

Meeting between CEEMET and Commissioner OETTINGER at Berlaymont on 5th September

I. Scene setter

For CEEMET:

Article 4(1)(b)

Possibly also

For DG CONNECT: Article 4(1)(b) and Article 4(1)(b)

For the Cabinet: Ghunter Oettinger

Estimated duration: 17.00-17.45

Objective(s):

- Highlight the role of digital skills to tap the full potential of digitisation and of the digital single market, and the need for concrete action by all stakeholders.
- Encourage CEEMET to become an active partner in the Digital Skills and Jobs Coalition and Digitisation of Industry

Their Position

- CEEMET considers digitisation an opportunity for European industry.
- CEEMET stresses the role of regulators, employers, and the own responsibility of employees.
- In their report "Digitalisation and the world of work", they focus on four general areas for important areas of debate; skills & competences, work organisation, health & safety and data in the world of work.

Our Position/ Line to Take

- Digitisation is an opportunity for the European economy, for competitiveness, new services and innovation but there are challenges to be addressed, particularly the impact on the labour market, and the need to develop digital skills and lifelong learning, to re- and up-skill people for jobs.
- We are launching the Digital Skills and Jobs Coalition and are inviting social partners to join this partnership. The round table on digital skills 20th September, is a first step to involve social partners and prepare the launch conference of the new Coalition on 1st December.
- We are taking measures to implement the Communication on Digitising European Industry (DEI). A second Roundtable on 20 September 2016 will put in place the governance structure with roundtables, stakeholder fora and working groups.

II. Speaking points (only if requested)

Agenda item/subject

Topics for discussion suggested by CEEMET:

- Short presentation of the CEEMET report "digitalization and the world of work"; Examples of successful national initiatives.
- Digitising European Industry. The role of EFSI, The Commission's strategy for implementing the Communication "Digitising European Industry" (Planned Commission actions and proposals of CEEMET - with particular involvement of SMEs; role of the various European and national stakeholders; What contribution can CEEMET make?)
- skills agenda and the new Digital Skills and Jobs Coalition
- round table on digital skills 20 September
- Planned CEEMET event on "Digitalisation and the world of work" in the European Parliament on November 29, 2016
- Possibly discussion on BREXIT.

Speaking points

Digitisations challenges to the world of work

- Digitisation of industry offers big opportunities for workers, companies and Europe as a whole. but challenges such as privacy due to increased monitoring of jobs, work-life balance due to increased availability, ever changing skills demands and new forms of employment are a few of the new challenges we face today in the world of work.
- We know that digitisation leads to the automation of certain routine tasks. And there are concerns by many that there will not be enough jobs for everybody in the future.

- However, research by the OECD suggests that the proportion of potentially automatable jobs (9%) is much lower than previously thought.
- Nevertheless, these fears must be taken seriously, and we must enter into a dialogue on these issues.

Digital skills and training

- To face today's changes we have to up-skill and re-skills people for the new jobs being created. We need to up-skill and re-skill the workforce for the jobs of today and tomorrow. In particular better digital skills – and related skills such as communication - are needed.
- Estimates suggest that Europe may lack as many as 756 000 ICT professionals by 2020, as the need for such skills in all sectors of the economy grows. Furthermore, while most jobs already require a basic level of digital skills, around a third of the European labour force is in effect digitally illiterate.
- Social partners have a key role to play in facilitating the re-training and life-long learning of their workforce as well as to collaborate with stakeholders in education to ensure a better match between curricula and industry needs.

Digital skills and jobs Coalition

- To boost digital skills development in Europe the Commission has recently announced the launch of a new flagship initiative the "Digital Skills and Jobs Coalition".
- It calls on Member States to develop national digital skills strategies and to set up national multi stakeholder partnerships as the national digital skills coalitions. We also work with them to develop concrete measures to bring digital skills and competences to all levels of education and training.
- The official launch of the Coalition will take place at an important event in December this year. Until then we are organising a series of preparatory events to put all elements in place for the joint rollout with Member States and stakeholders, including the roundtable with social partners on 20 September.
- We look forward to working together with all actors on this important new initiative and we invite you also to participate by making us aware of best practices and by committing to collaboration and action on digital skills development.
- A potentially good example of cooperation within a sector, is the upcoming joint paper by CEEMET and IndustriAll that will deal with the topic of digital skills. We look forward to reading it and encourage this type of joint actions by the social partners in a sector.

