mind, this note aims to build on recent BusinessEurope analysis on how to tackle labour force and skills challenges by looking deeper into the role that economic migration can play in this regard. Therefore, the present note seeks to further assess which occupations have specific labour and skills shortages and the potential role that migration can play in helping to alleviate these shortages. This is also to be seen in the context of the developmental work for the setting up of an EU Talent Pool, starting with a pilot version for Ukrainian refugees this autumn and the launch of a full version of the Pool around mid-2023.

The analysis in this note suggests that there is untapped potential in the role of economic migration in helping to alleviate ongoing problems of labour and skills shortages, which are being felt across a wide range of sectors. It is also found that the proposed EU Talent Pool can play an important role in helping to match skilled third country nationals with unfilled vacancies across the EU. Based on the evidence analysed in this note, BusinessEurope believes that a relevant starting point for the launch of the full version of the Pool would be to have a targeted approach to matching on the basis of shortage occupation lists. An important caveat in this respect is that Member States need to regularly update their lists, taking into account information from employers. In parallel, it is important to continue to utilise the European Qualifications Framework as a means to facilitate a better understanding of third country qualifications and how they relate to qualifications issued by EU Member States. These are all important issues that would benefit from a joint discussion among the Commission, Member States and social partners as part of the proposed new platform on improving the governance of labour migration at EU level, which was outlined in the Skills and Talent Package.

Shortage occupation lists and the recruitment of third country nationals

This section considers the use of shortage occupation lists in framing a targeted approach to attracting and recruiting skilled third country nationals.

The Expert Council and Migration Policy Institute refer to shortage occupation lists as collating in-demand occupations so as to enable employers in sectors with such shortage occupations to more easily recruit third country nationals. "These lists can be used as a basis for bypassing complex labour market tests (or, in the case of points-based systems, for favouring migrants

who are qualified to work in shortage occupations). They also make it easier to hire workers for in-demand occupations”¹. Shortage occupation lists are typically defined nationally but can also be established at the regional level, for example as in France and Germany. It can also be noted that the information that is used to draw up shortage occupation lists is quite varied and usually involves a mix of labour market data, such as job vacancy data and forecast models, as well as the views and evidence of employers and/or social partners.

The main advantage of shortage occupation lists is that they can help governments to adapt their policies towards economic migration in view of changing labour market needs (*ibid.*). At the same time, therefore, it is crucial that such lists are updated on a relatively regular basis in order to remain relevant and useful. In this respect there are divergent approaches across Member States. Examples of countries that update their lists multiple times during the year are Denmark, Ireland, Spain and Sweden. Austria, Germany and the UK also update their lists once per year. Conversely, in France the list has been updated on a more ad-hoc basis and was not updated between 2008 and 2019. There is also an ad-hoc approach in the Czech Republic. Lastly, it can be noted that Italy does not have a shortage occupation. Instead, the Italian ministry of labour issues on a yearly basis a Decree on migration flows, which quantifies the number of third country nationals, as economic migrants, authorized to enter Italy every year. These flows are established after a consultation process involving the national social partners, with a focus on the sectors where labour shortages are most evident. Confindustria participates in this consultation by communicating to the Government available data on labour shortages collected by its sectoral member organisations.

In Spain the catalogue of shortage occupations is updated every three months. However, the Spanish Confederation of Business Organisations consider that the current approach does not really help them to address their needs for skilled third country nationals. This is because the requirements for the inclusion of occupations in the catalogue are excessively rigorous, which makes it difficult to include occupations. At the same time, the catalogue is made by analysing the situation of occupations at the national level, without taking into account the differences between regions, which are very different. There are occupations in great demand in certain areas of the country that are not in demand in others, which means that they are not included in the catalogue.

The Confederation of Swedish Enterprise observes that with new occupations emerging all the time, it is important that the classifications used to define occupations are also up to date in order that the shortage occupations lists can be a credible and useful tool in economic migration policy. In this respect, it is noted that Sweden uses the 2008 International Standard Classification of Occupations.

