

Initiating a sustainable ICT industry in Europe

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Synopsis

Over the last couple of decades, the information and communication technology (ICT) sector¹ has become a driving force for economic development and innovation, a force of change for the economy, work-life and the society at large. ICT is a key source of productivity growth and innovation.

Computers, internet and telecommunication facilitate the creation of global production and service networks. Such flexible networks and global value chains improve the exploitation of economies of scale on a worldwide basis.

ICT sector statistics show a clear trend in Western Europe and other advanced economies to move from hardware production into value-added services, while manufacturing has been massively relocated to Central & Eastern Europe and further east.

There were over 2.9 million employees in the ICT service sector of EU 27 employed in almost 550.000 companies, generating a turnover in excess of 760 billion Euros in the year 2005. This makes the industry an important player in the EU economy with a high potential for further growth.

¹ Major sub sectors in ICT are represented by:

Major sub sectors	Examples
Hardware manufacturing: Production of data-processing devices and equipments	Dell, IBM, Sun, HP, Toshiba
Software manufacturing: Production of operating systems and applications software, repair & maintenance	Microsoft, SAP, Oracle; IBM, HP
IT services: Consulting, implementation, operations management, support services	Accenture, Capgemini, CSC, HP/EDS, IBM,
Telco manufacturing: Terminal and networks equipments	Nokia, Ericsson, Nortel, Alcatel-Lucent, Siemens, Cisco Systems
Electronic components supply	Intel, ST Microelectronics, Samsung, Texas Instruments, Hitachi, Motorola, Philips, Toshiba
Network services: Network operators, internet providers, online & data services	Vodafone, Orange, AOL, Google, Yahoo, BT, Deutsche Telekom, France Télécom, TDC
Media	Bertelsmann, AOL Time Warner

India has emerged as the most popular destination for ICT companies seeking to outsource internationally. The Indian Ministry of Information Technology, founded in 1999 has helped boosting Indian software exports to an expected \$ 50 bn by 2008, not least through applying incentives to attract foreign investment in ICT.

The popularity of China is growing rapidly. However, China does not yet have the language and management skills, nor the legal and regulatory environment or sufficiently robust intellectual property protection. Despite these shortcomings, for Japanese and South Korean companies China is already an attractive market.

The success of competitors such as the US, Brazil, Russia, India and China (BRICS) can be largely attributed to efficient industrial policies in these countries. Except for agriculture, there is not yet any comparable equivalent at European level. To meet these challenges European Governments have to create the right environment for companies to become competitive and for Europe to achieve the Lisbon objectives².

Key challenges for trade unions in the ICT sector

The role of European and global unions is important for the ICT sector development.

Today, the employees in the ICT sector face a number of challenges:

- redundancies in developed countries and skill shortages at the same time;
- outsourcing and offshoring put at risk ICT jobs such as programming;
- structural mutation from hardware production towards software and services;
- IT professionals work under constant deadline pressure and the need to update their skills continuously in order to maintain their employability.
- increasing pressure on salary levels and benefits;
- emerging skill shortages and too few women and mature professionals in the industry,
- the carbon dioxide footprint of the ICT industry is as heavy as the aviation industry and requires intelligent and innovation green solutions.

The trade union strategy has to address these challenges and seek to create conditions, which allow combining competitiveness, flexibility and social cohesion.

A trade union strategy for the ICT sector will be built on several pillars:

1. Trade unions as competent partners for employees, industry and governments

Improving the membership base in ICT companies is a prime target in order to increase relevance and political weight of trade unionism in the sector.

² The Lisbon Strategy is an action and development plan for the European Union. It was set out by the European Council in Lisbon on March 2000.

Organising and servicing strategies of trade unions will have to address the constant need by ICT professionals to update their skills and competencies in order to cope with technological, organisational and market changes.

Internet based tools will have to play an increasing role in the communication with members and in reaching out and addressing potential members.

We will further improve our services for members in order to empower them, strengthen their market position, and increase their flexibility and social security.

2. European Works Councils (EWC)

It is important to support EWCs in terms of advice, orientation and assistance in their dealings with the European management of large transnational ICT companies. European trade unions coordinate activities and act as knowledge centres to facilitate efficient and effective operation of EWCs.

Globally operating ICT companies require a global trade union response. In cases of transnational restructuring, information and consultation should take place at a European level and lead to coordinated and joint action in all countries concerned.

