Social Partner Contribution
EU Action Plan to address labour and skills shortages

Brussels, 28 February 2024

CoESS highly welcomes the initiative of the European Commission to launch an EU Action Plan to address labour and skills Shortages in collaboration with Social Partners. We hence appreciate the possibility to contribute to the debate from the view of the private security services. This paper is based on the findings of the recently EU-funded Social Partner project "INTEL: Skills Intelligence for the Private Security Industry", led from 2021-2023 by the European Sectoral Social Partners in the Private Security Services, CoESS and UNI Europa (all findings available at www.securityskills.eu). Our input refers directly to the questions put forward by the Commission.

1. **Do you share the analysis of the challenges and the proposed policy objectives? Do you have additional elements to bring in?**

CoESS fully agrees to the analysis of the background note shared by the European Commission. It is supported by the research of the "INTEL" project, which is summarised in a report on "The State of Labour and Skills shortages in the European Private Security Services" (available here):

"Labour shortages are a limiting factor for the activities of many economic sectors"

- 92% of security companies report increasing difficulties to find workers in the past five years.
- 48% of security companies struggle to respond to market demand due to labour shortages.
- 70% of sectoral social partners in security services consider future skills shortages significant and likely to persist.
- 68% of security companies expect that labour and skills shortages will present a serious issue for their future development in the next five years.

The numbers in our sector are thus even higher than those cited in the background note. As sectoral Social Partner, we believe that this is a highly worrying finding, particularly in a sector which is providing essential services for the functioning of our economies and societies through the protection of Critical Infrastructure, supply chains, and public spaces.

"The root causes of labour shortages are manifold and include, among others, unter-representation of several groups in the labour market and lack of recognition / attractiveness"

These findings are also supported by the research conducted as part of the "INTEL" project:

- Most workers in the security industry are middle-aged, with an older workforce particularly prevalent in the Eastern Europe region.
- In 2018, women constituted only 15% of the workforce in the private security industry.
- More than 60% of sectoral Social Partners in the security services believe that a lack of skills intelligence, of attractiveness and of public support to the industry are a key barrier for them to tackle labour and skills shortages.

The "INTEL" project was the first EU-wide research on these aspects in the private security industry. Further research is needed to obtain a more comprehensive statistical picture of the industry, as publicly available sources in most countries do not contain a range of statistics, such as the educational attainment levels of the industry workforce, or the employment status of workers (fixed-term, unlimited), gross salary development, the ratio of new hires to retirement, volumes of (open/unfilled) vacancies, and the seniority of workers.

More intelligence might be required in this regard, which is why we strongly support the European Commission's proposal to focus in the Action Plan on improving skills intelligence, skills development, and activation of underrepresented groups in the labour market.

The support of Social Dialogue and Collective Bargaining is further a key aspect to improve working conditions, and we make proposals in this aspect in this paper – notably our call for a revision of the EU Public Procurement Directive 2014/24.

Private security services are rightly excluded from the EU Services Directive 2006/123, but we believe that intra-EU mobility in our sector could still be substantially improved through a better collaboration of Member States on cross-border background checks of security personnel which are necessary in order to work in our industry.

National regulation of our sector makes it obligatory for companies to hire only EU-citizens in many occupations in the security services industry. Attraction of talent from outside of the EU remains however important and should be further promoted in the long-term interest of the European labour market.

Catherine PIANA, Director General
CoESS | Confederation of European Security Services
Avenue des Arts | Kunstlaan 56 | B-1000 Brussels | Belgium
Mobile : +32 472 180 107 | **catherine@coess.eu** | **www.coess.eu**

We also want to highlight an additional relevant element. As explained in detail in the next question, CoESS strongly recommends the European Commission to tackle the effect that low-cost focused public procurement practices have on many of the root causes identified in the background note – notably underrepresentation of certain worker groups and lack of attractiveness due to some players in the market undermining qualitative working conditions and Collective Bargaining.

