

## Crafting the workforce of tomorrow

### EBC position paper on skills and labour needs in the EU construction sector

The construction sector stands at a critical juncture, facing profound challenges and transformative opportunities: the skills and labour landscape within the construction sector has become a focal point for the success of the ongoing Green Deal and Renovation Wave in Europe.

Indeed, at the time of the European Year of Skills, the construction sector hit its lowest employment rate in 15 years, with also over 7 million construction professionals to be replaced by 2035 according to the [European Centre for the Development of Vocational Training CEDEFOP](#). The European Commission confirms this critical situation, with the latest [Employment and Social Developments in Europe](#) report highlighting that labour shortages in construction have nearly tripled since 2013. Additionally, the European Labour Authority has noted a significant decline in craft workers from 2012-2022, especially in countries classifying construction or engineering occupation as scarce, as per [EURES' report on labour shortages and surpluses 2022](#).

Representing 99% of businesses in the sector, SMEs are the local driving force behind construction and renovation. These are thus compelled to navigate this intricate panorama of skills acquisition and retention and labour shortages when their success is integral to the prosperity and transformation of Europe's built environment.

#### **Labour shortages, war for talent, lack of attractiveness and twin transition: A fourfold challenge for a skills transition in construction**

The construction sector grapples with four main challenges: a profound **structural shortage of skilled labour**, **low appeal to young people** in several countries, an increasing **cross-sectoral war for talent** and a **digital and environmental transition**.

Demographic shifts, particularly the ageing population within the European Union (EU), have intensified the struggle to find a sufficient number of skilled workers. As seasoned craftsmen and craftswomen retire, a void is indeed created that demands urgent attention. This challenge is not episodic, requiring sustained efforts to attract, train, and retain a skilled workforce.

In addition, skilled workers become increasingly sought after across all industries due to these failing demographics. Besides significant recruitment and retention challenges, construction now competes with other sectors for skilled talent. At the same time, the sector maintains a stereotyped image, making attracting new talent a daily challenge. Notwithstanding its crucial role in making homes and buildings more comfortable, safer and climate change-resilient, while reducing greenhouse gas emissions in the following decades, construction is not perceived as an attractive sector. Yet, it is constantly evolving, offering fulfilling career opportunities that deserve to be better known by young people looking for meaningful vocations.

The European construction sector nonetheless plays a fundamental role in boosting economic growth, fostering innovation and skills development (particularly through apprenticeships), and creating employment opportunities, with local construction SMEs and crafts constituting the driving force of its dynamism and diversity. This pivotal role is even more obvious considering its ongoing transition towards greater sustainability and digital integration, which, however, is having an impact on skills requirements, with higher expectations in terms of technical and environmental knowledge and the evolution of occupations.

## **The perspective of construction SMEs and crafts on addressing skills gaps and labour shortages**

The vision of construction SMEs and crafts on the challenges and opportunities that should be food for thought when thinking in approaches toward skills and labour development in the sector takes account of the reality of the EU, where education and training are sometimes a national competence, sometimes a regional one, or both, while the European Commission has mostly an information and guidance role, and societies in many Member states see vocational training, including apprenticeships and dual learning, as the education of last resort or last chance.

Whatever the level of authority implied, SMEs and crafts are at the forefront of the transformative journey in construction. Recognising that these entities constitute the overwhelming majority of companies in the sector, their collective capability to influence the future of European buildings and infrastructure is unparalleled. In doing so, we honour the legacy of the crafts trades, embrace the imperatives of sustainability, and empower the digital evolution, all while securing the future of construction SMEs and crafts in the heart of Europe's built environment.

