



Jobs and skills

Retail and wholesale as the EU's first private employer

Introduction

Retail and wholesale is Europe's first private employer, providing jobs to 26 million Europeans. The sector plays an important social role by providing jobs in every community and to all parts of society, including those at entry level, requiring lower degrees and/or tertiary education. EuroCommerce is a recognised social partner for the retail and wholesale sector at EU level as well as through the majority of its national member associations, at country level.

What retail and wholesale offers in the EU

- Retail and wholesale offer high quality jobs in every local community in capital cities and beyond.
- There are multiple opportunities for people with less experience and lower levels of education, for career and educational progression (80% of the workforce has no tertiary education and 15% of retail workers are under 25).
- 62% of the retail workforce are women with wholesale salaries providing higher incomes than for other sectors, such as hospitality and food services.

The effect of labour and skills shortages on retail and wholesale

The EU is expected to experience significant demographic changes, with a reduction of 28.3 million people in the work age population by 2050 (ESDE Review 2023). This shift is already impacting the retail and wholesale sector, which experienced a rising job vacancy rate of 1.8% in 2021 (up from 1.0% in 2012). Our sector is under increasing pressure, not least because it is estimated that up to 1.5 million more people will be needed each year until 2030. In particular, we are facing shortages of IT specialists, lorry drivers, and instore staff such as bakers and butchers.

SMEs employ about two-thirds of the retail and wholesale sector's workforce, and they encounter additional challenges that undermine their competitiveness. These include skills shortages and limited ability to invest in growth, as well as the opportunity costs associated with training employees.

Many companies are already struggling to recruit talent, to help with the digital and sustainability transition and recent crises have made it even more difficult to invest. They face an investment gap ranging from €25 to €35 billion, which is 40-60% more than current investment levels. This investment is needed to support the upskilling of 10-13 million employees each year.

Retailers and wholesalers' skills needs:

- **Digital skills** – 90% of future growth in retail and wholesale will be through e-commerce. Digital literacy is the know-how to develop the multichannel experience customers expect. It includes data analytics, digital marketing, online content creation, deployment of artificial intelligence and robotics.
- **Green skills** – these include climate and sustainability literacy, product repair skills (textiles, electronics), the ability to offer advice to consumers on sustainable products, recycling, energy-efficiency, eco-design etc. and the technical skills for circularity or specialist skills (e.g. sewing).
- **Soft skills** – this includes customer assistance to meet evolving consumer demands, adaptability/willingness to embrace change in customer expectations and



to provide support throughout the customer journey.

Key asks: to deliver the triple skills, sustainability and digital transformation, the sector needs:

- Financial support and human resources to further grow the Retail Large Scale Skills Partnership (Retail Pact for Skills).
- EU level exchange to foster open discussions and knowledge-sharing (e.g. forums, webinars and conferences), networking, and identifying of common needs (e.g. skills mismatches).
- Simpler access to finance to streamline the creation of EU blueprint projects, like Skills4Retail.
- Improved communication of what is available and clearer guidance on how to easily access funds for all programmes (EU, national, regional, local).
- Encouragement for national programmes dedicated to retail and wholesale (not just manufacturing) to support the roll-out of skills training and to address labour shortages (e.g. development of apprenticeship programmes) through:
 - Fiscal incentives, subsidies, loans and guarantees, directly available to companies or through their associations (e.g. to facilitate training for SME employees).
 - Development of public private partnerships.
 - Use of national retail and wholesale associations to bridge the gap between funding and training, supporting them to help with applications, extending links to third party providers, or improving financial literacy.
- Simplify the process of organising short-term exchange of employees between operations in multiple Member States.
- Improve public education systems so teachers are prepared for the digital transformation with classrooms equipped with adequate IT infrastructure, and curricula adapted to future skills needs. Incorporate apprenticeships that can prepare employees for the increasing omnichannel nature of retail and wholesale.
- Encourage a culture of life-long learning to

boost participation by employees in training and formal/informal learning.

- Ensure better recognition of vocational experience or qualifications, including those gained in the workplace.
- Provide insights on factors shaping the labour market, which are essential both for preparing individuals and for identifying future work needs, particularly in order to develop reskilling and upskilling initiatives.

The opportunities for social partners to collaborate on the transformation.

EuroCommerce has been the recognised European sectoral social partner in the commerce sector, since 1990. The preservation of the autonomy of social partners is essential to foster a constructive dialogue that can identify appropriate, innovative and tailor-made solutions for the evolving needs of the sector.

Key asks:

- Enable social partners to collaborate, operate with autonomy, and be well-informed to help bridge the gap between work and education. This approach will enable us to respond with agility to both current and future skills shortages and the evolving landscape of labour market needs.
- Ensure significant and timely involvement of social partners in the legislative and non-legislative initiatives affecting them, at all levels.
- Promote transparency and access to information in the legislative process, including by providing adequate resources and support for social partners to enable meaningful engagement.
- Ensure a fair balance between the interests of workers and employers in policymaking at all levels.