Digitising European Industry

- I will, together with industry and national initiatives on digitisation of industry, put in place a "platform of national digitisation initiatives" or a "platform of platforms" (in analogy to the German Platform for Industrie 4.0).
- The Roundtable on DEI on 20 September will put in place the overall governance of the "Platform of platforms" with roundtables, stakeholder fora and working groups.
- The Roundtables set out detailed objectives and targets for pan-European collaboration. They are the mechanism for Member States and industry to steer and support the implementation of the overall digitising industry initiative.
- The European Stakeholder Forum brings together a large community for consultation and allows networking of European initiatives and platforms. It will focus on exchange of best practices and identification of common problems and solutions.

EFSI in funding the Digitization of Industry

- A working group on “Mainstreaming digital innovation across all sectors” will look into how Member States, regions and the private sector could fund the expansion of Digital Innovation Hubs from various sources, including EFSI and regional funds. In total an

investment of 5 Billion Euro would be needed to cover the needs of all regions in Europe.

- A second working group on “Strengthening leadership in digital technologies value chains and platforms” will develop funding schemes, including EFSI support, for technology roll-out initiatives in areas such as 5G or Connected Automated Driving.

Defensives

More digital skills training will require substantial monetary investments. Where should this money come from?

A closer dialogue will be carried out between the Commission and Member States on how to best use the opportunities and flexibility offered by available funding programmes to meet the objectives of the skills agenda.

For the period 2014-2020, more than €27 billion of the **European Social Fund (ESF)** have been allocated to "education, training and vocational training for skills and life-long learning". This represents one third of ESF resources. The European Regional Development Fund (ERDF) also finances education infrastructure.

Erasmus + provides also billions of funding opportunities and EU grants and training for about 4 million people and 125,000 organisations.

Full use should also be made of the potential offered by the EIB and other financial actors and products, including the European Fund for Strategic Investments, to boost private sector investment in skills development.

We're also exploring a voucher scheme for digital skills training based on the Connected Europe Facility (CEF).

What is the difference between the new Digital Skills and Jobs Coalition and the previous Grand Coalition for Digital Jobs?

The new initiative is broader – all sectors and actors are targeted and deeper – working even more with Member States and regions to build national and regional alliances for digital skills and jobs. We also want to strengthen the networking between different national and regional coalitions and best practice exchange.

What action has already been taken at EU level to increase the availability of ICT training and attract young people into ICT education?

Over the past years Member States, companies and education providers individually have undertaken various initiatives to address the digital skills gap.

At the EU level the Commission launched the *Grand Coalition for Digital Jobs* (in 2013), i.e. the largest collaborative effort in Europe to date aimed to offer more ICT training co-designed with the industry; implement job placement programmes; provide more aligned degrees and curricula at vocational schools and universities; and motivate young people to study ICT and pursue related careers.

Since its launch about 80 stakeholders, large and smaller companies, education providers and NGOs have made pledges, i.e. concrete commitments to act to reduce digital skills gaps. National coalitions for digital jobs, aimed to facilitate high-impact actions at local level, have been launched in 13 countries (BE, BG, CY, EL, IT, MT, NL, LT, LV, PL, PT, RO, UK). More are under formation.

With the *Digital Skills and Jobs Coalition*, the Commission is building on the Grand Coalition to increase the numbers of trainings, internships, apprenticeships and jobs.

What is the purpose of the round table on digital skills 20th September?

At the Roundtable in September, we would like to obtain the views of the social partners, where they see the digital skill shortages, identify solutions and explore the role social partners can play in the Member States to foster active policies. We also aim to identify replicable and scalable best practices in different sectors. The discussion will act as a starting point, leading up to the launch event of the Digital Skills and Jobs Coalition on 1st December.

