Initiating a sustainable ICT industry in Europe

Thursday 16 October 2008
in the European Parliament in Brussels

Minutes

Morning session (9H00 – 12H00)

Welcome by MEP Catherine Trautmann
The conference took place at the European Parliament and was hosted by the European Parliamentarian Catherine Trautmann, member of the socialist party. The practical arrangements and responsibility for the programme and speakers were shared by the European Metalworkers' Federation (EMF) and UNI-Europa.

Malcolm Harbour, European People's Party, rapporteur on the universal services directive
Malcolm Harbour, in his introduction, commented that if we wanted Europe to become the most advanced knowledge economy in the world, young people needed to enter the ICT industry, which was suffering from a skills shortage. He continued by saying that the Internet needed to be used to develop businesses, and the improvement of online tools would enable people to participate and change the online environment instead of it only serving for information purposes.

To facilitate the development of regulators on national level as well as stable long-term frameworks to facilitate innovation, investment in the sector would be needed. Joint partnerships involving entrepreneurs, investors and public funding would be required to transform IT-solutions into financial gain.

Peter Scherrer, EMF General Secretary, said in his opening remarks that innovative production methods together with appropriate financial solutions were necessary to maintain the ICT manufacturing industry in Europe. The current financial crisis showed us all that investment guarantees were necessary and increased trust in financial support systems was vital.

To attract future investment in the industry it would be vital to guarantee that the skills shortage would be filled. In order to obtain these goals, dialogue with the industry should be established. It was then commented that addressing the issues together with UNI and business leaders was imperative.

The conference was moderated by *Andrew Bibby*, a business journalist with long-standing experience of writing about the ICT industry.

Before welcoming the panel he stated that the EU was at the centre of the ICT industry and, while we were in the shadow of a financial recession with difficult times ahead, the focus should be on long-term strategies for ICT and we should not forget that behind the industry were the people - those who formed the basis of society.

Panel discussion I:
"Creating an environment for future ICT skills and standards"

Paolo Schgör, CEN/ISSS ICT-Skills Workshop
What could Europe bring to the global arena of the ICT industry, especially in comparison with what Japan and the United States were bringing? The EU had strengths in its high industrial focus on IT-related businesses and IT skills. Skills were at the centre of the discussions this morning. Highly-skilled workers and skilled users to support innovation and drive it forward were said to be the core of the industry's future in Europe.

The CEN/ISSS workshop was keen to maintain solid participation of trade unions in future standardisation activities. This topic would be further discussed at the CEN/ISSS meeting in December.

In his intervention, Mr. Schgör mentioned the example of collaborative partnership that involved the Metalworkers' Unions in Spain. He went on to say that Comfia - Comisiones Obreras was a founding partner of Fundaciòn EUCIP Espana (http://www.eucip.es/spip.php?rubrique3), which was working on ICT professional skills with various training and certification proposals.

André Richier, DG Enterprise and Industry, European Commission
André stated that the cooperation between the EMF and UNI on the topic of e-skills had been underway for many years. Mr. Richier started by giving the background to the European Commission e-skills initiative.

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 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 21st Century: Fostering competitiveness, growth and jobs" was adopted. The key components of the long-term agenda were 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 regarding a long-term e-skills strategy on 23rd November 2007.

The e-skills Thessaloniki conference 2008 was organised by the European Commission and Cedefop in partnership with the e-Skills Industry Leadership Board. It brought together experts from government, the ICT industry, trade unions, academia and other stakeholders. The conference presented and discussed best practices, flagship projects and report on progress of e-skills initiatives across Europe.

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It was brought to participants attention that, following two years' work by multi-stakeholders, ICT and human resources experts on multiple levels, the European e-Competence Framework (e-CF) version 1.0 was ready for use. The framework provided for the first time a European standard reference for communicating ICT competence needs on the job in a transnational and European environment. It consisted of 32 jointly defined ICT practitioner and manager competences as needed and applied on the workplace. The e-CF could be used and understood by ICT user and supply companies, ICT specialists, managers and HR departments, the public sector, and educational and social partners across Europe. The European e-Competence Framework had been developed in the context of the CEN/ISSS workshop on ICT skills, where the outcomes of the two years' work was approved in early October by general consent.
The e-CF can be downloaded at www.ecompetences.eu.

It was said that the European Commission was always very keen to promote dialogue between stakeholders and ensure that all stakeholders were involved in implementation of is policies. "I hope that trade unions will keep their strong interest in it" stated Andre Richier during his presentation. He then added, "their involvement in the development of the European e-Competence Framework (and many other recent activities and studies) is very much appreciated."

