

19. Labour migration and workforce shortages: Building resilience in post-pandemic Europe

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Abstract: Post-pandemic Europe faces labour shortages that reveal deeper demographic and structural pressures. The chapter examines labour-market data, sectoral shortages, migration patterns and policy responses across Member States, with attention to intra-EU mobility, third-country migration and displaced Ukrainians under temporary protection. Migration has helped sustain healthcare, agriculture, construction, transport, logistics, manufacturing, care and hospitality, especially as economies reopened after COVID-19. Several countries have moved toward more targeted labour-migration policies, including easier access for skilled workers and simplified employment procedures. Yet integration barriers remain: language, qualification recognition, housing, social services and labour-market segmentation can reduce migrants' contribution. The chapter treats migration as a strategic resilience tool, but not a stand-alone fix. Durable labour-market stability also requires education, lifelong learning, participation measures and inclusive social protection.

Keywords: labour market, migration, Europe, resilience, workforce shortages.

Introduction

The COVID-19 pandemic became one of the most serious socio-economic challenges of the early 21st century, exposing weaknesses in European labour market structures. Mobility restrictions, economic activity interruptions and sudden labour demand changes led to prolonged employment and human resource distribution disruptions. Consequently, many European countries experienced labour shortages, particularly in sectors requiring a stable workforce, such as healthcare, agriculture, transport and construction. At the same time, the pandemic crisis highlighted the importance of labour migration in stabilising the labour market and supporting economic recovery. Migrants, who are often employed in critical occupations, played a key role in maintaining continuity of

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services and supply chains. In this context, labour mobility is not only seen as an economic phenomenon but also as part of a broader strategy to strengthen the resilience of European economies. This chapter aims to analyse the links between economic migration and labour shortages in Europe in the post-pandemic period, identifying mechanisms that can help build labour market resilience. The following sections present the characteristics of post-pandemic labour shortages and the role of migration in addressing them.

19.1. Labour shortages in Europe after the COVID-19 pandemic

The pandemic significantly exacerbated pre-existing labour shortages in many sectors of the European economy, creating persistent imbalances between labour supply and demand. Although labour markets initially contracted in the early stages of the pandemic, structural pressures later re-emerged and intensified in many cases as economic activity resumed. Recent labour market reports indicate that shortages remain widespread, with almost all EU/EFTA countries experiencing persistent shortages in key occupations. Particularly severe gaps exist in healthcare, engineering, IT, welding, and other technical and craft trades. These patterns reflect deep-seated structural trends rather than short-term cyclical changes (European Labour Authority, 2025). Shortages are particularly significant in sectors with poor job quality and are often found in professions that typically do not require tertiary-level education. Persistent labour shortages have resulted in a high EU job vacancy rate, reaching a record 3% in the second quarter of 2022. The highest rates were observed in the Netherlands (4.9%), Belgium and Austria (both 4.8%), and the Czech Republic (4.7%), while the lowest rates were found in Romania, Bulgaria and Spain (all 0.9%). At a sectoral level, the highest job vacancy rates in the EU were observed in administrative and support service activities (4.7%), accommodation and food service activities (4.2%), information and communication (4.1%), and construction (4.0%). Relatively lower rates were observed in electricity, gas, steam, and air conditioning supply (1.7%), financial and insurance activities (2.0%), and manufacturing (2.3%). Because some of these high-vacancy sectors (e.g., construction) are central to the green and digital transitions, resolving these bottlenecks will facilitate economic transitions (European Commission, 2023).

The vacancy rate remains particularly high in some Member States, despite the recent slowdown in economic activity driven by supply-chain issues and inflationary pressures. This indicates that labour shortages remain a structural problem for EU labour markets in the aftermath of the COVID-19 pandemic (Council of the European Union, 2024).

