



20 August 2025

Closing the talent gap: Priorities for Europe's skills agenda

Executive summary

To lead the way in the global tech race, Europe must invest in what matters most: people. Talent is the backbone of innovation, competitiveness and economic security. Yet over half of EU companies today struggle to find ICT specialists – a stark reminder of the digital skills gap holding Europe back.¹

DIGITALEUROPE welcomes the European Commission's renewed focus on talent through the Union of Skills and its companion initiatives in the Clean Industrial Deal, the AI Continent Action Plan, and the Start-up and Scale-up Strategy. We believe Europe can close the tech talent gap and achieve 90 percent digital literacy among citizens and businesses by 2030. But if no further actions are taken, the target of 20 million ICT specialists will only be reached by 2051.²

For businesses, digital literacy means more than just connectivity – our success in adopting digital tools such as AI, cloud computing and big data will impact Europe's competitiveness, security and prosperity over the long term. Yet only 13 percent of European businesses use AI and 55 percent use cloud computing.³ Developing the skills for Europe to lead on critical technologies will require coordinated public and private investment, sustained political will and coherent action across education, labour mobility, taxation, industrial policy and talent attraction.

DIGITALEUROPE recommends:

- ▶▶ **Set up strong governance with industry leadership at the core** leveraging DIGITALEUROPE's skills network.
- ▶▶ **Unlock EU-wide labour mobility** with a Digital Skills Passport and EU-recognised microcredentials
- ▶▶ **Open the microcredentials ecosystem** to trusted, non-formal providers and industry
- ▶▶ **Modernise digital education** and expand ICT access with EU funding
- ▶▶ **Bridge the gap between innovation and market with commercial skills**
- ▶▶ **Foster skills to boost Europe's resilience and competitiveness** in critical sectors
- ▶▶ **Make Europe a magnet for global talent** with coordinated visas and remote work friendly rules

¹ "In 2023, 57.5% of EU enterprises that recruited or tried to recruit ICT specialists had difficulties in filling ICT vacancies", Eurostat (2024), [Eurostat statistics explained](#).

² Commission Communication [Digital Decade 2025](#), page 75.

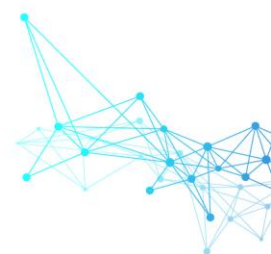
³ Commission Communication [Digital Decade 2025](#), page 43.





Table of contents

Executive summary	1
Table of contents	2
Key recommendations	3
Set up strong governance with industry leadership at the core	3
Unlock EU-wide labour mobility	3
Open the microcredentials ecosystem to trusted providers and industry	3
Modernise digital education and expand ICT access.....	4
Bridge the gap between innovation and market with commercial skills	4
Foster skills to boost Europe’s resilience and competitiveness.....	4
Make the EU a magnet for global talent	5





Key recommendations

Set up strong governance with industry leadership at the core

- ▶▶ **The new European Skills Intelligence Observatory and the High-Level Skills Board are welcome steps.** The Observatory should build on the work of the European Centre for the Development of Vocational Training (CEDEFOP) and draw from successful initiatives at the national level, for example, Ireland's National Skills Council. The Skills Board is designed to play a vital role in shaping and delivering skills and workforce development policies to enhance lifelong learning performance through reskilling and upskilling. It also addresses the challenges presented by demographic change, digitisation and sustainability.
- ▶▶ **The inclusion of industry is crucial to the success of this initiative.** The High-Level Skills Board must be made up of senior representatives from industry, social partners, academia and non-governmental stakeholders. Businesses feel the talent crunch first-hand, which is why they must be represented on the proposed High-Level Skills Board and help shape the Observatory's work by identifying initiatives, market needs and available funding. DIGITALEUROPE can enable this by gathering intelligence from its membership, which includes training providers, human resources and talent platforms, skills mapping experts, companies investing in upskilling across a wide range of sectors and national associations offering country-level insights. This collective expertise enables a systemic understanding of the skills gap and practical solutions.


Unlock EU-wide labour mobility

- ▶▶ **DIGITALEUROPE supports the Skills Portability Initiative as a cornerstone of the EU Single Market.** It should build on our call for a Digital Skills Passport incorporating industry-recognised qualifications, certifications, micro-credentials, digital badges and courses.⁴ These are often overlooked by governments but valued by employers. The mechanism for skills portability should build on the experience of the Europass and evolve into a one-stop-shop, designed for users and adopted broadly across industry. Simplifying the rules for cross-border remote work rules in the single market must also be a priority because it reflects new economic realities, specifically in the technology sector. SMEs frequently report that navigating tax, social security and employment frameworks across Member States is a major cost and barrier to hiring remote workers.

