



**European Committee
of the Regions**

RESOL-VII/028

154th plenary session, 15-16 March 2023

DRAFT RESOLUTION

on harnessing talent in Europe's regions

Submitted by the Political Groups EPP, PES, Renew Europe, ECR, EA and Greens

Deadline for tabling amendments: 15/3/2023 no later than 4 p.m. (Brussels time)

Amendments to the resolution must be submitted, preferably in English, French or German, through the online tool for tabling amendments (available on the Members' Portal: <https://memportal.cor.europa.eu/>).

The Helpdesk (tel.: +32 (0)2 546 96 97, email: helpdesk@cor.europa.eu) is at your disposal to provide you with any assistance you may need. In addition, a user guide is available at <https://memportal.cor.europa.eu/>.

Urgent resolution submitted in accordance with Rule 45(3)(b) of the Rules of Procedure, to be discussed on the second day of the plenary session on 16 March 2023. It will be removed from the plenary session agenda if not approved by the Bureau on 14 March 2023.

Number of signatures required: 6.

Draft resolution on harnessing talent in Europe's regions

THE EUROPEAN COMMITTEE OF THE REGIONS (CoR)

HAVING REGARD TO:

- THE COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS on Harnessing talent in Europe's regions;

General observations

1. welcomes the European Commission's Communication on Harnessing talent in Europe's regions and supports the overall objectives of the proposal, with particular regard to the prevention of disparities and geographic divide between regions and cities based on size and on the skills of their working-age population;
2. underlines the serious challenge of regions that are at risk of falling into a talent-development trap, which currently involves 82 regions in 16 Member States (accounting for almost 30% of the EU population), which are severely affected by this decline of the working-age population, a low share of university and higher-education graduates, and a negative mobility of their population aged 15 to 39 years;
3. expresses its appreciation for the Talent Booster Mechanism and underlines its expectations for the rapid and effective implementation of its eight proposals at European, local and regional level;
4. recognises the need for cities and regions to swiftly capitalise on the potential of these strategies in order to create talent-attraction ecosystems that are tailored-made, interoperable and place-based. This is particularly relevant for regions that are falling into a talent-development trap, and particularly affected by low birth rates, a decline of the working-age population, a low share of university and higher-education graduates, and brain drain;
5. highlights that demographic change, its multifaceted consequences and their territorial impact were addressed in several recommendations of the Conference on the Future of Europe (CoFoE), to be followed up by the EU institutions (notably proposal No. 47.7). Citizens asked for specific policies to avoid brain drain from certain regions and countries within the EU, and to prevent the drain of European talents and workforce to third countries (proposal No. 47.7), and to ensure the sustainable development and demographic resilience of regions lagging behind (proposal No. 15.9);
6. considers regions specifically affected by the green and digital transition, such as coal and carbon-intensive regions, as well as automotive regions, to be prime candidates for the Talent

Booster Mechanism, as they will have a significant number of workers in need of upskilling and reskilling;

7. calls for local and regional governments to take advantage of the European Year of Skills (EYS) when implementing their strategy for attracting and retaining talent in their territories. The EYS promotes skills policies and social investments to address labour shortages for a better skilled and adaptable workforce for the future. Youth organisations, including youth branches of political parties at local, regional, national and European levels, should also be closely involved in the spirit of youth mainstreaming and the legacy of the European Year of Youth (EYY);
8. in this context underlines the importance of developing evidence-based policy-making, including the need to undertake strategic foresight activities at the appropriate regional and local levels, as well as using the established foresight methodology, in order to build place-based scenarios and prepare for different futures according to the interaction of different long-term trends and factors;
9. highlights the importance of dedicated investments in work-life balance initiatives, and encourages LRA's to share knowledge of best practice examples concerning family-friendly policies;

