

## EMF position on e-skills

### Introduction

The contribution of Information and Communication Technology (ICT)<sup>1</sup> to the European economy is fundamental. The knowledge-based society and services play an increasingly important role in industry. Throughout the life-cycle of a product (from designing to maintenance) and in terms of economic efficiency, the importance of ICT related skills (e-skills) is rising.

There is an important need to address e-skills issues in order to respond to the growing demand for highly-skilled ICT practitioners and users, meet the fast-changing requirements of the industry and ensure that every worker in the metalworking industry<sup>2</sup> is digitally literate.

A skilled workforce guarantees expanded employment opportunities for individuals and ensures the future for ICT professionals in Europe in the long run. Europe needs new ICT innovations in the field of industry and services. Contrary to general understanding that innovations are created by technically educated professionals, shop-floor workers play a significant role as well. Innovations are not only technical by nature but often social and organisational as well. In order to utilise the potential of the shop-floor worker, e-skills should form part of the core skills they possess.

*The Lisbon Strategy* to make the EU "the most dynamic and competitive knowledge-based economy in the world

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<sup>1</sup> The Information and Communication Technology (ICT) industry include both blue- and white collar workers.

<sup>2</sup> The metal industry here refers to the following sectors: aerospace, automotive, ICT, lifts, mechanical engineering, non-ferrous metals, shipbuilding, steel and white goods.

capable of sustainable economic growth with more and better jobs and greater social cohesion, and respect for the environment by 2010"<sup>3</sup> was adopted by the European Council in 2000. In 2004 the European Council and the European Commission decided to prepare a mid-term review of the Lisbon Strategy, to be presented to the Spring Summit in March 2005. The report concluded that little progress had been made over the first five years and recommended refocusing the agenda on growth and employment. The Lisbon Strategy is deemed to have failed to achieve its objectives thus far, because of a lack of investment in education and vocational training. The European Commission's December 2007 strategic report, endorsed by the March 2008 Spring Summit, and concluded that the policies were finally paying off. Reforms in some areas, though, such as tackling labour market segmentation, have lagged behind.

### Aim

The aim of the position paper is to create overall *awareness* of the importance of e-skills to the ICT industry in Europe and to the individual worker and its overall impact on jobs, social welfare and the European social model. At the end of the position paper the EMF lists demands and recommendations aimed at the ICT industry, education society, the European institutions and all involved stakeholders.

### Background

Following the European e-Skills Summit in 2002, the European Commission established the European e-Skills Forum in 2003 to bring together relevant stakeholders. It targeted innovative

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<sup>3</sup> [http://ec.europa.eu/growthandjobs/index\\_en.htm](http://ec.europa.eu/growthandjobs/index_en.htm)

actions and models for improved e-skills in several areas. The Forum released the report "e-skills for Europe: Towards 2010 and beyond" in 2004. Follow up activities resulted in the preparation of a long-term e-skills agenda. An ICT Task Force was launched in 2006. It addressed the following topics: ICT uptake, intellectual property rights (IPR) for competitiveness and innovation, innovation in R&D, manufacturing and services, SMEs and entrepreneurship, skills and employability, and achieving a single market. The recommendations of the ICT Task Force were incorporated into the Thessaloniki Declaration adopted at the European e-skills Conference in 2006. In September 2007 the European Commission's communication "e-skills for the 21<sup>st</sup> Century: Fostering competitiveness, growth and jobs" was adopted. The key components of the long-term agenda are longer-term cooperation, investment in human resources, attractiveness, employability and e-inclusion and lifelong acquisition of e-skills. The Competitiveness Council of Ministers adopted Conclusions on a long-term e-skills strategy on 23<sup>rd</sup> November 2007.

### Definition

The European e-Skills Forum, established by the European Commission in 2003, set about defining the term 'e-skills'. It encompasses a wide range of capabilities, such as knowledge, skills and competences; and issues with an e-skills dimension that span over a number of economic and social dimensions.

*The term 'e-skills' cover three categories:*

1. ICT practitioner skills: The capabilities required for researching, developing and designing, managing, producing, consulting, marketing and selling,

the integrating, installing and administrating, maintaining, supporting and servicing of ICT systems;

2. ICT user skills: the capabilities required for effective application of ICT systems and devices by the individual. ICT users apply systems as tools in support of their own work, which is, in most cases, not ICT. User skills cover the utilisation of common generic software tools and the use of specialised tools supporting business functions within industries other than the ICT industry;
3. e-Business skills: the capabilities needed to exploit opportunities provided by ICT, notably the Internet, to ensure more efficient and effective performance of different types of organisations, to explore possibilities for new ways of conducting business and organisational processes, and to establish new businesses.