The revision of the EWC Directive is overdue and has to improve and strengthen existing information and consultation rights. The shortcomings of the EWC Directive need to be remedied in the context of the legislative process, and not through the promotion of good practices alone.

3. European Commission and EU Institutions

Working at European level requires close contact with European institutions, mainly the European Commission, the European Parliament and the Economic and Social Committee. Main objectives are (1) to obtain information that is relevant to our members and (2) to influence European level policies and decision-making. The activities of DG Enterprise and Industry, DG Information Society and DG Employment and Social Affairs are particularly relevant for the ICT sector.

Active participation in European initiatives such as the e-skills and e-learning Forum and the e-skills Conferences is essential for trade unions.

Both EMF and UNI Europa fully support the e-skill long term agenda, the action areas and objective set out by the EU Commission's Communication "E-Skills for the 21st Century", i.e.:

- Raising awareness,
- Developing supporting action and tools,
- Fostering employability and social inclusion,
- Promoting greater and better use of e-learning,
- Promoting long term cooperation and monitoring process.

Both EMF and UNI Europa participate actively in the work of the European Committee for Standardisation and Information Society Systems (CEN/ISSS), namely in the ICT-skill workshop, which is engaged in projects such as:

- European e-competence framework
- Interoperable e-career services
- ICT certification
- ICT for end-users

4. European Social Dialogue and multi-stakeholder alliances

Establishing a framework for social dialogue with European ICT associations is a key objective for EMF and UNI Europa. Sectoral social dialogue is to be seen as a key pillar of the European social model.

Social dialogue in the European ICT sector will mutually benefit industry and employees and help to improve competitiveness through restructuring in a socially acceptable manner.

Multi-stakeholder dialogue and partnerships will be sought in order to develop jointly with social partners, academia, professional associations, NGO, etc., particular projects that require broader involvement and cooperation, such as a European e-skills portal or the European e-competence framework.

From a trade union perspective, multi-stakeholder partnerships are not to substitute, but rather to supplement social dialogue and collective bargaining. A commitment to constructive cooperation and recognition of each others' legitimacy will be an essential success factor.

5. Improving change management and global competitiveness

Driven by globalisation, swift technological and process changes, global sourcing and stock market fluctuation, the ICT sector is constantly restructuring. Since restructuring is inevitable for the industry we will have to focus on the effectiveness and quality of the management of change in order to achieve higher competitiveness and better employment.

EMF and UNI Europa have participated in the European ICT Task Force "Fostering the competitiveness of Europe's ICT industry" and share the main findings and policy recommendations such as:

- Investment in ICT, particularly by SME will have to increase in order to stay competitive with other regions and countries and to meet the Lisbon objectives:
- Improve European regulatory coherence and consistency, also to overcome the fragmentation of the European markets for ICTs and services
- Stimulating and leveraging innovation, though this can only be successful if ICT companies invest more themselves in Europe
- Driving standardisation and interoperability for products, networks and services in a converging digital world,

➤ Developing skills and employability

In this context EMF and UNI Europa emphasise the need for improved environmental sustainability and the development of “green” ICT solutions.

Efficient industrial policies at European and national levels, accompanied by company and sector-related strategies, including the ICT services sectors, must be developed by the Commission and Member States.

6. Benchmarking and best practice sharing

Trade unions will have to organise platforms (workshops, seminars, conferences, social networks, Internet based tools, etc.) for their members and representatives in the ICT sector to facilitate exchange of experience and best practice across borders and to better adjust their strategies and policies to their members' needs.

7. Developing a global profile

The ICT industry is a global industry, which is sourcing production and services around the globe according to cost and opportunity. It is important for trade unions of this industry to develop global networks and support and promote unionisation of ICT workers in emerging economies such as India, Russia, new EU Member States and Central and Eastern European and Latin American countries.

Since many transnational ICT companies are US-based, the interaction with US unions has to be strengthened and deepened.

EMF and UNI Europa also advocate for a managed migration policy in a global economy. The increasing inflow of IT professionals from outside Europe, in particular from India, may not be used to undercut terms and conditions for European ICT workers.

Increasing intra-company transfers should be addressed social dialogue between social partners and the trade unions will engage in proactive migration services in order to avoid exploitation of migrant IT workers and xenophobia among domestic workforces.