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# **DRAFT REPORT**

on harnessing talent in Europe's regions  
(2023/2044(INI))

Committee on Regional Development

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## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

### on harnessing talent in Europe's regions (2023/2044(INI))

*The European Parliament,*

- having regard to the Commission communication of 17 January 2023 entitled ‘Harnessing talent in Europe’s regions’ (COM(2023)0032),
- having regard to Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006<sup>1</sup>,
- having regard to the European Pillar of Social Rights,
- having regard to the European Committee of the Regions study entitled ‘Addressing brain drain: The local and regional dimension’, published in 2018,
- having regard to the study entitled ‘Brain Drain in the EU: Local and Regional Public Policies and Good Practices’ of 27 February 2020, published in the *Transylvanian Review of Administrative Sciences*<sup>2</sup>,
- having regard to its resolution of 17 April 2020 on EU coordinated action to combat the COVID-19 pandemic and its consequences<sup>3</sup>,
- having regard to the Commission communication of 30 September 2020 on achieving the European Education area by 2025 (COM(2020)0625),
- having regard to the opinion of the European Committee of the Regions of 14 October 2020 entitled ‘Demographic change: proposals on measuring and tackling its negative effects in EU regions’<sup>4</sup>,
- having regard to Regulation (EU) No 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund<sup>5</sup>,
- having regard to Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional

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<sup>1</sup> [OJ L 347, 20.12.2013, p. 320.](#)

<sup>2</sup> Boc, E., ‘Brain Drain in the EU: Local and Regional Public Policies and Good Practices’, *Transylvanian Review of Administrative Sciences*, No 59, 2020, pp. 23-29.

<sup>3</sup> [OJ C 316, 6.8.2021, p. 2.](#)

<sup>4</sup> [OJ C 440, 18.12.2020, p. 33.](#)

<sup>5</sup> [OJ L 231 30.6.2021, p. 6.](#)

Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy<sup>6</sup>,

- having regard to the Commission report of 9 February 2022 entitled ‘Cohesion in Europe towards 2050 – Eighth report on economic, social and territorial cohesion’<sup>7</sup>,
- having regard to the European Committee of the Regions study entitled ‘Rural proofing – A foresight framework for resilient rural communities’, published in 2022,
- having regard to the Organization for Economic Co-operation and Development (OECD) report of 22 June 2022 entitled ‘Making the most of public investments to address regional inequalities, megatrends and future shocks’,
- having regard to the Commission communication of 5 July 2022 entitled ‘A New European Innovation Agenda’ (COM(2022)0332),
- having regard to its resolution of 15 September 2022 on economic, social and territorial cohesion in the EU: the 8th Cohesion Report<sup>8</sup>,
- having regard to its resolution of 15 September 2022 on EU border regions: living labs of European integration<sup>9</sup>,
- having regard to the ‘At a Glance’ briefing entitled ‘Question time: tackling depopulation through cohesion policy instruments, published by its Directorate-General for Parliamentary Research Services on 30 September 2022<sup>10</sup>,
- having regard to the study entitled ‘The EU legal migration package: Towards a rights-based approach to attracting skills and talent to the EU’, published by its Directorate-General for Internal Policies on 1 December 2022<sup>11</sup>,
- having regard to the Commission Staff Working Document of 17 January 2023 entitled ‘The impact of demographic change – in a changing environment’ (SWD(2023)0021),
- having regard to the OECD report entitled ‘Job creation and local economic development 2023’, published on 14 March 2023,

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<sup>6</sup> [OJ L 231, 30.6.2021, p. 159.](#)

<sup>7</sup> European Commission, ‘Cohesion in Europe towards 2050 – Eighth report on economic, social and territorial cohesion’, 9 February 2022.

<sup>8</sup> [OJ C 125, 5.4.2023, p. 100.](#)

<sup>9</sup> [OJ C 125, 5.4.2023, p. 114.](#)

<sup>10</sup> At a Glance – ‘Question time: tackling depopulation through cohesion policy instruments’, European Parliament, Directorate-General for Parliamentary Research Services, Members’ Research Service, 30 September 2022.

<sup>11</sup> Study – ‘Towards a rights-based approach to attracting skills and talent to the EU’, European Parliament, Directorate-General for Internal Policies, Policy Department C – Citizens’ Rights and Constitutional Affairs, 1 December 2022.

