

# 19th Annual Meeting of the European Network on Regional Labour Market Monitoring

Lugano, Switzerland 5. – 6. September 2024

## The Challenge of Shortage Occupations in the Basque Country. An Attempt to Identify them

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Basque Country - Spain

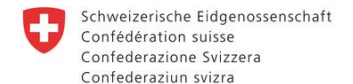
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# Context



Companies are reporting difficulties in finding workers in certain occupations, which is causing imbalances in the labour market and the economy of the Basque Country

## Reasons?

- **Shortage of both, qualified and unqualified labour force – Population ageing**
  - By 2024, 50% of the people who are now working will have retired in the Basque Country
  - Lack of generational handover
- **Lack of appropriate training and specialization**
- **Lack of working experience**
- **Inadequate skills:** digital, collaborative, analytical, languages, attitude and interests
- **Expected working conditions:** salary, working hours, type of contract
- ...



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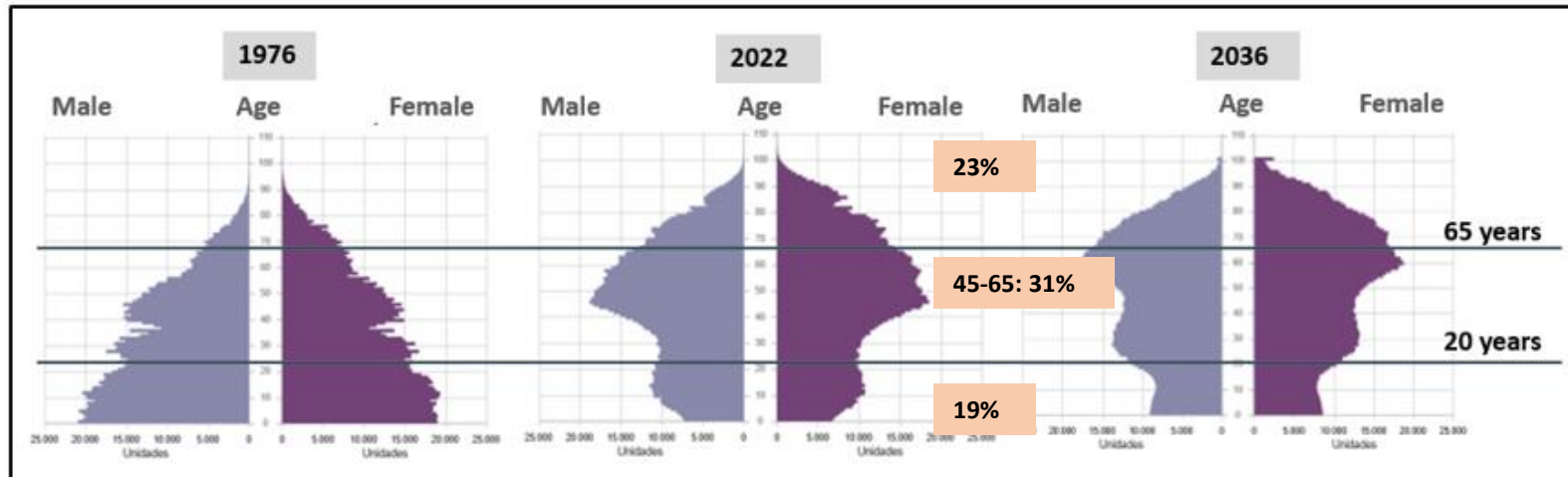
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# Context: population ageing



The Basque Country has one of the fastest ageing population in Europe: in 2022, the over 65s accounted for 23% of the total

Basque Country population by age and sex (year 1976, year 2022 and projection for year 2036)



Source: EUSTAT (Basque Statistics Institute)

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# Context: population ageing

By 2044, half of the people who are now working in the Basque Country will have retired, and their replacement is not guaranteed of the active population is aged 45 and over

Basque Country active population (working or job seeking). 2022, 4th Quarter

AGE	ABSOLUTE NUMBER	COLUMN %
16-19	8,700	1%
20-24	52,100	5%
25-34	185,500	18%
35-44	247,900	24%
45-54	316,800	30%
55 or over	228,300	22%
TOTAL ACTIVE POPULATION	1,039,300	100%

Source: LFS, INE (Spanish National Statistics Institute)

- 52% of the active population is aged 45 and over
- Even though powerful **economic incentives** are currently being implemented **to increase the birth rate**, they are **not going to prevent the lack of generational handover** being clearly felt in a not-too-distant future



# Context



In this context, in order to correct these pressures, effective measures from public institutions must be implemented

## What kind of measures?

Distribution of funds allocated to training

Specific migration policies

...