2. **Which measures (at EU, national or social partner level) have been the most and least effective so far in tackling labour shortages?**

As mentioned by the Commission in the background note, Social Dialogue, and the promotion and strengthening thereof, is the most effective measure to tackle labour and skills shortages in a sustainable way. The EU and national sectoral Social Partners have achieved a lot in this regard in the past years, as summarised in the "INTEL" projects Best Practice Study on Solutions and Best Practices of Social Partners (available here). This includes a large range of successful national sectoral Social Partner activities, initiatives and Collective Agreement in more than 10 EU Member States concerning equal pay, gender equality, inclusion bodies for LGBTQIA+ staff, collaboration with public employment agencies to integrate the unemployed, integration of people with disabilities, as well as quality VET and re- and upskilling pathways through Social Partner training institutes. In February 2024, CoESS and UNI Europa further adopted a Joint Statement on the promotion of "Diversity, Equality, Inclusion and Non-Discrimination in the European private security services" (available here), which announces future joint actions in this regard as part of European Sectoral Social Dialogue.

What we still miss is the very practical and effective support of the European Commission to strengthen Social Dialogue through public procurement law. As confirmed by the "INTEL" project, 83% of national sectoral Social Partners in private security services believe that public procurement and its focus on low-cost services only is the most important barrier for them to effectively tackle labour and skills shortages. These findings are supported by additional data:

- According to a recent European Parliament Study, in 2021, 10 Member States awarded between 82 % and 95 % of their above-EU- thresholds tenders solely on the basis of the lowest price or cost; 6 Member States awarded between 60 % and 80 % of such tenders on this basis[1].

[1] V. Caimi, S. Sansonetti (October 2023) : The Social Impact of Public Procurement – Can the EU do more? A Study Requested by the European Parliament's EMPL Committee.
https://www.europarl.europa.eu/RegData/etudes/STUD/2023/740095/IPOL_STU(2023)740095_EN.pdf

Catherine PIANA, Director General
CoESS | Confederation of European Security Services
Avenue des Arts | Kunstlaan 56 | B-1000 Brussels | Belgium
Mobile : +32 472 180 107 | **catherine@coess.eu** | **www.coess.eu**

- The European Commission had already stated in 2017 that a total of 55 % of procurement procedures still use the lowest price as the only award criterion[2].
- In 2018, the European Parliament raised its concern "about the excessive use of the lowest price as the primary award criterion in a number of Member States with disregard for quality, sustainability and social inclusion"[3].
- The Single Market Scoreboard provides the statistic that 62 % to 63 % of contracts are awarded on the basis of price or cost only[4].

These procurement practices, based on existing loopholes in the EU Public Procurement Directive 2014/24, allow unfair competition based on labour costs and social dumping, providing companies that do not fully adhere to Collective Agreements and labour law with a competitive advantage. In exchange, companies with a company-level Collective Agreement are more likely to have higher salaries and are hence more likely to be penalised in procurement[5]. Such practices weaken Collective Bargaining coverage in contradiction to the objectives of the EU Directive on Adequate Minimum Wages, undermining the European Social Market Economy and social cohesion. Professional companies will increasingly stop bidding because, if they want to fulfil national legislation or Collective Agreements, they lose tenders. The end-result is the continuation of a race to the bottom in essential services which negatively impacts working conditions of essential workers and the quality of essential services provided to European citizens[6], as well as the attractiveness of these vital sectors to workers.

Despite several calls of Members of European Parliament[7] and EU sectoral Social Partners, including a Joint Declaration of CoESS and UNI Europa in 2022 (available here), for a Revision of the EU Public Procurement Directive 2014/24, the European Commission has yet not become active on this matter. It is therefore important that the Commission starts looking at these elements if it wants to tackle labour and skills shortages in a holistic and effective way.

---

[2] European Commission Communication COM(2017) 572 "Making Public Procurement work in and for Europe". https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2017%3A572%3AFIN
[3] European Parliament resolution of 4 October 2018 on the public procurement strategy package (2017/2278(INI)), Available at: https://www.europarl.europa.eu/doceo/document/TA-8-2018-0378_EN.html.
[4] V. Caimi, S. Sansonetti (October 2023).
[5] V. Caimi, S. Sansonetti (October 2023).
[6] V. Caimi, S. Sansonetti (October 2023).
[7] Question for written answer E-000228/2023 from 25 January 2023 by MEP Dennis Radtke, on "Public Procurement and decent work", available here: https://www.europarl.europa.eu/doceo/document/E-9-2023-000228_EN.html

