

## Employers' input to the EU VET Strategy

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### Introduction

Employers broadly welcome the commitment in the Union of Skills initiative to develop attractive and innovative vocational and educational training (VET) systems in the Member States. Strengthening the position of VET is crucial to address skills shortages and mismatches as well as enhancing the labour market relevance of VET. It is important to make VET a more attractive educational pathway and to better align it with labour market needs.

In further developing its approach towards the VET strategy, it is important that the initiative does not point towards implementing European VET qualifications in parallel to national qualifications, which would risk undermining Member States' education systems.

Employers also underline that it is **not appropriate for the EU VET strategy, or other Commission initiatives, to propose an EU level right to training** as the answer to addressing Europe's skills challenges. Approaches to training provision and orientation are numerous and differ greatly from Member State to Member State and need to take into account national, regional, sectoral and local specificities and the role of social partners therein. The best way to support training provision in the Member States and to foster workers' motivation to take up training opportunities is to foster social-partner led approaches at the appropriate levels.

### Background

Strengthening the labour market relevance of VET is essential to help enterprises address their skills needs and to support people in entering and progressing in the workplace. Promoting VET as a pathway to enhance employability and employment prospects will also contribute to improving its overall attractiveness. This includes fostering permeability between VET and academic education and the further development of higher VET courses.

Employers consider it essential to further strengthen the attractiveness of VET. As highlighted in the Draghi report, stronger involvement of social partners, in particular employers, is crucial in shaping VET programmes that are better aligned with labour market needs and in addressing skills mismatches. The Draghi report also highlighted the need to better incentivise and support employers, where needed, to provide training. In sectors affected by persistent labour shortages, employers may face capacity constraints in delivering high-quality training, reinforcing the importance of effective incentives and support. This discussion should be linked with the allocation of financial resources for employers, where needed, including through the European Social Fund.

Expanding apprenticeship opportunities, including as part of IVET, CVET and higher VET remains important, ensuring that they are accessible to people of all ages. For employers, apprenticeships is a mean to equip individuals with in-demand skills and facilitate smooth labour market transitions. To maximise their impact, social partners must play a key role in shaping and governing national apprenticeship systems.

#### i. Ensuring school quality and labour market relevance of VET

Employers increasingly report persistent skills mismatches among people entering the labour market, with VET qualifications not always delivering the level of job-ready skills required in practice. Ensuring high-quality VET systems is therefore essential to better align training

outcomes with current and future labour market needs. When this alignment is lacking, employers are often required to invest additional time and resources to compensate for basic skills that should have been acquired during initial education and training. This also calls for a clear and enhanced role for employers and social partners as part of national skills governance structures. Furthermore, it necessitates a stronger role for employers in the design and updating of curricula. Evidence from a European social partners project on skills matching shows that almost half (47%) of the social partner respondents to the research survey reported not much or no influence over shaping the content of IVET curricula.

Employers also stress that a strong foundation in basic skills is a prerequisite for successful participation in VET. Elementary reading, writing, numeracy, and digital skills acquired during compulsory schooling form the basis for further vocational learning and development. Ensuring these core skills early on is essential for preparing individuals for the labour market and enabling VET to deliver its full potential in terms of employability, career progression, and lifelong learning. While basic skills can be further developed during IVET and beyond, it should not be the role of IVET or CVET to teach people the elementary basic skills that should be acquired during compulsory schooling.

**Employers emphasise that ensuring strong labour market relevance must remain at the core of the European VET Strategy.** VET systems can only deliver value if qualifications, curricula and training provision are closely aligned with evolving labour market needs. From an employers' perspective, this requires a more joined-up approach between education and training systems, employment policies and relevant EU funding instruments, with a stronger focus on learning outcomes, employability and smooth education-to-work transitions. Skills intelligence has an important role to play in underpinning the labour market relevance of VET, as well as in enhancing its attractiveness. Improving the responsiveness of VET is also key to addressing skills mismatches and labour shortages, particularly in sectors undergoing rapid technological, digital and green transitions.

To this end, better use of data and evidence-based policy making should be encouraged. For instance, employers believe that bench-learning and benchmarking exercises could play a constructive role in helping Member States assess the timeliness of updating qualifications, the effectiveness of training measures for inactive and unemployed people, and the responsiveness of training providers to changing skills needs. When designed flexibly, such tools can support national reform agendas without undermining the diversity of VET systems across Europe.