It can also be said that such lists work best when there are structural shortages i.e. those appearing on successive updates of lists, rather than temporary shortages. At the same time, however, governments may agree to including certain occupations on shortage lists for a pre-defined period of time, such as if a particular shortage is expected to be limited in duration. The increased demand for healthcare workers during the peak of the Covid pandemic could be seen as such a situation.

¹ [Legal Migration for Work and Training: Mobility Options to Europe for Those Not in Need of Protection \(migrationpolicy.org\)](https://www.migrationpolicy.org/) (2019)

Labour market tests

These tests are mainly shaped at national level, with some EU coordination, as exemplified in the 1994 Council resolution on limitations on admission of third-country nationals to the territory of the Member States for employment², which was formulated back then in a way that first seeks to restrict the possibility for employers to hire third country nationals.

Whereas the majority of Member States (seventeen³) have a form of test, their nature can vary. Typically, the public employment services (PES) play the lead role. In some countries, such as Czech Republic, Luxembourg and Poland, the labour market test involves the PES searching for suitable candidates in the register of unemployed and refers them to the employer. This intermediary, or mediation, role played by the PES with jobseekers and employers makes the process complex and/or time consuming, although the PES officers are usually quite flexible in this process. A simpler approach, such as in Italy or the Netherlands, involves the employer submitting the proper documentation; the PES performs the labour market test by simply publishing the vacancy; and gives or denies permission to the application without playing the intermediary role between jobseekers and employers. Spain and Latvia also have lite approaches, which are not described as a labour market test per se, although there are similar elements to such tests.

First assessing the national labour market situation, in terms of the availability of skilled workers, before looking to recruit a third country national is an important and legitimate step to take into account the context of each labour market and ensure well-targeted migration policies that complement well EU and national efforts to strengthen the employment participation of inactive and unemployed people within the domestic workforce. At the same time, the changing labour market context in Europe calls for a fresh EU approach to achieving well-functioning labour market tests across Europe that are easy to manage for employers and fair for the domestic workforce. Therefore, it would be relevant for Member States to revisit and improve, as appropriate, the approach to, and role of, labour market tests relative to the legal basis of the 1994 resolution, which is almost 30 years old. To that end, stronger coordination efforts between the Member States are needed at EU level on how best to conduct these labour market tests in a way that avoids placing unjustified administrative burdens on EU employers when hiring third country nationals. Where there is a commitment from governments, employers and social partners to feed in the data and labour market intelligence to review and update shortage occupation lists on a regular basis these can be a good source of information in support of a demand-led approach to economic migration and can be seen a valuable tool in helping to structure the matching function of the full version of the EU Talent Pool. In parallel, therefore, it is necessary to have in place at national and regional level robust approaches to gathering real-time intelligence.

Labour market and skills intelligence

The effectiveness of labour market and skills intelligence is reliant on credible and useable data that can be gathered and analysed in a timely way. At EU level, there is promising work by Cedefop in relation to big data analysis using online job advertisements to examine the skills demanded by employers at regional level. This is the Skills OVATE tool⁴. This involves looking at vacancies on selected websites to get a real-time picture of skills demand. Moreover, the work done by the EU heads of Public Employment Services (PES) network

² [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:31996Y0919\(02\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:31996Y0919(02)&from=EN) (1994)

³ Bulgaria, Cyprus, Croatia, Czech Republic, Estonia, Finland, France, Germany, Hungary, Italy, Ireland, Lithuania, Luxembourg, Netherlands, Poland, Slovenia and Slovakia

⁴ <https://www.cedefop.europa.eu/en/tools/skills-online-vacancies>

aiming to improve the use of big data in PES is a promising line of work to improve jobs and skills matching within Europe as well as in the context of a future EU talent pool⁵.

Real time labour market intelligence based on big data techniques can provide an important complement to conventional labour market analysis and has advantages such as timeliness, frequent intervals and reducing administrative burden. It can also provide more up to date information at the regional and sectoral level. How data is used once it's been gathered is also important. Public authorities or research institutes gathering the data need to consult with employers in order to develop a good reading of what the data is showing and how it relates to the reality that employers are experiencing. From this, the data can be effectively used for a number of purposes, including informing shortage occupation lists and updating education and training curricula and job profiles.

