

## PRESS RELEASE

## SkillsPULSE presents key insights on skill shortages and gaps in Europe

- The Horizon Europe SkillsPULSE project has released three in-depth reports shedding light on the definition, measurement, and impacts of skill mismatches.
- The findings of the reports will be presented at an online event on April 16.

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Skill shortages and gaps continue to challenge Europe's workforce and economic growth. The SkillsPULSE project has released three reports—“**Conceptualising skill shortages and gaps**”, “**Empirical investigation of skill gaps in Europe**”, and “**Building new data to understand the impacts of skill shortages and gaps**”—that provide new data, insights, and measurement approaches to help policymakers, businesses, and educators better understand and address skill shortages and gaps across Europe.

### Key findings from the reports

#### Defining and measuring skill shortages and gaps

A major challenge in tackling skills mismatches is the lack of a common definition and measurement framework. Through national workshops organized in Estonia, Greece, Ireland, Italy, Poland, Finland, and the UK, SkillsPULSE engaged policymakers, researchers, and employers to discuss national perspectives on defining and measuring skill shortages and gaps.

These discussions revealed that:

- Definitions and methodologies vary within countries and across European countries, making cross-country comparisons difficult.
- Measurement approaches to skill shortages and gaps rely on either subjective measures (i.e., employee/employer surveys) or objective measures (job vacancies).
- Some countries have well-developed and systematic skills forecasting systems, which differ by time horizons, methodologies and implementation levels, while others have less systematic approaches to skills anticipation.

#### Mapping skill gaps in Europe

Using data from the 2021 European Skills and Jobs Survey, the second report examines the extent and characteristics of skill gaps across the EU27, Norway, and Iceland. Key findings include:

- 16.2% of workers report general skill gaps, and higher shares report skill gaps in specific competency areas. However, skill gaps occur in more complex jobs, highlighting workers' need for continuous training.
- Initially General and specific skill gaps appear to be associated with wage premia, specifically for highly educated workers. However, these wage premia disappear once we control for the fact that perceived skill gaps are tend to occur in more complex jobs with higher upskilling requirements.

- No evidence was found that perceived skill gaps are associated with negative productivity impacts.

## The economic impact of skill shortages

The third report takes a data-driven approach to measuring and identifying potential skill shortages in the European labour market. By leveraging labour demand data (Lightcast job advertisement data) and supply side data (the 2021 European Skills and Jobs Survey insights), SkillsPULSE developed a new methodology to predict and track potential skill shortages over time, while differentiating between skill and labour shortages. Findings indicate that:

- Potential skill shortages – identified as those jobs within occupations that are likely to be difficult to fill- accounted for around two per cent of all vacancies across the EU and the UK in 2021, and vary across countries.
- Occupations with skill-related hiring difficulties are typically at the top end of the occupational distribution.

Potential skill shortages are more likely to be in occupations where the skill content is changing more rapidly over time. Read the full reports here: <https://www.skillspulse.eu/results>

SkillPULSE is organizing an **online event**, hosted by the [Economic and Social Research Institute ESRI](#), to present these results on April 16.

**SkillsPULSE** (Skills – Predicting, Understanding, and Locating Shortages in Europe) is a 3-year (June '24-June '27) Horizon Europe project, coordinated by Fondazione Giacomo Brodolini (Italy), with 7 partners from 7 European countries: University of Tartu (Estonia), University of Lodz (Poland), Economic and Social Research Institute ESRI (Ireland), National Centre for Social Research EKKE (Greece), University of Pisa (Italy), University of Jyväskylä (Finland), and Warwick Institute for Employment Research (UK).

The project will provide a methodology for identifying the extent, causes, and implications of skills deficiencies in Europe. A series of indicators, including a Skills Shortage Index, will be developed and incorporated into a software tool for use by those responsible for labour market skills intelligence at both national and European levels.

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