Untapping talent development with the support of place-based policies

10. highlights the need to build on the potentials of mentoring schemes and to promote partnerships between areas (whether cities, rural areas or whole regions), incorporating the principles of multi-level governance cooperation to support the vital role of small towns and villages in integrated territorial development;
11. recommends that the European Commission step up its efforts to reduce regional disparities with the support of place-based policies through a reinforced cohesion policy addressing the challenge of harnessing talent in all EU regions, ensuring that all regions in the European Union have a fair chance to reap the benefits of the single market, generating a positive impact on EU competitiveness;
12. advocates for territorial impact assessments and rural proofing to become effective tools for implementing the "do no harm to cohesion" principle introduced by the European Commission in its 8th Cohesion Report¹, according to which "no action should hamper the convergence process or contribute to regional disparities";
13. suggests deepening the analysis on the regions in a talent-development trap or at risk of falling into one, to uncover the diversities, challenges and opportunities within the regions. The policy response should encompass a comprehensive set of measures, elaborated and implemented through tailor-made approaches steered by cohesion policy and complemented by sectoral strategies;

¹ COM(2022) 34 final.

14. reiterates that the European Semester with a stronger focus on partnership and multi-level governance should play an active role in fostering the reforms needed, notably in the labour market and in education and training systems in order to stimulate the development of talent;
15. highlights that the EU labour market is currently impacted in quality and numbers by the digital and the green transitions requiring a fundamental shift of skills. The importance of upskilling and reskilling workers to prepare them for new jobs or new tasks within existing occupations, combined with new ways of working and the flexibility of companies to adapt to new realities and societal demands, are strategic objectives to be addressed and supported by public authorities at all levels of governance, and in accordance to the principle of subsidiarity;
16. highlights the need for a continuation of the Just Transition Fund and the design of a future Just Transition Fund (JTF 2.0) based on the local and regional perspective, and on experience gained through the drafting and implementation of the territorial just transition plans. Detailed analyses will be needed to determine which regions and sectors are most affected, as well as their associated supply chains and workforces;
17. considers it necessary to introduce a range of policies on rural areas in order to tackle the depopulation affecting the countryside and the loss of talent, and especially for areas with severe and permanent natural or demographic obstacles, such as the outermost regions, islands and more remote and isolated regions where access to resources is often more limited. The Committee reiterates that the future of such areas is dependent on retaining and attracting young talent to pursue their life goals there and on fully involving young people when seeking solutions to local challenges;
18. calls for education and training to be accessible to all ages, both physically on-site and through remote access, as well as for the development of community centres with a range of services from libraries to social work;
19. considers it essential to boost public policies which promote the modernisation of farms that encourage young farmers to join the profession in order to tackle the problem of generational renewal. To this end, their access to social and labour market integration programmes, to education, upskilling and reskilling options offered at local level, as well as to cultural activities, needs to be rethought and supported; also agrees on the importance of focusing specifically on young parents by broadening labour and training opportunities and encouraging measures to promote work-life balance;
20. highlights that smart villages create new opportunities for a diversified rural economy and access to the job market, and requests intensive support for rural areas to fulfil the 2030 policy program, especially strengthening digital skills and education, secure and sustainable digital infrastructures, the digital transformation of businesses and the digitalisation of public services; welcomes the inclusion of rural areas in the European Declaration on Digital Rights and Principles for the Digital Decade;

21. underscores the need for Member States to give firm support to policies fostering women's participation in STEAM education (information and communications technology, science, technology, engineering, arts and mathematics) and the rural economy in order to contribute towards rebalancing the population pyramid in areas suffering or at risk of depopulation;
22. emphasises that boosting the digital transition of regions caught in a talent-development trap is essential and also in the interest of strong economic, social and territorial cohesion. The CoR proposes promoting digital cohesion as an objective of the European Union so that suitable digital infrastructure can be put in place to ensure that teleworking, e-services and digital education are accessible to everyone. Particular attention should be paid to access to digital tools for disadvantaged and vulnerable groups;
23. notes that citizens and businesses in Europe's border regions face numerous legal and administrative obstacles that hamper economic growth and cross-border cooperation, and stresses the need for a border-free Schengen area for all Member States so as to facilitate the mobility of students, workers and business, especially in the border regions;
24. highlights the role of social innovation for developing new ideas, services and models to better address societal challenges, notably in the fields of employment, education, skills and social inclusion, and its added value for community development and the improvement of social services on the ground. To this effect the Committee highlights the potential of the social economy in the areas of vocational training, in universities and at all levels of education, and in active employment policies, as well as in the development of skills and competencies;
25. encourages tapping into the ESF Social Innovation+ funding to strengthen innovation capacity and facilitate the transfer and upscaling of innovative solutions;