Assessing shortage occupations – a sectoral overview

This section will provide an overview of recent information and views on shortage occupations, drawing primarily on information provided by EU sectoral employers' organisations.

Before looking at the specific sectoral insights, it can be helpful to refer to a study of labour shortages and surpluses that was carried out by the European Labour Authority (ELA)⁶. The table below outlines the most frequently reported shortage occupations using EURES data on job vacancies.

Occupation	Number of reporting countries/regions	Occupation	Number of reporting countries/regions
Plumbers and Pipe Fitters	19	Applications Programmers	11
Nursing Professionals	18	Health Care Assistants	11
Systems Analysts	17	Motor Vehicle Mechanics, Repairers	11
Welders and Flame Cutters	17	Nursing Associate Professionals	11
Heavy Truck and Lorry Drivers	16	Specialist Medical Practitioners	11
Civil Engineers	14	Civil Engineering Technicians	10
Software Developers	14	Metal Working Machine Tool Setters	10
Carpenters and Joiners	13	Toolmakers and Related Workers	10
Concrete Placers and Finishers etc.	13	Accountants	9
Generalist Medical Practitioners	13	Air Conditioning/Refrigeration Mech.	9
Agricultural & Ind. Machinery Mechanics	12	Cooks	9
Bricklayers and Related Workers	12	Roofers	9
Building and Related Electricians	12	Software Developers nec.	9
Electrical Mechanics and Fitters	12	Web and Multimedia Developers	9

Source: Analysis of data submitted by EURES National Coordination Offices

The report observes that there are 28 occupations which were identified as shortage occupations in at least nine different countries or regions. There is also a concentration of shortages in four occupational groups, which are healthcare related occupations; software professionals; construction, and engineering craft workers. These four occupation groups account for 21 of the 28 identified shortage occupations (*ibid.*). Further analysis suggests that STEM and healthcare related occupations are prominent among the shortages. There are also more craft-oriented occupations than professional ones within this table.

⁵ <https://ec.europa.eu/social/BlobServlet?docId=20787&langId=en>

⁶ <https://www.ela.europa.eu/en/media/725> (2021)

The following is an overview of information provided by EU sectoral employers on the shortages and in-demand occupations and skills that they most often identify with.

Agriculture (Geopa)

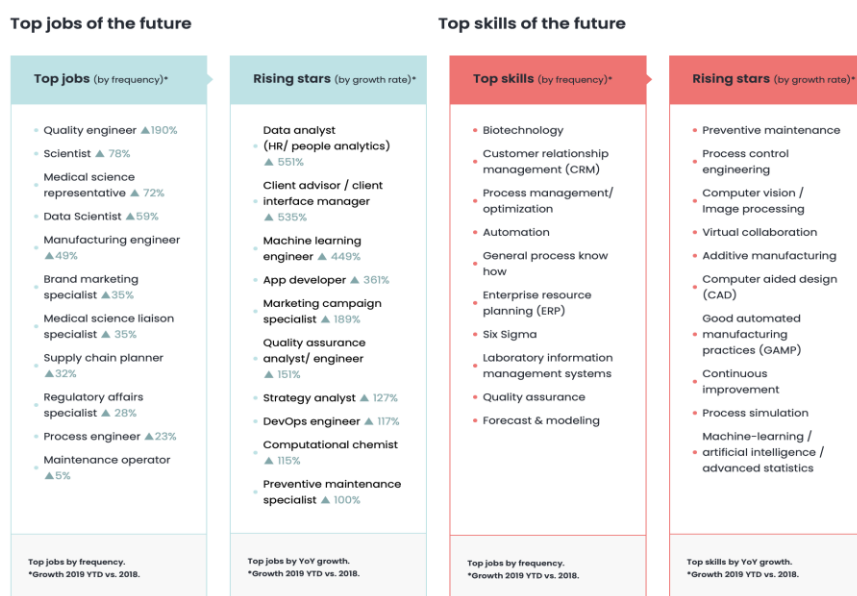
The agriculture sector is faced with a number of workforce challenges resulting from demographic change; skills transformation, linked to the digital and green transitions; and working conditions, which are contributing to labour and skills shortages.