In Q3 2025, the job vacancy rate in the euro area was 2.1%, down from 2.3% in Q2 2025 and down from 2.5% in Q3 2024. In the EU, the job vacancy rate was 2.0% in Q3 2025, down from 2.1% in Q2 2025 and 2.3% in Q3 2024 (Eurostat, 2025). Among EU countries, the highest job vacancy rates in Q3 2025 were recorded in the Netherlands (4.1%) and in Belgium (3.8%), followed by Malta (3.4%), Austria (3.2%) and Cyprus (3.0%). The lowest rates were observed in Romania (0.6%), Bulgaria and Poland (both 0.8%), followed by Spain (0.9%), Slovakia and Finland (1.0%)

In the euro area, the impact of the 2020 job vacancy rate was stronger during the pandemic than during the 2009 economic downturn. While the job vacancy rate declined slightly in 2009 compared with the previous year (by 0.1 percentage points, compared with 0.3 percentage points in the EU), it returned to its original level in 2010. By contrast, the rate dropped by 0.5 percentage points in 2020, followed by a rebound of 0.7 percentage points in 2021 and 2022. However, it decreased again, by 0.2 percentage points in 2023 and a further 0.4 percentage points in 2024 (Figure 19.1).

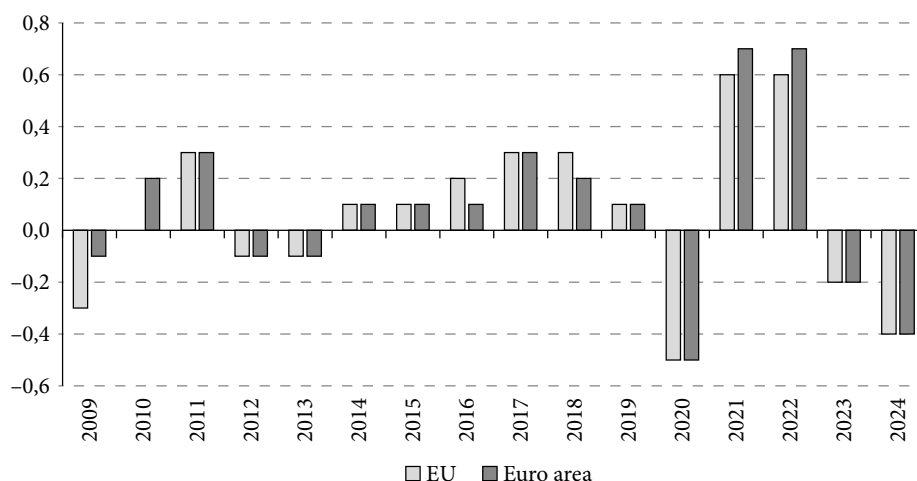


Figure 19.1. Annual change in job vacancy rates, 2009–2024 (percentage points)

Source: (Eurostat, 2025).

The EU also experienced a similar impact on job vacancy rates in 2020 due to the pandemic, although the recovery occurred more rapidly than after the 2009 economic recession. At the peak of the 2009 crisis, the EU job vacancy rate fell by 0.3 percentage points compared with the previous year. It then remained stable in 2010 and increased by 0.3 percentage points in 2011, offsetting the effects of the recession. By comparison, the rate fell by 0.5 percentage points in 2020 due

to the pandemic, followed by a 0.6 percentage-point recovery in both 2021 and 2022. Nevertheless, the job vacancy rate began to fall again in 2023 (by 0.2 percentage points), and further in 2024 (by 0.4 percentage points) (Eurostat, 2025).

The pandemic contributed to increased shortages for high-skilled workers in construction and agriculture, and shortages for intermediate, specific skills in manufacturing, construction, transport, and finance. Eurofound's (2023) analysis of job vacancy rates in Q3 2020 shows that shortages were particularly acute in sectors such as information and communication, administrative and support services, human health and social work, accommodation and food services, and professional, scientific, and technical activities. Furthermore, labour shortages were reported in most EU Member States.

