

PRESS RELEASE

Continuing Education and Immigration Indispensable to Avoid Future Shortages of Skilled Workers

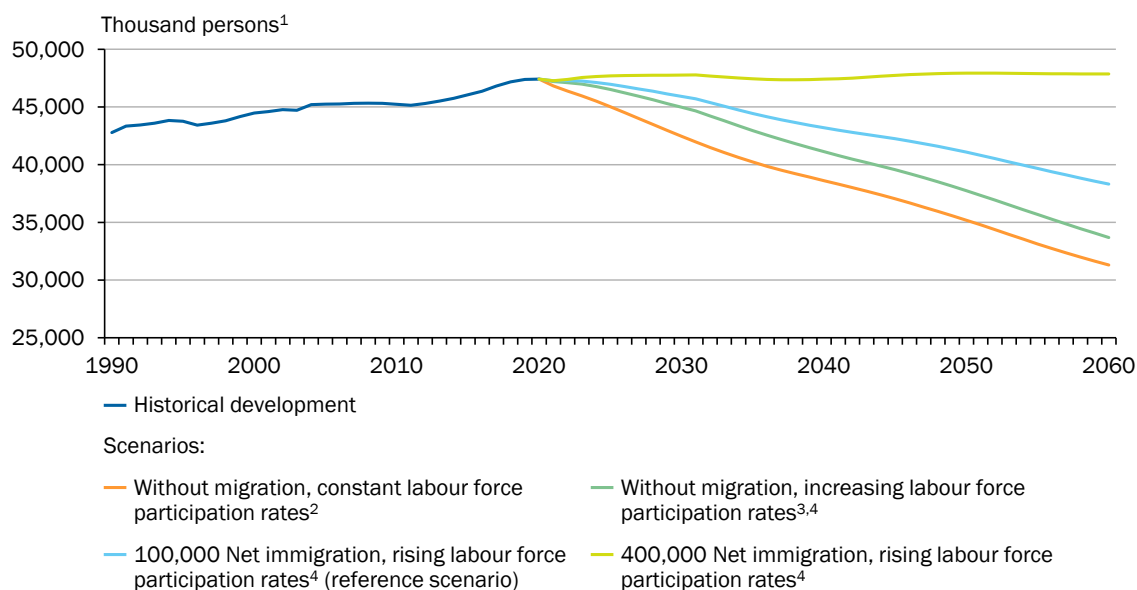
- Ensure suitable professional qualifications of the domestic skilled workforce in a changing work environment through nationwide educational leave and standardised continuing education modules.
- Provide easily accessible guidance for low-skilled workers to identify suitable continuing education and training (CET).
- Facilitate labour migration by abolishing the equivalence assessment for non-regulated occupations and extending the Western Balkans regulation to selected countries.

Wiesbaden, 09.11.2022 – The shortage of skilled workers is already clearly noticeable in Germany today. Ongoing demographic changes will further exacerbate this shortage, as the working-age population and potential labour force will shrink. Continuing vocational education and training can help the skilled labour potential to acquire the competences needed in the changed work environment and reduce unemployment. At the same time, labour migration needs to increase.

Workers should be given more precise information about the skills needed in the future and retraining opportunities. The continuing education offerings must become more transparent. Rights to a longer (partial) education and training leave on the national level could help employees with professional reorientation if their jobs are at risk due to structural change. The CET landscape should be improved by setting quality standards and harmonising nation-wide qualification modules. Low-skilled workers should be made aware of CET opportunities through outreach counseling. Small and medium-sized enterprises could join forces via regional qualification networks to organise their CET efforts. Individual companies often lack knowledge of competences needed in the future. Thus, public and private actors should jointly consult with external experts.

"In order to prevent the shortage of skilled workers from getting worse, we need considerable immigration of workers," says council member Martin Werding. Since immigration from EU countries is declining, the German labour market should be opened further to countries outside the EU. Labour migration from third countries is hampered by bureaucratic barriers related to the recognition of foreign qualifications and family reunification. For non-regulated occupations, it would make sense to simplify or abolish restrictive hurdles such as the equivalence assessment for foreign qualifications. The Western Balkans regulation has proved a successful pathway into the German labour market, with a job offer as the main requirement. In order to strengthen labour immigration to Germany, the Western Balkans regulation could be made permanent, quotas could be expanded, and the regulation could be extended to selected additional countries. To speed up administrative processes, immigration authorities should be centralised at the Länder level and transformed into service-oriented immigration agencies.

Stabilisation of the potential labour supply requires high immigration and rising labour force participation



1 – National concept. 2 – Demographic effect: Result of population decline and ageing. 3 – Behavioural effect: Effect of rising domestic labour force participation rates of women and older people. Scenario takes into account the demographic effect, but not migration. 4 – Rising labour force participation rates: The projection of labour force participation rates (strictly speaking, the simulation uses the potential labour force participation rates, i.e. the labour force participation rates plus the hidden reserve rates, but for linguistic simplification referred to as labour force participation rates) is based on the modelling of Fuchs and Weber (2021) and certain behavioural assumptions (Fuchs et al., 2021, p. 4).

Source: Fuchs et al. (2021)

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