The questions for discussion at the roundtable are:

- What are the key challenges in terms of digital skills shortages that your sector needs to address, and what are the key factors that need to be put in place to address them?
- What can your organisation do at the European level, and how can you trigger your members at the national level, to take action to support and deliver training and certification of digital skills?

Author: Article 4(1)(b) + **32** Article 4(1)(b)

IV. Background

On CEEMET:

CEEMET is the European employer organisation of the metal, engineering and technology-based industries with members from 23 countries and involving more than 200,000 companies employing 35 million people in a range of engineering and Technology sectors from car-production to machine-building, to defence and aerospace. CEEMET's focus is on industrial relations, education and training, labour law and workplace health and safety. CEEMET is a European social partner organisation and is engaged in social dialogue with industriALL, European Trade union.

In CEEMET's report "Digitalisation and the world of work", CEEMET focuses on what it considers the main emerging issues stemming from digitalisation in the world of work. CEEMET sets out four general areas for debate; skills & competences, work organisation, health & safety and data in the world of work. On skills & competences they see a need for digital leadership with an understanding of how to create business models and processes for the digital world. They argue that skills demand for digital industry must be addressed by focusing on Science, Technology, Engineering and Mathematics (STEM) skills and an improved cooperation with companies at all levels. Furthermore, they claim that all Member States need to integrate digital learning across all curricula. The importance of life-long learning is growing and the responsibility of employees for their own employability must be strengthened, backed by appropriate support.

CEEMET considers that work organisation has to reflect what a company needs for production to stay competitive. New technologies can enable more autonomy in terms of time and space so companies will have to become more agile in managing work. They say that the autonomy of the parties who conclude work and collective agreements on work flexibility must be respected by legislators. Policy makers must recognise that employer responsibility for achieving work-life balance objectives is limited. In the chapter on health and safety they claim that Occupational Health and Safety (OSH) benefits of digitalisation should be promoted and not restricted by regulation from the outset. Workers are using the same technology in their private and professional life which blurs lines between workplace and private health and safety. Man-machine interaction, or coboting, is now common place. New ways are being found to deal with occupational health and safety implications. Furthermore, they recognise that an ageing European workforce will benefit from the advent of new technologies, by keeping them in work longer. Finally on data and the world of work they say that data collection should be organised and controlled. Using data is necessary to improve production processes and is integral part of the 4th industrial revolution. At EU level the new General Data Protection Regulation (GDPR) provides a sufficient framework to reinforce data protection rights of individuals in the employment context.

In the beginning of 2016 CEEMET published a report called "Brexit a 'lose-lose' situation for EU manufacturers". It suggests that there would be a substantive impact on GDP growth, particularly for the manufacturing sector, if the UK left the EU (Brexit). CEEMET's analysis suggested an overall impact of Brexit could trigger a downward effect on annual GDP growth of -0.5% over 15 years. Furthermore, the analysis suggests that Brexit would particularly impact companies which both import and export, typically SMEs and of those particularly medium-sized manufacturers, as non-trading businesses tend to be smaller.

Digitising European Industry

Digitisation of all sectors of the economy is needed for the EU to reinforce its competitiveness, build a strong industrial base and manage the transition to a smart economy. Digitisation of products and services could increase EU industry revenues by €10 billion a year.

The overall objective of the DEI action plan is to ensure that any industry in Europe, big or small, wherever situated and in any sector can fully benefit from digital innovations to upgrade its products, improve its processes and adapt its business models to the digital change. This requires not only a dynamic digital sector in Europe but also the full integration of digital innovations across all sectors of the economy.

Framework for coordination of initiatives for Digitising Industry

The upcoming 20 September 2016 Roundtable on DEI (not to be confused with a roundtable on digital skills on the same day) will put in place the overall DEI governance structure composed of roundtables, stakeholder fora and working groups.