The Council Recommendation on human capital rightly refers to the need to reduce skill shortages in strategic sectors; to strengthen basic skills to build solid foundations for higher competitiveness; to strengthen VET for competitiveness; investment in education and skills; and skills intelligence for mastering labour market transitions.

The ESF+ is the main EU fund for investing in skills. Employers will continue to advocate for the ESF to remain a standalone programme in the next MFF. **The Fund should be efficient and effective, with a substantial amount of the resources allocated to supporting skills initiatives**, including helping employers, where necessary, to provide training to their workers. BusinessEurope is calling for at least 50% of future ESF resources to be earmarked for skills development and 15% for employer incentives to support workforce training, in those Member States where employers would welcome such support.

## ii. Participation and attractiveness of VET

Improving the labour market relevance of VET must go hand in hand with increasing its attractiveness and social recognition. VET should be promoted as an equal and respected pathway, on par with academic education, offering clear prospects for employment, career progression and lifelong learning. To this effect it remains important to foster permeability between VET and academic education and vice-versa, as well as developing higher VET

offers, including as part of academic education. High-quality career guidance and professional counselling play a crucial role in this regard, helping young people and adults make informed and sustainable education and training choices. This is also important in the context of addressing gender imbalances in VET programmes. Promoting a more balanced gender distribution across sectors by attracting more women into STEM fields and more men into care and welfare professions is essential to address labour shortages, broaden the talent pool, and support more resilient and high-quality service delivery.

Career guidance efforts should start early and reach beyond students alone. Parents and parent associations have a significant influence on educational decisions and should therefore be actively engaged in awareness-raising initiatives that showcase the opportunities offered by modern VET, including apprenticeships and higher VET pathways.

To further increase attractiveness and inclusiveness, it is essential to promote VET as a pathway suitable for all learners, rather than creating the perception that it is primarily for early school leavers or those less academically inclined. Employers consider that Modern VET can equally serve high-achieving and motivated students, offering challenging and innovative learning opportunities that lead to rewarding careers and lifelong learning. Emphasising this inclusive approach helps to attract a broader pool of talent and strengthens VET's social recognition. Stepping up VET graduate tracking could support a more positive narrative around VET and to raise the awareness on successful professional careers stemming from VET education.

By promoting VET as a forward-looking, flexible and inclusive option, Member States, working together with employers and social partners, can help reverse negative stereotypes, increase participation and better respond to labour market needs. Ultimately, strengthening the attractiveness and relevance of VET is not only beneficial for learners and employers, but also essential for Europe's competitiveness, innovation and social cohesion.

Apprenticeships remain one of the most effective pathways to strengthen labour market relevance and increase participation in VET. By combining classroom learning with substantial workplace-based training, dual learning systems offer a proven model for equipping learners with job-ready skills and facilitating smooth transitions into employment. Employers strongly support apprenticeships as a cornerstone of high-quality VET and as a key instrument to support upskilling and reskilling across all age groups.

When apprenticeships, or other forms of work-based learning are used to support up-skilling and re-skilling, it may also be necessary, depending on the national context to compensate employers, especially SMEs, for the time when their workers are on training leave, as is already the practice in some Member States.

### iii. Innovation, excellence and entrepreneurship

The rapid deployment of AI across workplaces is significantly reshaping skills needs and training requirements, making the role of VET increasingly important. VET systems will be central to equipping learners and workers with both AI-related technical skills and the broader digital and transversal skills needed to adapt to algorithmic and data-driven work environments. Alongside specialist profiles, basic digital skills are essential to ensure that workers at all qualification levels can effectively interact with new technologies and benefit from AI-enabled productivity gains. Integrating AI into VET curricula and adult learning pathways, in close cooperation with employers and social partners, will be key to ensuring labour market relevance.

The European Competitiveness Fund raises the prospect of **VET-business partnerships** as a way to help address skills shortages and to situate VET in the knowledge triangle, which employers broadly welcome. It will be important that these partnerships do not duplicate the structures that may have been created at national, regional or local level as part of other skills

initiatives, notably the Centres of Vocational Excellence and the Pact for Skills ecosystem approach.

**Centres of Vocational Excellence** have the potential to be an important platform for strengthening cooperation between VET providers, businesses and applied research actors, and for promoting innovation and excellence in vocational training. When built on strong local and regional partnerships linking employers, training providers, chambers, sectoral organisations and research institutions, they could serve as practical hubs for co-designing curricula, sharing training infrastructure and embedding applied learning through real-life projects, placements, mentoring and coaching. The effectiveness of these centres will depend on the involvement of the relevant labour market actors. For the moment, employers consider that it remains too early to assess the added value of the Centres and that a further impact assessment should be conducted in due course.