Open the microcredentials ecosystem to trusted providers and industry

- ▶▶ **DIGITALEUROPE welcomes the initiative to establish an EU register of trusted micro-credential issuers.** To ensure quality and labour-market relevance, the register must be open to non-formal providers including industry and be co-governed with employers so that micro-credentials deliver real value. The EU should also ensure portability by linking them to the Europass Digital Credentials Infrastructure and adopting common technical standards (APIs,

⁴ July 2024, [The Download: Closing the digital skills gap - DIGITALEUROPE](#), page 2.



LTI/SCORM, W3C verifiable credentials).⁵ EU funding programmes should incentivise the formal education system and industry to co-create modular, stackable, market-driven courses, aligned with the Council's 2022 recommendations on micro-credentials.

Modernise digital education and expand ICT access

- ▶▶ **The Union of Skills' forthcoming Basic Skills Action Plan and STEM Education Strategy must embed digital learning into every classroom, modernise infrastructure and boost ICT enrolment.** This can be achieved through targeted investments into underserved schools for devices and connectivity via the European Social Fund, European Regional Development Fund and other structural funds. It also requires designing broader ICT study tracks with transparent monitoring of student numbers and outcomes, adopting fast curricula co-created with industry to reflect labour market demands. This could build on modular EU courses like European Software Skills Alliance (ESSA) and Artificial Intelligence Skills Alliance (ARISA) that teach not just with tech, but about it. It will also be important to boost school-industry partnerships to provide tech, upskill teachers and build digital, AI and STEM literacy alongside critical soft skills. Confident use of AI and AI agents will have a significant impact on the roles of all EU citizens. Therefore, the EU's ambition to embed these elements into curricula is highly relevant and essential for our economy and society.

Bridge the gap between innovation and market with commercial skills


- ▶▶ **DIGITALEUROPE calls for skills policies that train professionals in go-to-market strategy, product development and digital entrepreneurship.** Europe must match its world-leading research capacity with commercial talent. The power of innovation lies in its adoption, which is why we need people who can scale, sell and succeed with their solutions globally. Only through a collaborative approach that aligns market needs, product development, sales and corporate investment decisions can we achieve European competitiveness and sustainable economic growth. Public-private programmes should focus on helping tech innovators reach the market with their products and services. EU Skills Academies must include commercial and business skills, not just technical know-how. Skills policies should support a pan-European lifelong learning strategy that includes modular, scalable learning pathways for adults.

Foster skills to boost Europe's resilience and competitiveness

- ▶▶ **The skills agenda should be at the heart of economic security.** We welcome the Commission's plans to scale up EU Skills Academies, ease state-aid rules and roll out micro-credentials. But more is needed to boost critical tech talent. DIGITALEUROPE calls for coordinated EU-wide tax incentives for reskilling and upskilling, a framework ensuring full recognition of industry-issued certificates and micro-credentials and a "skills-first" mindset in funding and policy development across critical tech areas. We further recommend building on successful initiatives like the

⁵ More insights in March 2021, [DIGITALEUROPE's recommendations for a European approach to micro-credentials - DIGITALEUROPE](#).





CyberHubs, which align training directly with employer needs, and discontinuing those Skills Academies which have experienced low uptake.

Make the EU a magnet for global talent

- ▶▶ **Create incentives for talent attraction and retention:** The Blue Carpet initiative and Choose Europe campaign are important steps in the right direction to bring global talent to Europe. But they now require ambitious implementation. Launched in 2025, the Choose Europe campaign aims to position the EU as a top destination for highly skilled researchers and professionals by improving career prospects and working conditions, particularly in R&I and emerging tech fields. We need to think bigger and introduce incentives to attract, grow and retain key talent in Europe: coordinated EU-wide talent visas, simple and transparent rules for cross-border remote work, harmonised treatment of employee stock options and coordinated tax incentives across Member States.
- ▶▶ **Finally, leveraging eIDAS 2.0-compliant digital identity wallets** to validate foreign workers' identities and credentials would further cut red tape. Alignment with the OECD's planned international eID framework will further reduce red tape. Member States must act fast to ensure the EU is not falling behind further on critical technologies.⁶

⁶ See also March 2023, [DIGITALEUROPE position on eIDAS](#).



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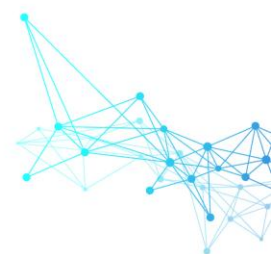
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About DIGITALEUROPE

DIGITALEUROPE is the leading trade association representing digitally transforming industries in Europe. We stand for a regulatory and investment environment that enables European digitalizing businesses across multiple sectors and citizens to prosper from digital technologies. We wish Europe to grow, attract and sustain the world's best digital talents, investment and technology companies. Together with our members, we shape the industry policy positions on all relevant policy matters and contribute to its development and implementation. Our membership represents over 45,000 businesses who operate and invest in Europe. It includes corporations and scale-ups which are global leaders in their field of activity, as well as national trade associations from across 30+ European countries.

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EU Transparency Register: 64270747023-20

