

The European Commission's Union of Skills Initiative

KEY MESSAGES



- 1** BusinessEurope welcomes the Union of Skills initiative's focus on strengthening vocational education and training (VET) as a crucial tool to close skills gaps and enhance Europe's competitiveness.
- 2** BusinessEurope fully supports the initiative's emphasis on the urgency of up-skilling and re-skilling Europe's workforce, relative to employers' skills needs. To address persistent labour and skills shortages, it is essential to support employer-led training approaches that are responsive to labour market needs, flexible, and inclusive of emerging trends such as green and digital transitions.
- 3** There is an urgent need to address declining basic skills in Europe, which pose a serious threat to Europe's competitiveness and productivity. While many employers step in to fill basic skills gaps, this responsibility lies primarily with public education systems and should be addressed during compulsory schooling.
- 4** BusinessEurope strongly supports efforts to foster the attainment of STEM skills and welcomes the related targets that have been proposed. Attracting and retaining more people, especially women, in STEM careers requires coordinated long-term efforts, including public campaigns, mentorships, and inclusive workplace environments.
- 5** Efforts to support worker mobility through a future initiative on skills portability, including efforts to improve transparency, simplify and speed up the process of recognising qualifications, both within the EU and from third countries, is very welcome. For non-regulated professions, a trust-based approach to recognition is preferred. As concerns regulated professions, the EU should further explore voluntary common training principles to support labour mobility.

WHAT DOES BUSINESSEUROPE AIM FOR?



- Skills policies that are well aligned with labour market needs and that support Europe's productivity, innovation and competitiveness.
- A reduction in the skills shortages, which are creating a bottleneck to economic growth and prosperity in the EU.

POSITION PAPER

Union of Skills

Introduction

1. The EU's competitiveness and attractiveness as a place to work and to invest is declining compared to other world regions, while the challenge also remains to sustain productivity and employment participation. A strong economy is the basis for growth, employment, and investment, including in the skills needed to respond to, and maximise the potential of, the green and digital transitions as well as the development of transversal skills. Fostering participation in job-relevant training as part of the up-skilling and re-skilling agenda and improved jobs and skills intelligence at EU level should contribute to this goal.
2. European businesses are facing acute labour and skills shortages, hampering productivity and growth. European competitiveness depends on future-oriented, labour market relevant skills. On 5 March 2025, the European Commission published the Union of Skills initiative, aimed at supporting the development of high-quality, inclusive, and adaptable education, training, and skills systems to enhance the EU's competitiveness.
3. This position constitutes BusinessEurope's response to this initiative. The main substance of this paper focuses on the new proposals made in this initiative on topics such as VET, employer's provision of training, STEM and basic skills, skills recognition and portability and skills matching.

General comments

4. BusinessEurope welcomes and broadly supports the European Commission's Union of Skills initiative. Ensuring access to a skilled workforce is not only vital but increasingly urgent for European employers, particularly as the EU lags behind global competitors. Addressing skill gaps swiftly is essential to boost productivity and innovation – both fundamental to strengthening European competitiveness.
5. As highlighted in both the Union of Skills and the Competitiveness Compass, Europe's human capital is fundamental to its prosperity, economic resilience, and unique social market economy. However, with Europe's competitive edge under pressure, the need to strengthen the skills base is more pressing than ever. A skilled workforce is essential for attracting investments and ensuring a dynamic Single Market with enhanced economic security. For businesses, investing in skills is no longer optional - it is a strategic imperative in a fast-changing and uncertain global economy.
6. With global competition for talent intensifying and Europe's working-age population shrinking - by around 1 million people annually until 2050¹ - it is critically important that the European workforce is sufficiently skilled. This is fundamental to drive growth, create jobs, and adapt to rapidly changing economic realities. Accelerating future-oriented skills development is not only key to business competitiveness but also contributes to economic, social, and territorial cohesion across Europe.