Catherine PIANA, Director General
CoESS | Confederation of European Security Services
Avenue des Arts | Kunstlaan 56 | B-1000 Brussels | Belgium
Mobile : +32 472 180 107 | **catherine@coess.eu** | **www.coess.eu**

3. **How could Social Partner (at EU, national and sectoral level) further contribute to tackling labour shortages in the policy domains**

The "INTEL" project makes very concrete recommendations in this regard, because the identified barriers for Social Partners to effectively tackle labour and skills shortages provide a respective roadmap for joint activities and initiatives covering the following aspects:

- Promote value-based procurement practices and better regulation of the industry that fosters quality and fights unfair competition, in collaboration with public authorities – including through a Revision of Directive 2014/24;
- Endorse the attractiveness and diversity of the industry, including initiatives that foster inclusion and promotion of different worker groups such as women, LGBTQI+, disadvantaged younger and elder people, persons with disabilities, etc.;
- Engage with public authorities to actively address labour and skills shortages, for example with public employment services and stakeholders in the national training framework;
- Strengthen VET frameworks in the industry through the establishment of sectoral training centres which offer re-skilling and upskilling pathways;
- Establish national frameworks for gathering skills intelligence and data on the composition of the workforce, as well as workplace practices.

These recommendations are largely in line with the Action Plan proposed by the European Commission, so Sectoral Social Dialogue at EU- and national level can substantially support respective actions proposed with data-based intelligence and activities. In many cases, funds for Social Partners to have respective capacities to feed-in to the Action Plan would be necessary.

4. **What concrete commitments could social partner take on in the context of the Action Plan in each of the policy domains**

Concrete commitments should in general be made in the context of European Sectoral Social Dialogue. CoESS proposes the following commitments:

Activation of underrepresented groups

In February 2024, CoESS and UNI Europa adopted a Joint Statement on the promotion of "Diversity, Equality, Inclusion and Non-Discrimination in the European private security services" (available

Catherine PIANA, Director General
CoESS | Confederation of European Security Services
Avenue des Arts | Kunstlaan 56 | B-1000 Brussels | Belgium
Mobile : +32 472 180 107 | **catherine@coess.eu** | **www.coess.eu**

here). In this Statement, the Social Partners commit to a number of follow-up actions which cover the integration of underrepresented groups in the sector.

Improving Skills Intelligence

The adoption of VET policies is particularly in our sector a national competence, both of the regulator and Social Partners. However, CoESS and UNI Europa are committed since years to the sharing of best practices at EU-level, as already done within the "INTEL" project.

A recommendation for a concrete action at EU-level would be an EU Framework for Sectoral Skills Intelligence, in which the EU and national sectoral Social Partners should be involved in – if possible with support for targeted funding. As mentioned in the European Commission's background note, "*Social Partners, including at sectoral level, are closest to the labour market and know best the needs of employers and workers*." CoESS commits to support such an initiative.

Improving working conditions

CoESS supports strongly the improvement of working conditions in the industry as part of European Sectoral Social Dialogue with respect to national regulatory competencies and Social Partner autonomy.

Improving fair intra-EU labour mobility

CoESS commits to work with the European Commission on a future EU Council Recommendation on cross-border background checks of security personnel.

About CoESS

CoESS acts as the voice of the private security industry, covering 22 countries in Europe and representing 2 million security officers as well as over 45,000 companies. The private security services provide a wide range of services, both for private and public clients, ranging from Critical Infrastructure facilities to public spaces, supply chains and government facilities. CoESS is recognised by the European Commission as the only European employers' organisation representative of the private security services. Representing a labour-intensive sector, CoESS is actively involved in European Sectoral Social Dialogue and multiple EU Expert Groups – including SAGAS, SAGMAS, LANDSEC, RAILSEC and the EU Operators Forum for the Protection of Public Spaces.

EU Transparency Register Number: 61991787780-18

Catherine PIANA, Director General
CoESS | Confederation of European Security Services
Avenue des Arts | Kunstlaan 56 | B-1000 Brussels | Belgium
Mobile : +32 472 180 107 | **catherine@coess.eu** | **www.coess.eu**