A correct identification of the **Shortage Occupations List** must be done as well as an accurate analysis of the social and labour situation of the region



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# Context

## Regarding migration policies...

Companies reporting difficulties in finding workers, are turning to the authorities in order to be able to **contract professionals in the country of origin**

The **requirement** is that the national employment situation allows for the contracting of those workers, i.e., where there are **not appropriate jobseekers available on the labour market** to meet the needs of the employers.

Companies will be **allowed to start the formalities for residency and work permits to be granted for foreign workers** when the **posts** that they need to cover are **for occupations included in the Shortage Occupations List**



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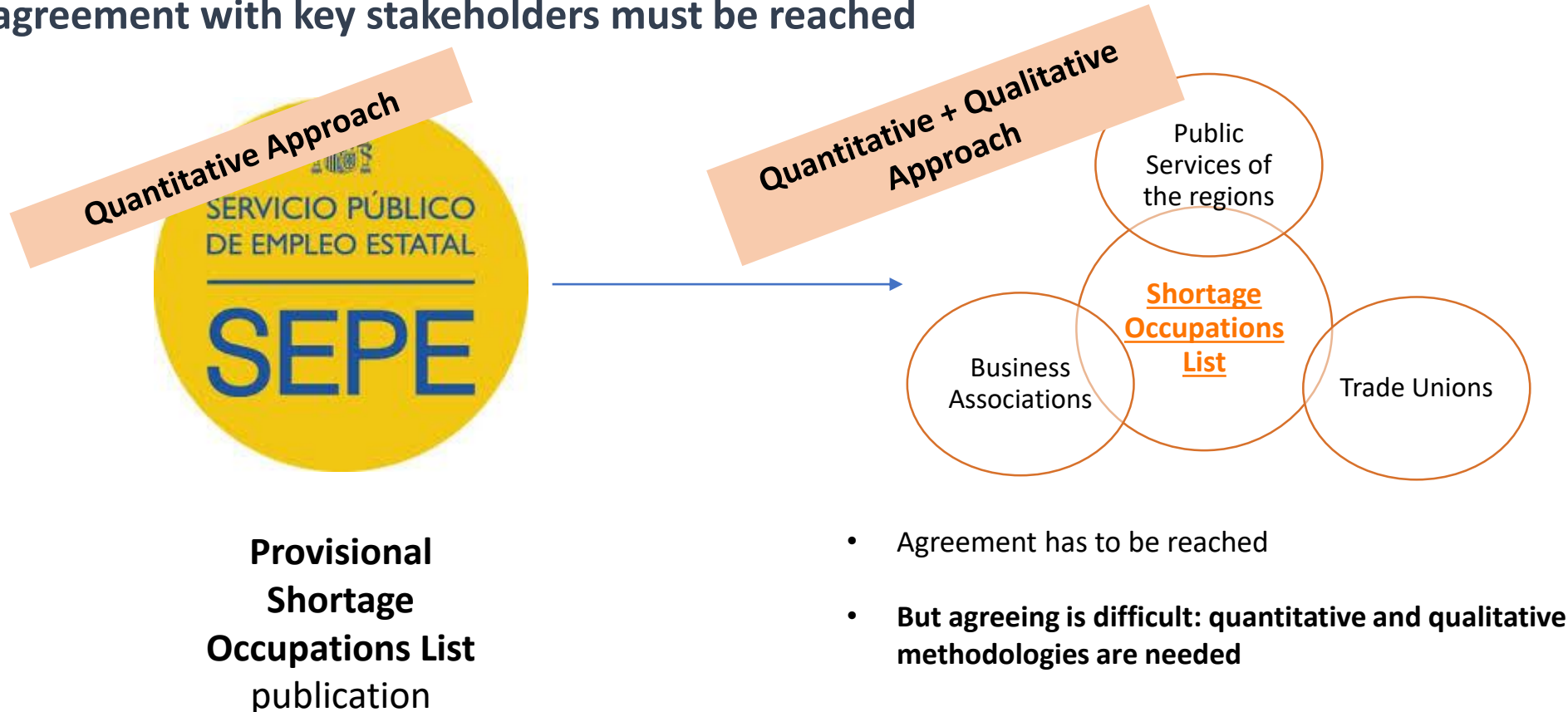
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# Shortage Occupations List