This position paper articulates the urgent concerns of our construction SMEs and crafts and calls for tangible multi-level action to improve the skills situation and face labour shortages in construction. **In this context, EBC calls to local, regional, national, and European policymakers to:**

- 1. Celebrate skilled crafts, artisanry, and vocational trades to change the narrative as a transitioning sector**
- 2. Promote apprenticeship and mentorship, and encourage better detection and orientation of talent**
- 3. Better identify, map, and anticipate the sector's skills needs in light of the Green Deal**
- 4. Prioritise investment in training, apprenticeships, and vocational education in construction**
- 5. Reinforce dialogue and collaboration between public authorities, social partners, and educational institutions at all levels**
- 6. Simplify, rationalise, and streamline qualification and certification systems**
- 7. Integrate entrepreneurial, digital, and green skills horizontally across all construction trades**
- 8. Maintain a continuous effort to optimise health and safety training at work**
- 9. Make the sector more inclusive and appealing to female talent**
- 10. Adopt a pragmatic approach to migration as a solution to skills and labour shortages in construction**

## Specific remarks from construction SMEs and crafts on skills and labour needs

### **1. Celebrate skilled crafts, artisanry, and vocational trades to change the narrative as a transitioning sector**

Skilled crafts, artisanry, and vocational training are cornerstones of the construction sector, yet it often lacks the recognition they deserve. This can demotivate skilled craftsmen to pursue their activities or share their knowledge and hinder the overall prestige associated with vocational careers. The showcasing of artisanry requires a societal reconsideration of construction trades through public-private collaboration at all levels, to put vocational training at the same level as university education. To this end, encouraging both EU-wide and national/local initiatives that recognise and promote vocational achievements in the construction sector would contribute to changing perceptions and enhancing the overall attractiveness of vocational careers. By setting up and incentivising such initiatives, construction careers will be increasingly considered as fulfilling and valued paths contributing to societal and environmental challenges.

Moreover, ensuring the dissemination of a positive image of the construction sector is also of particular importance, to make construction more attractive. As the European Green Deal sets ambitious targets for energy efficiency and carbon neutrality, and as digital innovation is accelerating its pace, the construction sector is at the forefront of translating these aspirations into tangible outcomes. The necessary alignment with environmentally and climate friendly practices demands a workforce well-versed in green skills; simultaneously, the digitalisation of the construction process mandates a workforce adept in leveraging digital technologies for enhanced efficiency and innovation. And this reality of a sector in transition must be better promoted towards all political, economic, and social groups, through large-scale, frequent communication and awareness-raising exercises.

All the actors who have the power to influence how the construction trades are described, whether public officials, value chain players, teachers and trainers, or education experts, but also schools and parents, should change the narrative around a sector that is destined to undergo profound changes in the short and long term. Engaging a more positive narrative would enhance the sector's appeal to entrepreneurial spirits, looking for hands-on experience or seeking careers that align with their values or ambition to address the major challenges of our times.

### **2. Promote apprenticeship and mentorship and encourage better detection and orientation of talent**

The lack of interest from youth and women in the construction sector leads to a lack of apprentices that hampers the transfer of skills from experienced crafts to the next generation. Additionally, sometimes SMEs struggle to provide structured apprenticeship programs or retain good apprentices due to resource constraints. Supporting SMEs in shaping better targeted apprenticeship schemes would enable them to invest more time and resources in training new talent, without having to sacrifice at least part of their day-to-day hard work. Indeed, historically highly developed in some European countries, apprenticeship is experiencing a very positive dynamic in more recent Member States thanks to strong incentive policies. This form of training is particularly well suited to young people and should be encouraged.

At the same time, recognising and incentivising knowledge transfer programs within companies, encouraging retiring skilled workers to mentor and pass on their expertise to younger generations, could create a continuum of knowledge within the sector. Part of valuing more experienced workers could be to offer them a leadership and ambassadorial role in the adoption of less heavy-tasked roles at a later stage in their career through a human-centred approach to the combination of craftsmanship, industrialisation, digitalisation, robotisation and automation that is also needed to help offset labour shortages in the sector.