In 2009 a supply and demand analysis would provide updated statistics and scenarios to reduce the skills gap and show how the situation would be improved. In the future, some efforts must be done on making ICT-related education more attractive as well as promoting financial and fiscal incentives together with e-learning and individual training. Andre Richier concluded by saying unions could help the policy succeed.

Hugo Lüders, CompTIA, Member of the Executive Board of E-skills, Industry Leadership Board (ILB)
Founded in June 2007 in the presence of European Commission Vice-President Günter Verheugen with the vision of "Fostering 21st century e-skills and digital literacy of Europe's workforce and citizens for a competitive, innovative and inclusive Europe", the e-Skills Industry Leadership Board (ILB) was set up to lead the ICT sector's contribution to the development and implementation of a long term e-skills and digital literacy agenda in Europe.

The focus of his intervention was on multi-stakeholder partnership for the setting of e-skills standards. Not only long-term but also short-term solutions were required for e-skills in the ICT industry. Workers in the automotive industry, for instance, needed their skills upgrading, while the training system itself was undergoing long-term change. That was why informal training and formal education were both crucial to workers.

Hugo Lüders continued talking about the general technical standardisation debate in relation to positive e-skills experiences, and also gave concrete examples referring to best practices in terms of certification, an issue which was also the theme of a European Commission funded project (by CEN/ISSS). He then continued by discussing the financial means available to support SME's and workforce needs to qualify for multi-stakeholder set e-skills qualifications.

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He concluded saying that the major stakeholders were present and that they were under the auspices of the European Parliament, although only a few parliamentarians were aware of the issue. That was why a better approach by industry and the trade unions in relation to the European Parliament formed part of the solution to the challenges that the industry and its workers were facing.

The e-Skills ILB was keen to involve a large number of stakeholders in their efforts to implement a long-term e-skills strategy and, in particular, the further development of the recently launched European e-Skills and Careers Portal (http://eskills.eun.org/).

Arne Jensen, Dansk Metall
Arne Jensen explained about the importance of standards as a tool for the industry. In particular, trade unions should also aim at influencing the standards. He said it was important to plan future training and to have standards for risk management and corporate social responsibility. Arne Jensen pointed out that the challenge lay in the creation of standards which would be open, democratic and fast and reliable at the same time. He cited the example of CEN. The development of standards should be publicly funded and open to everybody. Jensen underlined that the question of financing of standards was key.

Questions and Answers

During the Q&A session the delegation from the *French trade union, CGT,* made a statement about privacy and data security. The full statement in French can be found and downloaded here.
Regarding soft issues, such as private life and Intellectual Property Rights (IPR), Europe, it was said, was far in front of China, its major competitor. Europe needed to continue protecting its industry and its population. In order to be able to do that, training and funding were vital. The consultation of workers' representatives and introducing new business models that included worker participation was significant in terms of the strategic thinking behind vocational training and the recognition of skills in the workplace.

Peter Skyte, Unite commented on Arne Jensen's presentation and said that there were differences between the theory regarding standards and the actual workplace. Standards should be a means to an end and not an end in themselves. He cited the example of the Titanic disaster; the state-of-the-art ship that still went under. 'Cost' was the only standard that counted for companies. How could we achieve consistent standards in Europe if decisions were based on costs alone?

Arne Jensen answered by saying that if cost was the only standard then there was really a need for standards. He said they were made to simplify processes and make things easier in business. The Swedish 17th century Vasa ship had no standards and still sank. Technological development needs to be forecasted, and a change from high to low cost standards would be possible. To protect employability, standards should be the tool used, that is why trade unions should promote standards for skills. The decision on costs should be made independently from the choice of standards.

Hugo Lüders said that the standards system, which was invented to reduce costs, was broken and that Europe needed a new updated system accompanied by new business models. All stakeholders should contribute to the standardisation process and in conferences (like this one), we should call for experts to participate and a new white paper on standardisation policy should be written and include a chapter on e-skills. At that time, the standardisation authorities made open calls where any organisation could nominate experts to the standardisation bodies.

André Richier said that the development and success of ICT products were decided by customers' wallets and it was a major challenge to understand macro-economic and 'wallet' needs. He cited the iPod, commenting that it was not a necessary product, according to macro-economic theory, but people had decided that they were ready to pay for the product.

On the topic of financial incentives for training of employees, *Philippe Boutrel from FM-CFTC* said that the e-learning that HP provided consisted of PowerPoint slides only and at the end of the training a certificate was awarded to the participants, regardless of whether a knew skill had been acquired or not. The transfer of financial funds to individual employees did not work. People took the money but never enrolled in training.

