

Clean Industrial Deal: the underlying role of technical education and workforce development

Brussels, 3 February 2025

Dear Executive Vice-President Ribera, Dear Executive Vice-President Séjourné, Dear Commissioner Hoekstra, Dear Commissioner Jørgensen,

Shortages of skilled workers are hindering the competitiveness of European businesses¹, consequently jeopardising the strategy defined in the new Competitiveness Compass Communication and the EU's short- and long-term targets for the energy transition. Against this backdrop, our two organisations have joined forces to support the <u>inclusion of a dedicated pillar on labour and skills in the upcoming</u> <u>Clean Industrial Deal (CID)</u>, and to provide targeted suggestions from our sectorial perspective.

EuropeOn and GCP Europe represent the qualified professionals at the forefront of the energy transition, often referred to as "installers" in EU legislation. Our members encompass a broad spectrum of expertise, including electricians, plumbers, HVAC installers, and integrators of electrical and mechanical systems. The installation sector enables the deployment of clean technologies as well as electrification, energy efficiency and digitalisation in industry, buildings and infrastructure, for both businesses (including SMEs) and individual consumers.

Collectively, we represent **millions of skilled professionals across Europe**, with the electrical contracting sector alone accounting for 2.7 million workers—or one in every 88 active Europeans². However, **our sector has great potential for further growth**. Germany for instance has an immediate need for an additional 96,000 electrical contractors (+20% of the existing workforce)³.

The competitive and successful energy transition called for by the EU and member states can only materialise if they prioritise solving labour and skills shortages in the installation sector. Businesses are taking initiatives but cannot solve this systemic challenge alone. EuropeOn launched the #*Skills4Climate* campaign in 2019 that has since then been joined by GCP Europe and EU stakeholders⁴. Our members work with national governments to address shortfalls in their educational system and shape curricula, all the while providing trainings and apprenticeships for the next generation of installers.

A positive narrative is within reach for Europe: by addressing labour shortages in the installation sector, **plentiful stable and quality jobs can be created**. In particular, **technical jobs are local and non-relocatable**, providing a strong foundation for Europe's industrial renaissance and delivering longlasting results for our citizens and economy. Moreover, closing the workforce and skills gap is essential to **guarantee the affordable and competitive decarbonisation of Europe** —the greater the supply of qualified workers, the cheaper and faster clean technologies can be deployed.

¹ 77% of EU firms mention availability of skilled staff as a barrier to investment, directly hindering their ability to be competitive (EIB Investment Survey 2024 - European Union overview)

² EuropeOn (2024): <u>Electrical Contractors: Problem solvers in a fast-changing Europe</u>

³ ZVEH (2024): <u>Demand for higher qualified specialists increase</u>

⁴ <u>https://europe-on.org/skills-4-climate/</u>

Europe Un GCP EUROPE

The solution to labour shortages in our strategic sector can be broken down into three components: increasing the 'pipeline' of technical students and workers, upskilling the existing workforce, and reskilling career changers. They all come down to **a root problem: the undervaluation of technical education**. Generally perceived as a last-resort pathway for supposedly underperforming students, this stigma has paralleled Europe's deindustrialisation since the 1970s and is now a blind spot that threatens both the continent's reindustrialisation and the broader decarbonisation of the economy.

The EU should be bold and creative within the boundaries of its competences in education policy and abide by two principles. First, fixating on updating skills is not enough, as the primary challenge is to **attract more people** into technical education and careers. Second, Europe must **prioritise quality jobs** over short-term solutions relying on minimal or targeted trainings, which often lead to overly specialised, unattractive, and disposable job roles.

Bridge the workforce gap in the installation sector for an effective Clean Industrial Deal and Electrification Action Plan:

- **Gap assessment:** analyse member states' reporting under Article 28(6) of the Energy Efficiency Directive and support corrective actions to tackle identified workforce shortages.
- Net Zero Workforce: ensure the Net Zero Europe Platform⁵ continuously assesses, monitors, and forecasts workforce needs in coordination with sectorial stakeholders.
- **Labour Migration**: leverage initiatives such as the EU Talent Pool and the upcoming Skills Portability Initiative to cater for immediate workforce needs.

Promote technical education as an effective enabler for a competitive and decarbonised Europe:

- Awareness Raising: leverage Article 28(3) of the Energy Efficiency Directive to promote technical education and professions across Europe, with an emphasis on female participation.
- **Support for Technical Schools**: ensure schools have up-to-date equipment, well-trained teachers, and curricula aligned with EU targets.
- Adult Reskilling: facilitate career transitions into high-demand technical professions.
- European Strategy for Vocational Education and Training (Union of Skills): ensure the upcoming VET Strategy focuses on making technical education a desirable and prestigious option, particularly in key areas linked to the clean industrial agenda.
- **Apprenticeships**: ensure European youth and students have access to enough quality work placements by supporting the central role installation companies play in the educational system when they train apprentices.

Finally, the EU should draw from **the Nursing Action**, a targeted initiative to address critical nursing shortages launched recently by DG SANTE⁶. This Action sets a precedent and **should be replicated in the installers' sector, given our sector's critical skills, its size and its cross-sectoral role in delivering the competitiveness and decarbonisation objectives assigned to the upcoming Clean Industrial Deal and the Electrification Action Plan**.

We hope you will take these considerations into account and remain at your disposal for further dialogue.

Julie Beaufils *EuropeOn General Secretary* Oliver Jung GCP Europe General Secretary

⁵ Net Zero Industry Act

⁶ Launch of the first EU action to address nurse shortages shows positive impact of European Health Union