### The problem

Europe is currently experiencing *a skills gap in the field of e-skills*. The gap means a competence shortfall between the current and needed competence levels of individual staff within companies and organisations. The impact of the skills gap on the European ICT industry has become ever more apparent and is damaging for the industry since it fails to meet market demands in terms of productivity and delivery capacities.

### Challenges to industry, workers and society

The e-skills gap is a problem that causes a variety of *challenges*. The ICT industry, the workers and society as a whole have to face these challenges.

Currently, the skills gap is visible through the lack of productivity, which is a threat to competitiveness since companies in other parts of the world, particularly in China and southern Asia, are stepping in and meeting the needs that European companies can no longer fulfil.

The decrease in competitiveness is also due to territorial competition in terms of attractiveness and the lack of social standards and rules within the WTO. Free trade, tariff issues and the lack of social rights have consequences around the globe. Companies invest in China or other Asian countries, exploiting the local workforce, while allowing equipment and machinery to become obsolete in Europe. In the long run, this cycle causes a downward spiralling effect where cut backs in the labour force and decreased investment in innovation further increases the level of outsourcing<sup>4</sup> and a downturn in the economy. International outsourcing is a new fast growing trend. The moving of production capacity (manufacturing) by multinational enterprises to countries with lower labour costs is not a new phenomenon. However, the act of outsourcing ICT software and services operations to enterprises outside the country of delivery is a more recent phenomenon that is emerging. Its potential impact on national employment levels is causing concern in a number of European Union Member States

The ICT sector influences all metalworking sectors<sup>5</sup> on a horizontal level. E-skills provide a cross-sector challenge; changes in the manufacturing

<sup>4</sup> Outsourcing is subcontracting a process, such as product design or manufacturing, to a third-party company.

<sup>5</sup> The metal industry here refers to the following sectors: aerospace, automotive, ICT, lifts, mechanical engineering, non-ferrous metals, shipbuilding, steel and white goods.

process cause both blue- and white collar workers to change their work methods and learning behaviour. E-skills become equally important both in manufacturing and in service throughout all levels of a company. In order to maintain employability in the ICT sector in Europe there is a need for a transfer of skills between employers and countries and the need for older workers to have their skills recognised and to have access to training.

To achieve a higher level of e-skills it is necessary that all parties concerned - including national governments, companies, trade unions and the workers - are persuaded of the need of e-skills and make a thorough effort to act on this need effectively. A national government can make resources available for training or put forward relief systems that make the purchasing of computer equipment possible for all workers. Undoubtedly, the largest responsibility lies with the employers who must make the necessary resources available and, above all, dedicate the necessary time for employees to follow e-skills training.

### **The EMF demands and recommendations for action**

The EMF lists a number of demands with recommendation for action which should be accomplished by the end of 2010, by which time the European Commission initiative on e-skills<sup>6</sup> will have been concluded for review.

- The EMF demands that a comprehensive strategy covering e-skills in the European ICT industry be developed and implemented in Europe. The

<sup>6</sup> e-Skills COM 2007 496 final "E-SKILLS FOR THE 21ST CENTURY: FOSTERING COMPETITIVENESS, GROWTH AND JOBS"

strategy should have a long-term focus and be developed by the stakeholders jointly.

- The EMF calls for the development of Europe-wide criteria and reference tools for mutual recognition and benchmarking of ICT skills and competences in the European metalworking industry (such as the forthcoming European e-Competence Framework). In the long-term perspective, a European ICT sectoral framework should provide a qualitative and sustainable basis for improving workers mobility and their further career development perspectives in the international environment of ICT business.
- The EMF repeats the need of a stronger industrial policy in the ICT sector in Europe. The EMF calls for more stakeholder meetings and the setting up of a common agenda between employee and employers' organisations.
- The EMF calls for the European Information & Communications

Technology Industry Association (EICTA) to obtain a mandate from its members to negotiate and actively participate in the dialogue with the EMF. The EMF wishes to discuss and negotiate agreements with EICTA concerning e-skills priorities for the workers. However EICTA is currently not recognised by the European Commission as an official social dialogue body.

- The responsibility to fill the e-skills gap lies with employers, trade unions, national governments and with employees themselves. Employees must realise that an increase in knowledge is equal to an increase in the value of their work and trade unions should demand the recognition of qualifications and for wage increases to reflect this training. At the same time, employers must agree to free workers during their working time for training. Employers must agree to treat time spent in training as paid working time.