- The **Roundtables** are the mechanism for Member States and industry to steer and support the implementation of an EU-wide digitising industry initiative. They set out detailed objectives and targets for pan-European collaboration until the next Roundtable, and set up Working Groups to support this collaboration. Two Roundtables are planned per year. The next Roundtables will take place on 20 September 2016 and in April 2017, co-located at Hannover Fair 2017.
- The **European Stakeholder Forum** brings together a large community for consultation and to allow further networking of European initiatives and platforms. The Forum is a yearly public event, which is co-organised by a Member State together with the Commission, with high-level policy debates on the DEI initiative and public sessions of the Working Groups. The first edition of the European Stakeholder Forum is foreseen to take place in Germany, hosted by BMWI, provisionally on 31 January – 1 February 2017.
- Two **working groups** are to be set up. The first is on “**Mainstreaming digital innovation across all sectors**”. It starts from the challenge to draw further investments into competence centres and digital innovation hubs. Whereas 500M€ investment from Horizon 2020 is focused on Digital Innovation Hubs, an additional investment of €5 billion by Member States and regions is targeted. The working group aims to foster the further expansion of Digital Innovation Hubs, and plans to help establish over the next 5 years an additional 100 new hubs and to upgrade 200 existing hubs.
- The second proposed working group is on “**Strengthening leadership in digital technologies value chains and platforms**”. It starts from the challenge to seize opportunities arising from digitisation to establish European leadership in the next generation digital platforms. It recognises that Public Private Partnerships (PPPs) are an important means to develop the technology building blocks which underpin the digital revolution. This working group will report on alignment of priorities and research programmes and mobilisation of investments towards platform/standardisation initiatives.
- Regarding **Jobs and Skills**, the New Skills Agenda for Europe presented in June 2016 gives particular importance to the topic of digital skills and proposes a number of actions at national and European level. This will connect to the Digital Skills and Jobs Coalition

at European level, which brings together Member States, businesses, and other stakeholders to engage in joint action and best practice exchange. To prepare these actions, an expert group with Member State representatives has started working under the umbrella of the Digital Single Market strategy to gather input on the policies needed at European, national and regional level for digital skills development. This work will feed into the formal launch of the Digital Skills and Jobs Coalition on December 1, 2016. Social Partners from various sectors will provide their input on the occasion of a roundtable on digital skills on 20 September 2016.

European Fund for Strategic Investments (EFSI)

- EFSI is an initiative launched jointly by the European Investment Bank (EIB), European Investment Fund (EIF), and the European Commission to help overcome the current investment gap in the EU by mobilising private financing for strategic investments. EFSI is one of the three pillars of the Investment Plan for Europe that aims to revive investment in strategic projects around Europe to ensure that money reaches the real economy.
- EFSI should unlock additional investment of at least EUR 315bn over a three year period.
- EFSI could support regions investing in Digital Innovation Hubs, and Member States and Public Private Partnerships investing in digital technologies.

See separate annex on EFSI state-of-play as of July 2016.

Evidence on digital skills

- 37 % of the workforce in Europe have insufficient digital skills (e.g. able to do little more than communicate via email or do not use the internet);
- Only 25% of students are taught by digitally confident and supportive teachers with access to ICT and low obstacles to their use at school (changes to our education and training systems are not keeping pace with the rapid increase in demand for digital skills);
- Employment of ICT professionals in the EU has risen on average 4% per year over the past 10 years yet 39% of enterprises trying to recruit ICT professionals have difficulty doing so. By 2020 we could be facing around 756.000 vacancies for ICT professional (Empirica).

On the impact of digitisation on jobs and the importance of digital skills:

Digitisation leads to the automation of routine tasks and, sometimes, the jobs related with them. The fear of job destruction has been a theme in public debate again recently. Though the actual proportion that will be automated is likely to be lower than sometimes feared and it will take time. History shows that in the long run labour markets adjust. However, in the short turn unemployment may result from rapid innovation. Adjustment policies are needed for example to up-skill and re-skills people for the new jobs being created.