In a report by the Centre for European Policy Studies on behalf of European Employers' Group of Professional Agricultural Organisations, the most in demand occupations in the sector, in order of priority, are: farmworkers and gardeners; crop and livestock farm labourers; horticultural and forestry labourers; fishery labourers; operators and assemblers; and science and engineering technicians; researchers and engineers.

Looking ahead, a 2030 forecast suggests that the need for workers is expected to increase across all occupations in the sector. This is due to new and lost jobs, as well as to high replacement demand given the higher average age of farmworkers who are expected to retire in the coming years (Cedefop, 2016).

Chemical (ECEG)

The chemical sector is undergoing a quadruple or double twin transition. This encompasses the green and digital transformation alongside circularity and the Chemicals Strategy for Sustainability. One of the main challenges faced by the industry is the difficulty to assess the exact and specific skills which will be required in the near future. Due to constantly evolving technologies, forecasting skills and training needs is seen as difficult. There is, however, some country level analysis of the top jobs and skills that are in demand in the sector, which helps to show where shortages could emerge if the demand is not sufficiently addressed. The table below of top jobs and skills by frequency shows the jobs and skills arranged according to the highest demand in the German chemical sector. The figure in brackets shows the demand change from 2018 to 2019. The top jobs & skills by growth rate show the rising stars of the industry. The jobs and skills are organised based on the demand growth from 2018 to 2019.⁷



⁷ <https://future-skills-chemie.de/en/>

A further joint report of the European sectoral social partners on the subject of climate neutrality and the impact of greening on skills identified examples of job profiles and occupations that will be particularly affected by the green transition, as follows:

- In the pharmaceutical industry, the global trend of switching from chemical molecules to biological ones leads to the need to recruit more biologists and less chemists in the R&D teams.
- With the electrification of processes, there will be an increased need for electrical engineers.
- Further occupations becoming more important are for example energy managers, climate change analysts, sustainability specialists, chief sustainability officers, sales engineers, transportation planners, compliance inspectors, nuclear monitoring technicians or emergency management directors (Arthur 2021).
- The hydrogen economy will require additional technical and professional workers, such as hydrogen energy technicians, hydrogen energy system designers, operations engineers, program managers or safety investigators, hazardous materials management specialists, emissions reduction managers, etc.

Automotive sector (Ceemet)

The Sector Skills Blueprint project “DRIVES” identified a number of automotive specific occupations in which there is a growing need for skilled workers, and which should be identified as a priority⁸. These include automotive data analyst, powertrain engineer, automotive technician, electrification engineer, process engineer, cybersecurity engineer, automotive manager and vehicle data specialist. Examples of other relevant occupations for the sector, but which are not specific to it, include innovation manager, software specialist, marketing and business development manager.

This Blueprint project has been followed by the Automotive Skills Alliance, which focuses on the re-skilling and up-skilling of workers in the sector, developing intelligence and fostering dialogue among all relevant partners and stakeholders in the sector, and supporting the elaboration of specific plans for re-skilling, up-skilling and training of workers in the EU automotive sector. These trainings should help to address the need for workers in the occupations referred to above.

Construction (FIEC)

There is a long-standing shortage of skilled workers in the construction sector. Digitalisation and greening of the economy are having a profound impact on the sector and the skills profile that companies are looking for in their workers. For example, there is a growing demand for people with skills in robotics, augmented reality and other advanced technologies. Equally skills related to energy efficiency and renewable energies are increasingly important for the sector.