- having regard to the resolution of the European Committee of the Regions of 16 March 2023 on harnessing talent in Europe’s regions<sup>12</sup>,
  - having regard to the opinion of the European Economic and Social Committee of 14 June 2023 on harnessing talent in EU regions,
  - having regard to Rule 54 of its Rules of Procedure,
  - having regard to the opinion of the Committee on Agriculture and Rural Development,
  - having regard to the letter from the Committee on Employment and Social Affairs,
  - having regard to the report of the Committee on Regional Development (A9-0000/2023),
- A. whereas the EU’s population has grown steadily over the last 50 years; whereas population growth has slowed in recent decades; whereas current predictions point to growth at a limited rate until 2029, from which date population growth will begin to slow down<sup>13</sup>;
- B. whereas population loss is a sustained trend over time, particularly affecting rural areas with older populations on average than those found in cities and suburbs<sup>14</sup>; whereas young people are on average more likely to leave rural areas; whereas the loss of population in rural areas is deeply linked to the lack of connectivity, public services and employment; whereas the posting of young workers poses significant challenges to demographic structures; whereas mountainous, isolated and outermost regions are particularly affected by these phenomena;
- C. whereas in spite of its temporary impact on the labour market, the COVID-19 pandemic has resulted in a boost to teleworking, offering great potential to connect jobs from urban centres to smaller cities, suburbs and towns<sup>15</sup>;
- D. whereas the positive migration of workers with or without tertiary education is one of the solutions to address the challenges faced by Member States and their regions with the highest percentage of population loss;
- E. whereas the talent drain is closely related to the need to improve the working and living conditions of people living in regions with low incomes, social gaps and other socio-economic disparities; whereas reducing such disparities is a commitment which has been reiterated through the European Pillar of Social Rights;
- F. whereas regional and local authorities are best placed to create the socio-economic conditions for attracting talent; whereas these administrations need economic reinforcement;

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<sup>12</sup> [OJ C 188, 30.5.2023, p. 1.](#)

<sup>13</sup> See the Commission Staff Working Document entitled ‘The impact of demographic change – in a changing environment’ of 17 January 2023 (SWD(2023)0021).

<sup>14</sup> See the Commission Staff Working Document entitled ‘The impact of demographic change – in a changing environment’ of 17 January 2023 (SWD(2023)0021).

<sup>15</sup> See the Draft Council conclusions on telework in the context of remote work, paragraph 17.

- G. whereas talent retention does not refer exclusively to stopping the emigration of highly qualified persons from one country to another, or from one region to another, but also to attracting populations whose professional background is related to jobs that are still in high demand in rural and sparsely populated areas;
  - H. whereas the outermost regions are particularly vulnerable to talent drain and have higher levels of unemployment and lower education rates, while their share of young people who are either unemployed or not in education is above the EU average<sup>16</sup>;
  - I. whereas EU policies addressing the brain drain and the negative effects of demographic trends must respect the four freedoms, with particular reference to the free movement of persons;
  - J. whereas Annex XXVI of the Common Provisions Regulation laying down the methodology on the allocation of global resources per Member State for the political objective of the European Regional Development Fund and the Cohesion Fund (ERDF-CF)<sup>17</sup> of investment in jobs and growth, and, in particular, for the regions classified as ‘less developed’, goes beyond GDP and the percentage of the unemployed;
  - K. whereas the Commission communication entitled ‘Harnessing talent in Europe’s regions’ sets up the Talent Booster Mechanism with the objective of stimulating supply and demand for skills; whereas this mechanism includes a new strategy on ‘Smart adaptation of regions to demographic transition’ and direct financial support under existing instruments;
1. Welcomes the Commission communication on ‘Harnessing talent in Europe’s regions’; appreciates the strategies presented as a mechanism to avoid economic, social and gender disparities between citizens affected by the green and digital transitions; considers it fundamental that the concept of ‘rural proofing’ include assessing the demographic impact, the issue of job creation, the impact on the educational framework and the gender impact;
  2. Recalls that policy objective four (PO 4) of ERDF-CF<sup>18</sup> already envisages the achievement of a more social and inclusive Europe through the implementation of the European Pillar of Social Rights; is of the belief that improving equal access to inclusive and quality services in education, training and lifelong learning through the development of accessible infrastructure is crucial to achieving these objectives;
  3. Welcomes the creation of the Talent Booster Mechanism aimed at boosting talent in regions facing, or at risk of facing, what the Commission calls a talent development trap; calls for clear and objective criteria regarding the definition of regions in, or at risk of, a talent development trap; highlights the potential of the Technical Support Instrument;
  4. Bears in mind that less developed regions have the same particularities as those considered as being ‘in a talent development trap’, such as low population density, low

<sup>16</sup> [Commission communication of 3 May 2022 entitled on “Putting people first, securing sustainable and inclusive growth, unlocking the potential of the EU’s outermost regions” \(COM\(2022\)0198\).](#)

<sup>17</sup> [Regulation \(EU\) 2021/1058 of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund, OJ L 231, 30.6.2021, p.60.](#)

