



Internal Market, Industry, Entrepreneurship and SMEs

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SPEECH

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Ladies and Gentlemen,

I am very pleased to participate at this conference on key enabling and digital technologies skills. It is indeed the first of this kind in Europe. We expect that fruitful synergies could be established as this event is part of our effort to better integrate in the future our e-skills and digital initiatives (e-leadership and ICT professionalism activities) with those related to KETs and advanced manufacturing. These should constitute an important component of the new skills and training initiatives which have been mentioned in the Digital Single Market strategy. This ambitious strategy has been adopted by the European Commission on 6th May 2015.

President JUNCKER said that creating a connected Digital Single Market could contribute €415 billion per year to our economy and create 3.8 million jobs. The strategy will be further underpinned by the ambitious 315 billion Euro “Investment Plan for Europe”. Digital skills have not been forgotten. Vice-President ANSIP said that he wants to make sure European citizens are equipped to fully benefit from the digital world.

The Digital Single Market strategy sets out sixteen key actions in three priority areas:

- First, we will develop rules for better access to digital goods and services across Europe;
- Second, we will shape the right environment for digital networks and services to flourish;
- Finally, we will create a European digital economy with real growth potential.

To implement successfully this strategy Europe must embrace the digital revolution and open up digital opportunities for people and businesses.

Less than 2% of European enterprises are taking full advantage of the new wave of advanced digital technologies, such as mobile communications, social media, cloud computing, big data analytics, and the Internet of Things. 41% of all EU companies do not use any of them. The Digital Single Market strategy is a significant step towards the digital transformation of European organisations. It is estimated that 75% of the benefits of the digital economy would come from increased productivity, competitiveness and job-creating ability of Europe’s existing industry and enterprises, including social enterprises. While the creation of new digital start-ups is important, the biggest digital opportunity for Europe is in the digital transformation of the existing industry and enterprises.

According to recent research, European manufacturing has the opportunity to make a comeback. The manufacturing sector is one of the main social and economic engines, accounting for 2 million companies, 33 million jobs and represents 15% of industry’s share in Europe’s GDP. With 80% of the EU’s innovations and 80% of its exports, manufacturing is playing a key role in driving research, innovation, productivity, job creation and exports. An industrial renaissance in Europe will only happen by taking into account the value-added services generated by the uptake of the advanced digital technologies and the so-called fourth industrial revolution. Member States are already making important efforts in this field such as for example the Industry 4.0 initiative in Germany.

A major challenge is to ensure that all sectors make the best use of digital and key enabling technologies and manage their transition towards higher value products and associated services. Digitalisation of industry implies, by nature, cross-border value chains, transactions and international presence. No single Member State can resolve the related issues alone, or has the power and the resources to respond to global challenges.

Last March, the Strategic Policy Forum on Digital Entrepreneurship delivered a report on the "Digital Transformation of European Industry and Enterprises". The report analyses the

opportunities offered by the digital transformation of industry, identifies key challenges and proposes recommendations to foster growth and more and better jobs. As a follow-up, we have launched the Digital Entrepreneurship Monitor to follow key technological and market trends and emerging business opportunities and assess their impact on the economy. We also want to team-up with cities and regions that pioneer in modernising their industries and economy and we will showcase best practices. We intend to pool together financial instruments with mentoring and professional advice and we promote the supply of e-leadership skills, needed to lead the digital transition.

Our initiatives on e-leadership skills have been launched in the scope of our activities on the promotion of e-skills. Since the adoption of the Commission Communication on “e-Skills for the 21st Century” in 2007, the level of visibility of this policy area has increased considerably. There is a broad consensus that the competitiveness of the European industry is increasingly dependent on the skills and the innovative and efficient use of digital technologies. Digital skills and talent matter!