Upgrading the effectiveness of education and responding to labour market needs

26. notes that although the situation varies widely across the EU, one of the main challenges when designing and implementing new standards and practices for education and training is the extent to which they successfully respond to labour market needs. Skills gaps and mismatches exacerbate territorial disparities, and this needs to be addressed through well-designed, place-based and adequately financed policies;
27. observes that rapid labour market changes put increasing numbers of people at risk of losing their jobs due to outdated skills or lack thereof. Up-to-date skills and access to lifelong learning are more important than ever, especially given the growing impact of artificial intelligence on the European labour market due to the large-scale automation of existing jobs. A holistic and forward-looking approach must therefore be applied for talent development for people with different educational and professional backgrounds;
28. considers it crucial that LRAs understand the importance of universities and vocational education and training providers in stimulating dynamic innovation ecosystems through smart specialisation strategies, and through technological and social innovation. Local universities and polytechnics can effectively harness talent, develop knowledge clusters and attract businesses

into their areas by partnering with them on programmes to train workers in the new skills needed in the area. By the same token, public authorities need to develop partnerships with universities and also be aware of the need to support universities, including through investment in local infrastructures, including digital ones;

29. emphasises the need to also create conditions for SMEs and micro-enterprises to become part of innovation ecosystems in order to optimise their limited budgetary and human resources. To this effect the Committee supports the Commission's view that SMEs can benefit from Digital Innovation Hub support for innovation and digitisation;

Targeted enhancement of talent attraction, retention and mobility

30. notes that brain drain and related phenomena need to be understood and assessed in the EU in the context of multi-level governance. In this regard, draws attention to the risk brain drain poses to the long-term sustainability of the European project, especially where disparities between sending and receiving regions are widening; suggests that LRAs set up local alliances, involving all stakeholders (public authorities, businesses, universities, NGOs, etc.), contributing to the design and implementation of local policies that help to mitigate brain drain;
31. in light of increasing opportunities offered by remote working, encourages LRA's to conduct targeted information campaigns seeking to promote life outside densely populated cities, focusing on the various attractive features of regions;
32. stresses that the loss of young people in regions characterised by outward migration and against a backdrop of declining birth rates presents an extraordinary disadvantage for smaller municipalities in terms of maintaining essential public services and boosting economies, which are essential factors in retaining and attracting talent in the territory;
33. calls for the implementation of a strategic approach to the integration of third-country nationals into the EU as a potential driver of local growth. The Committee welcomes the measures set out in the Skills and Talent package, including the launch of a new online job-search tool, the EU Talent Pool pilot initiative specifically for people fleeing Ukraine, and the plan to extend it to skilled non-EU workers expressing their interest in migrating to the EU, thus paving the way towards a more sustainable and inclusive approach to labour mobility and third-country solutions;
34. emphasises citizen recommendations formulated in the course of the CoFoE, in particular the recommendation that the EU encourage Member States to simplify the process of reception and integration of migrants and their access to the EU labour market, and ensure better interoperability between the different competent administrations, better communication, easier recognition of qualifications and more effective tools, such as online matching between skill supply and demand;
35. calls for the portability of an EU long-term resident status of third-country nationals in order to ensure their effective intra-EU mobility, which can improve their prospects for integration and

allow them to fill in labour shortages in Member States where there are needs, thereby helping to offset regional imbalances;

36. instructs its President to forward this Resolution to the European Commission, the European Parliament, the Swedish and Spanish Presidencies of the Council of the EU and the President of the European Council.

Brussels,

The President
of the
European Committee of the Regions

Vasco Alves Cordeiro