¹ European Commission (2025), The Union of Skills

7. Employers consider the training of workers as an investment in the productivity and competitiveness of their companies. Yet, given the scale of the challenge, employers of all sizes may need additional support to provide this training.
8. To broaden access to training, there is a particular need for more flexible, modular forms of training. Such formats would allow workers to quickly adapt to labour market changes and acquire relevant skills within shorter periods, thus better supporting business competitiveness and workforce resilience.
9. With the Union of Skills, the Commission has set a path towards addressing the acute labour and skills shortage that Europe is facing. There are a combination of factors resulting in these shortages. In addition to demographic change, Europe is experiencing persisting levels of inactivity, especially among women, the lower educated and some portions of the migrant population, namely those arriving for reasons of family reunification. 74.4 million people were inactive in 2022, which corresponds to around one fourth of the EU's working age population. Structural skills mismatches and lack of skills also remain a concern and are a third pillar contributing to labour and skills shortages. These elements constitute pressing social policy challenges.
10. Employers, and social partners jointly, depending on the national context, are uniquely positioned to develop tailored approaches to improving training provision and facilitating the economic transformation of sectors across the economy. Therefore, it is imperative that any measures resulting from the Union of Skills fully respect national competences and the role of social partners within existing industrial relations systems, as well as education and training frameworks.
11. Overall, there needs to be a better alignment of education and training systems with labour market needs, including through the timely, adequate and effective updating of education and training curriculum, taking into account the transformations on the labour markets, including for the green and digital transition. This alignment can help to reduce skills mismatches and shortages, it is also important to ensure that the dimensioning of educational places is aligned with current and future labour market needs, particularly in sectors facing skills shortages. It is necessary that EU and national actions to update training curriculum are well coordinated including through mutual learning opportunities at EU level. This was among the priorities of the Osnabruck Declaration and should be kept as a priority in the future.
12. There is a particular need to strengthen business-university cooperation towards enhancing the role that universities play in fostering skills development throughout working lives and not only as part of initial education. More cooperation between businesses and universities is also necessary for developing the link between skills, research and innovation and in bringing new products and services to market.
13. Boosting entrepreneurship education at all levels also plays an important role and needs to be further developed and mainstreamed across different education and training pathways. In this context, clarity is needed on the extent of collaboration with SMEs and industry representatives at national and local levels to ensure that such education is not purely theoretical but closely connected to real-world business needs.
14. BusinessEurope welcomes the Union of Skills' focus on the importance of STEM skills. As highlighted in the initiative, Europe's education and training systems are struggling to keep pace with the rapid technological transition and the evolving skills required to

drive the decarbonization of the economy. Nearly four out of five small and medium-sized enterprises (SMEs) in the EU face difficulties in finding workers with the necessary skillsets, with start-ups and scale-ups particularly affected – especially in breakthrough technologies such as AI, semiconductors, and quantum computing. It can also be noted that VET graduates in engineering, manufacturing and construction are particularly in demand, with an employment rate of 83.3% showing the demand for ef this type of education.

15. The Draghi report further underscores the urgency of addressing the STEM and digital skills gap, recognizing them as critical to closing Europe’s competitiveness gap with other global players. As businesses navigate the twin transitions, ensuring adequate skills is essential. Employers consistently highlight STEM and digital skills as the most in-demand competencies needed to drive innovation, growth, and resilience in the EU economy.
16. When it comes to basic skills, recent OECD data shows that Europe is falling behind². In 2022, approximately 30% of 15-year-olds in the EU lack basic proficiency in mathematics; around 25% face challenges in reading and science³, and nearly half of young people in the EU lack basic digital skills, while 90% of all jobs requires basic digital skills. Worrying lack of basic skills are also observed among the adult population.
17. These figures are concerning, as strong basic skills are essential – both for individuals’ daily lives and for Europe’s innovation potential and competitiveness. A failure to ensure sufficient levels of basic skills attainment places Europe at a disadvantage compared to global competitors such as Canada, the US and Japan. Without adequate basic skills, individuals may struggle to advance in education and training or adapt to a rapidly evolving labour market.
18. In connection to basic skills assisted learning tools⁴ play a crucial role in supporting the application of basic skills in everyday work. These tools are not merely compensatory but serve as active support for learning and independence—an essential factor in a labour market that increasingly demands flexibility and lifelong learning. By integrating assisted learning technologies into the work environment, both individual opportunities and Europe’s overall innovation capacity and competitiveness are strengthened.
19. Mobility and migration can play an important role in addressing skills needs by improving job matching and helping employers find the required talent. Enhancing labour mobility, both within the EU and from third countries, can support businesses in meeting existing skills demands.
20. Therefore, BusinessEurope supports the Union of Skills’ objective of looking at ways to strengthen cross-border worker mobility. Facilitating both intra-EU mobility and immigration from third countries can improve job-skill matching, helping individuals find roles that align with their expertise and reducing labour and skills shortages.
21. At the same time, EU cohesion policy debates should also acknowledge the situation of regions and countries that are facing difficulties retaining and attracting a talented