By establishing apprenticeship support programs and talent detection, orientation, and guidance services, forging solid partnerships with educational institutions, providing support for mentorship programs, hosting apprenticeship fairs and events, and facilitating pre-apprenticeships programs, local and regional authorities can help construction SMEs and crafts to be more appealing to potential apprentices. Initiatives calling for the development of apprenticeships and dual learning through European cooperation to support national and local policies in favour of the construction SMEs and crafts should be fomented. These good practices should reach and propose enhancements at EU level, through the Pact for Skills in construction or the European Alliance for Apprenticeships (EAfA), for a continuous showcase on the importance of apprenticeships and mentorship in the construction sector.

### **3. Better identify, map, and anticipate the sector's skills needs in light of the Green Deal**

Within the transformation propelled by the imperatives of the EU Green Deal and the Renovation Wave, redefining the skills required by construction professionals is paramount. There is a greater need to know what skills are available and which are lacking at local, national, and European level, to better define targeted action plans to fill these gaps. Indicatively, the pressing need to map and address those skills gaps are now also reflected in specific provisions of EU legislation, such as the Energy Efficiency Directive (EED) and the Energy Performance of Buildings Directive (EPBD).

To this end, a better collection of information on the actual situation of available capacity at local level, then aggregated at national and finally European level, will be an essential tool for better political decision-making. Not only to revise legislation affecting skills in construction, but also to set up tailored awareness-raising actions, update training curricula and apprenticeship schemes, and develop further training or retraining programmes that better match the training on offer with the expectations of small businesses in the construction sector.

In this sense, national public authorities must attach greater importance to mapping skills needs in the construction industry. This would also enable a better interaction and share of information with the various relevant European bodies that monitor labour shortages (ELA), collect statistical data on construction (Eurostat), project the future of construction skills (CEDEFOP), monitor occupational health and safety training schemes (EU-OSHA) or support EU neighbouring countries in education, training and labour market reforms (ETF), for a more holistic and coordinated European view of available and missing resources in the construction sector.

#### **4. Prioritise investment in training, apprenticeships, and vocational education in construction**

A major challenge faced by construction SMEs and crafts is the inadequacy of investment in training and education at national, regional, and local level, which hinders the development or update of training programs matching SME needs and reflecting their digital and greener evolution.

Both public and private financing should be invested in facilities and equipment as well as incentivisation schemes to support construction SMEs in upgrading their apprenticeship programs, accessing modern tools and technology that enhance the quality of training, and attracting new talent. By directly allocating and orientating resources of all relevant national and EU funds towards construction-specific training programs, construction SMEs, industry stakeholders, trade unions, paritarian institutes, research institutes and vocational training centres will receive the necessary support for workforce development.

To this end, the European Social Fund (ESF), the European Structural and Investment Funds (ESIF), the European Regional Development Fund (ERDF), as well as the Recovery and Resilience Facility, but also the Horizon Europe, LIFE, Erasmus+ and all other EU funding programs deemed relevant should be better explored to include specific provisions for funding skill development initiatives in the construction sector. Such changes would not only further support employment, employability, and social inclusion initiatives, but also contribute to regional investments in education, training, and infrastructure projects that impact the construction skills landscape at local level.

#### **5. Reinforce dialogue and collaboration between public authorities, social partners, and educational institutions at all levels**

Ensuring a comprehensive, cooperative, equitable, and inclusive approach to tackling skills challenges in the construction sector requires fostering a consistent and positive dialogue. Indeed, the current lack of effective mutual consultation among construction SMEs, educational institutions, industry associations, paritarian institutes and policymakers at the local, regional, national, and European levels impedes the development of cohesive, long-term solutions for the skills situation in construction.

Revitalising existing institutional forums or establishing new sectoral and cross-sectoral partnerships is crucial to avoid jeopardizing the European ambitions to decarbonise the built environment. This effort aims to enhance the alignment between vocational training offerings and the specific needs of small construction companies, while fostering engagement from under-represented groups.

At the European level, the European sectoral Social Dialogue for Construction would benefit from a broadened participation to address skills challenges. Reinforcing and making more inclusive the sectoral social dialogue at all levels could trigger new or revamped mechanisms, encouraging collaborations between stakeholders in the construction, buildings and built environment industries. Supporting initiatives such as the Pact for Skills in construction and Erasmus + projects in the spirit of the Construction Blueprint for skills can also play a helpful role in continuing bringing stakeholders together.