The SEPE\* publishes a Provisional Shortage Occupations List quarterly, but then, an agreement with key stakeholders must be reached



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\*The State Public Employment Service, and autonomous body attached to the Spanish Ministry of Labour and Social Economy

# Shortage Occupations List



In this regard, Lanbide is working on a more in-depth analysis on this topic



During 2023, within the Advisory Committee for the prospecting and detection of training needs, Lanbide has elaborated the **report “Detecting the training demands of the Labour Market of the Basque Country 2023”**.

Main aims:

- To **plan training** for employment and for career guidance – identifying causes of occupations with difficult coverage
- To identify specific occupations and economic sectors where there are going to be pressures in the labour market – **better definition of the Shortage Occupation List**

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# Shortage Occupations List.

## SEPE's Methodology



The following data is used for the construction of SEPE's indicators which will determine if the occupation is likely to be included or not in the **Provisional Shortage Occupations List**

Gipuzkoa's data based to build SEPE's indicators. Example or occupations with their data

Occupation code (8digits)	Occupation description (8digits)	Occupations code (4digits)	Occupation description (4digits)	Average people demanding occupation (8 digits)	Job offers in Basque Employment service (8digits)	Total signed contracts (4 digits)	Signed contracts by persons registered in Lanbide (4 digits)	Workers coming from other region (4 digits)	Workers going out the region (4 digits)	Permanent workers (4 digits)
73121127	MIG-MAG welders	7312	Welders and flamecutters	452	51	1,146	808	264	116	882
31281122	Welding technicians	3128	Metallurgical and mining technicians	77	25	6,994	4.400	28	12	6,966
29231038	Sign-language interpreters	2923	Linguists, interpreters and translators	5	2	130	138	16	32	114

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# Shortage Occupations List.

## SEPE's Methodology

SEPE is using the following 4 indicators:

**1. Indicator of the degree of penetration in the labour market: IP**

IP =	Jobs offered
	Contractors

If **Provincial IP > National IP** → may be included in the Provincial Shortage Occupations List



# Shortage Occupations List.

## SEPE's Methodology

SEPE is using the following 4 indicators:

### 2. Indicator of lack of jobseekers: IE

IE =	Average demand
	Jobs offered

If **Provincial IE < National IE** → may be included in the Provincial Shortage Occupations List

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# Shortage Occupations List.

## SEPE's Methodology

SEPE is using the following 4 indicators:

### 3. Indicator of difficulty to access employment: ID

ID =	Placements
	Average demand

If **Provincial ID** > **National ID** → may be included in the Provincial Shortage Occupations List

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# Shortage Occupations List.

## SEPE's Methodology

SEPE is using the following 4 indicators:

### 4. Indicator of real geographical mobility: IM

IM=	Workers entering + workers leaving
	Workers entering + workers leaving + workers remaining

If **Provincial ID < 0.30** → may be included in the Provincial Shortage Occupations List

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# Shortage Occupations List.

## SEPE's Methodology

Discussions with social partners representing the Basque Labour force revealed that the occupations included in the Provisional **Shortage Occupations List** do not reflect the needs that the social partners are detecting

### Why?

#### Deficiencies caused by the data used

- Databases of job offers received by the public employment services
- Contract databases
- Jobseeker databases



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# Shortage Occupations List.