Hotels, restaurants and catering (HOTREC)

In this sector, there are particularly prominent issues around labour and skills shortages, which have been exacerbated by Covid. There is an urgent need for skilled workers in restaurants, notably in kitchens, especially professional chefs, as well as service staff. In parallel to these core occupations, the following skills are identified as being of particular importance in the sector:

⁸ https://www.project-drives.eu/Media/Publications/10/Publications_10_20210202_111840.pdf (2019)

- Digital skills:
 - How to manage the content management system
 - How to manage property management system
 - How to use social media
 - Knowledge and application of available digital guest services or Digital marketing
 - Understand and use big data and open data
- Languages
- Interpersonal skills
- Accessibility – how to approach clients
- Green skills for managers and employees
 - How to decrease carbon footprint
 - How to use circularity: waste management/food management/water management/decrease use of single use plastic

Road transport (IRU)

The IRU 2022 Driver Shortage Global Report highlights labour shortages within the truck driving industry with 10% of truck driver positions remaining unfilled in Europe last year, representing between 380,000 and 425,000 positions. Currently, labour shortages are impacting the road transport sector across all EU countries. For instance, around 34,000 truck driver jobs were unfilled in France and around 7,000 bus and coach driver jobs were unfilled in Italy, in 2021. The 2021 overview of freight and passenger driver shortage across EU countries, will be shortly made available by IRU.

Operators surveyed for the IRU report consider the shortage of bus and coach drivers to be mainly caused by the lack of skilled drivers, followed by the difficulties to attract young people to the profession. Many companies consider that drivers who have just obtained their license and certificate of professional competence (CPC) are not sufficiently trained and skilled, which translates into hesitancy around hiring inexperienced drivers that require additional training.

Automation is having a significant impact on occupational profiles and skill requirements. There is an increased need for supervision, customer service and several non-driving related tasks (e.g. administrative tasks). Operators and drivers are increasingly managing safety issues and emergencies occurring within the vehicle itself (e.g. face-to-face customer interaction) as well as supervision outside the vehicle (e.g. procedures in the case of internal or external systems failures, which requires operators to be aware of technicalities of the operating system).

Focus should also be placed on improving working conditions and image of the driving profession across the EU, by promoting safe and secure truck parking standards and funding of safe and secure parking areas across Europe is a priority to ensure available certified safe and secure parking places for trucks in Europe.

Security services

Within the European private security services industry there is a general labour shortage on the one hand, and specific skills shortages on the other. The European Sectoral Social Partners for Security Services, the Confederation of European Security Services (CoESS) and UNI Europa are currently assessing the issue in-depth in the context of the EU-funded project “INTEL: Skills Intelligence for the Private Security Services”, of which data will be presented here.

Labour shortages can be seen in all security services. but the most affected business segments are those that lost workers during Covid, such as aviation security and event security officers. Specifically skilled workers are also missing in all security services professions and sectoral skills intelligence suggests that skills shortages will further increase in the next five years.

In a recent study on labour and skills shortages in the private security services⁹, companies reported that the most in demand occupations are:

- traditional security officers in access control, reception and screening,
- security system technicians and installers,
- aviation security experts.

In terms of skills sets, the hardest skills to find, according to the INTEL project findings, are

- transversal competencies, such as. people management, communication and conflict management skills, multi-tasking, customer-service, and languages.
- Basic digital skills, installation and maintenance, are also widely mentioned.
- Roughly 25% of companies participating in a sectoral survey looked for more complex IT skills related to data analytics, cybersecurity, AI and programming.

European Banking Federation (EBF)

Shortages of skilled workers run through almost all areas of responsibility in the banking sector and have been reported by various EU countries (Belgium, Germany, Italy, Romania, Sweden).

The need is certainly greatest in jobs in the IT segment (software developers, Java specialists, IT & data security, data analysts). In fact, technology and digitalisation have enabled banks to pursue new business models, but they also brought about the need for new skills, both specialised and qualified (knowledge workers), and relational and social skills (so-called soft skills), which distinguish humans from machines and artificial intelligence.

In particular, there is a need for banks to 'import' non-traditional professional figures, such as cyber security specialists, penetration testers or data analysts and data governance experts, big data and advanced analytics managers, robot engineers, advanced technologies developers, User experience/ user interface designers and, in general, workers with digital or STEM skills, as well as professional figures connected to the new ways of offering and accessing products and services, e.g. social media managers.