## **6. Simplify, rationalise, and streamline qualification and certification systems**

Cumbersome regulations and bureaucratic processes can deter construction SMEs and crafts from investing in skills development. Through a collaborative approach between policymakers and sectoral representatives, simplifying regulatory frameworks related to training and education will encourage businesses to actively engage and prioritize skills development and ensure that compliance processes are efficient and tailored to the needs of SMEs in the construction sector. In that sense, dual learning schemes, micro-credentials, and on site and on-the-job training should be better valued as providing individuals with rapid, accessible, quality, and tangible achievements.

Additionally, as continuous learning is crucial for staying updated with rapidly evolving construction technologies and practices, SMEs and crafts should be incentivised to provide education opportunities to their workforce, to cultivate a culture of lifelong learning within construction, promoting accessible, adapted, and affordable continuing education programs that allow construction professionals to stay abreast of innovative practices without jeopardising their business.

At the same time, the existence of diverse certification and qualification systems across European countries creates challenges for both the intra-EU and interregional mobility of skilled workers. A major degree of standardisation and mutual recognition of qualifications could trigger a seamless exchange and travel of skills within the construction sector. A same line should apply when addressing challenges related to migration by creating a more accessible and navigable environment for non-EU talent that could compensate for the European demographics in construction.

## **7. Integrate entrepreneurial, digital, and green skills horizontally across all construction trades**

The construction sector is undergoing an unparalleled transformation driven by the imperatives of green and digital transition. This drive toward sustainability and technological integration is in turn in the process of reshaping the skills demanded of the workforce, with construction SMEs and crafts navigating this transition with varying degrees of readiness and resilience. Together with the green and digital transition, a transition of skills is thus necessary to deliver it.

As the construction industry increasingly embraces green concepts and digital technologies, there is a growing need for workers with advanced skillsets. However, this transition does not only require more specialised profiles, but also that the main green and digital concepts, tools, and methods be accessible and familiar to all construction professionals, for a real paradigm shift in construction and renovation activities. Highlighting the integration of green and digital skills in construction addresses the lack of attractiveness by positioning the industry as forward-thinking, technologically advanced, and environmentally responsible.

Such an evolution could also lead to the unlocking of entrepreneurial spirits in search of new opportunities, to increase the pool of businesses and entrepreneurs supporting existing companies. In this sense, business management skills also need to be made horizontal, in a balanced way that does not detract from the onsite

activity. The construction sector has always been conducive to entrepreneurial careers, and the same should be true in the age of digital technology and sustainability.

In the spirit of a proper implementation of the recast Energy Performance of Buildings, Energy Efficiency, Renewables, or Asbestos at work directives, European, national, and local actors involved in skills-related policies for the construction sector should work towards delivering transversal and inclusive upskilling and reskilling schemes, as well as an SME-friendly entrepreneurial environment.

### **8. Maintain a continuous effort to optimise health and safety training at work**

Occupational health and safety (OHS) training should always be the first step in the construction sector. Frequently characterized by their local and often family-based nature, construction SMEs and crafts make maintaining rigorous safety protocols and a culture of prevention a priority as their main asset is in their people.

However, keeping up with too regular regulatory and legislative changes in the field is a constant challenge for small companies, due to their limited human and financial resources. An OHS framework that is unstable or out of step with the reality of small construction firms, and the resulting training needs, can not only lead to increased costs and administration that is sometimes unnecessary for optimum protection of professionals, jeopardising the core business of small construction firms, but can also act as an obstacle to any entrepreneurial spirit contemplating venturing into the sector.

Construction SMEs and crafts strive for enhancing OHS schemes and improve worker safety and protection. To that end, they require realistic rules on occupational health and safety training that fit their reality and size, which in turn will require adequate EU and national funding and technical support that protects construction professionals and strengthens the resilience of small businesses in the sector.