19.2. Migration as a compensatory mechanism for labour market shortages

Following the outbreak of the pandemic, the importance of economic migration in alleviating labour shortages across Europe became increasingly recognised. As economies reopened and production resumed, many sectors were hit by structural deficits in their workforces, exacerbated by demographic ageing, reduced labour market participation and mismatches in skills. According to the European Commission (2023a), labour shortages have become widespread across Member States, particularly in occupations requiring high and medium levels of skill. In this context, cross-border labour mobility – both within the EU and from third countries – has played a stabilising role in supporting economic recovery.

As borders reopened and economic activity increased, demand for mobile workers rose significantly. Migrants filled labour gaps in sectors experiencing persistent shortages, including healthcare, agriculture, transport, construction, hospitality and other service industries. Data from Eurostat indicates that foreign-born workers are now overrepresented in several shortage occupations, particularly in healthcare and long-term care, as well as in seasonal agricultural work. Their contribution enabled the continuity of production and service delivery, thereby supporting post-pandemic economic recovery and mitigating inflationary pressures linked to labour constraints.

Since 2020, notable shifts in migration patterns and structures have been observed. While free movement within the EU remains an important channel of labour mobility, inflows from non-EU countries have also become more significant. Notably, migration from Ukraine following Russia's invasion in 2022 has had a crucial impact on Europe's labour markets. Under the Temporary Pro-

tection Directive, which was activated by the Council of the European Union in 2022, millions of displaced Ukrainians were granted access to the EU's residence and labour markets. Meanwhile, shortages in manufacturing, logistics, and care services have been increasingly filled by workers from the Western Balkans, North Africa, and parts of Asia.

In response, several Member States have adopted more proactive and targeted migration policies. Germany, e.g., has reformed its Skilled Immigration Act to make it easier for qualified workers from outside the EU to enter the country, while Poland has introduced simplified employment procedures for certain nationalities. In turn, Spain has introduced reforms to regularise certain categories of migrant workers and address sector-specific shortages. These policy adjustments reflect a broader shift from crisis-driven responses towards more strategic labour migration management.

Despite these developments, significant challenges related to migrant integration persist. Language barriers, cultural differences, the non-recognition or delayed recognition of professional qualifications, and limited access to housing and social services can all hinder effective participation in the labour market. The OECD (2022) emphasises that improving skills recognition procedures and providing targeted integration support are crucial for maximising migrants' economic contribution. A lack of effective integration policies may increase the risk of labour market segmentation and social exclusion.

In the long term, economic migration is likely to remain a structural component of European labour market policy. Given the ongoing demographic decline and ageing populations in many Member States, the supply of labour from outside the EU will be essential for sustaining growth, financing welfare systems and maintaining competitiveness. Therefore, economic migration should be viewed as a strategic instrument for enhancing the resilience of European economies to future demographic and economic shocks, rather than solely as a short-term response to crisis-induced shortages.

19.3. Building labour market resilience

Strengthening labour market resilience in Europe in the post-pandemic period requires a multi-level, integrated policy approach combining migration management, education and training systems, active labour market policies and inclusive social protection frameworks. The pandemic exposed structural weaknesses in Europe's labour markets, including sectoral labour shortages, demographic ageing, labour market segmentation and skills mismatches (European Com-

mission, 2023b; OECD, 2023). At the same time, however, it also demonstrated the importance of flexibility, institutional adaptability, and coordinated policy responses for maintaining economic stability during systemic shocks (Béland et al., 2021). Economic migration plays a central role in this resilience-oriented framework. A growing body of recent research highlights how migrant workers help fill immediate labour shortages and enhance long-term economic dynamism and innovation capacity (Dustmann et al., 2022). Migration can offset the adverse labour market consequences of an ageing population, particularly in countries experiencing rapid demographic decline. In this sense, when supported by effective institutional arrangements, migration policy should not merely be viewed as a short-term corrective tool, but as a structural component of sustainable labour market strategies.