For example, Germany reported shortages related to more traditional financial activities such as:

- Specialists in the Corporate Markets/Investment banking Segment (including Traders)
- Private customer advisor for branches/advice centers
- Specialists Compliance
- Specialists with a focus on payment transactions

Romania has pointed out shortages for senior positions, lack of experience, knowledge & certain certifications are an important drawback:

⁹ [CoESS - News - Labour shortages in Private Security: CoESS and UNI Europa publish first-ever EU-wide study](#)

- On the sales force position like Relationship Manager for Small & Medium Size Enterprises (RM SME) positions, lack of financial analyses knowledge is observed.
- On the specialized Head Office areas described above, various certifications like ACCA, accounting mastery, knowledge of Romanian legislation and knowledge of various programming languages (for example SQL developer) are hard to find.

Woodwork sector CEI-Bois

While analysis for the whole sector is not currently available, an assessment in Belgium reveals the following shortage occupations, which are also likely to be evident in other countries as well: Inside carpenter; Interior fitter; workshop carpenter; furniture and wood technician; furniture upholsterer; woodworking operator; furniture maker.

Private employment services sector

While of a more cross-cutting approach, the private employment services sector identifies shortages of workers across all sectors. Increases in worker shortages are most prominent in administration and support services; information and communication; construction; and professional, scientific and technical activities. The main drivers behind the current labour shortages are considered to be largely linked to mismatches between supply and demand: inactivity, a re-evaluation of work, cross-border mobility of workers and the long-term impact of the Covid-19 pandemic – with workers having left certain sectors and most likely not returning after having given their career a new orientation.

Analysis of sectoral shortages

Analysis of the feedback from EU sectoral employers suggests that beyond certain sector-specific occupations, such as cooks in the hospitality sector; farm and forestry labourers in the agricultural sector and drivers in the road transport sector, there are some broader commonalities that can be identified as concerns the occupations in which there are established shortages and/or where the need for workers is increasing.

There are three broad groups of occupations that are evident across several sectors. The one that features most prominently is the demand for **engineers**, whether electrical, cyber security, operations or research engineers. A second group is **technicians**, which includes automotive, hydrogen energy and security system technicians as well as system management professionals. A last grouping is **analysts and software users**. This includes climate, data and system analysts as well as programmers and software specialists. The impact of the digital and green transitions in shaping the in-demand occupations is evident. Likewise, it can be seen that these groupings fall under the wider categorisation of **STEM occupations** and related skills.

Referring to the table of most frequently reported shortage occupations, as compiled by the ELA, it can be seen there is a good degree of complementarity in the findings with 16 of the occupations listed by ELA also being reported by sectoral employers. The input from EU sectoral employers also sheds light on other occupations not featuring in ELA's analysis and which can also be used to help inform discussions going forward.

In view of the input gathered, an important trend is that the skills content of jobs tends to converge across sectors in line with the labour market needs deriving from the twin digital and green transitions. The fact that jobs and skills are becoming less and less sector specific is a challenge, as this means that employers across sectors are increasingly in competition to attract and retain the skilled workers they need.

The role of migration in helping to provide labour for shortage occupations

In its report on labour shortages and surpluses, ELA sheds some light on the extent to which immigrants (both EU mobile citizens and third country nationals) help to alleviate shortages in the most frequently reported shortage occupations (see table on page 3). Their analysis focuses on the four skills groupings that account for most of the employment in the reported shortage occupations. These skills groups are software professions, healthcare professions, construction craft workers and engineering craft workers. The table below shows the share of employment of immigrants in the main skill groups associated with widespread shortages (2020).

Skills groups	Total employed	Residents born elsewhere	Share of employment
Software professions	3,441,000	548,000	16%
Healthcare professions	5,161,000	541,000	11%
Construction craft workers	6,443,000	1,090,000	17%
Engineering craft workers	6,889,000	837,000	12%
Total employed	21,934,000	3,016,000	14%

Source: Eurostat combined with analysis of data from NCOs

It is also interesting to look at the share of employment of immigrants by level of reported shortages (2020), as per the table below.