² OECD 2023, [PISA 2022 Results \(Volume I\) The State of Learning and Equity in Education](#)

³European Commission (2024) [The twin challenge of equity and excellence in basic skills in the EU An EU comparative analysis of the PISA 2022 results](#)

⁴ Tools such as text-to-speech support that can read aloud from manuals, instructions, or emails enable individuals with reading difficulties or other challenges to participate actively and effectively in the workplace

and competitive workforce. BusinessEurope supports circular mobility as a way to foster skills and knowledge development and sharing, and as a way to underpin socioeconomic development across the EU's Member States and regions. In this context, the available resources at EU level, e.g. the ESF+ and the European Regional Development Fund, should be mobilised in an effective and fair way for the Member States, and in a spirit of mutual understanding and cooperation and with a view to support labour mobility and the competitiveness of companies.

Specific comments

VET

22. BusinessEurope believes it is essential to strengthen the attractiveness of VET. The Draghi report highlights that stronger involvement of social partners, particularly employers, is crucial in shaping VET programmes to better align them with labour market needs, thereby helping to overcome skills mismatches. This needs to be a key component of the upcoming Herning Declaration, which will provide the framework for EU level coordination in VET for the coming years, and should take advantage of technological developments.
23. BusinessEurope welcomes the proposed orientation of the European strategy for VET and emphasises the relevance of supporting European competitiveness, addressing skills shortages and mismatches and enhancing the labour market relevance of VET.
24. BusinessEurope supports measures that facilitate the mobility of VET learners and workers. At the same time, the European Commission should refrain from implementing European VET qualifications in parallel to national qualifications. A European qualification, or diploma, could only be a complement to a national qualification and requires further discussion, including in the context of the Advisory Committee on Vocational Training to assess if there is added value of such an initiative and how it could, potentially, be designed. Any potential VET diploma or label must respect national specificities and avoid any form of harmonisation that could undermine member states' education system. Moreover, additional EU badges/digital credentials in the framework of Europass attached to national diplomas and certificates could increase the visibility and transparency of VET and, therefore, contributing to enhancing mobility. More clarity is needed on what such a VET diploma could entail and any such initiative should only be developed in close consultation with Member States. This topic would benefit from a further discussion in the Advisory Committee on Vocational Training.
25. Expanding apprenticeship opportunities remains essential, ensuring that they are accessible to people of all ages. BusinessEurope strongly supports apprenticeships as a means to equip individuals with in-demand skills and facilitate smooth labour market transitions. To maximize their impact, social partners must play a key role in shaping and governing national apprenticeship systems.
26. Career guidance and professional counselling are essential in helping students and workers make informed decisions about education and training opportunities. Raising awareness and motivation to upskill will be key to addressing skills mismatches. Closer cooperation between the areas of education and employment is critical at national and European levels.
27. Strengthening VET, apprenticeships, and career guidance is vital to ensuring that the Union of Skills initiative delivers a highly skilled and adaptable workforce, enabling businesses to thrive in an evolving labour market.