And new jobs are being created. ICT professional employment has increased by around 2.5 million over the last decade. But a lack of digital skills in the economy is preventing further job creation and is likely to affect productivity potential. More digital skills are needed at all levels - basic user to ICT professional – in order to benefit from employment creation related to the digital transformation. 40% of EU citizens have no digital skills and a third of the

workforce. Europe may lack 800,000 ICT professionals by 2020 as, in particular, we are not producing enough ICT graduates.

The Digital Skills and Jobs Coalition

The Commission is launching the Digital Skills and Jobs Coalition to develop a large digital talent pool and ensure that individuals and the labour force in Europe are equipped with adequate digital skills.

Building on the positive results of the Grand Coalition for Digital Jobs and the EU e-skills strategy, and in coordination with the work under Education and Training 2020, Member States are invited to develop comprehensive national digital skills strategies by mid-2017 on the basis of targets set by end-2016. This includes:

- Establishing national digital skills coalitions connecting public authorities, business, education, training and labour market stakeholders.
- Developing concrete measures to bring digital skills and competences to all levels of education and training, supporting teachers and educators and promoting active involvement of business and other organisations.

The Commission will bring together Member States and stakeholders, including social partners, to pledge action and to identify and share best practices, so that they can be more easily replicated and scaled up. It will improve the dissemination of information about available EU funds (ESIF, YEI, Erasmus+, etc.) and are exploring possible funding opportunities through voucher mechanisms.

To help people make informed career and learning choices, the Commission will also improve skills forecasting and analysing skills needs. Web crawling tools and the analysis of big data will improve data on skills needs and trends, including on digital skills, while evidence from different sectors will be sought. Likewise, the Commission will continue monitoring progress annually through its Europe's Digital Progress Report (EDPR).

The ICT@Work study

Earlier this month, the Commission published a report on the impact of ICT on job quality: evidence from 12 job profiles. It is the first part of a wide-ranging study on ICT for Work: Digital Skills in the Workplace, which will provide comprehensive evidence regarding digital skills for work. The results will feed into the Commission's work on digital skills and its new initiative, the Digital Skills and Jobs Coalition.

The study ICT for Work: Digital skills in the workplace focus on questions such as: Which digital skills are needed in today's workforce? In which sectors and occupations are these skills most lacking? How do companies deal with the lack of skills of their employees? It has been carried out by ECORYS and DTI on behalf of the Commission. Full study results will be published at the end of the year.

V. Attachments

The investment plan for Europe – state of play july 2016

List of participants + CVs with photo

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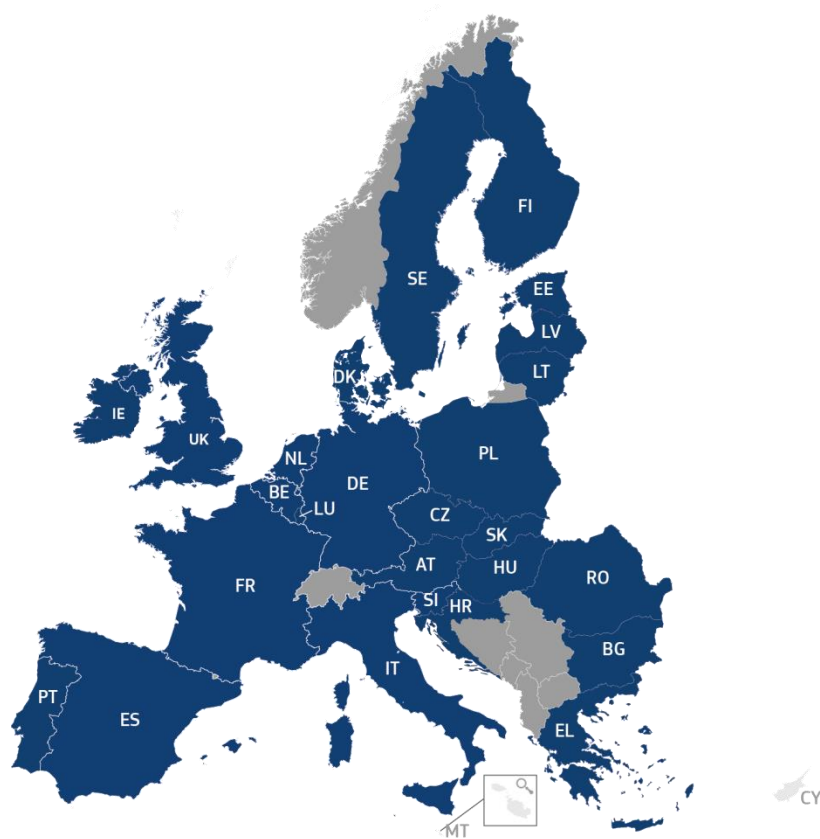