## Lanbide's Methodology



In this sense, Lanbide has constructed 4 additional indicators (using same data as SEPE):

- **IE.2 Lack of jobseekers indicator (CNO-2011 4-digit level):**  
UNEMPLOYED JOBSEEKERS AND WITH OVER SIX MONTHS' EXPERIENCE / ACCUMULATED CONTRACTED PERSONS
- **IE.3 Indicator of lack of jobseekers (8-digit level as per the SISPE classification of the state public employment services):**  
UNEMPLOYED JOBSEEKERS AND WITH OVER SIX MONTHS' EXPERIENCE / JOBS OFFERED
- **ID.2 Indicator of employability difficult**  
PLACEMENTS / 8-DIGIT UNEMPLOYED JOBSEEKERS WITH OVER SIX MONTHS' EXPERIENCE
- **ICC - Contracting Quality Indicator:**  
Each record in the annual contract base has been scored based on the type of contract and the type of working day. (The type of contract and type of working day variables have been standardised and then weighted as per the following formula (Type of contract (temporary-indefinite)\*30 + Type of Working Day (Part-Full Time)\*70/100), and finally a score of 0 to 10 has been allocated to the final result obtained. An average score was thus obtained for each occupation.

$$SI (IE\_2 < 1 \& IM < 0.45 \& ID\_2 > 74.37 \& IE\_3 < 8.95 \& ICC > 1.469$$

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# Shortage Occupations List.

## Lanbide's Methodology



### Analysing the occupations detected using Lanbide's methodology:

- Occupations that emerge have a **low coincidence level** with those obtained using the SEPE's methodology, greater with needs detected by social partners
- **Pressures** in the contracting of **certain occupations** do not seem to be down to the lack of professionals, but rather to other reasons: **training, working conditions...**

### Examples of occupations that would enter in the Provisional List according to Lanbide's methodology

Occupation code (8digits)	Occupation description (8digits)	Occupations code (4digits)	Occupation description (4digits)
22301163	Teachers in the fields of Physics and Chemistry	2230	Secondary education teachers
22301174	Teachers in the field of Computer Science		
31281010	Metal Structures Maintenance Technicians	3128	Metallurgical and mining technicians
31281029	Boilermaking technicians		
73231101	Metal Boring machines operators	7323	Adjuster operators of machine tools
73231110	Metal Moulding Machine Operators		
73231129	Metal Oxy-cutting Machine Operators		

Source: Lanbide, own creation

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# Lanbide's report: Detecting training demands on the labour market of the Basque Country 2023

The following inputs has been used:

- An analysis of the responses obtained in the “Difficulties to fill jobs and training needs in the Basque Country” survey (581 companies: year 2022)
- A compilation of the most sought-after skillsets in the job advertisements published online, provided by BizkaiaTalent, as microdata (80.385 adverts)
- Contracting databases in the Basque Country
- Jobseeker databases in Lanbide
- Social Security data
- Employability of graduates in the Basque education system survey
- Analysis of training offered by Lanbide

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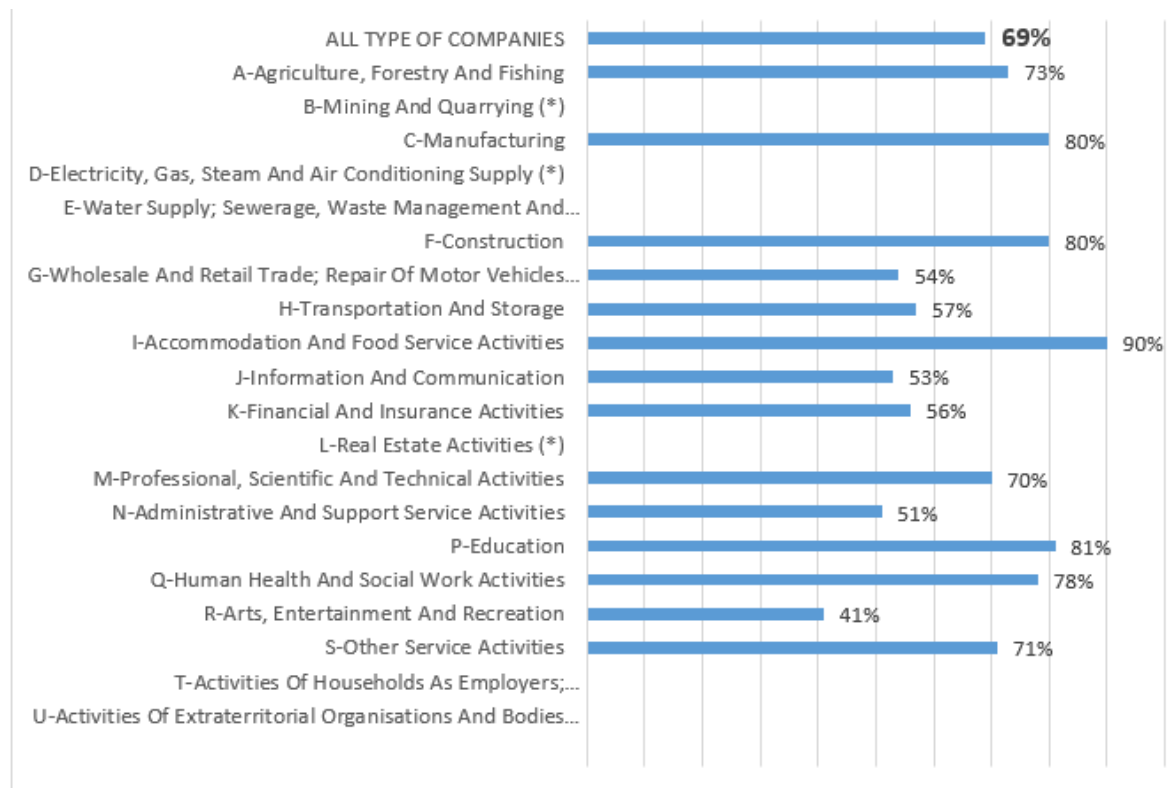
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# Lanbide's report: Detecting training demands on the labour market of the Basque Country 2023