Employers' Provision of Training

28. As highlighted in the Union of Skills initiative, employers shoulder the primary responsibility for upskilling workers. Indeed, a European Commission statistical report on adult learning has identified that employers fund around 90% of job relevant training in the EU. Due to skills mismatches and consequent labour and skills shortages, it is a priority for employers to invest in relevant training to their workers.
29. The motivation of workers is essential as many workers do not consider that they are in need or interested in further training, especially for lower skilled workers. Flexible arrangements, including distance and remote learning opportunities across different training pathways can help raise interest in re- and upskilling possibilities. There is a particular need to better utilise the potential of universities to support up-skilling and re-skilling, notably through short cycle courses and micro-credentials.
30. A key factor in employers' provision of training is that the training is job-relevant and corresponds to the needs that employers, and workers, have. Taking into account the diversity of national industrial relations systems and education and training practices, social partner-led approaches to employee training are preferred to those that work on the basis of an individualised right as they are more effective in maintaining a close link between learning outcomes and labour market needs. It is also crucial to ensure that training frameworks are flexible enough to adapt to emerging technological and societal trends, including the greening of industries and the rise of AI-driven transformations.
31. To help employers, there may be a need for targeted support to help them provide effective training opportunities, taking into account national industrial relation systems and education and training practices. BusinessEurope supports the Union of Skills initiative's encouragement for Member States to maximize the financing opportunities available through the European Social Fund Plus (ESF+). A more coordinated approach is needed to ensure these funds provide financial incentives that stimulate employer-driven investments in workforce skills. In line with Draghi's recommendations, ESF+ resources must be allocated more effectively, ensuring accountability and measurable impact on job-relevant training.
32. Looking ahead to the next ESF+ programming period (2028-2034), BusinessEurope calls for 50% of ESF+ resources to be earmarked for skills development to help address labour and skills shortages. Within this allocation, at least 15% should be dedicated to financial incentives that directly support employers in providing training.
33. The Erasmus programme can also be strengthened to further improve European investment in education and skills, including as concerns the mobility of apprentices, taking into account the Youth on the Move Council Recommendation.
34. There is also important cross-over between the Union of Skills, the Clean industrial Deal and Erasmus programme in terms of sectoral skills reinforcement in strategic industries linked to the Clean Industrial Deal, with a reinforced support by up to EUR 90 million from Erasmus. Employers consider that the EU sector skills blueprints have broadly had a positive impact in helping to identify and address sectoral skills needs. As part of a research study on "Access to skills", BusinessEurope is analysing the impact of the blueprints and if there is potential added value in supporting the widening of this initiative to other relevant sectors in order to help address sectoral skills needs.

There needs to be greater coordination between EU and national level strategies and initiatives. This concerns the role of the national implementation plans stemming from the
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Osnabruck and Herning Declarations and how the follow-up to these processes is aligned with the European Semester process and the programming of cohesion funds, notably the ESF+. For example, in addition to the reporting that Cedefop and ETF do to the ACVT, a similar exercise could also be periodically done with the ESF+ Committee.

The proposal as part of the STEM Education Strategic Plan for better coordination among Member States through additional focus on STEM in the follow-up to education and skills reforms in the European Semester is a welcome example of a concrete skills area that could benefit from enhanced attention and, potentially, EU funding support, where necessary.

The following are examples of initiatives that BusinessEurope members have identified for ESF+ funding in the future

Apprenticeships for adults: In a growing number of Member States, apprenticeships for adults are forming an increasingly important part of training offers that aim to re-skill and up-skill adult workers. Finland is a leading example of this where apprenticeships for adults are a key part of adult education. The ESF+ can play a role in further supporting this form of training provision, notably as concerns in-company training components.

Training seminars and capacity building: in Spain social partners can apply for financial support from the Public Employment Service for funds to support capacity building actions at national and regional level. Spanish employers make good use of this possibility to organise training seminars for their members, typically focussing on information and experience sharing about new reforms, policies and approaches towards education and training.

Training funds: employers in Latvia and Poland are looking to respectively, establish and develop a training fund model to support training provision. In Poland employers are looking at how to develop a model for the co-financing of training provision through a national training fund. This requires a restructuring of the national training fund towards an instrument that realistically serves to increase the rates of adult learning and the acquisition and improvement of skills in line with the needs of the labour market. In Latvia, employers are looking to setup a training funds model. In both cases there would be a role of the ESF+ to support these training fund models.

Training vouchers: In Romania, employers are looking for a more targeted and flexible allocation of funds for reskilling and upskilling of employees in the form of training vouchers, to be co-financed by the employers who are in the position also to choose what courses will be offered to their employees, the training provider, etc. and within the objectives of supporting skills attainment in line with the EU's skills priorities around digitalisation and greening. In Austria, most non-formal continuous VET (CVET) and also a number of programmes leading to formal qualifications offered by CVET providers, are paid for by companies and / or individuals. There are a series of measures and financial subsidies, notably different voucher schemes at regional level, to support individuals to undergo and to pay for CVET.