Countries	Total employed	Share of employed	Employed immigrants	Share of immigrants
Not reporting shortages	5,608,000	26%	974,000	36%
Reporting shortages	12,644,000	58%	1,312,000	49%
Reporting severe shortages	6,889,000	17%	385,000	14%
Totals	21,933,000	100%	2,671,000	100%

Sources: EUROSTAT combined with analysis of data from NCOs

The ELA report observes that “the significant higher share of immigrants working in countries which did not report shortages in these skill groups suggests that immigrants may make a significant contribution to alleviating shortages. While further analyses are required, this tentative conclusion is supported by the fact that many of the countries who reported shortages have a very low share of immigrants working in the skill group where the shortages were identified. For example, countries such as Poland, Hungary, Romania Slovakia, and Bulgaria have very low shares of immigrants working in *any* of the skill groups where shortages have been identified in their countries.”

Returning to the sectoral analysis, economic migration is specifically viewed as having a complementary role in helping to alleviate labour and skills shortages in the agriculture, chemical, hospitality, private security services and road transport sectors.

In the **agriculture sector**, economic migration typically plays an important role in filling vacancies. However, following the onset of Covid, low immigration from other countries has become the leading cause of labour shortages, namely due to the adoption of stricter regimes

for cross-border movements worldwide. Utilising economic migration, combined with improving the relatively low attractiveness of the sector among EU workers, are key priorities for employers.

In the **chemical sector**, a study by the consultancy Korn Ferry found that there will be an 11% decrease in the supply of skilled labour by 2030. To help address this shortage of talent it is suggested that companies could look to recruit workers from India, which is projected to have a surplus of 2.4 million skilled workers in relevant occupations within the same timeframe.

In the **construction sector**, there are already quite a lot of third-country workers in the EU, notably from Ukraine (prior to the war with Russia); South-East Asia and Latin America. In most cases these workers are sent directly by their companies or placement agencies. This can mean that the skills fit is not always ideal. An approach that would enable a more targeted matching of third country nationals and/or facilitate their training in the EU in view of existing skills needs would be a good way to utilise the potential of third country nationals in the sector.

In the case of the **hospitality sector**, it can be noted that before the sector is able to up-skill and re-skill workers, it first needs to find the right people with a client-oriented mindset. In this respect, there is considered to be good potential in the EU Talent Pool in helping to identify third country nationals with the profile that will match the shortage occupations in the sector.

On the other hand, while there are widespread shortages in the **private security services sector**, the recruitment of third country nationals to help alleviate the lack of workers is not currently seen by employers as feasible. This is because the sector is regulated at national level and most Member States require (by law) that security officers must be EU citizens. This relates to the background checks that need to be conducted for the licensing of every security officer, but also the very divergent training and qualification requirements. Specific skills are linked to the legal competences that are needed to perform the tasks of a security officer, which differ across Member States.

Despite the current regulatory environment, the Confederation of European Security Services (CoESS) does see the recruitment of third country nationals as something that could help to alleviate the problems caused by the identified shortages. The CoESS is recommending that national governments find agreements with third countries that would allow the hiring of third country nationals in the sector, establish cooperation for diligent background checks, and enable the better comparison of qualifications. On the latter point, direct recognition is not necessary but compensation measures for those skills not fulfilled could be envisaged. As this is a complex matter, and situations differ across countries, national authorities should engage with sectoral social partners in the security services to discuss the matter.

Migration is also viewed as playing an important role in the **road transport sector**. Poland and Lithuania are the EU countries employing the highest number of non-EU drivers. In Poland, nearly 30% of drivers working in international transport are foreign and come mainly from non-EU countries, most of those drivers being Ukrainian (around 75%) and Belarusian (around 20%).