I. What is the state of play as of July 2016?

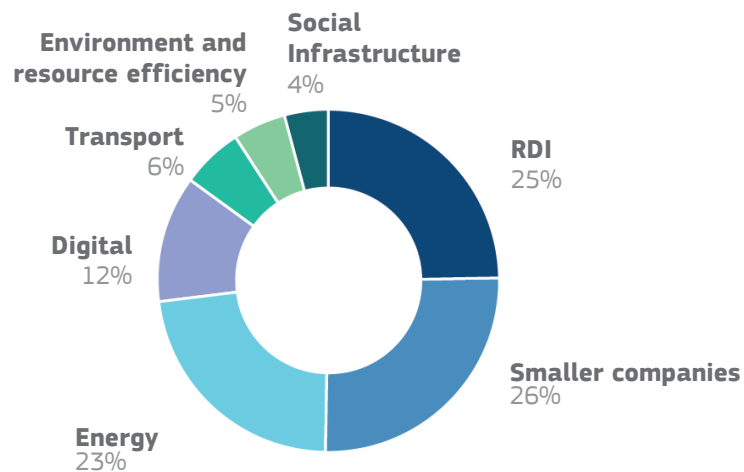
The European Fund for Strategic Investments (EFSI) is helping to finance infrastructure and innovation projects as well as SMEs and mid-caps. Mobilisation of private capital is a key feature of the EFSI. More than 85% of the finance mobilised so far comes from public and private sources outside the EIB Group. This is the state of play as of July 2016:

	Number	Financing under the EFSI	Total expected investment triggered
Infrastructure and innovation projects approved	97	€13.6 billion	€115.7 billion
SME financing agreements approved	192 agreements benefitting more than 200,000 start-ups, SMEs and mid-caps	€6.8 billion	

GEOGRAPHICAL COVERAGE: INFRASTRUCTURE AND INNOVATION PROJECTS AND SME FINANCING AGREEMENTS



EFSI INVESTMENT BY SECTOR



Some projects cover more than one sector and full information will be provided in EFSI's periodic reporting. This chart shows the main sector represented.

II. Why do we need the Investment Plan for Europe?

Since the global economic and financial crisis, the EU has been suffering from low levels of investment. Collective and coordinated efforts at European level are needed to put Europe on the path of economic recovery. **The Investment Plan for Europe** adopted in November 2014 as the first major initiative of the Juncker Commission has the potential to bring investments back in line with its historical trends.

Via the EFSI, the European Investment Bank is able to respond quickly to financing needs in areas where alternative sources of financing are scarce or unavailable. The EIB's presence often provides reassurance to other financiers to provide co-financing. The EFSI projects need to be economically and technically viable, consistent with EU policies, provide additionality (i.e. they could not be realised without the backing of the EU guarantee), and maximise the mobilisation of private sector capital. The **EFSI is a very flexible instrument and fully demand-driven**: there is no sectorial or geographical pre-allocation.