Curriculum updating: In Slovakia, employers have been working on efforts to update curriculum in key sectors and occupations in view of changing labour market needs. Key to this is developing partnerships with education and training providers, but also the ability to undertake detailed assessments of future skills needs across different sectors. This intelligence can then be fed back into the process of curriculum updating and the provision and delivery of training content.

35. In the context of supporting up and re-skilling, BusinessEurope also welcomes the proposal in the Union of Skills Communication to assess, as part of the review of the General Block Exemption Regulation, if state aid rules applicable to training need to be updated to provide better incentives for industry, to invest in the up-skilling and re-skilling of workers.
36. Specifically, Article 31:2 of this Regulation on training aid outlines that “Aid shall not be granted for training which undertakings carry out to comply with national mandatory standards on training”. At the national level, BusinessEurope’s members broadly observe that this can be prohibitive for employers to access financial support for training provision, including through the ESF+. Therefore, we welcome the potential review of this Article since requirements that entail financial costs for companies can pose a challenge in terms of the company’s development and securing employees with relevant skills. This review should include the potential relevance of repealing this article.
37. BusinessEurope looks forward to being involved in the Commission’s further considerations to provide better incentives for industry to invest in upskilling, reskilling, quality jobs and recruitment of workers for a just transition. This includes the possibility to increase training and skills conditionalities for public funding supporting the anticipation and management of change and the industrial transition. However, we do not support the development and application of social conditionalities in a more general way under state aid frameworks.
38. We also welcome the proposal made by the Commission towards sectoral skills reinforcement in strategic industries linked to the Clean Industrial Deal, with a reinforced support by up to EUR 90 million from Erasmus+. The way in which the reinforced support will be designed and used needs to be discussed at an early stage with the European cross-industry employers and sectoral employers. The results achieved in the last years with skills blueprints across sectors should be taken into account in that context.
39. Furthermore, the proposed “EU Invest in Talent” Platform is a promising concept. However, greater clarity is needed on how SMEs, particularly micro-enterprises, will access blended finance and technical support. The platform must feature simplified application processes and dedicated mechanisms to ensure that smaller businesses can fully benefit.

Basic Skills

40. The Union of Skills highlights the sharp decline in basic skills, including digital skills, among Europe’s youth, describing it as a “ticking bomb” for Europe’s education systems and competitiveness. BusinessEurope recognises the pressing need to improve basic skills attainment, also noting that such skills lay the foundation for the development of further skills.
41. BusinessEurope also recognises the importance of assisted learning tools in supporting employees who may not possess the necessary basic skills. In a modern and inclusive labour market, it is essential to ensure that all workers can contribute effectively, regardless of their individual skill levels. Assisted learning technologies can help bridge the gap for those who struggle with reading, writing, or mathematics. Acknowledging and promoting the use of such tools supports practical solutions that empower individuals, enhance workplace productivity, and foster equal opportunities across the European workforce.

42. Employers increasingly report that job seekers lack the fundamental basic reading, writing and arithmetic skills expected at the point of entry into the labour market. Many employers also face recruitment challenges due to inadequate language skills among job seekers. At the same time, it is not the responsibility of employers to compensate for shortcomings in fundamental basic education through workplace training, and yet many employers do. These skills should be acquired during compulsory schooling. Ensuring a strong foundation in basic skills is therefore critical to preparing individuals for the labour market and maintaining Europe's economic competitiveness.
43. Instead, greater efforts are needed at national level to ensure that all young people leave compulsory education with a solid foundation in basic skills. A basic skills support scheme can be a useful initiative in this respect. It is important to take action as early as possible in the school system to improve basic skills attainment. It is also important that such a support system, led by public authorities, would be available to support adults that may also need to develop their basic skills.
44. BusinessEurope supports the broader understanding of basic skills to include digital and citizenship skills. Digital skills, in particular, are vital for the labour market and while they should be developed during compulsory schooling, apprenticeships can also play a role in further developing digital skills and competences.