Road transport sector employers are calling for the removal of key barriers to professional drivers' training and access to the profession in order to facilitate the entry of third country drivers in the European transport sector¹⁰. The expected revision of the EU Driving Licence Directive provides an opportunity to achieve this, including adopting an EU list of third countries, whose official CPCs are recognised as meeting EU professional driver training

¹⁰ [Ten recommendations to remove key barriers to professional drivers' training and access to profession and adapt professional drivers' minimum age.pdf \(iru.org\)](#)

standards. Within this, employers are advocating for the introduction of a common framework at the EU level for the recognition of third country C and D professional driving licences by EU Member States, on the condition that their holders meet the same professional qualification standards as those applicable to EU resident drivers.

To mitigate current and future driver shortages, concrete actions are required, notably: clarifying that 18-year old truck drivers can drive nationally and internationally after a full initial CPC training; removing distance limitations and aligning minimum driver age limits for bus and coach drivers with those applicable to truck drivers (18 years); allowing professional driver training to start at the age of 16/17, with the objective to be able to drive professionally upon turning 18; reducing the minimum age for trained young professional road freight transport drivers to 17 years old, on the condition that they duly accompany a competent, trained and experienced professional driver; introducing a genuine D1 driving license allowing these drivers to drive passenger transport vehicles of 22+1 seats (currently 16+1) and establishing an EU framework for the recognition and exchange of third-country C and D licenses.

The sector is also calling for a facilitated approach to provide a link between third country drivers (with specific information and requirements regarding drivers) looking for work and operators. This would facilitate access to the job market for both parties, allowing operators to access a large pool of skilled third countries drivers and make the profession more accessible and clarify the skills and certification requirements. This is precisely what the EU Talent Pool would, and should, aim to deliver.

In the **banking sector**, migration has been considered as one of the factors that could play a role in addressing shortages, to varying extents. For example, Germany and Sweden have largely relied on migrants coming from Eastern Europe and India to fill the gaps in the IT-related vacancies.

Italy and Belgium see a lesser central role of migration in addressing the needs of the financial sector, however Italy would welcome the activation at EU level and by the EU Member States of a more coherent, consistent and effective approach towards the development of a demand-driven migration framework, while Belgium would support the creation of a "database" of "young graduates" looking for work.

For the **woodwork sector**, it is considered that migration can help to address the shortages in a number of occupations. For this to happen, it is important that employers in the EU have the best possible insight into the actual competences of third country nationals in order to better understand if and how they could respond to an employers' need.

In the **private employment services sector**, the impact of migration in addressing labour shortages is strongly linked to national regulation on agency work and the private employment services industry. In countries where it is legally prohibited to recruit migrant workers/third country national as agency workers, this role is naturally much more limited, in other countries there is larger potential.

Conclusion

The evidence in this note suggests that there is significant potential for economic migration to play a greater role in helping to address the ongoing labour and skills shortages faced by employers across sectors throughout the EU. In this respect, economic migration should be seen as a complementary approach to the up and re-skilling of workers in the EU and efforts to foster labour market participation, especially of the unemployed and inactive, including those third country nationals already legally resident in an EU Member State.

The Commission's proposal for an EU Talent Pool is, therefore, very welcome and something that employers see good potential in, if designed in a way that helps to address their labour and skills needs in an efficient, effective and agile way. Taking into account the acute labour and skills shortages felt by employers, which in many cases are of a structural nature, a relevant starting point for the launch of the full version of the Pool would be to base a targeted approach to matching on shortage occupation lists. This is something that BusinessEurope encourages the Commission to further explore as part of its ongoing work in the development of the full version of the Talent Pool. Given the importance of national shortage occupation lists being up to date, the Commission should identify opportunities for mutual learning and peer review on this topic.

The proposed new platform on improving the governance of labour migration at EU level, which was outlined in the Skills and Talent Package, could be an ideal format for such exchanges among the Commission, Member States and social partners. In the context of this platform, BusinessEurope and EU sectoral employers organisations stand ready to participate in dedicated discussions between EU and national migration and employment policy experts to assess how to make progress towards a shared understanding of how a future EU talent pool could be a vehicle to address in priority the key shortage occupations across Europe.