## Main conclusions of the survey:

Basque companies that have difficulties in the past 5 years finding suitable professional profiles for its needs



\* No information for companies under NACE Code: B, D, E, L, T and U

Source: Lanbide, own creation

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# Lanbide's report: Detecting training demands on the labour market of the Basque Country 2023



## Main conclusions of the survey:

### Companies reporting difficulties to find professionals as per occupation category (%)

	Directors	Scientific and Technical Workers	Middle Managers	Office Clerks	Skilled workers	Unskilled Workers
ALL TYPE OF COMPANIES	3%	21%	7%	6%	30%	12%
A-Agriculture, Forestry & Fishing	0%	14%	0%	0%	45%	14%
C-Manufacturing	6%	29%	11%	6%	48%	9%
F-Construction	2%	24%	13%	0%	56%	18%
G-Wholesale & Retail Trade; Repair Of Motor V...	0%	11%	4%	2%	14%	9%
H-Transportation & Storage	3%	3%	5%	2%	27%	7%
I-Accommodation & Food Service Activities	12%	4%	11%	7%	45%	63%
J-Information & Communication	0%	24%	2%	4%	11%	0%
K-Financial & Insurance Activities	6%	14%	0%	16%	15%	0%
M-Professional, Scientific & Technical Activities	3%	32%	5%	7%	18%	5%
N-Administrative & Support Service Activities	0%	15%	7%	12%	12%	8%
P-Education	11%	37%	6%	13%	32%	3%
Q-Human Health & Social Work Activities	2%	38%	4%	2%	37%	8%
R-Arts, Entertainment & Recreation	0%	10%	3%	3%	7%	4%
S-Other Service Activities	2%	21%	17%	13%	32%	16%

\* No information for companies under NACE Code: B,D,E,L,T and U

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# Lanbide's report: Detecting training demands on the labour market of the Basque Country 2023



## Main conclusions of the survey:

### Main obstacles to find suitable professionals

	OCCUPATIONS					
	Directors	Scientific and Technical Workers	Middle Managers	Office Clerks	Skilled workers	Unskilled Workers
- Adequate training and specialization	51%	62%	49%	44%	83%	37%
- Lack of working experience	58%	45%	58%	50%	68%	34%
- Inadequate skills: digital, collaborative, analytical, languages, attitude, and interest	48%	38%	65%	73%	63%	46%
- Expected working conditions (salary, working hours, type of contract)	36%	40%	38%	38%	58%	60%

Source: Lanbide, own creation

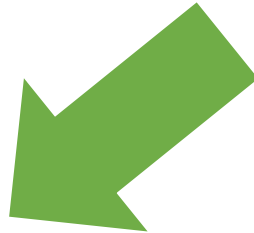
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# Lanbide's report: Detecting training demands on the labour market of the Basque Country 2023