STEM Skills

45. BusinessEurope welcomes the Union of Skills' ambitious target to increase student enrolment in STEM fields. As highlighted in the Draghi report, strengthening STEM and digital skills is essential to closing the competitiveness gap between the EU and other global players.
46. Attracting more people, including women, to STEM fields requires long-term efforts to challenge stereotypes and increase awareness of the possibilities. Public campaigns and best practice sharing are crucial tools in this regard. BusinessEurope has long advocated for 25% of tertiary graduates holding a degree in a STEM-related subject by 2030. Therefore, BusinessEurope welcomes the ambitious targets presented in the Union of Skills whereby the share of students enrolled in STEM fields in initial medium-level VET should be at least 45%; and 1 out of 4 should be women, the share of students enrolled in STEM fields at tertiary level should be at least 32%; and the share of students enrolled in ICT PhD programmes should be at least 5%.
47. As is outlined in the STEM Education Strategic Plan, the engagement of more women in STEM studies will be crucial to meeting these targets and BusinessEurope supports specific actions to this effect. Furthermore, specific initiatives such as mentorship programmes, scholarships, targeted outreach activities, and the creation of inclusive workplace environments should be promoted to not only attract more women to STEM fields but also to retain them throughout their careers. These initiatives should be adequately funded and embedded into STEM strategies, with appropriate monitoring.
48. As part of efforts to improve STEM subject participation, it is also relevant to reverse the decline in STEM-qualified teachers. In parallel, there is a need to foster more industry exposure for teachers. Their continuous professional development should include spending time in the workplace to better understand labour market skills needs and which should be embedded into teaching plans. These aspects should be taken into account as part of the EU Teachers and Trainers Agenda.
49. BusinessEurope supports the intention to implement the actions of the STEM Education Strategic Plan through the policy coordination of reforms and investments

and in the context of an additional focus on STEM in the follow-up to education and skills reforms in the European Semester.

50. Furthermore, BusinessEurope fully supports policy coordination at EU and national levels to enhance cooperation between research, education, and innovation, the so-called knowledge triangle. Strengthening partnerships between businesses and education and training providers at all levels is key to improving STEM skills development and aligning education with labour market needs. This policy coordination should avoid adding administrative burden and could be supported by the exchange of best practices between countries.
51. BusinessEurope supports the proposal to develop a STEM competence framework for all learners at all stages of education and a taxonomy of STEM skills within the ESCO classification. The added value of such a taxonomy should be to have a more common understanding of what constitutes STEM.
52. There is also relevance in efforts to pilot and develop transnational programmes and short courses leading to micro-credentials in strategic STEM sectors, including engineering, as identified in the Competitiveness Compass, which could be done through a range of national initiatives, as well as, potentially, through the Centres of Vocational Excellence and European Universities alliances. In parallel, efforts are needed to boost national STEM strategies and actions.

Skills Portability and Recognition

53. The recognition of skills and qualifications and the approaches taken depend on whether formal recognition is needed and if it concerns a regulated or non-regulated profession. The picture is complex due to different national approaches to recognition.
54. In the case of non-regulated academic and VET qualifications, recognition in one Member State does not automatically ensure recognition in another Member State. For non-regulated professions within the EU, BusinessEurope supports a trust-based approach with formal recognition undertaken only if there is a specific need. When formal recognition is undertaken, it is essential that Member States do not create unnecessary burdens on employers at national level or in ways hindering labour mobility, such as excessive administrative requirements or lengthy procedures. As concerns the general process of recognition, BusinessEurope stresses the need to ensure that traineeships or aptitude tests are regulated in the Member States and coordinated at EU level to make sure they do not create excessive burdens on potentially mobile workers, as well as on trainees, and on employers.
55. For regulated professions within the EU, the European Commission should further explore and promote the existing possibility to develop common training principles, on a voluntary basis. Together with Member States and social partners, the Commission should prioritise a number of regulated professions where common training principles could facilitate worker mobility and help to offset labour and skills shortages.
56. BusinessEurope welcomes the Union of Skills' commitment to enhancing skills portability and recognition across the Single Market. It is here important to ensure seamless integration within existing national qualification systems, avoiding duplication or administrative burdens, especially for SMEs. Regardless of how or where skills are acquired, they should be transparent and easily understandable across borders. The development of digital credentials, which could be stored in the EU digital wallet, can also help to foster skills portability.