The demand for AI skills is growing fastest in those industries that first adopted AI technology, such as information & communication, professional services, and financial services, but there is also growing demand in sectors such as agriculture and construction. This demonstrates the broad cross-sectoral need not only to acquire AI skills amongst Europe's workforce, but also to further explore how to use AI to support up-skilling and re-skilling.

**Employers call on the Commission to establish a dedicated working group under the European Education Area to focus on the issue of AI and VET** in order to gather more practical insights from the national level about how AI is being used in VET and to develop further policy messaging around this.

Employers believe that **apprenticeships, in both an IVET and CVET context can play an important role in supporting AI skills development**. This is something that could be exchanged on through the European Alliance for Apprenticeships support services, for instance.

#### iv. VET mobility and internationalisation

**Employers consider that a broad approach to learning mobility, encompassing a wide range of occupations can be one of the most effective EU-level tools to strengthen VET systems, enhance learners' employability and support businesses in helping to address their skills needs.** To unlock the full potential of learning mobility in VET, continued and strengthened support through Erasmus+ will be essential. This includes ensuring a dedicated and sufficiently funded mobility budget in the next programming period, with a clear focus on VET learners and apprentices. At the same time, mobility schemes must be designed in a way that reflects the specific realities of VET and of enterprises, in particular SMEs, by offering simplified procedures, flexible formats and practical support for both learners and host enterprises. The recognition of acquired VET skills remains a priority, and the VET Strategy should therefore be closely aligned with the Commission's Skills Portability Initiative.

To fully leverage VET mobility, it is crucial to support language learning, especially for professions that require frequent interaction and communication, and promote teacher exchanges, which help improve the quality and relevance of VET programs. Engaging VET learners in mobility opportunities can be challenging, due to factors such as logistical barriers or lack of awareness. However, with tailored guidance, mentoring, and practical support, these obstacles can be overcome, enabling learners to benefit from international experiences that enhance employability, personal development, and cross-border collaboration.

The internationalisation of VET can also contribute to strengthening Europe's skills base and global competitiveness. Initiatives such as the EU's Talent Partnerships can play a constructive role in this regard, provided they are closely aligned with labour market needs and developed in cooperation with social partners.

## **v. Sectoral element of VET Strategy**

The experience gathered through the Sectoral Skills Blueprints initiative can provide useful lessons for the sectoral dimension of the future VET Strategy. The Blueprints have aimed to help translate skills intelligence into more concrete training solutions across several industrial ecosystems. Employers and participating sectors broadly consider the initiative to have strengthened cooperation between sectoral stakeholders and are helping to address sectoral skills needs.

As part of its research study on “Access to skills”, BusinessEurope is analysing the impact of the sector skills blueprints. The study’s provisional findings suggest that, overall, employers participating in the blueprints consider them to have had a broadly positive impact in helping to identify and address sectoral skills needs. At same time, it has been found that the sustainability and longer-term impact at national level of the actions stemming from these initiatives, such as maintaining training catalogues, portals or curricula, may be rather limited.

Sectors continue to experience significant labour and skills shortages and gaps. The EU VET strategy should underline the role that VET can play in helping to address these challenges. In developing future sectoral skills initiatives, it is important that an impact assessment is conducted of the previous blueprint projects and that any future initiatives in this regard include a focus on how to ensure predictable and sustainable funding, in situations where sectoral employers assess there to be an added value in maintaining and updating the outcomes of their projects.

We welcome the Commission’s intention to reinforce sectoral skills development for strategic industries linked to the Clean Industrial Deal. Employers should be involved by the Commission in the design of this reinforced support. At the same time, it is also important to allocate a dedicated budget for VET mobility within the next programming period of Erasmus+. Specifically, adequate funding, particularly for individual learning mobility, is essential, as it generates added value, including for companies. However, binding minimum allocations are needed, especially for VET, to safeguard the strategic core objective of learning mobility.

The project “Green Skills in VET”, implemented by SGI Europe, shows that in key SGI sectors, the green transition mainly leads to the evolution of existing occupations, requiring continuous upskilling and reskilling. Its findings underline the importance of sustained cooperation between employers, VET providers and social partners within local skills ecosystems and identify partnership-based approaches that could be scaled and structurally embedded. The project also compiled a broad set of good practices, offering practical and transferable insights to support the implementation of the future VET Strategy.