Christiane Benner from IG Metall continued on the topic and said that IG Metall was organising training vouchers based on earnings and they could only be spent on training. Standards should be developed for the benefit of the workers and these should be accessed though training. The European Framework was absolutely necessary in this respect.

Dany Buyse from Agoria underlined the need for a harmonised e-skills framework in Europe. If the European Commission wanted to foster mobility of young people, there needed to be more cooperation between academia and business education, more multi stakeholder partnerships. It was important to find neutral academic centres that could provide training.

Andrew Bibby rounded up the first session of the conference and concluded that employment training campaigns were difficult for SMEs to follow, but the use of standards in e-skills and e-learning could make it possible for more people to participate. The inclusion of young and female workers in the sector could be improved by adjusted practices and improved work-life balance.

André Richier stated that the European Commission was in favour of voluntary education and training and that there should be an analysis of the best practices concerning the instruments of funding such training. André stated that there was a need to address the gap between the big companies that could provide training and the SMEs, and to act on the fact there was a lack of women in ICT. He concluded by saying that unions should be included when reflecting on these issues.

Hugo Lüders asked for the floor again and said that the European framework could be useful as long as it delivered and was relevant to the industry. The access to training was based on two things; first the public funding available for the curricula, and

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secondly, appropriate placement in the labour market. The certificates awarded have to be recognised world-wide and here the framework could have a real function.

Arne Jensen reiterated the need for harmonised training methods, standardisation and transparency in order to increase employability. He added that the two main reasons why training was not being provided at the workplace were the lack of time at work and the lack of money for training in general.

Paolo Schgör added that the standardisation process should be an open democratic process that would benefit all stakeholders. There should be no monopolies and the standards of training should be developed in line with the Bologna process[1]. There should be a unified approach to technical skills, while diversity in the Member States should be preserved.

Afternoon session (13H30 – 16H00)

In her opening remarks, *Bernadette Ségol, Regional Secretary of UNI-Europa*, thanked MEP Trautmann for hosting the conference. She then went on to comment on the economic crisis and its impact on the ICT industry.

The industry was generating 500bn Euro per year and employing 6 million people, of which 2.5 million were working in services. The ICT service industry was resource and value rich and it was Europe's third largest export industry. Services and (server) warehousing were, in particular, fast-growing sectors but were also vastly outsourced and relocated. The jobs that were remaining in Europe were often being done by in-house experts and consultants who did not necessarily like management tasks which caused frustration. This had a negative effect on the results and on customer service. The stress linked to the decrease in labour conditions that were occuring in call centres was also a matter of concern.

Bernadette Ségol also pointed out that the sector was suffering from a skills shortage since its production part was shrinking while the higher skilled service sector was continuing to grow. One of the reasons for the shortage was that the ICT industry had a bad image in terms of work-life balance (irregular and long working hours), which prevented women from working in this area. As a result, firms were importing workers from abroad who were accepting more readily inferior working conditions. This could lead to social dumping.

A major challenge was how to unionise ICT professionals who were widespread in many SME's. New trade union services such as training and software packages could be a good solution.

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[1] The Bologna Process is the process of creating the European Higher Education Area (EHEA) and is based on cooperation between ministries, higher education institutions, students and staff from 46 countries, with the participation of international organisations.

Bernadette Ségol ended by stating that social dialogue was needed in the industry. Other solutions such as stakeholder partnership and European Works Councils should not be forgotten.

Panel discussion II:
 "Future ICT solutions for a sustainable industrial environment in Europe"

Andrew Bibby introduced the second panel.

Jenny Holdcroft, Director of Equal Rights at the International Metalworkers' Federation (IMF), presented the situation of the electronics manufacturing industry in Europe. She explained how big players (IBM, HP) were outsourcing production and using poor labour conditions in low cost countries especially Eastern and South Eastern Europe and why women were being particularly affected by this. According to Holdcroft, social dialogue and global framework agreements were key to bettering the labour conditions in the electronic industry which are precarious since they were heavily influenced by the constant change in production and demand's requirements.

Esther de Haan, from the NGO SOMO, said the electronic production was still profitable thanks to the increasing demand from developing countries and the reduction of costs due to offshoring. Nonetheless, the workers in destination countries were facing long working hours, poor salaries and were not allowed to join unions. The Corporate Social Responsibility (CSR) system put in place by companies was a step forward but was not enough. Companies were responsible towards first tier suppliers only and transparency was not guaranteed with this system. In addition, CSR was often self-assessed by enterprises and did not involve unions.