57. A future EU initiative towards an improved portability and recognition of skills should also go hand in hand with the ongoing work at EU and national level to step up the role of micro-credentials in education and training as well as on the labour markets. Wherever micro-credentials are organised - VET, universities, companies own frameworks - it is essential to ensure the inter-operability of micro-credentials, notably in terms of learning outcomes. In this context, it is beneficial, where possible, to ensure that micro-credentials and non-formal learning certifications are recognised and validated in a transparent and coherent way across Member States.
58. In parallel to intra-EU mobility, it is also important to emphasise the important role of economic migration. In particular, BusinessEurope welcomes the proposal for creating an EU Talent Pool. The targeted matching of skilled third country nationals, of all skill levels, with vacancies in the EU can help to alleviate the pressure of labour and skills shortages. As part of this, it is important to make further progress on the recognition of third country qualifications, which should also be part of the further reflections on skills portability.
59. Orienting the Talent Pool in a way that addresses those occupations in the EU where there are the most pronounced shortages is a good way to respond to employers' specific needs in the current context of labour and skills shortages. In the medium term, the Talent Pool should be broadened and opened to all occupations. However, additional efforts should be made to simplify administrative procedures and recognition processes for third-country nationals to make the Talent Pool truly effective and attractive.
60. Additionally, the proposed Visa Strategy and the Multipurpose Legal Gateway Offices are a promising step in the right direction when it comes to attracting talent from third countries. However, further clarity is needed regarding timelines, operational frameworks, and integration with national immigration and employment services, with particular support for sectors facing labour shortages.
61. BusinessEurope also encourages the European Commission to consider possible ways of facilitating access to the EU for entrepreneurs and start-up founders, including through a pilot initiative.

Skills Guarantee pilot

62. The Union of Skills initiative proposes to set up a pilot for a Skills Guarantee for workers in sectors undergoing restructuring or at risk of unemployment and who have the opportunity to further their careers in other sectors and/or companies. BusinessEurope supports the overall aim of ensuring relevant up- and reskilling, but believes that the initiative should be re-named to a "Skills Support" pilot.
63. More information is needed about how the pilot will be designed to support workers in sectors facing restructuring or job loss, and how it facilitates their transition into new roles. It is essential that this skills support mechanism is closely linked with regional economic development strategies to ensure that reskilling efforts are aligned with actual local job opportunities.
64. It's crucial that the initiative remains flexible, respects national systems and existing practices, and involves social partners to ensure training is targeted and aligns with evolving labour market needs and occupational profiles, as well as the needs of individuals. Targeted upskilling and reskilling efforts should prioritize sectors facing the most severe shortages, supporting business competitiveness, employability and job retention.

Union of Skills Governance

65. BusinessEurope supports the need to improve skills intelligence in Europe and to use this information to update curriculum in a more timely and effective way. To this effect the proposed European Skills Intelligence Observatory may have a useful role to play in advancing the gathering of data and helping to identify potential skills shortages in critical or strategic sectors for the EU, including STEM, at an early stage, serving as a guide for the currently national and sectoral observatories. The Observatory must also develop a methodology to engage industrial stakeholders and local business representatives in data collection and dissemination, taking into account existing national and sectoral structures. The Observatory's effectiveness will be reinforced if it includes localised skills intelligence collection.
66. It would be important that this observatory makes good use of existing work and datasets developed by relevant EU agencies and international organisations, such as the OECD, and taking into account the sector skills blueprints. In particular, Cedefop has well-developed data sets, including information available from its skills forecasts, surveys and the Skills OVATE tool. The Eurofound relevant monitoring tools – i.e. European Restructuring Monitor and European Jobs Monitor – also provide useful information.
67. Finally, BusinessEurope notes the proposal to create European Skills High-Level Board. Given that social partners—especially employers—are best placed to provide cross-sectoral insights on workforce needs, it would be important to ensure the appropriate representation of EU cross-industry social partners in this initiative. A core aim for employers would be that this platform helps to guide EU skills policy in a way that ensures better alignment with labour market realities. This includes in relation to the demand for STEM skills and through cooperation with the proposed European STEM Executive Panel.