The impact of digital technologies in key areas such as mobility, social networking, cloud computing, and big data is increasing rapidly, reshaping whole industries and business models. Robots, automation and artificial intelligence will radically transform the workplace. We need to prepare the workforce to this challenge and boost the European talent pool to reduce highly-skilled job vacancies. Mastering digital technologies will mean being at the forefront of the digital transformation of our economy. Highly-skilled digital workers experience more favourable labour market outcomes than workers as a whole, as evidenced by lower unemployment rates and the existence of a wage premium.

In a recent Working Paper delivered last month, empirica estimated that there were 262.000 ICT jobs vacancies in Europe in 2014 and that this number may reach up to 825.000 by 2020. The majority of ICT professionals in Europe are already working outside the ICT industry. They require not only technical skills but also soft skills: foreign languages, communication, entrepreneurship and business knowledge. We need business savvy ICT practitioners and ICT savvy business leaders to play a role of “e-leaders”. Our economy will be increasingly demanding people with a T-shaped portfolio of skills, having both expertise in digital technologies and the development of successful organisations. Our shared ambition is the creation of a large digital talent pool and the employability of the workforce.

The definition of e-leadership skills has been elaborated based on the initial definition of e-skills (covering ICT practitioners, users and business leaders) which was included in the Communication on "e-Skills for the 21st Century". It was then presented in the report on "e-Leadership: Vision, Roadmap and Foresight Scenarios" and discussed at the first European conference on e-Leadership organised on 5 February 2013 at INSEAD in Fontainebleau.

Recent research demonstrates that there is a significant demand for e-leaders. It is estimated that there are around 800.000 e-leaders in Europe. Around 70% of them are found in SMEs and 59% outside ICT departments which demonstrates the importance to promote digital savviness for decision makers and business people. Europe would need 215.000 additional e-leaders by 2020 and we would need each year over 40.000 people with e-leadership skills. Individual country reports and a first European e-Leadership Scoreboard have been released shortly before this event allowing detailed analysis for each Member State.

As a follow-up, we launched two initiatives focusing on the development and the demonstration of European guidelines and profiles for new curricula for e-leadership skills. The first one, starting in 2013, is addressing the needs of large enterprises and the second one, starting in 2014, those of small and medium-sized enterprises, start-ups and gazelles. Their progress has been discussed at several cluster events organised with leading European business schools and

technical Universities and the EIT ICT Labs. The focus of today is to present their results and discuss the way forward.

As indicated in the Digital Single Market strategy, the European Commission will support Member States' efforts and will play its role in enhancing the recognition of digital skills and qualifications and increasing the level of ICT professionalism in Europe. The Commission also will address digital skills and expertise as a key component of its future initiatives on skills and training building build on our collective achievements, good practices and multi-stakeholder initiatives such as the "Grand Coalition for Digital Jobs". To date, the Grand Coalition includes 56 pledging organisations and 8 national coalitions have been announced in Bulgaria, Greece, Italy, Latvia, Lithuania, Malta, Poland, and Romania. Three are under preparation in Belgium, Germany and the Netherlands and could be announced this year. In addition, there are also 9 local coalitions. We are also pleased that several Member States plan to introduce coding and the basics of computer science in secondary and primary education. Our youth cannot just be passive users of digital technologies. They should be able to take and create the jobs of the future.

We will further promote ICT professionalism in Europe. This is a very important issue. A new initiative will be launched in September to develop with stakeholders a comprehensive European Framework for ICT Professionalism based on the following four building blocks:

- First, the European e-Competence Framework and related ICT jobs profiles;
- Second, the European ICT foundational body of knowledge and curriculum development guidelines;
- Third, the pan-European recognition of ICT certifications and qualifications across countries based on high quality standards; and
- And fourth, shared European professional ethics.

These ideas were discussed last March at the launching event of the "e-Skills for Jobs" campaign organised in cooperation with the EU Latvian Presidency in Riga. They have been very welcome by stakeholders.

We will also launch a new initiative on e-leadership skills this September. And this is why we very are keen today to listen to your views and recommendations. I am very grateful that so many stakeholders came together prior to this event to produce a "Call for Action" to promote e-leadership in Europe.

Thank you very much.

I wish you a very successful conference.