BTS NDRC – LVA OBLIGATOIRE 2024

**Working conditions key in alleviating labour shortages**

**With countries and companies lamenting ongoing skills and labour shortages, experts argue that part of the problem is not a lack of workers – but an unwillingness on the part of employers to provide better working conditions.**

Complaints about a lack of workers have become hard to ignore. “We increasingly hear complaints from member states, from social partners, especially the business side, that labour and skills shortages are a major obstacle to expanding business and to economic growth in general,” Barbara Kaufmann, director for employment and social governance at the European Commission, told the European Employment and Social Rights Forum 2023.

There are several factors driving skills and labour shortages in Europe.

For one, the digital and green transitions require some skills in a larger quantity than before, such as software developers or solar power specialists.

Demographic change produces a doubly-layered effect: it influences labour shortages directly by depriving the economy of a disproportionate amount of workers who retire and increases the need for medical and care personnel.

However, in some cases, it’s not about missing skills, but about working conditions that are simply not good enough. “I think it’s important to distinguish recruitment difficulties from actual skill shortages,” Mark Keese, head of the skills and employability division at the OECD said at the Employment and Social Rights Forum. “Sometimes labour recruitment difficulties are simply because employers are unwilling to pay the going market rate – and so, of course, they have difficulties in attracting workers, but that’s not really a skills shortage.”

Economics Professor and labour economics specialist Sara De La Rica pointed to the care sector as one of those sectors where it’s not necessarily a lack of skills but a lack of decent working conditions that were responsible for the shortage, so “improving working conditions was essential to attract new workers or even former workers who fled the sector due to the bad conditions” she said.

The EU Commission is actively supporting social dialogue and points towards initiatives like the Minimum Wage Directive that is currently being transposed by member states and should increase statutory minimum wages in many countries.

Of course, labour shortages are usually also a sign of a healthy economy. In an expanding economy, you would expect there to be a need for more employees. It forces companies to improve their offer to workers and find ways to work more efficiently.

This also means that, in a good economy, labour shortages will never be completely filled, and employers will always be in competition to make a compelling case to prospective employees.

After years of high unemployment in the previous decade, the current environment of relatively low unemployment and high employment rates might be a situation that many European companies first have to get used to.

János Allenbach-Ammann, Euractiv.com, December 7th, 2023