The report of Lanbide contains a series of datasheets for the main occupations in the Basque Country with their: contracting figures, difficulties reported by companies and main expertise and skills required



Includes the occupations of “73231101 – Metal Boring Machines operators”; “73231110 – Metal Moulding Machines operators” and “73231129-Metal Oxy-cutting Machine Operator” → **Shortage occupations detected using Lanbide Methodology**

## Datasheet for “732 – Blacksmiths, toolmakers and related trades workers”

Example

### 732 BLACKSMITHS, TOOLMAKERS AND RELATED TRADES WORKERS

- **TOTAL OF CONTRATS:** Basque Companies classified under NACE code C-Manufacturing formalized 4,557 contracts under occupations with code 732. The total of these contracts represents 25.8% of formalized contracts under the occupation code: 7- Skilled manufacturing industry and construction crafts persons and workers
- **DIFFICULTIES WHEN LOOKING FOR PROFESSIONALS:** 1 every 10 companies
- **MAIN OBSTACLES FOUND:** Adequate training and specialization and insufficient working experience

### MOST DEMANDED SKILLS REQUIRED IN WEB JOB OFFERS IN BASQUE COUNTRY (YEAR 2023)



KNOWLEDGES	SKILLS
<ul style="list-style-type: none"><li>• Mechanics</li><li>• Technical drawing</li><li>• Grinding operations</li><li>• Grinding machines</li><li>• Types of metals</li><li>• Transformation of ferrous metals</li><li>• Types of metal manufacturing processes</li><li>• Computer-aided manufacturing software</li><li>• Mechanical tools</li><li>• Mechatronics</li><li>• Quality standards</li><li>• Engine components</li><li>• Motor vehicle mechanics</li><li>• Computer-aided design software</li><li>• Architectural design</li><li>• Pharmaceutical industry</li><li>• Pharmaceutical products</li><li>• Sawing techniques</li><li>• Customer service</li><li>• Types of lasers</li></ul>	<ul style="list-style-type: none"><li>• Handling metal</li><li>• Cutting metal pieces</li><li>• Performing metalwork</li><li>• Operating computer numerical control (CNC) laser cutting machines</li><li>• Operating computer numerical control metal punch presses</li><li>• Operating computer numerical control drilling machines</li><li>• Using technical documentation</li><li>• Troubleshooting</li><li>• Operating computer numerical control milling machines</li><li>• Creating solutions for problems</li><li>• Installing machine controllers</li><li>• Working shifts</li><li>• Operating welding equipment</li><li>• Designing in AutoCAD</li><li>• Providing advice on pharmaceutical products</li><li>• Using technical drawing software</li><li>• Programming a CNC controller</li><li>• Operating filing machines</li><li>• Analysing and evaluating information and data</li><li>• Assisting customers</li></ul>

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# Lanbide's report: Detecting training demands on the labour market of the Basque Country 2023

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## The report:

- Highlight the difficulties faced by companies when finding certain profesional profiles
  - Seek to combine different information levels to shed light to the following aspects:
    - **Lack of people**
    - **Training**
- Does the strategy involve resorting to international migratory flows or other guidance and skill-building strategy to reactivate the flows between occupations of the population already residing in our region?
- **Working Conditions**
- Processes to improve the quality of Jobs with lack of professionals

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# Detecting training demands on the labour market

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## The report:

- **Stresses that the emphasis has to continue to be on :**
  - Specialised Training Programmes
  - Professional Development and Lifelong Learning, which allow workers to refresh and improve their skills throughout their career
  - Transversal Skills Training Programmes to develop other types of skills: effective communication, problem solving, team work, adaptability
- **Insist on the need to implement:**
  - More effective career guidance policies and programmes
  - Early career guidance actions, aimed at school-age students

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# Detecting training demands on the labour market

Lanbide, will continue working on developing a methodology for a labour market assessment capable of addressing:

- The **challenge of detecting shortage occupations**
- **Their causes** and, therefore,
- The **decision-making to respond to the needs identified**
  - Implement fair policies to recruit at origin responsibly and cautiously

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**Thank you for your attention!**

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