European Year of Skills 2023

2022/0326(COD) - 12/10/2022 - Legislative proposal

PURPOSE : to make 2023 the European year of skills.

PROPOSED ACT: Decision of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: a **skilled workforce is crucial to ensuring socially fair and just green and digital transitions**, and to strengthening the Union's sustainable competitiveness and resilience in the face of adverse external shocks such as the COVID-19 pandemic or the fallout of Russia's war of aggression against Ukraine. A workforce with the right skills is a precondition for the green transition too, forecasted to generate 2.5 million additional jobs in the EU by 2030.

In 2021, **28 occupations were classified as having shortages**, including the healthcare, hospitality, construction and service sectors, in addition to shortages of IT and security specialists, in particular cybersecurity experts, and workers with science, technology, engineering and mathematics background.

At the same time, demographic change is reducing the available workforce. Even if the average unemployment rate in the EU remained at 6% in August 2022, 77% of companies are experiencing difficulties in finding employees with the required skills since 2019. In particular, the biggest problem for a quarter of the 25 million small and medium-sized enterprises in the EU is finding qualified staff and experienced managers.

The already evident shortage of staff will deepen further, as the size of the European working-age population is expected to shrink from 64% in 2019 to 56% in 2070, and the old-age dependency ratio is expected to increase from 32 in 2020 to 54 in 2070. Thus, **additional effort is needed to activate more people for the labour market through reskilling and upskilling**, in particular women and young people not in education, employment or training. It is also important to promote the digital skills of the older population and ensure they have the capacity to fully participate in society and access vital services increasingly available only online.

The EU's domestic workforce alone is and will not be sufficient to meet current and future labour market demands. In this context, migrants already play a crucial role in the European economy and society. For the EU to become an attractive space for talent from all over the world in labour-scarce professions, **third-country nationals** must be able to develop their full potential and use their skills in the European labour market.

To boost competitiveness of European companies, in particular SMEs, to realise the full potential of the digital and green transitions in a socially fair, inclusive and just manner, the 2023 European Year of Skills would further promote a mindset of reskilling and upskilling.

CONTENT: the European Commission proposes to **make 2023 the European Year of Skills**.

The overall objective of the European Year is to:

- continue to foster a mindset of re-skilling and up-skilling, thereby boosting the competitiveness of European businesses, small and medium-sized enterprises, and;

- boost competitiveness of European companies, in particular SMEs, to realise the full potential of the digital and green transitions in a socially fair, inclusive and just manner.

The activities of the European Year will promote skills policies and investment to ensure that no one is left behind in the twin transition and recovery process, and to address labour shortages to ensure a better skilled workforce in the EU that is able to seize the opportunities offered by this process.

These activities consist of:

1. **promoting increased, more effective and inclusive investment** into training and upskilling to harness the full potential of the European current and future workforce and to support people in managing job-to-job transitions, active ageing, and benefiting from the new opportunities brought by the ongoing economic transformation;

2. **strengthening skills relevance** by closely cooperating with social partners, public and private employment services, companies, education and training providers and developing joined-up approaches with all branches of governments;

3. **matching people's aspirations and skills-set with labour market opportunities especially those offered by the green and digital transitions** and the core sectors in need of recovery from the pandemic. A special focus will be given to activate more people for the labour market, in particular women and young people especially those not in education, employment or training (NEETs);

4. **attracting people from third countries** with the skills needed by the Union, including by strengthening learning opportunities and mobility, and by facilitating the recognition of qualifications.

The European Year of Competences 2023 is expected to have positive effects at the level of the individual, governmental and societal. The types of measures planned (events, information, communication and awareness-raising campaigns, increased dialogue, promotion and development of tools) will lead to:

- more and better focused investment in labour market relevant reskilling and upskilling opportunities, benefitting workers and employers by addressing existing labour shortages and fostering employment and social inclusion;

- increased information exchange, mutual learning, and strengthened collaboration, benefitting the work of public and private organisations, as well as social partners, at international, European, national, regional and local level.