Across the European Union, Member States have increasingly implemented targeted initiatives to better align labour supply and demand. These include sector-specific recruitment schemes for nationals of third countries, streamlined visa and work permit procedures, the digitalisation of migration administration and reforms to accelerate the recognition of professional qualifications obtained outside the EU. For example, Germany's recent reforms have broadened skilled migration pathways through its updated Skilled Immigration Act, while Spain and Poland have introduced regulatory changes to facilitate the regularisation and employment of foreign workers in shortage occupations. According to Eurofound (2023), such targeted recruitment policies have become more prevalent in response to persistent shortages in sectors such as healthcare, construction, transport and information technology.

At the same time, resilience-building strategies increasingly emphasise the development of domestic human capital. Investing in education, vocational training and lifelong learning is considered vital for reducing long-term dependence on migration, while also addressing technological change and the green transition (Brunello & Wruuck, 2021). Reskilling and upskilling programmes have gained prominence in recovery plans financed through the EU's Recovery and Resilience Facility. Moreover, recent empirical evidence suggests that countries with stronger adult learning systems were better able to mitigate employment losses and facilitate labour reallocation during the pandemic (Fasani & Mazza, 2020; OECD, 2023). Therefore, migration and education policies should be viewed as complementary rather than substitute instruments.

Another crucial pillar of labour market resilience is the effective integration of migrants into host societies. Research shows that early labour market access, language acquisition and recognition of qualifications can greatly improve migrants' employment prospects and fiscal contributions (Brell et al., 2020; Hainmueller et al., 2016). However, barriers such as bureaucratic delays, limited access

to childcare, housing shortages and discrimination can hinder full economic participation and thereby weaken resilience potential (OECD, 2022). Germany, Scandinavian countries such as Sweden and Denmark, and Poland have shown that comprehensive integration frameworks, including language training, employment counselling, skills validation systems and local-level coordination, can foster labour market participation and social cohesion. Following the activation of temporary protection for displaced persons from Ukraine by the Council of the European Union in 2022, several Member States implemented accelerated integration pathways, highlighting the importance of institutional preparedness and intergovernmental cooperation (EMN, 2023). From a broader theoretical perspective, labour market resilience depends on institutions' capacity to absorb shocks, adapt to structural change and transform in response to new risks (Martin & Sunley, 2020). The pandemic underscored how open economies with diversified labour supply sources, robust welfare systems and strong social dialogue mechanisms were better able to manage the disruption (Béland et al., 2021).

When embedded within inclusive social policies and coordinated labour market governance, migration contributes to adaptive capacity. The resilience of European labour markets ultimately hinges on achieving a sustainable balance between labour mobility, investment in human capital and social solidarity. Overreliance on an external labour supply without adequate integration can lead to labour market segmentation and social tensions, while insufficient openness can exacerbate demographic and skills-related constraints. Therefore, a strategic combination of managed migration, lifelong learning, inclusive welfare institutions and cross-border cooperation is essential. Given the population ageing projected to continue across much of Europe, incorporating economic migration into a comprehensive resilience strategy is likely to remain a central priority of employment and migration policy in the coming decades.

Conclusions

The impact of the pandemic on European labour markets can be seen as akin to a stress test, exposing structural weaknesses while accelerating pre-existing demographic and economic trends. The ongoing labour shortages across sectors and Member States suggest that Europe is grappling with long-term workforce issues rather than short-term post-crisis disruptions. Declining working-age populations, skills mismatches, and changing employment patterns will continue to shape labour market dynamics in the years ahead.

In this context, labour migration has become a key part of Europe's response to workforce shortages. It has helped to maintain economic continuity, support

essential services, and facilitate recovery following the pandemic. However, migration alone cannot guarantee labour market stability. For its positive impact to be realised, effective governance, well-functioning institutions, and complementary policies in education, training, and social integration are required.

Building resilient labour markets, therefore, requires a comprehensive and balanced approach. Investment in human capital, support for lifelong learning, and measures to promote labour market participation among domestic workers must be combined with well-managed, sustainable migration strategies. It is equally important to foster social cohesion by implementing inclusive integration policies that enable migrants to fully participate in economic and social life.

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