<sup>18</sup> Article 3(1)(d)

economic resources, low employability, ageing of the population and a reduction in the population of working age; points out the need to include in the categorisation of such regions those deemed ‘less developed’, as defined in Article 108(2) of Regulation (EU) 2021/1060;

5. Encourages the financing of specific measures through the multiannual financial framework to address the demographic challenges, with a specific budget for regions with severe and permanent demographic difficulties; in this context, considers it necessary to reformulate the specific instruments of the cohesion policy by assigning greater weight to depopulation for the allocation of funds;
6. Considers it essential to improve the executive and managerial capacity of local administrations and to reduce bureaucracy, as well as to promote closer cooperation between the different institutions;
7. Recalls that it is essential that Member States, their regions and local authorities come up with innovative solutions tailored to each territory; welcomes the Commission’s proposal that Member States set up thematic and regional working groups to address specific challenges under the Talent Booster Mechanism;
8. Calls on the Commission and the Member States to finance and promote specific projects for the development of initiatives to ensure young people’s access to training, with a particular focus on deficit or high-demand occupations, to stimulate the creation of quality jobs and to guarantee paid traineeships;
9. Encourages the Member States to align their specific priorities with their demographic needs in future Partnership Agreements;
10. Acknowledges that direct financial support to regions in or at risk of a talent development trap will be provided under existing instruments; regrets nonetheless that no specific and dedicated financial support has been established for this purpose; suggests that the new programming period should include the creation of a dedicated fund addressing the brain drain;
11. Advocates ensuring regions’ access to quality public services such as health, education and social protection, as well as to essential transport infrastructure and digital connectivity;
12. Considers it essential to prioritise measures to facilitate work-life balance, guaranteeing access to childcare, working time flexibility and decent wages and working conditions;
13. Advocates the promotion of supranational cooperation networks aimed at promoting the exchange and circulation of talent, thereby acting as a driver for the dissemination of knowledge, experience and training;
14. Instructs its President to forward this resolution to the Council and the Commission.

## EXPLANATORY STATEMENT

The European Year of Skills has put the investment in a talented workforce at the core of EU policy making. It is also in this context that the Commission has launched the Communication on Harnessing Talents in EU regions, linking the need for such investments with the impact of demographic trends in the EU's workforce. This report serves as an answer to such Communication, providing further analysis of the demographic and skills situation in the EU, as well as putting forward proposals that aim at finding innovative solutions. The European Parliament is of the belief that Cohesion Policy has an important role to play when talking about addressing the challenges in the future of the labour market.

Recent decades have seen a slowdown of population growth, challenging the EU's experienced steady population growth over the last 50 years. This population decline particularly affects rural, mountainous, isolated and outermost areas, which tend to have older populations compared to cities and suburbs. The lack of connectivity, public services and employment opportunities in rural regions contribute to the migration of young people to urban areas, posing challenges to demographic structures. Furthermore, such 'youth exodus' translates into a dramatic loss of talent in those particularly vulnerable regions, that now face enormous difficulties to attract and establish population in their territories.

The harnessing of talents in EU regions must have the European Pillar of Social Rights at the core of its action. Talent drain is closely linked to the need for improving working and living conditions in low-income regions with social and economic disparities, aligning the Social pillar with the commitment to reducing such disparities. In this regard, policymakers need to increase their efforts to create learning and working opportunities, adapting education and training programmes to the skills required by a job market in constant transformation. To that end, social partners, universities, research institutes and the private sector need to be fully involved in the conversation, creating synergies and putting forward projects that better reflect each territory's socio-economic reality.

Addressing the challenges of population loss in Member States requires positive migration of workers, including those with tertiary education. In this regard, regional and local authorities play a crucial role in creating the socio-economic conditions to attract talent, and their executive capability should be reinforced when needed, as they are the public administrations that can better assess the need of their territories, and remain the closest to its citizens.

Future design of EU policies aiming at tackling talent retention and brain drain should assess their demographic impact, job creation, educational framework and gender impact, expanding the concept of 'rural proofing' to a more adequate reflection of the socio-economic reality of each region. In this regard, it is essential that clear and objective criteria are laid out when defining regions in or at risk of a talent development trap. Less developed regions share similarities with those at risk, necessitating their inclusion in the categorisation.

Both the Commission and Member States should finance and promote projects for young people's access to training, the creation of quality jobs, and guaranteed paid traineeships. Future Partnership Agreements should align specific priorities with demographic needs. While existing instruments provide financial support to regions at risk of a talent development trap, the creation of a dedicated Fund addressing brain drain is recommended for the new



programming period.

Ensuring access to quality public services, essential transport infrastructure, digital connectivity, and measures facilitating work-life balance are of outmost priority. Additionally, promoting supranational cooperation networks will foster the exchange and circulation of talent, facilitating the dissemination of knowledge, experience, and training.