### **9. Make the sector more inclusive and appealing to female talent**

Construction and buildings remain male-dominated sectors but are also transitioning sectors with changing work practices that require less physical force, reduce burdensome tasks, and embrace new green and digital innovation. Investing more human and financial resources in diversity and inclusion initiatives in the construction sector at the European, national, and local level would directly tackle gender imbalance, contribute to overcoming challenges related to the lack of interest from under-represented groups, extend the pool of potential skilled workers and address perceptions among women and youth.

A better prioritisation of the inclusion of the women perspective in the sector should be encouraged, to give a signal on the strategic importance of convincing female talent to join the sector. Specific projects on the participation of women in construction should be technically and financially supported, to develop growing local, national, and European networks of ambassadors serving as role models, whether they be women entrepreneurs, associate/collaborating partners, or female site workers. These profiles will be of strategic importance in



highlighting the opportunities offered by the sector to women, from an early age, through awareness-raising activities in schools or other relevant platforms.

### **10. Adopt a pragmatic approach to migration as a solution to skills and labour shortages in construction**

In the construction sector, European and non-European migrants face multifaceted challenges, from language barriers to recognition of qualifications. Despite possessing sometimes valuable expertise, navigating complex regulatory frameworks and cultural disparities can hinder their smooth integration, while the demographic reality of the sector is clear, with a local ageing workforce that has few opportunities to share or pass on its knowledge and businesses.

Unlocking the potential of migrant expertise necessitates initiative-taking attractiveness measures such as a clear and streamlined recognition processes, language support initiatives, and inclusive workplace environments. Embracing diversity and facilitating the contribution of migrant skills is a strategic move toward addressing the persistent labour shortages in the European construction sector.

In that same spirit, ensuring that all workers benefit from fair and non-abusive working conditions would not only help increasing the number of skilled workers and prevent social dumping in construction, but also contribute to changing the image of the sector to make it more attractive to low and high-skilled EU and non-EU talent.

### **Concluding remarks**

Addressing the challenges outlined above requires a concerted effort from policymakers at several levels, construction SMEs, industry associations, trade unions and educational institutions. By prioritizing investment in training and education, fostering a broadened and inclusive collaboration, advocating for supportive policies, and implement tangible local initiatives, we can enhance the skills and labour situation in the European construction sector. This, in turn, will contribute to the sector's sustainability, innovation, and competitiveness, ensuring a prosperous future for construction SMEs and crafts across Europe, aligned with the suggested revisions to relevant EU legislation specific to the construction and built environment sectors.

**In this context, we urge local, regional, national, and European policymakers to act decisively on these recommendations to ensure the competitiveness and sustainability of the construction sector, fostering a skilled and adaptable workforce that can meet the challenges of today and of the future.**

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Established in 1990, the European Builders Confederation (EBC) is the European professional organisation representing national employer associations of construction micro, small and medium-sized enterprises (SMEs) and crafts. EBC is part of the employers' delegation in the European sectoral social dialogue for construction. EBC is a member of SMEUnited, the European association of SMEs, and founding partner of Small Business Standards (SBS), the European association representing SMEs in standardisation.

With around 3 million enterprises and a total direct workforce of 16 million, the construction sector is of vital importance to the European economy and society, contributing around 10% to the GDP of the European Union. 99.9% of the European construction sector is composed of micro, small and medium-sized enterprises, active mostly at the local, regional, and national level.

### What is EBC doing on skills and labour shortages at the European level?

- Promoting internally and externally best practices on attracting and retaining talent
- Coordinating the [Pact for Skills in construction](#), in collaboration with FIEC and EFBWW.
- Alerting on the lack of workers in the buildings and construction sector at national level.
- Dialoguing with the European Commission and its relevant agencies on solutions to the skills and labour challenges in the sector.
- Raising awareness about career paths for women and youth in construction.
- Steering the training approach of Erasmus+, Horizon Europe and LIFE projects relevant for construction SMEs and crafts.
- Has contributed to the Erasmus+ initiative [Construction Blueprint for skills](#).