III. The Investment Plan for Europe – the basics

The Investment Plan for Europe consists of three mutually reinforcing strands:

- 1) **The European Fund for Strategic Investments (EFSI)** aims to mobilise at least €315 billion in additional investment over the next three years. The EFSI Regulation entered into force in July 2015. The EIB Group started the pre-approval of projects as early as April 2015.
- 2) **Making sure this extra investment reaches the real economy** via:
 - a) **Transparency on investment opportunities in Europe**
 - The European Investment Project Portal (EIPP) has been launched. It provides a transparent pipeline of investable projects in the EU so investors can see what opportunities exist.
 - Project promoters may submit projects at <http://ec.europa.eu/eipp> where they will be matched with relevant investment opportunities.
 - The EIPP is independent of the EFSI. There is no guarantee that projects which appear on the EIPP will receive EFSI or other EU financing support.
 - b) **Strengthening advisory services**
 - The European Investment Advisory Hub (EIAH) <http://www.eib.org/eiah> has been operational since September 2015.

- The EIAH provides a single access point to a wide range of advisory services in support of project identification, development and implementation, access to finance, the use of financial instruments, and capacity building.
- The EIAH will enhance the capacity of public and private actors across the EU to structure financially-sound projects in order to bring them to maturity.

3) **Improving the investment environment:**

a) **Improved and more predictable regulation at all levels**

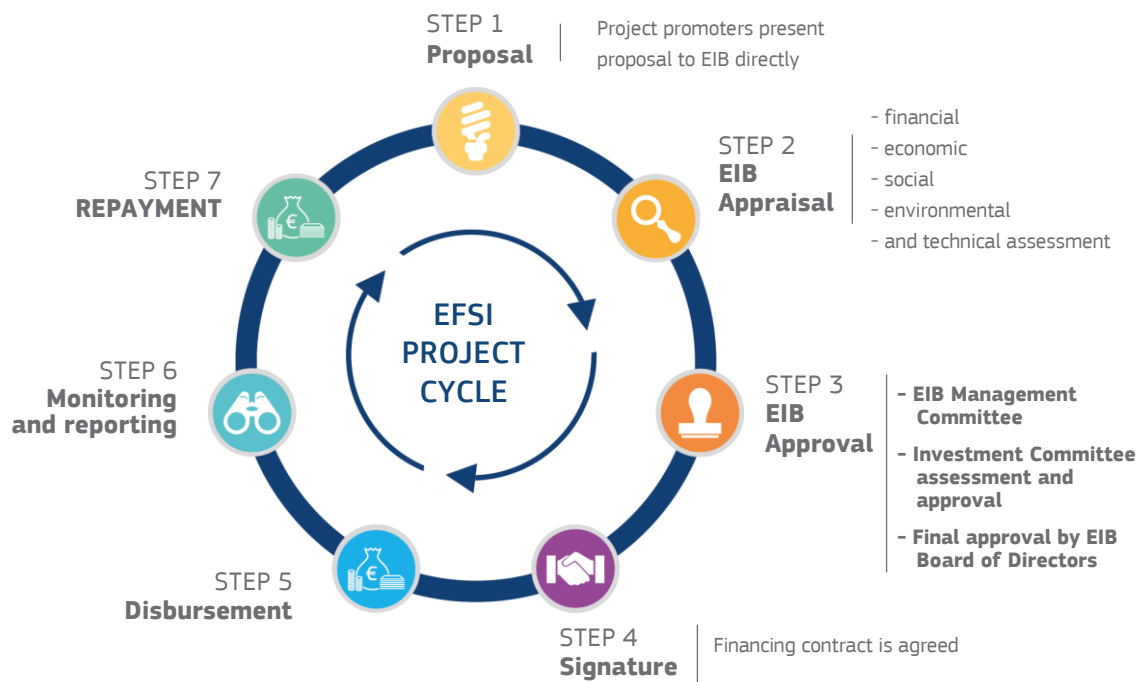
b) **Making the most of the Single Market**

- Capital Markets Union
- Single Market Strategy
- Digital Single Market
- Energy Union

c) **Structural reforms in the Member States**

d) **Openness to international trade and investment**

THE PROJECT CYCLE FOR AN EFSI PROJECT



For more information

<http://ec.europa.eu/invest-eu>
<http://www.eib.org/efsi>