Peter Skyte, Unite presented the different international standards and sector codes of conduct that could help the ICT industry to become sustainable. He said there were demands such as ethical trading and the respect of environmental standards that were shared by these bodies and the trade unions. He finally demonstrated that climate change was a union issue because workers could do many things in conjunction with employers to reduce the carbon footprint of their workplaces. The efficient use of heating and lightening was one example cited. Companies could also reduce costs by saving money on energy instead of reducing their workforce or salaries. Another interesting proposition made by Unite was to use managers' and employees' bonuses to help reach environmental targets.

Katrina C. Destrée from GeSI (Global e-Sustainability Initiative) introduced her organisation, a non-profit group led by ICT corporations, and the way in which they were addressing sustainability issues in the industry. GeSI was looking at the different subjects along the value chain, in partnership with different NGOs and UN bodies. The subjects included Health & Safety matters and environmental standards. She finished by saying that, by 2020, the ICT industry could reduce the carbon footprint by 15%.

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Questions and Answers

Arne Jensen explained that the credibility of standards was very important, only when they would be credible would people want to adopt them on a voluntary basis. Independent verification systems needed to be developed and implemented in special agreements.

Jenny Holdcroft replied and said that it had been shown that third party verification systems were not successful and could not be trusted and as a suggestion the best form of verifying the adoption of standards and the rights of workers was the implementation of the freedom of association – trade unions – in the plants.

Esther de Haan continued on the same note saying that little information had come out of these third party controls and it was better to focus on broad-based solutions in the form of both employer and employee organisations in order to guarantee joint implementation. Regulatory measures, and not only voluntary ones, were needed she added.

Katrina C. Destrée said that third party audits at plants were a distant form of verification and she described the self-assessment questionnaires that the GeSI members were requested to fill in to guarantee the quality of the suppliers.

Esther de Haan questioned this form of self-assessment. She felt that there was a risk of deception and dishonesty when filling in the forms, just like when the third party auditors visited the plants and were sometimes bribed or, by other means, encouraged not to leave honest reports. Having a trade union present in the plants would enable the monitoring of the situation of the workers as well as guaranteeing the implementation of standards as well as the quality of work.

Katrina C. Destrée replied that the members of GeSI did not see it as a weakness not to have trade unions present in the plant and did not see the need of granting freedom of association to the workers.

Peter Skyte added to the discussion that one should be aware that the companies represented by GeSI were mainly European companies, while there was another organisation called 'Electronics Industry Code of Conduct (EICC)', which mainly represented American companies that were prone to anti-trade union culture. As trade unions, we did not want the brand companies to walk away from the supplier; on the contrary, we had to support the workers in the concerned supplier company and help to improve standards there. He concluded by saying that India had become an ICT leader thanks to government's actions. He said that the same was needed in Europe.

Catherine Trautmann entered the debate at this stage saying that it was positive to hear a discussion about suppliers also in the ICT industry. On several occasions she had heard criticism regarding the textile and shoe industries. ICT was traditionally perceived as an industry with access to services and that it was socially strong, but the fact was that it was lacking a social dimension and social traceability. There was a discrepancy between the reality; there were low labour costs and poor labour conditions and high levels of relocation. Catherine went on to say that it was vital to the industry - both ICT services

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and manufacturing - that there would be access to trade unions and that the fundamental right of freedom of association would be addressed on all levels of the political agenda. To guarantee the rights of the workers in the industry, one possible measure would be public procurement which would allow social rights to be monitored and also business models that should guarantee workers' involvement. She continued by saying that 2009 would be the year of innovation, so we should try to make social innovation as well. In the ICT industry, this could mean taking into account, when discussing work organisation, the difficulty of tasks performed by manual workers and the long working hours done by professionals to keep their position since competition existed no longer among firms, but among employees too.

The final ideas of the day were voiced by *Jenny Holdcroft,* who again emphasised the fact that the working conditions of low cost countries had been transferred to Europe via the suppliers in the ICT industry and it was no longer possible to say that the problem was "over there", but the problem was actually right here in Europe. She posed the question, "Is this really what we want for our workers?" In these plants there was no information given to workers about rights, nor was there information about social conditions in these plants. One exception was a joint project with the Danish government and Hewlett Packard where credit should be given to HP for its efforts in guaranteeing transparency along the supply chain. It was important to encourage international dialogue, and the way forward should be a change in production so that in the long run, Europe develops a "social production" that could be a benchmark for higher levels in the rest of the world.